

Police Service of Northern Ireland

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POLICY DIRECTIVE

FINANCIAL REGULATIONS

1. POLICY IDENTIFICATION

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DEPARTMENT	Finance and Support Services
BRANCH	Financial Reporting and Accounting Services

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2. POLICY STATEMENTS

- (1) The Police Service of Northern Ireland (PSNI) aims to maintain a sound system of financial management, control and accountability.
- (2) As part of this process, PSNI will establish a set of Financial Regulations and policies which define the financial framework of the organisation.

3. INTRODUCTION

(1) Executive Summary

- (a) This Policy explains how the PSNI will establish a set of Financial Regulations and policies to support the overall system of financial management, control and accountability.
- (b) These Financial Regulations will reflect best practice and provide a practical source of guidance.
- (c) The Regulations are divided into six main sections: Financial Control; Income and Banking; Expenditure; Salaries and Wages; Assets and Other.

(2) Origin

- (a) The PSNI came into existence on 4 November 2001, and exists to make Northern Ireland Safer For Everyone Through Professional, Progressive Policing. PSNI is accountable to the Northern Ireland Policing Board (NIPB), which is comprised of independent members drawn from the broader Northern Ireland community and representatives from almost all the main political parties.
- (b) The PSNI is a body of constables, funded through the NIPB, which is a Non Departmental Public Body of the Northern Ireland Office (NIO). The Accounting Officer for the NIO designated the Chief Constable as Accounting Officer for the Grant of the PSNI.
- (c) The 'Framework Document for Governance of PSNI' sets out the terms and conditions under which the police grant is made. The PSNI is responsible for ensuring that the Framework Document is complied with. As part of this process the PSNI must adhere to Her Majesty's Inspectors of Constabulary (HMIC) Audit Code of Practice, which requires a sound system of financial and management control. The Financial Regulations of the PSNI form part of this overall system of accountability.

(3) Aims/Objectives

The aim of this Policy is to:

- (a) promote a sound system of financial management, control and accountability within PSNI; and
- (b) establish a set of Financial Regulations which translates into practical guidance the PSNI's broad policies relating to financial management and control.

(4) Contribution

A robust financial framework is necessary for PSNI to deliver on all policing objectives. In particular, these Financial Regulations will directly contribute to improving the efficiency and effectiveness of the service, in line with the objectives set by the NIPB.

(5) Application

Compliance with the Policy is compulsory for all police officers and police staff. Any member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action.

(6) Legal Basis

- (a) As Accounting Officer for the Police Grant, the Chief Constable is required to ensure that there is a high standard of financial management and control within the organisation, in accordance with the Framework Document. This Framework Document for Governance of PSNI is issued in pursuance of Section 9 of the Police (Northern Ireland) Act 2000.
- (b) The development of Financial Regulations is an important element in the financial framework and is also a matter of good practice under the rules of Government Accounting.

4. IMPLICATIONS OF THE POLICY

(1) Financial and Efficiency Implications

The Financial Regulations will strengthen the financial control framework within PSNI and help ensure sound financial management.

(2) Human Resources/Training

This Policy does not give rise to any new training requirements. Rather, the Financial Regulations will codify existing policies, guidance and material in a more accessible form.

(3) Internal Policy Links

Detailed information and specific guidance on Procurement within PSNI is set out in Policy Directive PD 08/04, Procurement within PSNI; available on the PoliceNet, following links below:

PD 11/06 - Anti-Fraud Policy

PD 04/05 - Hospitality Gifts and Gratuity

PD 08/04 - Procurement within PSNI

Procurement, Consultancy – follow link below:

NIO Business Case Guidelines

PSNI Finance Manual – follow link below:

Finance Manual

PSNI Budget Manual – follow link below:

Budget Manual

Information on Managing Public Money can be found following the link below:

Managing Public Money

(4) Risks

Lack of a clear set of Financial Regulations and policies could expose the organisation to unnecessary risk and external criticism.

(5) Bureaucracy

The Policy does not introduce undue bureaucracy or unnecessary administrative processes. However, the Financial Regulations will clearly set out very necessary checks and controls associated with delivering a robust financial framework. These requirements are not new and will not adversely impact frontline policing.

(6) Consultation

(a) The following have been consulted during the preparation of this Policy:

- (i) PSNI Chief Officers;
- (ii) Finance and Support Services Department;
- (iii) Head of Internal Audit;
- (iv) NIO Procurement Unit;
- (v) Superintendents' Association Northern Ireland (SANI);
- (vi) The Police Federation for Northern Ireland (PFNI);
- (vii) Northern Ireland Public Service Alliance (NIPSA).

5. HUMAN RIGHTS/UNCRC/EQUALITY/CODE OF ETHICS/FREEDOM OF INFORMATION

- (1) This Policy is deemed to be Human Rights compliant, it has been screened for Section 75 considerations and complies with the PSNI Code of Ethics.
- (2) The Policy is suitable for disclosure in accordance with the Freedom of Information Act 2000.
- (3) This Policy will be published externally via the Freedom of Information Publication Scheme.

6. MONITORING AND REVIEW

- (1) This Policy will be reviewed in accordance with organisational Policy.
- (2) Interim reviews may also be prompted by feedback, challenge or change in legislation.
- (3) Feedback relating to this Policy should be addressed to Financial Reporting and Accounting Services Branch.

7. CANCELLATION

Policy Directive 02/07 – Financial Regulations is hereby cancelled.

SECTION 7

PROCEDURES AND GUIDANCE

1. Financial Regulations

- (1) The Financial Regulations for the PSNI are set out in the attached document as an Appendix 1.
- (2) This set of Financial Regulations is designed to reflect best practice and provide a practical source of guidance.
- (3) The Regulations are divided into six main sections: Financial Control; Income and Banking; Expenditure; Salaries and Wages; Assets and Other.
- (4) A copy of the Financial Regulations is available on PoliceNet. – see Finance and Support Services pages – Financial Reporting and Accounting Services. Other important detailed Financial Procedures supporting this policy are identified below.

2. Finance Manual

- (1) The PSNI's detailed financial procedures set out precisely how the regulations will be implemented and are contained in a separate Finance Manual.
- (2) A copy of the Finance Manual is available on PoliceNet – see also Finance and Support Services pages – Financial Reporting and Accounting Services.

3. Budget Manual

- (1) The PSNI's Budget Manual provides further guidance and procedures to Budget Holders and Business Managers on detailed roles and responsibilities, reporting requirements, budget timetables and budget processes.
- (2) A copy of the Budget Manual is available on PoliceNet – see also Finance and Support pages – Management Accounts.

4. Procurement Procedures

- (1) Detailed Procurement Operating Procedures are included as an Appendix to Policy Directive PD 08/04 'Procurement within PSNI'.
- (2) A copy is available on PoliceNet.

FINANCIAL REGULATIONS

for the

POLICE SERVICE OF NORTHERN IRELAND (PSNI)



FOREWORD

To conduct its business effectively the PSNI needs to ensure that it has sound financial management systems in place and that they are strictly adhered to. Part of this process is the establishment of financial regulations which set out the financial framework of the organisation.

Financial regulations make good business sense and for the PSNI they have additional significance in that our grant funding depends upon it. The Framework Document for Governance of PSNI agreed with NIO and the Northern Ireland Policing Board (NIPB) make it a condition that the PSNI ensures it has a sound system of internal financial management and control.

This set of Financial Regulations is designed to reflect best practice and to provide a practical source of guidance.

D W BEST
Director of Finance and Support Services

2009

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EXECUTIVE SUMMARY

These Financial Regulations, which are approved by Chief Constable's Forum (CCF), form part of the PSNI's overall system of financial accountability and control. Compliance with the Financial Regulations is compulsory for all staff working within the PSNI, and any member of staff who fails to operate within the Financial Regulations may be subject to disciplinary action under the PSNI's Disciplinary Policy. It is the responsibility of Chief Officers to ensure that their staff are made aware of the existence and content of the PSNI's Financial Regulations and that an adequate number of copies are available for reference within their Department. A copy of the document is also available on PoliceNet.

The Regulations are divided into six main sections: Financial Control; Income and Banking; Expenditure; Salaries and Wages; Assets; and Other.

1 Financial Control

This section provides an overview of the systems of financial control within the PSNI including:

- the financial responsibilities of the NIO, NIPB and the Chief Constable;
- audit requirements;
- responsibilities of PSNI Chief Officers;
- the process through which budget allocations are made (including rules on virement);
- line management responsibility for budgetary control; and
- requirements for statutory returns including the retention of accounting records.

2 Income and Banking

This section outlines the regulations governing:

- the PSNI's banking arrangements;
- procedures for cash collection; and
- policies on the collection of debts.

3 Expenditure

This section highlights the regulations which control the commitment of the PSNI to the provision of, and payment for, goods and services. Within this section there are regulations on:

- requirements for authorised signatories listings;
- the need for ensuring sufficient funds exist to meet the purchasing commitments;
- the use of petty cash;
- procedures through which the payment of invoices can be approved; and
- controls over the use of official PSNI purchase orders.

4 Salaries and Wages

This section outlines the responsibility within the PSNI for ensuring the correct and timely payment of PSNI employees. The regulations highlight the responsibility of:

- the Director of Finance and Support Services to ensure that all payments of salaries and wages are made to all staff including payments for overtime and services rendered;
- the Director of Finance and Support Services for day-to-day superannuation matters;
- the responsibility of the Director of Human Resources (HR) for keeping the Director of Finance and Support Services informed of all matters relating to personnel which will impact upon payroll and pensions; and
- the responsibility of PSNI for undertaking the role of employer in relation to appropriate pension arrangements for employees.

5 Assets

This section highlights the responsibility within the PSNI for the control of both physical and financial assets. Included within this section are regulations on:

- the control and maintenance of a register of the PSNI's land and buildings;
- the control and maintenance of a register of vehicles, IT and telecoms equipment and other operational assets; and
- responsibility for the approval of a treasury management policy setting out a strategy and policy for cash management.

6 Other

This section includes regulations governing:

- the development of a risk management strategy;
- taxation, including both the provision of tax guidance and the need to maintain statutory records;
- security of buildings, stock, stores, furniture, cash, etc;
- a Code of Ethics;
- hospitality and entertainment of guests from outside bodies; and
- Anti-Fraud Policy.

1 BACKGROUND

- 1.1** The Police Service of Northern Ireland (PSNI) came into existence on 4 November 2001, and exists to make Northern Ireland safer for everyone through professional, progressive policing. PSNI is accountable to the Northern Ireland Policing Board (NIPB), which is comprised of independent members drawn from the broader Northern Ireland community and representatives from almost all the main political parties.
- 1.2** The PSNI is a body of Constables, funded through the NIPB, which is a Non Departmental Public Body of the Northern Ireland Office (NIO). The Accounting Officer for the NIO designated the Chief Constable as Accounting Officer for the Grant of the PSNI.
- 1.3** The 'Framework Document for Governance of PSNI' (see Appendix 'A') between the NIO , NIPB and the PSNI sets out the terms and conditions under which the police grant is made. The PSNI is responsible for ensuring that the Framework Document is complied with. As part of this process the PSNI must adhere to HMIC Audit Code of Practice, which requires a sound system of financial and management control. The financial regulations of the PSNI form part of this overall system of accountability.

2 STATUS OF FINANCIAL REGULATIONS

- 2.1** This document sets out the PSNI's financial regulations. It attempts to translate into practical guidance the PSNI's broad policies relating to financial management and control.
- 2.2** These financial regulations are subordinate to the Police (Northern Ireland) Act 2000 and to any restrictions contained within the Framework Document for Governance of PSNI.
- 2.3** Compliance with the Financial Regulations is compulsory for all staff connected with PSNI. A member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the PSNI's disciplinary policy. Any such breach will be notified to the Director of Finance and Support Services. It is the responsibility of Chief Officers to ensure that their staff are made aware of the existence and content of the PSNI's Financial Regulations and that an adequate number of copies are available for reference within their department. A copy of this document is also available on PoliceNet.
- 2.4** The Director of Finance and Support Services is responsible for maintaining a continuous review of the Financial Regulations and advising the Chief Constable's Forum of any significant additions or changes which may become necessary.
- 2.5** The PSNI's detailed financial procedures set out precisely how the regulations will be implemented and are contained in both the Finance Manual and Budget Manual, also available on PoliceNet.

3 FINANCIAL CONTROL

NORTHERN IRELAND OFFICE (NIO)

3.1 The NIO shares a responsibility for the public funds made available in the Police Grant with the Chief Constable and the NIPB. The constitutional position of officials in the NIO is to act on behalf of the Secretary of State. Day to day responsibility for managing the relationship between Government and the NIPB and between Government and the Chief Constable lies with the Policing and Security Directorate of the NIO. The Directorate with the support of the Department's Financial Services Division, has a responsibility to ensure within the limits of available resources, that:

- The Chief Constable is funded adequately to carry out his statutory functions; and by way of oversight and monitoring, through reasonable and practicable means, that;
- Funds are employed effectively and efficiently for the purposes for which they are given;
- The requirements and standards of accountability for public expenditure set down in the Police (Northern Ireland) Act 2000 (the Act), and elsewhere, are adhered to; and
- The particular conditions attaching to the Police Grant are adhered to.

NORTHERN IRELAND POLICING BOARD (NIPB)

3.2 The NIPB shares a responsibility for the use of the public funds made available in the Police Grant with the NIO and the Chief Constable. The NIPB will ensure that its functions with regard to the Police Grant are carried out in accordance with the Act. The NIPB responsibility is to ensure that:

- It operates within the limits of its statutory authority; (and, in consultations and agreement with the Chief Constable as to means and procedures, fulfils its responsibility under the Act for the general oversight and monitoring of the use of resources);
- The requirements and standards of accountability for public expenditure set down in the Act, and elsewhere, are adhered to; and
- The particular conditions attaching to the Police Grant are adhered to.

RESOURCES AND IMPROVEMENT COMMITTEE

3.3 Monitoring of the PSNI's financial position and financial control systems is also undertaken by NIPB Resources and Improvement Committee. The Committee will examine annual estimates and accounts and recommend their approval to the NIO. It will ensure that short term budgets are in line with agreed longer term plans and that they are followed. The Committee will consider long-term policy objectives, and annual objectives and targets, as well as the strategic financial forecasts, and major capital projections. It will consider any other matters relevant to the financial duties of the PSNI and make recommendations accordingly.

CHIEF CONSTABLE

3.4 The Chief Constable has general control over the conduct of PSNI's affairs and is responsible for the management and administration of its revenue, staff and property. The Chief Constables duties as Accounting Officer for the Police Grant are included in Appendix A "Framework Document for Governance of PSNI". The Chief Constable's key financial responsibilities are to:

- Sign the PSNI's Annual Financial Statements, and ensure that proper financial procedures are followed and suitable accounting records maintained in a form suited to the requirements of management as well as in the form prescribed for published accounts;
- Conform with the requirements of any financial memoranda and ensure that accounts are drawn up in accordance with any conditions set out in legislation, the accounts direction and relevant HM Treasury guidance;
- Ensure that public funds and other assets are properly and well managed and safeguarded, and in so doing, seek to avoid waste and extravagance and promote economy, efficiency and effectiveness in the use of all resources;
- Ensure that conflicts of interest are avoided in the actions or advice of its staff;
- Ensure that, in the consideration of policy proposals relating to the expenditure for which he is responsible as accounting officer, all relevant financial considerations, including any issues of propriety, regularity or value for money are taken into account.

The Chief Constable is liable to be summoned to appear before the Public Accounts Committee at the House of Commons to give evidence on the discharge of his responsibilities as an Accounting Officer.

STRUCTURE

3.5 The Chief Constable through the Chief Constable's Forum has ultimate responsibility for the PSNI Finances, but delegates this to Chief Officers. (Please refer to Appendix 'B' 'Finance and Audit Structure' and Appendix C 'Top Team Structure'.)

AUDIT REQUIREMENTS

3.6 External auditors and internal auditors shall have authority to;

- access PSNI premises at reasonable times;
- access all assets, records, documents and correspondence relating to any financial and other transactions of the PSNI;
- require and receive such explanations as are necessary concerning any matter under examination;
- require any employee of the PSNI to account for cash, stores or any other PSNI property under their control; and
- access records belonging to third parties, such as contractors when required.

- 3.7 Whenever any matter arises which involves, or is thought to involve, irregularities or fraud concerning cash, stores or other property of the PSNI or any other suspected irregularity in the exercise of the activities of the PSNI, the Chief Officer concerned shall notify the Chief Constable and Deputy Chief Constable, DFSS and DHR and take such steps as considered necessary by way of investigation and involvement of internal audit, PSD or Crime Department. Procedures to be followed where fraud is suspected or detected are contained in the Anti-Fraud Policy Statement (available on PoliceNet under Financial Accounting – Policy Documents).
- 3.8 The Director of Finance and Support Services is responsible for drawing up a timetable for Annual Financial Statements purposes and will advise staff and the external auditors accordingly.
- 3.9 The Chief Constable is responsible for the preparation of the Financial Statements in accordance with the Police (Northern Ireland) Act 2000, and directions made by the Secretary of State for Northern Ireland and for ensuring the regularity of financial transactions. The Annual Financial Statements are issued to the NIPB and to the National Audit Office.

External Audit

- 3.10 External Audits responsibilities are established by statute and guided by the Auditing Practices Board and the auditing profession's ethical guidance. The National Audit Office report their opinion on:
- Whether the financial statements give a true and fair view of the state of affairs of amounts put at the disposal of the Chief Constable;
 - Whether the financial statements are properly prepared in accordance with the Police (Northern Ireland) Act 2000 and directions made by the Secretary of State; and
 - Whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Internal Audit

Independence

- 3.11 Internal Audit primarily provide an independent and objective opinion to the Chief Constable on risk management, control and governance, by measuring and evaluating the adequacy and effectiveness of the internal control system. In addition, Internal Audit's findings and recommendations are beneficial to line management in the audited areas.

This function is currently provided by Deloitte, after being appointed under contract (renewed August 2007).

Internal Audit will perform a number of reviews of various areas within PSNI each year based on a programme of work agreed by the Audit and Risk Committee and make recommendations in their individual audit reports in order to enhance the internal control framework in that particular area. Internal Audit report annually to the Audit and Risk Committee on the adequacy of the internal control arrangements.

Reasonable Assurance

- 3.12** Responsibility for internal control remains fully with management, who should recognise that Internal Audit can only provide 'reasonable assurance' and cannot provide any certainty against material errors, loss or fraud. Internal Audit also play a valuable role in helping management improve systems of internal control and so reduce the potential effects of any significant risks faced by the organisation.

Objectives of Internal Audit

- 3.13** The primary objectives of Internal Audit are to:
- provide an annual opinion on the adequacy and effectiveness of the whole internal control system within PSNI;
 - undertake a programme of work, which will have been agreed by the Audit and Risk Committee. Internal Audit is responsible for planning, conducting, reporting and following up on audit projects included in the audit plan and decides on the scope and timings of these reviews, in consultation with management;
 - identify and assess potential risks to PSNI;
 - appraise the soundness, adequacy and application of the whole internal control system;
 - ascertain the extent to which the system of internal control ensures compliance with established policies and procedures, laws and regulations;
 - ascertain the extent to which the assets and interests of PSNI are properly controlled and safeguarded from losses arising from fraud, irregularity or corruption;
 - ascertain that accounting and other information is reliable as a basis for producing accounts, and financial, statistical and other returns;
 - ascertain the integrity and reliability of financial and other information provided to management, including that used in decision making;
 - ascertain that systems of control are laid down and operate to promote the economic, efficient and effective use of resources; and
 - follow up on recommendations made in prior year reports in order to ensure that management have implemented recommendations which have been made.

Access

- 3.14** Internal Audit aims to promote effective controls at a reasonable cost. To achieve this, Internal Audit is authorised, in the course of its activities, to:
- enter all premises and have access to any documents and records considered necessary for the performance of its functions;
 - require all members of staff and management to supply such information and explanations as may be needed within a reasonable period of time.

Internal Audit understand the sensitive and confidential nature of PSNI and as such will gain authority from management before entering premises or reviewing documents. The Head of Internal Audit reports to the Chief Constable in support of his role as Accounting Officer of the Police Grant.

Other Auditors

- 3.15** The PSNI will also be subject to audit or investigation by external bodies such as HM Revenue and Customs and HMIC etc. They have similar rights of access as external and internal auditors.

PSNI Audit and Risk Committee

- 3.16** The PSNI is required by the 'Framework Document' to appoint an Audit Committee. The Audit and Risk Committee is a sub committee of CCF, chaired by a Non Executive Director and reports to the Chief Constable. It has the right of access to obtain all the information it considers necessary and to consult directly with the internal and external auditors. It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness. The Terms of Reference of the Audit and Risk Committee are included in Appendix 'D'.

RESPONSIBILITIES

The Chief Constable

- 3.17** The Chief Constable is the PSNI's designated Accounting Officer and is responsible for the financial administration of the PSNI's affairs. As the designated Accounting Officer the Chief Constable may be required to justify any of the PSNI's financial matters to the Public Accounts Committee at the House of Commons.

The Director of Finance and Support Services

- 3.18** Day to day financial administration is controlled by the Director of Finance and Support Services. The Director of Finance and Support Services is responsible for:
- preparing annual revenue and capital budgets and financial plans;
 - preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations;
 - preparing the PSNI's annual accounts and other financial statements and accounts which the PSNI is required to submit to other authorities;
 - ensuring that the PSNI maintains satisfactory financial systems; and
 - providing professional advice on all matters relating to financial policies and procedures.

A diagram indicating the structure of the Finance Department including all sections and lines of responsibility is shown at Appendix 'E'.

Chief Officers

- 3.19** Chief Officers are responsible to the Chief Constable for financial management in their own areas. They are advised by the Director of Finance and Support Services in executing their financial duties. The Director of Finance and Support Services will also supervise and approve the financial systems operating within their departments including the form in which accounts and financial records are kept. The Director of Finance and Support Services undertakes to provide advice and financial information to Chief Officers to assist them in discharging their responsibilities.
- 3.20** Chief Officers are responsible for establishing and maintaining clear lines of responsibility within their department for all financial matters. Where resources are devolved to budget holders, they are accountable to their Head of Department for their own budget.

BUDGETING

Resource Allocation

- 3.21** Resources are allocated annually by the Chief Constable's Forum on the recommendation of the Finance, Personnel and Training Committee, chaired by the Deputy Chief Constable. The membership of this Committee includes Assistant Chief Constables and civilian equivalents. The Terms of Reference for this Committee are attached at Appendix 'F.'
- 3.22** Assistant Chief Constables and Heads of Departments are responsible for the economic, effective and efficient use of resources allocated to them on behalf of the Chief Constable.

Budget Preparation

- 3.23** The Director of Finance and Support Services is responsible for preparing annually a revenue budget and capital programme for consideration by the NIPB Resources and Improvement Committee before submission to the NIO. The Director of Finance and Support Services must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to Assistant Chief Constables and Heads of Departments as soon as possible following their approval by the Chief Constable's Forum.
- 3.24** During the year, the Director of Finance and Support Services is responsible for submitting in-year bids to NIPB Resources and Improvement Committee for consideration before submission to the NIO.

Capital Programmes

- 3.25** Capital expenditure on land, buildings and associated costs can only be considered as part of the capital programme approved by the NIPB Resources and Improvement Committee.
- 3.26** The Director of Finance and Support Services is responsible for providing regular statements concerning all capital expenditure to the Chief Constable's Forum, the NIPB's Resources and Improvement Committee, and the NIO.

3.27 Proposed capital projects should be supported by:

- a statement which demonstrates the project's consistency with the strategic plans and Estates strategy approved by the NIPB's Resources and Improvement Committee;
- an initial budget for the project for submission to the Chief Constable's Forum and the NIPB Resources and Improvement Committee. The budget should include a breakdown of costs including professional fees, VAT and funding sources;
- a financial evaluation of the plans together with their impact on revenue plus advice on the impact of alternative plans;
- an investment appraisal in an approved format which complies with the Treasury Green Book guidance on option and investment appraisal;
- a demonstration of compliance with normal tendering procedures and regulations; and
- a cashflow forecast.

3.28 A summary report on the completion of capital projects should be prepared by budget holders, recording actual expenditure against budget and reconciling funding arrangements where any variance has occurred.

Financial Planning

3.29 The Director of Finance and Support Services is responsible for preparing three year financial forecasts every second year as part of the Governments spending review process, an annual costed policing plan for incorporation in the Corporate Plan to be approved by the NIPB, and annual financial plans for submission to the NIPB Resources and Improvement Committee.

Financial plans should be consistent with the Annual Policing Plan approved by the NIPB.

Budgetary Control

3.30 The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder who must ensure that day to day monitoring is undertaken effectively. Budget holders are responsible to their Assistant Chief Constable or Head of Department for the income and expenditure appropriate to their budget. The budget holder will be assisted in this duty by management information provided by the Director of Finance and Support Services. The types of management information available to different levels of management are described in PSNI's detailed Budget Manual together with the timing at which they can be expected.

3.31 Significant departures from agreed budgetary targets must be reported immediately to the Director of Finance and Support Services by the Assistant Chief Constable or Head of Department concerned and, if necessary, corrective action taken.

3.32 The Director of Finance and Support Services is responsible for supplying budgetary reports on all aspects of the PSNI's finances to the NIPB Resources and Improvement Committee on a basis agreed by the Chief Constable's Forum.

Virement

3.33 Detailed Virement guidance is contained within the Budget Manual and available on Policenet. Virement will be permitted between budgets for pay, non-pay and other balances with the following exceptions:

- virement will not be permitted from capital to other budget heads;
- transfers into the salaries budget should not be used to fund any new permanent post beyond the agreed funded posts;
- where a DCU, Region or Department wishes to make virement under these rules, the procedures set out in the Budget Manual should be followed. A copy of the Budget Manual is available on PoliceNet.

Those units responsible for the management of corporate budgets (eg Estates, Transport, Supplies and IT/Telecommunications) which are specifically earmarked for identified projects are not permitted to vire amounts from the funds for such projects to finance overspends elsewhere in their budget.

Treatment of Year End Balances

3.35 As specified in the Framework Document, there is a restriction to the amount PSNI can carry forward from one financial year to the next. This is subject to review and is dependant on PSNI's ability to spend within budget in future years.

ACCOUNTING POLICIES

Basis of Accounting

3.36 The annual financial statements are prepared in accordance with the historical cost convention, modified to include the revaluation of fixed assets at their value to the business by reference to their current costs. The Financial Statements comply with the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986, the accounting standards issued or adopted by the Accounting Standards Board and accounting and disclosure requirements issued by HM Treasury.

Format of the Accounts

3.37 Under Part II, Sections 12(1)-(3) of the Police (Northern Ireland) Act 2000, the Chief Constable of the PSNI is required to prepare a statement of accounts on behalf of the NIPB, in the form and on the basis directed by the Secretary of State. The statement of accounts must be prepared on an accruals basis and in accordance with the Government Financial Reporting Manual (FReM) issued HM Treasury.

Section 12(4) of the Act provides that the Chief Constable should submit the statement of accounts to the NIPB within such period after the end of the financial year to which they relate as the Secretary of State may determine.

Financial year end for the PSNI is 31 March.

ACCOUNTING RECORDS

- 3.38** The Director of Finance and Support Services is responsible for giving direction on the retention of financial documents. These should be kept in a form acceptable to the relevant authorities.
- 3.39** The PSNI is required by law to retain documents for the current year and the previous six years. These include:
- orders, goods received notes;
 - paid invoices;
 - accounts raised;
 - bank statements;
 - copies of receipts;
 - payable orders; and
 - all online records of transactions for each year from the computerised accounting system.
- 3.40** Additionally, for auditing and other purposes, other financial documents should be retained for the same period.

4 INCOME AND BANKING

GENERAL

- 4.1** The Director of Finance and Support Services is responsible for ensuring that appropriate procedures are in operation to enable the PSNI to receive all income to which it is entitled. All receipt forms, invoices, or other financial documents in use must have the approval of the Director of Finance and Support Services.
- 4.2** Levels of charges for services rendered and goods supplied are determined by procedures approved by the Finance and Support Services Department.
- 4.3** When considering income generating activities, Chief Officers are required to comply with the general principles set out in the Policy Directive 'Income Generation and Sponsorship within the PSNI.'
- 4.4** The Director of Finance and Support Services is responsible for the prompt collection, security and banking of all income received.
- 4.5** The Director of Finance and Support Services is responsible for ensuring that all grants notified by NIO and other bodies are received and appropriately recorded in the PSNI's accounts.
- 4.6** The Director of Finance and Support Services is responsible for ensuring that all claims for funds are made by the due date.
- 4.7** Detailed guidance on receipts is included in Section 4 of the Finance Manual.

APPOINTMENT OF BANKERS

- 4.8** Currently PSNI utilises the pooled banking facility arranged by DFP, who administer the competitive tendering of the service.

BANKING ARRANGEMENTS

- 4.9** The Director of Finance and Support Services is responsible for liaising with the PSNI's bankers in relation to the PSNI's bank accounts and the payment of invoices. All payments are made on the authority of the Director of Finance and Support Services.
- 4.10** Only the Director of Finance and Support Services may open or close a bank account for dealing with the PSNI's funds. All bank accounts shall be in the name of the PSNI, unless agreed by the Director of Finance and Support Services.
- 4.11** All payments made on behalf of the PSNI must be approved and paid in accordance with Finance Department guidelines. Details of delegated limits are detailed in Appendix 'J' of this document.
- 4.12** The Director of Finance and Support Services is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

CASH RECEIPTS

- 4.13** All monies received within PSNI must be recorded daily by the spending branch, lodged to the bank within 5 working days and notified to Financial Accounts Branch.
- 4.14** No deductions may be made from any cash collected on behalf of the PSNI prior to lodgement into the bank account.
- 4.15** Personal or other cheques must not be cashed out of money received on behalf of the PSNI.

THE COLLECTION OF DEBTS

- 4.16** The Director of Finance and Support Services should ensure that:
- debtors invoices are raised promptly in respect of income due to the PSNI;
 - debtors are raised on official PSNI invoices;
 - timely and effective action is taken to collect overdue debts in accordance with the PSNI's formal procedures (detailed in the financial procedures); and
 - outstanding debts are monitored.
- 4.17** The Director of Finance and Support Services is responsible for implementing credit arrangements and indicating a period in which different types of invoice must be paid.
- 4.18** Requests to write-off debts in excess of £25,000 must be referred in writing to the Director of Finance and Support Services for submission to the NIO for their consideration. Debts below this level may be written off in line with delegated authority (see Appendix 'J' – Financial Delegations).

GIFTS AND DONATIONS

- 4.19** The Chief Constable is responsible for maintaining financial records in respect of gifts and donations made to the PSNI and initiating claims for recovery of tax where appropriate. The register should contain details on the estimated value of the gift and the purpose to which it was applied. For further detailed information on the acceptance of gifts, gratuities and hospitality please refer to Policy Directive PD 04/05.

SECURITY OF DOCUMENTS

- 4.20** The responsibility for the safekeeping of official and legal documents relating to the organisation rests with the appropriate Chief Officer designated with authority for each area. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the appropriate Chief Officer. All such documents shall be held in an appropriately secure, fireproof location and copies held at a separate location.

STOCKS AND STORES

- 4.21** Chief Officers are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their departments. The systems used for stores accounting in departments must have the approval of the Director of Finance and Support Services.
- 4.22** Chief Officers are responsible for ensuring that regular inspections and stock checks are carried out. Stocks and stores of a hazardous nature should be subject to appropriate security checks.
- 4.23** Those Chief Officers whose stocks require valuation in the balance sheet must ensure that the stock-taking procedures in place have the approval of the Director of Finance and Support Services and that instructions to appropriate staff within their departments are issued in accordance with advice contained in the PSNI's detailed financial procedures.

5 EXPENDITURE

GENERAL

- 5.1 The Director of Finance and Support Services is responsible for making payment to suppliers of goods and services to the PSNI.

AUTHORITIES

- 5.2 Chief Officers are responsible for authorising purchase orders within their area. Purchasing authority may be delegated to named individuals (or budget holders) within the department. Delegations approved by the Chief Constable are detailed in the paper "PSNI Financial Delegations" approved at the Chief Constable's Forum in September 2006. See Appendix 'G' attached.
- 5.3 The Finance Department maintains a register of authorised signatories. Any changes to the authorities to sign must be notified to the Accounts Branch immediately. Chief Officers must supply the Accounts Branch with specimen signatures of those authorised to certify purchase orders and invoices for payment.
- 5.4 Chief Officers and budget holders are not authorised to commit the PSNI to expenditure without first reserving sufficient funds to meet the purchase cost. In addition, Chief Officers and budget holders should consult with Finance before entering into any complex financial transactions or arrangements, particularly if these span a number of accounting periods.
- 5.5 The authorised member of staff (or budget holder) certifying the invoice for payment must be different to the member of staff responsible for signing the purchase requisition form.

PETTY CASH AND CASH FLOATS

- 5.6 The Director of Finance and Support Services shall make available petty cash imprests as are considered necessary.
- 5.7 Detailed procedures regarding petty cash are contained in section 6 of the Finance Manual.

PURCHASING

- 5.8 The purchasing function for the PSNI is provided by the DFP Procurement Unit. This function is provided under a Service Level Agreement. The Procurement Unit's officers are located at: Lislea Drive, Belfast and Seapark, Carrickfergus.

The Unit is headed up by 2 Heads of Procurement who is supported by approximately 20 buying staff ranging from Buying Assistant to Purchasing Manager.

The function of the unit is to provide an all-embracing procurement function for all the business areas within the PSNI.

For more detailed information and guidance on procurement within PSNI, please refer to Policy Directive PD 08/04, available on PoliceNet.

General Principle of Purchasing

- 5.9 Purchasing should be based on value for money. Goods, services and works should be acquired by competition unless there are convincing reasons to the contrary. The form of competition should be appropriate to the value and complexity of the goods, services or works to be provided.

- 5.10** All contracts which are above certain thresholds, are normally required to be publicly advertised and awarded in accordance with EC Directives and the implementing UK Public Procurement Regulations. Details of the thresholds are contained in paragraphs below.

Procurement of Goods, Service and Works – Up to a Threshold of £30k

- 5.11** The Procurement Control limits detailed below are recommended as the optimum level required to ensure that the transaction cost of procurement procedures is efficient, whilst maintaining a sufficient level of supplier sourcing to achieve value for money through competition.

One or two oral quotations depending on the need to have a price comparison (fax or email confirmation should be obtained)	Up to £1,000
Three selected tenders	> £1,000 - £10,000
Four selected tenders	> £10,000 - £30,000
Publicly advertised open or restricted tender competition	£30,000 – EC Thresholds

Note: A tender normally required that the procurement be subject to the contracting authority's terms and conditions. Procurement by quotation is usually on the basis of the supplier's terms and conditions.

Supplier Sourcing

- 5.12** When selecting suppliers to be invited to submit a quotation or tender for procurements below the £30k threshold, the Procurement Unit will provide opportunities to Small and Medium sized enterprises (SME's) to compete for the business.

If supplier lists are being used in the selection process the Procurement Unit will ensure that such lists are regularly refreshed and provide an easily accessible and transparent process for suppliers who wish to be considered for inclusion on a list. To maintain competitiveness in the market and provide protection against supplier collusion the Procurement Unit must avoid inviting the same suppliers to bid for procurements.

Procurement of Goods, Services and Works between £30k and EC Thresholds

- 5.13** Goods, Services and Works containing more than £30k will be procured by public advertisement and where appropriate the following legislation complied with:

- Public Supply Contracts Regulations 1995
- Public Services Contracts Regulations 1993
- Public Works Contracts Regulations 1991

The thresholds for the Regulations are as follows:

- Supplies - £90,319
- Services - £90,319
- Works - £3,497,313

The Role of Procurement Unit

- 5.14** The Unit undertakes all tender and quotation exercises on behalf of the PSNI in line with the delegated levels – Procurement Control limits and the appropriate purchasing procedures contained in the Public Sector Regulations.

The Unit will also offer advice and guidance on the content of the Specification of Requirement to ensure that they are compliant with the Public Sector Regulations.

PAYMENT OF INVOICES

- 5.15** The procedures for making all payments shall be in a form specified by the Director of Finance and Support Services. The PSNI is committed to paying for goods and services received in accordance with the Government's Better Payments Practice Code and British Standard BS 7890 "Achieving Good Payment Performance in Commercial Transactions." Unless otherwise stated in the contract, payments is due within 30 days of the receipt of the goods or services or presentation of a valid invoice or similar demand, whichever is later. From January 2009 the NIO Accounting Officer has requested that payment be made within 10 working days from receipt of a properly addressed and accurate invoice.
- 5.16** Payments to UK suppliers will normally be made by BACS or Payable Orders. Payments are usually made twice weekly. Only in exceptional circumstances will the Director of Finance and Support Services approve manual cheques for urgent payments.
- 5.17** Under the Invoice Approval System, all invoices will be processed centrally and authorised locally, before being included for payment. Detailed procedures on the responsibilities of the checking and authorising officers are contained in Section 2 of the Finance Manual. (The project to implement the new Invoice Approval System is still underway and business processes may be subject to change.)
- 5.18** Chief Officers are responsible for ensuring that expenditure within their department does not exceed funds available.
- 5.19** Payments will only be made by the Director of Finance and Support Services against invoices which have been properly matched to purchase order and to GRN and authorised for payment. This will ensure that no payment will be made until it has been established that:
- the goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory;
 - where appropriate, it is matched to the order;
 - invoice details (quality, price, discount) are correct;
 - the invoice is arithmetically correct;
 - where appropriate, an entry has been made on a stores records or departmental inventory; and
 - an appropriate cost centre is quoted. This must be one of the cost centre codes included in the budget holder's area of responsibility and must correspond with the types of goods or services described on the invoice.

6 SALARIES AND WAGES

GENERAL

6.1 The Director of Finance and Support Services is responsible for all payments of salaries and wages to all staff including payments for overtime, travel and subsistence and other allowances. All applications for overtime, travel and subsistence or other allowances must be on official PSNI Forms.

6.2 All PSNI staff will be appointed to the negotiated salary scales and in accordance with appropriate conditions of service. All letters of appointment must be issued by the Human Resources Department. The Director of HR will be responsible for keeping the Director of Finance and Support Services informed of all matters relating to personnel for payroll purposes in a timely manner.

In particular these include:

- appointments, resignations, dismissals, "acting-up" arrangements, secondments and transfers;
- absences from duty for sickness or other reason, apart from approved leave;
- changes in remuneration; and
- information necessary to maintain salary history for superannuation, income tax, national insurance etc.

6.3 The Director of Finance and Support Services is also responsible for payments to non-employees and for informing the appropriate authorities of such payments.

6.4 The Director of Finance and Support Services shall be responsible for keeping all records relating to police and civilian payroll including those of a statutory nature.

6.5 All payments must be made in accordance with the PSNI's detailed payroll financial procedures and comply with HM Revenue and Customs regulations.

SUPERANNUATION

6.6 The Director of Finance and Support Services is responsible for day to day superannuation matters including:

- paying of contributions to various authorised superannuation schemes;
- preparing the annual return to various superannuation schemes; and
- administering the PSNI's pension scheme.

OVERTIME, TRAVEL, SUBSISTENCE AND OTHER ALLOWANCES

6.7 All claims for payment of overtime, subsistence allowances, travelling and incidental expenses shall be completed on an official PSNI form in accordance with organisational procedure.

6.8 Claims by members of staff must be certified by their line manager. The certification shall be taken to mean that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the PSNI.

7 ASSETS

FIXED ASSETS

- 7.1** Fixed Assets includes Land, Buildings, Assets in the Course of Construction, Vehicles, IT and Telecommunications equipment and other operational assets. The minimum value for capitalisation is £5,000 for an individual asset or £1,000 if forming part of a significant asset group.

The delegated limits for the purchase of capital items are listed in Appendix 'J'.

- 7.2** Financial Accounts and Administration Branch is responsible for maintaining the Fixed Asset Register, detailing PSNI's assets whose value or original price is more than the capitalisation threshold.

STORES

- 7.3** Heads of Department are responsible for maintaining inventories of all stock items within their department. Inventories should be checked at least annually, and should be monitored and controlled to ensure it meets the needs of PSNI. Stores losses and write offs should be in accordance with the delegated limits in Appendix 'J'. Further guidance on losses, special payments and write offs is contained in Section 3 of the Finance Manual.

ASSET DISPOSAL

- 7.4** Disposal of fixed assets must be in accordance with procedures included in Section 14 of the Finance Manual.

- 7.5** Disposal of land and buildings may only take place with the authorisation of the NIPB.

TREASURY MANAGEMENT

- 7.10** All executive decisions concerning borrowing, investment or financing (within policy parameters) require approval from the NIPB.

8 OTHER

RISK MANAGEMENT

- 8.1** The Assistant Chief Constable, Operational Support is responsible for developing a risk management strategy in order to identify the risks facing the PSNI and types of protection required to cover these risks. The strategy should include important potential liabilities and be sufficient to meet any potential risk to all assets. This will be considered and approved by Audit and Risk Committee.
- 8.2** The Director of Finance and Support Services is responsible for effecting insurance cover for police vehicles. He is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. He will also deal with the PSNI's insurers and advisers about specific insurance problems.
- 8.3** Chief Officers must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which the PSNI may be exposed. Advice should be sought from the Director of Finance and Support Services and the Head of Legal Services to ensure that this is the case. Chief Officers must give prompt notification of any potential new risks and additional property and equipment which may require specific consideration.
- 8.4** All staff using their own vehicle on behalf of the PSNI shall maintain appropriate insurance cover for business use.

TAXATION

- 8.5** The Director of Finance and Support Services is responsible for advising Chief Officers on relevant taxation issues and for issuing guidance from the appropriate bodies. Therefore, the Director of Finance and Support Services will issue instructions to departments on compliance with statutory requirements including VAT, PAYE, national insurance, corporation tax and import duty.
- 8.6** The Director of Finance and Support Services is responsible for maintaining the PSNI's tax records, making all tax payments, receiving tax credits and submitting tax returns by their date as appropriate.
- 8.7** Detailed guidance on VAT is included in Section 10 of the Finance Manual.

SECURITY

- 8.8** Chief Officers are responsible for maintaining proper security at all times for all buildings, stock, stores, furniture, cash, etc. under his or her control. He or she shall consult Security Branch in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 8.9** Keys to safes or other similar containers should be safeguarded by the person responsible. The loss of such keys must be reported to the PSNI's security staff immediately.

- 8.10** The Chief Officers shall be responsible for maintaining proper security and privacy of information held on computer. The restriction of access to computer areas to authorised persons only by the use of passwords is one of the controls that will be used. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act. The Assistant Chief Constable, Operational Support is the PSNI's nominated Data Protection Officer with responsibility for ensuring compliance with the Act.

CODE OF ETHICS

- 8.11** All police officers are expected to comply with the Code of Ethics for the PSNI. Support staff should aspire to the same standards in addition to NICS terms and conditions. The code covers areas such as:

- Professional Duty;
- Police Investigations;
- Privacy and Confidentiality;
- Use of Force;
- Detained Persons;
- Equality;
- Integrity;
- Property;
- Fitness for Duty; and
- Duty of Supervisors.

- 8.12** Additionally, Chief Officers are required to disclose interests in the PSNI's register of interests.

HOSPITALITY

- 8.13** The Chief Constable delegates hospitality to the Chief Officers, who in their contacts with outside agencies/persons necessarily incur expense in the promotion of the role and image of the service.

- 8.14** Detailed guidance on hospitality and the use of the hospitality budget are contained in Section 7 of the Finance Manual. For further information on the acceptance of gifts, gratuities and hospitality please refer to Policy Directive PD 04/05.

ANTI-FRAUD POLICY

- 8.15** The primary responsibility for the prevention and detection of fraud rests with line management. Procedures to be followed where fraud is suspected or detected are contained in the Anti-Fraud Policy Statement, available on PoliceNet.

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**FRAMEWORK DOCUMENT
FOR GOVERNANCE OF PSNI**

JANUARY 2009

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

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FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI**1. Introduction**

1.1. This framework document has been drawn up by the Northern Ireland Office (“NIO”) in consultation with The Northern Ireland Policing Board (“the Board”) and the Police Service of Northern Ireland (“the PSNI”). This document sets out the broad framework within which the Board and PSNI will operate in dealing with the governance of police, and does not convey any legal powers or responsibilities. The document is signed and dated by the NIO, the Board and the PSNI. Copies of the document and any subsequent amendments have been placed in the Libraries of both Houses of Parliament and made available to members of the public on the PSNI website. The document is based on a model set out in the HM Treasury “Managing Public Money” guidance, and takes account of the legislative framework for policing in Northern Ireland.

2. Purpose

2.1. Specific arrangements are in place for policing in Northern Ireland, in line with the Police (Northern Ireland) Act 2000, as amended by the Police (Northern Ireland) Act 2003. Because of the tripartite nature of these arrangements, involving the PSNI, NIO and Policing Board, they do not follow a standard pattern for governance. The purpose of this framework document is to set out the framework in which the PSNI will operate in respect to the statutory and other responsibilities of each of the three parties. It is worth noting in particular that the legislation provides for the Chief Constable at times to act by virtue of his own powers, and sometimes – for practical reasons – to act for and on behalf of the Board. Paragraph 4.3 below sets out in more detail those responsibilities which are shared between the Chief Constable and Policing Board.

2.2. The accountability framework set out in this framework is bespoke, taking account of both the legislation and Treasury “Managing Public Money” guidance. The intention is to ensure reinforced accountability, more robust than either of the constituent parts taken in isolation.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

3. Purpose of the PSNI

3.1. The purpose of the PSNI is:

“To make Northern Ireland Safer for Everyone Through Professional, Progressive Policing.”

The PSNI’s long term objectives are to:

- contribute to increasing public safety through reducing crime and the fear of crime, preventing re-offending and bringing those to justice who break the law;
- increase public confidence in the PSNI through effective, efficient, visible and accountable policing; and
- be an effective partner in working with criminal justice agencies, other partners and the whole community.

3.2. The Chief Constable’s vision is:

A service everyone can be proud of because it provides policing at its best. We value honesty and openness; fairness and courtesy; partnerships, performance, professionalism; and respect for the rights of all.

Governance and Accountability Arrangements

4. Legislative roles

4.1. The Police (Northern Ireland) Act 2000, as amended by the Police (Northern Ireland) Act 2003, sets out the roles and responsibilities of the Chief Constable, the Board, and the Secretary of State in relation to policing.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

4.2. It is the role of the Department to ensure robust governance arrangements with organisations that it funds, to promote high performance and safeguard propriety and regularity. Due to the tripartite arrangements set out in the legislation, there are three areas of interface in relation to governance. The interface with the NIO and the Board; the interface with the NIO and the PSNI, including where the Chief Constable is exercising functions on behalf of the Board; and the interface between the Board and the PSNI in relation to shared responsibilities. The statutory responsibility of the Board for holding the Chief Constable to account for the effectiveness and efficiency of the PSNI shall be recognised by inclusion in the governance interface between the Department and the PSNI.

The following functions are performed by the PSNI on behalf of the Board:

- Directing and controlling police staff
- Providing and maintaining buildings and equipment for police purposes
- Keeping proper accounts and related records
- Preparing and submitting an annual statement of accounts in relation to amounts put at his disposal

4.3. In areas where the Board and PSNI have shared roles, practical out-workings of the legislation have been adopted. These areas are as follows:

- i. Grants for police purposes
- ii. Estimates of funding for police purposes
- iii. Pension arrangements
- iv. Injury on duty arrangements
- v. Estates and equipment accountability
- vi. Police officers and staff responsibilities
- vii. Charges for special services

The legislative responsibilities in conjunction with the practical out-workings of these areas have been addressed separately in the following paragraphs.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI**i. Grants for police purposes**

4.4. The legislation states the Secretary of State makes an annual grant to the Board for police purposes, which the Board then puts at the disposal of the Chief Constable (*sections 9 and 10(5) of 2000 Act*).

4.5. In practice the PSNI request a drawdown of grant from the Board which writes to the relevant NIO division requesting the funds. The division then channels this request to the NIO centre, Financial Services Division, and funds are lodged into a Board bank account, from where they are transferred directly to the PSNI. The Board acts as a conduit for the funding, keeping track of the balance of funds. The Board's bank account should have a nil balance given that the funds should be debited and credited on the same day. Experience shows that the Board's Accounting Officer is responsible if this bank account becomes over/under drawn while processing funds for PSNI. The PSNI Accounting Officer is responsible for preparing the Accounts on behalf of and in the name of the Board (*section 12 of 2000 Act*).

ii. Estimates of funding for police purposes

4.6. Under the Act the Board must submit to the Secretary of State estimates of receipts and payments of the PSNI for police purposes which have been prepared and submitted to the Board by the Chief Constable, or with amendments as the Board may, after consulting the Chief Constable, determine. (*s.10(1) 2000 Act amended by s.6(4) 2003 Act*).

4.7. The Policing Board prepares an estimate of the resources required by the PSNI. The Chief Constable prepares a draft estimate to assist the Board. The NIO determines the policing budget within the overall Departmental allocation in light of the estimate.

4.8. The NIO is accountable for the overall use of resources within the budget. The Board's Resources and Improvement Committee plays the leading role in scrutinising the effectiveness and efficiency of PSNI use of resources. The Public Accounts Committee and Northern Ireland Audit Office operate in line with their statutory responsibilities.

4.9. The Board is responsible for the effectiveness and efficiency of the PSNI. Where local administrative arrangements are in place for direct communication between the NIO and the PSNI, all communications must be copied to the Board in recognition of this statutory responsibility.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI**iii. Pension arrangements**

4.10. HM Revenue and Customs require that all registered pension schemes must have at least one Scheme Administrator. As the PSNI are not a legal entity they cannot assume the role of Pension Scheme Administrator. The Board has formally assumed the role of Pension Scheme Administrator.

4.11. The Board has authorised the PSNI as the Pension Scheme Authorised Practitioner to act on behalf of the Board. The Chief Constables prepares and signs the Police Pension Account on behalf of the Board.

4.12. The Board and PSNI must fulfil the roles and responsibilities of the Pension Scheme Administrator and the Pension Scheme Practitioner as laid out in HM Revenue and Customs guidance.

4.13. In line with section 12 of the Act, PSNI will prepare the Police Pension Accounts on behalf of and in the name of the Board.

4.14. A Police Pension Working Group with members from the NIO, PSNI and the Board has been set up to review the current pension arrangements. The outcome of this review may impact on the treatment of police pensions. Any changes will be reflected in this Framework Document.

iv. Injury on duty arrangements

4.15. The roles and responsibilities for Injury on Duty are laid out in PSNI and PSNI Reserve (Injury Benefit) Regulations 2006. The Board as administrators are responsible for the adjudication of each case and have appointed the PSNI to administer the payment of the award from the grant to the Board put at the disposal of the Chief Constable. This approach also applies to Medical Retirements laid out in the RUC Pensions Regulations 1988 and the Police Pension (NI) Regulations 2007. The administration of the medical appeal process is the responsibility of the NIO as laid out in the 2006 regulations.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI**v. Estates and Equipment Accountability**

4.16. Under legislation the Board may provide and maintain buildings and equipment for police purposes. The Chief Constable exercises, on behalf of and in the name of the Board, powers to provide and maintain buildings and equipment for police purposes. The acquisition and disposal of land is carried out by the PSNI subject to approval by the Board.

4.17. The PSNI shall prepare an Estate Strategy to the Board setting out the proposal to spend capital which is approved by the Board.

vi. Police officers and staff responsibilities**Chief Constable and Senior Police Officers**

4.18. Under s.35 of the 2000 Act, the Board is responsible for the appointment of the Chief Constable subject to the approval of the Secretary of State. The Board is also responsible for appointing the other Senior Police Officers (Deputy Chief Constable and Assistant Chief Constables) subject to the approval of the Secretary of State and after consultation with the Chief Constable. And the Board may call upon the Chief Constable or other Senior Officer to retire, subject to the requirements of the legislation.

Civilian Chief Officers

4.19. Under s.4 of the 2000 Act, the Board is responsible for the appointment of Civilian Chief Officers (ie. Director of Finance and Support Services and Director of HR), subject to the approval of the Secretary of State and after consultation with the Chief Constable. Apart from appointment and dismissal, the Chief Constable exercises the functions of the employer, including the direction and control of Civilian Chief Officers on behalf of and in the name of the Board.

Police Officers

4.20. The appointment and promotion of all ranks of police officers, apart from Senior Police Officers, is by the Chief Constable (s.36 of the 2000 Act). The police shall be under the direction and control of the Chief Constable (s.33 of the 2000 Act).

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI**Police staff**

4.21. Police staff apart from Senior Civilian Officers shall be employed by the Board but all the functions of the employer – including appointment, dismissal, direction and control – shall be exercised by the Chief Constable for and on behalf of the Board (s.4(5) of the 2000 Act).

4.22. All Police officers' and Police staff costs (including Chief Officers) are paid directly by the PSNI and disclosed in PSNI's financial accounts.

vii. Charges for Special Services

4.23. Under section 11 of the legislation, the Chief Constable may provide special police services which are subject to charges on such scales, as may be determined and agreed by the Board. For example, supervising an event on private land. In practice, the Board will review and approve the basis of charging and the methodology used by the PSNI, as set out in the guidance rather than each individual case. Any charges for special services will be paid into the Grant to the Board put at the Chief Constable's disposal.

5. NIO Ministerial responsibility

5.1 The Secretary of State has political responsibility for policing and justice and is accountable within Parliament for policing and justice matters.

6. NIO's Accounting Officer's specific accountabilities and responsibilities

6.1. The Permanent Secretary of the NIO is the Department's principal Accounting Officer ("AO"). The NIO's AO has designated the Chief Constable as the PSNI's AO. The respective responsibilities of a principal Accounting officer and a Sub-Accounting officer are set out in Chapter 3 of Managing Public Money.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

6.2. The NIO's AO is accountable to Parliament for the issue of any grant-in-aid paid through the Board to the PSNI. The AO is also responsible for advising the Secretary of State:

- on appropriate long term objectives for policing in the light of the department's wider strategic aims and current PSA;
- on an appropriate budget for the PSNI in the light of the sponsor department's overall public expenditure priorities, having considered the estimate submitted by the Board; and
- how well the PSNI is achieving its strategic objectives and whether it is delivering value for money.

6.3. In line with Managing Public Money, the NIO's AO is also responsible for ensuring arrangements are in place in order to:

- monitor the PSNI's exercise of its functions on a continuous basis in order to ensure financial propriety, and through the Board to ensure the efficient use of public funds;
- address significant problems in the PSNI, making necessary interventions if required;
- annually or when deemed necessary, carry out an assessment of the risks both to the department and PSNI objectives and activities by requesting a copy of the PSNI's Risk Management policy and risk register;
- inform and involve the PSNI in development of relevant government policy in a timely manner; and
- bring concerns about the activities of the PSNI to the Chief Executive of the Board and the Chief Constable of the PSNI, requiring explanations and assurances that appropriate action has been taken.

6.4. The Director of Policing is the primary contact for the PSNI within the NIO. He/She provides support to the NIO AO in respect of their responsibilities in relation to the PSNI, and is the main source of advice to the Minister on the discharge of their responsibilities in respect of the PSNI.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI**7 Responsibilities of the Chief Constable as PSNI Accounting Officer**

7.1. The Chief Constable as Accounting Officer is personally responsible for safeguarding the public funds for which he or she has charge; for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operations and management of the PSNI. In addition, he or she should ensure that the organisation complies with the governance, decision-making and financial management standards as set out in Box 3.1 of Managing Public Money.

Chief Constable's responsibilities as AO to Parliament

7.2. The Chief Constable's responsibilities as AO include:

- signing the accounts as listed at paragraph 9.1 and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State, in the name of and on behalf of the Board;
- signing a Statement of AO's responsibilities, for inclusion in the Annual Report and accounts;
- signing a Statement on Internal Control regarding the system of internal control, for inclusion in the annual report and accounts;
- acting in accordance with the terms of this document, Managing Public Money and other instructions and guidance issued from time to time by the Department, the Treasury and the Cabinet Office; and
- giving evidence, normally with the AO of the NIO, when called before the PAC on the PSNI's stewardship of public funds

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

Chief Constable's responsibilities as AO to the Department

7.3. The Chief Constable's responsibilities as AO include:

- consulting on and drafting the Policing Plan for submission to the Board, ensuring that the department's wider strategic aims and current PSA(s) are reflected. The Plan serves as the PSNI's corporate and business plans;
- informing the department through the Board of progress in helping to achieve the department's policy objectives and in demonstrating how resources are being used to achieve those objectives; and
- ensuring that timely forecasts and monitoring information on performance and finance are provided through the Board to the department, that the department is notified promptly through the Board if over or under spends are likely and that corrective action is taken, and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the department through the Board in a timely fashion.

Chief Constable's responsibilities as AO to the PSNI Senior Management Team

7.4. The Chief Constable's responsibilities as AO include:

- advising SMT on the discharge of the responsibilities as set out in this document, in the governing legislation and in any other relevant instructions and guidance that may be issued from time to time;
- advising SMT on the organisation's performance compared with its aim[s] and objectives;
- ensuring that financial considerations are taken fully into account by SMT at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed;

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

- taking action as set out in paragraphs 3.7.5 of Managing Public Money if the PSNI, is contemplating a course of action involving a transaction which the Chief Constable considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, questionable feasibility, or is unethical.

Chief Constable's responsibilities as AO to the Board

7.5. The Chief Constable's responsibilities as AO include to:

- consult the Board on long term policing objectives and to contribute to the drafting of the annual Policing Plan;
- carry out the functions on behalf of and in the name of the Board in relation to employment of staff (see section 20 Human Resources);
- enter into contracts regarding detention or escort of persons in custody on behalf of the Board;
- administer Injury on Duty payments which have been awarded by the Board;
- prepare the Accounts on behalf of and in the name of the Board (*section 12 of 2000 Act*) and submit a copy of the annual statement of account to the Board;
- submit a draft of estimates of receipts and payments to the Board *.(s.10(1) 2000 Act amended by s.6(4) 2003 Act).*
- provide and maintain buildings and equipment for police purposes in the name of and on behalf of the Board. An Estate Strategy should be prepared and presented to the Board for approval; and
- provide the Board with any information it may require on any matter connected with policing in Northern Ireland. In accordance with Section 59 of the Police (Northern Ireland) Act 2000.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI**8. Chief Constable responsibilities for effective corporate governance**

8.1. The PSNI should ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control. The PSNI must set up an Audit Committee chaired by an independent non-executive member of the Audit Committee to provide independent advice. The PSNI is expected to assure itself of the effectiveness of the internal control and risk management systems.

8.2. The Chief Constable is specifically responsible for:

- developing, adopting and implementing the objectives and targets agreed by the Board, in a way consistent with the long term objectives of – and the resources made available by – the Secretary of State;
- ensuring that the Board and the responsible Minister are kept informed of any changes which are likely to impact on the strategic direction of the PSNI or on the attainability of its targets, and determining the steps needed to deal with such changes;
- ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the PSNI operates within the limits of its statutory authority and any delegated authority agreed with the NIO and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the PSNI takes into account guidance issued by the NIO;
- ensuring that SMT receives regular financial information concerning the management of the PSNI; is informed in a timely manner about any concerns about its activities; and provides positive assurance to the Department that appropriate action has been taken on such concerns; and
- demonstrating high standards of corporate governance at all times, including by using the independent audit committee to help the PSNI to address key financial and other risks.

The Chief Constable's personal responsibilities are:

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

8.3. The Chief Constable is responsible to the Board for ensuring that the policies and actions of the PSNI support both the Policing Board's strategic objectives and the NIO's wider strategic direction and that its affairs are conducted with probity. Where appropriate, these policies and actions should be clearly communicated and disseminated throughout the PSNI. In terms of ministerial responsibility, the Chief Constable is responsible to the Secretary of State, with communications between PSNI and the NIO Ministers normally through the Chief Constable.

8.4. In addition, the Chief Constable has the following leadership responsibilities:

- contributing to the formulation of the Policing Plan;
- ensuring that the PSNI, in reaching decisions, takes proper account of guidance provided by the responsible Minister or the Department;
- promoting the efficient and effective use of staff and other resources;
- delivering high standards of regularity and propriety; and
- representing the views of the PSNI to the general public.

9 Annual report and accounts

9.1. In accordance with section 12 of the Act, on behalf of the Board, the PSNI must prepare an annual report and accounts after the end of each financial year. The NIO determine the information and form of these accounts, together with the timetable. There are four sets of accounts prepared:

- Main Police Account;
- Police Pension Account;
- Police Fund; and
- Police Property Fund.

The Chief Constable prepares and signs each of these sets of Accounts on behalf of the Board.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

9.2. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by the department as well as the FReM. (NOTE: This guidance will be updated with IFReM)

9.3. The Chief Constable shall keep proper records in relation to the accounts, and prepare a Statement of Account for each financial year on behalf of the Board. The Chief Constable shall submit the Statement of Account to the Board who shall send copies of the Statement of Account to the Secretary of State and the C&AG. The C&AG is responsible for certifying and laying the Accounts before Parliament.

9.4. The Annual Report must:

- cover any corporate, subsidiary or joint ventures under its control; and
- outline main activities and performance during the previous financial year and set out in summary form forward plans.

9.5. Information on performance against key financial targets is within the scope of the audit and should be included in the notes to the accounts. The report and accounts shall be laid in Parliament and made available on the PSNI's website.

9.6. Under section 58 of the Act, the PSNI also produces a general report on policing, which should be submitted to the Board and NIO within 3 months of the year end. The NIO is required to lay this report before Parliament.

10. Internal audit

10.1. The PSNI shall:

- establish and maintain arrangements for internal audit in accordance with the Treasury's Government Internal Audit Standards (GIAS) (http://www.hmtreasury.gov.uk/...gia_guidance.cfm);

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

- ensure the NIO and the Board are satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointments in accordance with GIAS 5.2;
- set up an audit committee in accordance with the Cabinet Office's Guidance on Code of Practice for Public Bodies and the Audit Committee Handbook;
- forward the audit strategy, periodic audit plans and annual audit report, including the PSNI's Head of Internal Audit opinion on risk management, control and governance as soon as possible to the NIO and the Board; and
- keep records of, and prepare and forward to the department and the Board an annual report on fraud and theft suffered by the PSNI and notify the Board and the NIO of any unusual or major incidents as soon as possible.

10.2. The NIO's internal audit service has a right of access to all documents prepared by the PSNI's internal auditor, including where the service is contracted out. Any such requests will be shared with the Board.

11 External audit

11.1. The Comptroller and Auditor General (C&AG) audits the PSNI's annual accounts and lays them before Parliament, together with his report.

11.2. In the event that the PSNI has set up and controls subsidiary companies, the PSNI will, in the light of the provisions in the Companies Act 2006 ensure that the C&AG is appointed auditor of those company subsidiaries that it controls and/or whose accounts are consolidated within its own accounts. The PSNI shall discuss with the NIO the procedures for appointing the C&AG as auditor of the companies.

11.3. The C&AG:

- will consult the NIO, the Board and the PSNI on whom - the NIAO or a commercial auditor – shall undertake the audit(s) on his behalf, though the final decision rests with the C&AG;

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

- has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000, held by another party in receipt of payments or grants from the PSNI;
- will share with the NIO and the Board, information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the NIO's responsibilities in relation to financial systems within the PSNI;
- will, where asked, provide the NIO, the Board and other relevant bodies with Regulatory Compliance Reports and other similar reports which the NIO may request at the commencement of the audit and which are compatible with the independent auditor's role.

11.4. The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the PSNI has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, the PSNI shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI**Management and financial responsibilities****12 Managing Public Money and other government-wide corporate guidance and instructions**

12.1. Unless agreed by the department and, as necessary, HM Treasury, the PSNI shall follow the principles, rules, guidance and advice in Managing Public Money, referring any difficulties or potential bids for exceptions to the NIO Director of Policing in the first instance on behalf of the Board and to the Board. A list of guidance and reporting requirements with which the PSNI should comply is detailed in the Financial Memorandum at Annex 3.

12.2. Once the budget has been approved by the NIO and subject to any restrictions imposed by statute, the Secretary of State's instructions and the instructions laid out in this document (in particular the budgetary conditions set out in Annex 3), the PSNI shall have authority to incur expenditure approved in the budget, on the following conditions:

- the PSNI shall comply with the delegations set out in Annex 1. These delegations shall not be altered without the prior agreement of the NIO;
- the PSNI shall comply with Managing Public Money guidance regarding novel, contentious or repercussive proposals;
- inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed; and
- the PSNI shall provide the NIO and the Board with such financial information about its operations, and financial performance as is reasonably required.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

13 Corporate governance

Board appointments – the Chief Constable

13.1. The Chief Constable is appointed by the Board with the approval of the Secretary of State.

Composition of the Senior Management Team

13.2. In line with the government's Code of Practice on Corporate Governance (http://www.hm-treasury.gov.uk/...governance_corporate.cfm), the PSNI's SMT will consist of a Chief Constable, together with [number] of Senior Officers and Civilian Chief Officers that have a balance of skills and experience appropriate to directing the PSNI's business. There should be members who have experience of its business, operational delivery, corporate services such as HR, IS, technology, property asset management, estate management, communications and performance management. There shall be Non-Executive Members on the Audit and Risk Committee, which is a sub-committee of the SMT.

14 Risk management

14.1. The PSNI shall ensure that risks are managed appropriately, in line with relevant aspects of best practice in corporate governance, and develop a risk management strategy, in accordance with the Treasury guidance Management of Risk: Principles and Concepts (<http://www.hm-treasury.gov.uk/...risk>). It should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with the Treasury's guide: Managing the Risk of Fraud (http://www.hmtreasury.gov.uk/...fraud_guide_for_managers.pdf). It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or to give grant or grant-in-aid. The PSNI will share its risk register with the Board and the NIO.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

15 Policing Plan

Having considered the views of the Board, DPPs and the public, the Chief Constable drafts the Policing Plan. The Policing Board, following consultation with the Secretary of State, approves and publishes the Plan before the start of each financial year. The Plan should demonstrate how the Chief Constable aims to use the available resources to fulfil the objectives, performance indicators and targets set by the Policing Board.

The Policing Plan should set out annual objectives, performance indicators and targets for the PSNI and should provide a strategic view of policing in Northern Ireland over the following three year period.

The Policing Plan should contain an assessment of the requirements for educating and training police officers and police staff.

The objectives, performance indicators and targets contained in the Policing Plan should relate to and be consistent with the Secretary of State's Long Term Policing objectives and any Departmental PSA Targets directly related to policing.

The PSNI shall submit annually to the Board who will then submit to the NIO a draft of the Policing Plan covering three years ahead. The draft should be submitted within a period agreed with the NIO. The plan shall reflect the PSNI's statutory duties and priorities set by the Secretary of State (including the long term objectives for policing, and decisions taken on policy and resources in the light of wider public expenditure decisions). The plan shall demonstrate how the PSNI contributes to the achievement of the department's PSA targets. The Board may adopt the Chief Constable's draft Policing Plan as submitted or with amendments and must consult with the Secretary of State prior to issuing the Annual Policing Plan.

The Policing Plan shall be updated to include targets and key milestones for the year immediately ahead and provide budgeting information on resources allocated to deliver the objectives as identified in the Policing Plan. Subject to any commercial considerations, the Policing Plan should be published by the PSNI on its website and separately be made available to staff.

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The following key matters should be included in the plans:

key objectives and associated key performance targets for the forward years, and the strategy for achieving those objectives;

key non-financial performance targets;

- alternative scenarios and an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast; and
- other matters as agreed between the department and the Board.

16 Annual Budgeting procedures

16.1. Each year, in the light of decisions by the department on the updated draft Policing Plan, the Department will send to the Board, within a period determined by the NIO:

- a formal statement of the annual budgetary provision allocated by the department in the light of competing priorities across the department and of any forecast income approved by the department; and
- a statement of any planned change in policies affecting the PSNI.

The Board will send the formal statement to the Chief Constable.

16.2. The approved Policing Plan will take account both of approved funding provision and any forecast receipts, and will include a resource budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any departmental funding and/or other income over the year.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

17 Grant-in-aid and any ring-fenced grants

17.1 The PSNI receives two separate grants-in-aid; one for pension grant and one for a main grant. The grant-in-aid provided by the NIO for the year in question will be voted in the NIO's Supply Estimate and be subject to Parliamentary control.

17.2 The grant-in-aid will normally be paid in instalments on the basis of written applications showing evidence of need by the NIO to the Board who will in turn pay over to the PSNI. The Board will ensure there are sufficient and appropriate funds available to the PSNI, in line with the agreed budget. The PSNI will comply with the general principle of no payment in advance of need.

17.3 Cash balances accumulated during the course of the year from grant-in-aid or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of the PSNI. Grant-in-aid not drawn down by the end of the financial year shall lapse. Subject to approval by Parliament of the relevant Estimates provision, where grant-in-aid is delayed to avoid excess cash balances at the year-end, the NIO will make available in the next financial year any such grant-in-aid that is required to meet any liabilities at the year end, such as creditors.

17.4 The PSNI will have the opportunity to adjust grant-in-aid requirements through the Board at the in-year monitoring rounds subject to NIO and HM Treasury approval. The PSNI will ensure that the final grant-in-aid requirement will not exceed the grant-in-aid requirement published in the Spring Estimates of that year.

17.5 In the event that the NIO provides the PSNI separate grants through the Board for specific (ringfenced) purposes, it would issue the grant in response to a written request from the PSNI. The PSNI would provide evidence that the grant was used for the purposes authorised by the department. The PSNI shall not have uncommitted grant funds in hand, nor carry grant funds over to another financial year without prior approval.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

18 Reporting performance to the department

18.1. The PSNI in the name and on behalf of the Board shall operate management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the corporate and business plans. The PSNI shall inform the Board and the NIO of any significant changes that could impact on the achievement of objectives. It shall report financial and non-financial performance, including performance in helping to deliver ministers' policies, and the achievement of key objectives.

Providing monitoring information to the department

18.2. As a minimum, the PSNI shall provide the department through the Board with information on a monthly basis to enable the department satisfactorily to monitor:

- the PSNI's cash management;
- its draw-down of grant-in-aid;
- forecast outturn by resource headings;
- other data required for the Combined On-line Information System (COINS).

Further guidance on financial reporting and budgetary controls are detailed in the Financial Memorandum at Annex 3.

PSNI/Department working level liaison arrangements

18.3. Departmental officials will liaise on a quarterly basis with Board and PSNI officials to review the PSNI's financial performance against plans and achievement against PSNI targets. These meetings will also be used to inform of wider policy developments that might have an impact on the PSNI.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

19 Delegated authorities

19.1. The PSNI's delegated authorities are set out in Annex 1. The PSNI shall obtain the department's prior written approval before:

- entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in the PSNI's annual budget as approved by the NIO;
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the department;
- making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required; or
- carrying out policies that go against the principles, rules, guidance and advice in Managing Public Money.

20. Human Resources

Appointment and dismissal

20.1. Under s.35 of the 2000 Act, the Board is responsible for the appointment of the Chief Constable subject to the approval of the Secretary of State. The Board is also responsible for appointing the other Senior Police Officers (*ie* Deputy Chief Constable and Assistant Chief Constables) subject to the approval of the Secretary of State and after consultation with the Chief Constable. The appointment and promotion of all ranks of police officer apart from Senior Police Officers is by the Chief Constable (s.36 of the 2000 Act). The police shall be under the direction and control of the Chief Constable (s.33 of the 2000 Act).

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20.2 Under s.4 of the 2000 Act, the Board is responsible for the appointment of Civilian Chief Officers (ie) currently Director of Finance and Support Services and Director of HR), subject to the approval of the Secretary of State and after consultation with the Chief Constable. The Chief Constable exercises functions on behalf of and in the name of the Board in relation to the direction and control of Civilian Chief Officers and the direction, control, appointment and dismissal of all other Police staff.

Responsibilities

20.3 The Chief Constable has the following responsibilities for the officers and staff of the PSNI:

- to ensure that the level and structure of its staffing, including grading and officers and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness;
- to ensure that the performance of its officers and staff at all levels is satisfactorily appraised and the PSNI performance measurement systems are reviewed from time to time;
- to ensure that its officers and staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the PSNI objectives, in line with the Policing Plan;
- to ensure that proper consultation with officers and staff takes place on key issues affecting them;
- to ensure that adequate grievance and disciplinary procedures are in place in line with good practice and LRA guidance;
- to ensure that whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place;
- to ensure that the rules for recruitment and management of officers and staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit: [and subject to the requirements of the temporary 50:50 recruitment policy] there is no discrimination on grounds of gender, marital status, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background or age.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

20.4 The Policing Board is responsible for:

- securing that the arrangements for grading, recruitment, promotion, training and allocation of officers and staff of the PSNI by the Chief Constable are efficient and effective;
- for holding the Chief Constable to account for the exercise of the functions of employer;
- issuing a code of ethics for PSNI officers and staff, having considered the views of the Chief Constable, and also reflecting regulations made by the Secretary of State;
- ensuring that adequate grievance, disciplinary and whistle-blowing procedures are in place.

20.5 The Secretary of State is responsible for:

- Making regulations with respect to the employment and management of Police officers and Police staff, reflecting the decisions of the Policing Board taken in consultation with the Chief Constable;
- Setting terms and conditions, levels of remuneration, pay structure and any performance-related pay schemes, *etc.* on the recommendation of the Police Negotiating Board.

Officers and staff costs

20.6 Subject to its delegated authorities, the PSNI shall ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them.

Pay and conditions of service

20.7 PSNI officers and staff are subject to levels of remuneration and terms and conditions of service (including pensions) within the general pay structure approved by the NIO and the Treasury. The PSNI has no delegated power to amend these terms and conditions.

20.8 Officers and Staff terms and conditions should be set out in an Employee Handbook, which should be provided to the Board and the Department together with subsequent amendments.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

20.9 The Police Support Staff (Transfer of Employment) Regulations (Northern Ireland) 2008, effective from 1 October 2008, transfer civil servants seconded to work as police staff to the employment of the Board under the direct control of the Chief Constable.

20.10 Where relevant, any performance-related pay scheme shall form part of the annual aggregate pay budget approved by the department or the general pay structure approved by the department and Treasury whichever is applicable.

20.11 The PSNI shall comply with the EU Directive on contract workers – the Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations.

Pensions, redundancy and compensation

20.12 PSNI officers and staff shall normally be eligible for a pension provided by [its own scheme][state second pension][PCSPS][LGPS][other]. Officers and staff may opt out of the occupational pension scheme provided by the PSNI, but that employers' contribution to any personal pension arrangement, including stakeholder pension shall normally be limited to the national insurance rebate level.

[Note that there is an exception for NDPBs covered by the PCSPS partnership arrangement, and for PCSPS by-analogy versions.]

20.13 Any proposal by the PSNI to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the NIO [Up to delegated limits]. Proposals on severance must comply with the rules in chapter 4 of Managing Public Money.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

21 Arrangements in the event that the PSNI is wound up

21.1. The NIO shall put in place arrangements to ensure the orderly winding up of the PSNI. In particular it should ensure that the assets and liabilities of the PSNI are passed to any successor organisation and accounted for properly. (In the event that there is no successor organisation, the assets and liabilities should revert to the NIO.) To this end, the NIO shall:

- ensure that procedures are in place in the PSNI to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body;
- specify the basis for the valuation and accounting treatment of the PSNI's assets and liabilities;
- ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit, and that funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament/the Assembly, together with his report on the accounts;
- arrange for the most appropriate person to sign the closing accounts. In the event that another PSNI takes on the role, responsibilities, assets and liabilities, the succeeding PSNI AO should sign the closing accounts. In the event that the department inherits the role, responsibilities, assets and liabilities, the sponsor department's AO should sign.

21.2. The PSNI shall provide the department with full details of all agreements where the PSNI or its successors have a right to share in the financial gains of developers. It should also pass to the department details of any other forms of claw-back due to the PSNI.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

22. Review of Framework Document

22.1 The Framework Document will normally be reviewed at least every [four] years or following a review of the NDPB's functions as provided for in Section 21 above.

22.2 The NIO will be consulted on any significant variation proposed to the Framework Document.

Signed....**J Phillips**..... Signed....**Hugh Orde**..... Signed....**D Donnelly**.....

Date..... **12.03.09**..... Date.....**28.01.09**..... Date.....**06.02.09**.....

(On behalf of the NIO) (On behalf of the PSNI) (On behalf of the NIPB)

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

DELEGATED AUTHORITIES BETWEEN NIO AND THE PSNI

Category of spend	Delegated Limits
All Resource expenditure	Subject to budget cover – unlimited except if item is novel or contentious or new proposal over £3m (non IT) and £500k (IT).
Service Level Agreements (SLAs)	£3m
Grants, subscriptions to, or contributions towards the costs of institutions whose services are of benefit to the PSNI	£50k
Employment of consultants	£50k
<p>Compensation Payments</p> <p>For admission claims made under a specific statutory provision or at common law, including claims for personal injury and property damage. Such compensation should normally only be paid on the advice of the Crown Solicitor</p>	£100k
<p>Legal Fees:</p> <p>Defence of criminal proceedings</p> <p>Initiation of legal proceedings</p>	<p>No financial limits</p> <p>No financial limits but expenditure subject to Board approval in each case. NIO to be informed of any cases which are likely to attract public interest or deemed to be novel or contentious</p>
Gifts	£100 on approval from the Chief Constable
Capital Expenditure	
Non IT capital expenditure	£3m
IT capital expenditure	£500k

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

Category of spend	Delegated Limits
Contract variations (other than variations on price)	5% or £100k whichever the greater, subject to internal controls
Capital Grants to, or contributions to institutions whose services are of benefit to the PSNI	£50k
Special Payments	
Extra contractual and ex gratia payments	£10k
Losses/Write Off	
Stores losses	£50k per individual Board of Survey
All other losses/write offs	£25k

NOTE: the amounts indicated represent the limit of the authority in individual cases unless otherwise stated. None of the above overrules the requirement to seek approval for any matter which might be deemed novel or contentious regardless of cost or which may be outside normal Departmental and HM Treasury guidance such as:

- Managing Public Money
- Corporate governance guidelines (Annex 2)
- NIO Business Case guidance/Delegations
- NIO Gifts and hospitality guidance
- NIO Use of External Consultants/Professional Services.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

LIST OF GOVERNMENT-WIDE CORPORATE GUIDANCE INSTRUCTIONS

The PSNI shall comply with the following general guidance documents and instructions:

- this document;
- Appropriate adaptations of sections of Corporate Governance in Central Government Departments: Code of Good Practice
http://www.hmtreasury.gov.uk/.../governance_risk/psr_governance_corporate.cfm;
- Managing Public Money (MPM);
- Government Internal Audit Standards, http://www.hmtreasury.gov.uk/...gia_guidance.cfm;
- Management of Risk: Principles and Concepts: (www.hmtreasury.gov.uk/media/3/5/FE66035B-BCDC-D4B3-11057A7707D2521F.pdf);
- Managing the Risk of Fraud,
(www.hmtreasury.gov.uk/media/C/3/managing_the_risk_fraud_guide_for_managers.pdf);
- Government Financial Reporting Manual (FReM), www.financial-reporting.gov.uk/;
- Fees and Charges Guide, Chapter 6 of MPM;
- Departmental Banking: A Manual for Government Departments, annex 5.7 of MPM ;
- relevant Dear Accounting Officer letters;
- Regularity, Propriety and Value for Money,
www.hmtreasury.gov.uk/media/A/2/Reg_Prop_and_VfM-November04.pdf;
- The Parliamentary Ombudsman's Principles of Good Administration
www.ombudsman.org.uk/improving_services/good_administration/index.html ;
- Consolidation Officer Memorandum, and relevant DCO letters;

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

- relevant Freedom of Information Act guidance and instructions (Ministry of Justice);
- Model Code for Staff of Executive Non-departmental Public Bodies (Cabinet Office);
- other relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts;
- other relevant instructions and guidance issued by Central Departments;
- specific instructions and guidance issued by the NIO;
- recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to the PSNI.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

PSNI FINANCIAL MEMORANDUM

1. Introduction

1.1. This Financial Memorandum sets out certain aspects of the financial framework within which the PSNI is required to operate.

1.2. The terms and conditions set out in this Annex may be supplemented by guidelines or directions issued by the NIO in respect of the exercise of any individual functions, powers and duties of the PSNI.

1.3. The PSNI shall satisfy the conditions and requirements set out in the combined framework document, together with such other conditions as the sponsor Department/Minister may from time to time impose.

2. PSNI's Income and Expenditure General**The Departmental Expenditure Limit (DEL)**

2.1. The PSNI's current and capital expenditure form part of the NIO's Resource DEL and Capital DEL respectively. Elements of the PSNI's Pension scheme expenditure form part of the NIO's AME.

Expenditure not proposed in the budget

2.2. The PSNI shall not, without prior written Departmental approval, enter into any undertaking to incur expenditure which falls outside the PSNI's delegations or which is not provided for in the PSNI's annual budget as approved by the NIO.

Procurement

2.3. The PSNI's procurement policies shall reflect guidance from the Office of Government Commerce including Procurement Policy Guidelines. The PSNI shall also ensure that it complies with any relevant EU or other international procurement rules.

2.4. Periodically and wherever practicable the PSNI's procurement shall be benchmarked against best practice elsewhere and contracted out where this would achieve better value for money.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

Competition

2.5. Contracts shall be placed on a competitive basis and tenders accepted from suppliers who provide best value for money overall.

2.6. Proposals to let single-tender or restricted contracts shall be subject to a specified delegated authority, and the PSNI shall send to the Department through the Board after each financial year a report for that year explaining any contracts above £3m Non-IT and £500k IT in which competitive tendering was not employed.

Timeliness in paying bills

2.7. The PSNI shall collect receipts and pay all matured and properly authorised invoices in accordance with the terms of contracts or within agreed timeframes, as provided for in Annex 4.6 of Managing Public Money. The PSNI shall comply with the British Standard for Achieving Good Payment Performance in Commercial Transactions (BS 7890), and is subject to the Late Payment of Commercial Debts (Interest) Act 1998 as amended. [NOTE: The 1998 Act allows creditors to claim statutory interest and compensation on late payment of commercial debts.]

Novel, contentious or repercussive proposals

2.8. The PSNI shall obtain the approval of the NIO before:

- incurring any expenditure for any purpose which is or might be considered novel or contentious, or which has or could have significant future cost implications, including on staff benefits;
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the NIO;
- making any change of policy or practice which has wider financial implications (eg because it might prove repercussive among other public sector bodies) or which might significantly affect the future level of resources required.

Risk management

2.9. The PSNI shall adhere to section 14 of the Framework Document relating to risk management and fraud.

2.10. The PSNI shall take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract, give grant or grant-in-aid.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

Stewardship reporting

2.11. Stewardship reporting enables the Departmental Accounting Officer to satisfy him/herself that all prescribed management practices are being adhered to throughout the Department, the Agencies and Arms Length Bodies. The PSNI Accounting Officer shall complete and sign a stewardship report twice yearly or when requested, to tie in with the Department's own assurance processes and return to the Director of Policing in the NIO.

Wider markets

2.12. In accordance with the wider markets policy the PSNI shall seek to maximise receipts from non-Exchequer sources provided that this is consistent with (a) the PSNI's main functions (b) its Policing Plan as agreed with the Board and the NIO.

Fees and charges

2.13. Fees or charges for any services supplied by the PSNI shall be determined in accordance with the Treasury's Fees and Charges Guide, and with the Freedom of Information Act.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI**3. PSNI FUNDING ARRANGEMENTS****Spending Reviews**

3.1. A Spending Review sets a fixed allocation over three years. The PSNI should plan to live within the budget set for each year. Any requests to transfer budgets between each year within the Spending Review period should be made to the Department through the Board.

Annual Estimate

3.2. The PSNI will prepare an annual estimate each year in line with the budget allocation set at the Spending Review for submission to the Board for consideration in accordance with legislative requirements within a timescale agreed with the Board.

In-year Monitoring Rounds

3.3. The PSNI will be provided with the opportunity to notify the department through the Board of pressures or easements against its opening budget at two monitoring rounds in August and November. PSNI must adhere to the in-year monitoring timetable set by the Department to enable the NIO to meet internal and Treasury deadlines. PSNI should not assume that all funding requests will be granted. Any funding requests will be considered by the NIO Finance Committee taking into consideration financial commitments throughout the Department. The outcome of the November Monitoring Round will set the final budget for the year. PSNI should ensure that they live within this budget as there will not be any further opportunity to increase or decrease the budget after this point.

Year end/Carry forward balances

3.4. Requests to carry forward year end underspends must be made to the Department through the Board and approvals will be made by the NIO Finance Committee. The PSNI should not exceed its year end budget.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI**Grant-in-aid**

3.5. The PSNI shall adhere to section 17 of the Framework Document relating to Grant-in-aid and ring-fenced budgets.

3.6. The PSNI should have regard to the guidance in DAO (GEN)14/01 and to the general principle enshrined in Annex 5.1 of Managing Public Money that it should seek grant-in-aid according to need.

Transfer of funds within budgets

3.7. Unless financial provision is subject to specific Departmental or Treasury controls eg where provision is ring-fenced for specific purposes there are restrictions on transfer funds as follows:

- movement from capital to resource
- movement from non-cash resource to near-cash resource
- movement from AME to DEL

Any movements in these restricted areas should be discussed with the Board and the Director of Policing in the NIO at the earliest opportunity and the final decision will be at the discretion of the Department.

3.8. To enable the Department to manage its overall budget the following movements should be discussed with the Directorate who will present a case for approval to the Departmental Finance Committee at in-year monitoring rounds:

- movement from near-cash to non-cash
- movement from resource to capital

3.9. There are maybe restrictions on certain budgets which are managed centrally within the Directorate. Any movements within these budgets must be approved by the Directorate. Details of these restrictions will be communicated to the PSNI through the Board.

COINS and Monthly Reporting

3.10. To enable the Department to meet Treasury data reporting deadlines, PSNI will provide the Department through the Board with an agreed COINS return with explanations for major variances within agreed timeframes. The figures and explanations supplied in the COINS return will be also reported to the NIO Finance Committee each month.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI**Receipts from sale of goods or services and capital**

3.11. Receipts of goods and services and capital in excess of budgets must be notified to the Directorate in the first instance as it is a Finance Committee (and/or Ministerial) decision as to how such surpluses should be prioritised. There is a requirement for a shortfall in receipts to be met through reduced spend.

Fines, taxes and other receipts

3.12. Most fines and most taxes (including levies and some licences) are not negative public expenditure and do not provide additional DEL spending power. Such receipts shall either be surrendered to the Department or, if retained, shall either reduce the need for grant-in-aid or, if used to finance additional expenditure by the PSNI, shall require additional DEL cover from the Department.

Interest earned

3.13. Any interest earned by the PSNI on its assets shall be given the same budgeting treatment as the cost of capital charge on the assets.

3.14. Under SR2007 budgeting rules (which operate from 2008-09), the cost of capital charge and any interest receipts on most DEL financed assets score as resource DEL.

3.15. If the receipts are used to finance additional expenditure by the PSNI, the NIO will need to ensure it has the necessary DEL cover. Any interest earned on cash balances arising from grant-in-aid or other Exchequer funds shall be treated as a receipt from an Exchequer source. Depending on the budgeting treatment of this receipt, and its impact on the PSNI's cash requirement, it may lead to commensurate reduction of grant-in-aid or be required to be surrendered to the Consolidated Fund via the Department.

Proceeds from disposal of assets

3.16. The PSNI shall dispose of assets which are surplus to its requirements. Assets shall be sold in accordance with VLA policy. High value assets shall be sold by auction or competitive tender [unless otherwise agreed by the NIO], and in accordance with Annex 4.8 of Managing Public Money.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

3.17. Disposal proceeds from capital assets are a Departmental Resource, but the PSNI may retain receipts derived from the sale of assets provided that:

- the NIO and the Treasury are content for the PSNI to retain these receipts;
- they are used to finance other capital spending;
- the NIO receives prior notification of individual sales;
- total sales in any financial year do not exceed a limit agreed with the Department

3.18. If the criteria above is not met, any receipts shall be dealt with in line with the rules on surplus in-year receipts (paragraph 3.11 above).

4. PSNI Expenditure

Economic appraisal

4.1. The PSNI is required to apply the principles of economic appraisal, with appropriate and proportionate effort, to all decisions and proposals concerning spending or saving public money, including European Union (EU) funds, and any other decisions or proposals that involve changes in the use of public resources. For example, appraisal must be applied irrespective of whether the relevant public expenditure or resources:

- involve capital or current spending, or both;
- are large or small;
- are above or below delegated limits(see Annex 1).

4.2. Appraisal itself uses up resources. The effort that should go into appraisal and the detail to be considered is a matter for case-by-case judgement, but the general principle is that the resources to be devoted to appraisal should be in proportion to the scale or importance of the objectives and resource consequences in question. Judgement of the appropriate effort should take into consideration the totality of the resources involved in a proposal. In accordance with NIO Business Case guidance, business cases must be prepared for **all projects over £100k**. A log of all cases above £100k should be kept in the finance branch and copies of the log should be sent to the Department through the Policing Board every quarter.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

- 4.3. General guidance on economic appraisal that apply to NDPBs can be found in:
- The HM Treasury Guide, The Green Book: Appraisal and Evaluation in Central Government.

Borrowing

4.4. The PSNI shall observe the rules set out in Section 5.6 of Managing Public Money when undertaking borrowing of any kind. The PSNI shall seek the approval of the Department through the Board to ensure that it has any necessary authority and budgetary cover for any borrowing or the expenditure financed by such borrowing.

Reserves

4.5. No grant or grant-in-aid shall be paid into any reserve held by the PSNI. Funds in any reserve may be a factor for consideration when grant-in-aid is determined.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI**Gifts and Hospitality**

4.6. The PSNI will take into account the Department's policy and practice on the Gifts and Hospitality. Please see the delegated limits set out in Annex 1.

Use of Consultants

4.7. The PSNI will take into account the Department's policy and practice on the use and recruitment of external consultants. Please see the delegated limits set out in Annex 1.

Lending, guarantees, indemnities; contingent liabilities; letters of comfort

4.8. The PSNI shall not, without the NIO's prior written consent, lend money, charge any asset or security, give any guarantee or indemnities or letters of comfort, or incur any other contingent liability (as defined in Chapter 5 of Managing Public Money), whether or not in a legally binding form.

Grant or loan schemes

4.9. Unless covered by a delegated authority, all proposals to make a grant or loan to a third party, whether one-off or under a scheme, together with the terms and conditions under which such grant or loan is made shall be subject to prior approval by the sponsor Department, and where necessary HMT. If grants or loans are to be made under a continuing scheme, statutory authority is likely to be required.

4.10. The terms and conditions of a grant or loan to a third party shall include a requirement on the receiving organisation to prepare accounts and to ensure that its books and records in relation to the grant or loan are readily available for inspection by the NDPB, the sponsor Department and the C&AG.

Gifts made, write-offs, losses and other special payments

4.11. Proposals for making gifts or other special payments (including write-offs) outside the delegated limits set out in Annex A of this document must have the prior approval of the NIO.

Public/Private Partnerships

4.12. The PSNI shall seek opportunities to enter into Public/Private Partnerships where this would be more affordable and offer better value for money than conventional procurement. Where cash flow projections may result in delegated spending authority being breached the PSNI shall consult the Board and the NIO.

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

4.13. Any partnership controlled by the PSNI shall be treated as part of the PSNI in accordance with UK GAAP and consolidated with it [subject to any particular treatment required by UK GAAP]. Where the judgment over the level of control is a close one the NIO will consult the Treasury (who may need to consult with the Office of National Statistics over national accounts treatment).

Subsidiary companies and joint ventures

4.14. The PSNI shall not establish subsidiary companies or joint ventures without the express approval of the NIO, following consultation with the Board. In judging such proposals the NIO will have regard to the NIO's wider strategic aims objective and current Public Service Agreement.

4.15. Any subsidiary company or joint venture controlled or owned by the PSNI shall be consolidated with it in accordance with UK GAAP for public expenditure accounts purposes [subject to any particular treatment required by UK GAAP]. Where the judgment over the level of control is a close one the NIO will consult the Treasury (who may need to consult with the Office of National Statistics over national accounts treatment). Unless specifically agreed with the NIO and the Treasury, such subsidiary companies or joint ventures shall be subject to the controls and requirements set out in this Framework Document and financial memorandum, and to the further provisions set out in supporting documentation.

Financial investments

4.16. The PSNI shall not make any investments in traded financial instruments without the prior written approval of the NIO, nor shall it aim to build up cash balances or net assets in excess of what is required for operational purposes. Equity shares in ventures which further the objectives of the PSNI shall equally be subject to NIO approval unless covered by a specific delegation.

Unconventional financing

4.17. Unless otherwise agreed with the NIO, the PSNI shall not enter into any unconventional financing arrangement.

Insurance

4.18. The Chief Constable will not provide for insurance except as statutorily required to do so or as otherwise approved by the Department

FRAMEWORK DOCUMENT FOR GOVERNANCE OF PSNI

Waiver of Claims for Compensation

4.19. The Chief Constable will not make claim under criminal damage and related legislation.

Register of assets

4.20. The PSNI shall maintain an accurate and up-to-date register of its fixed assets.

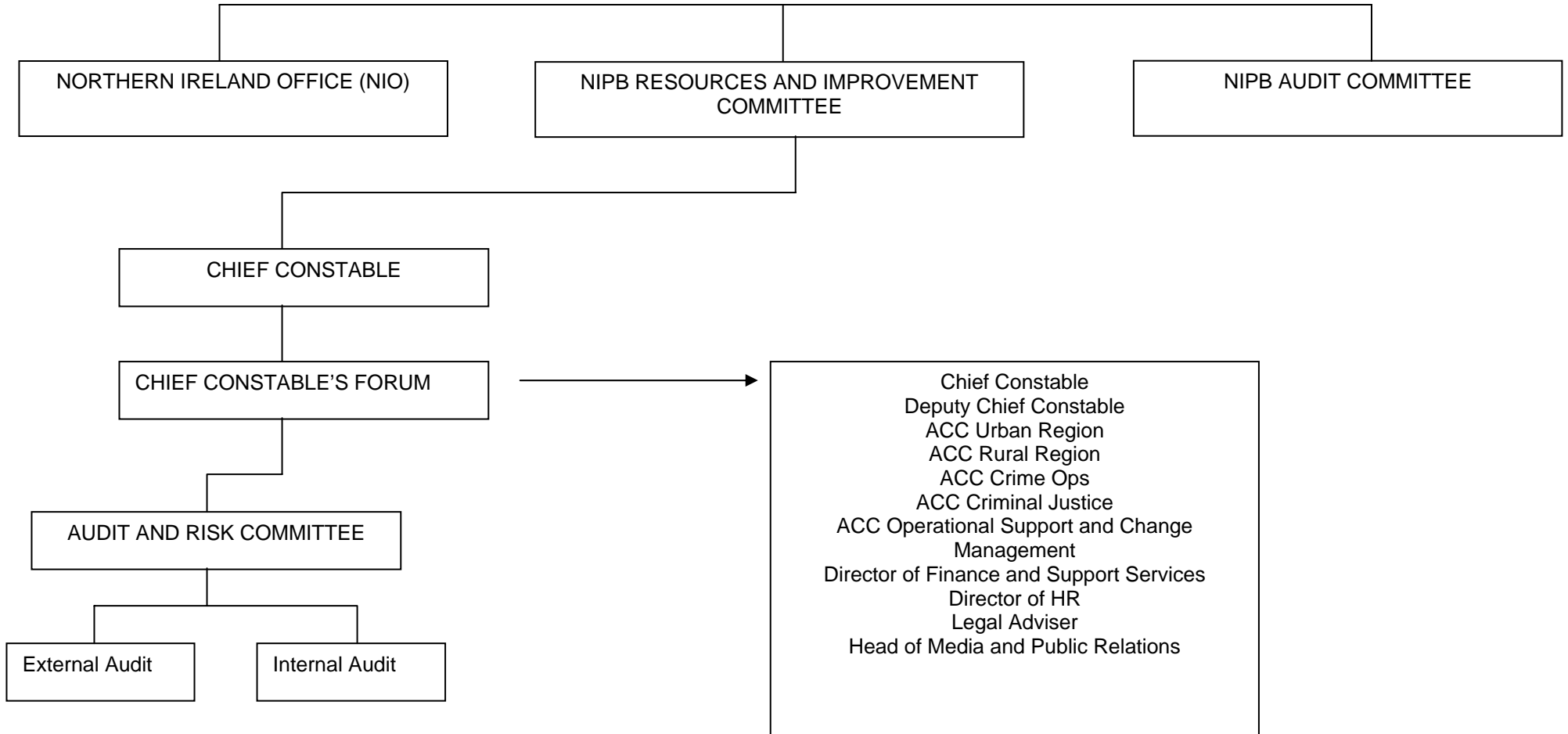
Recovery of grant-financed assets

4.21. Where the PSNI has financed expenditure on capital assets by a third party, the PSNI shall make appropriate arrangements to ensure that any such assets above £50k are not disposed of by the third party without the PSNI's prior consent.

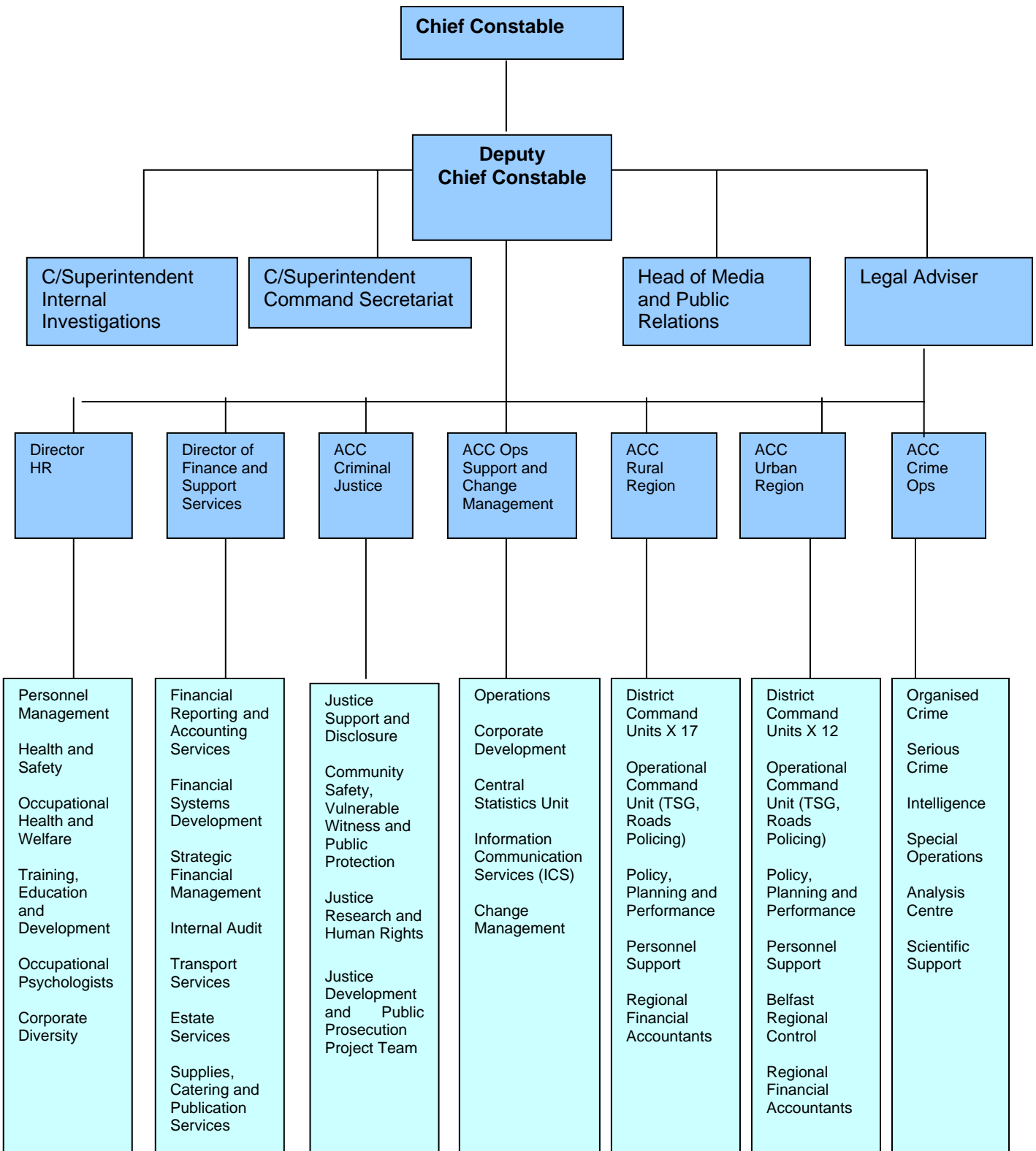
Banking arrangements

4.22. The PSNI's banking arrangements should be in accordance with the requirements of Managing Public Money and the Treasury guidance document Departmental Banking: a Manual for Government Departments and arrangements administered by the Department.

COMMITTEE STRUCTURE: FINANCE AND AUDIT



TOP TEAM STRUCTURE



TERMS OF REFERENCE – AUDIT AND RISK COMMITTEE

1. Introduction

1.1 The Chief Constable (Accounting Officer) has established an Audit and Risk Committee to support him in relation to his responsibilities for issues of risk, control and governance.

1.2 The essence of the function of the above Committee is to support the Chief Constable (Accounting Officer) by reviewing the comprehensiveness of assurances in meeting the Accounting Officer's assurance needs and reviewing the reliability and integrity of these assurances. This is achieved by introducing an independent perspective and a process of constructive challenge in order to provide the Accounting Officer with an assurance that the most efficient, effective and economic risk, control and governance processes are in place and that the associated assurance processes are optimal.

2. Membership

2.1 The members of the Committee are as follows:

- Non Executive Member – Chair;
- 2 other Non Executive Members (NEM's);
- ACC Urban Region;
- ACC Operational Support;
- Director of HR;

3. Meetings

3.1 The Committee will meet at least four times per year. The Chair of the Committee may convene additional meetings as deemed necessary. A minimum of 3 members of the Committee must be present for the meeting to be deemed quorate (one of which must be a NEM). Representatives may attend on behalf of Committee members however their remit is limited to addressing specific agenda items.

3.2 The Committee will normally be attended by the Chief Constable (Accounting Officer), Director of Finance and Support Services, Head of Corporate Development, senior representative of Internal Audit and a senior representative of External Audit. The Committee may ask other PSNI personnel to attend to assist with its discussions on any particular matter. The Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters. The Chief Constable (Accounting Officer) may ask the Committee to convene further meetings to discuss particular issues on which he requires specific advice.

3.3 The External Auditors and the Head of Internal Audit may request a meeting with the Committee or its Chair if they consider that one is necessary. At least once a year, without the presence of executive management, the Committee shall meet respectively with the External Auditors and with the Head of Internal Audit. The Head of Internal Audit and Senior Representative from External Audit will have free and confidential access to the Chair of the Committee.

4. Key Responsibilities

4.1 The Committee will advise the Accounting Officer on:

- the strategic processes for risk, control and governance and the Statement on Internal Control (SIC);
- the accounting policies and the Annual Financial Statements including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to External Audit;
- the planned activity and results of both Internal and External Audit;
- adequacy of management response to issues identified by audit activity, including External Audit's management letter;
- assurances relating to corporate governance requirements;
- anti-fraud policies, 'wrong doing' processes and arrangements for special investigations;
- The Committee will also periodically review its own effectiveness and report the results of that review to the Accounting Officer.

5. Detailed Terms of Reference (TOR)

The detailed terms of reference for the Audit and Risk Committee include the following:

5.1 Responsibilities of the Committee in relation to Internal Audit

- Advise the Accounting Officer on the skill, experience and competency requirements for the post of Head of Internal Audit;
- Advise the Accounting Officer on the award, renewal or termination of the Internal Audit contract;
- Advise the Accounting Officer regarding the purchase of non-audit services from the contractors who provide audit services;
- Review and discuss with the Head of Internal Audit the scope of work of the Internal Audit function, its Audit Strategy and Periodic Plan, the issues identified as a result of its work and how management is addressing these issues;
- Ensure that the function is adequately resourced, and has appropriate authority and independence within PSNI;

- Review co-ordination between External Audit and Internal Auditors, the risk management function and other sources within the wider assurance framework such as HMIC and Professional Standards Department;
- Periodically review the terms of reference of the Internal Audit function;
Ensuring the Head of Internal Audit provides a written report to the Accounting Officer timed to support his Statement on Internal Control;
- Receive reports from Internal Audit on progress, key findings and management responses and receive the Internal Audit Annual Assurance Statement.

5.2 Responsibilities of the Committee in relation to External Audit

- Discuss with the External Auditor the nature and scope of their audit including any value for money studies following submission of external audit planning memorandum;
- Review and consider the results of the External Audit, its cost effectiveness and the audit fee;
- Review and consider any findings on material weaknesses in accounting and internal control systems which were raised in the Management Letter;
- Review and discuss with management and auditors the Annual Financial Statements;
- Discuss any difficulties, reservations or other matters arising from the External Auditors review of the Annual Financial Statements.

5.3 Responsibilities of the Committee in relation to the Annual Financial Statements (AFS's)

The Committee will not itself be able to review the AFS's in detail in order to advise the Accounting Officer whether they are true and fair. However in reaching a view on the AFS's the Committee should:

- Consider the key accounting policies and disclosures paying particular attention to areas involving significant judgement, estimation or uncertainty;
- Consider the assurances about the financial systems which provide the figures for the AFS's;
- Consider the quality of the control arrangements over the preparation of the AFS's by the Director of Finance and Support Services;
- Advise on the content of the Statement on Internal Control for the previous year, to be presented as part of the AFS's;
- Consider emerging External Audit opinion for the previous year;
- Consider the External Audit management letter for the previous year including material misstatements detected by the auditors that individually or in aggregate have not been corrected and management explanations as to why they have not been adjusted;

5.4 Responsibilities of the Committee in relation to Risk Management

- To oversee the risk management process and provide assurance to the Chief Constable that the risk management process is operating effectively;
- Receive quarterly and annual reports on risk management;
- Receive quarterly updates on the PSNI Corporate Risk Register.

5.5 Responsibilities of the Committee in relation to the Statement on Internal Control (SIC)

Review the PSNI's annual statement on internal control and its compliance with both Her Majesty's Treasury and Department of Finance and Personnel guidance and in particular: -

- the policies and management framework for identifying and assessing business risks and managing their impact on the organisation;
- regular assurance reports from management, Internal Audit, External Audit and others on operational effectiveness of matters related to risk and control;
- the timeliness of, and reports on, the effectiveness of corrective action taken by management;
- whether the principles of the HMT and DFP guidance are being embedded within PSNI;
Consider any necessary disclosure implications of the process that has been applied by the Chief Constable's Forum (CCF) to deal with material internal control problem disclosed in the Annual Financial Statements.

6. Other Responsibilities of the Committee

6.1 Consider other topics as defined by the Chief Constable's Forum, such as the policies for preventing and detecting fraud and the policies for ensuring that PSNI complies with relevant regulatory and legal requirements.

6.2 Periodically review and update its own terms of reference requesting approval from the Chief Constable's Forum for proposed changes. In addition the Committee should periodically evaluate its own performance against terms of reference and best practice.

7. Information Requirements

7.1 The Committee will be provided with:

For each meeting

A progress report from the Head of Internal Audit summarising:

Work performed (and a comparison with work planned);

Key issues emerging from Internal Audit work. (This includes Priority 1 recommendations at draft stage of reporting);

Management response to priority 1 audit recommendations for those Final Reports issued since the last Committee meeting;

Changes to the Annual Internal Audit Plan;

Any resourcing issues affecting the delivery of Internal Audit objectives.

The Committee will also be provided with an Outstanding Audit Recommendation Schedule at each meeting. This schedule will itemise outstanding Internal Audit recommendations. As appropriate:

Proposals for the Terms of Reference of Internal Audit;

- The Internal Audit Strategy;
- The Head of Internal Audit's Annual Opinion and Report;
- A report on any proposals to tender for Internal Audit function;
- Quality assurance reports on the Internal Audit function;
- The draft and Final Annual Financial Statements;
- The Draft and Final Statement on Internal Control;
 - A report on any changes to accounting policies;
 - A progress report from External Audit summarising work undertaken and emerging findings;
 - A report on co-operation between Internal and External Audit;
 - External Audit's management letter;
 - Quarterly and annual reports on Risk Management;
 - Quarterly updates on the Corporate Risk Register;
 - Other reports as requested by the Committee.

7.2 The Committee has the authority to request any PSNI personnel to either:

- Attend a Committee meeting;
- Provide written report(s) to the Committee for the purpose of providing information to assist the Committee in fulfilling its role of advising the Accounting Officer on issues of risk, control and governance.

8. Reporting

- 8.1 The Committee will provide the Accounting Officer with an Annual Report, timed to support the finalisation of the Annual Financial Statements (AFS's) and the Statement on Internal Control (SIC), summarising its conclusions from the work undertaken during the previous financial year.
- 8.2 The Committee will formally report in writing to the Accounting Officer after each meeting.
- 8.3 A summary of the minutes of Committee meetings will be provided to the Chief Constable's Forum on a timely basis.

9. Funding

- 9.1 The Audit and Risk Committee will be provided with appropriate funding to cover the costs incurred in fulfilling its role. The funding should be sufficient to:
- Meet the remuneration and working expenses of its Non Executive Members (NEM's);
 - Meet the relevant training needs of its NEM's;
 - Provide specialist (external) advice or opinions when required;
 - Provide external review of the effectiveness of the Audit and Risk Committee.

10. Annual Work Programme of the Audit and Risk Committee

10.1 Spring Meeting (late April)

Internal Audit

- Review the Final Internal Audit Strategy (new audit strategy developed every 3rd year);
- Review the Final Internal Audit Annual Operational Plan for the current financial year;
- Consider the Quarterly Internal Audit Progress Report for the previous financial year;
- Consider the Draft Internal Audit Annual Assurance Statement for the previous financial year;
- Review of the Outstanding Internal Audit Recommendations Schedule (OARS).

Annual Financial Statements and External Audit

- Consider the Draft Annual Financial Statements (AFS's) for the previous financial year;
- Advise on the Draft Statement on Internal Control (SIC) for the previous financial year.

Risk Management

- Consider the Quarterly and Draft Annual Risk Management Report for the previous financial year;
- Review of the significant changes to the Corporate Risk Register since the last Committee meeting.

Other

- Review of the Quarterly Fraud Report for the previous financial year;
- Review of the Annual Assurance Statement from the Organisational Development Committee (ODC) in relation to implementation of recommendations emanating from Third Party reports;
- Review of the Annual Report on Wrong Doing;
- Consider the Committee's Draft Annual Report for the previous financial year.

10.2 Summer Meeting (early June)

Internal Audit

- Review the Final Internal Audit Annual Assurance Statement for the previous financial year;
- Consider the Quarterly Internal Audit Progress Report for the current financial year;
- Review of the Outstanding Internal Audit Recommendations Schedule (OARS).

Annual Financial Statements and External Audit

- Consider the Final Annual Financial Statements (AFS's) for the previous financial year;
- Consider emerging External Audit opinion for the previous financial year and advise the Accounting Officer on signing the AFS's and the Statement on Internal Control;

Risk Management

- Review of the Final Risk Management Annual Report for the previous financial year;
- Review of the Quarterly Risk Management report for current financial year;
- Review of the significant changes to the Corporate Risk Register since the last Committee meeting;

Other

- Review of Quarterly Fraud Report for current financial year;
- Review the Committee's Final Annual Report for the previous financial year.

10.3 Autumn Meeting (late October)

Internal Audit

- Consider the Quarterly Internal Audit Progress Report for the current financial year;
- Review of the Outstanding Internal Audit Recommendations Schedule (OARS).

Annual Financial Statements and External Audit

- Review of the NIAO Report to those charged with Governance Audit results (for previous financial year);
- Review of progress in relation to implementation of significant observations identified in NIAO Report (for previous financial year).

Risk Management

- Review of the Quarterly Risk Management report for current financial year;
- Review of the significant changes to the Corporate Risk Register since the last Committee meeting;

Other

- Review of the Quarterly Fraud Report for current financial year;
- Review of progress re significant issues identified in Internal Audit Annual Assurance Report and Statement on Internal Control (for last financial year);

10.4 Winter Meeting (middle February)

Internal Audit

- Consider the Draft Internal Audit Strategy for next 3 financial years (new audit strategy developed every 3rd year);
- Consider the Draft Internal Audit Annual Operational Plan for the next financial year;
- Consider the Quarterly Internal Audit Progress report for current financial year
- Review of the Outstanding Internal Audit Recommendations Schedule (OARS)

Annual Financial Statements and External Audit

- Consider the PSNI Annual Financial Statements Planning Memorandum for next financial year;
- Consider the NIAO Audit Strategy for next financial year.

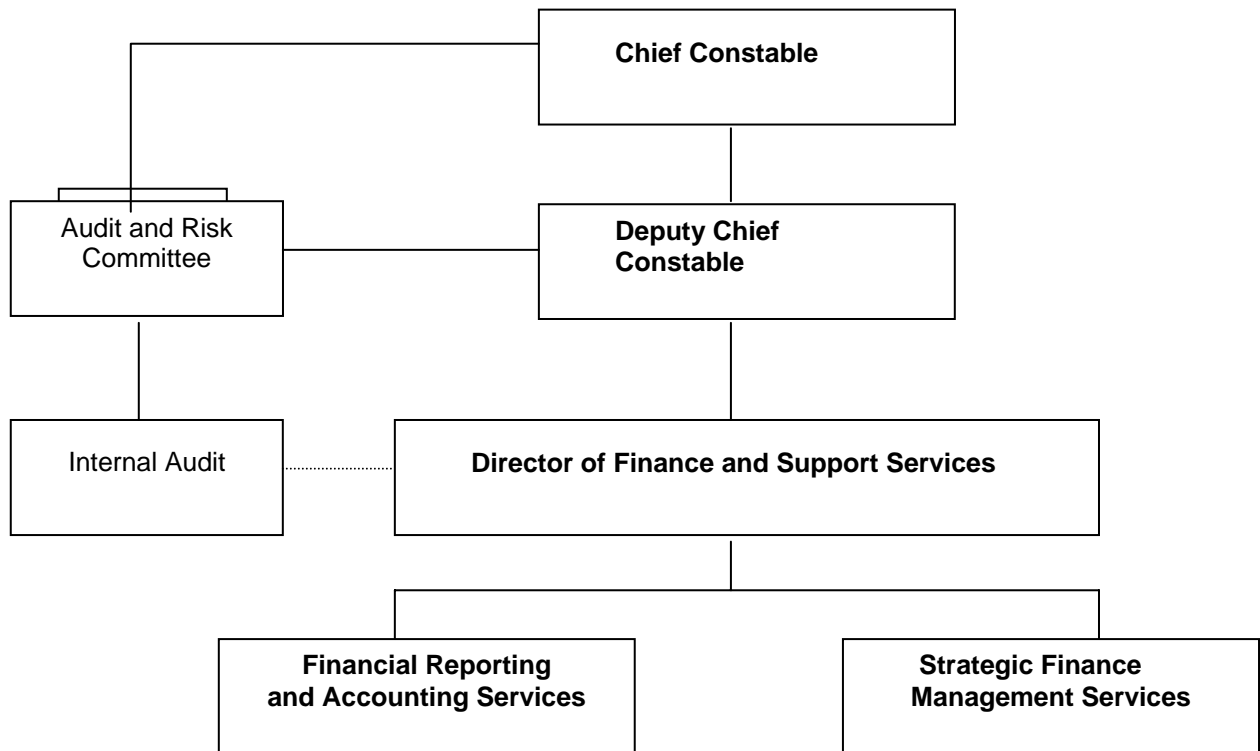
Risk Management

- Review of Quarterly Risk Management report for current financial year;
- Review of significant changes to the Corporate Risk Register since the last Committee meeting.

Other

- Review of Quarterly Fraud Report for current financial year;
- Review of progress re significant issues identified in Internal Audit Annual Assurance Report and Statement on Internal Control (for last financial year);
- 'Self Effectiveness' review of the work of the Committee including a review of the Terms of Reference for the Committee.

STRUCTURE OF THE FINANCE DEPARTMENT IN THE PSNI



TERMS OF REFERENCE – FINANCE, PERSONNEL AND TRAINING COMMITTEE

Purpose of the Committee:

To review, agree and ensure effective delivery of corporate Finance, Personnel and Training strategy. To lead the development of corporate Finance, Personnel and Training Policy.

Objectives and Tasks:

Objective 1: Strategic Policy

- New Policy: To approve new corporate policy for Finance, Personnel and Training
- Policy Assurance: Confirm and manage the implementation of annual Policy Review schedule/process for Finance, Personnel and Training, and to lead on remedial action as required.

Objective 2: Corporate Strategy for Finance, Personnel and Training

- Approving Corporate Strategy for Finance, Personnel and Training
- Review Strategic recruitment and retention
- Setting Strategic Training priorities within the context of available budget
- Monitor effective implementation of Finance, Personnel and Training Strategies

Objective 3: Strategic Resource Management

- Review and recommend Comprehensive spending Review financial planning issues
- Review and recommend annual balanced budget
- Review and recommend staffing allocation (resource allocation model – RAM)
- Develop and maintain a financial management framework including: business cases, conditions of grant, delegated authority and probity.

Objective 4: Strategic Professional Standards/Integrity issues

- Monitor corporate Professional Standards issues.

Membership:

Deputy Chief Constable	Chair
ACC Operational Support	Member
ACC Rural (Chair of Rank Ratio sub committee)	Member
ACC Urban (Chair of Strategic Training sub committee)	Member
ACC Crime Operations	Member
ACC Criminal Justice	Member
ACC Crime Support	Member
Director of HR	Member
Director of Finance and Support Services	Member
Director of Media and Public Relations	Member
Legal Adviser	Member
Head of Professional Standards	Standard Invite
Head of Command Secretariat	Standard Invite
Head of Police College	Standard Invite
Secretary	Required

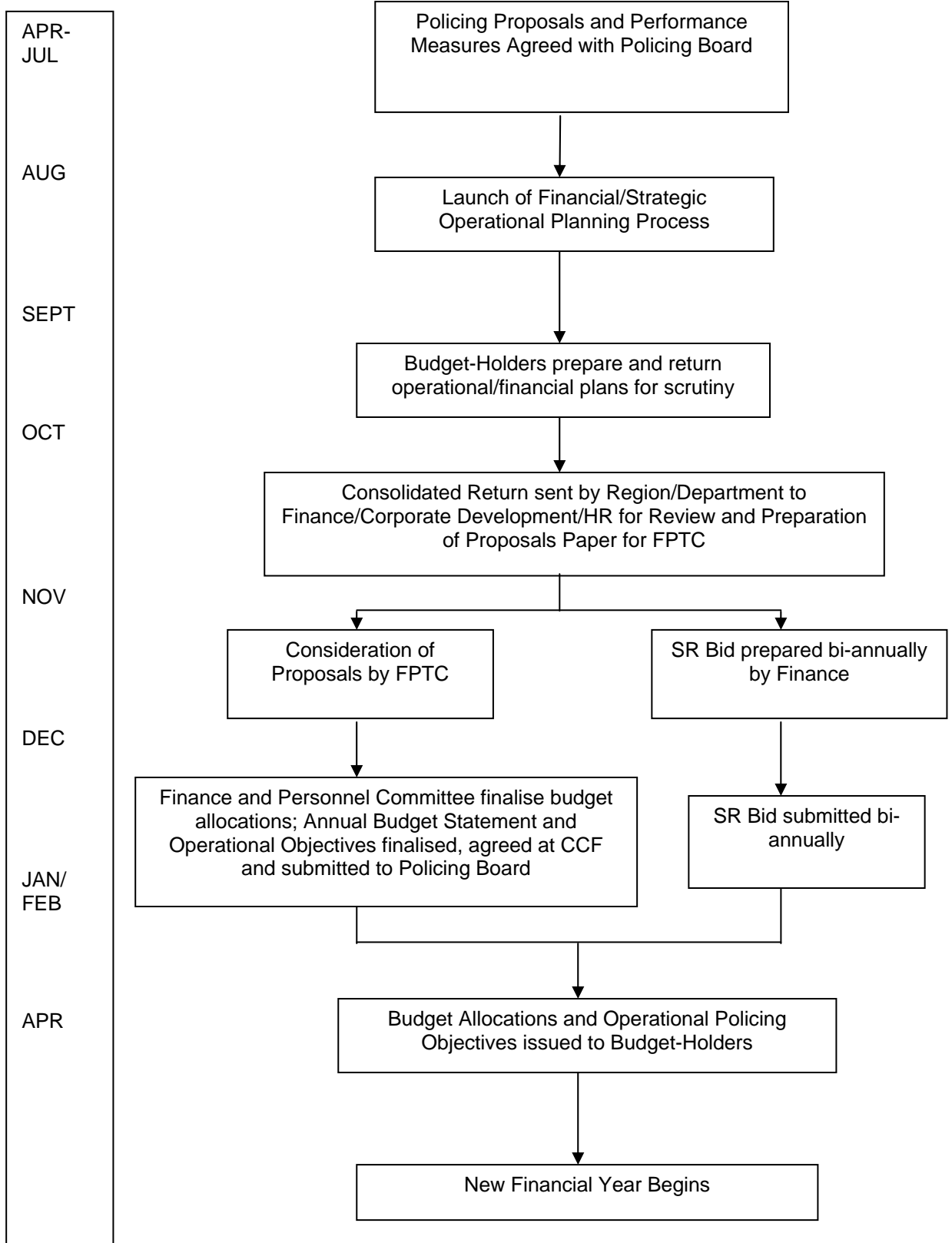
Quorum:

- Deputy Chief Constable
- + 3 other members (min 2x ACC/Dir)

PLANNING TIMETABLE

Month	Actions
April - August	<ul style="list-style-type: none"> ➤ Agreement of policing proposals and performance measures for following year with NIPB;
August	<ul style="list-style-type: none"> ➤ Launch of operational/financial planning process; ➤ Budget guidance notes and forms issued to budget holders, including strategic operational and financial assumptions and SoS/NIPB draft objectives/targets;
September	<ul style="list-style-type: none"> ➤ Budget holders (DCU Commanders and Heads of Branches) prepare and return operational and financial plans (covering 3/5 year period) for scrutiny at Regional/Departmental level; ➤ In year bids submitted to NIPB as a result of financial pressures.
October	<ul style="list-style-type: none"> ➤ Regions/Departments review local plans and assess bids and submit to Finance/Corporate Development/HR for review and subsequent preparation of consolidated planning paper for the Finance and Personnel Committee.
November	<ul style="list-style-type: none"> ➤ The Finance and Personnel Committee will consider the planning paper for the incoming financial year;
December	<ul style="list-style-type: none"> ➤ Finance and Personnel Committee finalise budget allocations; ➤ Bi-annually, the Spending Review bid will be submitted to CCF for approval and onward submission to NIPB; ➤ Annual Budget Statement (including allocation of resources) is finalised by Finance and Support Services Department and agreed at Finance and Personnel Committee. ➤ Operational objectives are finalised by Corporate Development, agreed at CCF and submitted to NIPB. Report to the NIPB if funding is considered to be insufficient to meet targets/objectives; ➤ In year bids submitted to NIPB as a result of Financial processes.
January/Feb	<ul style="list-style-type: none"> ➤ Final budget allocations and operational policing objectives issued to budget holders
April	<ul style="list-style-type: none"> ➤ Beginning of new financial year

PLANNING TIMETABLE



FINANCIAL DELEGATIONS
[Revised February 2009]

The Accounting Officer for the Northern Ireland Office (NIO) has appointed the Chief Constable of the Police Service of Northern Ireland (PSNI) as Accounting Officer for the PSNI. The Chief Constable's relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable, for keeping proper records and for safeguarding the assets of the PSNI, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum issued by HM Treasury and published in Government Accounting.

The Framework Document defines the administrative framework within which the NIO, Chief Constable and the Northern Ireland Policing Board (NIPB) operate to meet their respective roles and responsibilities in regard to the Police Grant, monies borrowed by the NIPB and amounts put at the disposal of the Chief Constable.

The relevant financial delegations applicable to the Chief Constable are defined in the Framework Document issued by the NIO. Within the limits set by the NIO, the Chief Constable has granted a range of financial delegations to officers and staff within PSNI. These financial delegations are detailed in the attached Appendix.

The financial delegations within PSNI were agreed at the same time but developments since then require these delegations to be refined within the existing framework.

Please note that the exercise of all financial delegations is subject to the following provisos:

1. Novel or contentious issues should be notified separately to the NIPB/NIO;
2. Adequate funding exists (and an appropriate budget allocated) to cover the proposed expenditure;
3. The amount indicated represents the limit of authority to raise purchase orders/sign contracts in individual cases unless otherwise stated; and
4. All expenditure is governed by existing financial regulations.

The Director of Finance and Support Services should be consulted about any cases where doubt exists as to whether these delegated authorities apply.

EXPENDITURE CATEGORY FOR DELEGATION	NIO TO PSNI	SUB DELEGATION BY CHIEF CONSTABLE
<p>1. PAY, ALLOWANCES AND SUPERANNUATION</p> <p>a. Pay, allowances, overtime and national insurance for members of the PSNI, PSNI Reserve and civilian staff</p> <p>b. Payment of superannuation contributions and where appropriate pensions and other benefits</p>	<p>Subject to budget cover. Unlimited except if item is novel or contentious or new proposal over £3m not in the Annual Plan.</p> <p>Subject to budget cover. Unlimited except if item is novel or contentious or new proposal over £3m not in the Annual Plan.</p>	<p>CO/HoD: above £10m CS/Snr Civ (G7 and above): £10m S/DP: £100k CI/SO: £50k I/EOI: £25k S/EOII: £5k</p> <p>CO/HoD: above £1m CS/Snr Civ (G7 and above): £1m S/DP: £250k CI/SO: £100k I/EOI: £25k</p>
<p>2. OTHER REVENUE EXPENDITURE</p> <p>a. Supplies, services and maintenance/repair</p> <p>b. Service Level Agreements</p> <p>c. Grants, subscriptions to, or contributions towards the costs of institutions whose services are of benefit to PSNI</p>	<p>Subject to budget cover. Unlimited except if item is novel or contentious or new proposal over £3m not in the Annual Plan.</p> <p>£3m</p> <p>£50k</p>	<p style="text-align: right;">Non IT</p> <p>DCC: above £3m CO/HoD: Above £1m and up to £3m CS/Snr Civ (G7 and above): £1m S/DP: £100k CI/SO: £75k I/EOI: £50k S/EOII: £25k</p> <p style="text-align: right;">IT New Services</p> <p>DCC: above £500k CO/HoD: £300k-£499k G5 / G6 / Ch Sup / Sup £200k-£299k ICT Level 7 / Ch Insp £100k-£199k ICT Level 6 / Insp Up to £99</p> <p>CO/HoD: £3m CS/Snr Civ (G7 and above): £1m</p> <p>CO/HoD/ CS/Snr Civ (G7 and above): £50k S/DP: £30k CI/SO: £20k</p>

EXPENDITURE CATEGORY FOR DELEGATION	NIO TO PSNI	SUB DELEGATION BY CHIEF CONSTABLE
<p>d. Employment of consultants</p> <p>e. Engagement of consultants in excess of £50k requires ministerial approval</p>	<p>£50k</p>	<p>CO/HoD/ CS/Snr Civ (G7 and above): £50k</p>
<p>f. Compensation payments – for admission claims made under a specific statutory provision or at common law, including claims for personal injury and property damage. Such compensation should only be paid on the advice of the Crown Solicitor</p> <p>g. Legal fees – defence of Criminal Proceedings</p> <p>h. Legal fees – initiation of Legal Proceedings</p> <p>i. Gifts</p>	<p>£100k</p> <p>No financial limits.</p> <p>No financial limits but expenditure subject to Policing Board approval in each case. NIO to be informed of any cases which are likely to attract public interest or deemed to be novel or contentious.</p> <p>£100 at the discretion of the Chief Constable.</p>	<p>CO/HoD/ CS/Snr Civ (G7 and above): £100k S/DP: £75k CI/SO: £50k I/EOI: £25k S/EOII: £5k</p> <p>All Compensation claims, and related costs, awarded against the Chief Constable are to be approved by NIPB.</p> <p>CO/HoD: No financial limit* CS/Snr Civ (G7 and above): £10k</p> <p>*subject to NIPB/NIO approval</p> <p>CO/HoD: No financial limit* CS/Snr Civ (G7 and above): £10k</p> <p>*subject to NIPB/NIO approval</p> <p>CO/HoD: £100</p>

EXPENDITURE CATEGORY FOR DELEGATION	NIO TO PSNI	SUB DELEGATION BY CHIEF CONSTABLE
3. CAPITAL EXPENDITURE		
a. All capital expenditure	£3m (non IT) Subject to approval in Annual Budget Statement. Approval to be sought from NIPB for any acquisition or disposal of land not included in the budget statement.	<p style="text-align: right;">Non IT Capital Expenditure</p> DCC: £3m CO/HoD: £1m CS/Snr Civ (G7 and above): £750k S/DP: £200k CI/SO: £100k <p style="text-align: right;">IT Capital Expenditure</p> DCC: Above £500k CO/HoD: £300 - £499k G5 / G6 / Ch Supt / Supt £200 - £299k ICT Level 7 / Ch Insp £100 - £199k ICT Level 6 / Insp Up to £99k
b. Contract variations (other than variations on price)	5% or £100k whichever is the greater, subject to internal controls	CO/HoD: 5% or £100k* CS/Snr Civ (G7 and above): 4% or £75k* S/DP: £25k
Capital Grants to or contributions to institutions whose services are of benefit to PSNI	£50k	*whichever is greater DCC £50k
4. SPECIAL PAYMENTS		
Extra contractual and ex-gratia payments	£10k	CO/HoD: £10k CS/Snr Civ (G7 and above): £5k S/DP: £3k CI/SO: £1k
5. LOSSES/WRITE-OFF		
a. Stores Losses	£50k per individual Board of Survey	CO/HoD: £50k CS/Snr Civ (G7 and above): £30k S/DP: £20k
b. All other losses/write-offs	£25k	CO/HoD: £25k CS/Snr Civ (G7 and above): £15k S/DP: £10k CI/SO: £1k