



DORSET POLICE AUTHORITY

FINANCIAL REGULATIONS

1. INTRODUCTION

These Financial Regulations comply with the Code of Practice on Financial Management adopted by the Police Authority.

These Financial Regulations govern the respective responsibilities of the Police Authority and the Force and the relationship between them on financial and administrative matters. These regulations are also part of the overall control framework of the Dorset Police Authority and are designed to set down the operating procedures in financial systems to ensure efficient and effective financial management. These Regulations apply to all persons appointed by the Dorset Police Authority, and Police Force, including consultants.

These Regulations are supplemented by the Police Authority's Standing Orders on Contracts and the Force Financial Instructions. They are also complementary to the Authority's approved Scheme of Delegation.

2. STATUTORY RESPONSIBILITIES

Statute places a duty on each police authority to make arrangements for the proper administration of its financial affairs. The Police Authority Treasurer has overall responsibility for the administration of these affairs.

3. POWER TO DELEGATE

Subject to statutory limitations, the Police Authority shall be free to delegate any power granted to them by these Regulations.

The Police Authority advised by the Treasurer must be satisfied that the Chief Constable exercises delegated financial responsibilities in a proper and effective manner.

The Treasurer has certain statutory obligations which cannot be delegated. These are:

- (a) reporting to the Police Authority any circumstances which could involve the Police Authority in:
 - (i) unlawful expenditure;
 - (ii) an unlawful action which could result in a potential loss or deficiency to the Authority;

- (iii) an unlawful entry in the accounts.
- (b) producing a statement of the Authority's accounts.

Financial Instructions for use by the Force, deal with matters delegated to the Chief Constable. They must be drawn up by the Chief Constable in consultation with the Treasurer, who must be satisfied that they provide for effective managerial control and review.

4. ACCOUNTS

The Treasurer is responsible for:

- ensuring that there are safe and efficient arrangements for recording and carrying out financial transactions in all areas of the Police Authority;
- ensuring that such arrangements are kept up-to-date and adhered to by all persons appointed by the Police Authority and Police Force, including consultants;
- the preparation of statutory and other accounts;
- procedures for public inspection of the accounts and liaising with the external auditors.

The Chief Constable is responsible for the proper operation of these arrangements and for seeking the approval of the Treasurer to any proposed changes or developments to financial systems and processes.

5. AUDIT

The Treasurer is responsible under the Accounts and Audit Regulations currently in force for maintaining an adequate and effective internal audit function. The role of internal auditors extends not only to the accounts but also to control systems, risk and governance and value for money.

Internal auditors may inspect, access, and audit all books of account, financial documents and other records of the Police Authority, visit any of the Police Authority's premises and obtain such explanations and take away or copy such records for examination as are considered necessary. Where appropriate this will include access to the records in respect of partnerships.

The Audit, Resources and Continuous Improvement Committee under the chairmanship of a Police Authority member other than the chairman, shall receive both external and internal audit reports.

6. BUDGET

The Police Authority shall:

- (a) approve a budget strategy on the advice of the Treasurer;
- (b) consider the Chief Constable's proposed allocation of resources as set out in the draft budget;

- (c) agree a budget requirement and set the precept on the advice of the Treasurer;
- (d) monitor financial outcomes.

The Chief Constable shall submit annually a draft 3 year strategic and annual policing plan to the Authority for approval. The Chief Constable shall agree with the Treasurer the financial implications of the policing plan.

7. VIREMENT AND SUPPLEMENTARY ESTIMATES

No expenditure shall be incurred on a purpose for which there is no provision in the approved estimates except where:

- (a) a supplementary estimate has been approved by the Police Authority;
- or
- (b) virement has been approved by the Police Authority, or in accordance with arrangements agreed by the Police Authority. Virement is defined as the movement of resources from one budget head to another. Approval of the Police Authority is required where virement is either significant or is a change in policy. Significant is defined as 10% of a budget or £100,000 whichever is the lesser. A change in policy is defined as a departure from the policies agreed by the Police Authority (e.g. in the policing plan or in budget statements);
- or
- (c) the Chief Constable, with the agreement of the Treasurer, is satisfied that such expenditure is in the best interests of the Police Authority and such expenditure shall be reported to the next meeting of the Police Authority.

8. AUTHORITY TO INCUR EXPENDITURE

The Chief Constable is empowered to incur expenditure for the purpose identified and up to the amount specified in such estimates as approved, including unspent balances from the previous year, within arrangements agreed by the Treasurer and reported to the Police Authority.

Arrangements for the carry forward of unspent balances shall be in accordance with the Authority's approved Scheme of Delegation.

The Treasurer and the Chief Constable shall be authorised to implement increases in the cost of salaries, wages or expenses arising as a result of the awards of a national negotiating body.

9. PROJECT MANAGEMENT

The Police Authority shall approve the framework within which major projects are managed. For this purpose a major project is defined as one having a value of £250,000 or more.

The Chief Constable is responsible for ensuring projects are properly evaluated prior to approval and that they are adequately managed and reported upon appropriately.

10. POLICE FUND

The Police Authority shall keep a fund to be known as the Police Fund into which, subject to any regulations under the Police Pensions Act 1976, all receipts of the police authority shall be paid and out of which all expenditure of the authority shall be paid.

11. LOANS AND INVESTMENTS

The Police Authority shall establish a policy for loans and investments and for borrowing money. Within the agreed policy the Treasurer will decide what commitments are to be made and approve any borrowing. All loans and investments will be arranged in line with best current practice.

All borrowing and lending shall be undertaken in accordance with arrangements approved by the Treasurer.

12. BANKING ARRANGEMENTS

The Police Authority, advised by the Treasurer, is responsible for determining a policy on banking arrangements.

The Treasurer is responsible for making such arrangements as are appropriate and necessary with the Police Authority's bankers relating to all financial transactions and the setting up of subsidiary accounts, and any closures.

The Chief Constable is responsible for the daily management and operation of the bank accounts under arrangements agreed by the Treasurer.

The Chief Constable should arrange for imprest accounts in accordance with arrangements agreed by the Treasurer.

13. INCOME

Arrangements for the collection, accounting and banking of all income due to the Police Authority shall be subject to the approval of the Treasurer.

The Police Authority shall determine the policy for charging for services where discretion for charging exists including under the Police Act 1996 Section 25.

Once a charge has been raised no debtor shall be excused a payment due to the Authority other than with the approval of the Chief Constable, Treasurer and Chief Executive. The Treasurer shall maintain a record of such write offs which shall be available for inspection by any member of the Police Authority.

All claims for Government grant and all estimates or forecasts relating thereto shall, before despatch, be submitted to the Treasurer and the Chief Constable.

14. ASSETS OF THE POLICE AUTHORITY

The Chief Constable is responsible for the custody of all buildings, equipment and stores used, and for general security in accordance with the Police Authority's risk management policies.

The Chief Constable shall keep an asset register of all real property and such inventories and stores records as are necessary under arrangements approved by the Treasurer. Such registers and inventories will be the subject of periodic checks.

All moveable property shall, so far as practical, be marked as Dorset Police Authority property.

Moveable property surplus to requirements shall be disposed of under arrangements approved by the Chief Constable. The sale should normally be by public auction or competitive tender but where neither is appropriate, the Chief Constable shall adopt the best method to serve the interests of the Police Authority. Where the sale is proposed to a member or officer or relative thereof of the Police Authority or Force the written authority of the Chief Executive shall first be obtained.

If a periodic inventory or stock check identifies that there are deficiencies of equipment or stores then, provided that there is no suspicion of misappropriation the Chief Constable shall report the deficiencies to the Treasurer who may authorise the item(s) to be written off. Subject to the above, if the amount of the deficiency does not exceed £500 (for any single item) then the Chief Constable may authorise the item(s) to be written off.

Legal interests in property should be recorded in a Property Record under arrangements approved by the Chief Executive and Treasurer.

Any proposals to enter into leasing agreements must be agreed by the Treasurer. The acquisition, disposal, leasing or management of property shall be undertaken in accordance with arrangements approved by the Police Authority under the guidance of a suitably qualified and experienced valuer.

15. MISAPPROPRIATION

Where it is suspected that money or property has been stolen or otherwise misappropriated, or that a financial irregularity has occurred, the Chief Constable shall immediately report the matter to the Treasurer. Except in trivial cases, the Treasurer shall report the circumstances to the Chief Executive. The Treasurer, in consultation with the Chief Executive and the Chief Constable, shall decide on an appropriate course of action.

16. FRAUD AND CORRUPTION

The Chief Constable, in consultation with the Chief Executive and the Treasurer, is responsible for establishing and maintaining a strategy to prevent fraud and corruption and to deal with it wherever it may occur. The Anti Fraud and Corruption Strategy shall be approved by the Police Authority.

17. INSURANCE AND RISK MANAGEMENT

The Police Authority shall approve the arrangements for insurance and risk management including the approval of a risk management strategy statement.

The Chief Constable is responsible for maintaining a register of significant risks and for ensuring that appropriate controls are established to mitigate these. The Chief Constable is responsible for reporting performance on risk management to the Police Authority.

The Treasurer shall advise the Police Authority on appropriate arrangements for insurance, including police authority members, assets and liabilities.

The Chief Constable shall notify the Treasurer promptly of any matters affecting insurance cover, including details of all new risks and changes to existing risks.

Implementation of these arrangements will be delegated to the Chief Constable.

18. GOVERNANCE AND INTERNAL CONTROL

The Chief Constable and the Chief Executive in consultation with the Treasurer are responsible for establishing and maintaining a framework of governance and internal control which encompasses the arrangements by which the Authority and the Force ensure that their business is conducted with:

1. Selflessness;
2. Integrity;
3. Objectivity;
4. Accountability;
5. Openness;
6. Honesty; and
7. Leadership

The Chief Constable and the Chief Executive are responsible for reviewing, on an annual basis, the appropriateness and effectiveness of these arrangements and reporting on the outcomes.

19. PARTNERSHIP ARRANGEMENTS

The Chief Constable is responsible for preparing and maintaining a partnerships policy which sets out the framework for ensuring that partnership arrangements are safe and efficient and the partnership policy requires the approval of the Police Authority.

The Policy shall cover the levels of approval for participation in a partnership, assessment of risk, liability and financial commitment, clarity of purpose, reporting arrangements and accountability, access to records and audit arrangements, conflict resolution and dissolution procedures.

The Chief Constable is responsible for maintaining a register of partnerships.

20. EX-GRATIA PAYMENTS

A sum should be set aside in the budget for ex-gratia payments, including personal injury, damage and loss of property, to be administered at the Chief Constable's discretion.

The Chief Constable with the agreement of the Treasurer will seek the agreement of the Chairman and Vice Chairman to payments above £500 or in a case involving particular sensitivities.

21. VOLUNTARY UNOFFICIAL FUNDS

Voluntary Funds shall be operated in accordance with instructions issued by the Treasurer and the Chief Constable. All such funds are to be properly audited.

22. GIFTS, LOANS AND SPONSORSHIP

The Police Authority may, in connection with the discharge of its functions, accept gifts of money, and gifts or loans of other property, on such terms as the Authority thinks fit. The Police Authority is responsible for approving Force policy and regulations on the acceptance of gifts, loans and sponsorship.

A report of all gifts, loans and sponsorship should be made to the Police Authority annually.

23. MEETINGS

Notice of all meetings of the Police Authority and any other Committees and Sub-Committees, together with agendas and reports shall be sent to the Treasurer in good time and he or his representatives shall be entitled to attend.

24. PERSONNEL

Appointment and dismissal of staff shall be in accordance with approved arrangements and appropriate policies.

Canvassing any member of the Police Authority for any appointment shall disqualify a candidate for appointment. This Regulation shall be made known in all particulars issued for a vacant post.

A member of the Police Authority shall not solicit for any person an appointment with the Police Authority.

25. LEGAL PROCEEDINGS AND PUBLIC INQUIRIES

The Chief Executive shall be empowered to institute legal proceedings for recovery of sums due to the Police Authority and for possession of the Authority's property, to lay informations, to make complaints, to institute, defend or settle proceedings, to take legal action to enforce rights or obligations, to appear at public inquiries where in his opinion it is in the Authority's interest, and to engage counsel.

26. SEALING, SIGNING AND ATTESTATION OF DOCUMENTS

The common seal of the Police Authority shall be kept in a safe place and secured by a lock, the key of which shall be kept by the Chief Executive.

A resolution of the Police Authority or of a committee or sub-committee or decision of an officer acting under delegated power shall be sufficient authority for the Chief Executive or his legal representative to affix and attest the seal or to sign any document necessary to give effect to the resolution or decision.

27. CHANGES TO FINANCIAL REGULATIONS

Any changes to Financial Regulations shall be drawn up jointly by the Chief Executive, Treasurer and Chief Constable and approved by the Police Authority.

28. SUSPENSION OF FINANCIAL REGULATIONS

If the Chief Constable is of the opinion that any of these regulations is inappropriate in particular circumstances the Chief Executive shall be informed in writing. The Chief Executive may, after consultation with the Treasurer authorise departure from the Regulations if he is satisfied that, exceptionally, such departure is in the interests of the Police Authority. The Chief Executive shall maintain a register of any such authorisations, which shall be available for inspection by any member of the Police Authority.

29. DEFINITIONS

'Chief Constable', 'Chief Executive' and 'Treasurer' referred to in these regulations shall include those officers specifically authorised by the respective named officer within the approved Scheme of Delegation for the purposes of these Financial and Administrative Regulations.

30. FINANCIAL THRESHOLDS

The Treasurer may amend the financial thresholds (in these rules) from time to time reflecting changes in national price indices, statutory provisions or guidance from other bodies (e.g. Audit Commission, HMI etc). Any such change shall be reported for information to all members of the Police Authority. A full list of thresholds is provided at Appendix A for ease of reference.