Annex 9

Background

1.1 The British Transport Police is unique in two respects. It is the only national police force in the United Kingdom, policing the railway network in England, Wales and Scotland. It also derives most of its funding from charges that it makes to train operating companies, receiving very little or no grant subsidy direct from the Government. The governance arrangements for the BRITISH Transport Police changed on 1 Jul 2004.

1.2 The Railways and Transport Act 2003 established an Authority known as the British Transport Police Authority ("BTPA"). The Authority comprises Members appointed by the Secretary of State and has taken over the Governance arrangements from the Strategic Rail Authority. Before the formation of the BTPA, the BTP was part of the SRA, and strategic financial input was provided by the SRA's Director of Finance.

1.3 The BTPA is now required to have a Treasurer with responsibility for ensuring the proper management of the Authority's finances. This is a new role and will evolve as the relationship between the Treasurer and the Force's Director of Finance develops.

Role of the BTPA Treasurer

2.1 The Treasurer to the BTPA will be a part time role (estimated at 50 days per year) and will provide independent advice to the BTPA. The role will report into the Chairman of the BTPA and will work closely with the Chief Executive and Clerk to the Authority.

2.2 The main responsibilities are as follows:

- Fulfil the role of Treasurer as set out in the appropriate Financial Management Codes of Practice and Memoranda
- Provide strategic financial guidance to the NTPA on the medium term review
- Provide financial advice to the BTPA on all aspects of its activity including, in particular, strategic planning and policy-making.
- Lead and advise Members on the development of budget policies and link these to policing priority decisions.
- Consider the long-term implications of any budget issues.
- Monitor the financial position of the BTPA and report as appropriate to the Authority.
- Work with the Force's Director of Finance on the financial evaluation of major capital investment projects and the management of their funding.
- Agree with the Director of Finance those financial transactions which would need the Treasurer's approval.

- Ensure that statutory and other accounts are properly prepared, in accordance with prevailing Codes of Practice.
- Ensure that arrangements for Treasury management are appropriate and secure and to approve any changes to these arrangements.
- Approve investment accounting and other financial policies.
- Review and approve the Authority's financial statements.
- Work with the Chief Executive and Clerk in advising and supporting members generally in the discharge of their statutory functions.
- Provide appropriate input to Best Value reviews.
- In conjunction with the Chief Executive and Clerk, liaise with the Authority's internal and external Auditor.
- Attend the following meetings:
    - BTPA
    - Audit and Corporate Governance
    - Strategic and Performance Monitoring
    - Police Staff Pensions Committee
- Review the adequacy of the Financial Standing Orders and financial instructions.
- Participate in the recruitment of the Forces Director of Finance if applicable.
- Ensure that the Chief Executive and Clerk has appropriate financial advice (working with external consultants where necessary) in connection with the drafting and operation of Police Service Agreements.
- Oversee the financial elements of the negotiations of Police Service Agreements and support the Chief Executive and Clerk, as appropriate.

2.3 It is recognised that there is a special relationship between the Force's Finance Director and the Treasurer to the BTPA; a protocol has been established and is attached. This protocol will be reviewed annually as working practices establish themselves.

2.4 It should be noted that the Treasurer will have no line management responsibility for the Force's Director of Finance, who will continue to report to the Chief Constable, but will advise the Chief Constable as and when required on the performance of the finance function of the force.

BTPA TREASURER– FUNTIONS AND PRACTICAL ARRANGEMENTS

Preparation and approval of annual budget of BTPA - *The BTPA will agree budget parameters in December each year for the following year. The budget is set in February. The budget process runs in parallel with the policing plan process.*	BTP Director of Finance will consult the Treasurer at an early stage and ensure early notification of the dates of key internal meetings to facilitate the Treasurer's attendance. Treasurer and Chief Executive and Clerk will carry out scrutiny of the draft budget on behalf of the Authority Treasurer will submit comments to the Police Authority at the January workshop and the March meeting.
Monitoring of Performance against the budget – *four weekly accounts are produced, these should be sent to the Treasurer every four weeks.*	The Treasurer and Director of Finance will meet four weekly on pre-arranged dates to consider the Force Performance Reports including period, year to date and full year forecast budgetary performance, the balance sheet and progress on the capital investment programme. The Director of Finance will present the reports to the BTPA and the Treasurer can make comments where necessary.
Financial / Accounting Policies	The Treasurer will review the statutory accounts for the Force and will be consulted on any change in accounting policy. The Treasurer will support the Force's Director of Finance on any technical issues where appropriate.
Policing Plan and Strategic Plans	The Treasurer will review the Strategic Plan prepared each year and will attend key internal meetings where deemed appropriate by the Force's Director of Finance.
Finance Department	Director of Finance to discuss changes in structure with the Treasurer and any potential outsourcing of functions or bringing outsourced functions back in-house (e.g. internal audit, credit control)

Capital Investment	Treasurer will review the business cases for major investment proposals, including commissioning new systems (over £100,000), prepared by the Force. The Treasurer must formally endorse all business cases submitted for approval by the Authority or Chairman. The Treasurer must also review the post completion report on all capexes over £500,000. The Treasurer must approve all disposals over £50,000. Where alternative forms of financing are being considered, such as leasing, the Treasurer should also be consulted. The Force's Director of Finance must facilitate the above procedures in the Forces working practices.
Property	The Force's Director of Finance will consult the Treasurer on significant property matters and the Treasurer will give advice to the Committee on matters involving capital investment.
Interpretation of Legislation and Government announcements and limitations imposed on SRA that affect BTPA and BTP.	The Treasurer will give advice as and when requested.
Audit and Risk Management	The Treasurer will receive copies of all internal audit reports produces and will meet with the internal auditors every three months. The Treasurer will be responsible for the re-tendering of the internal audit contract. The Treasurer will attend key meetings with the National Audit Office and receive all reports produced. The Treasurer will advise the Audit Committee on Corporate Governance as and when required.
Pensions	The Treasurer will attend the Police Fund Pension Committee meetings.

General	The Treasurer will have the right to comment on any report prepared for the BTPA by way of advice to the Authority. The Treasurer will receive copies of all papers prepared for delegated decision by the Chairman or otherwise to enable her to comment by way of advice. The Treasurer will support the Force's Director of Finance with ad hoc advice whenever requested