



SURREY
POLICE
AUTHORITY

FINANCIAL REGULATIONS FOR APPROVAL MAY 2010



SURREY POLICE AUTHORITY

FINANCIAL REGULATIONS

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SURREY POLICE AUTHORITY

FINANCIAL REGULATIONS

1 INTRODUCTION

To conduct its business efficiently, Surrey 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 the financial responsibilities of the Police Authority. Chief Constable, Chief Executive, Treasurer, the Assistant Chief Officer - Support Services (ACO Support Services), the Head of Finance and budget holders.

The financial regulations provide clarity about the financial accountabilities of the Authority, the Chief Constable, Chief Executive, Treasurer, the ACO Support Services, the Head of Finance and all budget holders.

Beyond the scope of this document, financial regulations link with other internal regulatory documents. For example, contract standing orders, schemes of delegation, financial procedures, guidance and instructions and employee codes of conduct. Should there be any contradiction contained within procedures, guidance, instructions or codes of guidance the Financial Regulations will take precedence.

The Chief Constable, Chief Executive, Treasurer, the ACO Support Services and Head of Finance 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 Treasurer and the ACO Support Services, in conjunction with the Police Authority Chief Executive, 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 ACO Support Services is responsible for reporting, where appropriate, breaches of the financial regulations to the Authority and/or to the Chief Constable and the Treasurer.

The Chief Constable shall issue financial instructions detailing how the regulations will be implemented.

The Chief Constable 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 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 Head of Finance, in conjunction with the 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, Treasurer, Chief Executive, Committees of the Authority or joint arrangements with other public bodies. The Authority's Scheme of Delegation approved by the Audit Committee is set out in Appendix A of these Regulations.

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 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 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 COMMITTEE

The Audit 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 statutory Statement of Accounts of the Police Authority. The Audit Committee is also responsible for recommending to the Police Authority any changes that need to be made to the Financial Regulations.

2.4 THE TREASURER

The Police Authority 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 to:



- 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 and the Chief Constable
- 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 in consultation with the Chief Executive 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.
- review reports containing financial information. Reports must be cleared by the Treasurer, as Chief Financial Officer, in good time prior to despatch to Members of the Authority.

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 and the Chief Executive 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 UK 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 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 and that they have been agreed by the Treasurer
- Consulting the Treasurer and 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 and maintenance of the estate to the ACO Support Services.

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 ACO Support Services and that the Head of Finance and the Treasurer have been consulted.

2.7 THE ASSISTANT CHIEF OFFICER – SUPPORT SERVICES

The ACO Support Services is responsible to the Chief Constable for the Human Resources, ICT and Finance functions within the Force and is the lead professional for these functions on the Chief Constable's senior policy team – the Chief Officer Group.

The ACO Support Services has a duty to ensure that these functions provide efficient, appropriate and cost effective support to front-line operations in accordance with statutory and operational requirements, strategic priorities, and budgetary constraints.

The ACO Support Services will contribute to the strategic direction, leadership and management of Surrey Police and will work closely with the Head of Finance to ensure that effective resource management and financial planning are at the heart of strategic decision making so that services are delivered as efficiently and effectively as possible and that Surrey Police's long term financial viability is assured.

2.8 THE HEAD OF FINANCE

The Head of Finance is the lead finance professional for Surrey Police.

The Head of Finance has a duty to ensure the proper administration of the Force's financial affairs, so that the organisation operates efficiently, effectively and in accordance with statutory requirements and accounting standards.

The Head of Finance is the lead finance advisor to the Chief Officer Group and has direct right of access to the Chief Constable regarding any matter of financial significance.



The Head of Finance 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.

The Head of Finance must devise and implement a finance strategy for the Force which ensures that adequate financial controls are in place, all financial reporting meets statutory requirements and that accounting activities are timely, accurate and cost effective.

The Head of Finance will represent Surrey Police in dealings with the Audit Commission, Treasurer and external auditors, to ensure that the Force fulfils its annual financial reporting responsibilities on time and in line with regulatory requirements.

2.9 OTHER FINANCIAL ACCOUNTABILITIES

Virement

The Police Authority is responsible for agreeing procedures for virement of expenditure between budget headings where the amounts exceed approved limits. The current approved limits are shown in Appendix B. Virements above the approved limits shall be reported to the Authority as part of the agreed budget monitoring cycle.

Virements which would change the stated policy of the Police Authority or which would require additional resources in subsequent years must be approved by the Authority.

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 shown in Appendix C.

Accounting Policies

The Head of Finance in conjunction with the Treasurer is responsible for selecting accounting policies and ensuring that they are applied consistently.

Accounting Records and Returns

The Head of Finance in conjunction with the Treasurer is responsible for determining the accounting procedures and records for the Authority.

The Annual Statement of Accounts & Annual Governance Statement

The Treasurer in conjunction with the Head of Finance is 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



Audit Committee is responsible for scrutinising the Annual Statement of Accounts and recommending that the Authority formally approves them.

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

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

Accounting For Property/Premises Leases

The accounting procedures for dealing with Operating and Finance Leases are outlined in Appendix E.



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 Medium Term Financial Strategy
- the Revenue Budget
- the Capital Programme
- the agreed Efficiency Plan

3.2 PREPARATION OF THE LOCAL 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
- best value performance plan
- details of the financial resources available
- plans for efficiency and productivity

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 Head of Finance will be approved by the 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.

Budget & Capital Programme Preparation

The 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 Head of Finance 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 ACO Support Services to ensure that the revenue budget and capital programme proposals reflect the priorities outlined in the Local Policing Plan.

The Treasurer is responsible, in conjunction with the Head of Finance, for ensuring the estimates contained within the budget are realistic and prudent.

Preparation of Three-Year Revenue Forecast

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

- plans for the development of services and the priorities for the allocation of resources between services
- the financial effects of all known commitments together with any other proposals for changes to levels of existing services, or the introduction of new services.

Budget Monitoring & Control

The Head of Finance 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 Treasurer to any problems that may arise.

The procedure for approving capital expenditure proposals is outlined in Annex D.

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

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 Head of Finance, report on the outturn of income & expenditure to the Police Authority as soon as practicable after the end of the financial year.



Efficiency

The Chief Constable is responsible for making plans to achieve efficiency savings in line with the medium term financial plan and Home Office guidance and to recommend targets to be agreed by the Authority.

A six monthly progress report against those targets and an end of year outturn report shall be presented to the Authority.

Budget Preparation Guidelines

Guidelines on budget preparation are issued by the Head of Finance. 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 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 and the 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 Treasurer, in conjunction with the Head of Finance, 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 ACO Support Services, to establish sound arrangements to achieve continuous improvement, economy, efficiency and effectiveness and for achieving financial performance targets.

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

The Treasurer or his 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 Treasurer shall be notified immediately by the Chief Constable 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 Surrey 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' Surrey Police Authority duties and responsibilities and any other areas of their personal or professional lives.

Where financial irregularity is suspected or discovered, the Chief Executive or Chief Constable is to notify the Treasurer (represented by the Head of Internal Audit) immediately. Where the notification has been received from the Chief Constable, the Treasurer is to inform the Chief Executive.

In the case of fraud, theft or negligent loss of money or assets by Surrey Police staff, the Chief Constable shall determine the appropriate remedial action to be taken, in consultation with the Treasurer

4.7 ASSETS

The 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.

All asset acquisitions and disposals should be undertaken in accordance with approved authorisation limits and detailed financial procedures.

All assets must be managed in accordance with the procedures set out at Appendix L.

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. From 1st April 2008 it will be a requirement that this information is maintained on



the computerised asset management system, which is managed by the Finance Department.

Electronic devices such as, PDAs (Personal Digital Assistants), laptop PCs and desktop PCs are to be listed on the "Xasset" tracking system, which is maintained by the ICT department. The ICT Department is also responsible for keeping a log of all mobile phones and issues and returns must be identified by reference to the asset request and leavers processes.

4.8 TREASURY MANAGEMENT & BANKING

(1) The Authority will create and maintain, as cornerstones for effective treasury management:

- a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
- suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control these activities.

The content of the policy statement and TMPs will follow the recommendations contained in Section 6 and 7 of CIPFA's Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (Second Edition 2009), subject only to amendment where necessary to reflect the particular circumstances of Surrey Police. Such amendments will not result in any material deviation from the Code's key principles.

(2) The Authority will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy, a plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in the TMPs.

(3) The Authority delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Treasurer, and for the execution and administration of treasury management decisions to the Head of Finance, who will act in accordance with the Authority's policy statement and TMPs and CIPFA's *Standard of Professional Practice on Treasury Management*.

(4) The Authority nominates the Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

Requirements for the procedures related to cash and banking are contained within Appendix H.



5 FINANCIAL SYSTEMS & PROCEDURES

5.1 INTRODUCTION

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

General

The 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 Head of Finance 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 Treasurer.

The Chief Constable should ensure that Police Staff and Police Officers receive relevant financial training that has been approved by the Head of Finance.

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 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:

Bad Debt Write Off Authorisation Matrix

| | Individual Debt Case | Annual Cumulative Debt | Authorising Officer |
|-------|----------------------|------------------------|-------------------------------|
| Up to | £10k | £25k | Head of Finance |
| Up to | £20k | £50k | Treasurer and Head of Finance |

Cumulative debt write off over £50k per annum or individual debt write off of over £20k will be subject to a separate report to the Audit 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. All other write offs made by the Head of Finance and the Treasurer will be reported for information to the Audit Committee.

5.3 PAYMENTS TO MEMBERS AND EMPLOYEES

The Chief Constable through the ACO Support Services is responsible for all payments of salaries and wages to all employees, including payments for overtime and allowances.

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

5.4 TAXATION

The Treasurer, in conjunction with the Head of Finance 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 Head of Finance 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 not be made without the prior authorisation of the Head of Procurement where the work, goods and services are available through Supplies Department, established Contracts or Approved Suppliers.

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 Surrey 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

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

The Treasurer and ACO Support Services 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 Treasurer and the Head of Finance 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, to the overall corporate governance arrangements and legal issues when arranging contracts with external bodies. The 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.

6.2 GIFTS, LOANS & SPONSORSHIP

The Head of Finance is responsible for ensuring that all gifts of money, gifts or loans of other property, including sponsorship, which are received by Surrey 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 Surrey 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 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 EXPENDITURE ON HOSPITALITY

Reasonable expenditure on alcohol is permitted in hospitality situations, bearing in mind that such expenditure is liable to be placed in the public domain.

6.4 EXTERNAL FUNDING

The Chief Constable, through the Head of Finance, is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Police Authority's accounts.

6.5 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.

6.6 INTELLECTUAL PROPERTY RIGHTS

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

The Treasurer and ACO Support Services are responsible for promoting the same high standards of conduct with regard to financial administration in Intellectual Property Rights that involve the Police Authority and the Force.

The Treasurer and Head of Finance must ensure that the accounting arrangements to be adopted relating to Intellectual Property Rights are satisfactory. Consideration must also be given, in consultation with the Chief Constable and the Chief Executive, to the overall corporate governance arrangements and legal issues when arranging contracts with external bodies. The 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 Intellectual Property Rights with external bodies.

The Head of Finance is responsible for ensuring that any funds, from the exploitation of Intellectual Property Rights received by Surrey Police Force, its officers or staff, are properly recorded in the Authority's accounts.

The Chief Constable may agree to exploitation of Intellectual Property Rights on behalf of Surrey 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.

Individual or jointly shared Intellectual Property Rights should not be entered into where there is a risk of offending the integrity or propriety of the police.

Priority shall be give to meeting the needs of the Force rather than those of any joint owner of Intellectual Property Rights and care should be taken to avoid associations with inappropriate partners who may convey the impression that an additional commercial advantage has been gained or that projects of dubious or limited benefit have been entered into and allowing unacceptable conditions to be attached to arrangements associated with shared Intellectual Property Rights.

There is no upper limit to the value of income generated by exploitation of Intellectual Property Rights.

The Treasurer must ensure that the Police Authority maintains a register which records all remuneration received due to the exploitation of Intellectual Property Rights by either its members or staff.

The Chief Constable, through the Head of Finance, is responsible for ensuring that all funding notified by external bodies from the exploitation of Intellectual Property Rights is received and properly recorded in the Police Authority's accounts.



7 APPENDIX A - SCHEME OF DELEGATION TO OFFICERS

7.1 GENERAL PRINCIPLES

In these arrangements "officer" means the holder of any post named in the document as having Delegated Powers and duties.

The exercise of the Delegated Powers listed below shall be subject to:-

- compliance with the policies and directions of the Police Authority, with statutory requirements, Standing Orders and Financial Regulations;
- any necessary approvals of Government Departments first being obtained;
- provision for any relevant expenditure being included in the budget or to a supplementary estimate having been approved.

The Police Authority may exercise, as and when thought fit, powers which have been delegated.

Delegations to the Chief Constable, or a designated officer, include delegations to his or her Deputy or such other officer appointed by him or her to act on his or her behalf to the lowest level consistent with ensuring that financial dealings are conducted properly and safeguard the Police Authority Treasurer in discharging properly his or her obligations. Any delegation below the Chief Constable is to be properly documented.

These arrangements delegate powers and duties within broad functional descriptions and include powers and duties given under legislation present and future and all powers and duties incidental to that legislation.

For the avoidance of doubt, these arrangements do not seek to vary the constitutional relationship between the Police Authority and the Chief Constable.

In exercising Delegated Powers, the Chief Constable and other officers will consult with such other officers as they may determine appropriate and will have regard to any advice given.

In relation to the powers delegated by the Authority (which do not include the powers vested in the Chief Constable directly) and without detracting from the discharge of functions under these arrangements, the Chief Constable and other officers will liaise with Members representing the various groups on the Authority where they consider it appropriate.



7.2 DELEGATIONS TO THE CHIEF CONSTABLE

Financial

To administer and monitor the approved Force operational budget, having regard to the annual performance plan.

To implement the policy approved by the Police Authority in relation to local authority grants for police funding in consultation with the Treasurer and the Chief Executive.

In consultation with the Chief Executive and the Treasurer, to be responsible, under the general direction of the Police Authority, for arranging insurance cover in all appropriate cases.

To be responsible for the management of the police estate, including maintenance of property.

To exercise the power and duties of the Police Authority under the Police (Disposal of Property) Regulations 1975 as may be amended from time to time.

To sell or dispose of, at the best obtainable price, all surplus and redundant equipment and vehicles in accordance with laid down procedures agreed with the Treasurer.

To deal with property appropriated for police purposes under the Police (Property) Act 1897 as amended in accordance with the procedure agreed by the Police Authority

To accept tenders in accordance with Contract Standing Orders.

The discretion to accept gifts, donations, loans or sponsorship not exceeding £100,000 in accordance with the appropriate policies approved by the Police Authority and to make an annual report to the Authority at the end of the financial year.

Subject to reporting to the Police Authority, the maximum car loan payable to police officers and police staff.

The Chief Constable shall be authorised to make at his discretion, ex-gratia payments in respect of damage to or loss to the personal effects of police officers and police staff and damage caused to third party property by police officers and police staff, where the loss or damage arose directly out of the performance of and during the course of duty. Ex-gratia payments made by the Chief Constable will not exceed £1,000 and will take account of the age and condition of any item for which a payment is made. Any claims involving amounts beyond £1,000 and /or combined with claims for other wrongful act or negligent activity should be referred to the Force Solicitor.

Human Resources

To appoint authorised examiners of motor vehicles under the Road Traffic Act 1988 as may be amended from time to time.



To exercise the powers and duties of the Police Authority under the Health and Safety at Work Act 1974 as may be amended from time to time.

To exercise any power under Police Regulations and Police Pensions Regulations or amend any conditions of service (except where they apply to him personally or, unless no discretion is permitted, to those of Chief Police Officer rank) which are the expressed or implied responsibility of the Police Authority as long as they do not result in significant budgetary implications.

To appoint, under Police Regulations, a third medical practitioner, in the event of a dispute between the Force Medical Officer and the officer's GP concerning the officer's fitness for duty.

To exercise the Authority's responsibility for the management of ill-health retirement, in consultation with the Sick Pay Review Panel. In cases where they may be a significant risk to the Force/Authority, these may be referred to the Pensions Board for decision.

To determine the overseas deployment of officers, subject to reporting to the Human Resources Panel no less frequently than every six months.

To administer the Surrey Homes Scheme.

7.3 DELEGATIONS TO THE CHIEF EXECUTIVE OF THE AUTHORITY

Administrative & Legal

To manage the legal, administrative and secretarial service of the Police Authority, taking such decisions as are necessary to protect or further the interests of the Authority within established policies.

After consultation with the Chairman:

- to appoint substitutes to attend meetings of the APA as and when the need arises; and
- to fill members' vacancies which arise between meetings in functional responsibilities, the Authority's Committees, Panels or Steering Groups; in representing the Authority on external bodies and in authorising attendance at events/seminars where action needs to be taken between meetings.

To arrange for the provision of professional services (including obtaining independent property advice and the placing of legal work with private solicitors) required by the Police Authority or the Chief Constable acting in consultation with the Treasurer.

To authorise the institution, defence, withdrawal or settlement of any claims or legal proceedings, civil or criminal.

To authorise on behalf of the Authority any indemnity, other than those ordinarily provided for under corporate insurance policies, in consultation with the Treasurer where the giving of an indemnity could have significant



financial implications for the Authority. The Chief Executive shall maintain a register of such indemnities and their potential financial impact.

To arrange legal representation on the recommendation of the Chief Constable where, as the result of carrying out their duties, police officers and employees have proceedings taken against them by other persons.

To undertake all administrative responsibilities in respect of police appeals tribunals, including the appointment of members.

To approve the reimbursement of solicitors' costs incurred in defending police officers charged with an offence under the Road Traffic Acts whilst on duty and acquitted provided they come within the arrangements approved by the Home Office.

In consultation with the Chief Constable and the Treasurer, to authorise the sale or leasing of land to statutory undertakers for the purposes of their statutory functions, on terms approved by a Valuer.

To authorise the granting, determination or obtaining of easements, way leaves and licences over or in respect of land held for or required for the purposes of the Police Authority on terms approved by a Valuer, after consultation with the Chief Constable and the Treasurer.

In consultation with the Chief Constable and the Treasurer, (1) subject to financial provision existing and the net rent not exceeding £75,000 per annum, to authorise the taking of a lease or tenancy of land or buildings on terms approved by a Valuer: (2) to authorise the determination of such a lease or tenancy. Any lease or tenancy with a rent of over £75,000 pa shall be authorised by the Police Authority.

In consultation with the Chief Constable and the Treasurer, to grant consent, (1) to the under letting or assignment of any lease or tenancy of land under the control of the Police Authority: (2) under restrictive covenants, the benefits of which are vested in the Police Authority.

In consultation with the Chief Constable, to let temporarily surplus police houses.

In consultation with the Chief Constable and the Treasurer, to institute legal proceedings to recover vacant possession of police houses which continue to be occupied by ex-police officers or their families and the making of arrangements for payment in lieu of rent and rates for the use of such houses.

On the recommendation of the Chief Constable to sell vacant police residential accommodation as they are identified as surplus to operational requirements, and in which there is no internal interest, on the open market.

To sign, present or sue out petitions in bankruptcy, to make affidavits, proofs of debts and proxies and to take all necessary action under the Insolvency Act 1986 on behalf of the Police Authority as shall appear to him/her to be expedient and in the interests of the Police Authority.



In consultation with the Chief Constable and the Treasurer and after consultation with the Chairman, to dispose of property (land and/or buildings) which is surplus to operational requirements after taking appropriate professional advice and on terms approved by a professional valuer subject to:

- the sale price not exceeding £500,000;
- the disposal being in accordance with the Force's Estate Asset Management Plan and policies adopted by the Police Authority;
- the sale being at a consideration which is regarded as the best price reasonably obtainable; and
- members with divisional responsibility for the area in which the property is situated being informed.

In consultation with the Chief Constable and the Treasurer and after consultation with the Chairman, to acquire property after taking appropriate professional advice and on terms approved by a professional valuer subject to:

- the initial cost of the acquisition not exceeding £500,000;
- the acquisition being in accordance with the Force's approved Capital Programme and policies adopted by the Police Authority.
- the acquisition being at a consideration which is regarded as the best price reasonably obtainable.

In respect of funds allocated to each CDRP area, to agree the grants to be made to contribute towards schemes considered by CDRPs, after consultation with the Police Authority Member on each CDRP and Neighbourhood Superintendent concerned.

In consultation with the Chairman of the Citizen Focus Panel, to agree the criteria for payment of grant to any local bodies. Such grant payments to be reported annually to the Finance Performance Panel

7.4 DELEGATIONS TO THE TREASURER

To exercise overall responsibility for the administration of the Police Authority's financial affairs having regard to the Code of Practice of Financial Management as defined under Section 39 of the Police Act 1996 and the Financial Regulations of the Police Authority.

In consultation with the Head of Finance, to write off as irrecoverable debts not exceeding £20,000 in any one case or cumulatively £50,000 in any one year.

To maintain an adequate and effective internal audit service in accordance with current Accounts and Audit Regulations.



8 APPENDIX B - REVENUE VIREMENT

For the purposes of virement an approved budget-head will be the bottom line budget, as devolved to budget holders.

Virement within budget heads is at the discretion of the budget-holder.

Virement of up to 0.2% of the value of the annual Net Budget Requirement (in total in any year) between budget heads can be made by agreement between the Chief Constable and the Treasurer.

Virement exceeding 0.2% of the value of the annual Net Budget Requirement (in total in any year) will require approval of the Authority.

Virement reflecting internal reorganisation of responsibility, without a change of strategy, is permitted with the approval of the Chief Constable and Treasurer with no limit.

All virements between budget heads shall be reported to the Authority as part of the agreed budget monitoring cycle.

No budget may be vired from Capital to Revenue.

Budget holders may vire up to 0.0125% of the value of the annual Net Budget Requirement in any one year, from revenue to finance capital expenditure, without prior approval, or up to 0.025% of the value of the annual Net Budget Requirement with the approval of the Head of Finance.



9 APPENDIX C - YEAR – END VARIATIONS & LOCAL BALANCES

Any under spend in excess of the approved limit of balances will be taken to General Balances.

The Chief Constable, in conjunction with budget-holders, may re-allocate locally held balances, provided that the total amount remains unchanged.

The limit for carrying forward under spends from one financial year to another is 1.0% of the closing budget figure for the financial year.

With the approval of the appropriate COG member, a balance greater than the maximum limit may be carried forward from one financial year to another, in order to build up a sufficient sum to fund a specific pre-planned project. Provided the amount involved does not exceed 1.0% of the Authority's annual Net Budget Requirement.



10 APPENDIX D - PROCEDURE FOR APPROVING CAPITAL EXPENDITURE PROPOSALS

The Prudential Code requires that capital expenditure should form part of a capital strategy and should be carefully prioritised in order to maximise the benefit of scarce resources.

The total amount available to fund capital expenditure in any year is determined by the Police Authority who will take account of the available capital resources i.e. capital grants, capital receipts, loans and under spending carried forward from the previous year.

To initiate the approval process Surrey Police Force will review and prioritise, through the Capital Strategy Board, all capital expenditure proposals and bids by 31st October each year and determine those capital schemes that should be included in the Capital Budget for the following three financial years.

Each proposal being put forward for approval will have a supporting business case, which will be compiled on the best information then available. There will be no need at this stage to invite formal tenders.

The preferred capital programme, which will be compiled after prioritising the individual projects on the grounds of service need, plus capital costs and consequent revenue costs/savings, will then be approved by COG, before submission to Finance and Performance Panel in good time to allow review and discussion before the programme is submitted to the Police Authority for final approval, within the budget setting process, as the approved Capital Budget for the forthcoming financial year. ICT infrastructure proposals (all other ICT proposals will be approved as outlined above) and proposals falling within the remit of the Capital Strategy Board will be included within the overall budget, as well as within the strategy documentation for both those sectors.

Full business cases, which show the phasing of the expected capital expenditure and which include the associated revenue expenditure and proposed revenue savings, will be subject to the capex "gateway" process and will be approved by the Capital Strategy Board. Copies of the business cases submitted will be retained by the Strategy Delivery Unit for audit. Those business cases falling within the remit of the Capital Strategy Board will be submitted to that group for approval. ICT infrastructure proposals will be the subject of periodic review by the Police Authority as part of its normal review of ICT strategy

Expenditure incurred on approved projects will be reported to the Finance and Performance Panel as part of the normal regular financial capital reporting process. Where predicted or actual expenditure on projects varies (up or down) from approved budget by more than 10%, an explanation of the variance will be provided by the force.



The overall approved capital budget for the financial year may not be exceeded without prior approval of the Police Authority.

If the Force wishes to make changes to the individual projects by substituting a project or projects in the approved capital programme by others on the grounds of priority, this will be allowed provided that (1) a properly costed business case has been compiled that includes all appropriate capital and revenue costs and savings and (2) inclusion of the scheme will not result in the approved capital budget or revenue budgets being exceeded, without the prior approval of the Police Authority (following the recommendation of the Finance & Performance Panel). Any such changes to the capital programme will then be included in the normal Finance & Performance Panel capital monitoring reports.

Projects which are approved for inclusion in the Capital Budget, but on which no expenditure has been incurred during the financial year, must be re-submitted for approval before they can be included in the following years Capital Budget.



11 APPENDIX E - ACCOUNTING FOR PROPERTY/PREMISES LEASES

11.1 INTRODUCTION

Leases and hire purchase contracts enable the Authority to obtain the right to use or purchase assets without the burden of formal ownership.

Accounting standards classify leases into two types – finance and operating leases – both of which are accounted for quite differently: -

Operating leases

Involve the lessee paying a rental for the hire of an asset for a period of time, normally substantially less than its useful economic life. The lessor retains most of the risks and rewards of ownership of the asset. All rental payments associated with such leases must be classified as revenue expenditure and charged to the Authority's Income and Expenditure Account.

Finance leases

These usually involve payment by the lessee to the lessor of the full cost of the asset (ie a principal payment) plus interest. The lessee has substantially all the risks and rewards associated with the ownership of the asset, other than legal title. The accounting treatment of a finance lease is more complex: The lease payment must be split into its component elements of principal and interest. All interest payments must be classified as revenue expenditure and charged to the Authority's Income and Expenditure Account, but the principal payments can be treated as capital expenditure.

It **cannot** be assumed that lease payments relating to property or premises can automatically be treated as capital expenditure, as the Authority must account for all leases in accordance with accounting standards. All proposed property leases need to be fully assessed prior to the lease being signed, so that they can be correctly classified and the likely on-going financial implications to both the Authority's revenue budget and capital programme accurately assessed in advance. Otherwise, there is a risk that the Authority will be exposed to significant unplanned costs, to which the Authority is contractually committed for the period of the lease.

All applications for leases will be compliant with the latest version of the Authority's financial regulations which take precedence should there be a conflict with any other regulations regarding lease tests.

11.2 LEASE CLASSIFICATION

In order to classify a lease and accurately quantify the on-going financial and accounting implications, all potential property leases must be assessed by the Force's Audit Affairs and Accounting (AAA) team prior to the lease being signed.



The AAA team will undertake a simple financial test, and consider the terms of the proposed lease against a checklist, in order to decide whether the lease should be classified as an operating or finance lease. To complete this process, the AAA team require the following information:

Proposed lease payment per annum.

Proposed lease term, – including, if applicable, details of any break points where the lease could either be terminated or extended.

Estimated purchase price of an equivalent asset – it is extremely important that these estimates can be substantiated, and all estimates should be based on the professional advice obtained by the Property Services and Capital Manager.

Proposed terms and conditions of the lease – if available a draft copy of the lease should be sent to the AAA team. In particular, details of associated property costs (e.g. buildings insurance and maintenance costs, utility costs, service charges) and whether the lessor or the Authority will be responsible for such costs once the lease is signed.

Contact details of a named individual – the AAA team may need to discuss the proposed lease, or request further information.

In order to request a lease test, please either send or email all the above information to the **Senior Specialist Accountant in the AAA team within Finance and Business Services**. The proposed lease will then be assessed, and the results fed back to the originating department as soon as possible.



12 APPENDIX H – CASH AND BANKING

The Head of Finance will establish procedures to ensure the following:

All bank accounts are reconciled monthly.

Where possible a receipt is issued for all cash seized or obtained by other means.

All cash held prior to banking is retained in a secure safe.

All cash is banked within 7 working days of receipt unless it has to be retained for evidence or be sent for destruction due to contamination.

All Bank mandates are reviewed and updated at least annually.

Clear instructions are maintained for all personnel who handle cash as to what procedures must be followed.

The Treasurer must authorise the opening or closing of any bank accounts in the name of Surrey Police.



13 APPENDIX I – PROTOCOL BETWEEN THE CHIEF CONSTABLE & TREASURER FOR FUNDING SPECIAL UNBUDGETED OPERATIONS

Notwithstanding the normal arrangements for the creation of Gold Commands and the involvement of Police Authority members, where the Chief Constable believes that the necessary expenditure for an operational commitment will exceed the budgets and reserves at the Force's disposal and therefore create a budget overspend, he/she will arrange a briefing for the Chairman of the Finance & Performance Panel and the Treasurer.

Subject to vetting clearance, this briefing may of necessity be limited to the financial consequences of the commitments being entered into. In deciding whether to arrange a briefing, the Chief Constable will make no assumption about the availability of special grant, from any source, or the availability of general reserves to support the operation.

In the light of the level of resources committed to the operation and the likely duration of the operation, the Treasurer will agree with the Chief Constable, in consultation with the Chairman of the Finance & Performance Panel, how the financial commitment will be managed.

The Chief Constable will be responsible for ensuring that the operation is managed efficiently (including ensuring that the use of mutual aid and overtime is necessary and appropriate) and will brief the Chairman of the Finance & Performance Panel and the Treasurer on these issues.

Use of general reserves will be at the discretion of the Authority on the advice of the Treasurer. At the earliest opportunity the Treasurer will report to the Authority on the action taken and the financial implications. Such report will include an assessment of the impact on the level of general reserves and on the risk assessment.

The Chief Constable will respond to any request made by the Chairman of the Finance & Performance Panel or Treasurer for information and will arrange for briefings to take place as necessary. The Treasurer will ensure that the Authority is fully briefed on the financial situation and the action required to ensure compliance with the Local Government Finance Act 1988. If the Authority fails to take the appropriate action, the Treasurer will, following consultation with the Chief Executive and the External Auditor, seek independent legal advice on the necessity to take action under the Act.

The Chief Constable will ensure that the costs of the operation are separately identified and that the Head of Finance highlights them when he/she submits the monthly revenue and capital monitoring reports to the Authority.



The Treasurer will ensure that Home Office officials are made aware of the situation at the earliest opportunity and, in consultation with the Head of Finance, arrange for a special grant claim to be formulated and submitted to the Home Office, at the earliest opportunity.

The Treasurer will, as appropriate, brief the External Auditor on the situation and of the steps being taken to ensure that the financial standing of the Authority is maintained.



14 APPENDIX J - LEGAL ADVICE & CLAIMS ADMINISTRATION - PROTOCOL BETWEEN CHIEF EXECUTIVE AND CHIEF CONSTABLE

Under Section 7.3 the Chief Executive has delegated authority to authorise actions relating to claims and legal proceedings, civil or criminal. In respect of this, the Chief Executive delegates to the Chief Constable the following powers, but only in so far as any such actions related to the discharge of those functions or obligations conferred on the Chief Constable by statute:

- prosecute or defend or appear in any legal proceedings and, in the case of civil proceedings, to institute them in his own name and to settle or withdraw from them; and
- make representations in his own name at any public inquiry held by or on behalf of any Minister or public body under any enactment; and
- procure any legal advice including the instruction of solicitors and barristers.

Legal Services shall have sole control of all actions and the provision of legal advice except where directed otherwise by the Chief Constable or where civil actions are the subject of an indemnity provided for under a policy of insurance effected by and in the name of Surrey Police Authority.

In the event that such an indemnity is provided and is invoked under a policy of insurance, the sole conduct of any action shall pass to the relevant insurer unless otherwise agreed. All such claims shall be managed by the Force Insurance and Risk Manager.

The decision to pursue or withdraw from any action shall be made in accordance with professional judgement and advice as to the financial and reputational merits of any such action.

All claims and their financial costs shall be recorded on the STARS database.

Quarterly reports shall be submitted to the Finance & Performance Panel.

This delegation is subject to the requirement for the Chief Constable to advise the Chief Executive of any case where the matter is potentially of a high profile nature or is likely to involve the Authority in significant expenditure.



15 APPENDIX K FIXED ASSET PROCEDURES

General

Until 2010/11 assets are recorded in the Financial Statements in accordance with the requirement of the Chartered Institute of Public Finance and Accountancy (CIPFA) Statement of Recommended Practice (the SORP). From 2010/11 assets will be recorded in line with International Financial Reporting Standards (IFRS).

Details of assets owned by Surrey Police are held centrally on a Fixed Asset Register (FAR) and are managed by the Asset Management Team within the Finance Department.

All relevant expenditure on land and buildings and other assets, above a £10,000 threshold, is capitalised and added to the FAR.

Under the Sorp, land and buildings are recorded in the books at current cost (existing use value) – known as fair value under IFRS. All other fixed assets (except assets held for sale - see 16.8 below) are valued at historic cost.

There are additional databases of assets held separately by the following areas:

- Estates uses Oak Leaf for all property assets;
- ICT records computer assets on the Xasset system;
- Fleet uses Tranman for vehicles.

All assets are depreciated except land, assets in the course of construction and, under IFRS, assets held for sale.

Additions

The Asset Management Team, in liaison with the Capital Accountant, adds newly acquired assets to the FAR through detailed analysis of transaction listings for capital/project codes.

Disposals

The Asset Management Team removes from the FAR, assets that have been disposed of by reference to information received from Estates, Fleet & ICT areas.

Impairments

Assets are reviewed annually for impairment and any resultant diminution in value is reflected in the financial statements.



Revaluations

Land & buildings are assessed for value by external experts on a rolling five year basis.

Assets under construction (AUC)

AUCs are valued at historic cost and are not depreciated until the year after they are fully completed when they are transferred to the appropriate fixed asset category and valued as described above.

AUCs are controlled by the Capital Accountant who conducts a full review of them annually.

Inventory

Assets valued below the threshold of £10,000 are recorded separately on spreadsheets/databases. These include mobile phones, equipment used in covert operations and ICT equipment.

Assets held for sale (surplus assets)

Under the SORP, surplus assets are valued at market value. Under IFRS assets classified as held for sale will not be depreciated and will be valued at the lower of the carrying value or fair value (market value) less cost to sell.

Depreciation

All assets that are subject to depreciation are depreciated on a straight-line basis commencing in the April following acquisition.

Average useful economic lives are as follows:

Buildings - 25 Years

Helicopter - 10 Years

Equipment - 5 Years

Vehicles - 5 Years

Intangibles – 3 Years



APPENDIX L - BUDGET HOLDERS CERTIFICATE OF COMPLIANCE

THE FOLLOWING ARE THE BUDGET HOLDERS WITHIN THE FORCE & THE POLICE AUTHORITY WITH PRIMARY RESPONSIBILITY FOR ENSURING THAT THE FINANCIAL REGULATIONS ARE PROPERLY UNDERSTOOD AND OBSERVED

| Budget holders | |
|--------------------------------------------|-------------------------------------|
| Chief Constable | Chief Supt – Investigation |
| Deputy Chief Constable | Chief Supt – Tasking & Coordinating |
| Assistant Chief Constables | Chief Supt - Response |
| Assistant Chief Officer - Support Services | Chief Supt - Neighbourhoods |
| Head of Human Resources | Head of Finance |
| Head of ICT | Head of Strategic Change |
| Chief Executive of the Police Authority | |

Each budget holder listed above is required, upon receipt of the Financial Regulations, to return within one month, a signed dated statement as follows.

I confirm that I have received a copy of the Surrey Police Authority Regulations and have read and familiarised myself with the contents. I will ensure that, within the area for which I have financial responsibility, the regulations will be complied with. I confirm that all members of my staff have been made aware of those regulations which impact on the activities that they carry out in pursuance of their employment with Surrey Police Force or Surrey Police Authority.

Signed: (Budget Holder) _____

Print Name: _____

Designation: _____

Date:

Return to:

Surrey Police Authority Treasurer, Surrey Police Authority Office, Mount Browne.