

CORPORATE GOVERNANCE FRAMEWORK FOR THE OFFICE OF
POLICE FIRE AND CRIME COMMISSIONER AND CHIEF CONSTABLE OF
NORTHAMPTONSHIRE



**JOINT CODE OF
CORPORATE
GOVERNANCE
FRAMEWORK FOR THE
POLICE, FIRE AND CRIME
COMMISSIONER AND
THE CHIEF CONSTABLE
FOR
NORTHAMPTONSHIRE
(Inc. consent and delegations)**

Published August 2021

Commencement Date 1 October 2021

CORPORATE GOVERNANCE FRAMEWORK FOR THE OFFICE OF POLICE
FIRE AND CRIME COMMISSIONER AND CHIEF CONSTABLE OF
NORTHAMPTONSHIRE

IMPLEMENTED:

REVIEW DATE: July 2021

PROCEDURE OWNER: Northamptonshire OPFCC

APPROVED BY:

PROTECTIVE MARKING: Not Protectively Marked

Is this framework: New ☐ Revised ☒

Version No	Date	Summary of Changes	Author
1.0	December 2016		
2.0	September 2017	Review 2.0	Tantty Gallacher
3.0	July 2021	Review 3.0	Leanne Hanson, Kate Osborne, Vaughan Ashcroft, Helen King, Nicci Marzec
4.0			

References in this Governance Framework to:

- the “Chief Constable” means the Chief Constable of Northamptonshire Police;
- the “Commissioner or the PFCC” mean the Police, Fire and Crime Commissioner for Northamptonshire
- the “OPFCC” means the Office of Police, Fire and Crime Commissioner for Northamptonshire
- the “Monitoring Officer” means Monitoring Officer of the Office of Police, Fire and Crime Commissioner Northamptonshire
- the “force area” means the police force area of Northamptonshire; and
- the “Police Force” mean Northamptonshire Police
- the “PFCC CFO” means the Chief Finance Officer of the PFCC
- the “CC CFO” means the Chief Finance Officer for the Chief Constable

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1. JOINT STATEMENT OF CORPORATE GOVERNANCE FOR THE POLICE, FIRE AND CRIME COMMISSIONER AND THE CHIEF CONSTABLE

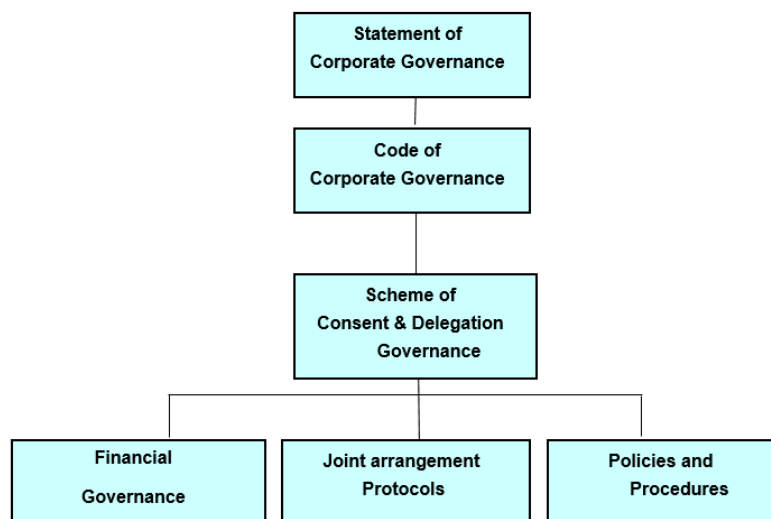
1.1 Introduction and Background

The purpose of this joint Scheme of Corporate Governance is to set out how the Police, Fire and Crime Commissioner (PFCC) and the Chief Constable conduct their organisations, both jointly and separately in accordance with the Statutory Framework, Principles of Good Governance and Governance Framework as contained in the Statement of Corporate Governance, by identifying the key enablers which underpin the seven Good Governance Core Principles¹ as adapted by the PFCC and the Chief Constable.

The detail of how both corporation soles work together to ensure good governance and is detailed within Part A of this joint code of Corporate Governance. Particularly this includes the scheme of consent, which specifically details delegation to statutory officers that applies to these Financial Regulations

1.2 Instruments of Governance

The elements of governance are set out below:



1.3 Review

The Scheme provides a commitment to the public of how the PFCC and Chief Constables make decisions. It will be kept under regular review (at least annually).

The PFCC may require specific reporting arrangements to be put in place regarding any delegated powers.

¹ [CIPFA/SOLACE DELIVERING GOOD GOVERNANCE 2016](#)

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2. CODE OF CORPORATE GOVERNANCE

2.1 Introduction

This code of corporate governance sets out how the Commissioner and Chief Constable will govern their organisations both jointly and separately in accordance with policy contained within statement of corporate governance. It will do this by highlighting the key enablers for ensuring good governance.

2.2 Context

This Code sets out how the organisations will govern, using the good governance core principles² as the structure for setting out the statutory framework and local arrangements.

2.3 Code of Corporate Governance

The seven core principles of good governance are as follows:

Principle One: behave with integrity, demonstrate strong commitment to ethical views and respect the rule of the law	There is an expectation that the relationship between all parties will be based on the principles of goodwill, professionalism, openness and trust. The Policing Protocol requires all parties to abide by the seven principles of public life (the Nolan Principles) and these are central to the behavior of everyone in the organisation. The Police, Fire and Crime Plan outlines the PFCC's police, fire and crime priorities, outcomes and strategic direction for the policing of Northamptonshire and the Policing Plan sets out how the Chief Constable will deliver the objectives. These plans have been developed in consultation with the local community and other key stakeholders. The PFCC and Chief Constable ensure that the good governance principles are embedded in the way organisations operate by adhering to the Financial Management Code of Practice (Home Office 2013). Operating principles and values are demonstrated, communicated and embedded through appropriate policies and processes which are reviewed on a regular basis, for example: • Anti-fraud and corruption procedures • Handling of complaints arrangements • Whistleblowing policies Core values are embedded in the way the force and the PFCC operate. Staff are aware of the standards expected of them and the importance of the national Code of Ethics.
Principle Two: Ensure openness and comprehensive stakeholder engagement	The PFCC is accountable to local people and draws on this mandate to set and shape the strategic objectives for the force area in consultation with the Chief Constable, taking into account the strategic policing requirements. The PFCC and Chief Constable have arrangements for effective engagement with community groups, victims and other key stakeholders. Arrangements are in place to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the PFCC including the use of website and social media. The PFCC maintains a strong working relationship with the Police, Fire and Crime Panel, constituent local authorities and other relevant partners. The Decision Making Framework sets out the principles behind how decisions will be taken by the PFCC and the Chief Constable to ensure that decision making is informed and transparent, and subject to scrutiny and risk management arrangements. The OPFCC website contains the means by which the public may obtain decisions made by the OPFCC, except for decisions constrained by operational and legal constraints exist.

² As at Footnote1

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Principle Three: Defining outcomes in terms of sustainable economic, social and environmental benefits	Under the Police Reform and Social Responsibility Act 2011, the PFCC has issued a police, fire and crime plan which defines the police and crime objectives (outcomes) and the strategic direction for policing. Each corporation sole has regard to the plan, and the PFCC has regard to the priorities of the responsible authorities during its development. The Policing Plan sets out how the Chief Constable will deliver the objectives. These plans have been developed in consultation with the local community and other key stakeholders. Collaboration and partnership arrangements set out those areas of business to be jointly undertaken with other forces or local partner organisations in order to reduce costs, increase capacity and/or increase resilience to protect local people. The Medium Term Financial Plan is jointly developed and reviewed by the PFCC and Chief Constable to support delivery of the common goals and objectives. The joint finance regulations ensure proper financial management. The PFCC has developed a commissioning and award of grants framework outlining commissioning intentions and priorities. The PFCC and Chief Constables have in place a range of complaints protocol to provide clarity over arrangements to respond to the breadth of concerns raised by local people, whether they be allegations of organisational or individual failures/concerns. This is intended to complement other statutory arrangements.		
Principle Four: Develop the entity's capacity, including the capability of its leadership and the individuals within it	The People Strategy sets out the strategic HR priorities for the OPFCC and the force. It also supports and aligns with the strategies of collaborative partners. The OPFCC and the Force adopts the Guiding Principles for Organisational Leadership, as advocated by the College of Policing and the National Police Chief's Council to continuously develop the capability of its leadership. Workforce Design ensures that staff have the appropriate skills knowledge, resources and support to fulfill their roles.	Principle Five: Manage risks and performance through robust internal control and strong public financial management	The PFCC and Chief Constable Decision Making Framework sets out the principles behind how decisions will be taken to ensure an informed and transparent approach. The national decision making model will be applied towards spontaneous incidents or planned operations, by officers or staff within the force as individuals or teams and to both operational and non-operational situations. The scheme of governance highlights the parameters for decision making for the organisations, including the delegations, consents, financial limits and standing orders for contracts. The risk management strategy and policy sets out how risk is managed throughout the various elements of corporate governance of the organisations.
Principle Six: Determine the interventions necessary to optimise the achievement of the intended outcomes	The PFCC and Chief Constable's functions are set out in the Police Reform and Social Responsibility Act 2011. The functions are undertaken in line with the Policing Protocol Order 2011 in order to achieve the outcomes of the police and crime plan. As required by the 2011 Act, the PFCC has appointed a Monitoring Officer/ Deputy Monitoring Officer who will act as head of paid service and undertake the responsibilities of monitoring officer. Both the PFCC and the Chief Constable has appointed Chief Financial Officers. The responsibilities of the CFO's for both the PFCC and the Chief Constable are clearly set out in line with the Financial Management Code of Practice (Home Office, 2018). A joint independent audit committee (operates within the CIPFA guidance and in accordance with the Financial Management Code of Practice. A programme of internal audit is commissioned and undertaken which reflects published guidance on standards.		
Principle Seven: Implementing good practices in transparency, reporting and audit to deliver effective accountability	The PFCC and the Chief Constable maintains a medium term financial strategy which forms the basis of annual budgets and provides a framework for evaluating future proposals. Analysis and evaluation of plans are undertaken in relation to service outcomes and benefits realisation. Processes are in place to monitor efficiency and value for money. Officers, police support staff and staff of the OPFCC operate within: • OPFCC or force policies and procedures • The joint code of corporate governance • Code of ethics (College of Policing, 2014).		

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3. SCHEME OF CONSENTS AND DELEGATION

3.1 Introduction

The Scheme of Consent and Delegations is a key document within the Joint Scheme of Governance and is a record of the formal consents and delegations as required by the Home Office Financial Management Code of Practice (2018).

The Scheme details the key roles of the PFCC and Chief Constable and sets out the activities which the Chief Constable is able to act in his/her own name, through the consent of the Commissioner. Consent refers to the formal approval or agreement by the Commissioner for the Chief Constable to act in the Chief Constable's name, as opposed to the name of the Commissioner.

3.2 General Principles

With the exception of those matters listed in paragraph 3.4 below, the Scheme allows any person, with appropriate authority, to delegate that power further. Any such sub-delegation does not relieve the person who has sub-delegated a power from due responsibility for any decision taken by a person they have authorised to act on their behalf.

The Commissioner expects anyone exercising consented or delegated powers under this Scheme to draw their attention to any issue which is likely to be regarded by them as novel, contentious or potentially repercussive before exercising such powers. This includes any potential financial liability.

The PFCC has the discretion to limit and/or withdraw the powers consented or delegated by them at any time, provided that the reasons for doing so are documented in writing.

The PFCC may ask that a specific matter is referred to them for a decision and not dealt with under powers of delegation.

The PFCC must be advised of any policing and crime matter which may have a significant impact, as defined within the decision making framework³, on the people of Northamptonshire.

The Scheme does not prevent an individual from referring a matter to the Commissioner for a decision if the individual thinks this is appropriate. For example, these may be due to their novel, contentious nature or may be potentially repercussive.

In this document, all references to specific roles include those authorised by them to act on their behalf.

³ Accessible via <https://www.northantspfcc.org.uk/our-information/transparency/>

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The Monitoring Officer and the Chief Finance Officer of the Commissioner have statutory powers and duties relating to their positions, and therefore do not rely on matters being delegated to them to discharge those responsibilities.

Individuals are responsible for ensuring that members of staff they supervise are aware of and understand provisions and obligations of this Scheme.

This Scheme provides an officer with the legal power to carry out duties of the PFCC. In carrying out these duties, the officer must comply with all other statutory and regulatory requirements and relevant professional guidance.

When carrying out any duties, the PFCC and any officers named in this Scheme must have regard to:

- i. [The Police and Crime Plan](#)
- ii. Any report or recommendations made by the Police, Fire and Crime Panel on the annual report for the previous financial year.

The following sections set out further detail on the roles and responsibilities, delegations and consents including those matters not to be delegated or consented to the Chief Constable or the Monitoring Officer of the Office of Police and Crime Commissioner.

3.3 Key Roles and Responsibilities

This Scheme does not seek to list all statutory duties of the Commissioner and Chief Constable but, sets out a summary of the legal powers and duties of the Commissioner⁴ and the Chief Constable⁵.

To deliver these functions, the PFCC will, where necessary or appropriate:

- (i) Commission services to be provided by the Force for the public, specifying clearly what functions the Force will be required to provide as part of the allocation of assets and funds to the Chief Constable
- (ii) Commission other providers to provide any function required to deliver services to the public to discharge the PFCC's statutory duties

How this operates in practice is set out in the OPFCC Commissioning Framework⁶. This framework will be reviewed as appropriate in line with budget and precept considerations

⁴ as established by legislation and summarised within the [Policing Protocol Order 2011](#)

⁵ as defined by the [Police Reform and Social Responsibility Act 2011](#) and Policing Protocol Order 2011

⁶ Accessible here: <https://www.northantspfcc.org.uk/our-information/policies-and-property/>

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<i>Police, Fire and Crime Commissioner</i>	<i>Chief Constable</i>
To hold the Chief Constable to account on behalf of the public for the performance of the Force	The Chief Constable is responsible for maintaining the Queen's Peace and has direction and control over the Force's officers and staff. The Chief Constable holds office under the Crown but is appointed by the PFCC.
Enter into collaboration agreements that improve the efficiency and effectiveness of policing for one or more police force, in consultation with the Chief Constable (where it relates to the functions of the police force, then it must be with the agreement of the Chief Constable)	The Chief Constable is accountable to the law for the exercise of police powers and to the PFCC for the delivery of an efficient and effective police force, including for the management of resources and expenditure by the Force. At all times the Chief Constable, their constables and staff, remain operationally independent in the service of the communities they serve.
To be the recipient of all funding related to policing	To appoint the Force's officers and staff (after consultation with the PFCC in the case of officers above the rank of Chief Superintendent and police staff equivalents)
Appoint, suspend and if necessary remove the Chief Constable	
Secure the maintenance of an efficient and effective police force for Northamptonshire	To lead in the Force in a way that is consistent with the attestation made by all constables on appointment and ensuring that it acts impartially
Set the budget, determine the level of precept and allocate funds and assets (including the allocation of such assets and funds to particular functions) to the Chief Constable	To provide the PFCC with access to information, officers and staff as required. Such access to any information must not be unreasonably withheld or obstructed by the Chief Constable and/or fetter the Chief Constable's discretion and control of the Force.
Ensure that the Chief Constable puts the appropriate measures and resources in place to secure strong financial management	To support the PFCC in the delivery of the strategy and objectives set out in the Police and Crime Plan
Set the strategic direction and objectives of the Force through the Police and Crime Plan, having regard to the Strategic Policing Requirement	To have regard to the Strategic Policing Requirement when exercising and planning their policing functions in respect of the Force's national and international policing responsibilities
Enter into collaborations, partnerships and contracts with other parties other than police forces	Notifying and briefing the PFCC of any matter or investigation which they may need to provide public assurance either alone or with the PFCC
Publish information specified by the Secretary of State and any information the PFCC considers necessary to enable the people of the force area to assess performance	To be the operational voice of policing in the Force area, and to regularly explain to the public the operational actions of officers and staff under their command
Monitor all complaints made against officers and staff, having responsibility for complaints against the Chief Constable	To enter into collaboration agreements with other Chief Constables, other policing bodies and partners that improve the efficiency and effectiveness of policing, subject to the agreement of the PFCC

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<i>Police, Fire and Crime Commissioner</i>	<i>Chief Constable</i>
Produce an annual report to the Police, Fire and Crime Panel on delivery against the Police and Crime Plan	To remain politically independent of the PFCC
The Police, Fire and Crime Commissioner has responsibility to receive, assess and record all new and initial complaints relating to Police Officers and staff. He also has responsibility to make initial contact with complainants. The PFCC has responsibility for being the appropriate authority for all complaints relating to the Chief Constable. The PFCC also has responsibility for all reviews of complaints, managed under Schedule 3, Police Reform Act 2002. The PFCC has a responsibility to hold the Chief Constable to account for the manner in which they administer the Police complaints process.	The Chief Constable is the appropriate authority for the investigation of complaints up to and including the rank of Deputy Chief Constable for complaints recorded under Schedule 3 of the Police Reform Act 2002.
Have responsibility for the enhancement of the delivery of the criminal justice system in their area	The Chief Constable must appoint a person to be responsible for the proper administration of the Force's financial affairs, in accordance with the Financial Management Code of Practice, as issued by the Home Office.
Appoint a Monitoring Officer and Chief Finance Officer to ensure the appropriate management of staff and budgets on behalf of the PFCC	
Ensure the delivery of services for victims within their area	To ensure that serious complaints and conduct matters are passed to the Independent Office for Police Conduct (IOPC)
Approve any requests for financial assistance to officers in legal proceedings.	
Hear the voice of the public	To exercise the power of direction and control in such a way as is reasonable to enable the PFCC to have access to all necessary information and staff within the Force
Have oversight of the delivery of community safety and crime reduction in the area	
Make Crime and Disorder Reduction Grants	To oversee and be accountable for the financial management of the Force within the framework of the agreed budget allocation and levels of authorisation issued by the PFCC

3.4 Matters that will not be delegated by The PFCC

The Police Reform and Social Responsibility Act 2011 makes provisions for the PFCC to appoint a deputy to undertake any functions of the Commissioner with the exception of:

- (i) Approving and issuing the [Police and Crime Plan](#)
- (ii) Appointing, suspending and removing the Chief Constable
- (iii) Approving the budget requirement for the purpose of issuing a precept

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There is no deputy PFCC at Northamptonshire PFCC, should a deputy be appointed the delegations shall be enacted as above.

The Police Reform and Social Responsibility Act 2011 makes provision for the PFCC to appoint other staff to carry out their functions. In addition to those functions listed within 3.4, the following are also defined in the Act as being matters that cannot be delegated:

- (i) Determining the police and crime objectives in the [Police and Crime Plan](#)
- (ii) Attendance at the Police, Fire and Crime Panel for specified duties
- (iii) Approving the annual report to the Police, Fire and Crime Panel

In addition, the Commissioner, except in exceptional and urgent circumstances, will not delegate decisions of Significant Public Interest. A full definition of decisions of Significant Public Interest can be access [here](#).

Should the PFCC be unable to act for any reason, the Police Reform and Social Responsibility Act 2011 makes provisions for the Police, Fire and Crime Panel to appoint an Acting Commissioner and subsequently, should the Commissioner be unable to return to their duties, a by-election would be triggered.

Should any decision be required of the Commissioner whilst unable to act and prior to the Police, Fire and Crime Panel meeting to appoint an Acting PFCC, the delegated powers to the Monitoring Officer and Chief Finance Officer within this Scheme are enacted.

3.5 Consents to the Chief Constable

In addition to the statutory duties of the Chief Constable (as outlined in the Police Reform and Social Responsibility Act 2011 and Policing Protocol Order 2011), the PFCC can give consent to functions being undertaken by the Chief Constable in their own name and as a separate legal entity.

Consents to the Chief Constable	
Assets	
Ownership	The Police, Fire and Crime Commissioner will own and fund all assets, regardless of whether they are used by the Office of the Police, Fire and Crime Commissioner or by both.
Acquiring and Disposing of Assets	The Commissioner does not give consent for the Chief Constable to purchase or lease land and buildings in his own name.
	The Commissioner gives consent for the Chief Constable or their delegate to buy or lease assets (other than land or buildings) in the name of the Commissioner where those assets are needed to deliver operational policing, subject to the requirements of the Financial Regulations, Contract Standing Orders and Scheme of Delegations.
	The Chief Constable may dispose of surplus vehicles or items of equipment without prior approval from the Commissioner.

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Consents to the Chief Constable	
Assets	
Daily Administration of Assets	The Commissioner consents for the Chief Constable or his/her delegate to undertake the responsibility for the day to day management of all assets used by the Force and the administration of property owned or leased by the Office of the Police, Fire and Crime Commissioner.
Management and Direction of the Police Force	
Human Resources	To approve the retirement; in the interests of the efficiency of the service, of employees and to report to the PFCC on this issue each year.
	To bring national agreements on salaries, wages and conditions into effect on the clear understanding that any issues which are sensitive or have major financial implications will be referred to the PFCC for a decision
	To negotiate with, and reach agreements with, recognised trade unions and staff associations on any matters that can be decided locally. Any significant agreements must be reported to the PFCC.
Operational Delivery and Financial Management	The numbers and locations of officers and staff to deliver the requirements set out by the PFCC in the Police and Crime Plan and specific objectives to the Force, subject to any conditions attached to the cash limit set for the Force by the PFCC.
	Detailed financial management delegations are set out in Financial Regulations within this Scheme in Section 4.
	To provide the functions detailed by the PFCC as part of the annual budget settlement for the Force, delivering them within cash limits and meeting any conditions of the funding imposed by the PFCC.

3.6 Functions delegated to the Monitoring Officer of the Office of the PFCC

The Monitoring Officer is the most senior officer of the OPFCC and is the Head of Paid Service. This statutory appointment is made under Schedule 1 to the Police Reform and Social Responsibility Act 2011. For the purposes of section 5(1) of the Local Government and Housing Act 1989 (as amended by Reform and Social Responsibility Act 2011) the Monitoring Officer is designated as the body's monitoring officer with responsibility for ensuring the legality of the actions of the policing body and its officers.

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Delegations to the Monitoring Officer of the OPFCC	
Strategic Delivery	
Operational Delivery	To take day to day action to ensure the efficient and effective management of the Office of the PFCC, including the appointment or dismissal of all staff and volunteers with the exception of the Deputy PFCC
	Ensure the discharge of the PFCC's functions, with the exception of those matters within Section 3.4 of this Scheme, giving effect to the decisions and direction of the PFCC
	In the event of the PFCC being unable to act for any reason, and if there is a need and before the Police, Fire and Crime Panel are able to meet to appoint an Acting PFCC, to take urgent decisions of significant public interest, other than those precluded under paragraph 3.4 of this Scheme. Where decisions are taken under this provision, the Monitoring Officer will inform the PFCC at the earliest opportunity.
Public Engagement and Consultation	To respond to consultations on proposals affecting the PFCC.
	To ensure that appropriate arrangements are in place to gather community's views on policing and crime in Northamptonshire.
Police and Crime Panel and Plan	Prepare an Annual Report for submission to the Commissioner for the Commissioner to fulfil his statutory duty to report annually on progress against the Police and Crime Plan to the Police and Crime Panel.
	Provide information to the Police and Crime Panel as lawfully and reasonably required to enable the Panel to carry out its functions
ICV Scheme	To administer the Independent Custody Visitors (ICV) Scheme and any other volunteer schemes including the appointment, suspension and removal of custody visitors and other volunteers.
Pension Supervisory Authority and Legal Matters	To ensure compliance with the responsibilities of the PFCC as the Pension Supervising Authority for the Chief Constable Pension.
	To obtain legal or other expert advice in matters pertaining to the OPFCC.
	To commence, defend, withdraw or agree financial settlements of all claim or legal proceedings where required, on the PFCC's behalf in consultation with the PFCC CFO.
Human Resources	To make recommendations to the PFCC with regard to staff terms and conditions of service in respect of the PFCC's staff in consultation with the PFCC CFO
	To consider, with the PFCC, any complaint made against the Chief Constable, and where appropriate, to make arrangements for appointing an officer to investigate the complaint.
	To oversee the way that complaints against officers and staff within Northamptonshire Police are managed so this is efficient and effective and to advise the PFCC on this basis.

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Delegations to the Monitoring Officer of the OPFCC	
Strategic Delivery	
Human Resources	The Monitoring Officer may appoint a Deputy in consultation with the PFCC, to be able to act on the delegations in their absence.
	To facilitate the management of appeals made by police officers against the Chief Constable's decision to require retirement due to ill health and to implement the subsequent awards made, in line with the provisions of the Police and Pensions Regulations
Transparency and Publication	To ensure compliance with the requirements for publication of all aspects of the Local Policing Bodies (Specified Information Order 2011).
	To decide on whether any information to support a decision taken by the PFCC and published by Decision Record should be exempt from being published under the exemptions contained within the Local Government Act 1972 – Schedule 12A.
	To fix fees for copies of documents and extracts of documents requested under the Freedom of information Act 2000, or the Data Protection Act 1998, or otherwise
Financial and Commercial	
Indemnity and Insurance	To consider, in consultation with the Chief Finance Officer, whether to provide indemnity to the PFCC and to deal with or make provision to deal with other matters arising from any proceedings relating to them.
	To consider and approve, in consultation with the Chief Finance Officer, provision of indemnity and/or insurance to individual staff of the PFCC in accordance with the Local Authorities (Indemnities for Members and Officers) Order 2004.
Finance and Contracts	To make financial and contractual decisions as outlined in the Financial Regulations and Contract Standing Orders.
	Specific financial delegations to the Monitoring Officer include: (i) To sign all contracts on behalf of the Police, Fire and Crime Commissioner in accordance to the financial regulations and contract standing order, and; (ii) To approve exceptional cases in the provision of police advice and assistance to international agencies because the total cost is £4,000 or more (including air flights, accommodation and salary costs of the police officer or member staff) or it is a sensitive case involving travel to a politically sensitive country.
	To affix the common seal of the Northamptonshire Police, Fire and Crime Commissioner to all contracts, where any of the following applies: (i) There is a particular need for the seal to be attached; (ii) Where any of the contracting parties require it.

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3.7 Functions delegated to the Chief Finance Officer of the PFCC (PFCC CFO)

The Chief Finance Officer is the financial advisor to the PFCC and has statutory responsibilities as set out in Section 151 of the Local Government Act 1972, sections 112 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2011. They must ensure that the financial affairs of the PFCC are properly administered having regard to probity, legality and relevant standards

The Financial Regulations at Section 4 in this Scheme set out the responsibilities of the Chief Finance Officer.

Functions delegated to the PFCC CFO	
Financial Management	
Treasury Management	To approve the arrangements for the Treasury management function including the day to day management, production of Treasury management strategy and supporting policies and procedures
Financial Accounts and Budgetary Management	To approve the arrangement and preparing the PFCC's accounts and annual governance statement (AGS)
	Be responsible for all banking arrangements and authorise the creation and closure of any account
	To undertake financial management of the Police, Fire and Crime Commissioner's budget in accordance with the Financial Regulations
	To commit expenditure within the approved budget to meet the policies and objectives agreed with the PFCC and reflected in the Policing Plan
	To manage grants awarded to the PFCC
Regulations, Policies and Procedures	To prepare, from time to time, draft financial and contract regulations, in consultation with, and having due regards to the view of the Force, for approval by the PFCC.
Money Laundering Officer	To act as the money laundering officer under the Proceeds of Crime Act 2002, and Money Laundering Regulations 2003 or other appropriate legislation from time to time in force
Operational Delivery	In the event of the PFCC being unable to act for any reason, and before the Police, Fire and Crime Panel are able to meet to appoint an Acting PFCC, to take urgent decisions of significant public interest, other than those precluded under paragraph 3.2 of this Scheme. This will be undertaken normally following consultation with the Monitoring Officer. Where decisions are taken under this provision, the Chief Finance Officer will inform the PFCC at the earliest opportunity.
Human Resources	The PFCC CFO may appoint a Deputy in consultation with the PFCC, to be able to act on the above delegations in their absence.

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3.8 Delegation to the Chief Finance Officer of the Chief Constable (CCCFO)

There is a statutory responsibility for the post holder to manage the Force's financial affairs, in accordance with sections 112 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2003 (as amended).

The detailed financial management responsibilities of the CCCFO, which includes a number of delegated powers, are set out in the financial regulations. The CCCFO is also the Chief Constable's nominated s151 officer.

Chief Constable's delegation to the CCCFO	
Financial Management	
Financial and Budgetary Management	To ensure that the financial affairs of the Northamptonshire Police are properly administered having regards to probity, legality, financial regulations and appropriate standards.
	To plan the Force's budget in conjunction with the PFCC
	To approve arrangements for securing and preparing the financial accounts for the Force, including preparation of the Annual Governance Statement (AGS)
	To be responsible for the day to day management of the budget delegated to Northamptonshire Police in accordance with financial regulations
Human Resources	The CC CFO may appoint a Deputy in consultation with the Chief Constable, to be able to act on the above delegations in their absence.
Non-Policing Services Agreements	To approve all agreements for the provision of non-policing services to other organisations within the Force area in line with the financial regulations, This does not apply to provisions of mutual aid by the Chief Constable to another Force under section 24 of the Police Act 1996, or the provision of advice of assistance to international organisations under the Police Act 1996, which are operational matters. However, these are subject to consultation with the PFCC.

3.9 Delegation to the Head of Legal Services

Delegations to the Head of Legal Services (or his Deputy)	
Legal Services	Institute, defend or participate in legal actions to protect the interests of the Force
	Provide advice, institute and defend legal proceedings on behalf of the Police, Fire and Crime Commissioner when requested to do so
	To review and approve settlement of claims brought against the PFCC and CC with a settlement value as per delegated limited details in Section F

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**OFFICE OF NORTHAMPTONSHIRE
POLICE, FIRE AND CRIME COMMISSIONER
AND
NORTHAMPTONSHIRE POLICE**

FINANCIAL REGULATIONS

May 2021

CORPORATE GOVERNANCE FRAMEWORK FOR THE OFFICE OF POLICE FIRE AND CRIME COMMISSIONER AND CHIEF CONSTABLE OF NORTHAMPTONSHIRE

4. FINANCIAL REGULATIONS

4.1 OVERVIEW

- (i) Public sector accounting is covered by a range of government legislation and accounting standards that are designed to ensure proper accountability for public funds, including:
 - The Local Government Act 1972
 - The Local Government Finance Act 1988
 - The Accounts and Audit Regulations 2003, 2006 and 2011
- (ii) In addition, the Home Office has issued a Financial Management Code of Practice (FMCOP) under section 17 of the Police Reform and Social Responsibility Act 2011 and section 39 of the Police Act 1996 which permit the Secretary of State to issue codes of practice to all Police and Crime Commissioners (Commissioner) and Chief Constables.
- (iii) The Police Reform and Social Responsibility Act 2011 defined arrangements for separate corporations sole for the Police, Fire and Crime Commissioner (PFCC) and Chief Constable (CC), each of which is required to appoint a Chief Finance Officer (CFO). The FMCOP deals specifically with the financial management of the corporations sole of the PFCC and CC. The professional responsibilities of the PFCC and CC CFOs are defined in the FMCOP and in a CIPFA Statement issued in September 2012, "Responsibilities of the CFO to the PFCC and the CFO to the CC".
- (iv) As separate corporations sole, both are enabled by law to employ staff and hold funds in their official capacity. Chief Constables are charged with the impartial direction and control of all constables and staff within the police force that they lead. The staff of the Commissioner are accountable to the directly elected holder of that office.
- (v) The public accountability for the delivery and performance of the police service is placed into the hands of the Commissioner on behalf of their electorate. The Commissioner draws on their mandate to set and shape the strategic objectives of their force area in consultation with the Chief Constable. The Commissioner is accountable to the electorate; the Chief Constable is accountable to their Commissioner. The Police, Fire and Crime Panel is empowered to maintain a regular check on the performance of the Commissioner in that context.
- (vi) The Commissioner within each force area has a statutory duty and electoral mandate to hold the police to account on behalf of the public.
- (vii) The Commissioner is the recipient of all funding, including the government grant and precept and other sources of funding, related to policing and crime reduction and all funding for a force must come via the Commissioner. How this money is allocated is a matter for the Commissioner in consultation with the Chief Constable, or in

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accordance with any grant terms. The Chief Constable will provide professional advice and recommendations.

- (viii) To conduct its business effectively, any organisation needs to ensure that sound financial management policies are in place and that they are strictly adhered to. Part of this process is to adopt and implement Financial Regulations. These Regulations have been drawn up in such a way as to ensure that the financial matters are conducted properly and in compliance with necessary requirements.
- (ix) The Regulations are designed to establish overarching financial responsibilities, to confer duties, rights and powers upon the Commissioner and those for whom they are responsible and to provide clarity about the financial accountabilities of groups or individuals. They apply to every member and officer of the service and anyone acting on their behalf.
- (x) A modern organisation should also be committed to innovation, within the regulatory framework, providing that the necessary risk assessment and approval safeguards are in place.

4.2 STATUS

- (i) These Financial Regulations should not be seen in isolation, but rather as part of the overall regulatory and governance framework that includes the policing protocol, codes of governance, codes of conduct, scheme of consent, scheme of delegation and Contract Standing Orders
- (ii) The Commissioner and all employees have a general duty to take reasonable action to provide for the security of assets under their control and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value. Financial Regulations explain the working financial relationship between the Commissioner and the Chief Constable and their respective Chief Financial Officers, having regard also to the role played by the PFCC's MO.
- (iii) These regulations include responsibilities for Statutory Officers and it is the responsibility for each of the Statutory Officers to fulfil these requirements individually and by working together.
- (iv) The Commissioner is responsible for approving or amending Financial Regulations for the OPFCC. The CFO to the Commissioner is responsible for maintaining a review of Financial Regulations and submitting any additions or amendments to the Commissioner, after consulting with the Chief Constable, the Force CFO.
- (v) Senior 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
- (vi) Any case of potential non-compliance with these regulations or Standing Orders should be reported immediately and directly to the CFO to the Commissioner. Breaches of Financial Regulations of a serious nature may result in disciplinary proceedings and, potentially, criminal action.

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- (vii) The Commissioner 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.

4.3 CONTENT AND DELEGATED LIMITS

The Financial Regulations are divided into a number of sections, each with detailed requirements relating to the section heading. References are made throughout the individual sections to delegated limits of authority. These are also summarised in Section F in order to avoid reviewing the whole set of Financial Regulations when changes to delegated limits are made. Section F contains the appropriate cross-reference to the regulation in question

- Section A - Financial management framework
- Section B - Financial planning and Control
- Section C - Management of risk and resources
- Section D - Systems and procedures
- Section E - External arrangements
- Section F - Summary of delegated limits

4.4 DEFINITIONS WITHIN THE REGULATIONS

- (i) The 'Office of the Police, Fire and Crime Commissioner for Northamptonshire (OPFCC) when used as a generic term shall refer to the PFCC, the Monitoring Officer, the PFCC CFO, and staff under the PFCC direction.
- (ii) The 'Force' shall refer to the CC, CC CFO, police officers, the special constabulary, and police staff under their direction.
- (iii) Within these Regulations, references have been made to the responsibilities of the CC since the responsibility for financial management of the funds delegated to the Force is delegated to the CC and is vested with the post of Force's Chief Finance Officer (S151). Where responsibility for financial management has not been delegated to the CC and is vested with the PFCC or PFCC CFO, the duties, rights and powers as detailed for the CC shall apply equally to the PFCC CFO.
- (iv) The terms CC, CC CFO, PFCC, PFCC Monitoring Officer and PFCC CFO include any member of staff, contractors or agents to whom particular responsibilities may be delegated. However, the level of such delegated responsibility must be evidenced clearly, made to an appropriate level, and the member of staff given sufficient authority, training and resources to undertake the duty in hand.
- (v) The Statutory Officers referred to relate to the Chief Constable, the Monitoring Officer, and the two Chief Financial Officers.

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- (vi) The Monitoring Officer also fulfils the monitoring officer role of the OPFCC.
- (vii) “Senior officers” is a generic term relating to all officers with managerial responsibility for resources and their use.
- (viii) ‘Employees’ when referred to as a generic term shall refer to police officers, police staff and other members of the wider police family. The expression ‘authorised officer’ refers to employees authorised by a chief officer.
- (ix) The expression ‘contract’ refers to any commitment (including purchase orders, memoranda of understanding, leases and service level agreements) to acquire, purchase or sell goods, services or building works made on behalf of the Commissioner, the Force or their affiliated bodies.
- (x) The expression ‘best value for money’ shall mean the most economic, efficient and effective means of meeting the need and takes account of whole life costs.
- (xi) The expression ‘he’ shall refer to both male and female.
- (xii) A virement is a planned and approved reallocation of resources between budgets or heads of expenditure.

SECTION A: FINANCIAL MANAGEMENT FRAMEWORK

A1 INTRODUCTION

- (i) The Home Office advises on the roles and responsibilities of the PFCC, the Force and statutory officers. The PFCC CFO and the CC CFO have certain statutory obligations and the PFCC Monitoring Officer a specific monitoring role.
- (ii) As far as possible, financial management should be delegated to the PFCC CFO and the CC CFO acting on behalf of the Commissioner and the CC respectively. The CC should actively encourage devolution of financial budgets within the Force, provided that the financial information used to support this devolution is reliable, accurate, timely and complete.
- (iii) Devolved budget monitoring responsibilities will ensure greater accountability within the Force.
- (iv) The PFCC has responsibility for the Police Fund with the specific responsibilities of the PFCC and CC being defined in the Home Office FMCOP. The professional responsibilities of the PFCC CFO and CC CFO are defined in the FMCOP and in a CIPFA Statement.

A2 THE ROLE OF THE PFCC

Key aspects of the PFCC’s role is set out in the scheme of Consents and Delegation at paragraph 3.3 Key Roles and Responsibilities. In addition, the PFCC is also responsible for:

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Role of the PFCC
Identify and agree the medium term financial strategy of the PFCC and any long term spending commitments.
Agree the Treasury Management Strategy and policies, including the annual investment strategy.
Participate in inspections and audits of the Force and the PFCC.
Comply with all relevant codes of conduct and maintain the highest standards of conduct and ethics.
Approve Financial Regulations and any amendments to them, as drawn up between the PFCC Monitoring Officer, the CC, the PFCC CFO and the CC CFO.
Ensure that the internal control environment meets proper requirements including a Risk Management Strategy and recommendations from internal and external audit are actioned.
Be responsible for the ownership of property including the Asset Management Strategy.
Delegate financial management of the Force budget to the CC and CC CFO so that the CC CFO has as much day to day responsibility for financial management of the Force as possible within the framework of the agreed budget and rules of virement.
Role of the PFCC
Be responsible for approving procedures for recording and reporting decisions taken and for monitoring compliance with agreed policy and related executive decisions.
Where appropriate draw up financial procedures (subject to these Financial Regulations) to apply specifically to the Office of the Police, Fire and Crime Commissioner.

A3 THE ROLE OF THE CC

The role and responsibilities of the CC set out in the scheme of Consents and Delegation at paragraph 3.3 Key Roles and Responsibilities. In relation to financial management the role includes:

Role of the Chief Constable
The CC shall prepare Financial Regulations for the Force, in consultation with CC CFO (in liaison with the PFCC CFO). The CC shall ensure that all employees are made aware of the existence of these Regulations and are given access to them. Where appropriate, training shall be provided to ensure that the Regulations can be complied with.
Comply with financial policies and procedures for use by the Force including the Scheme of Delegation, ensuring that officers and staff comply with them and with the Force's own Financial Regulations.

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Role of the Chief Constable
Draw up financial policies and financial instructions in consultation with the CC CFO (in liaison with the PFCC CFO), who must be satisfied that they provide for effective managerial control and review.
Exercise delegated financial responsibilities and assume, with his staff, as much day-to-day responsibility for financial management of the Force as possible within the framework of the agreed budget and rules of virement.
Seek approval from the Commissioner when he intends to make significant change of policy or seeks to move significant sums, in accordance with agreed virement rules, of their budget.
Ensure the provision of professional advice to the PFCC.
Ensure proper financial management of resources allocated to them through the budget or arising from income generated by activities within the operational area, including control of officers, staff, security, custody and the management and safeguarding of assets. Ensure all resources are used efficiently and effectively.
Where consented by the PFCC, responsible for the management of property and contracts.
Advise the PFCC on financial propriety for areas under their control.

A4 The Role of the Joint Independent Audit Committee (JIAC)

The Home Office Financial Management Code of Practice states that the Commissioner and CC should establish an independent audit committee. The code recommends this be a combined body which will consider the internal and external audit reports of both the Commissioner and the Chief Constable. In establishing the Audit Panel the Commissioner and Chief Constable shall have regard to CIPFA Guidance on Audit Committees.

The current terms of Reference for JIAC are accessible [here](#).

A5 THE ROLE OF STATUTORY OFFICERS

A5.1 PFCC Chief Finance Officer (PFCC CFO) and Chief Constable Chief Finance Officer (CC CFO)

The roles of the PFCC CFO and CC CFO have statutory responsibilities specified by:

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STATUTORY RESPONSIBILITIES OF PFCC CFO and CC CFO			
Paragraph 6 of Schedule 1 to the Police Reform and Social Responsibility Act 2011. (PFCC CFO)	Paragraph 4 of Schedule 2 and paragraph 1 of Schedule 4 to the Police Reform and Social Responsibility Act 2011 (CC CFO)	The Accounts and Audit Regulations 2015.	Section 151 of the Local Government Act 1972 which requires arrangements to be made for the proper administration of the PFCC's and CC's financial affairs.
Section 114 of the Local Government Finance Act 1988 which requires the Statutory Finance Officer to report to the PFCC and the CC if the PFCC or the CC or one of their staff: (i) has made, or is about to make, a decision which involves incurring unlawful expenditure, (ii) has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency, (iii) is about to make an unlawful entry in the PFCC or CC's accounts.			

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

In the absence of the PFCC CFO their roles and responsibilities may be fully exercised by the Deputy PFCC CFO, except for certain statutory duties which cannot be delegated.

The role and responsibilities of the PFCC CFO and CC CFO are also set out in the scheme of Consents and Delegation and include the following:

Statutory Role	PFCC CFO	CC CFO
Responsibility for proper financial administration and stewardship.	✓ (includes a personal fiduciary responsibility to the local council taxpayers.)	✓

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Statutory Role	PFCC CFO	CC CFO
Principal professional adviser on financial matters to the PFCC/CC. To enable them/their to fulfil these duties and to ensure the PFCC/CC is provided with adequate financial advice they:	✓	✓
i. Must be a key member of the respective organisation's Leadership Team, (working closely with the Monitoring Officer/ PFCC CFO), helping the team to develop and implement strategy and to resource and deliver the PFCC/CC strategic objectives sustainably and in the public interest;	✓	✓
ii. Must be actively involved in, and able to bring influence to bear on, all strategic business decisions, of the PFCC/CC, to ensure that the financial aspects of immediate and longer term implications, opportunities and risks are fully considered, and alignment with the organisations' financial strategies;	✓	✓
iii. Must lead the promotion and delivery by the PFCC/CC of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively; and	✓	✓
iv. Must ensure that the finance function is resourced to be fit for purpose.	✓	✓
It must be recognised that Financial Regulations cannot foresee every eventuality. They shall be responsible for interpreting these regulations so as to ensure the efficient and effective operation of services.	✓	✓
Ensure that the financial affairs of the PFCC/CC are properly administered and that financial regulations are observed and kept up to date and accounting standards applied consistently.	✓	✓

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Statutory Role	PFCC CFO	CC CFO
Ensure that the funding required to finance agreed programmes is available from Central Government funding, precept, other contributions and recharges.	✓	
Ensure regularity, propriety and Value for Money (VfM) in the use of public funds.	✓	✓
Liaise with the external auditor.	✓	✓
Report to the PFCC/CC (respectively), the PCP and to the external auditor: i. Any unlawful, or potentially unlawful, expenditure by the PFCC/CC or staff of the PFCC/CC. ii. When it appears that expenditure is likely to exceed the resources available to meet that expenditure.	✓	✓
Advise the PFCC/CC (respectively) on a budget requirement and capital programme and the robustness of the budget and adequacy of financial reserves.	✓	✓
Advise the PFCC in respect of the Treasury Management Strategy and policies prepared by the CC CFO.	✓	
Ensure receipt and scrutiny of the statements of accounts of the Chief Constable and ensuring production of the group accounts.	✓	
Advise, in consultation with the PFCC Monitoring Officer, on the safeguarding of assets, including risk management and insurance.	✓	
Advise the PFCC on the application of Value for Money principles by the Force to support the PFCC in holding the Chief Constable to account for efficient and effective financial management.	✓	

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Statutory Role	PFCC CFO	CC CFO
Arrange for the determination, issue and payment of the precept.	✓	
Ensure that accurate, complete and timely financial management information is provided to the PFCC/CC (respectively).	✓	✓
Assist the PFCC to monitor the revenue and capital budgets.	✓	
Secure, in liaison with the CC CFO, the provision of an effective internal audit service. Ensure there is a safe and efficient financial arrangement including a system of effective internal control.	✓	
In consultation with the PFCC Monitoring Officer, shall be given powers to institute any proceedings or take any action necessary to safeguard the finances of the OPFCC.	✓	

A5.2 PFCC Monitoring Officer

The Monitoring Officer is appointed under the Police Reform and Social Responsibility Act 2011, and is responsible for the leadership and general administration of the Commissioner's office.

The role and responsibilities of the PFCC Monitoring Officer are also set out in the scheme of Consents and Delegation at paragraph 3.5. In relation to financial management their role includes:

Statutory Role of the PFCC Monitoring Officer
Enable the PFCC to fulfil their statutory responsibilities.
Ensure the legality of the actions of the PFCC and his officers.
Ensure that procedures for recording and reporting PFCC decisions are operating effectively.
Advise the PFCC and CC about who has authority to take a particular decision.
Advise the PFCC and CC about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework.

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Statutory Role of the PFCC Monitoring Officer
Ensure the provision of information and reports required by the PFCP.
Ensure the PFCC meets their obligations in relation to statutory publications including the Police and Crime Plan, Annual Report and Council Tax Leaflet.
Develop a strong partnership with the PFCC and CC ensuring the provision of effective and efficient policing is fulfilled.
Undertake the role of designated Monitoring Officer to detect and report any illegality or maladministration.
Advising the Commissioner on matters relating to standards of conduct.

A6 FINANCIAL MANAGEMENT STANDARDS

Overview & Control

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

The PFCC shall receive updates on the financial performance by way of ongoing budget monitoring and outturn reports, reports by Internal Audit, HMIC and External Audit.

Key Controls

The key controls and objectives for financial management standards are:

A6 Key Controls
Their promotion throughout the organisation. The PFCC and the CC shall ensure that all officers and staff are aware of, and comply with, proper financial management standards, including these Financial Regulations.
A monitoring system to review compliance with financial standards, and regular comparisons of performance indicators with benchmark standards that are reported to the Audit Committee.
All staff are to be properly managed, developed, trained and have adequate support to carry out their financial duties effectively. The PFCC and the CC shall ensure that specific duties and responsibilities in financial matters are made clear to individual members of staff and that these are properly recorded.
Systems of internal control are in place that ensures financial transactions are lawful.
Suitable accounting policies are selected and applied.
Proper accounting records are maintained.
Financial statements are prepared, which present fairly the financial position of the PFCC and the CC, including expenditure and income.

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The responsibilities of Statutory Officers for financial management are:

A6 Responsibilities of the Statutory Officers
To ensure the proper administration of the financial affairs of both legal entities
To ensure that proper practices are adhered to
To ensure financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.
To advise on the key strategic controls necessary to secure sound financial management.
To ensure that all staff are aware of, and comply with, proper financial management standards including these Financial Regulations
To ensure that all staff are properly managed, developed, trained and have adequate support to carry out their financial duties effectively.
To report any actual or potential breaches of the law or maladministration to the PFCC CFO or the Monitoring Officer.

A7 ACCOUNTING RECORDS AND RETURNS

Overview and Control

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

Financial systems are used to record the financial transactions of the PFCC and CC. With possible minor exceptions, these are electronic systems.

Key Controls

The key controls and objectives for accounting records and returns are:

A7 Key Controls: Accounting Records and Returns
Finance staff and those authorised to make expenditure operate within the required accounting standards and timetables.
All of the organisation's transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis.

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A7 Key Controls: Accounting Records and Returns
Procedures are in place to enable accounting records to be reconstituted in the event of systems failure.
Reconciliation procedures are carried out to ensure transactions are correctly recorded.
Prime documents are retained in accordance with legislative and other requirements.
Proper system of internal control such that: (i) staff with the duty of examining or checking the accounts of cash transactions must not themselves be originators or approvers of these transactions; (ii) the duties of providing information about sums due to or from the PFCC and calculating, checking and recording these sums, are to be separated from the duties of collecting or disbursing them.

Responsibilities of the Statutory Officers

The PFCC CFO shall:

A7 Role of the PFCC CFO
In liaison with the CC CFO, determine the accounting procedures and records, of the PFCC and CC, in accordance with recognised accounting practices, and approve the strategic accounting systems and procedures in place.
Ensure that there is agreement with the CC CFO before making any fundamental changes to accounting records and procedures or accounting systems.
Ensure that all employees operate within the required accounting policies and timetables.
Make proper arrangements for the audit of the Commissioner's and Force's accounts in accordance with the Accounts and Audit Regulations 2015.
Ensure that all claims for funds, including grants are made by the due date.
Prepare and publish the audited accounts in accordance with the statutory timetable.
Ensure that all transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis. Maintain adequate records to provide a management trail leading from the source of income and expenditure through to the accounting statements.
Ensure that reconciliation procedures are carried out on recognised control accounts on an agreed timetable to ensure transactions are correctly recorded.
Ensure that Financial Instructions provide details of retention periods.

A8 THE ANNUAL STATEMENT OF ACCOUNTS

Overview and Control

The PFCC and CC have a statutory responsibility to prepare accounts to present fairly their operations during the year. The PFCC CFO and CC CFO are responsible for the

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preparation of the accounts in accordance with proper practices as set out in *the Code of Practice on Local Authority Accounting in the United Kingdom: (The CODE)* and with the Accounts and Audit Regulations 2003, 2006, 2011 and 2015.

The Commissioner has a statutory responsibility to prepare the accounts relating to the Office of the Police, Fire & Crime Commissioner and also the Group Accounts for both entities. These must present fairly the financial position of the organisations and be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom.

The Commissioner is responsible for approving these annual accounts.

Key Controls

A8 Key Controls
The accounts are subject to detailed independent review by the external auditor.
This audit provides assurance that the accounts are prepared correctly and that proper accounting practices have been followed.
The PFCC is required to make arrangements for the proper administration of its financial affairs. The PFCC statement of accounts must be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom.

Responsibilities of the Statutory Officers

The PFCC CFO and CC CFO shall:

A8 Role of the PFCC CFO and CC CFO
Ensure that there is a timetable for final accounts preparation, in consultation with the PFCC, CC, JIAC and external auditor.
Select suitable accounting policies within the overall agreed approach and apply them consistently.
Make judgements and estimates that are reasonable and prudent.
Comply with the Code.
Prepare, sign and date the statement of accounts, stating that it presents truthfully and fairly the financial position at the accounting date and its income and expenditure.
Publish the approved and audited accounts each year, in accordance with the statutory timetable and to produce summary accounts for publication on the website.

CORPORATE GOVERNANCE FRAMEWORK FOR THE OFFICE OF POLICE FIRE AND CRIME COMMISSIONER AND CHIEF CONSTABLE OF NORTHAMPTONSHIRE

SECTION B FINANCIAL PLANNING AND CONTROL

B1 FINANCIAL PLANNING

Overview and Control

The PFCC and the Force are complex organisations. Systems are needed to enable scarce resources to be allocated in accordance with carefully judged priorities. Proper financial planning is essential if the PFCC and the Force are to function effectively.

The financial planning process will be directed by the approved policy framework, a business planning process and a need to meet key objectives.

The planning process will be continuous and the planning period will cover at least four years. The process should include a more detailed annual budget, covering the forthcoming financial year. This allows the PFCC and the CC to plan, monitor and manage the way funds are allocated and spent.

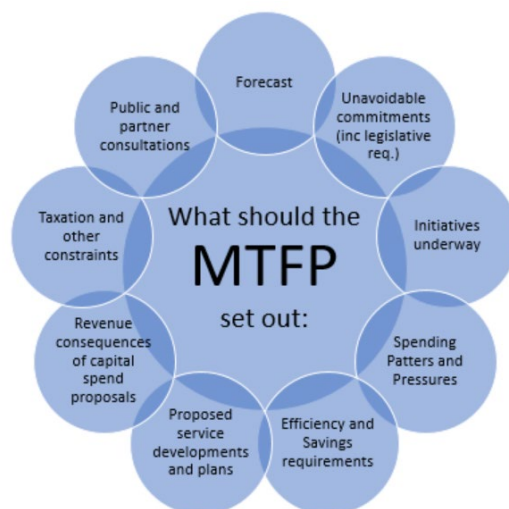
The format of the annual budget determines the level of detail to which financial control and management will be exercised and shapes how the rules around virement operate.

Medium Term Financial Planning Responsibilities of the Statutory Officers

The PFCC CFO and the CC CFO are responsible for ensuring that a medium term financial plan for at least four years ahead is prepared. The Plan should be submitted to the PFCC and be subject to review during the Financial Year. The Plan should be informed by:

- i. The Police and Crime Plan
- ii. policy requirements approved by the PFCC as part of the policy framework
- iii. the risk management policy ensuring that risk appraisals are embedded throughout the forecast

The Plan should set out



:

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The PFCC shall prepare at least a four-year forecast of potential resources, including options for transfers to and from general balances and earmarked reserves and use of provisions, based upon an interpretation of government funding assumptions and all other available information. This will include potential implications for local taxation.

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

The PFCC and CC shall integrate financial and budget plans into service planning so that such plans can be supported by financial and non-financial performance measures.

The PFCC is responsible for agreeing, in consultation with the CC, Section 22/23 agreements and other collaborative operational arrangements between Forces and to keep under consideration the ways in which the collaboration functions could be exercised by the policing body and by one or more other persons to improve:

- (a) The efficiency or effectiveness of:
 - (i) that policing body,
 - (ii) the police force which that policing body is responsible for maintaining

and
- (b) The efficiency or effectiveness of one or more other policing bodies and police forces

Both the PFCC and CC will sign these agreements.

Annual Revenue Budget Preparation Overview and Control

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 Chief Officers with the authority to incur expenditure and a basis on which to monitor the financial performance of both the OPFCC and the Force. As such, preparation of the annual budget should be based on sound financial management principles of probity, efficiency and value for money.

The budget estimates shall identify all proposed individual major revenue projects. A major revenue project shall be defined in accordance with the limits.

The format of the budget determines the level of detail to which financial control and management will be exercised. The format shapes how the rules around virement operate (see section B2 Budgetary Control), the operation of cash limits and sets the level at which funds may be reallocated within budgets.

The Commissioner will consult with the CC and other relevant partners and stakeholders in planning the overall annual budget, which will include a separate force budget. This will also take into consideration funding from government and other sources, and balance the expenditure needs of the policing service against the level of local taxation. This should

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meet the statutory requirement to achieve a balanced budget (Police Reform and Social Responsibility Act 2011) and which is completed in accordance with the statutory timeframe. The Commissioner will set out each year how he/she expects the funds provided to the CC for policing will be applied.

Key Controls

The key controls for the budget are:

B1 Key Controls
The format complies with all legal requirements.
The format complies with CIPFA's Code of Practice.
The format reflects the accountabilities of service delivery
Budgeting process should be based on evidence and operational demand

Responsibilities of the Statutory Officers

B1 Responsibilities of the Statutory Officers
The Commissioner should agree the budget planning timetable with the Chief Constable.
To obtain the views of the local community on proposed expenditure (including capital expenditure) in the financial year ahead of the financial year to which the proposed expenditure relates (Police Reform and Social Responsibility Act 2011).
To present the proposed council tax implications and precept requirement with the budget to the Police and Crime Panel at their meeting in early February
The impact of the annual budget on the priorities and funding of future years as set out in the Police and Crime Plan and the medium term financial plan should be clearly identified.
The format of the budget is to comply with all legal requirements and with the latest guidance issued by CIPFA and approved by the PFCC CFO
The PFCC CFO to ensure timely and accurate information is to be obtained from billing authorities on the council tax base and the latest surplus/deficit position on collection funds to inform budget deliberations.
The PFCC CFO is to advise the Commissioner on the appropriate level of general balances, earmarked reserves and provisions to be held.
The PFCC CFO to the Commissioner is to submit a report to the Commissioner on: (i) The robustness of the estimates in the proposed Budget and the adequacy of the proposed reserves. (j) The prudential and treasury management indicators for the next three years

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B1 Responsibilities of the Statutory Officers
Upon approval of the annual budget, the PFCC CFO is to submit the council tax requirement form to central government and precept notifications to appropriate
The PFCC CFO to produce, in accordance with statutory requirements, the council tax information leaflet.
Prior to the final budget being agreed, the CC CFO is to prepare detailed budget estimates for the forthcoming financial year in accordance with the timetable agreed with the PFCC CFO.

B2 BUDGETARY CONTROL

Overview and Control

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

Key Controls

B2 Key Controls: Budgetary Control
There is a nominated budget manager for each cost centre or account code heading who is accountable for the budgets under his direct control.
Budget Managers shall accept accountability for the budgets under their management and the level of service to be delivered and understand their financial responsibility.
Management of budgets must not be seen in isolation. It should be undertaken in conjunction with service outcomes and performance measures.
For strategic monitoring and management purposes, the budget shall identify operational and other policing costs, PFCC costs, financing items and transfers to and from general balances and earmarked reserves.

Revenue Budget and Capital Programme Monitoring Overview and Control

By continuously identifying and explaining variances against budgetary targets, changes in trends and resource requirements can be identified at the earliest opportunity.

To ensure sound financial management, each Budget Manager is required to manage expenditure within their budget allocation. All budget officers responsible for committing expenditure must comply with relevant guidance and Financial Regulations.

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Key Controls

The key controls for managing and controlling the revenue budget and capital programme monitoring are:

B2 Key Controls: Revenue Budget and Capital Programme
Budget managers should be responsible only for income and expenditure that they can influence.
Budget managers accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities.
Budget managers follow an approved certification process for all expenditure.
Income and expenditure are properly recorded and accounted for.
Performance levels are monitored in conjunction with the budget and necessary action is taken to align outputs and budget.

Responsibilities of the Statutory Officers

B2 Responsibilities of the Statutory Officers: Revenue Budget and Capital Programme
To provide appropriate financial information in a form determined by the PFCC CFO, to enable budgets to be monitored and reported effectively.
To ensure that each element of income or expenditure has a nominated budget holder to take responsibility for that part of the budget. Budget responsibility should be aligned as closely as possible to the decision making process that commits the expenditure – usually at cost centre level. The CC shall ensure also that a nominated officer is responsible for monitoring income and expenditure against the pensions account.
It is the responsibility of budget holders to manage income and expenditure within their area and to monitor performance, taking account of financial information provided. Detailed budget monitoring is to be undertaken by Budget Managers at least monthly and reported to the PFCC CFO, including any variances within their own areas. Budget Managers will also take any action necessary to avoid exceeding their budget allocation and alert the PFCC CFO to any problems.
The PFCC CFO and CC CFO shall ensure that budget holders receive sufficient financial support to enable them to undertake the budgetary control responsibilities.

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B2 Responsibilities of the Statutory Officers: Revenue Budget and Capital Programme
The CC shall ensure as far as possible that total spending for operational policing remains within the allocation of resources and takes, where possible, corrective action where significant variations from the approved budget are forecasted. Where total projected expenditure is likely to exceed the allocation of resources, the PFCC CFO shall be alerted immediately and proposals for remedy should be put forward as part of the regular reporting process. The same responsibilities apply to the Monitoring Officer and PFCC CFO for their budgets.
The CC CFO shall submit a budget monitoring report monthly to the PFCC containing the most recently available financial information. The monitoring reports shall compare projected income and expenditure with the latest approved budget allocations. The reports shall be in a format agreed by the PFCC CFO.
The PFCC CFO to co-ordinate a budget monitoring report for presentation to the Police and Crime Panel, as necessary, containing the most recently available financial information.

Resource Allocation Overview and Control

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

Key Controls

B2 Key Controls: Resource Allocation
Resources are acquired in accordance with the law and using an approved authorisation process
Resources are used only for the purpose intended, to achieve the approved policies and objectives, and are properly accounted for.
Resources are securely held for use when required.
Resources are used with the minimum level of waste, inefficiency or loss for other reasons

Virement

Overview and Control

A virement is a planned and approved reallocation of resources between budgets or heads of expenditure. A budget head is considered to be a line in the approved budget report. For clarity, these are defined as the budget lines immediately below the Force and OPFCC headings which are reported on in both the Budget and monitoring reports. The scheme of virement is intended to enable senior officers to manage their budgets with a

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degree of flexibility within the overall policy framework determined by the PFCC and, therefore, to provide the opportunity to optimise the use of resources to emerging needs.

The overall budget is agreed by the PFCC and budget managers are expected to incur expenditure in accordance with the estimates that make up their budget, subject to agreed virement rules, and within the limit of total resources allocated. Senior officers are expected to exercise discretion in managing budgets responsibly and prudently. Virements are not to be used as a tool to create future commitments. Therefore, it is vital that virement decisions do not lead to additional future spending without the prior approval of the PFCC CFO.

Overall, the rules on virement are designed to allow the CC greater flexibility to meet operational requirements and to facilitate the decision making process. The CC shall still be held to account by the PFCC for decisions made and the way in which resources are deployed. The virement rules allow greater freedom but require reports on significant changes.

The Commissioner can withdraw the ability for virement in any year should he/she feel it is prudent to do so.

Key Controls

Key Controls: Scheme of Virement
The PFCC is responsible for any transfers to and from PFCC balances.
It is administered by senior officers within delegated powers given by the Commissioner. Any variation from this scheme requires approval of the Commissioner.
The overall budget is agreed by the Commissioner. Budget managers are therefore authorised to incur expenditure in accordance with the estimates that make up the budget.
Virement does not create additional overall budget liability.
By definition all virement is a net nil
Each senior officer shall ensure that virement is undertaken to maintain the accuracy of budget monitoring.

Responsibilities of the Statutory Officers

Responsibilities of the Statutory Officers: Scheme of Virement
Subject to approved limits as set out in Section F, it is a requirement that the PFCC CFO and CC CFO approves virement requirements of the CC and the PFCC.
Any virement above the delegated limit shall be approved in advance.
The approval of the Commissioner shall be required: - As part of updating the budget through the budget monitoring process - If an approved change of policy results in a virement requirement. - If the virement results in a significant addition to commitments in future years

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Treatment of Year End Balances

Overview and Control

A year-end balance is the amount by which actual income and expenditure including capital costs varies from the final budget, normally identified at devolved budget holder level. Arrangements may be necessary for the transfer of resources between accounting years, i.e. a carry forward. This may increase or decrease the resources available to budget holders in the following financial year. All carry forwards recommended by the PFCC CFO and the CFO to the CC will be presented to the PFCC for approval at year end for each financial year.

As part of the monitoring and control process, reporting of potential variations from budget and proposals for reallocation of resources shall be made as early as possible in the financial year. All reasonable endeavours shall be taken to provide a service that matches the approved budget.

There may be occasions when an overall overspend position occurs, particularly where exceptional events occur so close to the end of the financial year that a balanced outturn position is not possible. In this event, the overspend will be funded initially from General Balances but full discussion will take place between the PFCC, Chief Constable and their respective officers.

Key Controls

Key Controls: Treatment of Year End Balances
Devolved budget holders who overspend their budget in any financial year may have their devolved budget reduced for the following financial year up to the amount of overspend, subject to the determination of the PFCC or CC.
As a default position, any underspends against budgets will be taken to reserves. For the Force any exception to this policy must be proposed by the CC in consultation with the CC CFO and determined by the PFCC in consultation with the PFCC CFO.
For the PFCC any exception to this policy must be proposed by the PFCC CFO and determined by the PFCC.

B3 CAPITAL PROGRAMME

Overview and Control

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

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The PFCC is able to undertake capital investment providing the spending plans are affordable, prudent and sustainable. Capital expenditure and financing should be managed in accordance with the Local Government Act 2003 and the CIPFA Prudential Code for Capital Finance in Local Authorities.

The capital programme should be linked to capital strategies including the Estates Strategy, the ICT strategy and the Transport Strategy.

A report should be addressed to the PFCC annually to formally report the performance against prudential indicators in accordance with the Local Government Act 2003 and the Prudential Code for Capital Finance. Assurance should be provided during the year as part of treasury and budget monitoring reports on compliance with the prudential indicators.

Key Controls

Key Controls: Capital Programme
Capital expenditure on land and buildings should be in accordance with the requirements of the approved capital strategies. The PFCC CFO shall ensure that a business case is prepared for each project and that proposals undergo an option appraisal that demonstrates the costs and benefits of the project to the service.
The results of the appraisal shall provide evidence for the scheme's viability and inclusion in the proposed capital programme, including a recommended solution resulting from consideration of the business case / option appraisal.
Schemes proposed after the annual budget meeting for inclusion in the capital programme during the current financial year shall be submitted to the PFCC in accordance with the limits shown in Section F.
Each individual scheme will have a nominated budget manager who will be accountable for that project. The budget manager's responsibilities include the monitoring of progress in conjunction with expenditure and comparison with approved budget

Responsibilities of the Statutory Officers

Responsibilities of the Statutory Officers: Capital programme
The PFCC CFO in liaison with the CC CFO shall prepare at least a four-year rolling programme of proposed capital expenditure for submission to the PFCC and the PFCP. This shall cover the forthcoming financial year and the following three years. Each scheme shall identify the total capital cost of the project, any additional revenue commitments and a named budget manager who is responsible for the project and will report on progress. On recommendations from the CC, the PFCC will determine the Capital Programme and will also determine the overall monitoring arrangements of the delivery of the Capital Programme.

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Responsibilities of the Statutory Officers: Capital programme
The PFCC CFO shall identify funding for the capital programme, including the identification of potential capital receipts. Amendments to the programme increasing its overall cost must demonstrate how such changes are to be funded.
A gap may be identified between available resources and required resources. In these instances requirements of the Force should be prioritised carefully by the CC CFO to enable the PFCC to make the best informed judgements as to future funding levels and planning the use of resources.
No capital expenditure shall be incurred unless the scheme is included in the capital programme approved by the PFCC or as subsequently modified. In this respect, the vehicle replacement programme, equipment replacement programme and ICT replacement programme shall each be regarded as one scheme.
Schemes within the Capital Programme will be required to pass through the capital expenditure approval process before any expenditure is committed. Requests for capital expenditure must be made in the format of a business case. Businesses cases for property related capital expenditure are presented to the Estates Programme Board for Property Investments; any other capital expenditure proposals are approved through the appropriate CC/PFCC Board. The process is as follows: Stage 1 – Business case is reviewed and approved through the appropriate CC/PFCC Board or the Estates Programme Board for Property Investments Stage 2 – Recommendation is made by the PFCC s151 Officer. Stage 3 - Review and approval by the Police, Fire and Crime Commissioner.
Detailed estimates for each scheme in the approved capital programme shall be prepared as part of the option appraisal before tenders are sought or commitments made. Schemes need not be referred back to the PFCC for further approval unless, when negotiating contract details, amendments to the nature of the scheme are sought or the cost of the scheme exceeds the limits shown in Section F.
Arrangements covering variations in contract conditions and prices are covered to be managed in accordance with the scheme of consent.
Finance and operating leases and any other credit arrangements shall not be entered into without the prior approval of the PFCC and sufficient revenue resources must be available to meet the repayments.

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Responsibilities of the Statutory Officers: Capital programme
The CC shall submit capital monitoring reports to the PFCC monthly containing the most recently available financial information. The monitoring reports will show spending to date and compare projected income and expenditure with the approved programme. The reports shall be in a format agreed by the PFCC CFO in liaison with the CC CFO. It is the responsibility of budget holders to manage capital expenditure estimates, taking account of financial information provided by the CC CFO. Detailed budget monitoring is to be undertaken by Budget Managers at least monthly and reported to the CC and the PFCC including any variances within their own areas. Budget Managers should also take any action necessary to avoid exceeding their budget allocation and alert the PFCC to any problems.
The CC CFO shall report to the PFCC projections of spending on individual capital projects and reasons for significant changes to the Programme including spending slipping between financial years.
The CC CFO shall report capital expenditure for the year and cumulative expenditure on individual schemes to the PFCC as part of the closure of accounts arrangements.
The CC CFO shall take steps to ensure that any external funding that is subject to a specific timescale is, wherever possible, fully utilised within that timescale.
Where there is a requirement such as the adherence to the Accounting Standards that requires budget or expenditure to be interchanged between capital and revenue, the CC CFO or their delegate can affect such accounting adjustments.

B4 MAINTENANCE OF BALANCES AND RESERVES

Overview and Control

General fund balances are maintained as a matter of prudence. They enable the PCC to provide for cash flow fluctuations and unexpected costly events and thereby help protect it from overspending the annual budget, should such events occur. They provide mitigation against adverse financial implications. Earmarked reserves for specific purposes may also be maintained where it is likely that a liability will arise in the future.

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

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Key Controls

The key controls for maintaining reserves are:

Key Controls: Maintenance of Balances and Reserves
To maintain reserves in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A statement of Recommended Practice (CIPFA) and agreed accounting policies.
For each reserve established, the purpose, usage and basis of transactions should be clearly identified.
Authorisation and expenditure from reserves by the PFCC CFO

Responsibilities of the Statutory Officers

Responsibilities of the Statutory Officers: Maintenance of Balances and Reserves
The PFCC CFO shall advise the PCC on reasonable levels of general fund balances and earmarked reserves and take account of professional best practice.
When the annual budget and capital programme are submitted to the PFCC for approval and for consultation with the PCP, the PFCC CFO is required to advise on the adequacy of the PFCC's balances and reserves.
The PFCC shall approve the creation and transfers to and from general balances and reserves. The purpose, usage and basis of transactions should be clearly identified for each reserve established

SECTION C MANAGEMENT OF RISK AND RESOURCES

C1 RISK MANAGEMENT

Overview and Control

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

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

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Key Controls

The key controls for risk management are:

Key Controls: Risk Management
A Risk Management Policy is in place and has been promoted throughout the organisation.
The Policy identifies the Risk Appetite of the organisation.
Procedures are in place to identify, assess, prevent or contain material known risks, and these procedures are operating effectively throughout the organisation.
A monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuing basis.
Managers know that they are responsible for managing relevant risks and are provided with relevant information on risk management initiatives.
Provision is made for losses that might result from the risks that remain.
Procedures are in place to investigate insurance claims within required timescales.
Acceptable levels of risk are determined and insured against where appropriate.
The organisation has identified business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources.

Responsibilities of the Statutory Officers

Responsibilities of the Statutory Officers: Risk Management
The PFCC is responsible for ensuring a Risk Management Policy is prepared within the Commission. They are responsible for promoting a culture of risk management awareness, reviewing risk management as an ongoing process and reporting on a half yearly basis, a corporate risk register.
To implement procedures to identify, assess, prevent or contain material known risks, with a monitoring process in place to review regularly the effectiveness of the risk reduction strategies and the operation of these controls. The risk management process should be formalised and conducted on a continuing basis.
To ensure that appropriate business continuity plans are developed, implemented and tested on a regular basis.
The PFCC is responsible for approving the risk management policy statement and strategy, including determining the strategy for insurance, and for reviewing the effectiveness of risk management.
The PFCC Monitoring Officer shall evaluate and authorise any terms of indemnity that the PFCC is requested to give by external parties.

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Responsibilities of the Statutory Officers: Risk Management
Settlement of employment tribunal cases and grievances of staff under his direction and control will remain with the Chief Constable, within the delegated limits in Section F, with the exception of those cases felt to be sensitive because:- • They involve a high profile claimant • There is a public interest in the case • There is a real risk that the Police, Fire and Crime Commissioner or Northamptonshire Police will be exposed to serious public criticism or serious weaknesses in the organisation or policies and procedures to be revealed
Responsibilities of the CC CFO: Risk Management
The CC CFO, in liaison with the PFCC CFO, is responsible for advising the PFCC on appropriate arrangements for insurance. Acceptable levels of risk should be determined and insured against where appropriate. Activities leading to levels of risk assessed as unacceptable should not be undertaken.
The CC CFO shall ensure that insurance cover is provided within the terms of the approved strategy and take account of all new risks as appropriate ensure that claims made by the CC against insurance policies are made promptly
The CC CFO shall negotiate all claims in consultation with other officers where necessary.
The CC CFO shall notify the PFCC CFO promptly of all new risks that require insurance and of any alterations affecting existing insurance.
The CC CFO shall ensure all appropriate staff are aware of their responsibilities to notify the CC immediately of any loss, liability or damage that may lead to a claim against the PFCC together with the information required.
The CC CFO shall approve, before any contract for works is made, the insurance cover to be furnished by the contractor in respect of any act or default unless the PFCC chooses to provide insurance cover itself.
The CC CFO shall make all appropriate staff aware of their responsibilities for managing relevant risks and provide information on risk management initiatives be responsible for risk management.
The CC CFO shall ensure there are regular reviews of risk across the service.
The CC CFO shall ensure that staff, or anyone covered by the PFCC's 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.
The CC CFO shall be authorised to settle insurance liability claims up to the value shown in Section F. Beyond this value, claims must be referred to the PFCC for approval

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Responsibilities of the CC CFO: Risk Management
The CC CFO shall present an annual written claims report to the PFCC summarising activity for the year.

C2 INTERNAL CONTROLS

Overview and Control

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

The PFCC requires internal controls to manage and monitor progress towards strategic objectives. The PFCC also has statutory obligations and, therefore, require internal controls to identify, meet and monitor compliance with these obligations.

The PFCC faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. Internal controls are necessary to manage these risks. The system of internal controls is established in order to provide measurable achievement of:

- Efficient and effective operations.
- Reliable financial information and reporting.
- Compliance with laws and regulations.
- Risk management.

Key Controls

The key controls for internal control systems are:

Key Controls: Internal Controls
Managerial, including defining policies, setting objectives and plans, monitoring financial and other performance and taking appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities.
Financial and operational procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems.
An effective internal audit function, which operates in accordance with CIPFA's Code of Practice for Internal Audit and with any other relevant statutory obligations and regulations. Key controls should be reviewed on a regular basis and the PFCC should make formal statements annually to the effect that they are satisfied that the system of internal control operates effectively.

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Responsibilities of the Statutory Officers

Responsibilities of the Statutory Officers: Internal Controls
The PFCC is responsible for implementing effective systems of internal control and the PFCC CFO, for advising on such. These arrangements shall ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They shall ensure that public resources are properly safeguarded and used economically, efficiently and effectively.
The PFCC shall ensure that internal controls exist for 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 systems is to promote ownership of the control environment by defining roles and responsibilities.
The PFCC shall ensure that internal controls exist for financial and operational systems and procedures. This includes physical safeguards for assets, segregation of duties, authorisation and approval procedures and robust information systems.
The PFCC shall agree and sign an Annual Governance Statement following a review of systems of internal control. This statement will be included in the Group Accounts. The statement should be signed by the Commissioner and the Chief Constable. The Accounts and Audit Regulations 2003, 2006 and 2011 require the PFCC to review Internal Control arrangements at least annually.
The PFCC shall have an Audit Committee (section A3 refers) which has a responsibility for the continual oversight of corporate governance, internal control and risk management. The terms of reference of the Committee should include the following key requirements: • to provide proactive and effective leadership on audit and governance issues and champion both audit and the embedding of risk management by all PFCC staff and all CC officers and staff; • to be assured as to the adequacy of financial and other controls, corporate governance (including an anti-fraud and corruption strategy), financial regulations, VFM, contract standing orders and risk management arrangements, and ensure that they are reviewed and revised; • to examine and consider a draft Annual Governance Statement, and to make any recommendations to the PFCC in this respect.
Public Sector Audit Appointments Ltd is responsible for appointing external auditors to the PFCC and CC. The duties of the external auditor are governed by Section 15 of the Local Government Finance Act 1982, as amended by Section 5 of the Audit Commission Act 1998.

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Responsibilities of the Statutory Officers: Internal Controls
The PFCC may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue and Customs, who have statutory rights of access

C3 AUDIT REQUIREMENTS

Internal Audit Overview and Control

The requirement for an internal audit function is implied by section 151 of the Local Government Act 1972, which requires that authorities “make arrangements for the proper administration of their financial affairs”. The Accounts and Audit Regulations 2011 more specifically require that a relevant body shall maintain an adequate and effective system of internal audit of their accounting records and control systems. The guidance accompanying the legislation states that proper internal control practices for internal audit are those contained in the CIPFA Code of Practice. Both the PFCC and CC corporations’ sole are auditable bodies.

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Internal audit is required to comply with the Auditing Practices Board’s guidelines “Guidance for Internal Auditors”, as interpreted by CIPFA’s Code of Practice for Internal Audit in Local Government in the United Kingdom, along with any other statutory obligations and regulations.

The work of the Internal Audit function provides overall assurances to:

- (i) The PFCC, the CC and JIAC that effective internal control systems are in place.
- (ii) External Audit on financial systems and internal control are effective and external auditors may use the work of internal audit when carrying out their functions.

Key Controls

The key controls for internal audit are:

Key Controls: Internal Audit
That it is independent in its planning and operation.
That Internal audit has direct access to statutory and senior officer and all levels of management.
The internal auditors comply with the Code of Practice for Internal Audit issued by CIPFA.

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Responsibilities of the Statutory Officers

Responsibilities of the Statutory Officers: Internal Audit
The PFCC CFO shall ensure the provision of an effective internal audit service.
The PFCC and CC shall ensure that internal auditors have the authority to; (i) Access premises at all reasonable times. (ii) Access all assets, records, documents, correspondence, control systems and appropriate personnel. (iii) Receive any information and explanation considered necessary concerning any matter under consideration. (iv) Require any staff to account for cash, stores or any other asset under their control. (v) Access records belonging to third parties, such as contractors, when required. This shall be achieved by including an appropriate clause in all contracts.
Any instances where the CC considers it inappropriate for internal audit to have the access detailed above, such as items considered to be of a sensitive operational nature, are to be confirmed with the PFCC Monitoring Officer and PFCC CFO.
The PFCC CFO and the CC CFO, taking advice from internal audit and after consulting with the PFCC and CC and external auditor, are responsible for ensuring an annual audit plan is prepared. The plan is to take account of the characteristics and relative risks of the activities involved.
The PFCC CFO and the CC CFO shall submit the annual internal audit plan to the Audit Committee for consideration prior to the start of the forthcoming financial year.
The PFCC and CC CFO shall consider and respond promptly to recommendations in audit reports and ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient manner.
The PFCC and CC CFO shall 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 PFCC CFO and internal audit prior to implementation.
Internal audit shall provide an annual report to the Audit Committee summarising activities and findings for the year. This shall include an opinion on the effectiveness of the systems of internal control to support the Annual Governance Statement.

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Responsibilities of the Statutory Officers: Internal Audit
The PFCC CFO shall be notified immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of property or resources. Pending investigation and reporting, PFCC CFO, CC CFO, senior managers should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration. Investigation of internal financial irregularities shall be conducted as detailed below: • PFCC CFO shall agree any further investigative process. This may include disciplinary, criminal proceedings and/or dismissal.
Internal audit shall provide an undertaking to respect the confidential nature of the service and to employ suitable staff only.

Fraud Investigations

Investigations will normally be carried out by the Professional Standards Department who shall consult with the Internal Audit Manager as appropriate and keep him informed of progress. The operation of this Regulation shall be in accordance with the agreed protocol between the Professional Standards Department and Internal Audit and authorised by the PFCC CFO and the CC CFO.

The PFCC CFO will keep the chair of the JIAC informed of the suspected fraud. At the conclusion of the investigation, the Internal Audit Manager shall review the case to identify any internal control weaknesses that allowed the financial irregularity to happen and shall make recommendations to ensure the risk of recurrence is minimised.

External Audit Overview and Control

The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982, the Local Government Act 1999 and the Local Audit and Accountability Act 2014 Under the Act, the Comptroller and Auditor General is responsible for preparing and maintaining the Code of Audit Practice, which sets out what local auditors are required to do to fulfill their responsibilities under the Act. The code of audit practice issued in April 2005 sets out the auditor's objectives to review and report upon:

- (i) The audited body's financial statements
- (ii) Whether the expenditure and income recorded in the financial statements have applied to the purpose intended by Parliament and the financial transactions recorded in the financial statements conforms to the authorities which govern them (regularity);
- (iii) Aspects of the audited body's arrangements to secure value for money.

In auditing the accounts the external auditor must be satisfied that:

- (i) The accounts are prepared in accordance with the relevant regulations.

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- (ii) They comply with the requirements of all other statutory provisions applicable to the accounts.
- (iii) They “present fairly” the financial position of the organisation.
- (iv) Proper practices have been observed in the compilation of the accounts.
- (v) The body whose accounts are being audited has made proper arrangements for securing economy, efficiency and effectiveness.

Key Controls

The key controls for external auditors are:

Key Controls: External Audit
External auditors are appointed by Public Sector Audit Appointments Ltd, which prepares a code of audit practice, which external auditors follow when carrying out their duties.
External auditors are independent in their operation.

Responsibilities of the Statutory Officers

Responsibilities of the Statutory Officers: External Audit
The PFCC CFO and the CC CFO shall liaise with the external auditor and advise the PFCC and CC on their responsibilities in relation to external audit and ensure there is effective liaison between external and internal audit; 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.
To provide the Audit Committee with : (i) The external audit Annual Governance Report for consideration. (ii) The external audit annual work plan and fee are reported for approval. (iii) The Annual Audit Letter.

C4 PREVENTING FRAUD AND CORRUPTION

Overview and Control

The PFCC and the CC will not tolerate fraud or corruption in the administration of their responsibilities, whether from inside or outside.

There is an expectation of propriety and accountability on officers, staff, volunteers and members at all levels to lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

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The PFCC and the CC also expect that individuals and organisations (e.g. suppliers, contractors, and service providers) with whom they come into contact will act towards the PFCC with integrity and without thought or actions involving fraud or corruption.

Key Controls

The key controls regarding the prevention of financial irregularities are that:

Key Controls: Preventing Fraud and Corruption
There is an effective system of internal control.
The organisation has an effective anti-fraud and corruption policy and maintains a culture that will not tolerate fraud or corruption.
All officers, staff, volunteers and members will act with integrity and lead by example
Senior managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the organisation or who are corrupt.
High standards of conduct are promoted amongst officers, staff, volunteers and members through adherence to codes of conduct.
There is an approved Gifts, Gratuities and Hospitality Policy and procedure that must be followed. This includes the maintenance of a register of interests in which any hospitality or gifts accepted must be recorded.
Whistle blowing policy and procedures are in place and operate effectively.
Legislation including the Public Interest Disclosure Act 1998 and the Bribery Act 2010 is adhered to.

Responsibilities of the Statutory Officers

Responsibilities of the Statutory Officers: Preventing Fraud and Corruption
To ensure all staff act with integrity and lead by example.
The PFCC and the CC are responsible for preparing an effective anti-fraud and anti-corruption policy and maintaining a culture that will not tolerate fraud or corruption and ensuring that internal controls are such that fraud or corruption will be prevented where possible.
The PFCC and the CC shall prepare a joint policy for the registering of interests and the receipt of hospitality and gifts covering officers and staff. The policy is published as appropriate on its website and the Force's website. A register of interests and a register of hospitality and gifts shall be maintained for staff in a manner to be determined by the PFCC.
The PFCC and the CC shall prepare a whistle blowing policy to provide a facility that enables staff, the general public and contractors to make allegations of fraud, misuse and corruption in confidence, and without recrimination, to an independent contact.

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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 PFCC shall ensure that all staff are aware of any approved whistle blowing policy.

To implement and maintain an adequate and effective internal financial framework clearly setting out the approved financial systems to be followed.

The PFCC and the CC shall notify the PFCC CFO and the CC CFO immediately if a preliminary investigation gives rise to any suspected fraud, theft, irregularity, improper use or misappropriation of property or resources. This reporting fulfils the requirements of Section 17 of the Crime and Disorder Act 1998. In such instances, the PFCC, the CC, the PFCC CFO and the CC CFO shall agree any further investigative process. Pending investigation and reporting, the PFCC and CC shall take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.

The PFCC and CC may instigate disciplinary procedures where the outcome of an investigation indicates improper behaviour.

C5 MONEY LAUNDERING AND PROCEEDS OF CRIME

Overview and Control

The PFCC and CC has adopted an anti-money laundering policy and procedures intended to prevent the use of proceeds from crime. This policy has been developed with regard to the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007.

The PFCC and CC have nominated the CC CFO and PFCC CFO to jointly perform the role of Money Laundering Reporting Officer (MLRO) whose principal role is to receive, consider and respond to any reports received of known or suspected money laundering.

Responsibilities of the PFCC and CC

Responsibilities of the PFCC and CC: Money Laundering and Proceeds of Crime

All officers and staff most likely to be exposed to or suspicious of money laundering situations are made aware of the requirements and obligations placed on the OPFCC and Chief Constable and themselves by the legislation.

Those officers and staff considered most likely to encounter money laundering will be given appropriate training. The appropriate managers within the section will periodically identify and deliver training to all appropriate staff.

Procedures are established to help forestall and prevent money laundering including making arrangements for reporting concerns about money laundering to the MLRO.

Periodic and regular assessments are undertaken of the risks of money laundering.

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C6 ASSETS

Overview and Control

The PFCC holds assets in the form of land, property, vehicles, equipment, and other items. It is important that assets are safeguarded and used efficiently in service delivery, that there are arrangements for the security of both assets and information required for service operations and that proper arrangements exist for the disposal of assets. An up-to-date asset register/inventory is a prerequisite for proper fixed asset accounting and sound asset management. The function of the asset register alongside an asset management plan is to provide the PFCC with information about fixed assets so that they are:

- (i) Safeguarded.
- (ii) Used efficiently and effectively.
- (iii) Adequately maintained.
- (iv) Valued in accordance with statutory and management requirements.

Intellectual property is a generic term that includes inventions and writing. If these are created by officers and staff during the course of employment, then, as a general rule, they belong to the PFCC, not the officer or member of staff. Various Acts of Parliament cover different types of intellectual property, including the Intellectual Property Act 2014. Certain activities undertaken within the PFCC or the CC may give rise to items that could be patented, for example, software development. These items are collectively known as intellectual property. In the event that the PFCC decides to become involved in the commercial exploitation of inventions, the matter should proceed in accordance with an approved intellectual property policy.

The PFCC should consult the CC in planning the budget and developing a medium term financial strategy. Both these processes should involve a full assessment of the assets required to meet operational requirements, including in terms of human resources, infrastructure, land, property and equipment.

Key Controls

The key controls for the security of resources and assets are:

Key Controls: Security of Resources and Assets
Resources are used only for approved purposes and properly accounted for.
Resources are available for use when required.
Resources no longer required are disposed of in accordance with the law and regulations so as to maximise benefits.

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Key Controls: Security of Resources and Assets
An asset register is maintained for the organisation. Assets are recorded when they are acquired and this record is updated as changes occur with respect to the location and condition of the asset.
All staff are aware of their responsibilities with regard to safeguarding the organisations assets and information, including the requirements of the Data Protection Act and software copyright legislation.
All staff are aware of their responsibilities with regard to safeguarding the security of the organisations computer systems, including maintaining restricted access to the information held on them and compliance with the organisations computer and internet security policies.

Responsibilities of the Statutory Officers

Responsibilities of the Statutory Officers: Assets
Security
To ensure that an asset register is maintained to provide information about fixed assets so that they are safeguarded, used efficiently and effectively, adequately maintained and valued in accordance with statutory management requirements.
The CC CFO shall ensure that 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.
To ensure that title deeds to property are held securely.
To ensure that no asset is subject to personal use by an employee without proper authority.
Attractive and portable items such as computers, cameras and recording devices should be identified with appropriate security markings.
The CC shall ensure that title deeds to the PFCC's property are held securely.
To ensure that all staff are aware of their responsibilities with regard to safeguarding the PFCC's assets, information and IT systems, including the requirements of the Data Protection Act, software copyright legislation and compliance with the information and security policies.

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Responsibilities of the Statutory Officers: Assets
Security
Lessees and other prospective occupiers of PFCC land are not allowed to take possession of the land until a lease or agreement in a form approved by the CC is in place.
To make sure that property is only used in the course of the business, unless specific approval has been given.
Valuation
To maintain an asset register for all fixed assets in accordance with the Accounting Policies shown in the annual Statement of Accounts, in a form approved by the PFCC CFO. Assets are to be recorded when they are acquired by the PFCC and this record updated as changes occur with respect to location, condition and ownership. Assets are to be valued in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: (The Code) for insurance purposes.
Assets may also be valued at market rates for asset management planning purposes where this is different from other valuations.
To arrange for the valuation of assets for accounting purposes.
Inventories
To maintain inventories that record an adequate description of portable and desirable items such as computers, monitors, printers, facsimile machines, mobile phones and photographic equipment above the value shown in Section F.
There shall be at least an annual check of all items on the inventory in order to verify location, review, and condition and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly. The annual check is to be undertaken by the responsible budget holder, who shall ensure that another member of staff is responsible for maintaining the inventory.
Stocks and Stores
To make arrangements for the care, custody and control of stocks and stores and maintain detailed stores accounts in a form approved by the PFCC CFO. Stocks are to be maintained at reasonable levels so as to balance the need for availability and the risk of obsolescence.
Where significant, values of stocks and stores at 31 March each year are to be certified and included in the annual accounts.
A complete stock check is to be undertaken at least once per year either by means of continuous or annual stock take. The stock take shall be undertaken and certified by an authorised member of staff who is independent of the stock keeping function. This procedure will be followed and a complete stock check undertaken whenever stock keeping duties change.

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Responsibilities of the Statutory Officers: Assets
Stocks and Stores
Discrepancies between the actual level of stock and the book value of stock for the Force may be written off by the CC CFO up to the level shown in Section F. Amounts for write off by the CC CFO above this value must be referred to the PFCC for approval, supported by a written report explaining the reasons for the write off and any investigation undertaken.
Intellectual Property
The PFCC and CC jointly are responsible for preparing guidance on intellectual property procedures and ensuring that staff are aware of these procedures.
The PFCC is responsible for approving an intellectual property policy.
Asset Disposal
Assets shall be disposed of provided they meet the following criteria: (i) Have been declared surplus to requirements (ii) When in the best interests of the PFCC, (iii) In accordance with the Police, Fire and Crime Plan (iv) In accordance with the approved Estate Strategy. (v) At the most advantageous price.
The CC may dispose of surplus vehicles and items of equipment up to the estimated value shown in Section F. Where this is not the highest offer, the PFCC CFO shall prepare a report for the PFCC outlining the reasons.
Disposals above the value detailed in Section F are to be reported to the PFCC for prior approval and will generally be disposed of by public auction or sealed bids after advertisement, unless demonstrated that an alternative method of disposal would provide better value for the PFCC.
All asset disposals shall be recorded in the asset register or inventory as appropriate.
The CC CFO shall inform the PFCC CFO of any disposals that may have a significant impact upon the balance sheet.
To ensure that appropriate accounting entries are made to remove the value of the disposed assets from the Commissioner's records.

C7 TREASURY MANAGEMENT AND BANKING ARRANGEMENTS

Overview and Control

The PFCC and CC are large organisations. It is important that PFCC and CC money is managed properly, in a way that balances risk with return, but with the prime consideration

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being given to the security of all monies. All treasury management activities should be undertaken in accordance with the CIPFA Treasury Management Code.

Key Controls

Key Controls: Treasury Management and Banking Arrangements
That the PFCC borrowings and investments comply with the CIPFA Code of Practice on Treasury Management and the Prudential Indicators and with the PCC treasury management strategy statement.
Suitable Treasury Management Practices (TMP) setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

Responsibilities of the Statutory Officers and Committees

Responsibilities of the Statutory Officers and Committees: Treasury Management and Banking Arrangements
To adopt the key recommendations of <i>CIPFA's Treasury Management in the Public Services: Code of Practice (the Code)</i> , as described in Section 4 of that Code.
Accordingly to ensure the adoption, the PFCC shall create and maintain, as the cornerstone for effective treasury management, a Treasury Management Strategy statement, stating the policies and objectives of its treasury management activities suitable treasury management practices, 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. The content of the policy statement and TMPs will follow the recommendations contained in Section 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the PFCC. Such amendments will not result in the PFCC deviating materially from the Code's key recommendations.
The PFCC shall receive reports on his treasury management strategies, practices and activities, including as a minimum, an annual strategy and plan in advance of each year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs. During the financial year, reports on action undertaken shall be submitted to the PFCC, by the CC CFO, as part of the financial monitoring information and included within Budget monitoring reports.
The PFCC is responsible for the implementation of its treasury management strategies and practices and delegates responsibility for the execution and administration of treasury management decisions to the PFCC CFO, in liaison with the CC CFO, who will act in accordance with the organisation's policy statement and TMPs and, CIPFA's <i>Statement of Professional Practice on Treasury Management</i> .
The Joint Independent Audit Committee (JIAC) is responsible for ensuring effective scrutiny of the treasury management strategy and policies.
All investments shall be in the name of the PFCC.

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Responsibilities of the Statutory Officers and Committees: Treasury Management and Banking Arrangements
The PFCC CFO may delegate aspects of the treasury management function to the CC CFO where this is deemed more appropriate.
The PFCC CFO shall have overall responsibility for banking arrangements. The PFCC CFO, in liaison with the CC CFO, shall determine a policy for the secure operation of bank accounts. All bank accounts shall be in the name of the PFCC unless authorised by the PFCC CFO and PFCC Monitoring Officer. The CC has authority to open or close covert accounts to aid operations. The opening and closing of other bank accounts requires the authorisation of the PFCC CFO.
The PFCC shall adopt the following Treasury Management Strategy Statement: <u>The PFCC:</u> • Defines its treasury management activities as “the management of the PFCC’s cash flows, its banking, money market and capital market transactions; the effective management of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.” • Regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the PFCC. • Acknowledges that effective treasury management will provide support towards the achievement of its business and services objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employ suitable performance measurement techniques, within the context of effective risk management.
To comply with the requirements of the Money Laundering Regulations 2003.
The PFCC CFO shall provide appropriate staff with cash or bank imprests to meet minor expenditure. The PFCC CFO 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.
The PFCC CFO shall prepare detailed Financial Instructions for dealing with petty cash, and these shall be issued to all appropriate staff.
The use of purchase cards shall be allowed for undertaking OPFCC business. The PFCC CFO, in consultation with the CC CFO, shall determine a policy for the secure operations of such purchase cards.
All imprest cheques shall be signed at an appropriate level in accordance with an approved list of signatories and up to the level shown in Section F. All other cheques shall be signed at an appropriate level in accordance with an approved bank mandate.

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C8 STAFFING

Overview and Control

Staffing costs form a significant element of the annual revenue budget. In order to provide the highest level of service and ensure effective use of resources, it is crucial to recruit and retain high caliber, knowledgeable officers and staff, qualified to an appropriate level.

Key Controls

The key controls for staffing are:

Key Controls: Staffing
An appropriate staffing strategy and policy exists, in which staffing requirements and budget allocations are matched.
Procedures are in place for forecasting staffing requirements and cost.
Controls are implemented that ensure staff time is used efficiently and to the benefit of the organisation.
Checks are undertaken prior to employing new staff to ensure that they are appropriately qualified, experienced and trustworthy.

Responsibilities of the Statutory Officers

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

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C9 CUSTODY OF UNOFFICIAL FUNDS AND PRIVATE PROPERTY

Trust Funds and other Voluntary Unofficial Funds Overview and Control

These are deemed to be funds, other than those of the PFCC or CC, which are controlled wholly or partly by staff by reason of their employment e.g. Benevolent Fund.

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

These funds should be kept separate from all PFCC and CC transactions and bank accounts and those responsible must ensure that appropriate insurance arrangements are in place.

Key Controls

The key controls for Trust Funds and other Voluntary Unofficial Funds are:

Key Controls: Trust Funds and other Voluntary Unofficial Funds
No employee shall open a trust fund without the specific approval of the PCC Monitoring Officer and PFCC CFO
These financial regulations should be seen as best practice which need to be followed whenever possible

Responsibilities of the Statutory Officers

Responsibilities of the Statutory Officers: Trust Funds and other Voluntary Unofficial Funds
Staff controlling such funds shall ensure that a suitably experienced independent person audits the fund in accordance with procedures required by the PFCC, and arrange for the annual audited accounts to be received by the appropriate management body.
The PFCC shall be informed of the existence, purpose and nature of all voluntary unofficial funds and receive minutes from the management bodies confirming the adoption of the audited accounts.
The PFCC shall issue Financial Instructions detailing how unofficial funds are to be managed and controlled.

Custody of Private Property Overview and Control

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

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Key Controls

Key Controls: Private Property
Secure environment for storage of property/monies
Audit trail of booking in and returning property to owners
Audit trail for the disposal of property where appropriate and any income received
Policy for specific items (e.g. bicycles) for returning these for community benefit
Policy for the use of Property Act monies as approved by the PFCC
Policy for the use of the Proceeds of Crime Act monies as approved by the PFCC

Responsibilities of the Statutory Officers

Responsibilities of the Statutory Officers: Private Property
The CC is responsible for the safekeeping of the private property of a person, other than a member of staff, under his/her guardianship or supervision, and shall determine procedures for such. These procedures shall be made available to all appropriate staff.
The CC is responsible for the safekeeping of found or seized property and shall determine procedures for such. These procedures shall be made available to all appropriate staff.
The CC shall be informed without delay in the case of loss or diminution in value of such private property.
The CC shall issue separate financial instructions for dealing with cash, including seized cash under the Proceeds of Crime Act. These procedures shall be approved by the PFCC and the PFCC CFO.
The CC shall comply with the requirements of the Proceeds of Crime Act 2002

SECTION D SYSTEMS AND PROCEDURES

D1 GENERAL

Overview and Control

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

The PFCC CFO and the CC CFO both have a statutory and professional responsibility to ensure that the organisation's financial systems are sound and should therefore be notified of any new developments or changes.

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

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Key Controls

The key controls for systems and procedures are:

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

Responsibilities of the Statutory Officers

Responsibilities of the Statutory Officers: Systems and Procedures
The PFCC CFO, in liaison with the CC CFO, is responsible for determining the overall accounting systems and procedures including to: • Issue advice, guidance and procedures for officers and others acting on behalf of the organisation. Determine the accounting systems, form of accounts and supporting financial records • Establish arrangements for the audit of the organisation's financial affairs • Approve any new system to be introduced • Approve any changes to existing financial systems Approve any changes to service delivery in relation to the finance function
To ensure, in respect of systems and processes, that: • Systems are secure, adequate internal controls exist and accounting records are properly maintained and held securely. This is to include an appropriate segregation of duties to minimise the risk of error, fraud or other malpractice. • Appropriate controls exist to ensure that all systems input, processing and output is genuine, complete, accurate, timely and not processed previously • A complete audit trail is to be 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.
The CC shall register compliance with the Data Protection Act 2018 ensuring that data processing (manual or electronic) involving personal information is registered.
The CC shall ensure compliance with copyright legislation around software being used.
To ensure that there is a documented and tested business continuity plan to allow 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.
To establish a Scheme of Governance and Consents, identifying officers and staff authorised to act upon the PFCC's behalf in respect of income collection, placing orders, making payments and employing staff. A schedule of officers and staff, and the delegated limits of their authority shall be maintained

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D2 INCOME

Overview and Control

Income is vital and effective systems are necessary to ensure that all income due is identified, collected, receipted and banked promptly in the name of the PFCC. 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.

The PFCC and Chief Constable should adopt the current National Police Chiefs Council (NPCC) national charging policies and national guidance when applying charges under section 25 of the Police Act 1996, or services provided covered by the charges in this guidance. The purpose of charging for special services is to ensure that, whenever appropriate, those using the services pay for them.

The PFCC 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 PFCC should ensure that ongoing resource requirements are not dependent on a significant number of uncertain or volatile income sources and should have due regards to sustainable and future years' service delivery.

The Chief Constable should ensure that there are arrangements in place to ensure that all such charges are applied to the provision of all such services across Northamptonshire Police. Any variation from these national charges should be approved in advance by the PFCC.

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

Key Controls

Key Controls: Income
There are arrangements for the collections of all income due and approve the procedures, systems and documentation for its collection, including the correct charging of VAT.
That relevant employees are supplied with 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.
All income is paid fully and promptly into the designated Income Bank Account in the name of the PFCC. Appropriate details should be recorded onto paying-in slips to provide an audit trail and money collected and deposited reconciled on a monthly basis.
Income is not used to cash personal cheques or make other payments.

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Key Controls: Income
That an effective debt collection procedure is in operation. This is to include debt recovery procedures, and when necessary, legal action to recover monies dues to the PFCC and the Force.
That income is written off, in line with corporate policies and delegated limit as specified in Section F.

Responsibilities of the Statutory Officers

Responsibilities of the Statutory Officers: Income
To adopt the NPCC national charging policies and national guidance when applying charges under section 25 of the Police Act 1996 and to keep scales of fees and charges under review with such reviews being carried out at least annually.
To agree a charging policy for the supply of goods and services, including the appropriate charging of VAT and to review it regularly in line with corporate policies. All charges should be at full cost recovery except where regulations require otherwise or with the express approval of the PFCC.
To prepare detailed Financial Instructions for dealing with income to be agreed with the PFCC CFO and to issue them to all appropriate employees.

D3 ORDERING OF GOODS AND SERVICES

Overview and Control

Public money should be spent with demonstrable probity and in accordance with PFCC policies. The statutory officers have a statutory duty to achieve best value, in part through economy and efficiency. Procedures should ensure that services obtain value for money from their purchasing arrangements. These procedures should be read in conjunction with the Contract Standing Orders.

Key Controls

The key controls for ordering work goods and services are:

Key Controls: Ordering Works, Goods and Service
All goods and services are ordered only by appropriate persons and are correctly recorded.
All goods and services shall be ordered in accordance with the PFCC's standing orders.
A computer-generated order should always be issued and authorised
This control should only be set-aside in exceptional circumstances.
All orders should be raised at the time of placing the order and not on receipt of the goods/services or invoice.
Goods and services received are checked to ensure that they are in accordance with the order. The person who placed the order should not receive goods.

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Responsibilities of the Statutory Officers

Responsibilities of the Statutory Officers: Ordering Works, Goods and Services
The PFCC and Chief Constable are jointly responsible for approving the Contract Standing Orders
To ensure all officers and staff are made aware of the responsibility they have to declare any links or personal interests that they may have with purchasers, suppliers and contractors if they are engaged in contractual or purchasing decisions.
All orders issued shall be in accordance with the approved procurement policy or Financial Instructions. Purchase orders must be issued for all work, goods or services to be supplied, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions approved by the PFCC CFO. All purchase orders must be generated by Oracle unless expressly authorised by PFCC CFO. The PFCC operates a “No P.O. – No Pay” policy.
To ensure that purchase orders are issued for all work, goods or services except for supplies of utilities, periodic payments such as rent or rates, purchasing card purchases, imprest purchases or other exceptions specified by the PFCC CFO.
To ensure authorisation of requisitions / orders are in accordance with the limits shown in section F. Only authorised officers and staff can raise requisitions / orders. Purchasing Cards may be used in compliance with the requirements and guidance.
Purchase orders must not be raised for any personal or private purchases, nor must personal or private use be made of PFCC contracts.
Goods and services ordered must be appropriate and needed, there must be adequate budgetary provision and quotations or tenders must be obtained where necessary.
Tenders and quotations shall be obtained in accordance with Contract Standing Orders within the limits shown in Section F.
Commitments incurred by placing orders are to be shown against the appropriate budget allocation and incorporated within budget monitoring reports.
Where possible, a different person should authorise the payment from the person who signed the requisition / order

D4 PAYMENTS OF GOODS AND SERVICES

Overview and Control

Apart from petty cash the normal method of payment from the PFCC and the CC shall be by BACs payment, cheque or other instrument or approved method, drawn on the PFCC

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bank account. The use of direct debit shall require the prior agreement of the PFCC CFO.

Key Controls

The key controls for paying for work goods and services are:

Key Controls: Payments of Goods and Service
Goods and services received are checked to ensure that they are in accordance with the order. The person who placed the order should not receive goods.
Payments are not made unless goods have been received and to the correct price, quantity and quality standards.
All payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method.
All appropriate evidence of the transaction and payment documents are retained and stored for the defined period, in accordance with the document retention schedule.
All expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected.
In addition, the effect of e-business/e-commerce and electronic purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically

Responsibilities of the Statutory Officers

Responsibilities of the Statutory Officers: Payments of Goods and Service
All payments are to be made in accordance with the approved procurement procedures or Financial Instructions.
Payments are not to be made unless goods and services have been received at the correct price, quantity and quality in accordance with any official order. Goods should not be received by the person who placed the initial requisition, unless this is impracticable.
Segregation will exist between the person ordering and the person approving the order. The receipting of goods confirms the invoice is suitable for payment. In the case of a manual invoice the 2 members of staff need to be involved in the ordering/receipting/authorising process.
Authorisation of invoices shall be in accordance with the limits shown in section F.
Procedures should be in place to ensure that all payments are to be made to the correct person, for the correct amount and be recorded properly, regardless of the method of payment. Systems should ensure the invoice has not been processed for payment before and that full advantage has been taken of any discounts offered.

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Responsibilities of the Statutory Officers: Payments of Goods and Service
Where VAT is charged, payment is not to be made unless a proper VAT invoice has been received.
All payments should be processed promptly to comply with the Late Payment of Commercial Debt (Interest) Act 1988.

D5 PAYMENTS TO EMPLOYEES AND MEMBERS

Overview and Control

Employee costs are the largest item of expenditure for most organisations.

Therefore, it is important that payments are accurate, timely, made only where they are due and that payments accord with individuals' conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for.

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

Key Controls

The key controls for payments to employees and members are:

Key Controls: Payments to Employees and Members
Proper authorisation procedures are in place and that there is adherence to corporate timetables in relation to: (i) Starters; (ii) Leavers; (iii) Variations, and; (iv) Enhancements
Claims for payments are made on the approved and appropriate documentation
Regular reconciliation of the HR system to the Payroll system.
Frequent reconciliation of payroll expenditure against approved budget and bank account.
All appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule.
The HM Revenue & Customs regulations are complied with.
Recovery of overpayment
Responsibility of adhering to time lines

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Responsibilities of the Statutory Officers

Responsibilities of the Statutory Officers: Payments to Employees and Members
To ensure appointments are made in accordance with approved establishments, grades and scale of pay and adequate budget provision should be available. Payroll staff must be notified of all appointments, terminations or variations in the correct format and to the timescales required.
To ensure that full records are maintained of benefits in kind and that they are properly accounted for in any returns to the HM Revenue and Customs.
The CC shall make arrangements for the secure and reliable payment of salaries, wages, pensions, compensation and other emoluments to existing and former officers and staff. Adequate and effective systems are to be in place and procedures operated so that payments are only authorised to bona fide officers, staff and pensioners payments are only made where there is a valid entitlement conditions and contracts of employment are applied correctly officer and staff names listed on the payroll are checked at regular intervals to verify accuracy and completeness.
The PFCC Monitoring Officer shall make arrangements for the payment of all PFCC travel and expenses claims. Such claims should be in the prescribed form, duly completed and certified. Certification is taken to mean that journeys were authorised and expenses incurred properly and necessarily and that allowances are payable properly, ensuring that cost effective use of travel arrangements is achieved. Due consideration should be given to tax implications. Payments shall be made to the value of presented receipts up to the prescribed limits, in accordance with Section F Delegated Limits.
Payroll transactions are to be processed only through the payroll system. Payments to individuals engaged on a self-employed consultant or subcontract basis shall only be made in accordance with HM Revenue and Customs requirements. The HM Revenue and Customs applies a tight definition of employment status, and in cases of doubt, advice should be sought.
To ensure compliance with all HM Revenue and Customs regulations and record and make arrangements for the accurate and timely payment of income tax and national insurance. To ensure compliance with regulations regarding the pay over of pension deductions and other statutory or voluntary deductions from pay. Payroll staff should be notified of all employee benefits in kind to enable full and complete reporting within the income tax self-assessment system.

D6 TAXATION

Overview and Control

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

It is important that all relevant officers and staff are kept up to date on tax issues and instructed on required record keeping.

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Key Controls

The key controls for taxation are:

Key Controls: Taxation
Relevant staff are provided with relevant information and kept up to date on
Accurate record keeping.
All taxable transactions are identified, properly carried out and accounted for within stipulated timescales.
Records are maintained in accordance with instructions.
Returns are made to the appropriate authorities within the stipulated timescale.
Provision of external expert advice is available where required.

Responsibilities of the Statutory Officers

Responsibilities of the Statutory Officers: Taxation
To ensure the completion of all HM Revenue and Customs requirements regarding PAYE and that due payments are made in accordance with statutory requirements.
To ensure that the correct VAT liability is attached to all income due and that all VAT reclaimed on purchases complies with HM Revenue and Customs regulations. The CC CFO shall ensure the completion of VAT claims for receipts and payments are made in accordance with statutory requirements.
Where construction and maintenance works are undertaken, the contractor shall fulfil the necessary construction industry tax deduction requirements. The CC CFO shall provide details to the HM Revenue and Customs regarding the construction industry tax deduction scheme.
To ensure up to date guidance is given to officers and staff on organisational taxation issues (e.g. VAT and CIS).

D7 EX GRATIA PAYMENTS

Overview and Control

An ex gratia payment is a payment made where no legal obligation exists. An example may be to recompense staff for damage to personal property in the execution of duty.

Responsibilities of the Statutory Officers

Responsibilities of the Statutory Officers: Ex Gratia Payment
The PFCC and the CC may make ex gratia payments to members of the public or staff up to the level shown in section F 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 PFCC. A register will be maintained by the legal team.

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D8 PENSIONS

Overview and Control

As a responsible public body the PFCC and the Force will ensure that the Pension Schemes are made easily available to all eligible staff and police officers. The recent changes which have introduced auto enrolment into the pension scheme enforces this concept.

Key Controls

The key controls relating to pensions are:

Key Controls: Pensions
Relevant staff are provided with relevant information and kept up to date on pension issues.
Accurate record keeping
Good communication with the County Council Pension Administrator
Compliance with acts and regulations
Records are maintained in accordance with instructions

Responsibilities of the Statutory Officers

Responsibilities of the Statutory Officers: Pensions
To ensure that there are adequate arrangements for administering police pension and Local Government Pension Scheme (LGPS) matters on a day-to- day basis.
To record and make arrangements for the accurate and timely payment of pensions and police pensions to the scheme administrators
The appointment of a Pension Administrator to administer the LGPS and police pensions on behalf of the PFCC.
The Home Office are responsible for the Police Pension schemes and the organisation acts as a “holding account” although the transactions are shown in the PFCC statement of accounts.
To ensure Pension Boards are established to administer the schemes in accordance with current legislation and regulations.
To ensure that timely and accurate information is supplied to the Home Office for the Top Up arrangements.
To ensure that timely information is supplied to the actuaries.
To refer internal disputes relating to pensions to the Pension Administrator in the first stage, with second stage disputes being referred to the PFCC CFO
The PFCC CFO and CC CFO are jointly is responsible for the governance arrangements.

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D9 GOVERNMENT PROCUREMENT CARDS

Overview and Control

Government Procurement Cards provide an effective method for payment for designated officers who, in the course of their official business, have an immediate requirement for expenditure which is relevant to the discharge of their duties.

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

Key Controls

The key controls for Government Procurement Cards are:

Key Controls: Government Procurement Cards
Detailed instructions to all authorised card holders and users
A procedure is in place which controls the issue of cards, limits on each card and permitted areas of expenditure.

Responsibilities of the Statutory Officers

Responsibilities of the Statutory Officers: Government Procurement Cards
That the CC CFO and the PFCC CFO undertake periodic reviews of the register of individuals and limits assigned to each card.
To ensure that all card holders are aware of the financial instructions relating to the use of cards.
To ensure that all purchases are checked to ensure compliance with approved policies (e.g. Gifts, Gratuities and Hospitality, Catering).
To ensure that the process requires receipted details of payments, particularly VAT receipts and all requirements of the providers electronic receipting and payments processes are adhered to.

SECTION E EXTERNAL ARRANGEMENTS

E1 PARTNERSHIPS

Overview and Control

Partnerships with other organisations can play a key role in delivering community strategies and in helping to promote and improve the wellbeing of the area. A partner may be defined as:

- (i) an organisation joining to undertake, part fund or participate as a beneficiary in a joint project, or

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(ii) a body whose nature or status give it a right or obligation to support a joint project

Partnerships typically fall into three main categories:

- **Statutory based** - These are partnerships that are governed by statute.
They include, for example, Crime and Disorder Reduction Partnerships (CDRPs) and Local Strategic Partnerships (LSPs).
- **Strategic** - These are partnerships set up to deliver core policing objectives.
They can either be force-wide or local.
- **Ad Hoc** - These are typically locally based informal arrangements agreed by the PFCC.

The main reasons for entering into a partnership with others are:

- a) to provide new and better ways of delivering services
- b) to comply with statutory requirements
- c) the ability to access new resources
- d) the desire to find new ways to share risk
- e) to forge new relationships
- f) mitigate costs when looking to achieve shared goals

Partners undertaking a joint venture have common responsibilities:

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

The PFCC and CC should welcome the opportunity for forming partnerships with other local organisations to address local needs. As set out in section 10 of the Police Reform and Social Responsibility Act 2011, the Commissioner, in exercising their functions, must have regard to the relevant priorities of each responsible authority. Subject to the constraints that may be placed on individual funding streams, Commissioners are free to pool funding as they and their local partners see fit. Commissioners can enter into any local contract for services, individually or collectively with other local partners, including non- police bodies.

When the PFCC acts as a commissioner of services, he will need to agree the shared priorities and outcomes expected to be delivered through the contract or grant agreement

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with each provider. The Commissioner is able to make crime and disorder grants in support of local priorities. The power to make crime and disorder grants with conditions is contained in section 9 of the Police Reform and Social Responsibility Act 2011. The power to contract for services is set out in paragraph 14 of Schedule 1 and paragraph 7 of Schedule 3 to the Police Reform and Social Responsibility Act 2011.

The PFCC may also make grants under Community Empowerment in support of new or local priorities. Such grants will not exceed the limit detailed in Section F.

Key Controls

Key Controls: Partnerships
If appropriate, to be aware of their responsibilities under the PCC financial regulations.
To ensure that risk management processes are in place to identify and assess all known risks.
To ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise.
To agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences.
Information sharing agreements should be incorporated for compliance with Management of Police Information and Data Protection Act.
To communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.
Exit strategies should be included from the start.

Responsibilities of the Statutory Officers: Partnerships
The PFCC Monitoring Officer is responsible for preparing a policy statement on partnership arrangements. The PCC is responsible for approving the policy.
The PFCC and CC are responsible for undertaking the partnership funding arrangements, in accordance with the agreed policy. The PFCC and CC shall consider the overall governance arrangements and legal issues when arranging contracts with external bodies.
The PFCC and CC shall ensure that the roles and responsibilities of each of the partners involved are agreed and accepted formally before the partnership commences.
The PFCC CFO and CC CFO should ensure that the accounting and reporting arrangements relating to partnerships are satisfactory.

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Responsibilities of the Statutory Officers: Partnerships
The PFCC and CC, upon taking appropriate advice, shall ensure that: (i) before entering into the agreement, a risk management appraisal has been prepared (ii) such agreements do not impact adversely upon the services provided by the PFCC and CC (iii) project appraisal is in place to assess the viability of the project in terms of resources, staffing and expertise (iv) all arrangements are properly documented (v) regular communication is held with other partners throughout the project in order to achieve the most successful outcome (vi) audit, security and control requirements are satisfied accounting arrangements are in place and satisfactory, including resourcing, taxation procedures and carry-forward arrangements
The PFCC Monitoring Officer shall maintain a register of all partnership arrangements.
The PFCC and CC shall ensure that all officers and staff involved in partnership arrangements have access to Financial Regulations and Contract Standing Orders. On occasion, the possibility of non-compliance with these Regulations may arise from entering into partnership arrangements. In such cases, prior approval of the PFCC following the agreement of the PFCC CFO, in liaison with CC CFO should be sought.

E2 EXTERNAL FUNDING

Overview and Control

External funding is a very important source of income. The main source of such funding is government grants, but consideration should be given to ensuring that the potential for all income sources is maximised. The PFCC should agree a fees and charges policy and review this on a regular basis.

Any match funding requirements should be given due consideration prior to entering into agreements and resources identified for future commitments.

Key Controls

The key controls for external funding are:

Key Controls: External Funding
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.
To ensure that funds are acquired only to meet the priorities approved in the Police and Crime Plan.

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Key Controls: External Funding
To ensure that any match-funding requirements are given due consideration prior to entering into long term agreements and that future revenue budgets reflect these requirements.

Responsibilities of the Statutory Officers

Responsibilities of the Statutory Officers: External Funding
To ensure that any conditions in relation to external funding are in accordance with the approved policies of the PFCC. In such cases, shall ensure compliance with the key conditions determined by the funding body and any statutory requirements. If there is a conflict, this needs to be taken to the PFCC for resolution.
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.
To pursue actively any opportunities for additional funding where this is considered to be in the interests of the PFCC.
All bids for external funding and the proper recording of grant income shall be coordinated through the CC and subject to the approval of the PFCC.
To ensure that all funding notified by external bodies is received and properly recorded in the accounts, that all claims for funds are made by the due date and that audit requirements are met

E3 WORK FOR THIRD PARTIES

Overview and Control

Current legislation enables the Commissioner to provide services to other bodies. Such work may enable economies of scale and existing expertise to be maintained. Arrangements should be in place to ensure that any risks associated with this work are minimised and that such work is not ultra vires.

Key Controls

The key controls for working for third parties are:

Key Controls: Work for Third Parties
To ensure that proposals are costed properly in accordance with guidance provided by the Home Office, or the PFCC.
To ensure that contracts are drawn up using guidance provided by the Home Office, or the PFCC.
To issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.

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Responsibilities of the Statutory Officers

Responsibilities of the Statutory Officers: Work for Third Parties
To ensure that : (i) proposals for assistance are costed, (ii) that contracts are drawn up where appropriate, (iii) that no contract is subsidised by the organisation (iv) that contracts do not impact adversely on the services provided. (v) that charges are made in accordance with the PFCC policy (vi) that, where possible, payment is received in advance of the delivery of the service (vii) that the PFCC is not put at risk from any bad debts.
The CC shall ensure that appropriate insurance arrangements are in place.

E4 COLLABORATED ACTIVITIES AND CONSORTIUM ARRANGEMENTS

Overview and Control

Providing services under collaborated arrangements can achieve efficiencies, savings and improve service reliance requirements. All collaboration activities involving functions under the direction of the CC shall be financially appraised by the CC CFO and discussed with the PFCC CFO. Such collaboration may take the form of MOU, or s22/23 agreements. Final approval of all s22/s23 collaborative arrangements rests with the PFCC.

The PFCC and CC may enter into Consortium (Shared Services) arrangements.

Such an arrangement is a long term joint working arrangement with other PFCCs/Forces/Fire operating within a formal legal structure approved by the PCC. Prior to entering into any consortium arrangement the proposal shall be financially appraised by the CC CFO and the PFCC CFO. The PFCC MO will sign the Memorandum of understanding (setting out the governance arrangements of the project) on behalf of the PFCC/Force.

Responsibilities of the Statutory Officers

Responsibilities of the Statutory Officers: Collaborated Activities and Consortium Arrangements
To ensure that each activity covered by collaborated arrangements is subject to the financial regulations of one of the PFCC's involved. The particular PFCC's financial regulations should be selected having regard to the staffing, activity and location of the collaborated activity.
To contact the PFCC Monitoring Officer before entering into a formal consortium agreement, to establish the correct legal framework.

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Responsibilities of the Statutory Officers: Collaborated Activities and Consortium Arrangements
To consult, as early as possible, the PFCC CFO and the CC CFO to ensure the correct treatment of taxation and other accounting arrangements.
To produce a business case to show the full economic benefits to be obtained from participation in the collaboration/consortium.
To produce a Memorandum of Understanding (MOU) or a s22 agreement setting out the appropriate governance arrangements

E5 COMMISSIONING

Overview and Control

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

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

The Chief Constable may not undertake commissioning or grant arrangements without agreement of the PFCC.

Key Controls

The key controls for commissioning are:

Key Controls: Commissioning
Agreements with clear priorities and outcomes
Grant conditions and outcomes

Responsibilities of the Statutory Officers

Responsibilities of the Statutory Officers: Commissioning
To have regard to relevant priorities of local partners when considering and setting the Police and Crime Plan.
To work effectively with other local leaders who can also provide significant resources, to influence how all parties prioritise and bring together their resources to tackle local problems and priorities.

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Responsibilities of the Statutory Officers: Commissioning
To consult with victims and witnesses of crime about policing and the proposed Police and Crime Plan. To commission the victim and witnesses support services in Northamptonshire.
To make appropriate robust arrangements to commission services from the Force or external providers.
To award crime and disorder grants as approved by the PFCC.
Authorisation of grants shall be in accordance with the limits shown in section F.
To develop a commissioning framework that will support the objectives as set out in the Police and Crime Plan. The framework should encourage a mixed economy of provider options and where necessary
To develop financial framework as part of the wider Commissioning framework with approved authorisation levels.
To keep under review the performance and outcomes of any investments agreed by the Commissioner in respect of partnership activity.
Ensure financial expenditure does not exceed the budgeted level to achieve the objectives set out in the Police and Crime Plan.

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SECTION F DELEGATED LIMITS

The section references below refer to the main body of text within sections A to E of these Financial Regulations. All financial limits are contained within this section in order to minimise the need for change when values are updated.

For the purpose of this document, “Sensitive” contracts are those that are above EU Procurement Limit threshold level, or are novel, contentious, in the public interest or politically repercussive.

Delegated Limits		
F1 Financial Planning		
Annual Revenue and Capital Budget preparation	The budget estimates shall identify all proposed individual major projects. A major project shall be defined as one in excess of the estimated value shown	£250,000
	Major projects need not be referred to the PFCC for further approval unless, when negotiating contract details, amendments to the nature of the scheme are sought or the cost of the scheme exceeds the limits shown	5% of the total contract value
	Business case for provision of new service, or change to the way services are provided which results in an expenditure.	up to £100,000 may be approved by the CFO to the Chief Constable. over £100,000 are to be approved by the PFCC Capital expenditure requires the PFCC or his delegated officer approval in all circumstances.

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Delegated Limits		
F2 Budgetary Control		
Revenue Virement/ Revenue Budgetary Movement Limits	It is the responsibility of the Budget Manager to request approval to virement and budgetary movement subject to the following limits Virements to specific revenue budget lines approved within these limits, but with a cumulative value, also requires the approval of the PFCC.	Force Budget <i>Up to £100,000 CFO to the CC</i> £100,000 to £250,000 PFCC CFO Over £250,000 PFCC PFCC's own budget Up to £100,000 PFCC CFO Over £100,000 PFCC
The following virements also require the Commissioner's approval: (i) That which involves a substantial change of policy of service delivery (ii) That which results in a significant addition to commitment in future years (iii) Transfer to and from capital expenditure (iv) Additional budget funded from reserves		
Treatment of End of Year Balances	All carry forward underspends shall be transferred to reserves. Requirements should be prioritised carefully by the PFCC and CC to enable best informed judgements as to future funding levels and planning the use of resources.	
Budget Authorisation Limits	£0 - £25,000	Budget Holder / Finance Advisor
	Over £25,000 - £100,000	Director / Head Of Department / Finance Business Partner or equivalent
	£100,000+	PFCC / PFCC CFO / MO CC CFO (within agreed budget or as consents/delegated)

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Delegated Limits		
F3 Capital Programme		
Capital Requirements	There may be instances where a capital requirement is identified in year, in addition to and outside of the agreed annual budget. In such cases, the bidding manager must raise a bid for the scheme	- A bid for capital scheme in year up to £100,000; fully funded/with no future years commitment requires joint approval from the CC CFO and PFCC CFO. - A bid for a capital scheme which are more than £100,000; unfunded and with future year's commitment requires the PFCC approval.
Capital Overspend	All potential capital overspend, when identified, will be highlighted as soon as they arise.	CC CFO/PFCC CFO (via monitoring report) PFCC approval
F4 Financial Risk		
Insurance Liability Claims	Insurance Liability Claims up to £20,000 excluding legal costs	CC
	Insurance Liability Claims over £20,000 excluding legal costs	PFCC
Civil Claims	Civil claims settlements, including Employment Tribunal*	Head of Legal Services: up to £10,000 CC From £10,001 up to £20,000 excluding legal costs From £20,001 excluding legal costs PFCC
Financial Assistance	All requests for financial assistance to officers and staff involved in legal proceedings	PFCC
Insurance	Day to day management of the insurance functions.	CFO CC

**Note: There are exceptions in employment tribunal cases. These occur when cases are felt to be sensitive for the reason below;*

- They involve high profile claimants*
- There is a particular public interest in the case*
- There is a real risk that the Police, Fire and Crime Commissioner or*
- Northamptonshire Police will be exposed to serious public criticism or serious weaknesses in the organisation or police and procedures will be revealed. Such cases will be referred to the Monitoring Officer for consideration by the Police, Fire and Crime Commissioner.*

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Delegated Limits		
F5 Assets		
Land and Buildings	The CC may not acquire any freeholds/leaseholds without clear, prior written approval of Commissioner. In instances of covert operational matters the CC may enter into short term lease arrangements (no greater than six (6) months) when consented by the PFCC. The CC may recommend purchases of Land & Buildings to the PFCC, which is in keeping with the operational requirements.	
Inventories	CC maintain an Asset Register for all Fixed assets in excess of the limits	Land and Buildings – All Vehicles – £10,000 Computer Equipment – £10,000 Plant and Equipment - £10,000
	CC shall ensure inventories are maintained that record an adequate description of portable and desirable items such as computers, monitors, printers, mobile phones and photographic equipment	Above £500
Stocks and Stores	Discrepancies between the actual level of stock and the book value of stock may be written off	PFCC CFO/CC CFO Individual items £10,000 Overall annual limit for financial year £25,000 PFCC: Amounts over the above values
	Obsolete stock may be written off	CC CFO: Individual items £10,000 Overall annual limit on all stock £25,000 PFCC: Amounts over the above values
Asset Disposal	dispose of surplus vehicles and items of equipment	CC CFO: Up to the estimated value of: Equipment £10,000 and Individual vehicles £10,000 PFCC CFO: above this value
	Items above the estimated value shown below shall be disposed of by public auction or sealed bids after advertisement, unless it can be shown that an alternative method of disposal would provide better value, as approved by the PFCC. Land & Buildings £250,000 Equipment £15,000	

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Delegated Limits		
F5 Banking Arrangements		
Imprest Cheques	Shall be signed at an appropriate level in accordance with an approved list and up to the level shown.	Up to £1,000 One signatory Over £1,000 Two signatories
F6 Income		
Sponsorship	Where the monetary value of a sponsorship proposal is over the limit shown or is perceived to be of a sensitive and controversial nature this must be approved.	Up to £15,000 PFCC CFO Over £15,000 PFCC
Debtors	Debtor amounts may be written off	Individual Limit Less than £10,000 - CC CFO £10,001 to £15,000 - PFCC CFO In excess of £15,000 – PFCC Aggregate Limit Less than £20,000 – CC CFO £20,001 to £50,000- PFCC CFO In excess of £50,000 – PFCC
Salary Overpayment Write Off	The OPFCC reserves the right to recover all overpayment of salary, expenses or other emoluments in excess of the employee's contractual entitlement. Payroll should take all reasonable measures to pursue recovery of the overpayment, and this includes arranging a payment plan to recover the funds. All cases of overpayment will be dealt with on an individual basis to ensure minimum hardship for the employee.	
	In exceptional circumstances, overpayments can be written off, in part or in full:	• Write offs for individual salary overpayment of £5,000 may be written off by the CC CFO. • The CC CFO may write off salary overpayments up to the maximum of £15,000 in a financial year. • Salary overpayments over the above limit (individually or in a financial year) may only be approved by the PFCC.
	All write-offs must be recorded and reported the CFO PFCC	When the total exceeds £25,000 in any given financial year.

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Delegated Limits		
F7 Procurement of Goods and Services		
Procurement/ Contract Award	Total Value of Contract (includes any extension options)	
	<i>Supplier identified as providing best value up to £25,000</i>	<i>Budget Holder (unless sensitive contract)</i>
	<i>Over £25,000- £50,000 <u>not advertised</u> Invitation to provide quotations undertaken with a minimum of three suppliers (unless supporting evidence to demonstrate limited market). A Vfm assessment shall then be undertaken in conjunction with the Engagement Partner.</i>	<i>Service Request approved by PFCC CFO/ MO to the PFCC (unless sensitive contract)</i>
	<i>Over £50,000 formal ADVERTISED tender process undertaken in conjunction with the Engagement Partner and complying with the special conditions for tenders over EU threshold</i>	<i>Service Request approved by: £50,000 to Upper limit - approved by PFCC MO (unless sensitive contract) In excess of Public Procurement thresholds (currently £189,333) – Service Request approved by PFCC</i>
	<i>Note: Any contract in excess of £25,000 can only be awarded following consultation with the Engagement Partners</i>	
Authorisation of orders and invoices	Where the contract is approved in line with the above, the delegated levels in F2 – Budget Authorisation apply.	
Exemption to Contract Standing Orders	All authorisations of such purchases shall be undertaken in conjunction with the Engagement Partner via a Waiver Approval	<i>Over £25,000- £50,000 - CFO to the PFCC/PFCC MO Over £50,000 – PFCC</i>
Sensitive Contracts	Approval of all sensitive contracts (inc Variations, terminations and extensions)	PFCC

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Delegated Limits		
F7 Procurement of Goods and Services		
Contract Variation/Extensions/ Termination	Approval of non-sensitive contract variation	Should a variation result in a delegated limit being exceeded, approval should be sought from the next level
	Approval of non-sensitive contract extension, where there was no option to extend	In line with Procurement/ Contract Award delegated limits (- based on revised total contract value
	Termination of non-sensitive contracts	Up to EU Public Procurement threshold - CFO to the CC In excess of EU Public Procurement threshold – Commissioner
F8 Legislative Payments		
Legislative and Pre-Approved Contractual Payments	Authorisation of legislative payments (e.g. HMRC tax liabilities, apprenticeship levy and third party payments) and pre-approved contractual payments (e.g. Commutations)	Joint Head of Finance CFO to the CC
F9 Ex Gratia Payments		
Gifts, Loans and Sponsorships (Outward)	Sponsorship Arrangements	In line with Delegated levels above (insert ref)
F9 Ex Gratia Payments		
Ex Gratia Payments	Ex gratia payments to members of the public or recompense to a police officer in any individual instance, for damage or loss of 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 functions of the Force. <i>Note: The circumstances of the proposed payment must not have the effect of circumventing other pay and allowances, policies, rates and rules in the execution of duty or to a member of the public assisting the police. Advice should be obtained from subject matter experts.</i>	In line with the Legal delegations.

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Delegated Limits		
F10 Grants		
Grants	Only the PFCC and his staff as set out in the consent of scheme and delegation may authorise grants.	
F11 External Funding		
External Funding (inc Grant Applications)	External Funding Part of Agreed Budget	Up to £250,000 – CC In Excess of £250,000 – PFCC
	External Funding not in Agreed Budget	PFCC's CFO or Deputy s151
Exceptional Cases	The provision of police advice and assistance to international agencies, because the cost is £4,000 or more (including air flights, accommodation and salary costs of the police officer or member of staff); and it is a sensitive case involving travel to a politically sensitive country	MO/PFCC

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Contract Procedure Rules and Standing Orders

August 2021

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Introduction

These Contract Procedure Rules and Standing are intended to assist persons who are either regularly purchasing goods and services on behalf of the Force or Commissioner, or might more occasionally wish to purchase goods or service of a substantial value.

Context

Public procurement is a process which is governed by rules and regulations. Every contract made, or tendering procedure undertaken, by the Commissioner or Force must comply with: all aspects of Procurement Rules, Guidance and Law(s) currently in force; these standing orders, and; any other applicable UK Law.

These Contract Standing Orders set out the rules by which the Commissioner/Force spends money on supplies, services and works in order to deliver its services. They apply to any contracts that result in a payment being made by, or to, the Commissioner/Force. Contract standing orders aim to ensure that we:

- achieve Value for Money for public money spent
- be consistent with the highest standards of integrity
- ensure fairness in allocating public contracts
- comply with all legal requirements, particularly in relation to the Public Contract Regulations
- support the corporate aims and policies of the Commissioner and the Force
- comply with Procurement policy and procedures of the Commissioner and the Force

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

Contract Regulations

What is a contract?

A contract is an agreement between two parties for the supply of good and/or services. Employees should avoid giving verbal commitments to suppliers as this can constitute a contract. In addition, it should be noted that even where arrangements may be referred to as something else, such as a Grant, it can actually constitute a contract and therefore is subject to these Contract Procedure Rules and Standing Orders.

Relevant Contracts

All Relevant Contracts must comply with these Contract Standing Orders. A Relevant Contract is any arrangement made by, or on behalf of, the Commissioner/Force for the carrying out of works or for the supply of goods, materials or services. These include arrangements for:

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- (i) the supply or disposal of goods
- (ii) the hire, rental or lease of goods or equipment
- (iii) the execution of works
- (iv) the provision of services

Relevant Contracts do not include:

- (i) Contracts of employment which make an individual a direct employee
- (ii) Instruction of counsel and external legal advisors
- (iii) Partnership Agreements.

Key Controls
All staff, Consultants and agents employed by the PFCC and the Force must abide by the Contract Procedure Rules and Standing Orders, unless an exception is granted by the PFCC CFO, to ensure fairness and consistency of approach in line with sound commercial practice. Staff should regard the code as the basis of best conduct. Failure to comply may result in disciplinary action.
All procurement activity will be undertaken in a transparent, fair and consistent manner, ensuring the highest standards of probity and accountability and comply with Contract Procedure Rules and Standing Orders; Financial Regulations, and Scheme of Delegation.
Consultant architects, engineers, surveyors and other professional Consultants shall be selected and commissions awarded in accordance with these Contract Procedure Rules and Standing Orders.
It is essential that before any procurement activity is considered, appropriate budget provisions have been secured, and business cases prepared, as set out in the Scheme of Delegation.
All procurement activity will be ethically, environmentally and socially responsible with due consideration being given to any economic benefits and regeneration opportunities.
All procurement will be compliant with good commercial practice and open to continuous improvement and development to ensure value for money.
Staff should also ensure that they comply with the Anti- Fraud and Corruption requirements in respect of gifts, gratuities and hospitality as set out within the financial regulations. Any matters arising which are outside the bounds of these Rules should be referred immediately to line management.

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Key Controls
Prior to undertaking a procurement exercise, Staff must: - check with the Commercial team whether a suitable Corporate Contract or Framework exists before seeking to let another. Where a suitable Corporate Contract exists, this must be used unless there is an auditable reason not(such reasons should be recorded); - ensure that the TUPE (Transfer of Undertaking Protection of Employment) issues are considered and obtain legal advice before proceeding with inviting Tenders when an employee of the Force/Commissioner, or of a service provider may be affected by any transfer arrangement - take proportionate account of all relevant risks, particularly relating to the Public Contracts Regulations⁷
Staff should raise any matter of concern of an ethical nature with their line manager, the PFCC Chief Finance Officer (PCC CFO) or the Monitoring Officer, irrespective of whether it is addressed in this Code.
Any personal interest which may affect or be seen by others to affect your impartiality in any matter relevant to your duties must be declared in line with paragraph 6 below. Consideration will be given to circumstances where members of staff would need to be excluded where their position may be compromised.
No contract or project shall be deliberately or artificially divided into a number of separate contracts in order to avoid the obligation set out in these Contract Procedure Rules and Standing Orders, or any statute or other governing Laws.
Estimated value is deemed to be aggregate cost that is reasonably anticipated over the lifetime of the provision. If the lifetime is unknown, then the aggregate cost should be based on 48 months.
Evaluation models shall generally be weighted such that the overall percentage score allocated to cost is not less than 40%. In exceptional circumstances the PCC CFO or CC CFO or his/her deputy may agree a different cost/quality ratio.
The authority levels shall apply to variations to contract, i.e. any additional costs resulting from the variation must be aggregated with the original contract value for the purposes of authorisation.

⁷ Any public sector or utilities contract awarded in breach of certain fundamental Public Contract Regulations can be declared “ineffective” by the Courts. Depending on the circumstances of the breach, the Courts may order the setting aside of the decision concerned; order the contracting authority to amend any document; make an award of damages to an economic operator, and order the contracting body to pay a fine.

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Responsibilities

Responsibilities of the Monitoring Officer
The responsibilities of the Monitoring Officer are to ensure that: (i) their respective staff comply with these orders (ii) a register of contracts is maintained and arrange their safekeeping (iii) a register of contract exceptions is maintained (iv) maintain a record of all declarations of interests notified to them by any Officer

Declaration of Interests

If it comes to the knowledge of an Officer or an employee of the Commissioner/Force or anyone acting on behalf of the Commissioner/Force that a contract in which he or she has a pecuniary interest has been or is proposed to be entered into by the Commissioner, he or she shall immediately give written notice to the Monitoring Officer. The Monitoring Officer shall report such declarations to the PFCC.

Such written notice is required irrespective of whether the pecuniary interest is direct or indirect. An indirect pecuniary interest is distinct from a direct pecuniary interest in as much as it is not a contract to which the member or employee is directly a party.

Equalities Duties Legislation

The Commissioner and the Force will ensure, when applying this Policy that they comply with their duties under the Equality Act 2010. In doing so they shall ensure that when carrying out their duties, they do not discriminate directly or indirectly against staff or potential service providers on grounds of race, colour, age, nationality, ethnicity, gender, sexual orientation, marital status, religious belief or disability.

All Procurement activity within Force and OPFCC must include the equalities duties for all stages of the procurement process.

Under the equalities duties, a contractor carrying out functions of a public nature, for the duration of the contract, would itself be a public authority and have a duty to comply with the equalities duties when carrying out those functions. All employees shall ensure adherence to these obligation as part of the lifetime contract management.

Waivers to Normal Procedures/Single Source Award

ALL exceptions that exceed £25,000 in value must be authorised prior to the procurement of goods, services or works. For such contracts the budget holder must complete a Waiver Approval Form and submit it to the Commercial team. A Waiver Approval should only be used in very exceptional circumstances.

Exceptions to normal procedures shall be agreed and authorised in accordance with the thresholds detailed within the Standing Orders of this document.

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The PCC CFO or their delegated authorities will consider requests for exceptions to normal procedures under the following circumstances:

- a) Where it can be evidenced that only one supplier is able to carry out the work or service or to supply goods for technical reasons or because of exclusive rights;
- b) Extensions to existing contracts where there is a genuinely justifiable case to use an existing contractor/supplier to maintain continuity of supply or site experience, where no extension has been provided for in the current contract;
- c) The contract has been classified as secret by a Chief Officer making essential the use of a particular contractor or a limited competition to a select list of contractors and the avoidance of advertising requirements in the public domain;
- d) The contract is required so urgently that competition is impracticable. For example a genuine unforeseeable operational need arises. However failure to take action within appropriate timescales does not constitute grounds for an urgency exception.

A report for all exceptions approved is provided for the PFCC CFO to scrutinise on a quarterly basis

Procurement thresholds and procedures

A Procuring Officer must not disaggregate a requirement nor select a method of calculating the Total Contract Value in order to minimize the robustness of the procurement process. The EU Directives are clear that deliberate attempts to reduce, avoid or misrepresent the total value of the contract are a breach of the legislation.

Where the Total Contract Value for a purchase is within the values in the first column of the table below, the Procurement Process in the second column must be followed.

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Total Contract Value	Procurement Process	Procurement Lead
Up to £25,000	• Business lead seeks a range of formal written quotations (suggested minimum of three) in writing either on paper or by email. • Quotations should be retained locally for audit purposes together with a record of the details of the quotation exercise. • The number of organisations invited to submit quotes or otherwise offer to supply must be sufficient to demonstrate best value for money; records should be retained locally to support. • An official purchase order number must be issued to the supplier to authorise the purchase and ensure the procurement is in accordance with the Standard Terms and Conditions of Order. If in doubt, on the format for drafting and issuing contractual documentations contact the Commercial team. • It may be that a contract values up to £25,000 could have EU Procurement Directive implications, therefore, where such contract(s) fall in this bracket early engagement with the Commercial team is essential in ensuring compliance with the Regulations. • Ensure that you have authority to conclude the transaction in relation to this matter, which must include an agreed business case and confirmation of budget availability.	Officer

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Total Contract Value	Procurement Process	Procurement Lead
Above £25,000 to £50,000	• Seek a minimum of three formal written quotations via a <u>non-advertised</u> invitation to quote either on paper or by email. • Quotations should be submitted to the Engagement Partner with the Service Request. • The number of organisations invited to submit quotes or otherwise offer to supply must be sufficient to demonstrate that genuine market forces are employed to maximise value for money. This should either be on the basis of lowest cost or the most economically advantageous Tender, after taking in to account any quality criteria. • All potential suppliers are treated fairly and each supplier is assessed using a pre-determined evaluation model. The evaluation should assess the quality and whole life cost of the offer if possible against the specification. • An official purchase order number must be issued to the supplier to authorise the purchase and ensure the procurement is in accordance with the Standard Terms and Conditions of Order. If in doubt, on the format for drafting and issuing contractual documentations contact the Commercial team. • It may be that a contract between the values of £25,000 and £50,000 could have EU Procurement Directive implications, therefore, early engagement with the Commercial team is essential, ideally prior to any quotations being obtained. • Ensure that you have authority to conclude the transaction in relation to this matter, which must include an agreed business case and confirmation of budget availability.	Commercial Team

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Total Contract Value	Procurement Process	Procurement Lead
Above £50,000 and below Threshold	Use of Framework or formal <u>advertised</u> Invitation to Tender – see Key Controls for Procurements over £50,000 below	Commercial Team
Above Threshold (currently £189,330)	Apply Procurement Regulations – see Key Controls for Procurements over £50,000 below	Commercial Team

Key Controls for Procurement over £25,000

Key Controls
Where the total value of contract is estimated to exceed £25,000 over the whole duration, the procurement process must be managed in conjunction with the Commercial team. These transactions may well have Procurement Regulation implications; Procurement Regulations are mandatory.
Transactions over £50,000 shall be advertised via a tendering process. Tenders may be invited in a number of ways including using an existing contract arrangement, a Request for Quotation process, select list, using a framework arrangement for a direct call-off or conducting a further competition, or via a procurement procedure as set out in the Regulations for tenders above the threshold.
Should it not be possible to obtain three quotations for transactions over £25,000 and either two or only one supplier exists to provide a quotation then a dispensation must be agreed by the OPFCC prior to any contract award. The Commercial Engagement Partner will assist in obtaining this dispensation should this be an appropriate method of procurement.
These processes are designed to reduce the likelihood of fraud, and ensure the Force and Commissioner obtains the best deal possible. Whichever process is used, an agreed procurement strategy, shall be agreed with the Commercial team, which will be based on a Statement of Requirement (SOR) obtained from the originator or budget holder.
The evaluation models, matrices and other tools used to assess and compare the Tenders will be determined and agreed with stakeholders or project members as part of the Procurement Strategy, prior to receipt of Tenders and quotes.
The timescales for tendering under the Regulations are prescriptive and may generally be longer than a non-regulation Tenders. Failure to leave sufficient time to complete the tendering process is legislatively not an acceptable reason for avoidance of the regulations.

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Collaboration and Partnerships

Collaborative arrangements are subject to UK and EU procurement legislation and case law. They must follow these Contract Procedure Rules. Where a contract is let by one of the East Midlands Forces or PCC's on behalf of one or more of the constituent authorities, the Contract Standing Orders adopted by that PCC shall apply.

Where a contract is let by any other UK PCC, Emergency Service or other Collaborative Agency then the Contract Standing Orders adopted by that PCC, Emergency Service or Collaborative Agency shall apply.

In the case of private finance initiatives (PFI) and other public/private sector partnerships, such contracts must be approved and authorised in accordance with the scheme of delegation. If in doubt, Officers must first seek the advice of the Monitoring Officer.

Invitations to Tender / Quotation and Submissions

The Invitation to Tender shall state that no Tender will be considered unless it is received by the date and time stipulated in the Invitation to Tender. No Tender delivered in contravention of this clause shall be considered other than in accordance with the rules for submission of Tenders.

Where the estimated value of a proposed contract is more than £25,000, written quotations must be invited from at least three suitable contractors. The PFC CCFO may authorise that only two, or exceptionally one, quotation(s) be sought if he/she is satisfied, on reasonable grounds that three quotes cannot be obtained. The PCC CFO will record such reasons.

The Commissioner/Force uses the national Police e-Tendering system, Bluelight Emergency Services e-tendering at [BlueLight Portal](#) to invite quotations for all Procurement work over £50,000. Suppliers register on BlueLight Portal, free of charge and are notified of any contracts that are advertised under the category codes that they have registered against.

BlueLight Portal enables quotations, formal tenders and Official Journal of the European Union (OJEU) tenders to be undertaken electronically, with suppliers and contractors uploading their responses to the site EU contract notices and award notices are electronically submitted to OJEU from BlueLight Procontract, ensuring compliance with EU Procurement Directives.

Where BlueLight Portal is not suitable for the procurement process a subsequent e-tendering system may be utilised. Tenderers shall be notified accordingly. No Tender will be considered unless it is submitted electronically by the requested route, unless a failure of the system prohibits its use.

Tenderers must be given an adequate period in which to prepare and submit their Quotation or Tender, consistent with the complexity of the contract requirement. This should normally be no less than 15 days. For contracts valued above the EU threshold

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and being conducted using an EU Tender procedure, specific minimum time periods for the receipt of Tenders must be adhered to.

Tenders shall be kept within the secure area of the nominated e-tendering system until the time and date specified for their opening, or where appropriate for Hard Copy tenders in the custody of our Commercial Partner.

Late tenders can be uploaded only when a specific I.T. issue resulted that prevented a supplier uploading a tender and can evidence this. There is no obligation on the Force or Commissioner to open or consider late tenders. The portal has password protection to ensure only a designated officer may release the tenders after the deadline.

The CCCFO or PCCCFO may allow a tender, that does not comply with these Standing Orders, to be considered provided he is satisfied that the breach was due to inadvertence and that no advantage to the tenderer or detriment to any other person has occurred as a result. The CCCFO or PCCCFO, will record such reasons.

Alteration to Tenders

No alteration to Tenders may be made after the closing deadline unless:

- (a) it is suspected that there has been an error in a Tender and following the closing date for receipt of Tenders but before acceptance of any Tender, discussions may take place with Tenderers in order to:
 - i. ensure that the Tender is constructed correctly; or
 - ii. ensure that the Tenderer has fully understood the specification; or
 - iii. seek clarification from Tenderers of cost, quality and performance indicators
- (b) it is in line with the post tender award discussions and negotiations

A written note of the discussions must be made to record the suspected error, date, time, detail of the discussion and any agreement reached.

Any changes which alter the final costs must be supported by documentation confirming the change from the organisation who submitted the Tender.

Evaluation of Tenders and quotations

Evaluation criteria may be made on appropriate technical, qualitative and financial grounds which are appropriate to the contract concerned. These should be agreed before the Tender is issued in consultation with an appropriate stakeholder group, which should include financial and technical/practitioner representation, and agreed with the Commercial team (for tenders and quotations over £25,000).

Evaluations of the Tender submissions are to be carried out by the stakeholder group (who shall all undertake evaluator training with the Commercial Team) based on the agreed criteria which shall be applied to all tenderers fairly, transparently and consistently.

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

Bond and Parent Company Guarantees

The Procuring Officer must consult the PFCC CFO about whether a Parent Company Guarantee is necessary when an Applicant is a subsidiary of a larger group/company and:

- i. the Total Value exceeds £250,000, or
- ii. award is based on evaluation of the parent company, or
- iii. there is some concern about the stability of the Applicant.

Discussions and Post Tender Negotiations

If the Estimated Contract Value is below the EU Threshold, and following the closing date for receipt of Tenders, but before acceptance of any Tender, Post Tender Negotiations may be carried out in an attempt to secure improvements in the price or economic advantage in one or more of the following circumstances:

- (i) where the most competitive Tender (according to the pre-determined award methodology and evaluation criteria) submitted exceeds the Estimated Value;
- (ii) where it is considered that the price of the most competitive Tender submitted does not represent the best value for money that can reasonably be obtained;
- (iii) where Tenders have been invited only on the basis of unit prices or a schedule of rates and the lowest in aggregate is not the lowest on all items;
- (iv) where the most competitive Tender contains conditions, trading terms, guarantees, or provisions relating to performance or service delivery less favourable than in other Tenders, or than stipulated for and this defect appears capable of being remedied by Post Tender Negotiations.

When conducting Post Tender Negotiations, as part of a Procurement Exercise where the Estimated Contract Value is £50,000 or more (but below the Threshold), only the Tenderer submitting the most competitive Tender in accordance with the award methodology and evaluation criteria may be invited to participate in Post Tender Negotiations.

Post Tender Negotiation for Procurements over Threshold should only be undertaken, after consultation with EMPLS.

Acceptance of tenders/quotations

The confidentiality of Quotations, Tenders and the identity of Tenderers must be preserved at all times and information about one Tenderers response must not be given to another Tenderer.

Tenders must be evaluated and Contracts awarded in accordance with the Selection and Award Criteria.

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Where the Total Value exceeds £50,000 the Commercial team will notify and debrief all Tenderers simultaneously and as soon as possible of the intention to award the contract to the successful Tenderer.

For all contracts subject to Procurement Regulations, the Commercial team will ensure compliance with enhanced notice requirements under Alcatel standstill rules.

For all contracts where the total value exceeds £25,000 a formal Tender Award Report shall be prepared for the attention of the Authorising Officer. No formal award will be made to the successful Tenderer until written authorisation has been obtained for the total value of the contract in accordance with the Contract Authorisation Limits stipulated in the Standing Orders

Under no circumstances, must a letter of intent be communicated to any Tenderer prior to the formal award of contract.

Cancellations, variations, extensions or termination of contracts

Other than at the expiry of an agreed term, no contracts shall be terminated or cancelled without considering as to whether such action is in accordance with contractual terms and conditions. Any cancellation or termination should be referred to the Commercial team, who may in turn take appropriate legal and or commercial advice depending on the reason for the request.

All cancellations or terminations must be made formally in writing and any requirement for a period of notice must be observed and acted on.

If a request is made for a variation to contract, the value of the variation must be considered in line with the total contract value specified in the Advertisement (especially any OJEU notice) and/or if a material change whether this changes the scope specified in the Advertisement. Approvals of variations in contracts must be given in accordance with the delegated limits.

The Commercial team will conduct a formal review with the budget holder at an appropriate time prior to the expiry of any contract. If there are options within the terms to extend the contract, then subject to satisfactory performance by the supplier and agreement from the budget holder, the contract will be extended with the supplier after exploring any cost reduction opportunities. Where there are no further extension options available then the contract may be terminated and any subsequent contract will be let in accordance with these Contract Procedure Rules and Standing Orders, unless extended in line with Waiver Approval.

Contract Documents

All contracts, including Purchase Orders must be in writing and state as a minimum:

- (i) work to be done or the goods, materials or services to be supplied;
- (ii) price and any deductions;
- (iii) time within which the contract is to be carried out; and

CORPORATE GOVERNANCE FRAMEWORK FOR THE OFFICE OF POLICE FIRE AND CRIME COMMISSIONER AND CHIEF CONSTABLE OF NORTHAMPTONSHIRE

- (iv) Terms and Conditions of contract applicable (including the relevant Data handling Schedule).

The Commissioner terms and conditions of contract will be applicable to any contract placed. However, there may be exceptional circumstances where other terms and conditions of contract are proposed. The Commercial team must be consulted in such circumstances for advice and support. East Midlands Regional Forces' terms and conditions of contract will be applicable where any East Midlands Police collaborative contract has been agreed.

All contracts must be concluded formally in writing before the supply, service or construction work begins, except in exceptional circumstances, and then only with the written authorisation in line with the delegated approvals. An award letter is insufficient.

The Commercial team is responsible for securing signature of the contract must ensure that the person signing for the other contracting party has authority to bind it.

Document retention and record keeping

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

- (i) for contracts signed under hand not less than 6 years from the completion of the services, supply or works;
- (ii) for contracts under seal not less than 12 years from the completion of the services, supply or works.

Contract Authorisation Levels

The Contract Authorisation levels are set out in Section F.

APPENDIX 1: DECISION MAKING FRAMEWORK

2.1.1. Approach to Decision Making

- 2.1.1.1. Decisions taken by the PFCC will arise from the discharge of their statutory functions. The PFCC will demonstrate probity and regularity in their decision making and will therefore take decisions in accordance with the Good Governance Standards for Public Service (the Nolan Principles).
- 2.1.2. The PFCC and the Office of the PFCC will apply good governance principles to all decisions regardless of significance and impact.

2.2. Principles of Decision Making

- 2.2.3. Decision-making will be transparent and well informed.
 - 2.2.3.1. The PFCC will give proper consideration to all relevant parties. Arrangements will be made for obtaining the views of people in the local area about matters related to policing, community safety and criminal justice. These views will be used to inform decision making.
 - 2.2.3.2. The principle means of public consultation will be on the Police, Fire and Crime Plan. This is a statutory requirement as defined in the Police Reform and Social Responsibility Act 2011. The Plan will seek to include all key policy initiatives that the PFCC will seek to execute.
 - 2.2.3.3. The OPFCC will also consider specific consultation where the Police, Fire and Crime Plan is insufficient consultation on specific decisions. The OPFCC Monitoring Officer/Deputy Monitoring Officer will be responsible for deciding when additional consultation is required on a decision.
 - 2.2.3.4. Consultation will take a variety of forms to ensure the most appropriate method and audience (e.g. the public, the Chief Constable or other stakeholders including the Police and Crime Panel) is sought for each decision.

- At times, some information will not be appropriate to be published due to confidentiality reasons. The potential reasons (as described in Local Government Act 1972 – Schedule 12A) are:
 - Information relating to any individual
 - Information which is likely to reveal the identity of an individual
 - Information relating to the financial or business affairs of any particular person (including the authority holding that information)
 - Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the PFCC or a Minister of the Crown and employees of, or office holders under, the authority
 - Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings
 - Information which reveals that the authority proposes
- a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; b) to make an order or direction under any enactment
 - Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime

2.2.4. Decisions will make use of good quality information, advice and support.

2.2.4.1. Decisions will be taken based on quality information and clear advice in order to reduce the risk of taking decisions that fail to achieve the PFCC's objectives or have unintended consequences.

2.2.4.2. Advice will include that taken from the Chief Constable as well as statutory and other officers of the PFCC.

2.2.4.3. Any decisions taken will be accompanied by an officer report detailing material information relied upon in making the decision. The report is available at the end of this section. Scheme. Such reports will be published in conjunction with the final decision.

- 2.2.5. Decisions will make use of risk management information.
- 2.2.5.1. Risk registers of the PFCC will be regularly reviewed by the officers and the Audit Committee to inform decision making.
- 2.2.5.2. Risks specific to the decision will be identified, together with any mitigation that is in place.
- 2.2.6. Decisions will be lawful, reasonable, fair and proportionate.
- 2.2.6.1. The PFCC will make use of their professional advisers in decision making and will take into consideration the impact of any decisions of all those who live and work in Northamptonshire.
- 2.2.6.2. The PFCC will take decisions with a view to achieving value for money.
- 2.2.6.3. The PFCC will consider equality and human rights issues when taking decisions, as required by the Equality Act 2010. Decisions of significant public interest will be accompanied by an Equality Impact Assessment which will be used to inform the decision making.
- 2.2.7. Decisions will be recorded and published.
- 2.2.7.1. The PFCC has a statutory duty under the Police Reform and Social Responsibility Act 2011 to publish decisions of 'significant public interest'. These will be published as Decision Records on the PFCC website.
- 2.2.7.2. The PFCC will inform the Host Authority (Northamptonshire County Council) of the Police, Fire and Crime Panel once each Decision record is agreed and published. Upon receiving this, the Host Authority will disseminate the Decision Record to all members of the Police and Crime Panel. Should the Host Authority receive any questions or requests for further information from members of the Panel, they will liaise with the PFCC to ensure such enquiries are responded to as appropriate.
- 2.2.7.3. The PFCC will provide each meeting of the Police and Crime Panel with a summary of the decisions that have been taken and published in the period since the previous meeting.

Other decisions taken by the PFCC or by statutory officers *under the delegations outlined in this Scheme will also be recorded on a decision record that will be available for inspection as required.*

Decisions of Significant Public Interest or are sensitive

The following will be considered Decisions of Significant Public Interest:

- 2.2.7.4. Decisions that result in expenditure or savings of the upper limit of EU Public Procurement threshold or more
- 2.2.7.5. Any decision to issue or vary the Police and Crime Plan
- 2.2.7.6. Any decision to consult the public on specific matters

- 2.2.7.7. Any decision to appoint, remove or suspend a Chief Constable
- 2.2.7.8. Any decision to appoint a Deputy Police, Fire and Crime Commissioner, Monitoring Officer/Deputy Monitoring Officer or Chief Finance Officer
- 2.2.7.9. Any decision to approve or amend the Corporate Governance Framework of the OPFCC
- 2.2.8. All decisions of Significant Public Interest will require the PFCC to sign a Decision Record, which will be published on the PFCC website within 5 working days of the decision. Alongside the publication of the Decision Record, all material information used to make the decisions will be published, including an officer report to the PFCC in the format specified in the "Supporting Report Template to the Police and Crime Commissioner", as attached to this appendix.
- 2.2.9. The PFCC will take other decisions that are not classed as being of significant public interest. These will typically be decisions that have been referred by the Monitoring Officer/Deputy Monitoring Officer on grounds that further decisions that would be of significant public interest will be required or where the delegated officer considers it to be sufficiently novel, contentious or repercussive to require the PFCC to decide. These decisions will be taken following written advice from officers and a decision record will be recorded and held for inspection if required.
- 2.2.10. Sensitive decisions are defined as those that are novel, contentious, and politically repercussive, above the EU Procurement Public Threshold or in the public interest.
- 2.3. Decisions of an Urgent Nature
- 2.3.11. Should the PFCC be unable to act and an urgent decision is required, the Monitoring Officer/Deputy Monitoring Officer and/or the Chief Finance Officer is able to take decisions on the PFCC's behalf. In these circumstances it would be normally the case that the two statutory officers would confer and agree on the action proposed. Such decisions would only be taken in circumstances where paragraph 3.4.17 is invoked.
- 2.3.12. Where either statutory officer takes an urgent decision that would otherwise require the approval from the PFCC, the reason for the decision, including the reasons precluding the PFCC taking the decision, and the decision itself should be recorded and the PFCC informed of the decision at the earliest opportunity. If a Decision Record would normally have been required, the PFCC will be asked to retrospectively agree an appropriate Decision Record to ensure that all significant public decisions are published as required.
- 2.3.13. Supporting Report template is attached to this document below

Northamptonshire Police, Fire and Crime Commissioner

Supporting Report to the Police, Fire and Crime Commissioner

Date of Report	
Subject	
Report Author	

1. Purpose of Report

1.1

2. Decision(s) Recommended:

2.1

3. Relevant background / Chronology of Key Events:

3.1

3.2

3.3

4. Consultation:

4.1

5. Compliance Issues:

5.1 Is this a decision of 'significant public interest?'

5.1.1

5.2 Is the recommended decision consistent with the priorities set out in the Northamptonshire Police, Fire and Crime Plan

5.2.1

5.3 What are the financial and procurement implications of this decision?

5.3.1

5.4 Will further decisions be required?

5.4.1

5.5 Legal Implications

5.5.1

5.6 Risk Management

5.6.1 No risks identified.

5.7 Has an Equality Impact Assessment been undertaken?

5.7.1

6. Evaluation of alternative option(s):

6.1

7. List of background reports used to compile this report:

8. List of appendices accompanying this report (if any):

9. Approvals		Date
Has this report been approved by the author's line manager?		
Has this report been approved by the Monitoring Officer/Deputy Monitoring Officer?		

ASSURANCE & ACCOUNTABILITY PROCESS

INTRODUCTION

1.1 The Police, Fire and Crime Commissioner is the locally elected official to be the voice of the public, on matters of crime and policing. The role of Commissioner has a variety of functions and responsibilities; Key amongst these is the responsibility to hold the relevant Chief Constable for their respective policing area to account.

1.1 The Police Reform and Social Responsibility Act 2011 (The Act) outlines this responsibility. And states that a Police, Fire and Crime Commissioner must:

1.2

- (a) Secure the maintenance of the police force for that area and
- (b) Secure that the police force is efficient and effective

The Commissioner for a police area must hold the relevant Chief Constable to account for the exercise of –

- (a) The functions of the Chief Constable, and
- (b) The functions of persons under the direction and control of the Chief Constable

- 1.3 The Act continues that there are a number of areas in particular, within this, that the Commissioner must hold the Chief Constable to account for. These being:
- (a) The exercise of the duty under section 8(2) (duty to have regard to police and crime plan).
 - (b) The exercise of the duty under section 37A (2) of the Police Act 1996 (duty to have regard to strategic policing requirement).
 - (c) The exercise of the duty under section 39A (7) of the Police Act 1996 (duty to have regard to codes of practice issued by Secretary of State).
 - (d) The effectiveness and efficiency of the Chief Constable's arrangements for co-operating with other persons in the exercise of the Chief Constable's functions (whether under section 22A of the Police Act 1996 or otherwise).
 - (e) The effectiveness and efficiency of the Chief Constable's arrangements under section 34 (engagement with local people).
 - (f) The extent to which the Chief Constable has complied with section 35 (value for money).
 - (g) The exercise of duties relating to equality and diversity that are imposed on the Chief Constable by any enactment.
 - (h) The exercise of duties in relation to the safeguarding of children and the promotion of child welfare that are imposed on the Chief Constable by sections 10 and 11 of the Children Act 2004.
- 1.4 In order to foster and maintain a productive and transparent working relationship between the Force and OPFCC an environment of open and at times informal discussion is required.
- 1.5 There is also an equal need to have more formalised assurance and accountability processes between the Commissioner and Chief Constable that allows the effective discharge of the responsibilities outlined at 1.2 and 1.3.
- 1.6 Such a process provides the Commissioner with the required level of assurance in matters of business as usual and individual areas of concern.
- 1.7 For such a process to be at its most effective it should be agreed with and understood by the Force and Commissioner, where roles and requirements are clear and the process adds value to service delivery. The Commissioner needs to be clear on the matters of concern that he/she may require reassurance on and the Force should be provided with clarity on the matters that they are being asked for reassurance in relation to.
- 1.8 Such processes, while trying to avoid unnecessary bureaucracy need to have some structure in order to avoid unnecessary duplication, provide clarity to all parties and support effective delivery of a policing service, as well as meeting the needs of the paragraphs above.
- 1.9 The adoption and administration of an effective assurance and accountability process is a contribution to a structure of good governance.

2 ASSURANCE PROCESS

- 2.1 Assurance and accountability need to be iterative and ongoing.
- 2.2 The OPFCC and Force both key roles to play in this as a process. While there is a place for a formalised meeting relating to matters of accountability, this should only be a part of a wider process of assurance.
- 2.3 A wider process of assurance requires subject leads in the OPFCC to be linked into counterparts within the Force, as well as partners external to the Force, to attend appropriate meetings relating to their subject lead areas and engage in ongoing

dialogue relating to matters they lead on. It also requires an internal OPFCC process of accountability for matters that they are responsible for the delivery of.

- 2.4 Arrangements such as those in 2.3, ought to allow for the identification and in many cases resolution of issues of concern and in cases where this is not the case should bring greater clarity to the actual points of reassurance the PFCC requires to be asked of the Force.
- 2.5 Attendance at appropriate meetings by subject leads in the OPFCC, as described at 2.3 will be subject to ongoing discussion and review to ensure that it remains focused and proportionate.
- 2.6 Beyond the process of assurance that is described above there will be a more formalised process of accountability in place. This will be in the form of a structured accountability board.
- 2.6 The key principles of this accountability board will be:
 - Board meetings will be held six weekly (week 6)
 - Board meetings will be held on a monthly basis, normally on the second Tuesday of each
 - Agenda items will be decided through an ongoing and open schedule of assurance as well as through discussion with the Force on matters that are of concern to the Commissioner and where they think that there is a role for them to play in securing assurance on those matters, on behalf of the public.
 - On items going to the board the OPFCC will provide clarity in the form of a written notification of the matters that require a response at the board. This will include specific questions to be answered where this is required and the form in which this needs to be delivered (verbal/written).
 - The meeting will be serviced by an agenda.
 - Key discussions and decisions will be recorded via minutes.
 - Records of these board meetings will be published on the OPFCC website.
 - Administration of these meetings will be undertaken by OPFCC.
- 2.7 Issues requiring responses at an accountability meeting can be raised through a variety of means but generally will arise from one of three ways:
 - From the schedule of assurance (see 3).
 - From risk registers (either OPFCC or Force)
 - Bespoke matters of concern to PFCC

3 SCHEDULE OF ASSURANCE

- 3.1 Part of the support mechanism for the accountability board, will be a schedule of assurance. This will be a document agreed by the Force that identifies matters that will require regular formalised updates to be provided to the Police, Fire and Crime Commissioner, as part of the assurance and accountability process between them.

4 MEETING ATTENDANCE

- 4.1 Attendance at appropriate meetings by subject matter leads has been described at 2.3 and 2.5.
- 4.2 Attendance at the formalised accountability process meetings will be:

Accountability board

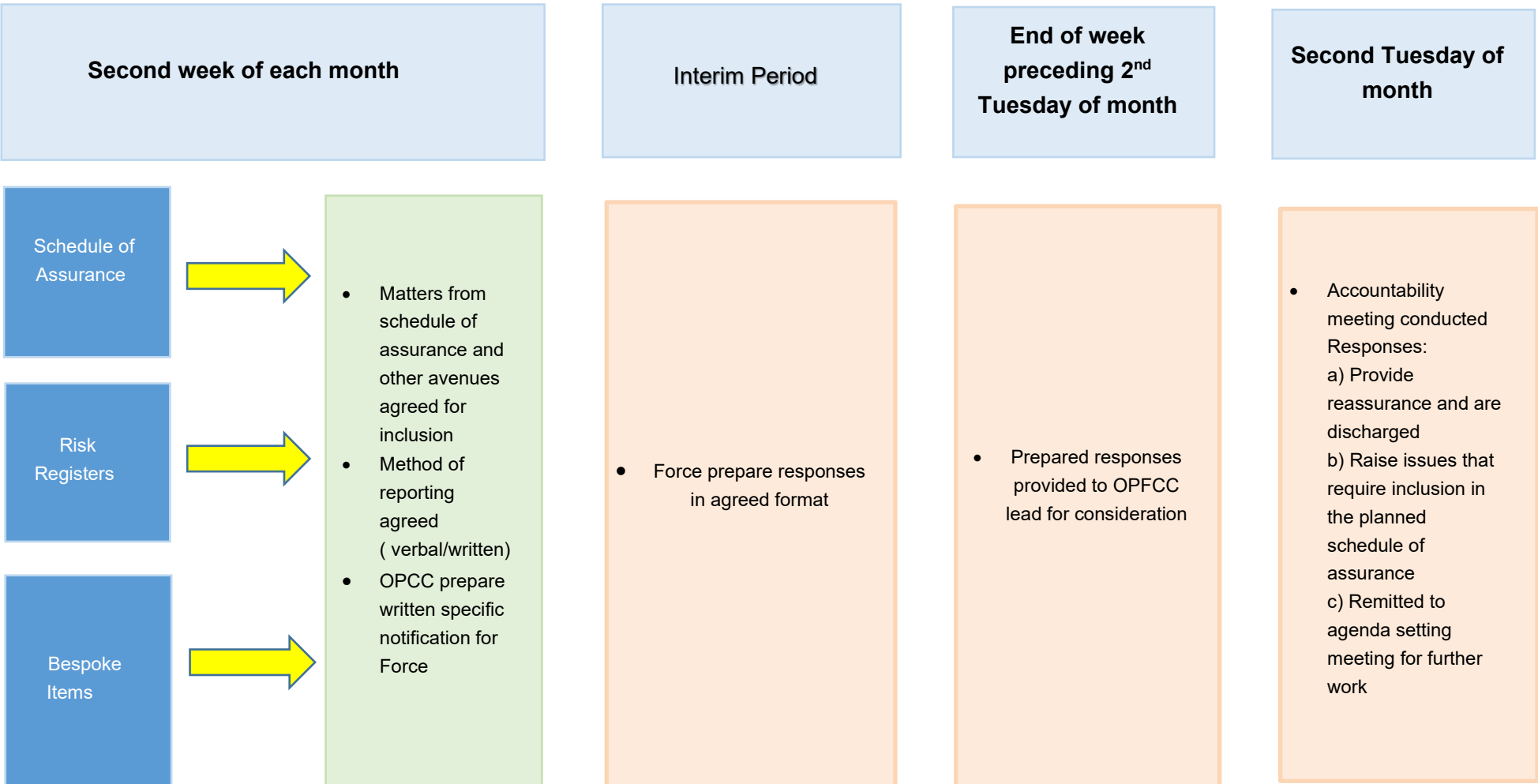
- Police, Fire and Crime Commissioner
- Monitoring Officer/Deputy Monitoring Officer (OFPCC)
- Director with responsibility for accountability (OPFCC)
- Chief Constable
- Deputy Chief Constable
- Assistant Chief Constable

ADDITIONAL ATTENDEES AT EITHER MEETING WILL BE BY INVITE OF THE POLICE, FIRE AND CRIME COMMISSIONER OR CHIEF CONSTABLE, DEPENDENT OF THE MATTERS UNDER DISCUSSION.

5 APPENDICES

5.1 Appendix A - Accountability meeting process flow diagram

APPENDIX A: ACCOUNTABILITY FLOW DIAGRAM



Appendix 3 – Commissioning Framework



**The Northamptonshire Police, Fire and Crime Commissioner's
Commissioning Framework**

February 2020

1. Purpose

- 1.1 The Police, Fire and Crime Commissioner (PFCC) is a directly elected individual to ensure that the public services of policing, criminal justice and community safety are reflective of community needs and desires. This is articulated through the Police and Crime Plan.
- 1.2 The PFCC is also statutorily bound to ensure that policing services are efficient and effective in Northamptonshire. The PFCC is therefore able to use their resources to commission services from any organisation to ensure the best possible services are available for the public to satisfy the PFCC's statutory responsibilities and to deliver the outcomes and priorities contained within the Police and Crime Plan.
- 1.3 This Commissioning Framework outlines the principles and approach which underpin the PFCC's commissioning decisions which will be taken and delivered in a robust, consistent, transparent and fair way.

2 What is Commissioning?

- 2.1 Commissioning is, at its simplest, the process of planning, agreeing and monitoring services. It is more complex than simply just procuring services or goods. Commissioning is the process of understanding need, engaging with users and service providers, specifying requirements and then taking a decision on the best way to provide that service (e.g. internally, outsourced, procured etc.). Quality assurance should take place throughout. Commissioning seeks to deliver the most efficient, effective and sustainable way to deliver required outcomes.
- 2.2 Procurement is in some circumstances a part of commissioning. Procurement is the acquisition of goods or services that usually includes a contract. Contract Standing Orders should be followed for any commissioning process that includes the need to procure a service. The most notable example of where commissioning does not require procurement is where the PFCC commissions Northamptonshire Police to be the delivery agency for policing.
- 2.3 For Northamptonshire PFCC, commissioning is fundamental to what the office does. The PFCC is, fundamentally, a commissioning organisation. The OPFCC will seek to commission services from Northamptonshire Police, the wider public sector, voluntary and community groups and the private sector to achieve, and be held to account for delivering, the outcomes of the Police and Crime Plan.
- 2.4 In practice, this means that the total budget of the PFCC will be available for commissioning. Northamptonshire Police will not therefore be set a budget within which to deliver their services, but instead they will be commissioned to deliver functions and activities by the PFCC.
- 2.5 The PFCC has the power to commission services. In practice this is discharged by the OPFCC. This document therefore makes reference to the OPFCC discharging the powers of the PFCC.
- 2.6 The PFCC will work with the Chief Constable and his officers, alongside other partners in developing grants and commissioning agreement. The authority to approve a commission/grant agreement rests on the PFCC alone.

3 Principles

3.1 The OPFCC will undertake all commissioning activity with a focus on these principles:

- Outcome-based.

The OPFCC will primarily focus on what is achieved (the outcome) rather than resources put in (the inputs) or what is done (the outputs). This does not mean that at times inputs and outputs are not important to the OPFCC and therefore will be specified as part of a commissioning process. But the main focus will always be on seeing the desired effects of the commissioning process happen for the benefit of the people of Northamptonshire. Measures of success will be put in place for every commissioning process.

- Capacity building.

The OPFCC will seek to ensure that every commissioning activity focuses on long term, sustainable solutions to achieve the outcomes required. The aim will be to help organisations and ultimately the public to be more self-sustaining and therefore have greater capacity and resilience for future challenges.

- Value for Money.

The OPFCC will always seek the most efficient and effective service to deliver the outcomes specified. This does not mean the cheapest solution is always the best as the benefits may be greater with more initial expense.

- Participative.

The OPFCC is committed to consulting and engaging the right people at the right times. This will occur during the design of any commissioning specification to ensure that the specification best reflects need. There is a commitment to engage with users of any commissioned service during the life of the service to ensure that the service continues to meet the needs of the public.

- Fairness and Transparency.

The OPFCC is committed to ensuring that all commissioning activity is conducted fairly, with no favour being shown to any organisation or individual. Information will be made available to those involved in the commissioning process and clear information will be provided to the public in line with the Decision Making Framework of the OPFCC outlined in the Scheme of Governance and Consents.

- Clear process and governance.

The OPFCC will adopt clear processes for any commissioning activity. This Framework document helps to outline the processes that will be undertaken for commissioning. Where the commissioning process includes procurement, the OPFCC will ensure that the OPFCC Contract Standing Orders within the Scheme of Governance and Consents are complied with. All commissioned activity should have clear governance arrangements to manage the delivery of the commissioned activity. This usually will include a formally agreed contract.

- Promote improvement and innovation.

The OPFCC will focus on evidence based practice and interventions from the outset. The OPFCC though will not 'step away' once something is commissioned. Instead the OPFCC will remain active commissioners and contract managers ensuring that improvement is sought throughout the life of the arrangement or contract. The focus on evidence will not prevent innovative solutions being trialled and evaluated to learn from. In that respect the OPFCC will be risk aware rather than risk averse and therefore be prepared for some interventions to fail. Commissioning Approach and Application

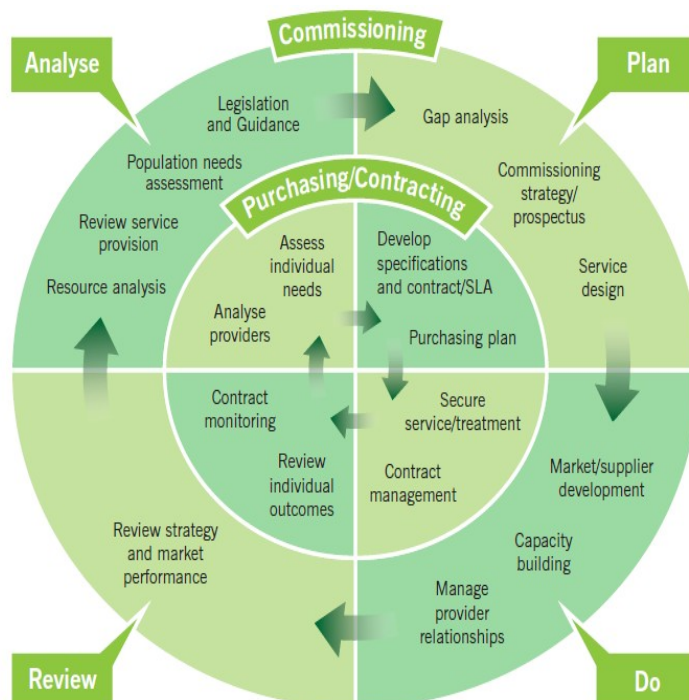
All activity the OPFCC promotes should be considered commissioning, whether this change is then delivered 'in house' or not. Fundamentally the OPFCC is a commissioning organisation. Therefore this Framework applies to all activity the OPFCC does, whoever the 'provider' of the service is including Northamptonshire Police. The relationship between OPFCC and Force is therefore one of 'commissioner' and 'provider'.

A wide variety of types of commissioning are available to the OPFCC, both with funding and without funding and with partners or alone. The OPFCC will seek to utilise the most appropriate method of commissioning depending on the outcomes that are to be achieved. This will include direct commissioning of the Police or others to deliver a particular service or initiative as well as jointly commissioning activity that meets the needs of the OPFCC and other organisations, providing a greater benefit for the public money than if the OPFCC commissioned alone.

For any activity the commissioning cycle over later pages of this Framework will be adopted and governance arrangements will be put in place for every commissioned activity.

The Commissioning Cycle

The following is the cycle for commissioning adopted for this framework.



The overarching strategic document for the Commissioner is the Police and Crime Plan. This informs the Commissioning Intentions and therefore the Commissioning Cycle for individual activity. It is for the OPFCC to commission activity based on the Police and Crime Plan. Analyse and Understand

Any outcomes-based commissioning is not starting with a blank page. There is always some activity, interventions or existing services that are in place. Therefore this phase of the cycle is about understanding the baseline position and understanding the evidence-base within which the newly commissioned initiative or service will be operating.

- The outcomes desired will be clarified in this phase in greater specificity than the Police and Crime Plan affords. This will focus attention on what the intended effect of the commissioning will be.
- Any existing service provision will be considered and understood. This will both consider who the service providers are and what service they provide, understanding both the scope and the nature of the services that are currently provided.
- A broader understanding of the local, national and international evidence based will be undertaken. This will identify what activities are proven to work and emerging trends that could be applied to Northamptonshire.
- A needs assessment will be undertaken in this phase, utilising both existing data and information and potentially specifically collected data. This will seek to understand the gaps in service provision from the baseline position. The needs assessment will include consultation and engagement activity, both that undertaken by the Police, Fire and Crime Commissioner more generally and specifically with potential service users for any commissioning arrangement. The focus of this will be on the quality rather than quantity of this information.
- Any legislation or other guidance will be reviewed within this phase.
- The OPFCC will engage with any relevant partners at this stage to understand their commissioning and service provision intentions to ensure that public money is used efficiently and effectively.
- Resourcing will be considered at this stage at a high level to understand both affordability and cost effectiveness.
- The impact of any potential decisions should also be considered at this stage. An Equality Impact Assessment will be developed at this stage and kept under consistent review throughout the cycle. Impact Assessments should consider potential future impacts as well as immediate impacts.
- The OPFCC will publish any relevant information from this stage to enable customers, users and providers to see the basis on which decisions are being taken.

2. Commissioning Cycle

2.1 Plan

Following a review of the need to understand the current situation for any commissioning process, the OPFCC will begin the planning phase. This phase produces the plan, specification and service design for the commissioned activity.

- The OPFCC will undertake a gap analysis between the desired outcome and the current baseline position. This will mean the size of the challenge is understood and the distance to travel is clear. This will shape the requirements for the commissioned activity.
- The OPFCC will engage with service providers, including Northamptonshire Police, at this stage. This will be for them to help to shape the activities and possibilities to address the identified gap.
- The OPFCC will also seek to engage with people who will use the service or those who the activity is seeking to benefit. Testing of draft specifications will occur at this stage.
- The OPFCC, having received the feedback from the engagement activity, will produce a full and final specification for the commissioned activity. This specification will include the outcomes to be delivered, the performance indicators that will be measured, the expected outputs from the activity and a milestone plan for delivery. A standard template ensuring consistent information will be used by the OPFCC.
- Specifications will be grounded in evidence but will allow for innovation and transformation. The analysis undertaken will ensure that services commissioned are new rather than duplicate services.
- At this stage the OPFCC will also consider the most appropriate means of commissioning. This may be with a procurement process or without a procurement process and may be in conjunction with a partner for a co-commissioning approach or the OPFCC may commission directly themselves.
- If a procurement process is being used, the process will be planned at this stage to be the most efficient and effective to deliver the required outcomes, ensuring compliance with Contract Standing Orders.

2.2 Do

The OPFCC (working with partners where that commissioning strategy has been chosen) will seek to bring about the new service and then 'hold to account' and contract manage the provider of the services through this phase. A key part of this phase will be building capacity in whoever is being commissioned to deliver the best possible outcomes for the public.

- If procurement is being used, then a transparent and fair assessment of the potential providers at this stage will be undertaken to ensure that the best value for money is being achieved for the public of Northamptonshire. Any procurement will meet the requirements of Contract Standing Orders.

- In any scenario, the OPFCC will agree with the providers (including if the provider is Northamptonshire Police) the detailed project plan for the delivery and implementation of the new commissioned service.
- The OPFCC will support the provider through the mobilisation phase helping to ensure successful delivery. Ultimately though, the OPFCC will also be holding the provider to account for meeting their obligations (whether under a formal contract or otherwise).
- Once implemented, the OPFCC will be active 'contract managers' (whether there is a legal contract or not) to ensure that the intended outcomes and agreed delivery mechanism occurs. This will involve regular and robust monitoring of key performance indicators. The regularity of the review will depend on the size and risk of the commissioned service and contract. The Contract Manager (as defined later in this document) will be responsible for the monitoring process.
- The frequency of the contract management process will be determined by the size and length of contract that is being managed. The approach the OPFCC will take will be one that seeks to deliver ever better and therefore one of service improvement, the aim being to ensure that service provision becomes sustainable, ultimately with reduced public funding. However there will also be consequences included within the contract arrangements for failure to deliver.
- The OPFCC will ensure that those who were engaged during earlier phases are kept informed of progress during this phase.

2.3 Review

The OPFCC will ensure that a constant review process will take place as the commissioned activity is taking place. This will help to inform any re- or de-commissioning decisions.

- Delivery will be judged against the original outcomes intended from the commissioned activity.
- Those who have been involved in earlier phases of the cycle will be engaged during this phase. This will include directly engaging service users of the commissioned activity. This will inform whether the intended outcomes are being seen and felt by the intended service users.
- Evidence will be gathered together and a formal review point will be decided and documented by the OPFCC. This will be shared with the service provider. The document will also give an indication on future decisions for the OPFCC to take on future commissioning intentions.
- Information gathered during the review phase will also be used to seek to drive performance improvement from the existing service provider.
- The OPFCC will, wherever possible, seek to gain independent evaluation of the activity to understand whether the activity 'works' or not.
- The OPFCC will also review the strategy that was set for commissioning in the 'plan' phase in light of what has been learned in the 'do' phase. This will ensure lessons are learned for future commissioning activity.

2.4 De-commissioning

De-commissioning can take place at any point within the commissioning cycle. The OPFCC will de-commission based on evidence and based on the policy priorities of the Police, Fire and Crime Commissioner.

- The OPFCC will ensure that de-commissioning process is triggered through an understanding of the evidence base and through developing a clear business case for change.
- The OPFCC will seek to have open and transparent conversations with the provider at the earliest opportunity to discuss thinking in relation to de-commissioning.
- Where de-commissioning is occurring, the OPFCC will ensure that best practice change management principles are employed to ensure that any change in service has the least impact on service users possible.
- Decisions will be made in keeping with the OPFCC Decision Making framework within the Scheme of Governance and Consents. This will include the OPFCC considering any wider impacts on the system that the decision may have.
- For any de-commissioning, the OPFCC will ensure that there is a transition plan and exit strategy in place and delivered.
- A review will be undertaken as part of a de-commissioning process to ensure that learning is captured.

3. Resourcing Commissioning

Improving outcomes using this commissioning framework is not the responsibility of any one person with the OPFCC. The stakeholders and partners collaborating on any particular commissioning activity will depend on the outcomes to be achieved. OPFCC will ensure that any commissioning activity is adequately resourced, harnessing the skills and expertise that exist, trust their ability and input, and work together to make the difference and make Northamptonshire a safer place to live, work and visit. . The OPFCC will seek to be clear on who is responsible for each aspect and stage of commissioning activity to ensure it is as effective as possible. The different roles of commissioning and procurement teams through the commissioning cycle can sometimes cause confusion, especially during a procurement exercise, and it is important that all stakeholders involved understand their roles.

4. Role in Commissioning

Role	Responsibilities
Political	The Police, Fire and Crime Commissioner defines the outcomes they require for the people of Northamptonshire as set out in the Police and Crime Plan
Strategic	The Management Team balances the required outcomes with statutory obligations, practical and financial constraints, assessment of needs and demands,; to define the outputs they require from their provider partners, within the total resources available
Operational	Senior staff and officers deliver the projects and services to achieve the required outputs and outcomes as directed. There are two specific functions (Note: These can be carried out by more than one individual or both functions may be performed by the same individual): Lead Commissioner: • This should be a service manager, i.e. the person who leads on the commissioning process. Typically, they will have the subject knowledge. • They should develop the detailed service specification and requirements and make recommendations to the OPFCC • Typically the lead commissioner is involved in the Analyse, Plan and Review parts of the Commissioning cycle. Contract Manager: • This may or may not be the same person as the Lead Commissioner • They manage the relationship with service providers and implement communication and engagement plans. • Ensure that performance information informs the commissioning cycle. • Develops with providers the business case for change. • Manages the operational de-commissioning process • Typically the Contract Manager is involved in the Do and Review parts of the commissioning cycle.

The OPFCC Involvement Team will provide capacity to assist in engaging and consulting with stakeholders

Finance, procurement and legal resource will also be required for particular commissioning activities.