

West Midlands Police and Crime Commissioner Decision Session

22 November 2012

WMPCC 004A- 2012	West Midlands Police and Crime Commissioner Decision
Subject:	Approval of The Scheme of Consents and Delegations, Financial Regulations and Contract Standing Orders.
Executive Summary	<p>The purpose of this paper is to record the decision to approve The Scheme of Consents and Delegations which has been prepared in accordance with the requirements of the Home Office Code of Practice on Financial Management, which is made by the Secretary of State under section 17 of the Police Reform and Social Responsibility Act 2011 (the Act) and section 39A of the Police Act 1996.</p> <p>Financial Regulations and Contract Standing Orders, which form the Operating Framework, along with The Scheme, have also been revised and need approval.</p>

DECISION

- 1.1 The primary purpose of this Scheme is to:-
- Set out in detail the terms on which the respective functions of the PCC and CC will be exercised, in order to comply with the Act, the Policing Protocol Order 2011 and all other legislation and achieve the objectives set out in the PCC's Police and Crime Plan;
 - Set out the extent and any associated conditions attaching to the PCC's consent to the Chief Constable's exercise of the powers to enter into contracts and acquire or dispose of property;
 - Set out the extent and details attaching to the PCC's delegations to his own staff and those staff under the direction and control of the CC;
- 1.2 The PCC has a number of statutory responsibilities which he will either discharge, directly himself, or via delegated/consented responsibilities, as outlined in this scheme
- 1.3 The PCC is a corporation sole and the legal contracting body which owns all assets and liabilities subject to any transfer orders as exist or may in the future be made. The PCC has responsibility for the financial administration of the PCC and West Midlands Police ("WMP") including all borrowing decisions.

- 1.4 This Scheme of Consents and Delegations is intended to set out all significant decisions which are consented/delegated to senior police staff (Chief Officers) and which are of a statutory, financial or managerial nature. The scheme does not define how those decisions should be taken nor does it attempt to list all of the matters which are incidental to the exercise of those responsibilities and which are part of the everyday management functions of Chief Officers
- 1.5 Where the PCC has appointed a Deputy Police and Crime Commissioner (DPCC) to exercise the functions of the PCC, save for those functions that cannot be delegated, the Scheme sets out those functions and decisions for which the PCC has given the DPCC delegated responsibility. This scheme also sets out those functions and decisions for which the PCC has given officers the delegated authority to act, pursuant to section 18 of the Act.
- 1.6 The Scheme provides sufficient delegation to the DPCC and chief officers to ensure that decisions are not unnecessarily delayed, whilst ensuring that the PCC is properly protected from the risks associated with being the individual held to account for all decisions made. However it does not attempt to list all of the matters which are incidental to the exercise of those responsibilities and which form part of everyday management responsibilities
- 1.7 The Scheme is without prejudice to, and does not in any way affect, the PCC's power to make/withdraw specific delegations/consents from time to time on any powers delegated to either the staff of the PCC or persons employed by the PCC and under the direction and control of the CC. It is a record of those formal delegations granted by the PCC which are in effect at the time of the publication of this scheme
- 1.8 The Scheme forms part of the PCC Operating Framework (including the contract standing orders and financial regulations) and should be read in conjunction with the other documents as these contain further detail including the approved process for making decisions and further detailed delegations.
- 1.9 The persons appointed as the PCC's Chief Executive (who is also the Monitoring Officer), PCC's Chief Finance Officer (also known as the "section 151 officer") and the Chief Constable have statutory powers and duties inherent to their positions, and do not rely on matters being delegated to them when exercising those functions
- 1.10 Delegation under The Scheme provides a member of the PCC's staff with the legal power to exercise the function of the PCC. In exercising the function the member of staff must still comply with all other statutory and regulatory requirements and relevant professional guidance.
- 1.11 With the exception of those matters which the PCC may not delegate under section 18 of the Act, The Scheme allows any person to whom a power has been delegated to sub delegate that power to a member of staff of either the PCC or a member of staff who is under the direction and control of the CC of WMP
- 1.12 The WMPCC's Operating Framework, including the Scheme of Consents and Delegation, Financial Regulations and Contracts Standing Orders, will be reviewed annually
- 1.13 None of the consents/delegations in this Scheme constrains the PCC's power to hold the Chief Constable to account under section 1 of the Act or require the Chief Constable to submit "a report on such matters as may be specified in the requirement, being matters connected with the policing of the area for which the force is maintained", as provided by s.22 (3) of the Police Act 1996

Bob Jones, West Midlands Police and Crime Commissioner

I approve The Scheme of Consents and Delegations as attached to have effect as from 22 November, until it is superseded by any subsequent scheme, that I approve. This Scheme will be reviewed, as necessary, in the light of the development of the structures, processes and procedures required to support me and the Chief Constable in the exercise of our functions.

I approve the Financial Regulations and Contract Standing Orders as attached and these will be reviewed annually.

Signed:

RM Jones

Date:

22 / 11 / 12

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West Midlands Police Crime Commissioner

Scheme of Consents and Delegations

22nd November 2012

These arrangements are to have effect from 22 November 2012 until superseded by any subsequent scheme approved by the Police and Crime Commissioner. This scheme does not take account of any transfer scheme required by Schedule 15, S10 to the Police Reform and Social Responsibility Act 2011.

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1. INTRODUCTION

- 1.1 Under the Police Reform and Social Responsibility Act 2011 ("the Act") the West Midlands Police Authority has been abolished and replaced with the Police and Crime Commissioner for the West Midlands ("PCC").
- 1.2 This Scheme of Consents and Delegations has been prepared in accordance with the requirements of the Home Office Code of Practice on Financial Management, which is made by the Secretary of State under section 17 of the Police Reform and Social Responsibility Act 2011 (the Act) and section 39A of the Police Act 1996.
- 1.3 This Scheme of Consents and Delegations has been drawn up in consultation with the Chief Executive ("CE"), Chief Financial Officer ("CFO"), Chief Constable ("CC") and the Force's Chief Financial Officer ("FCFO") and was approved and adopted by the Police and Crime Commissioner on 22nd November 2012.
- 1.4 The primary purpose of this Scheme is to:-
- Set out in detail the terms on which the respective functions of the PCC and CC will be exercised, in order to comply with the Act, the Policing Protocol Order 2011 and all other legislation and achieve the objectives set out in the PCC's Police and Crime Plan;
 - Set out the extent and any associated conditions attaching to the PCC's consent to the Chief Constable's exercise of the powers to enter into contracts and acquire or dispose of property;
 - Set out the extent and details attaching to the PCC's delegations to his own staff and those staff under the direction and control of the CC;
- 1.5 The PCC has a number of statutory responsibilities which he/she will either discharge, directly him / herself, or via delegated/consented responsibilities, as outlined in this scheme
- 1.6 The PCC is a corporation sole and the legal contracting body which owns all assets and liabilities subject to any transfer orders as exist or may in the future be made. The PCC has responsibility for the financial administration of the PCC and West Midlands Police ("WMP") including all borrowing decisions.
- 1.7 This Scheme of Consents and Delegations is intended to set out all significant decisions which are consented/delegated to senior police staff (Chief Officers) and which are of a statutory, financial or managerial nature. The scheme does not define how those decisions should be taken nor does it attempt to list all of the matters which are incidental to the exercise of those responsibilities and which are part of the everyday management functions of Chief Officers
- 1.8 Where the PCC has appointed a Deputy Police and Crime Commissioner (DPCC) to exercise the functions of the PCC, save for those functions that cannot be delegated, the Scheme sets out those functions and decisions for which the PCC has given the DPCC delegated responsibility. This scheme also sets out those functions and decisions for which the PCC has given officers the delegated authority to act, pursuant to section 18 of the Act.
- 1.9 The Scheme provides sufficient delegation to the DPCC and chief officers to ensure that decisions are not unnecessarily delayed, whilst ensuring that the PCC is properly protected from the risks associated with being the individual held to account for all decisions made. However it does not attempt to list all of the matters which are incidental to the exercise of those responsibilities and which form part of everyday management responsibilities
- 1.10 The Scheme is without prejudice to, and does not in any way affect, the PCC's power to make/withdraw specific delegations/consents from time to time on any powers delegated to either the staff of the PCC or persons employed by the PCC and under the direction and control

- of the CC. It is a record of those formal delegations granted by the PCC which are in effect at the time of the publication of this scheme
- 1.11 The Scheme forms part of the PCC Operating Framework (including the contract standing orders and financial regulations) and should be read in conjunction with the other documents as these contain further detail including the approved process for making decisions and further detailed delegations.
- 1.12 The persons appointed as the PCC's Chief Executive (who is also the Monitoring Officer), PCC's Chief Finance Officer (also known as the "section 151 officer") and the Chief Constable have statutory powers and duties inherent to their positions, and do not rely on matters being delegated to them when exercising those functions
- 1.13 Delegation under The Scheme provides a member of the PCC's staff with the legal power to exercise the function of the PCC. In exercising the function the member of staff must still comply with all other statutory and regulatory requirements and relevant professional guidance including:
- The Act and other relevant legislation including all regulations issued under that Act.
 - The Financial Regulations/Financial Instructions in operation
 - The Home Office Financial Management Code of Practice
 - CIPFA Statement on the role of the Chief Financial Officer in public service organisations
 - The PCC's Standing Orders Relating to Contracts
 - The PCC's governance framework
 - The PCC's or WMP's employment policies and procedures (whichever applicable)
 - The Data Protection Act 1998 and the Freedom of Information Act 2000
 - Health and Safety at work legislation and codes.
- 1.14 For the avoidance of doubt, this Scheme does not apply to those matters which the PCC may not delegate under section 18 of the Act, as per the following list;
- Issuing a Police and Crime Plan
 - Determining police and crime objectives
 - Attendance at a meeting of the Police and Crime Panel ("PCP")
 - Preparing an annual report to the PCP
 - The appointment, suspension, or the calling upon to retire or resign, of the CC
 - Calculating a budget requirement

- 1.15 With the exception of those matters detailed at paragraph 1.14 The Scheme allows any person to whom a power has been delegated to sub delegate that power to a member of staff of either the PCC or a member of staff who is under the direction and control of the CC of WMP
- 1.16 The WMPCC's Operating Framework, including the Scheme of Consents and Delegation will be reviewed annually
- 1.17 The PCC is held to account by the PCP. This consists of 12 Local Council members and 2 Independent members. The PCP scrutinises the decisions of the PCC and is intended as a check and balance on the PCC, rather than the CC
- 1.18 None of the consents/delegations in this Scheme constrains the PCC's power to hold the Chief Constable to account under section 1 of the Act or require the Chief Constable to submit "a report on such matters as may be specified in the requirement, being matters connected with the policing of the area for which the force is maintained", as provided by s.22 (3) of the Police Act 1996

2. CONSENTS

- 2.1 As consents are granted by the PCC to the CC, in the development of this Scheme, they will be made in writing and recorded in a schedule that will be kept updated and set out as a schedule to this Scheme.
- 2.1 In exercising consents, consideration and context have to be given to the respective role of the CC, in relation to the PCC, thereby reflecting upon and demonstrating how this role, along with the agreed levels and areas of consent, outlined in this scheme, will not only assist the PCC in fulfilling his/her functions, but will also outline how the role of the CC will work in this regard, thereby enabling and facilitating the exercising of his/her own function. In this context, consideration has been given to the respective key roles of the PCC and CC as outlined below

Police and Crime Commissioner

- Secure the maintenance of the West Midlands police force.
- Secure that the West Midlands police force is efficient and effective.
- Hold the Chief Constable to account on behalf of people of the West Midlands for the exercise of the functions of Chief Constable and the functions of those under his direction and control.
- To be held to account by the West Midlands Police and Crime Panel (PCP).
- Set the strategic direction and objectives of the West Midlands Police (WMP) through the Police and Crime Plan, monitoring the performance of the WMP against the agreed priorities.
- Hold the CC to account for the duty to have regard to the Police and Crime Plan, the Strategic Policing Requirement and codes of practice issued by the Secretary of State.
- Hold the CC to account for the effectiveness and efficiency of his arrangements in respect to:
 - Section 22A of the Police Act 1996
 - Engaging with local people (Section 34)
 - Value for money (Section 35)
 - Safeguarding of Children and promotion of child welfare

- Approve the PCC /WMP budget.
- Make recommendations regarding the appointment representations for the appointment of Deputy Chief Constable, and to respond to consultation by the WMP on the appointments and removal of other senior police officers.
- The dismissal, suspension and removal of the CC.
- Hold the Chief Constable and those under his direction and control to account for the exercise of duties relating to equality and diversity.
- Make crime and disorder reduction grants.
- Handle complaints and conduct matters in relation to the Chief Constable.
- To be open and accountable.

Chief Constable

- Maintaining the Queen's Peace.
- Delivery of efficient and effective policing.
- Efficient management of resources and expenditure which delivers VFM.
- Having regard in that delivery to the strategic direction and objectives outlined in the Police and Crime plan, the Strategic Policing Requirement and codes of practice issued by the Secretary of State.
- Maintain effective and efficient arrangements in respect to:
 - Collaboration Agreements Section 22A of the Police Act 1996
 - Engaging with local people (Section 34)
 - Value for money (Section 35)
 - Safeguarding of Children and in the promotion of child welfare.
- Maintaining operational independence in the service of the public.
- Impartial direction and control of all constables and staff within the police force.

- 2.2 To assist in the fulfilment of these roles and to aid the functioning of both the PCC and CC's roles the following arrangements for the exercise of financial functions, have been agreed in the areas outlined below, on the terms and conditions detailed.

Financial management

The terms and conditions around the manner in which allocated funds are applied and utilised

- 2.3 The PCC is the recipient of all funding relating to policing and crime reduction, including government grant and precept and all other sources of income. These identified funds, are to be allocated in accordance with any grant terms and on the basis defined within the Police and Crime Plan. The collection of all sources of income, including that collected under section 25 of

the Police Act 1996, is delegated to the PCC's CFO and details are also outlined in Financial Regulations.

The arrangements by which these funds are managed on a day to day basis, thereby aiding the ability of the PCC to hold the CC to account

- 2.4 The Home Office Financial Management Code of Practice recommends that, to help ensure the effective delivery of policing services and to enable the CC to have impartial direction and control of all constables and staff within their force, the CC should have day to day responsibility for the financial management of the force.
- 2.5 This is agreed and will operate within the framework of agreed budget allocations and levels of authorisation issued, as outlined and detailed in Financial Regulations. In this regard the Police budget, once agreed and allocated, will be managed by the CC on a day to day basis within the agreed budget and rules of virement. Only when the CC envisages significant changes of policy or when significant sums are involved will the agreement of the PCC be sought once more. Full details are outlined in Financial Regulations.
- 2.6 The Chief Constable will ensure that the financial management of the allocated budget remains consistent with the objectives and conditions set by the PCC, and will discharge this responsibility through the appointment of a Force Chief Finance Officer (FCFO) as required by section 2 and schedule 2(4) of the Act with a current and relevant professional qualification, who will take responsibility for the finance function and for ensuring appropriate financial policies and procedures.
- 2.7 In this regard the FCFO shall:
- Ensure that the financial affairs of the force are properly administered and that Financial Regulations are observed and kept up to date.
 - Report to the CC, the PCC, the PCC's CFO and CE/Monitoring Officer and the external auditor, any unlawful, or potentially unlawful, expenditure by the CC or officers of the CC.
 - Report to the CC, the PCC, the PCC's CFO and CE/Monitoring Officer and the external auditor when it appears that expenditure of the CC is likely to exceed the resources available to meet that expenditure.
 - Advise the CC on Value for Money in relation to all aspects of the Force's expenditure.
 - Advise the CC and the PCC on the soundness of the budget in relation to the force.
 - Liaise with the external auditor.
 - Produce the statement of accounts for the CC in consultation with the PCC's Chief Financial Officer.
 - Provide information to CFO of the PCC as required to enable the production of group accounts.
- 2.8 To enable the FCFO to fulfil the duties of being the CC's professional adviser on finance, he/she must:
- Be a key member of the CC's Command Team, helping it to develop and implement strategy and to resource and deliver the PCC's strategic objectives sustainably and in the public interest.
 - Be actively involved in, and able to bring influence to bear on, all strategic business decisions of the CC to ensure immediate and longer term implications, opportunities and risks are fully considered.
 - Lead the promotion and delivery by the CC of good financial management so that public

money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

- Ensure that the finance function is resourced to be fit for purpose.

Policy around Reserves and Provisions.

- 2.9 The manner and purpose, for which Reserves and provisions can be used locally, are as outlined in the Policy on Reserves and provisions, agreed by the PCC, In their use, due regard must be given to the need to ensure ongoing funding of policing activities and the requirement to meet exceptional or extraordinary policing operations.
- 2.10 General Reserves will be held by the PCC and managed to balance funding, spending priorities and managing risks, in line with the medium- term financial strategy.

Annual Budget Preparation

- 2.11 The PCC will consult with the CC in planning the overall budget, which will include a separate Force Budget. This will take into consideration funding and income from all sources, and balance the expenditure needs of policing against the level of local taxation. Thereby meeting the statutory requirements of a balanced budget within statutory timeframes.
- 2.12 The impact of the annual budget on the priorities and funding of future years as set out in the PCC's Police and Crime Plan and the mid-term financial strategy needs to be clearly shown.
- 2.13 The budget process also needs to include the creation of a realistic operational contingency, sufficient and available for operational priorities, without the need for additional approval, along with the provision for budgets to be carried forward from one year to the next.
- 2.14 The PCC must obtain the views of the local community on the proposed expenditure (including capital expenditure) in the financial year ahead of the year of account.

Virements

- 2.15 Financial Regulations outline the rules on virement, covering the extent to which the CC may vire money, including for emergency operational requirements, along with the arrangements for how this should be controlled and monitored.
- 2.16 The CC is only required to refer back to the PCC, when the referral levels outlined in Financial Regulations have been reached. These are set at levels that represent where virement at this level would incur substantive changes in the policy of the PCC, or create future year or continuing commitment.

Asset Management

- 2.17 As part of the budget planning process and the development of a MTFP, a full assessment of the assets required to meet operational requirements and the objectives of the Police and Crime Plan is undertaken, covering human resources, infrastructure, land, property and equipment. Initially subject to transfer orders as may from time to time be made the PCC owns and funds all of these assets regardless of their use.
- 2.18 However, due to the CC's responsibility for the direction and control of the force, the CC has the day to day management of all assets used by the force.

Tendering and contracts

- 2.19 Although the PCC remains the legal contracting party for the contracts, the day to day management and control of contracts entered into to support the CC in the exercise of his functions will be carried out by the CC, subject to the provision of the PCC's Standing Orders Relating to Contracts and provided that the PCC is satisfied that the CC has in place adequate systems, procedures and expertise to discharge these responsibilities.

- 2.20 Subject to the provisions of the PCC's Standing Orders, consent is granted to sign all contracts on behalf of the PCC, irrespective of value, once they have been properly approved, except for those which are required to be executed under the Seal of the PCC which shall be executed in accordance with the requirements of this scheme.

Land and property issues

- 2.21 The management of the PCC's Estate, including the maintenance of this property, shall be carried out by the CC. All purchases and sale of property should be in the name of the PCC and in accordance with the PCC's Standing Orders. Any substantial transaction which was not considered in the Police and Crime Plan will require the prior approval of the PCC. For these purposes a substantial transaction will be the capital value of the property either acquired or disposed of being in excess of the value set out in Financial Regulations.
- 2.22 The CC, on behalf of the PCC, shall have the custody of all title deeds under secure arrangements and maintain a register of all properties owned by the PCC, recording the purpose for which held, locations extent and plan reference, purchase details, particulars of nature of interest and rents payable and particulars of tenancies granted.

3. DELEGATIONS

Introduction

- 3.1 Throughout this scheme the PCC expects that any person carrying out functions on the PCC's behalf, or making any related decision, will act within policies and strategies approved by the PCC and will take appropriate professional advice as necessary, particularly legal and financial advice and where appropriate, operational advice from the Chief Constable.
- 3.2 Before any financial liability affecting the Police Fund, that is novel, contentious or repercussive is incurred, prior written approval must be obtained from the PCC. Delegations for such approval are set out in this scheme.
- 3.3 The scheme is intended to complement the Financial and Contract Regulations and any other relevant arrangements adopted by the PCC. However, in the event of a conflict, the provisions of this scheme have precedence.
- 3.4 In accordance with the Act, the PCC can appoint a DPCC to exercise any of the function of the PCC, save for those functions that cannot be delegated as set out in section 18 and any other statutory provision. The Act, subject to restrictions specified in section 18, allows the PCC to arrange for any person to exercise any functions of the PCC.
- 3.5 The CE, CFO, CC and FCFO (jointly referred to in this scheme as the Chief Officers) may authorise officers in other named posts under their management or direction and control to act on their behalf in exercising any of their delegated/consented powers. A Chief Officer must authorise an officer in writing to exercise specific delegated/consented powers. A chief officer may exercise any of the functions specifically delegated to one of their officers.
- 3.6 In the absence of the CE or CFO respectively, officers designated as deputising may exercise delegated/consented powers. In the absence of the CC the Deputy Chief Constable is the Acting CC.
- 3.7 In exercising delegated authority officers must fully consider financial, legal, equalities and diversity implications and are advised to take account of relevant legislation and PCC / Force policies.
- 3.8 The Chief Officers (and any of their officers so authorised by them) are responsible for the general management of their respective organisations, including:

- Management of staff resources
 - The effectiveness and efficiency of service delivery
 - Budget management
 - Contract tendering and management
- 3.9 This general management responsibility is always subject to any policies agreed by the PCC. Chief Officers are responsible for ensuring that their officers and staff are aware of and comply with WMPCC/WMP policies.

4. DEFINITIONS

- 4.1 In this document the following specific expressions will have the following meanings unless inconsistent with the context:

'The Commissioner' (PCC)	the person occupying the office of Police and Crime Commissioner for West Midlands
'Deputy Commissioner' (DPCC)	any person appointed by the Commissioner under s18 (1)(a) of the Act.
'The Commissioner's Staff'	people employed by the Commissioner not under the direction and control of the Chief Constable.
'Police Civilian Staff'	people employed by the Commissioner solely to assist the police force maintained by the Commissioner and under the direction of control of the Chief Constable in accordance with schedule 15, Part I section 7(10)(b) to the Act
'Chief Executive' (CE)	the person appointed under paragraph 6(1)(a) of Schedule 1 to the Act
'The Commissioner's Chief Finance Officer' (CFO)	the officer having responsibility for the proper administration of the Commissioner's financial affairs under paragraph 6(1)(b) of Schedule 1 to the Act
'Chief Constable' (CC)	the person appointed under s2 of the Act.
'Director of Resources' (DoR)	the member of Police Civilian Staff who has been nominated by the Chief Constable as being responsible for the exercise of the functions of the Chief Constable's Chief Finance Officer .
'Chief Constable's Chief Finance Officer' (FCFO)	The person responsible for the proper administration of the police force's financial affairs under paragraph 4(2)(1) of Schedule 2 to the Act.

5. DELEGATIONS TO THE DEPUTY COMMISSIONER

Introduction

- 5.1 The PCC may appoint a deputy to exercise his/her functions. The Deputy PCC can give consent to the Chief Executive to carry out any functions (with the exception of those listed in paragraph 1.6) in his/her absence (defined as leave or illness).

Delegations

- 5.2 To be determined

6. POWERS DELEGATED TO THE CHIEF EXECUTIVE**Introduction**

- 6.1 The CE is the Head of the PCC's staff, and the Monitoring Officer for the PCC. The delegations below are a record of those formal delegations granted by the PCC to the Chief Executive which are in effect at the time of publication of this scheme.

General

- Prepare the police and crime plan in consultation with WMP for submission to the PCC.
- Produce an annual report.
- Provide information to the PCP, as reasonably required to enable the panel to undertake its functions.
- Pursuant to any decision of either the PCC or DPCC, to sign all contracts on behalf of the PCC or DPCC.
- In addition to the powers set out in the Contract Regulations to sign, execute and issue all legal documents necessary to implement decisions made by the PCC or anyone exercising the PCC's functions.

Financial administration

- To manage the PCC's budget, and in particular to:
 - place orders for goods and services and to incur expenditure for which provision has been made in the revenue budget
 - invite and accept quotations and tenders for goods and services for which provision is included in the revenue budget.
- To agree any fees for copies of documents requested by the public under the provisions of the Local Government (Access to Information) Act 1985, the Freedom of Information Act 2000, or the Data Protection Act 1998.
- To approve exceptional cases in the provision of police advice and assistance to international agencies because:-
 - The full cost is £4,000 or more (including air flights, accommodation and salary costs of the police officer or member of staff).
 - It is a sensitive case involving travel to politically sensitive countries

Other

- 6.2 In connection with complaints and conduct issues against the Chief Constable
- In relation to complaints, to determine (and respond to the complainant accordingly) wherever possible within 5 days of the complaint being received whether or not the PCC is the appropriate authority to consider such a complaint;
 - Wherever possible and appropriate in consultation with the PCC, to make decisions in dealing with complaints and conduct matters against the Chief Constable including:

- Recording decisions (for conduct matters);
- Initial assessments;
- Suitability for local resolution;
- Referral to the IPCC;
- Referral to the Crown Prosecution Service;
- Application to the IPCC for dispensation or discontinuance;
- Appointment and briefing of the investigator;
- Appointment of misconduct hearing or meeting members (and related determinations);
- Representation at proceedings, meetings, appeals, hearings and for other such related matters.
- To affix the seal of the PCC to all contracts, agreements or transactions requiring execution as a deed.
- To exercise the statutory powers of the PCC for professional standards on behalf of the DPCC as delegated by the PCC on a temporary or permanent basis, and such delegations to be documented as an addendum to the Scheme.
- To authorise the institution, defence, withdrawal or settlement of any claims or participate in any legal proceedings on behalf of the PCC, having considered legal advice (and consulted with the CFO where there are significant financial implications) where such action is necessary to give effect to the decisions of the PCC or in any case where the CE considers that such action is necessary to protect the PCC's interests. Any decision taken under this provision must be reported to the PCC.
- To authorise, pursuant to s223 Local Government Act 1972 (as amended), any member of the PCC's Staff to prosecute or defend or to appear in proceedings before a court or tribunal or to conduct any such proceedings.
- To exercise all the PCC's powers and duties in connection with equalities, human rights, health and safety, freedom of information and data protection legislation, with the exception of those powers and duties which relate to the oversight of the Chief Constable's arrangements for those matters.
- To consider and determine complaints against the PCC's Staff (except the Chief Executive and any Deputy PCC) and to consider grievances made by such staff against other such staff.
- To review complaints of maladministration against the PCC and to approve the provision of any remedy, financial or otherwise.

Management / Human Resources

- To approve restructurings of establishment in relation to the PCC,s Executive Team and Internal Audit Service (the latter in conjunction with the CFO/CC) subject to:
 - There being budget provision and account taken of equalities considerations for the proposals
 - Consultation with the trades union
- To undertake all aspects of the management of staff, including all appointments, suspensions and dismissals, other than Statutory Officers, providing support to the PCC outside the direction and control of the Chief Constable, including all traditional personnel and establishment control functions.
- To sign on behalf of the PCC any indemnity required to enable the PCC to exercise any of his/her functions, provided that where the giving of an indemnity could have financial implications, such indemnity shall only be signed with the approval of the CFO.
- Custody Visitors:

- To appoint custody visitors
- To remove custody visitors who fail to comply with the PCC's guidelines and procedures
- To agree and approve the payment of allowances.
- To seek, Counsel's opinion or other expert advice and to retain Counsel whenever this is considered to be in the interest and benefit of the PCC.
- To ensure, appropriate arrangements are made to meet the consultation duties required of the PCC.
- To manage and administer the Community Initiative Fund (CIF) in accordance with agreed protocols and arrangements.
- To provide guidance and advice in relation to the operation of the Confidential Reporting Policy and to instigate appropriate action.
- To carry out the duties of Monitoring Officer under Section 5 of the Local Government and Housing Act 1989.

7. POWERS DELEGATED TO THE CFO

Introduction

- 7.1 The CFO is the financial adviser to the PCC and has a statutory responsibility to carry out the functions of the Chief Finance Officer under section 114 of the Local Government Finance Act 1988, ensuring that the financial affairs of the PCC and the WMP are properly administered having regard to their probity, legality and appropriate standards.
- 7.2 The delegations below are a record of those formal delegations granted by the PCC which are in effect at the time of the publication of this Scheme.

Financial management

- Approve the arrangements for the Treasury management function, including the day to day management, production of Treasury management strategy and supporting policies and procedures.
- Approve the arrangements for securing and preparing the WMPCC group accounts and seek assurances that there are appropriate arrangements in place for the preparation of the WMP accounts.
- To seek assurances there are appropriate arrangements in place within the WMP for the proper financial management of the WMP.
- Approve the opening of all bank accounts.
- Prepare, from time to time, draft Financial and Contract Regulations, in consultation with the WMP, for approval by the PCC.
- The CFO shall be responsible for the administration of the PCC's financial affairs as set out in Sections 112 and 114 of the Local Government Finance Act 1988 and the Accounts and Audit Regulations. His/her responsibilities are to:

- provide financial advice to the PCC on all aspects of activity, including the strategic planning and policy making process;
 - advise the PCC on the content and implications of the budget and medium term financial plans;
 - assist the PCC in seeking to obtain value for money,
 - ensure that accurate, complete and timely financial management information is provided to the PCC and the Chief Constable;
 - advise the PCC on financial propriety;
 - secure the preparation of statutory and other accounts;
 - maintain an adequate and effective shared Internal Audit provision;
 - secure appropriate banking arrangements and treasury management including loans and investments;
 - advise on risk management and insurance;
 - arrange for the determination, issue and transfer of the precept.
 - advise on budgetary matters including any consequent long term implications
 - work with the Chief Executive to ensure effective corporate management of the PCC's resources.
- To act as Money Laundering Officer under the Proceeds of Crime Act 2002 and Money Laundering Regulations 2003

8. POWERS DELEGATED TO THE FORCE'S CFO

Introduction

- 8.1 The Director of Resources is the WMPS Chief Financial Officer and financial adviser to the CC who has a statutory responsibility to carry out the functions of the Chief Finance Officer as set out in the Act and section 114 of the Local Government Finance Act 1988. Ensuring that the financial affairs of the WMP are properly administered having regard to probity, legality and appropriate standards. The delegations below are a record of those formal delegations granted by the PCC to the Director of Resources which are in effect at the time of publication of this scheme.

Financial administration

- 8.2 To exercise responsibility for force expenditure (in other words that part of the police fund which is provided to the Chief Constable) provided that such responsibility shall be exercised in accordance with the law and with the PCC's Financial and Contract Regulations and any relevant statutory guidance and codes of practice.
- provide the strategic financial perspective on the main management board of the Force;
 - provide financial expertise, advice and information directly to the Chief Constable to enable him/her to fulfil his/her responsibility from the WMPCC for the financial management of the Force;
 - provide professional leadership of the finance function within the Force, ensuring that high standards of financial management are maintained; that financial systems and procedures promote the effective conduct of business; and that financial considerations are fully taken into account in all policy decisions;
 - work closely with the CFO of the PCC to make proposals for and agree the framework for delegation of financial authority within which the Force will operate. To ensure that managers at all levels are aware of their responsibilities within the framework and that they adhere to them;
 - support the CFO of the PCC in his/her statutory responsibilities for the financial affairs of the Force by ensuring probity, legality and appropriate standards in all financial dealings;

- act as the main point of contact with the CFO in providing, receiving and interpreting information on the financial affairs of the Force;
 - ensure effective control of financial planning, budgeting and monitoring in respect of all Force expenditure;
 - ensure that the PCC's intellectual property rights are not compromised by commercial agreements, and shall report any significant issues in this respect to the Chief Executive
 - take the lead in developing, refining and implementing the strategy for the provision of financial services in the Force.
 - support the CFO in providing the PCC with advice on Risk Management and Insurance issues.
 - be authorised by the CFO to undertake Treasury Management activity and operate bank accounts on behalf of the PCC
 - provide the Chief Constable with expertise, advice and information to enable him to fulfil his responsibility in respect of procurement and property.
- 8.3 Where the approval of the PCC is not required by Financial Regulations or this scheme and within the limitations prescribed by Financial Regulations, and in pursuit of the policies and objectives agreed with the PCC and reflected in the West Midlands Police and Crime Plan.
- to approve business cases for revenue and capital expenditure to commit expenditure within the approved budget for the Chief Constable
 - in accordance with the requirements of Financial Regulations to vire or move money or budgets between budget headings
- 8.4 To accept income, grants, offers of sponsorship and gifts for police purposes on behalf of the PCC provided that decisions taken in this regard are in accordance with the law and with any guidance or policy which the PCC may from time to time determine.
- 8.5 To determine the rates of charges for policing services to external bodies and give approval to charge for or not to charge for such services in accordance with the law and with any guidance or policy which the PCC may from time to time determine.
- 8.6 In so far as delegation from the PCC may be required, to sign on behalf of the Chief Constable any indemnity required to enable the Chief Constable or to exercise any of the Chief Constable's functions, provided that where the giving of an indemnity could have significant financial implications not covered by the PCC's insurance policies, such indemnity shall be signed only with the approval of the PCC's Chief Finance Officer.
- To approve non exceptional cases in the provision of police advice and assistance to international agencies because:-
 - The full cost less than £4,000 or more (including air flights, accommodation and salary costs of the police officer or member of staff).
 - It is a non-sensitive case involving travel to non-politically sensitive country

Human Resources

- To appoint all Police staff who are under the direction and control of the Chief Constable. For Police Staff who are Chief Officer equivalent, the Chief Constable will involve the PCC in their recruitment.
- To exercise all the powers of employer of police officers, including determination of all issues relating to terms and conditions of service of police officers, provided that any such decisions are made in accordance with Police Regulations.
- To exercise all the powers of employer of Police Civilian Staff, including determination of all issues relating to the conditions of service of those staff, provided that any such decisions

are made in accordance with the law and with policies adopted by the West Midlands Police.

- To exercise all the powers of employer of police officers and Police Civilian Staff regarding pension matters.
- To determine ex gratia payments in respect of loss or damage to the personal property of anyone under the direction and control of the Chief Constable.

Procurement

- Although the PCC remains the legal contracting party for the contracts, responsibility for the day to day management and control of contracts is delegated, subject to the provision of the PCC's Standing Orders Relating to Contracts and provided that the PCC is satisfied that the Chief Constable has in place adequate systems, procedures and expertise to discharge these responsibilities.
- To sign all contracts on behalf of the PCC, irrespective of value, once they have been properly approved, except for those which are required to be executed under the Common Seal of the Authority. In these cases, the Chief Executive is authorised to affix the Seal.
- Where the approval of the PCC is not required by Contract Regulations or this scheme and within the limitations prescribed by Financial Regulations, and in pursuit of the policies and objectives agreed with the PCC and reflected in the West Midlands Police and Crime Plan
- to approve contract exemptions
- to approve all requests to go out to tender
- to approve the award of contracts and to sign contracts
- to approve all variations, extensions or terminations of contracts

Property

- Undertake the day to day management of the property function subject to the provision of financial regulations.
- Except where otherwise provided in this scheme and with the exception of the right to buy and sell real property, to exercise all powers, rights and duties in respect of real and personal property in the ownership of the PCC.
- Notwithstanding the above paragraph, after consultation with the Chief Executive and the PCC's Chief Finance Officer, to enter into leases for land, buildings and equipment.
- After consultation with the PCC, to determine sums to be paid from the Police Property Fund towards charitable purposes.
- The Chief Constable will be responsible for the management of the PCC's Estate including the maintenance of this property. All purchases and sale of property should be in accordance with the PCC's Standing Orders and the approval of the PCC obtained. Any substantial transaction which was not considered in the policing plan will require the prior approval of the PCC. For these purposes a substantial transaction will be the capital value of the property either acquired or disposed of being in excess of the value set out in Financial Regulations.
- The Chief Constable shall have the custody of all title deeds under secure arrangements and maintain a register of all properties owned by the PCC, recording the purpose for which held, locations extent and plan reference, purchase details, particulars of nature of interest and rents payable and particulars of tenancies granted.

Other

- To determine when all other goods are surplus to requirements or obsolete and arrange for disposal in line with financial regulations.

- To sign all contracts on behalf of the WMOPC, irrespective of value, once they have been properly approved, except for those which are required to be executed under the Common Seal of the WMOPC. In these cases, the Chief Executive is authorised to sign and affix the Seal.
- The FCFO may write off debts considered to be irrecoverable up to the amount set out in Financial Regulations subject to periodical reports to the PCC. Any individual write-off above the amount set out in Financial Regulations must be referred by the CFO to the Audit Committee, on behalf of the PCC, for approval.
- To exercise the PCC's powers under the following provisions of the Police Act 1996:
 - S.24 agreeing payments for assistance between forces
 - S.25 determination of charges for special services
 - S.26 provision of advice and assistance to international organisations etc'

9. POWERS DELEGATED TO THE DIRECTOR OF LEGAL SERVICES

9.1 The Director of Legal Services is the WMP Chief Legal Officer and is the legal advisor to the CC. The delegations below are a record of those formal delegations granted by the PCC to the Director of Legal Services which are in effect at the time of publication of this scheme.

9.2 To institute, defend or participate in any legal proceedings in any case where such action is necessary to protect the interest of the WMPCC, subject to prior consultation with the Chief Executive and CFO, in cases of an unusual or significant nature.

10. URGENCY POWER

10.1 In consultation with the PCC's Chief Finance Officer where appropriate, to determine any matter falling to be determined by the PCC or any Deputy PCC (other than those matters described in s18 (7) of the Act) where it is necessary to do so in urgent circumstances or where the PCC and any Deputy PCC is absent or where the PCC has given specific authority for the Chief Executive so to act. Any matter so determined will be reported to the PCC as soon as is practicable.

WMPCC Contract Standing Orders

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PART I - PROVISIONS APPLICABLE TO ALL CONTRACTS FOR THE SUPPLY OR DISPOSAL OF GOODS AND MATERIALS, THE PROVISION OF SERVICES AND THE EXECUTION OF WORKS

1. INTRODUCTION

- 1.1 These Standing Orders have been prepared in accordance with the requirements of Section 135 of the Local Government Act 1972.
- 1.2 They were drawn up jointly by the Chief Executive, Chief Financial Officer, Legal Adviser, and by the Chief Constable, and approved by the PCC on the 22 November 2012
- 1.3 The main aims of these Standing Orders are to:-
 - a) Outline the manner in which contracts are handled and managed to ensure compliance with all relevant legislation including directives of the European Union.
 - b) Outline the relative responsibilities of the PCC, its Officers, and the Chief Constable in this process
- 1.4 Although the PCC is responsible for all contracts, it is the aim of these Standing Orders to consent responsibility for the day to day management and control of contracts to the Chief Constable, subject to the provision of these Standing Orders and provided always that the PCC is satisfied that the Chief Constable has adequate systems, procedures, personnel and expertise to discharge these responsibilities.
- 1.5 The Chief Constable shall manage the tendering and contracting process in accordance with these Standing Orders.
- 1.6 The PCC shall be the contracting party for the purposes of entering into contracts.
- 1.7 These Standing Orders are part of the PCC's Operating Framework, including The Scheme of Consents and Delegations, Financial Regulations, Force Financial

Instructions and a Code of Practice on Contract management, and should be read in conjunction with these documents.

- 1.8 In all its procurements the PCC must comply with the EU Treaty based principles of non – discrimination, equal treatment, transparency, mutual recognition and proportionality and these rules are designed to ensure compliance with the same, as outlined in the Public Contracts Regulations 2006(Amended)
- 1.9 These Standing Orders will be kept under review by the Chief Executive(CE), Chief Financial Officer (CFO), Legal Adviser(LA) and Chief Constable to ensure that the working arrangements for both the Authority and the Chief Constable are conducted in accordance with the relevant legislation and latest best practice. They can only be varied with the approval of the PCC.
- 1.10 The financial values identified within these Standing Orders will also be kept under review and updated as appropriate.

2. APPLICATION

- 2.1 The provisions in this part of these Standing Orders apply to all Contracts to be entered into by the PCC for the supply and disposal of goods and materials, the provision of services and the execution of works.
- 2.2 The provisions of these Standing Orders shall not apply to procurement undertaken in accordance with regulations under Sections 53 and 57 of the Police Act 1996(mandated supply arrangements and common services.)

3. DEFINITIONS

- 3.1 "Approved Budget" means the budget for any scheme as contained in the approved Capital Programme or approved Revenue Budget which shall include the budget for fees, furniture and equipment and other incidental costs.
- 3.2 "Central Contract" means an agreement for the supply of goods or services arranged by the appropriate officer which is based on expenditure by more than one department of the Force / PCC.
- 3.3 "Appropriate Officer" means any officer who is duly authorised in writing by the Chief Executive or Chief Constable.
- 3.4 "Other Close Relative" shall mean a person cohabiting on a similar basis to a spouse, civil partner, a parent, grandparent, uncle, aunt, son, daughter, grandson, grand-daughter, brother, sister, niece or nephew.
- 3.5 "Contract" means any agreement between the PCC and any other party for the supply or disposal of goods and materials, the provision of services, or the execution of works and shall where the context so admits include sub-contracts.
- 3.6 "Contractor" means any individual or organisation which supplies to the PCC or purchases from the PCC goods and materials or provides services or executes work for the PCC.
- 3.7 "PCC" means the Police and Crime Commissioner and where the context allows is deemed to include reference to a person acting with delegated authority on behalf of the PCC.
- 3.8 "Estimate" and "Estimated Contract Value" means a pre-determined figure representing the probable cost of works, goods, services or materials calculated for tender comparison purposes by a suitably qualified employee of or consultant to the PCC and recorded in writing.

- 3.9 "Negotiation" means discussion on the terms of a Contract including prices (other than competitors' prices) with either an existing or potential contractor with a view to agreeing the most economically advantageous offer.
- 3.10 "Quotation" means an offer in writing made by a prospective contractor to the PCC including any such offer made to a direct service organisation of the PCC.
- 3.11 "Tender" means an offer made by a prospective contractor to the PCC on the PCC's form of Tender in accordance with the procedure set out in Contract Standing Order 29, 30 and 31.
- 3.12 "Framework" means agreement with one or more contractors, the purpose of which is to establish the terms governing a contract or contracts to be awarded during the period for which the framework agreement applies.
- 3.13 "Regulations" means the Public Contracts Regulation 2006, as amended or in force.
- 3.14 For the avoidance of doubt, nothing in these Standing Orders shall be read or construed as permitting an appropriate officer to accept a Tender which is not within approved available resources without the approval of the PCC.
- 3.15 All values referred to in these standing orders are exclusive of VAT.

4. COMPLIANCE WITH STANDING ORDERS

- 4.1 No exception from any of the provisions of these Standing Orders shall be made otherwise than with the prior approval of the PCC.
- 4.2 A record of any exception to any of the provisions of these Standing Orders shall be maintained by the PCC, which shall specify the circumstances by which the exception shall have been justified.
- 4.3 Any failure to comply with any of the requirements of these Standing Orders shall be reported to the Chief Executive as soon as such failure is discovered. The Chief Executive shall consult with the CFO, the Legal Adviser and the Chief Constable before agreeing with the PCC such actions as he may deem necessary in the circumstances.
- 4.4 The appropriate officer shall ensure that action taken at all stages of the tendering procurement or disposal process shall be with a view to the PCC obtaining the most economically advantageous offer/Tender.
- 4.5 Where any statutory provision, or EU Regulations requires procedures to be followed in the letting of contracts which are inconsistent with the procedures set out in these Standing Orders the requirements of the statutory provisions, or EU Directive shall prevail (insofar as they are inconsistent) and shall be fully complied with.
- 4.6 Where consultants are appointed to act on behalf of the PCC to prepare and invite quotations / tenders, they shall be provided with a copy of these Standing Orders and of the PCC's Financial Regulations by the appropriate officer and it shall be a condition of the engagement that these Standing Orders and the Financial Regulations are strictly observed.
- 4.7 The Contracts and Procurement Manager shall ensure that a manual of standard procedures is maintained and all appropriate officers shall comply with these standard procedures in the letting of all contracts.
- 4.8 Contracts shall not be packaged in such a way that results in the Estimated Contract Value falling into a lower value band.
- 4.9 In the case of procurements that fall to be dealt with under the European Union procurement directives and the Regulations that implement them in the UK.:

- i. the advice of the Contracts and Procurement Manager must be sought at the outset and all subsequent stages of the Procurement process.
- ii. tenders will be invited in accordance with the requirements of the said directives and Regulations for the time being in force; and
- iii. such directives and Regulations will take precedence over these provisions.

Advice and guidance on whether a particular procurement is subject to the EU Procurement directives can be obtained from the Contracts and Procurement Manager.

5. TERMS AND CONDITIONS OF CONTRACTS

- 5.1 All contracts for the supply or disposal of goods and materials and the provision of services and execution of work shall be in writing and shall contain appropriate terms and conditions as agreed by the Force Solicitor.
- 5.2 Where applicable an appropriate standard form of contract such as those published by the Joint Contracts Tribunal or the Institution of Electrical Engineers shall be used. Any amendments to a standard form of contract which have not been approved by the appropriate body, shall be approved in writing, in advance, by the Force Solicitor.

6. NOMINATED AND NAMED SUB-CONTRACTORS

- 6.1 Where a sub-contractor is to be nominated to a main contractor the procedures contained in these Standing Orders for the letting of contracts shall apply.
- 6.2 Where a sub-contract is to be let to a nominated sub-contractor the appropriate officer shall nominate to the main contractor the sub-contractor whose Tender or Quotation is, in his opinion, the most satisfactory provided that where the value of the subcontract exceeds £20,000 and the Tender or Quotation is other than the lowest received, the circumstances shall be reported to the Tender Acceptance Panel. Where the PCC has authorised the appropriate officer to deal with the nomination by way of Negotiation, the PCC's prior approval to the terms negotiated shall be obtained before the nomination is made.
- 6.3 When sub-contractors are "Named" the selection and/or letting of the sub-contract shall be in accordance with the Standing Orders applicable to the letting of main contracts.

7. RESTRICTIONS ON CONTRACTS WITH CERTAIN PERSONS

- 7.1 No member of the PCC Office or officer nor any company, partnership, or firm in which any member of the PCC's Office or officer is interested nor any employer, nominee, spouse or other close relative of a member of the PCC's Office or officer, shall undertake the execution of works on behalf of the PCC or shall accept an order for the supply or disposal of goods or materials from the PCC or shall provide services for the PCC unless such works or order for goods or materials or services have been offered or secured or provided by competitive Tender or Quotation.

8. CANCELLATION OF CONTRACTS IN CASE OF CORRUPTION ETC.

- 8.1 There shall be inserted in every Contract entered into under Parts II and III of these Standing Orders a clause empowering the PCC to cancel a Contract and recover from the contractor the amount of any loss resulting from such cancellation if the contractor or his/her employees or persons acting on his/her behalf shall have committed an offence under the Prevention of Corruption Acts 1906 and 1916, or the Bribery Act 2010 (when in force), or under Sections 117(2) and 117(3) of the Local Government Act, 1972 or any re-enactment thereof.

9. CENTRAL CONTRACTS

- 9.1 Before inviting Quotations or Tenders or entering into Negotiations in respect of any Contract, it must be established whether a Central Contract exists covering the proposals. If one does exist then the Central Contract must be used unless the Contracts and Procurement Manager is satisfied that there are special factors justifying a different course of action. Such special factors shall be recorded in writing and copied to the Contracts and Procurement Manager.

10. NEGOTIATION

The following procedures shall be adopted in all Negotiations:-

- 10.1 A contractor shall not be employed by the PCC on the basis of a negotiated Contract or series of Contracts for more than 3 consecutive years, unless approved by the Tender Acceptance Panel.
- 10.2 Officers conducting negotiations shall be designated in writing in respect of individual contracts by their departmental appropriate officer.
- 10.3 There must be at least 2 officers present, one of which should be the Contracts and Procurement Manager or nominated deputy, and one on at least Management Band 1, in respect of contracts over £100,000 and the Contracts and Procurement Manager or nominated deputy or one officer on at least Management Band 1 Grade, in respect of contracts under £100,000. The FCFO must be invited to attend or be represented at all Negotiations over £100,000 and be given reasonable notice of the commencement of such negotiations.
- 10.4 All officers involved in Negotiations under this Standing Order shall make a declaration, in accordance with Section 117 of the Local Government Act 1972, as to pecuniary interest, in writing, prior to commencement of Negotiations, to their appropriate line manager and no officer with any pecuniary interest in any prospective contractor involved in the Negotiations under this part shall be involved, at any stage, in the Negotiations.
- 10.5 No information concerning a contractor's offer shall be disclosed to other Tenderers or third parties.
- 10.6 A written record of the discussions held with prospective contractors and terms agreed shall be kept and shall be signed by all officers present at the Negotiations.
- 10.7 Before any Contract is entered into the appropriate officer must satisfy himself that the result of Negotiations represents good value for money.

11. BEST VALUE IN RESPECT OF ALL CONTRACTS

- 11.1 The appropriate officer shall in respect of all contracts be obliged to demonstrate if so requested that best value was obtained. Notwithstanding the procedures set out in these Standing Orders in respect of contracts where the estimated contract value is less than £100,000 the appropriate officer may let such contracts in accordance with the procedures contained in Part III of these Standing Orders.

- 11.2 The appropriate officer shall ensure that before any Quotations are sought or Tenders invited an Estimated Contract Value shall be determined which shall not be disclosed to third parties save that an indicative range may be disclosed to contractors who request an indication of the scale of the contract. The Estimated Contract Value shall be recorded in writing and such record shall include the name of the estimator and shall be duly signed by him and retained on the scheme file or on the tender evaluation record.
- 11.3 Where appropriate a Tender evaluation shall be carried out and duly recorded in writing. Such Tender evaluation shall include the procedure contained in Standing Order 25.5. and shall include a comparison with the Estimated Contract Value and a recommendation as to which Tender is considered the most economically advantageous.
- 11.4 In the case where the Estimated Contract Value is over £25,000 three written Quotations or Tenders (or less if there are insufficient contractors available to quote or tender) supported by suitable evaluation of the offers received shall be deemed to be sufficient evidence of value for money. Where the appropriate officer does not deem it reasonable to obtain three Quotations or Tenders he shall record in writing the reasons for his decision.

12. ALTERNATIVE CONTRACTORS

- 12.1 Where contracts are being let for the supply of goods or materials the provision of services or the execution of work which are essential to maintain services it shall be the duty of the Contracts and Procurement Manager to consider whether it would be in the best interests of the PCC to award the Contract to two or more contractors in order to ensure continuity of supply or to maintain competition.
- 12.2 Where an Order is placed with an additional contractor the reasons for placing that work with that contractor shall be recorded in writing.

13. LIQUIDATED AND ASCERTAINED DAMAGES

- 13.1 In all appropriate contracts over £100,000 a clause should be included specifying that liquidated and ascertained damages will be payable by the contractor if the Contract is not completed by the completion date or as amended by any duly authorised extensions.
- 13.2 Any sum assessed for the purpose of paragraph 13.1 shall be calculated by the appropriate officer in a reasonable and justifiable manner to represent a reasonable pre-estimate of all pecuniary losses that shall be incurred by the Authority if the Contract is not completed by the Contract completion date and must be verified by the CFO or FCFO.
- 13.3 The recovery of liquidated and ascertained damages may only be waived with the approval of the CFO or the FCFO.

14. SECURITY FOR DUE PERFORMANCE OF CONTRACTS

- 14.1 Where a contract sum exceeds £500,000 the PCC requires that consideration be given to requiring sufficient security for the due performance of any contract unless otherwise required by statute and the following shall determine general practice :-

- (i) The following shall be sufficient security :-
 - a A surety approved by the FCFO in a sum equal to 10% of the contract price.
 - b A deposit of cash or negotiable bonds to the value of 10% of the contract price.
 - c A deposit by way of charge on the property where the value in the equity after any prior charges is equal to at least 10% of the contract price ; or
 - d Such other security as shall be approved by the CFO, or the FCFO.
- (ii) The security shall be held until the date of issue of the certificate of practical completion or such other date as may be agreed by the appropriate officer and Force Solicitor.
- 14.2 The provisions of Paragraph 15.1 shall apply to any contract where so determined by the FCFO .

15. SPECIFICATIONS

- 15.1 To accord with the requirements of European Directives and Regulations, and the desire to obtain the best value for the PCC, when specifications are given in Negotiations, invitations for Quotations or Tenders they are to be performance specifications unless, in the view of the appropriate officer, it is impractical, in which case a proprietary name or description may be used provided it is made clear that equivalents may be permitted.

16. CIRCUMSTANCES WHERE QUOTATIONS OR TENDERS NEED NOT BE OBTAINED

- 16.1 The invitation of a single tender/quotation may only be considered when one or more of the following circumstances apply:
 - 16.1.1 The purchase is to be made at or sales effected at an auction, such purchases should require the prior approval of the FCFO .
 - 16.1.2 The execution of works or the purchase of goods or materials required for urgent major incidents or necessary for urgent repairs to buildings or plant, to prevent danger to authorised users or the general public, or to prevent rapid and progressive deterioration, or to maintain essential services.
 - 16.1.3 Work undertaken by Solicitors or Barristers, provided that the fee or rate for payment has been agreed before it begins, and the process is benchmarked and assessed annually.
 - 16.1.4 The items are or relate to proprietary articles or those sold only at fixed prices or the work to be executed consists of repairs to existing proprietary articles and there is no reasonable satisfactorily alternative available from any other source.
 - 16.1.5 Where goods, services or works are obtained through framework or other contractual arrangements established by other police authorities, local authorities, specified public bodies or persons where it represents Best value to the PCC, subject to advice guidance and approval of the Contracts and Procurement Manager. Where Tenders have been invited on behalf of any consortium, association, or similar body of which the PCC is a member provided that the Tenders are invited in accordance with the method prescribed by such body and EU Procurement Regulations, where appropriate.

- 16.1.6 Genuine security considerations make the use of a particular firm essential. i.e. EU Regulation 6.2 exclusion (Secrecy or National Security) where the contract/framework is classified as secret or where the performance of the contract must be accompanied by specific security measures in accordance with the laws, regulations or administrative provisions of any part of the UK or when the protection of the essential interests of the security of the UK require it.
- 16.1.7 There is a genuinely justifiable case to use an existing contractor/supplier to maintain continuity of supply or site experience, where a change of contractor/supplier would cause:
- i. incompatibility with existing goods/installation, or disproportionate technical difficulties in the operation and maintenance of the existing goods/installation.
 - ii. diseconomies, or;
 - iii. significant disruption to operational requirements brought about by unforeseeable events.

It is recommended that the advice of the Contracts and Procurement Manager and Force Solicitor is sought before exercising any of the options above, in particular with regard to the provisions of 16.1.2, 16.1.4, 16.1.6 and 16.1.7. When placing reliance on the exemptions stated above the appropriate officer of the PCC should ensure that the best possible value is obtained for the PCC. In this regard, instances, with a value in excess of £50,000, will be reported to the Joint Audit Committee for information.

17. SEALING / SIGNING OF CONTRACTS

- 17.1 All contracts above £100,000 shall, unless sealed, be signed by the Legal Adviser or the Force Solicitor on behalf of the PCC, or other officer designated by the Legal Adviser.
- 17.2 All contracts between £10,000 - £100,000 shall, unless sealed, be signed on behalf of the PCC by the appropriate officer.

18. COMMENCEMENT OF CONTRACTS

No work included within a contract shall be put in hand unless the Contracts and Procurement Manager / Force Solicitor has notified the appropriate officer that the contract has been entered into..

PART II - STANDING ORDERS APPLICABLE TO CONTRACTS FOR THE SUPPLY OR DISPOSAL OF GOODS OR MATERIALS THE PROVISION OF SERVICES AND THE EXECUTION OF WORKS UP TO £100,000 IN VALUE

19. APPLICATION

- 19.1 This part of Standing Orders applies to contracts for the supply or disposal of goods or materials, the provision of services, and the execution of works where the Estimated Contract Value does not exceed £100,000.

20. CONTRACT VALUES BELOW £10,000

20.1 CONTRACT VALUES BELOW £2,000

- (i) The provision of Goods, Services and the execution of Works below £2000 in value do not need a formal written quotation but officers must keep a written record to demonstrate that they have taken the appropriate steps to obtain best value for money and be prepared to justify the method of contractor selection, e.g. appropriate market testing has been completed prior to purchase.
- (ii) Where the supply of goods or materials or the provision of services can be obtained from a centrally agreed contract, Paragraph 9.1 shall apply.

20.2 CONTRACT VALUES BETWEEN £2,000 AND £10,000

- (i) The provision of Goods, Services and the execution of Works within these values must either be ordered from a centrally agreed contract or where there are no existing approved arrangements a minimum of two written quotations must be obtained and evidenced. Officers must also keep a written record to demonstrate that they have taken appropriate steps to obtain best value for money and be prepared to justify the method of contractor selection.
- (ii) Where the supply of goods or materials or the provision of services can be obtained from a centrally agreed contract, Paragraph 9.1 shall apply.

21. CONTRACT VALUES BETWEEN £10,000 AND £25,000

- 21.1 The provision of Goods, Services and the execution of Works within these values must either be ordered from a centrally agreed contract or where there are no existing approved arrangements at least three written quotations must be invited, unless otherwise agreed with the Contracts and Procurement Unit.

Where this is not possible, officers must keep records as to why three were not received. Copies of quotations and reasons for not obtaining three quotations must be forwarded to the Contracts and Procurement Unit for approval.

- 21.2 Where a quotation other than the lowest is recommended for acceptance, the officer should make a written record of the reasons and these should also be forwarded to the Contracts and Procurement Unit for approval. Where the supply of goods or materials or the provision of services can be obtained from a centrally agreed contract, Paragraph 9.1 shall apply.

22. CONTRACT VALUES BETWEEN £25,000 AND £100,000

- 22.1 The provision of Goods, Services and the execution of Works within these values must either be ordered from a centrally agreed contract or the appropriate officer shall invite at least three written quotations, unless otherwise agreed with the Contracts and Procurement Unit.

- 22.2 Officers inviting quotations must send potential contractors the PCC's official quotation envelope, for the return of their quotation to the Contracts and Procurement Unit. Before any invitations to quote are issued, the Contracts and Procurement must be informed of the goods, works and services to be quoted in this manner, the names and addresses of those invited to quote and the time and date quotations are due for return.

The Contracts and Procurement Manager, or his nominated deputy and one other officer will open all the quotation at one time and stamp them with the time and date of opening. No quotation shall be considered if received after the closing time and date. The Contracts and Procurement Unit shall retain written records of all quotations invited and received.

- 22.3 Subject to Standing Order 22.4 below, following analysis where appropriate of quotations by the Contracts and Procurement Unit in conjunction with the officer, a written record must be made detailing the reasons for acceptance of the preferred quotation.
- 22.4 In respect of contracts for the execution of works, this evaluation will be undertaken by the Head of Property Services, who will maintain a written record of the reasons for acceptance of the preferred quotation.
- 22.5 All such contracts which are required to be in writing shall contain standard terms and conditions agreed by the Contracts and Procurement Unit, and such amendments as shall have been approved in writing in advance by the Contracts and Procurement Unit after consultation with the appropriate officer.

PART III - STANDING ORDERS APPLICABLE TO CONTRACTS FOR THE SUPPLY OR DISPOSAL OF GOODS OR MATERIALS THE PROVISION OF SERVICES AND THE EXECUTION OF WORKS OVER £100,000

23. APPLICATION

- 23.1 This part of Standing Orders applies to contracts for the provision or disposal of goods or materials, the provision of Services and the execution of Works where the Estimated Contract Value is over £100,000.
- 23.2 Where the Estimated Contract Value, for the categories of contract detailed above, exceed the EU Thresholds (applicable at the time) for these categories of contract, the letting of these contracts will be in line with European Directives and Regulations.

24. PROCUREMENT PROCEDURE

- 24.1 Before any contract is let a detailed project appraisal shall have been undertaken by the appropriate officer in accordance with Standing Orders 24.2 and 24.3.
- 24.2 The project appraisal process shall establish justification for the preferred option and determine priorities. It shall also aim to ensure that all contracts are consistent with the objectives, policies and strategies agreed by the PCC.
- 24.3 The scale of the appraisal will depend on the size of the project and the current cost implications but it should be sufficiently detailed to establish the definition of objectives, the explicit consideration of options and the identification, evaluation and timing of the costs (including future revenue costs) and benefits of each option. Any other considerations including uncertainties should be taken into account.
- 24.4 Contracts shall be let by way of :-
- 24.4.1 A restricted List following Public Advertisement; or
- 24.4.2 A register of prequalified contractors maintained by central government on behalf of all public sector organisations.
- 24.4.3 Open Tender; or
- 24.4.4 Negotiation
- 24.4.5 Electronic Tendering

At the option of the appropriate officer except in the case of a Contract to be let by way of Negotiation which shall be approved by the PCC.

25. ADVERTISING OF CONTRACTS

- 25.1 This Standing Order shall effect where :-
- 25.2 Officers shall ensure that, where proposed Contracts, irrespective of their value, might be of interest to potential candidates, a sufficiently accessible advertisement is published. Generally, the greater the potential interest of the Contract to potential bidders, the wider the coverage of the advertisement should be. Examples of where such advertisements may be placed include:the PCC's website
- i. portal websites specifically created for Contract advertisements.
 - ii. National official journals, or
 - iii. The Official Journal of the European Union (OJEU) / Tenders Electronic Daily (TED)
- 25.3 Officers must ensure that all proposed Contracts whose total value is above the EU threshold is at a minimum advertised in the Official Journal of the European Union (OJEU) / Tenders Electronic Daily (TED).
- 25.4. An advertisement is not necessary when awarding a contract through an existing Framework agreement as the contract will have already been awarded via a competitive process.
- 25.5 Officers are responsible for ensuring that all candidates responding to an advertisement for a relevant Contract are suitably assessed. The assessment process shall establish that the potential candidates have sound:
- i. economic and financial standing.
 - ii. technical ability and capacity
 - iii. ability to fulfil the requirements of the PCC.

26. OPEN TENDER

- 26.1 This Standing Order shall have effect where :-
- 26.1.1 A Contract is to be let by way of open tender and
- 26.1.2 The Estimated Contract Value is within available resources.
- 26.2 In such cases advertising will be conducted by the appropriate Officers of the PCC strictly in accordance with standing order 25.

27. NEGOTIATION

- 27.1 This Standing Order shall have effect where :-
- 27.1.1 By virtue of a decision of the PCC a Contract is to be let by way of Negotiation and
- 27.1.2 The Estimated Contract Value is within available resources.

27.2 In such cases Negotiations shall be conducted by the appropriate officers of the PCC strictly in accordance with Standing Order 10.

28. ELECTRONIC TENDERING

28.1 Requests for quotations (RFQs) and Tenders (ITTs) may be invited and submitted by electronic means provided that:

- Evidence that the transmission was successfully completed is obtained and recorded.
- Paper copies of any documents that cannot be sent electronically are sent by post and paper copies of all documents are sent to suppliers who do not specify an e-mail address for receipt of quotations / tenders.
- RFQs and ITTs may be submitted electronically copies onto a cd-rom, and sent with the paper copies of all invitation documents.
- Forms of quotation / tender not provided electronically, must be submitted on paper, signed in manuscript by an authorised representative of the supplier. Accompanying proposals, including pricing documents, may be submitted on cd-rom with the paper form of quotation / tender.
- The procedure will also include arrangements for e-auctions.
- Electronic tenders are kept in a secure folder under the control of the Contracts and Procurement Manager , which is not opened until the deadline has passed for the receipt of tenders.
- Electronic quotations are kept in a separate secure folder under the control of the Contracts and Procurement Unit, which is not opened until the deadline has passed for receipt of quotations.

29. SUBMISSION OF TENDERS

29.1 Where in pursuance of these Standing Orders invitation to tender is required, every notice of such invitation shall state that no tender will be received except in a plain sealed envelope/package which shall bear the words "Tender" followed by the subject to which it relates and that envelope/package so marked shall be submitted to the Chief Executive on or before the date and time specified in the invitation to tender as being the last time and date for the receipt of tenders. The appropriate officer shall first consult with the Chief Executive to obtain a date for return of tenders.

29.2 Envelopes/packages submitted in accordance with the provisions of Standing Order 30.1 shall remain in the secure custody of the Chief Executive or an officer designated by him/her until the time appointed for their opening.

29.3 An officer receiving tenders shall indicate on the envelope the date and time of its receipt and shall issue a written receipt if so requested.

29.4 Tenders submitted to the Chief Executive after the date and time specified in the invitation to tender shall not be considered.

30. OPENING AND REGISTRATION OF TENDERS

- 30.1 Subject to Standing Order 31 below, tenders submitted in accordance with Standing Order 29 shall be opened at one time by the Chief Executive or an officer designated by him/her at his/her offices in the presence of the appropriate officer or an officer designated by him/her. Subject to Standing Order 31 below, tenders submitted in accordance with Standing Order 29 shall be opened at one time by the Chief Executive or an officer designated by him/her at his/her offices in the presence of the appropriate officer or an officer designated by him/her.
- 30.2 The tenders shall be initialled and dated immediately by the Chief Executive or his/her designated officer present when the tenders are opened, and countersigned by a second officer present.
- 30.3 The occasion for the opening of tenders shall take place at the same time as has been stated as being the closing date and time for submitting tenders, or on such other date and time, normally within 48 hours, to be determined by the Chief Executive .

The Chief Executive or an officer designated by him/her shall at the time the tenders are opened record in a book kept for the purpose :-

- 30.4.1 The nature of the goods or materials to be supplied or the works to be executed or the services to be supplied;
- 30.4.2 The name of each person by or on whose behalf the tender was submitted;
- 30.4.3 The date and time of receipt of each tender as recorded on the envelope;
- 30.4.4 The date and time of the opening of the tenders;
- 30.4.5 The names of all persons present at the opening of the tenders; and
- 30.4.6 The tender figures (except where some other method is provided for in these standing orders).
- 30.5 Where in the opinion of the Chief Executive the recording of the amount of the tender in a book would be impracticable (e.g. tender of rates and tenders where the tender total calculated by the contractor is based upon notional quantities) the appropriate tender documents shall be either :-
- 30.5.1 Copied by a person authorised by the Chief Executive immediately; or
- 30.5.2 Where immediate copying is, in the opinion of the Chief Executive impracticable, retained in a safe place by the Chief Executive until such time as the documents are photocopied.
- 30.6 The photocopies shall thereafter be kept in a safe place by the Chief Executive.

31. CHECKING AND ACCEPTANCE OF TENDERS

31.1 RECOMMENDATIONS AND ACCEPTANCES OF TENDERS

- 31.1.1 Unless a contract is awarded under 'the most economically advantageous' criterion (see clause 31.1.5) a tender which is other than the lowest or highest respectively if payment is to be made by / to the PCC can be recommended for acceptance by the appropriate officer. Such a recommendation for acceptance must be endorsed by the Tender Acceptance Panel, comprising the FCFO , the Contracts and Procurement Manager and a representative of the CFO. The appropriate officer must then submit a written report on it to the PCC, specifying the action taken in awarding the contract to other than the lowest tenderer.
- 31.1.2 In all cases of contracts with a value in excess of £1,000,000 following the formal tendering process, the appropriate officer will submit a report to the PCC seeking their approval to award the contract to the specified contractor.

- 31.1.3 The acceptance of a tender by or on behalf of the PCC shall be notified in writing by the Force Solicitor to the tenderer submitting the tender.
- 31.1.4 Where examination of a tender reveals any error or omission the tenderer submitting the tender shall be informed and given an opportunity either of confirming or withdrawing the tender, provided that in these instances of an arithmetical error, the tenderer shall be given the opportunity to correct the said arithmetical error.
- 31.1.5 If the basis of the evaluation is 'most economically advantageous', the criteria for evaluation must be set out in the initiation to tender, in descending order of priority, with the weightings to be given to them as stipulated in EU Procurement Directives.

32. CAPITAL SCHEMES REPORTING ARRANGEMENTS

- 32.1 Progress on each capital scheme in excess of £1,000,000 should be reviewed by the appropriate officer against milestones determined by the PCC. Following this review, progress reports should be submitted by the appropriate officer to the PCC.
- 32.2 A post completion review of each capital scheme in excess of £1,000,000 shall be undertaken by the appropriate officer when total out-turn costs have been determined. Such review shall comprise a comparison of the out-turn costs with the Approved Budget and consideration of whether the scheme met its objectives. The results of the review shall be reported to the PCC.

WMPCC/CC Financial Regulations

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1 INTRODUCTION

- 1.1 These Financial Regulations have been prepared in accordance with the requirements of the Home Office Code of Practice on Financial Management, which is made, by the Secretary of State under section 17 of the Police Reform and Social Responsibility Act 2011(the Act) and section 39A of the Police Act 1996.
- 1,2 These Financial Regulations have been drawn up, in consultation with the Chief Executive(CE), Chief Financial Officer(CFO), Chief Constable(CC) and the Force's

Chief Financial Officer(FCFO) and was approved and adopted by the Police and Crime Commissioner on 22nd November 2012

- 1.3 The main aims of these regulations are to :-
- a) ensure the financial dealings of the PCC and the CC are conducted properly and in accordance with best practice.
 - b) provide sufficient safeguards for the CFO and FCFO to formally discharge their statutory obligations and responsibilities.
 - c) encourage delegation for financial matters to the lowest possible level, both between the PCC and the Force and within the Force, and at the same time maintain adequate control.
- 1.4 It is an overriding requirement of these regulations that the PCC, being advised by the CFO will be satisfied that the Chief Constable has adequate systems, procedures, personnel and expertise in his Force to handle the delegated responsibilities.
- 1.5 These Regulations are complementary to, and supported by, the Force Financial Instructions, which have been drawn up by the Chief Constable/FCFO, in consultation with the CFO, and should also be read in conjunction with Standing Orders.
- 1.6 These Regulations will be kept under review by the CE, CFO,FCFO and Chief Constable, to ensure that the working arrangements for both the PCC and the Force are conducted in accordance with latest best practice generally and local prevailing conditions. They can only be varied with the approval of the PCC.
- 1.7. The financial values identified within these Regulations will also be kept under review by the CFO and the FCFO, and updated as appropriate.

2 ROLES AND RESPONSIBILITIES

- 2.1 The CFO, for the purposes of Section 151 of the Local Government Act 1972, Section 112 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulation, is the financial adviser to the WMOPC and has a statutory responsibility to carry out the functions of the Chief Finance Officer, ensuring that the financial affairs of the PPC and the WMP are properly administered having regard to their probity, legality and appropriate standards.
- 2.2 The CFO has a statutory responsibility for ensuring that adequate systems and procedures exist to account for all income due and expenditure disbursements made on behalf of the PCC and the Force, and that controls operate to protect the PCC's assets from loss, waste, fraud or other impropriety. The CFO also has a statutory responsibility to report to the PCC and the External Auditor if :-
- a) it appears that the PCC's expenditure is likely to exceed the resources available to meet this expenditure.
 - b) decisions or actions have been made or taken, or are about to be made or taken, which involve unlawful expenditure, or are likely to cause a loss or deficiency or an unlawful entry in the accounts.
- 2.3 The CFO is also the PCC's professional adviser on all financial matters and will be responsible for :-
- o Providing financial advice to the PCC on all aspects of activity, including the strategic planning and policy making process;
 - o advising the PCC on the content and implications of the budget and medium term financial plans;

- assisting the PCC in seeking to obtain value for money,
- ensuring that accurate, complete and timely financial management information is provided to the PCC and the Chief Constable;
- advising the PCC on financial propriety;
- securing the preparation of statutory and other accounts;
- maintaining an adequate and effective shared Internal Audit provision;
- securing appropriate banking arrangements and treasury management including loans and investments;
- advising on risk management and insurance;
- arranging for the determination, issue and transfer of the precept.
 - advising on budgetary matters including any consequent long term implications
 - working with the Chief Executive to ensure effective corporate management of the PCC's resources.

- 2.4 The Chief Constable shall have as much day to day responsibility for the financial management and administration of the Force as possible and will be responsible for the day to day operational control of all financial systems and procedures.
- 2.5 The Chief Constable, in consultation with the CFO, shall appoint a suitably qualified senior financial officer, (Force's Chief Finance Officer) who will be responsible to the Chief Constable for managing the finance function in the Force.
- 2.6 The PCC/Force operates and encourages a system of devolved financial management to LPU's and Departments. These regulations reflect and complement these arrangements. All LPU/Departmental Heads are individually responsible for the proper financial management and administration of resources allocated to their LPU/Departments through the budget-making process, and for the identification of all income arising from activities within their operational areas. This responsibility includes the accountability for and control of staff, and the security, custody and management of assets including plant, equipment, buildings, materials, cash and stores relating to these LPUs/Departments.
- 2.7 Guidance and Accounting Manuals to supplement these Regulations and Force Financial Instructions may be issued by the FCFO, in consultation with the CFO for financial management and administration. These shall comply with best practice as set out in the relevant provisions of authoritative statements issued by recognised professional bodies from time to time.
- 2.8 No major changes will be made to any financial systems or procedures without the prior consultation and agreement of the CFO.
- 2.9 In terms of the actual application of these Regulations, the CE/CFO/FCFO, and the Chief Constable, although identified herein, will in certain instances delegate their individual responsibilities to nominated officers who will undertake these duties on their behalf, as outlined in the Scheme of Consents and Delegations.

3. **THE FORCE CHIEF FINANCE OFFICER**

- 3.1 The Chief Constable, in consultation with the CFO, shall appoint a suitably qualified officer, to be the Force's Chief Finance Officer who, for the purposes of Section 151 of the Local Government Act 1972, Section 112 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulation, is the financial advisor to

the CC. and will act on behalf of the CC and be responsible for managing the finance function in the Force, providing advice to the CC. This officer shall specifically :-

- Ensure that the financial affairs of the force are properly administered and that Financial Regulations are observed and kept up to date
- Report to the CC, the PCC , the PCC's CFO and the external auditor, any unlawful, or potentially unlawful, expenditure by the CC or officers of the CC
- Report to the CC, the PCC, the PCC's CFO and the external auditor when it appears that expenditure of the CC is likely to exceed the resources available to meet that expenditure
- Advise the CC on Value for Money in relation to all aspects of the Force's expenditure
- Advise the CC and the PCC on the soundness of the budget in relation to the force
- Liaise with the external auditor
- Produce the statement of accounts for the CC in consultation with the PCCs Chief Financial Officer
- Provide information to CFO of the PCC as required to enable the production of group accounts.

3.2 To enable the FCFO to fulfil the duties of being the CC's professional adviser on finance, he/she must:

- Be a key member of the CC's Command Team, helping it to develop and implement strategy and to resource and deliver the PCC,s strategic objectives sustainably and in the public interest
- Be actively involved in, and able to bring influence to bear on, all strategic business decisions of the CC to ensure immediate and longer term implications, opportunities and risks are fully considered
- Lead the promotion and delivery by the CC of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively
- Ensure that the finance function is resourced to be fit for purpose

4. FINANCIAL PLAN AND BUDGETS

4.1 FINANCIAL/POLICING PLANS

- a) The PCC, will in consultation, with the Chief Constable produce annually a Police and Crime Plan, setting out the priorities for the year, the financial resources available and the allocation of these resources.
- b) The FCFO will provide financial input to the preparation of the mid-term financial plan and Police and Crime plan identifying implications for the Force Budget.
- c) The CFO in consultation with the FCFO will produce a forward forecast of resources for financial planning purposes.

4.2 **BUDGETS**

CAPITAL AND REVENUE - GUIDELINES

- 4.2.1 The CFO shall in consultation with the FCFO determine the timetable for and agree the detailed form of the capital and revenue estimates.
- 4.2.2 The FCFO on behalf of the Chief Constable with other appropriate designated officers shall be responsible for preparing and providing detailed information for the production of the capital and revenue estimates. For this purpose, the definition of revenue and capital will be as set out in the accounting manual and as applied by Force Financial Instructions.
- 4.2.3 The Chief Constable, in conjunction with the CFO, will be responsible for the submission of revenue and capital budgets to the PCC, in a format such that, once approved, the responsibility for the day to day management and control of the budgets can be consented to the Chief Constable.
- 4.2.4 Once approved, and subject to the provisions of Standing Orders and the Financial Regulations, the budgets will give authority to the Chief Constable to incur expenditure without the need for further approval from the PCC, except where :-
- a) the Chief Constable proposes a major change in policing policy.
 - b) and/or expenditure on an approved major resource budget head would change by more than 5 % or the equivalent of 0.5 % of the gross operational budget, whichever is the lower.
- 4.2.5 Subject to the provisions of Standing Orders and Financial Regulations, the Chief Constable will be permitted to vary an approved major resource budget head by up to 5% of that approved major resource budget head, or the equivalent of 0.5 % of the gross operational budget, whichever is the lower, provided :-
- a) Compensating savings in the other approved major resource budget heads are identified.
 - b) The variation in budgets would not lead to a major change in policing policy.
 - c) There would be no adverse effect on the future overall budget of the PCC.
- 4.2.6 Where the Chief Constable proposes a major change in policing policy or expenditure above the limits set out in paragraph 4.2.4, the Chief Constable, in conjunction with the CFO, will seek the prior approval of the PCC to the changes, so that the approved budget can be amended accordingly.
- 4.2.7 The Chief Constable will prepare a report to the PCC for all new capital/revenue proposals for expenditure in excess of £1,000,000 which provides a financial appraisal of the nature and content of the proposal and the financial implications for the PCC.

4.3 **FINANCIAL IMPLICATIONS IN DECISION MAKING REPORTS**

- 4.3.1 All decision making reports to the PCC will include a section where appropriate, setting out the Financial Implications of the proposals being made, along with any comments and/or advice of the CFO/FCFO/Chief Constable.

4.4 **BUDGETARY CONTROL AND VIREMENT**

- 4.4.1 The Chief Constable, and those officers to whom he delegates the responsibility will manage and control budgets approved by the PCC, in accordance with these Financial Regulations and other guidance issued from time to time.
- 4.4.2 The Chief Constable in consultation with the CFO, shall maintain a devolved budget scheme to facilitate the effective management of the Force Budget by devolvement of component budgets to LPU Commanders and Heads of Department.
- 4.4.3 The devolved budget scheme will include provision for :-
- a. redirecting resources between delegated budget heads.
 - b. carry forward arrangements between financial years;
- subject to limits defined in the Force Financial Instructions.

5.1 **ACCOUNTING PROCEDURES**

- 5.1.1 All accounting procedures and records of the Authority and its officers shall be determined by the FCFO and approved by the CFO. Where such procedures and records are maintained in the West Midlands Police Force, these will be governed by the appropriate Financial Instructions provided to the Force. Such instructions shall have regard to the provision of Section 151 of the Local Government Act 1972, the Accounts and Audit Regulations, and such other statutory provision which affect the financial affairs of the Authority.
- 5.1.2 Accounting procedures and records of the PCC/Force may be regulated in a more detailed form by an Accounting Manual to be approved by the CFO/FCFO.
- 5.1.3 The following principles shall be observed in the allocation of accounting duties:-
- a) The duties of providing information regarding sums due to or from the PCC/Force and of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting or disbursing them.
 - b) Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.
- 5.1.4 LPU Commanders/Departmental Heads shall provide, for the purposes of accounting and budgetary control, statements, financial returns employee information and other financial information in the form, and in accordance with the timetable, determined by the FCFO.

6. **FINANCIAL SYSTEMS AND PROCEDURES**

6.1 **INTRODUCTION**

- 6.1.1 The FCFO, on behalf of the Chief Constable will be responsible for the day to day operation and control of the system and procedures required to :-
- a) order goods and services.
 - b) pay salaries wages and pensions.
 - c) pay creditors, allowances and expenses.

- d) collect and bank all income due to the PCC
 - e) provide, safeguard and subsequently dispose of PCC assets.
- 6.1.2 The CFO, in consultation with the FCFO will authorise the use of all systems and procedures for the receipt and payment of all PCC monies, and in consultation with the Chief Constable, will determine procedures and work practices to ensure there is adequate internal control and internal check.
- 6.1.3 The FCFO on behalf of the Chief Constable will not change or amend any financial systems or procedures without consulting with the CFO.
- 6.1.3 The Chief Constable, in consultation with the CFO, will issue and keep under review Force Financial Instructions covering the financial systems and procedures outlined above. These instructions contain the detailed procedures to be followed and should be read in conjunction with these regulations, especially where specific reference is made herein.

6.2 RISK MANAGEMENT AND INSURANCES

- 6.2.1 The CFO shall be responsible for advising the Authority on insurance matters, and in conjunction with the FCFO preparing and monitoring a Risk Management programme and advising on appropriate and/or available options with regard to premiums and/or levels of risk.
- 6.2.2 The FCFO shall be responsible for the day to day operational control and management of all Insurance Funds established, including identifying the level of associated claims, authorising expenditure from the Fund, and the arrangements with the PCC's insurers and brokers subject to the policy direction of the PCC.
- 6.2.3 The settlement of Civil claims, other than those determined by the PCC's Insurers, shall be made by the Chief Constable up to an individual limit of £2,000. The FCFO will monitor small value settlements and report annually to the PCC on the total liability to the Fund.
- 6.2.4 The FCFO will, on behalf of the CFO, review at least annually, the arrangements for insurances and risk management, to ensure that they remain effective.
- 6.2.5 The Chief Constable shall have the power to settle ex-gratia claims for loss of or damage to personal effects (so far as they are not otherwise insured) up to an individual value of £2000, and within the approved budget. The FCFO will monitor all ex-gratia payments in relation to the budget, insurable risks and cover available.
- 6.2.6 The Chief Constable shall seek PCC approval above the individual limit or in cases involving particular sensitivity.

6.3 TREASURY MANAGEMENT

- 6.3.1 The CFO will be responsible for advising the PCC on all matters related to Treasury Management, Investments and Borrowing.
- 6.3.2 The PCC shall adopt CIPFA's Code of Practice for Treasury Management in Local Authorities.
- 6.3.3 Each year the CFO will produce a Treasury Management Policy Statement setting out a strategy and relevant principles for approval by the PCC.
- 6.3.4 All executive decisions on borrowing, investments or financing shall be delegated to the CFO who shall be required to act in accordance with the CIPFA Code for Treasury Management.

6.3.5 The CFO will delegate day to day responsibility for the Treasury Management function and borrowing, investment or financial decisions to the FCFO, in accordance with arrangements determined by the CFO.

6.3.6 The CFO will report to the PCC not less than three times in each financial year on the activities of the Treasury Management operation, and on the exercise of Treasury Management powers so delegated. One such report shall comprise an annual report on Treasury Management for presentation by 30 September of the succeeding financial year.

6.4 **BANKING ARRANGEMENTS, CHEQUES AND CREDIT CARDS.**

6.4.1 The CFO will be responsible for advising the PCC on all banking and related arrangements. All arrangements with the PCC's bankers shall be made by or in accordance with principles approved by the CFO, who shall authorise the FCFO to operate such banking accounts as the Force, through the FCFO, consider necessary.

6.4.2 Cheques on the PCC's main banking accounts shall bear the facsimile signature of the CFO or be signed by the CFO or other officer(s) authorised to do so.

6.4.3 The FCFO shall be responsible for the ordering, control and dispatch of the cheques drawn on the PCC main banking accounts and imprest accounts relating to the defraying of PCC expenditure.

6.4.4 The FCFO will undertake regular reconciliations of all authorised (bank) accounts in accordance with arrangements determined by the CFO.

6.5 **IMPREST ACCOUNTS**

6.5.1 The FCFO shall provide such advance accounts as he considers appropriate for such officers of the PCC/Force as may need them for the purposes of defraying petty cash and other expenses. Such accounts shall be maintained in the imprest system.

6.5.2 Where he considers it appropriate, the FCFO, subject to the agreement of the CFO, shall open an account with the PCC's bankers or such other bank as may be authorised in specific cases for use by the imprest holder, who shall not cause such account to be overdrawn. It shall be a standing instruction to the PCC's bankers that the amount of any overdrawn balance of an imprest holder's banking account shall forthwith be reported to the FCFO.

6.5.3 Those procedures relating to Imprest Accounts as outlined in the relevant Force Financial Instruction shall be complied with unless otherwise agreed.

6.6 **INCOME**

6.6.1 Collection and Banking

a. The collection of all monies due to the PCC, including the raising of accounts, shall be made under arrangements determined by the FCFO and agreed by the CFO. All monies received on behalf of the PCC shall without delay, be banked in the PCC's name. In no case shall lodgement of cash be less frequent than weekly except by agreement with the CFO.

b. The FCFO shall be authorised to write off debts considered to be irrecoverable up to an individual maximum amount of £2000, subject to periodical report to the PCC. PCC approval is required for all debts written off with a value higher than the maximum identified.

c. The Chief Constable shall have all necessary powers of debt recovery including the taking of appropriate legal action.

- d. The Chief Constable shall notify the Internal Audit Division as soon as possible of the impending resignation or retirement of any officer under his control who has cash handling responsibilities.
- e. Those procedures relating to Income as outlined in the relevant Force Financial Instruction shall be complied with unless otherwise agreed.

6.6.2 Fees and charges

The Chief Constable shall, at least annually, report to, and seek approval from the PCC on a review of all rents, fees and charges for services provided. PCC approval should be sought where significant changes in policy or income are proposed.

6.7 **SPONSORSHIP**

6.7.1 The FCFO shall be informed of all offers of gifts, loans of Property and sponsorship which must comply with the conditions approved by the PCC. The PCC has agreed an individual figure of £50,000 above which PCC approval is required prior to acceptance. All other gifts, loans or sponsorship must be arranged in accordance with the appropriate Financial Instruction.

6.7.2 The Chief Constable shall maintain a record of the market value of all gifts, Loans and Sponsorship received. A report to the PCC will be produced at the end of each financial year. The total value of gifts, Loans and Sponsorship shall not exceed a maximum equivalent value of 1% of Force Annual Budget.

6.8 **GRANTS TO VOLUNTARY ORGANISATIONS/OUTSIDE BODIES**

6.8.1 Grants to voluntary organisations made shall comply with the conditions of grant aid approved by the PCC.

6.8.2 The FCFO shall maintain a record of these grants which shall not exceed the agreed budget total.

6.9 **UNOFFICIAL FUNDS**

6.9.1 A private fund shall only be established with the approval of an appropriate senior officer as set out in the appropriate Financial Instruction.

6.9.2 The FCFO shall be made aware of the existence of all voluntary unofficial funds.

6.9.3 Private funds must be audited every year by Independent Auditors. Copies of the audited accounts must be sent to the appropriate officer, and the FCFO.

7. **INTERNAL CONTROL**

7.1 **INTERNAL AUDIT**

7.1.1 A continuous internal audit, under the shared control and direction of the CFO/FCFO, operating in accordance with Auditing Practices Board Guidelines and other statutory obligations and regulations, shall be arranged to carry out an examination of accounting, financial and other operations of the PCC/CC, thereby reviewing and reporting upon:-

- (i) The soundness and adequacy of financial management and other internal control systems and their implementation.
- (ii) The extent of compliance with and the financial effect of established policies, plans and procedures.

- (iii) To what extent assets and interests are accounted for and safeguarded from losses due to:-
 - fraud and other offences
 - waste, extravagance and inefficiency.
 - (iv) The suitability and reliability of financial and other management data developed within the OPCC and Force.
- 7.1.2 The CFO/FCFO or their authorised representatives shall have authority to:-
- (i) Enter at all reasonable times on any PCC premises or land.
 - (ii) Have access to all records, documents and correspondence relating to any financial and other transactions of the PCC/CC.
 - (iii) Require and receive such explanations as are necessary concerning any matter under examination, and
 - (iv) Require any employee of the PCC/CC to produce cash, stores or any other asset under this control.
 - (v) Attend meetings to give advice or report on matters affecting his/her responsibility.
- 7.1.3 The CFO via Internal Audit shall be informed immediately by the Chief Constable, irrespective of whether the matter is the subject of criminal investigation, of any loss or financial irregularity or suspected irregularity, or of any circumstances which may suggest the possibility of losses or irregularities, including those affecting cash, stores, and other property of the PCC/CC.
- 7.1.4 The CFO/FCFO shall report serious losses and irregularities to the Joint Audit Committee.
- 7.1.5 The Chief Constable, who has a direct interest in secure, efficient and effective arrangements for Internal Audit, shall receive regular reports, via the FCFO. The Chief Constable will also commission audit reviews on systems and VFM studies as an essential tool of good management. Such reports will be sent to the Chief Constable's FCFO and copied to the CFO.
- 7.1.6 The CFO AND FCFO shall consult with the PCC and Chief Constable prior to agreeing which aspects of the financial activity of the Force will be included in the Internal Audit Plan, prior to its submission to the Joint Audit Committee for approval..

7.2 **EXTERNAL AUDIT**

- 7.2.1 The External Auditor shall have full access to Internal Audit reports and plans. This will ensure that no duplication of activity will take place.
- 7.2.2 The External Auditor shall work closely with the PCC and Chief Constable, via the CFO/FCFO and will discuss and agree their plans with both.
- 7.2.3 The PCC/CC via their Joint Audit Committee shall use the External Auditors Report to aid them in their monitoring role to ensure that these Regulations are being followed.
- 7.2.4 All audit plans and reports including Management Letters shall be submitted to the PCC/CC Joint Audit Committee for consideration and action where appropriate.

7.3 **JOINT AUDIT COMMITTEES**

- 7.3.1 A Joint Audit Committee shall be established by the PCC/CC, chaired by an Independent Member, to review the overall governance and internal control

arrangements in respect of the OPCC and the Force. In this regard the Audit Committee will meet when required to:

- i) Oversee the provision of External Audit.
 - To receive and consider the plans and subsequent reports of the External Auditor (Management letter)
 - To review their work, discuss their concerns and resolve any issues arising.
 - To review, on behalf of the PCC/CC, the effectiveness of the External Audit provision and recommend changes/improvements where necessary.
- ii) Oversee the Internal Control arrangements within the OPCC and Force
 - To assure the PCC/CC that a sufficient and effective review of internal control arrangements takes place; and that any identified weaknesses are corrected.
 - To consider any major findings identified periodically by Internal Audit
- iii) Oversee the process of Internal Audit.
 - To consider, approve and adopt the terms of reference of Internal Audit, as required by Auditing Practices Board guidelines.
 - To review the planned programme of work of Internal Audit thereby assessing its appropriateness.
 - To review and consider whether the Internal Audit is sufficiently resourced.
 - To receive and consider activity reports.

7.4 **CONTROL OF ASSETS**

7.4.1 **ASSET REGISTERS.**

The FCFO shall maintain a register of information in relation to all Property and equipment, in accordance with the CIPFA Capital Accounting Guidelines on behalf of the PCC/CC. Information relating to new acquisitions of such property and equipment and disposals must be notified to the FCFO within one month of the acquisition or disposal.

7.4.2 **INVENTORIES**

- a) Inventories of all equipment owned and which is insured by the PCC under the All Risks Insurance Policy shall be kept by the FCFO in a form agreed with the CFO. The FCFO shall be advised of all additions, deletions and revaluations of equipment affecting these Inventories.
- b) The CFO/FCFO or their representatives shall have access to all property of the PCC/CC to check inventories.
- c) The Chief Constable shall be responsible for maintaining an annual check of all items on the inventory, for taking action in relation to surplus or deficiencies and noting the inventory accordingly.

7.4.3 **SECURITY**

- a) The Chief Constable shall be responsible for the accountability and control of staff and for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash, etc., under his control.

- b) Departmental/LPU Commanders shall be responsible for the security of confidential information held in their respective Departments /LPUs. This shall include responsibility for the security of all computer software and the control of access to all records held on micro / mini computers, in accordance with the requirements of the Data Protection Act 1984. Departmental Heads shall be responsible for authorising access to information held in their Department's computer systems, in accordance with approved Information and I.T. Strategies and Procedures.
- c) The FCFO, on behalf of the Chief Constable, should notify Internal Audit of all new computerised systems.

7.4.4 **PROPERTY**

- a) The Chief Constable will be responsible for the management of the PCC's Estate, including the maintenance of this property. All purchases and sale of property should be in accordance with the PCC's Standing Orders, and the approval of the PCC obtained. Any substantial transactions which has not been considered in the police and crime plan will require the prior approval of the PCC. For these purposes a substantial transaction will be the capital value of the property either acquired or disposed of being in excess of £250,000.
- b) The Chief Constable shall have the custody of all title deeds under secure arrangements.
- c) The Chief Constable will maintain a register of all properties owned by the PCC, recording the purpose for which held, locations extent and plan reference, purchase details, particulars of nature of interest and rents payable and particulars of tenancies granted. Information relating to the assets and their value shall be provided for the PCC's asset register in accordance with requirements set out by the FCFO.

7.4.5 **STOCKS AND STORES**

- a) The Chief Constable shall be responsible for the care and custody of stocks and stores including regular stocktaking on a continuous basis where possible, and for ensuring that stores are not held in excess of minimum requirements. All stocks should be monitored in accordance with the appropriate Force Financial Instruction.
- b) Stores, equipment and other property (excluding land and buildings) deemed to be surplus to requirement, and saleable old materials shall not be disposed of except on written authority of the Chief Constable. Sales of such items shall be made by advertising the invitation of tenders except where disposal by other means would better serve the Authority's interest. The FCFO shall be informed of all such disposals.

7.5 **THEFT AND BURGLARY**

The Chief Constable shall notify Internal Audit of all cases of theft of PCC property, or burglary of PCC premises, arising in his LPUs/Departments, including those where criminal investigations are being undertaken.