

BEDFORDSHIRE POLICE AUTHORITY



**FINANCIAL
REGULATIONS**

DECEMBER 2009

BEDFORDSHIRE POLICE AUTHORITY

FINANCIAL REGULATIONS

1	INTRODUCTION	3
2	FINANCIAL MANAGEMENT	5
2.1	<i>INTRODUCTION</i>	<i>5</i>
2.2	<i>THE POLICE AUTHORITY</i>	<i>5</i>
2.3	<i>THE AUDIT AND BUSINESS ASSURANCE COMMITTEE.....</i>	<i>5</i>
2.4	<i>THE TREASURER.....</i>	<i>5</i>
2.5	<i>THE CHIEF EXECUTIVE</i>	<i>7</i>
2.6	<i>THE CHIEF CONSTABLE</i>	<i>7</i>
2.7	<i>THE ASSISTANT DIRECTOR (RESOURCES)</i>	<i>8</i>
2.8	<i>OTHER FINANCIAL ACCOUNTABILITIES.</i>	<i>8</i>
	Virement	8
	Treatment of Year-End Variations & Local Balances	8
	Accounting Policies	8
	Accounting Records and Returns	8
	The Annual Statement of Accounts & Annual Governance Statement	9
3	FINANCIAL PLANNING	10
3.1	<i>POLICY FRAMEWORK.....</i>	<i>10</i>
3.2	<i>PREPARATION OF THE POLICING PLAN.....</i>	<i>10</i>
3.3	<i>BUDGETING</i>	<i>10</i>
	Budget format	10
	Budget & Capital Programme Preparation	10
	Preparation of Three-Year Revenue Forecast	11
	Budget Monitoring & Control	11
	Variations To Approved Budgets	11
	Out-turn Reporting	11
	Efficiency and Productivity Targets	11
	Budget Preparation Guidelines	11
	Maintenance of reserves	12
4	RISK MANAGEMENT & CONTROL OF RESOURCES	13
4.1	<i>INTRODUCTION</i>	<i>13</i>
4.2	<i>RISK MANAGEMENT</i>	<i>13</i>
4.3	<i>INTERNAL CONTROL.....</i>	<i>13</i>
4.4	<i>AUDIT REQUIREMENTS.....</i>	<i>13</i>
4.5	<i>INTERNAL AUDIT</i>	<i>14</i>
4.6	<i>PREVENTING FRAUD AND CORRUPTION.....</i>	<i>15</i>
4.7	<i>ASSETS</i>	<i>15</i>

	Control of stock / Inventory	15
4.8	TREASURY MANAGEMENT & BANKING	16
5	FINANCIAL SYSTEMS & PROCEDURES	17
5.1	INTRODUCTION	17
	General	17
5.2	INCOME AND EXPENDITURE.....	17
5.3	PAYMENTS TO MEMBERS AND EMPLOYEES.....	18
5.4	TAXATION.....	18
5.5	ORDERING & PAYING FOR WORK, GOODS AND SERVICES.....	18
6	EXTERNAL ARRANGEMENTS & PARTNERSHIPS	19
6.1	INTRODUCTION	19
	Partnerships / Collaborations	19
6.2	GIFTS, LOANS & SPONSORSHIP	19
6.3	EXTERNAL FUNDING	20
6.4	WORK FOR THIRD PARTIES.....	20
6.5	INTELLECTUAL PROPERTY RIGHTS	20
7	APPENDIX A – FINANCIAL INSTRUCTIONS	21

BEDFORDSHIRE POLICE AUTHORITY

FINANCIAL REGULATIONS

1 INTRODUCTION

To conduct its business efficiently, Bedfordshire Police Authority ('the Authority') needs to ensure that it has sound financial management policies in place and that these are strictly observed. Part of this process is the establishment of financial regulations that set out the Authority's financial policies.

Financial regulations provide the framework for managing the Authority's financial affairs. They apply to every member and officer of the Authority and anyone acting on its behalf.

The regulations identify, and provide clarity about, the financial responsibilities of the Police Authority. Chief Constable, Chief Executive / Treasurer, Director of Corporate Services, Assistant Director (Resources) and all budget holders.

More detailed financial instructions (as per Appendix A), to supplement these regulations, shall be issued and maintained by the Chief Constable in consultation with the Chief Executive / Treasurer.

Beyond the scope of this document, financial regulations link with other internal regulatory documents. For example, code of corporate governance, contract standing orders, schemes of delegation, financial instructions, guidance and instructions and employee codes of conduct.

The Chief Constable, Chief Executive / Treasurer and Assistant Director (Resources) shall maintain a written record where decision-making has been delegated to members of their staff, including seconded staff.

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

The Chief Executive / Treasurer and Assistant Director (Resources) are jointly responsible for maintaining a continuous review of the financial regulations and submitting any necessary additions or changes to the Authority for approval. The Assistant Director (Resources) is responsible for reporting, where appropriate, breaches of the financial regulations to the Director of Corporate Services, Chief Constable, the Chief Executive / Treasurer and Authority.

The Chief Constable, through the Director of Corporate Services is responsible for ensuring that all police and police staff are aware of the existence and content of, and have access to the Authority's financial regulations and other internal regulatory documents and that these are observed.

The Chief Executive / Treasurer is responsible for ensuring that all Police Authority staff are aware of the existence and content of, and have access to, the Authority's financial regulations and other internal regulatory documents and that these are observed.

The Director of Corporate Services, through the Assistant Director (Resources), in conjunction with the Chief Executive / Treasurer, is responsible for issuing advice and guidance to underpin the financial regulations.

Any police officer or police staff member who knowingly, or by negligence, breaches these financial regulations may be subject to disciplinary action and in some instances may incur criminal liability.

Any reference to 'officer' or 'employee' includes police officers, police staff and officers and employees of the Police Authority.

2 FINANCIAL MANAGEMENT

2.1 INTRODUCTION

Financial management covers all financial accountabilities in relation to the running of the Authority and the Force. All Members, Authority officers, police staff and police officers have a duty to abide by the highest standards of probity in dealing with financial issues.

2.2 THE POLICE AUTHORITY

The Police Authority is responsible for approving the financial policy framework and budget. It is also responsible for approving and monitoring compliance with the Authority's overall framework of accountability and control, and for monitoring compliance with the agreed policy.

Functions may be delegated to the Chief Constable, Chief Executive / Treasurer, Committees of the Authority or joint arrangements with other public bodies. The Authority's Scheme of Delegation approved by the Police Authority is set out separately.

The Authority shall, prior to 1st March each year, approve a revenue budget for the following financial year. The draft budget shall be prepared by the Chief Executive / Treasurer and the Chief Constable in, such a form as the Authority may from time to time determine.

In accordance with the Home Office Financial Management Code of Practice, the Authority shall encourage the delegation of financial management to the Chief Constable and the Force provided that:

- a) there are sufficient safeguards to enable the Chief Executive / Treasurer to discharge properly his or her statutory obligations, and
- b) the financial dealings of the Authority and of the Force are conducted properly and in a way which meets the requirements of best practice.

2.3 THE AUDIT AND BUSINESS ASSURANCE COMMITTEE

The Audit and Business Assurance Committee is responsible for reviewing the external auditor's reports, the annual audit letter, the internal auditor's work plan and progress, and may consult directly with the internal and external auditors. The Committee also makes recommendations to the Police Authority for approval of the Annual Governance Statement and the Accounting Policies used in the production of the statutory Statement of Accounts of the Police Authority.

2.4 THE TREASURER

The Police Authority's is required under the provisions of Section 151 of the Local Government Act 1972 to appoint as Treasurer a suitably qualified

officer responsible for the proper administration of its financial affairs. The Treasurer's main duties are:

- provide financial advice to the Authority on all aspects of its activity, including the strategic planning and policy making process
- assist members in seeking to obtain best value for money
- advise the Authority on financial propriety
- ensure that arrangements are in place so that accurate, complete and timely financial management information is provided to the Authority
- ensure that the annual statutory accounts are properly prepared
- provide an effective internal audit service and assistance in providing safe and efficient financial arrangements
- ensure that secure treasury management arrangements (including loans and investments) are in place.
- advise the Authority on the safeguarding of assets, including risk management and insurance,
- arrange for the determination, issue and receipt of the annual Council Tax Precept.
- advise the Authority on budgetary matters including any consequent long term implications.
- to review reports containing financial information.

The Treasurer has certain statutory duties in relation to the financial administration and stewardship of the Authority. This statutory responsibility cannot be delegated, namely reporting any potentially unlawful decisions by the Authority or the Force on expenditure, securing the production of a statement of the Authority's accounts and maintaining an adequate and effective internal audit of these accounts.

The Treasurer is responsible for advising the Police Authority about whether a decision is likely to be considered contrary to or not wholly in accordance with the budget. Actions that may be 'contrary to the budget' include:

- Initiating a new policy
- Committing expenditure above the budgeted level
- Causing the total expenditure financed from council tax, grants and corporately held reserves to increase.

Section 114 of the Local Government Finance Act 1988 requires the Treasurer to report to the Police Authority and external auditor if the Authority or one of its officers:

- has made, or is about to make, a decision which involves incurring unlawful expenditure
- has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the Authority
- is about to make an unlawful entry in the Police Authority's accounts.

In connection with these duties the Treasurer

- must nominate a properly qualified deputy should he or she be unable to perform the duties under section 114 personally

- must be provided by the Authority with sufficient accommodation and other resources - including legal advice where this is necessary - to carry out the duties under section 114.

To enable the Treasurer to discharge his or her responsibilities, the Chief Constable shall provide the Treasurer with any information required, shall allow the Treasurer access to the documents and records under their control, and shall comply with the Treasurer's recommendations regarding the form of and method of keeping any financial records or the operation of any financial procedures.

Section 113 of the Local Government Finance Act 1988 requires that the Treasurer shall also be a member of one or more of the bodies listed:

- The Institute of Chartered Accountants in England & Wales
- The Institute of Chartered Accountants in Scotland
- The Chartered Association of Certified Accountants
- The Chartered Institute of Public Finance and Accountancy
- The Institute of Chartered Accountants in Ireland
- The Chartered Institute of Management Accountants, and
- Any other body of accountants established in the U. K. and for the time being approved by the Secretary of State for the purposes of this section

2.5 THE CHIEF EXECUTIVE

The Chief Executive is responsible, through the monitoring officer, for:

- Reporting any actual or potential breaches of the law or maladministration to the Authority
- Ensuring that Police Authority Members are advised of the financial implications of all proposals.
- Seeking approval on any matter liable to affect the Police Authority's finances materially, before any commitments are incurred.
- Advising the Police Authority Members and officers about who has the authority to take a particular decision.
- Signing contracts on behalf of the Police Authority.

2.6 THE CHIEF CONSTABLE

The Chief Constable, and those working for the Chief Constable, have day to day responsibility for the financial management of the Force within the financial policy framework, the agreed budget and rules of virement. The Chief Constable has delegated the responsibility for the provision of services such as payroll, pensions, and general financial administration within the Force as well as other services such as the management of procurement and fleet to the Assistant Director (Resources).

The Chief Constable is responsible for ensuring that Authority members are advised of the financial implications of all proposals and that the financial implications have been agreed by the Assistant Director (Resources) and that the Chief Executive / Treasurer has been consulted.

2.7 THE DIRECTOR OF CORPORATE SERVICES AND ASSISTANT DIRECTOR (RESOURCES)

The Director Of Corporate Services, through the Assistant Director (Resources) undertakes the role of Force Finance Director as prescribed by the Home Office Financial Management Code of Practice. The Assistant Director (Resources) is responsible to the Director of Corporate Services for financial activities undertaken in the Force and has a place on the Chief Constable's senior leadership team.

The Assistant Director (Resources) is required to be a member of one of the accountancy bodies outlined at 2.4 above and is responsible for all financial activities undertaken within the Force or contracted out by the Force.

2.8 OTHER FINANCIAL ACCOUNTABILITIES.

Virement

Virement may be defined as the permission to spend more under one budget head when matched by a corresponding reduction on some other budget head, always providing that the total budget is not already overspent or expected to overspend.

The approval of the Authority is required when the virement proposals imply significant changes of major policy as defined in the Scheme of Delegation/Financial Regulations, relate to sums in excess of the limits defined in the Scheme of Delegation/Financial Instruction (Financial Management Scheme) or involve additional revenue commitments in future years.

No commitment shall be entered into on behalf of the Authority that would either lead to expenditure exceeding the Budget provision or income falling short of Budget provision. As soon as a potential overspending or loss of income is identified, it should be reported in accordance with Financial Instructions.

Any reports to the Police Authority proposing action which would lead to additional expenditure or loss of income which could not be contained within current Budget provision must include the financial implications for the current year and the ongoing full year effect. This also applies to proposed action that can be contained within the current Budget if it represents a change of policy. Such reports will be presented to the appropriate Committee jointly by the Chief Constable and Chief Executive / Treasurer.

Treatment of Year-End Variations & Local Balances

The Police Authority is responsible for agreeing procedures for carrying forward under- and overspending on budget headings. The current approved limits are detailed in the financial instructions, financial management scheme.

Accounting Policies

The Assistant Director (Resources) in conjunction with the Chief Executive / Treasurer is responsible for selecting accounting policies and ensuring that they are applied consistently.

Accounting Records and Returns

The Assistant Director (Resources) in conjunction with the Chief Executive / Treasurer is responsible for determining the accounting procedures and records for the Authority in compliance with nationally imposed reporting standards and codes of practice, as appropriate

The Annual Statement of Accounts & Annual Governance Statement

The Chief Executive / Treasurer in conjunction with the Assistant Director (Resources) are responsible for ensuring that both the annual Statement of Accounts and Annual Governance Statement are prepared in accordance with the *CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (the SORP)*. The Finance Committee is responsible for scrutinising the Annual Statement of Accounts and recommending that the Authority formally approves them.

The Chief Executive / Treasurer is responsible for issuing public notices regarding the inspection of the Accounts and the completion of the external audit.

The Chief Executive / Treasurer has the responsibility for collecting information from Members and Officers regarding related party transactions for inclusion as a summary in the Statement of Accounts.

3 FINANCIAL PLANNING

3.1 POLICY FRAMEWORK

The Police Authority is responsible for agreeing the financial policy framework and budget. In terms of financial planning, the key elements are:

- the annual Local Policing Plan and Three Year Strategic Plan
- the Financial Strategy
- Medium Term Financial Forecast
- the Revenue Budget
- the Capital Programme
- Efficiency Plan
- General and Earmarked Reserves

3.2 PREPARATION OF THE POLICING PLAN

The Chief Constable is responsible for proposing the policing plan to the Police Authority for approval. This must contain:

- the ministerial priorities set by the Home Secretary
- local priorities, after consultation with the public
- performance targets, linked to the above priorities
- efficiency and productivity targets

3.3 BUDGETING

Budget format

The general format of the revenue budget and capital programme proposed by the Chief Constable on the advice of the Assistant Director (Resources), will be approved by the Chief Executive / Treasurer, subject to any directions by the Police Authority. The draft budget should include the sums allocated to different services and projects, proposed precept levels and contingency and reserve funds.

Revenue Budget Preparation

The Chief Executive / Treasurer is responsible for ensuring that the overall annual revenue budget and capital programme prepared by the Chief Constable accords with statutory requirements, before it is presented for approval by the Police Authority.

The Chief Constable in consultation with the Assistant Director (Resources) is responsible for issuing guidance on the general content of the budget, as soon as possible following its approval by the Police Authority.

It is the responsibility of the Chief Constable in conjunction with the Assistant Director (Resources) to ensure that the revenue budget and capital programme proposals reflect the priorities outlined in the Local Policing Plan.

The Chief Executive / Treasurer is responsible, in conjunction with the Assistant Director (Resources), for ensuring the estimates contained within the budget are realistic and prudent.

Preparation of Medium Term Financial Forecast

The Chief Constable is responsible for proposing the three year revenue forecast for medium-term financial planning to the Police Authority for approval. This must contain:-

- details of the strategic direction of the force
- proposals for changes to levels of existing services, nationally or locally imposed.
- known commitments
- impact on the revenue budget and precept.

Preparation of the Capital Programme

The Director of Corporate Services, through the Assistant Director – Resources is responsible for ensuring that a capital programme is prepared on an annual basis, together with a three-year capital programme. The sources of funding and the financial implications of the programme should be set out, with reporting against the agreed programme and prudential indicators in accordance with the CIPF Prudential Code for Capital Finance in Local Authorities. The Finance Committee is responsible for examining the Capital programme and making a recommendation to the full Authority.

The Chief Constable, in consultation with the Chief Executive/Treasurer is responsible for ensuring that a full evaluation of all major projects and programmes is carried out and that their comments and conclusions are included in the reports to the Authority.

Budget Monitoring & Control

The Assistant Director (Resources) is responsible for providing appropriate financial information to the Police Authority to enable both revenue budgets and the capital programme to be monitored effectively.

It is the Chief Constable's responsibility to ensure that income and expenditure is properly monitored and controlled and take appropriate action to avoid exceeding the budget and capital programme allocations, alerting the Chief Executive / Treasurer to any problems that may arise.

The Chief Constable should take any action necessary to avoid exceeding the approved budget and alert the Chief Executive/Treasurer to any problems. No expenditure will be incurred, no commitments will be entered into and no liabilities will be established unless there is sufficient and appropriate budgetary provision.

The Chief Constable shall have the authority to deal with immediate and very exceptional emergency operational circumstances, such as a major incident, which may result in the need for additional expenditure over and above the approved budget. In these circumstances the Chair and Chief Executive/Treasurer of the Police Authority will be notified at the earliest opportunity.

The procedure for approving capital expenditure proposals is detailed in the financial instructions.

It is the responsibility of the Chief Executive / Treasurer to control the Authority's element of the budget.

Variations To Approved Budgets

The Police Authority is responsible for approving procedures for agreeing increases or reductions to overall approved budgets and for determining the circumstances in which a decision will be deemed to be contrary to the budget or policy framework.

Out-turn Reporting

The Chief Constable shall, in conjunction with the Assistant Director (Resources), report on the outturn of income & expenditure to the Police Authority as soon as practicable after the end of the financial year.

Efficiency and Productivity Targets

The Chief Constable is required to include details of the efficiency and productivity targets with the Annual Policing Plan. A quarterly report shall be presented, plus an end of year report annually, to the Police Authority.

Budget Preparation Guidelines

Guidelines on budget preparation are issued by the Assistant Director (Resources). The guidelines will take account of:

- legal requirements
- the medium-term financial forecast
- Local Policing Plan/ Policing Strategy
- the operational requirements of the Chief Constable
- spending pressures and efficiency plans
- other relevant government guidelines
- other internal policy documents

Maintenance of reserves

It is the responsibility of the Chief Executive / Treasurer to advise the Police Authority on the level of prudent reserves that the Authority should maintain in accordance with the CIPFA LAAP Bulletin 55, 2003, as referred to by the SORP.

4 RISK MANAGEMENT & CONTROL OF RESOURCES

4.1 INTRODUCTION

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

4.2 RISK MANAGEMENT

The Police Authority, taking account of advice from the Chief Executive / Treasurer, is responsible for approving the general arrangements for risk management and insurance. The Chief Constable is responsible for implementing and developing the risk management strategy and for promoting a culture of risk awareness throughout the Force, including the identification of business continuity plans in the event of an unexpected disaster.

4.3 INTERNAL CONTROL

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

The Chief Executive / Treasurer, in conjunction with the Assistant Director (Resources), is responsible for advising on and implementing effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.

It is the responsibility of the Chief Constable, with advice from the Assistant Director (Resources), to establish sound arrangements to achieve continuous improvement, economy, efficiency and effectiveness and for achieving financial performance targets.

The Chief Constable and the Chief Executive / Treasurer will conduct a review at least once a year of the effectiveness of the system of internal control and will include an Annual Governance Statement, prepared in accordance with proper practices, in the Annual Statement of Accounts.

4.4 AUDIT REQUIREMENTS

The Accounts and Audit Regulations 2003 (as amended) require the Police Authority, to maintain an adequate and effective internal audit function that primarily provides an independent and objective opinion to the organisation on the degree to which the internal control environment supports and promotes the achievement of the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic and efficient use of resources.

The Audit Commission is responsible for appointing external auditors to the Authority. The basic 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.

The Police Authority will, from time to time, be subject to audit, inspection or investigation by external bodies such as the Audit Commission, HMIC and HM Revenue and Customs, who have statutory rights of access to all documents, facilities and information necessary for audit and inspection purposes.

The Audit and Business Assurance Committee under the Chairmanship of an Authority member other than the Chairman of the Police Authority has the responsibility for ensuring that the Police Authority and Force follow the necessary regulations regarding audit and other statutory inspections.

4.5 INTERNAL AUDIT

The Authority, on the advice of the Chief Executive / Treasurer, shall maintain or procure an adequate and effective internal audit of the activities of the Authority.

The Chief Executive / Treasurer or their representative, including an internal auditor acting on behalf of the Authority, shall:

- have authority to enter at all times on any premises or land used by the Authority and to have access to all correspondence, documents, books or other records of any employee of the Authority or the Chief Constable and appertaining in any way to the activities of the Authority
- be entitled to require any explanation considered necessary to establish the correctness of any matter under examination, and
- have the authority to require any employee of the Authority or the Chief Constable to produce cash, stores or other Authority property under his / her control.

In procuring internal audit, the Authority shall have regard to the CIPFA Code of Practice for Internal Audit in Local Government.

The Chief Executive / Treasurer shall be notified immediately by the Chief Constable, through the Assistant Director (Resources), of all financial irregularities or suspected irregularities, or any circumstances which may suggest the possibility of irregularities in the exercise of any of the Police Authority's functions, and should be notified in writing of the results of any police investigation.

Each budget holder shall take steps to minimise the risk of financial irregularities occurring.

4.6 PREVENTING FRAUD AND CORRUPTION

The Chief Constable has responsibility for the development and maintenance of an Anti-Fraud and Anti Corruption strategy which applies to the Force and

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

Police Authority Members are required to operate within Section 117 of the Local Government Act 1972, which requires declaration of any pecuniary interests in contracts and prohibits the acceptance of fees or rewards, other than by means of proper remuneration. Members are also required to operate within current organisational rules and regulations, including Bedfordshire Police Authority Standing Orders and the Local Code of Conduct. These matters are specifically brought to the attention of Members at an induction course and in the induction pack and include the declaration and registration of any potential areas of conflict between Members' Bedfordshire Police Authority duties and responsibilities and any other areas of their personal or professional lives.

Where financial irregularity is suspected or discovered, the Chief Constable is, through the Head of Professional Standards and Assistant Director (Resources), to notify the Chief Executive / Treasurer (who will notify the Head of Internal Audit) immediately.

4.7 ASSETS

The Chief Executive / Treasurer will ensure that the Chief Constable keeps proper records of the Authority's assets and that they are properly maintained and securely held. The Chief Constable will also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.

Control of stock / Inventory

The Supplies Department will control the issue of personal issue items, such as uniforms by the maintaining of kit lists that will detail items both issued to, and returned by, police officers and members of the police staff.

The issue of vehicle parts (tyres, filters etc) must be recorded on the Force's "Tranman" fleet management system.

To achieve control and security over the purchase of small non-electronic assets, individual departments are required to maintain inventory lists for audit inspection which detail location, value and current holder.

Electronic devices such as, Blackberries, laptop PCs and desktop PCs are to be listed on an asset register held by the IT/Communications department.

4.8 TREASURY MANAGEMENT & BANKING

The Police Authority has adopted the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice. Accordingly, the Police Authority will maintain effective treasury management as follows:

- A Treasury Management Policy Statement, stating the policies and objectives of its treasury management activities will be developed and maintained.
- Suitable Treasury Management Practices (TMPs), setting out the manner in which the Police Authority will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities have been agreed by the Police Authority.

The Police Authority will receive an annual report from the Chief Constable on the activities of the treasury management operation.

The Police Authority will ensure proper implementation and monitoring of its treasury management policies and practices. Responsibility for the execution and administration of the treasury management decisions is delegated by the Chief Executive / Treasurer, to the Assistant Director (Resources), who will act in accordance with the Policy Statement, TMPs, CIPFA's Prudential Code for Capital Finance in Local Authorities and CIPFA's Standard of Professional Practice for Treasury Management.

The Assistant Director (Resources) will ensure that the Chief Executive / Treasurer is informed when any bank accounts are opened or closed.

5 FINANCIAL SYSTEMS & PROCEDURES

5.1 INTRODUCTION

Sound systems and procedures are essential to an effective framework of accountability and control.

General

The Chief Executive / Treasurer is responsible for approving the Police Authority's accounting systems, the form of accounts and the supporting financial records. The Chief Constable through the Assistant Director (Resources) is responsible for operating the Police Authority's accounting systems. Significant changes made by the Chief Constable to the existing financial systems or the establishment of new financial systems must be after consultation with the Chief Executive / Treasurer.

The Chief Constable should ensure that Police Staff and Police Officers receive relevant financial training that has been approved by the Assistant Director (Resources).

The Chief Constable must ensure that, where appropriate, computer and other systems are registered in accordance with data protection legislation. The Chief Constable must ensure that police staff and police officers are aware of their responsibilities under data protection and freedom of information legislation.

5.2 Income and expenditure

The Chief Constable is responsible for ensuring that there are proper procedures in place to ensure that all income due is collected, banked and accounted for.

The Chief Constable must ensure that fees and charges for goods and services are reviewed at least annually and the Authority is advised of variations.

All outstanding income will be pursued until it is determined as economic to pursue, at which time arrangements will be made to write it off. The Police Authority is responsible for approving procedures for writing off debts as part of the overall control framework of accountability and control.

Annual Bad debts can be authorised by the following personnel up to the limits in the table:

	£	Authorising Officer
Up to	5,000	Assistant Director (Resources)
Up to	15,000	Assistant Director (Resources) and Chief Executive / Treasurer
Above	15,000	Police Authority

Debt write off over £15,000 will be subject to a separate report to the Finance Committee for recommendation to the Authority that the write off should be approved. The report will cover reasons for the proposed bad debt write off.

5.3 Payments to Members and employees

The Chief Constable through the Assistant Director (Resources) is responsible for all payments of salaries and wages to all employees, including payments for overtime and allowances.

The Chief Executive / Treasurer is responsible for payment of allowances, salaries and wages to all Police Authority Members and Officers.

5.4 Taxation

The Chief Executive / Treasurer, in conjunction with the Assistant Director (Resources) is responsible for advising the Chief Constable, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Police Authority.

The Chief Constable through the Assistant Director (Resources) is responsible for maintaining the Police Authority's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

5.5 Ordering & Paying For Work, Goods and Services

All orders for the supply of Work, Goods and Services must comply with the applicable process set out in the Authority's Contract Standing Orders.

Individual external purchases shall be fully compliant with the financial instructions relating to ordering and processing of goods and services. .

An Official Purchase Order must be issued prior to any Works, Goods or Services being supplied with the exception of where such Works, Goods or Services are being purchased via the Government Procurement Card (GPC).

6 EXTERNAL ARRANGEMENTS & PARTNERSHIPS

6.1 Introduction

The Police Authority and the Chief Constable provide a distinctive leadership role within the community to make Bedfordshire safer through the most effective and efficient delivery of the right police services for the area. This role is enhanced through a variety of external arrangements.

Partnerships / Collaborations

Where Bedfordshire Police Authority is the lead partner the Police Authority's financial regulations and standing orders apply.

The Chief Executive / Treasurer and Assistant Director (Resources) are responsible for promoting the same high standards of conduct with regard to financial administration in partnerships that involve the Police Authority and the Force.

The Chief Executive / Treasurer and Assistant Director (Resources) must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory. Consideration must also be given, in consultation with the Chief Constable and the Chief Executive / Treasurer, to the overall corporate governance arrangements and legal issues when arranging contracts with external bodies. The Chief Executive / Treasurer must ensure that the risks have been fully appraised before agreements are entered into with external bodies.

The Chief Constable is responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

All collaborations should be covered by collaboration agreements, as legally required under section 23 of 1996 Police Act, and will include governance arrangements, particularly where an individual Police Authority delegates their responsibility to another body. All collaboration agreements will be presented to the Police Authority for approval.

Some collaborations are covered by Section 24 of the 1996 Police Act. These do not require formal approval of the Police Authority. Where a collaboration is to be covered by Section 24 this will be agreed with the Chief Executive/Treasurer of the Police Authority.

6.2 Gifts, Loans & Sponsorship

The Assistant Director (Resources) is responsible for ensuring that all gifts of money, gifts or loans of other property, including sponsorship, which are received by Bedfordshire Police Force, its officers or staff, are properly recorded in the Authority's accounts.

The Chief Constable may accept gifts, loans and sponsorship on behalf of Bedfordshire Police from any source, which has genuine and well-intentioned

reasons for wishing to support specific police projects. In return the provider may expect some publicity or other acknowledgement, such as displaying an organisations name or logo. This is acceptable provided that it does not dominate or detract from the purpose of the supported project.

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

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

The total value of gifts, loans and sponsorship accepted should not exceed a maximum equivalent value of 1% of the Force annual Net Budget Requirement. The Chief Executive / Treasurer must ensure that the Police Authority maintains a register which records all gifts of money, gifts or loans of other property, including sponsorship, which is received by either its members or its staff.

6.3 External Funding

The Chief Constable, through the Assistant Director (Resources), is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Police Authority's accounts.

6.4 Work For Third Parties

The Chief Constable is responsible for approving the contractual arrangements for any work for third parties or external bodies, including the identification of all risks related to that work.

6.5 Intellectual Property Rights

Where Bedfordshire Police Authority is the sole owner or part owner of Intellectual Property Rights the Police Authority's financial regulations and standing orders apply.

The Chief Executive / Treasurer and Assistant Director (Resources) must ensure that the accounting arrangements to be adopted relating to Intellectual Property Rights are satisfactory.

FINANCIAL INSTRUCTIONS

These Financial Regulations require that Financial Instructions (to be drawn up jointly by the Chief Executive/Treasurer and Chief Constable) shall be issued to cover in more detail the following issues:-

Financial Management
Payments
Payrolls
Pensions
Imprest Accounts
Collection of Income
Write Off Procedures
Contracting Procedures
Treasury Management
Leasing
Insurance
Inventories and Security
Voluntary and Unofficial Funds
Insurance
Sponsorship
Procurement Cards
Ex Gratia Payments