

# British Transport Police Authority

## *Corporate Governance Code*

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## **Foreword**

The Authority is the independent body responsible for ensuring an efficient and effective police force for the railways.

The Authority is an executive Non-Departmental Public Body (NDPB) sponsored by and accountable to the Department for Transport (DfT) and as such has to comply with direction and guidance issued by HM Government. In particular its actions are guided by a Framework Document that has been issued to the Authority by the Secretary of State.

The purpose of this Code is to set out the Authority's approach to Corporate Governance within which the Authority will operate. It has been developed according to the principles of the HM Treasury and Cabinet Office 'Corporate Governance: Code of good practice 2011' which defines governance as:

*"...the way in which organisations are directed, controlled and led. It defines relationships and the distribution of rights and responsibilities among those who work with and in the organisation, determines the rules and procedures through which the organisation's objectives are set, and provides the means of attaining those objectives and monitoring performance. Importantly, it defines where accountability lies throughout the organisation."* p9

It is expected that the spirit, as well as the letter of the Code shall be followed. In the event of any departure from the Code the Authority adopts the comply or explain principle, meaning that the justification must be clearly and carefully explained in the governance statement accompanying the annual statement of accounts.

The Code is a living document and may be updated in-year, with proposed updates presented to the Authority for approval prior to inclusion. It shall be subject to a formal review at each annual meeting of the Authority.

**Esther McVey, Chair of the Authority**

**Charlotte Vitty, Interim Chief Executive of the Authority and Accounting Officer**

**Paul Crowther, Chief Constable and Additional Accounting Officer**

## Who we are and what we do

### 1. Establishment and powers

1.1. The British Transport Police Authority (“the Authority”) was established by the Railways and Transport Safety Act (2003) (“the 2003 Act”) and became operational on 1 July 2004. The Authority’s primary statutory purpose is to secure the maintenance of an efficient and effective police force for the railways in England, Scotland and Wales. This includes defraying and recovering the costs of the Police Force from the companies who provide and use the rail network.

1.2. The 2003 Act sets out the statutory powers and responsibilities of the Authority which are to:

- Secure the maintenance of an efficient and effective police force known as the British Transport Police<sup>1</sup>
- Ensure the efficient and effective policing of the railways<sup>2</sup>
- Appoint the Chief Constable, Deputy Chief Constable, Assistant Chief Constables and the Chief Executive and Treasurer<sup>3</sup>
- Enter into Police Service Agreements with railway operators<sup>4</sup>
- Employ police constables, civilian employees and cadets<sup>5</sup>
- Regulate the government, administration and conditions of service of those employed by the Authority in the service of the police force<sup>6</sup>
- Set a strategy for policing the railway<sup>7</sup>
- Set objectives for the policing of the railway<sup>8</sup>
- Issue an annual Railways Policing Plan<sup>9</sup>
- Set the budget of expected income and expenditure for policing the railways each year, defray the expenses and recover the cost<sup>10</sup>

1.3. The Authority is a body corporate<sup>11</sup>.

1.4. As the legal entity, the Authority has the legal capacity to enter agreements, assume obligations, incur and pay debts, sue and be sued in its own right and to be held responsible for its actions. All contracts of employment are therefore with the Authority. The Authority may delegate to the Chief Constable and Chief Executive the responsibility to enter agreements or contracts, assume

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<sup>1</sup> RTSA 2003 s19

<sup>2</sup> RTSA 2003 s20

<sup>3</sup> RTSA 2003 s21, 22 ,23&27 Schedule 4 Part 2 s1(a&b)

<sup>4</sup> RTSA 2003 s33(1)

<sup>5</sup> RTSA 2003 24, 26 &27

<sup>6</sup> RTSA 2003 s36

<sup>7</sup> RTSA 2003 s55

<sup>8</sup> RTSA 2003 s50

<sup>9</sup> RTSA 2003 s52

<sup>10</sup> RTSA 2003 s33(3&4)

<sup>11</sup> RTSA 2003 s18

obligations, incur and pay debts, and pursue legal action, on its behalf.

- 1.5. A Policing Protocol exists which sets out the ways in which relevant persons should exercise or refrain from exercising functions so as to encourage, maintain or improve working relationships or limit or prevent overlapping or conflicting exercise of functions. The Authority and Chief Constable are not relevant persons within the definition of the Policing Protocol but where appropriate relevant principles of the Protocol have been incorporated into this Code.
- 1.6. The Chief Constable is responsible for maintaining the Queen's Peace, and has direction and control over the Force's staff.
- 1.7. The Chief Constable is accountable to the law for the exercise of police powers, and to the Authority for the delivery of efficient and effective policing, management of resources and expenditure by the Force.
- 1.8. The Chief Constable is responsible to the public and accountable to the Authority for:
  - 1.8.1. leading the Force in a way that is consistent with the attestation made by all constables on their appointment and ensuring that it acts with impartiality;
  - 1.8.2. appointing the Force's officers and staff
    - 1.8.2.1. the deputy and assistant chief constables and their civilian equivalents will be appointed through a joint panel and on agreement between the Authority and Chief Constable
  - 1.8.3. having regard to the Policing Plan and Strategy in force at the time in performance of his functions;
  - 1.8.4. assisting the Authority in planning the force's budget;
  - 1.8.5. notifying and briefing the Authority of any matter or investigation on which the Authority may need to provide public assurance either alone or in company with the Chief Constable;
  - 1.8.6. entering into collaboration agreements with other chief constables, policing bodies and partners that improve the efficiency or effectiveness of policing, and with the agreement of the Authority and any relevant policing body;
  - 1.8.7. managing all complaints against the force, its officers and staff, except in relation to the Chief Constable, Deputy Chief Constable and Assistant Chief Constables, and ensuring that the Authority is kept informed in such a way as to enable the Authority to discharge its statutory obligation in relation to complaints in a regular, meaningful and timely fashion. Serious complaints and conduct matters must be passed to the IPCC in accordance with legislation;

- 1.8.8. exercising direction and control in such a way as to have access to all necessary information and staff within the Force;  
and
- 1.8.9. acting as additional accounting officer in accordance with the current additional accounting officer memorandum in place.

1.9. The direction and control of the Chief Constable includes:

- the ability to issue a warrant to an attested officer with which that officer may exercise his/her police powers;
- decisions in relation to the appointment and dismissal of officers and staff in accordance with paragraph 1.8.2
- decisions concerning the configuration of policing resources (or) the decision whether, or whether not, to deploy police officers and staff;
- total discretion to investigate or require an investigation into crimes and individuals as he or she sees fit;
- decisions taken with the purpose of balancing competing needs whilst having regard to priorities and objectives set by the Authority;
- operational decisions to reallocate resource to meet immediate demand; and
- the allocation of officers' specific duties and responsibilities within the force area whilst having regard to the strategic objectives set by the Authority.<sup>12</sup>

1.10. This list is not exhaustive and is by way of illustration only.

1.11. The operational independence of the police is a fundamental principle of British Policing. It is expected that the professional discretion of the police service and oath of office give surety to the public that this shall not be compromised<sup>13</sup>.

1.12. The Chief Constable remains operationally independent and it is the will of Parliament and Government that the office of constable shall not be open to improper political interference.<sup>14</sup>

1.13. The Authority and Chief Constable must work together to safeguard the principle of operational independence, while ensuring that neither party is fettered in fulfilling their statutory role. The context of operational independence is not defined in statute, and as Her Majesty's Inspectorate of Constabulary (HMIC) has stated, by its nature, is fluid and context-driven. The relationship between the Authority and the Chief Constable is defined by the Authority's legal mandate to hold the Chief Constable to account both as part of his statutory duty to have regard to the Strategy and Policing Plan and

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<sup>12</sup> Policing Protocol Order 2011 s33

<sup>13</sup> Policing Protocol Order 2011 s30

<sup>14</sup> Policing Protocol Order 2011 s12 (part)



as an employee; primary legislation and common law already provide the framework that underpins operational independence and the Office of Constable<sup>15</sup>.

- 1.14. The Authority must not fetter the operational independence of the police force and Chief Constable who leads it<sup>16</sup> however in order to enable the Authority to exercise the functions of their office effectively they will need access to information and officers and staff within their force. Such access to any information must not be unreasonably withheld or obstructed by the Chief Constable and/or fetter the Chief Constable's direction and control of the force<sup>17</sup>.
- 1.15. In order to respond to the strategic objectives set by the Authority and the wide variety of challenges faced by the police every day, the Chief Constable is charged with the direction and control of the Force and day-to-day management of the British Transport Police Fund (BTPF) assets and resources as defined in the scheme of delegation<sup>18</sup>.
- 1.16. The Chief Constable is required to ensure that the Authority is regularly informed of his decisions and operational activity in a timely manner so that the Authority can hold the Chief Constable to account for the totality of policing in the Force area, including the operational delivery of the police service. The direction and control of the Chief Constable does not just remain under the scrutiny of the Authority but is open to investigation by the Independent Police Complaints Commission within the parameters of their terms of reference<sup>19</sup>.
- 1.17. Requiring accountability is a legitimate part of the relationship between the Authority and the Chief Constable where the overriding principle must be that all actions are taken in the wider public interest. The establishment and maintenance of effective working relationships between the Authority, Chief Constable and Chief Executive is fundamental. It is expected that the principles of professionalism, openness and trust will underpin the relationships between all parties and all parties will do their utmost to make the relationships work<sup>20</sup>.
- 1.18. The Authority may require the Chief Constable to submit a report on specified matters connected with the performance of his functions<sup>21</sup>.
- 1.19. The Authority is a publicly accountable body which together with the Chief Constable will need to establish effective working relationships in order to deliver policing of the railways. Where

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<sup>15</sup> Policing Protocol Order 2011 s36

<sup>16</sup> Policing Protocol Order 2011 s18

<sup>17</sup> Policing Protocol Order 2011s19

<sup>18</sup> Policing Protocol Order 2011 s37

<sup>19</sup> Policing Protocol Order 2011 s34

<sup>20</sup> Policing Protocol Order 2011 s8

<sup>21</sup> RTSA 2003 s56(3)

differences occur they will be resolved locally between the Authority and Chief Constable. Professional advice may be offered by HMIC.

- 1.20. It is perhaps most important of all to remember that the Authority and Chief Constable are working towards a common goal - *to deliver efficient and effective policing to ensure a safe, secure and reliable transport system.*

## 2. Membership

- 2.1. The Authority Members are appointed by the Secretary of State for Transport. Members are drawn from people who have experience of:
- the rail industry;
  - railway staff;
  - the travelling public; and
  - others with designated experience
- 2.2. Members are not, however, intended to be representatives of those interests.
- 2.3. There are also Members with knowledge of the interests of persons in England, Scotland and Wales, in the case of the latter two appointed in consultation with Scottish Ministers and the Welsh Assembly respectively. In the Authority, Members work together and act as a single corporate body.

### Chair

- 2.4. The Chair has particular responsibility to provide effective and strategic leadership to the Authority.
- 2.5. The Chair, with the support of the Chief Executive, will ensure that all Authority Members, when taking up office, are fully briefed on the terms of their appointment, and their duties, rights and responsibilities.
- 2.6. The Chair will undertake an annual appraisal with each Authority Member in the final quarter of each financial year to coordinate with the board effectiveness evaluation. The focus of these appraisals will be board effectiveness, individual contribution over the past 12 months, training needs analysis and future focus. The Chair shall agree objectives for each member following these discussions. The appraisal shall also be used as a base for the Chair's report to the Secretary of State on the Member's reappointment.
- 2.7. The Chair should address the developmental needs of the Authority as a whole with a view to enhancing its effectiveness.

Resources should be provided for developing and refreshing the knowledge and skills of Members.

- 2.8. The Chief Constable and the Chief Executive are to work closely with the Chair to ensure the role and responsibilities of the Authority are discharged.

#### *Members of the Authority*

- 2.9. Members each have a corporate and collective responsibility to ensure that the Authority properly discharges its functions. In doing so, each Member is required to attend all Police Authority meetings and the meetings of those Committees and Groups to which they have been allocated. In addition to attendance at formal Authority and Committee meetings, the Authority may agree that Members should take on additional roles to assist in furthering the Authority's objectives.
- 2.10. Members will receive a letter every April following the board evaluation which will cover any resulting changes. The purpose of the letter will be to confirm their committee memberships and portfolio allocations for the year. This letter will identify training requirements and provide a breakdown of their 30 days for the year.
- 2.11. In accordance with statute and good practice the Authority has adopted a Code of Conduct for Members (Annex 2) which has been approved by the Secretary of State and follows the Nolan Principles of Public Life. The Code requires that in undertaking their duties, Members demonstrate and act with probity and transparency.
- 2.12. For details on terms and conditions for Members see the Framework Document at Annex 3.

### **3. Executive Roles**

#### *Chief Executive to the Authority*

- 3.1. The Authority appoints a Chief Executive with responsibilities similar to those of the head of a local authority's paid service under section 4 of the Local Government and Housing Act 1989<sup>22</sup>.
- 3.2. The Chief Executive is the principal advisor to the Authority and leads and directs the Authority staff ensuring the Authority achieves its objectives.

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<sup>22</sup> c. 42

### *Chief Constable of British Transport Police*

- 3.3. The Authority appoints a Chief Constable whose powers and duties are similar to any other Chief Constable. In addition, the Chief Constable is required to have regard to Codes of Practice issued by the Secretary of State for Transport, the Home Secretary and the Authority.

### *Finance Director and Deputy Chief Executive to the Authority*

- 3.4. The Authority appoints a Finance Director and Deputy Chief Executive who fulfils the role of Treasurer, with the responsibility for ensuring the proper management of the Authority's finances.
- 3.5. The Finance Director also provides independent financial advice to the Authority in all aspects of its activity, including strategic planning, policy making and budgetary matters.
- 3.6. The Authority Finance Director also fulfils the role of Deputy Chief Executive assuming the powers of the Chief Executive in their absence. The arrangements for covering the role of Accounting Officer are detailed from paragraph 27 in the Accounting Officer memorandum at Annex 6.

### *Force Finance Director*

- 3.7. The Force Finance Director is to work closely with the Authority's Finance Director to ensure that the BTPF is properly administered and financial regulations are observed and kept up to date.
- 3.8. When the Authority Finance Director attends a meeting of a panel/board (or similar) constituted by the Force she will be in attendance, rather than a member, and will have no executive financial authority for approving any matters appertaining to the scheme of financial delegation. Furthermore, absence of formal comment is not to be construed to be approval of decision taken at the panel/board.
- 3.9. The same principles will apply to the Force Finance Director when he attends a panel/board (or similar) meeting constituted by the Authority.
- 3.10. The Chief Executive and Chief Constable will jointly agree in writing when it is deemed appropriate for either the Authority Finance Director or Force Finance Director to have executive financial delegation to agree matters under the scheme of financial delegation for a specific panel/board constituted under the direction and control of the Chief Constable or Chief Executive respectively to the Authority.
- 3.11. For a detailed list of the specific responsibilities of the Authority Finance Director and Force Finance Director see Annex 4 Financial Management.

### *The Accounting Officer*

3.12. The Chief Executive has been appointed as the Accounting Officer for the BTPF by the Principal Accounting Officer of the DfT. The Chief Constable has been appointed as an Additional Accounting Officer by the Chief Executive with the agreement of the Principal Accounting Officer of the DfT. The responsibilities of both the Chief Executive and Chief Constable as Accounting Officers are in accordance with the principles set out in HM Treasury's Managing Public Money. The Accounting Officer Memorandums and service level agreement can be found at Annex 6.

## **How we deliver**

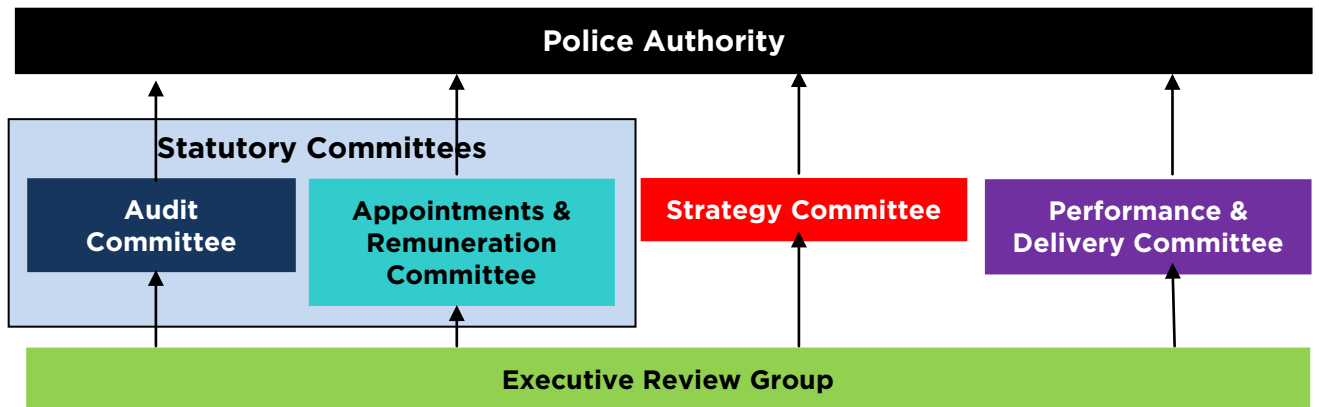
### **4. Accountability, Openness and Transparency**

4.1. The Authority demonstrates its accountability and commitment to openness and transparency to:

- Parliament through;
  - the Authority's annual report which is laid before Parliament
  - annual auditing of the Authority's accounts by the National Audit Office (NAO)
  - periodic reviews conducted by the Department for Transport.
- Stakeholders through;
  - opening our meetings to the public
  - delivery of our statutory duties, including setting performance targets and strategy for the police force and assessing progress
  - publishing our meeting papers, minutes and policy information, to provide key information about our activities, how we undertake them and the decisions we make
  - consulting with our stakeholders both in writing and through annual workshop sessions.

4.2. The high level Committee structure is set out in the next section for a detailed description of how the Committees work refer to the Authority's Annual Business Cycle.

## 5. Governance Structure



### **Police Authority**

#### *Purpose*

5.1. To secure the maintenance of an efficient and effective police force for the railways.

#### *Reporting*

5.2. The Authority will publish all open papers and minutes on its website.

#### *Responsibilities*

5.3. The full Authority meets to perform its purpose of securing the maintenance of an efficient and effective police force for the railways through the following areas<sup>23</sup>:

- *Strategic Clarity* - setting the vision and mission with a focus on long-term capability with all activities directly or indirectly contributing towards the strategy.
- *Commercial sense* - approving the distribution of responsibilities, setting the scheme of delegation, ensuring sound financial management, scrutinising the allocation of financial and human resources to achieve the plan, setting the risk appetite and ensuring controls are in place.
- *Cultural focus* - setting the vision for the culture of the organisation and ensuring clear, consistent and comparable information is provided to measure this and address any cultural concerns arising
- *Talented People* - ensuring the chief officer team has the capability to deliver and plan to meet current and future needs.
- *Results Focus* - setting the Annual Railways Policing Plan and monitoring progress against this and the Strategy.
- *Management Information* - ensuring clear, consistent comparable performance information is provided to the Authority and used to drive improvements.

<sup>23</sup> The 6 areas are described in the Corporate Governance in central government departments: Code of Good Practice 2011 published by HM treasury and Cabinet Office. The addition of an explicit cultural focus bullet point followed the Governance Review in 2016.

- *Professional standards* – ensuring that matters are dealt with according to statute and policy and challenging non-compliance.
- 5.4. The Full Authority retains total responsibility for governance, taking all decisions unless specifically delegated to a Committee and enshrined in its terms of reference.
- 5.5. The key statutory decisions which the Authority takes are to:
- Set a rolling Strategy covering a minimum of three years
  - Set an annual Railways Policing Plan
  - Set the budget of expected income and expenditure for policing the railways each year
  - Approve the Annual Statement of Accounts
  - Approve the annual PSA charges
  - Approve the internal audit strategy

### *Meetings*

- 5.6. The Authority will meet at least 4 times a year. The Chair of the Authority may convene additional meetings, as they deem necessary. The quorum of Authority meetings is half of all Members plus one.

### *Membership*

- 5.7. The membership will be all members of the Authority<sup>24</sup>. Executive Team and Force colleagues will join as agreed with the Chair.

## ***Audit and Risk Assurance Committee***

### *Purpose*

- 5.8. This statutory committee supports the Authority and Accounting Officer by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements.

### *Reporting*

- 5.9. The Audit and Risk Assurance Committee will formally report in writing to the Authority after each meeting.
- 5.10. The Audit and Risk Assurance Committee will provide the Authority and Accounting Officer with an Annual Report, timed to support finalisation of the accounts and the Governance Statement, summarising its conclusions from the work it has done during the year.

### *Responsibilities*

- 5.11. The Audit and Risk Assurance Committee will advise the Authority and Accounting Officer on:

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<sup>24</sup> Appointed by the Secretary of state in accordance with Schedule 4, Part 1, Paragraph 1

- the strategic processes for risk, control and governance and the Governance Statement, including disaster recovery;
- the accounting policies, the accounts, and the annual report, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors;
- production and approval of the Management Assurance Return (MAR)
- the planned activity and results of both internal and external audit and HMIC;
- adequacy of management's response to issues identified by audit activity, including external audit's management letter;
- assurances relating to the corporate governance requirements for the organisation;
- anti-fraud and corruption and whistleblowing processes and arrangements for investigations
- monitor and assess compliance with and performance against statutory duties

5.12. The Audit and Risk Assurance Committee may:

- Approve the external audit strategy

#### *Milestones*

- Accounts, Governance Statement and audit opinions to the June meeting
- Annual health and safety opinion to the June meeting
- Management Assurance Statement to March

#### *Access*

5.13. The Head of Internal Audit and the representative from the external audit will have free and confidential access to the Chair of the Audit and Risk Committee.

#### *Meetings*

5.14. The Audit and Risk Assurance Committee will meet at least 4 times a year. The Chair of the Committee may convene additional meetings, as they deem necessary.

5.15. The Authority or Accounting Officer may ask the Audit and Risk Assurance Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

#### *Membership*

5.16. The membership of this Committee will be five members of the Authority. Executive Team and Force colleagues will join as agreed with the Chair.



## ***Appointments and Remuneration Committee***

### *Purpose*

5.17. This statutory committee advises on whether the Authority and Force have systems in place to ensure effective succession planning arrangements and recruitment processes. It also has a central role in ensuring that the pay strategy for officers and staff remains effective attracting and retaining a high quality workforce whilst remaining affordable.

### *Reporting*

5.18. The Appointments and Remuneration Committee will formally report in writing to the Authority after each meeting.

### *Responsibilities*

- scrutinising plans for orderly succession of appointments to senior management both within the Authority and the chief officer team and the Authority membership, in order to maintain an appropriate balance of skills and experience;
- scrutinising systems for identifying and developing leadership and high potential;
- ensuring the pay strategy remains effective in attracting and retaining a high quality workforce.
- reviewing and approving annual pay claims for officers and staff.
- acting on behalf of the Authority to make the appointment of chief officers and equivalent appointments jointly with the Chief Constable, excluding the Chief Executive and Finance Director to the Authority which are A&RC appointments only. This includes approval of recruitment processes, remuneration packages and contracts of employment.
- acting on behalf of the Authority, working with the Chief Constable, to make chief officer temporary and acting appointments expected to last beyond 6 months.
- acting on behalf of the Authority, working with the Chief Constable, to agree chief officer secondments to and from the force expected to last beyond 6 months.
- To consider and approve packages on termination for employees of chief officer rank or equivalent in both BTP and BTPA. This includes for example discretionary awards and payments, discretionary pension enhancements and ex gratia payments.
- To have due regard, in exercising the Committee's responsibilities, to equal opportunities and the requirements of equalities legislation.

### *Milestones*

- Annual performance and development review in May
- Staff pay award decision in May
- Officer pay award decision in July
- Mid-year performance and development review November

### *Meetings*

5.19. The Appointments and Remuneration Committee will meet at least 2 times a year. The Chair of the Committee may convene additional meetings, as they deem necessary.

### *Membership*

5.20. The membership of this Committee will be five members of the Authority. Executive Team and Force colleagues will join as agreed with the Chair.

## **Strategy and Planning Committee**

### *Purpose*

5.21. This Committee's role is to ensure an integrated approach to the development of the MTFP, Strategy, Policing Plan and annual budget.

### *Reporting*

5.22. The Strategy and Planning Committee will formally report in writing to the Authority highlighting progress against the Policing Plan, MTFP and Strategy development processes and any significant matters arising.

5.23. The Strategy and Planning Committee will provide the Authority and Accounting Officer with an Annual Report, timed to support finalisation of the annual PSA charges, summarising and explaining any significant movements for individual PSA holders.

5.24. The Strategy and Planning Committee will provide a report to each December Authority meeting presenting and recommending the final budget for the next financial year.

### *Responsibilities*

- Advising on the preparation of the annual budget
- Ensuring appropriate consultation in the preparation of the budget
- Reviewing the annual PSA charges and understanding the reasons for any significant movements
- To produce a draft Strategy and Medium Term Financial Plan (MTFP) for consideration by the Authority
- To set out the desired culture and behaviours in alignment with the Strategy
- To oversee development of subordinate strategies including those relating to people, equality and diversity
- To prepare the Policing Plan in line with the strategy and stakeholder requirements
- To ensure effective consultation with stakeholders in the preparation of the Strategy, MTFP, and Policing Plan.
- To agree performance metrics with the force
- To oversee development of an annual report from the Authority

### *Milestones*

- MTFP recommendation to the full Authority
- Strategy recommendation to the full Authority
- Policing Plan recommendation to the full Authority
- Agreement of performance metrics

### *Meetings*

5.25. The Strategy Committee will meet at least quarterly ahead of Authority meetings. The Chair of the Committee may convene additional meetings, as they deem necessary.

### *Membership*

5.26. The membership of this Committee will be six members of the Authority. Executive Team and Force colleagues will join as agreed with the Chair.

## ***Performance and Delivery Committee***

### *Purpose*

This Committee holds the Force to account for its operational and business performance and delivery of its current strategic and annual plans by aligning review and challenge of financial inputs with that of operational outputs.

### *Reporting*

5.27. The Performance Committee will formally report in writing to the Authority after each meeting providing a quarterly strategic performance and budget report and highlighting any other significant matters arising.

### *Responsibilities*

- Assessing financial reports, including performance against annual and medium term financial plans and ensuring the effective review by the Authority of financial performance
- Assessing progress against delivery and spend on capital projects and major revenue schemes approved by the Authority in accordance with the scheme of delegation
- Examining post completion reports for all capital and major revenue schemes approved by the Authority in accordance with the scheme of delegation
- To assess and provide supportive challenge on BTP's operational and organisational performance and efficiency against criteria which are defined in the rolling strategic plan (and supporting plans such as the people and estates strategy) and refreshed annually to include operational and organisational performance pillar gradings, KPIs and outputs from external inspections.
- To have oversight of other business as usual operational indicators such as the use of Stop and Search and use of force including,

deployment of Taser and firearms to include delivery of mandatory training to maintain these capabilities

- Request and consider information from BTP, BTPA, stakeholders and other sources to support scrutiny activities in terms of internal and external comparison and benchmarking of performance
- Oversee development of an annual performance report from the Authority to be included in the statutory accounts
- Oversee BTP compliance with legislative requirements and guidance with respect to referral of cases to the IPCC, complaint and conduct handling and custody facilities
- Track trends in relation to public complaints, non-complaint investigations and investigations into civil claims and internal matters conducted by the Professional Standards Department (PSD) and make recommendations as appropriate
- Oversee the development and maintenance of the Force's capability and representation as set out in the people strategy through the monitoring of key HR data relating to recruitment, retention, progression, grievance and management of attendance.
- The Authority satisfies itself as the legal employer of police staff and officers, of compliance with relevant employment legislation.

#### *Milestones*

- Quarterly Authority meetings
- Annual performance and delivery report
- Annual health and safety report to the Audit & Risk Assurance Committee's June meeting

#### *Meetings*

5.28. The Performance and Delivery Committee will meet at least quarterly ahead of Authority meetings. The Chair of the Committee may convene additional meetings as they deem necessary.

5.29. The membership of this Committee will be five members of the Authority. Executive Team and Force colleagues will join as agreed with the Chair.

#### ***Executive Review Group***

##### *Purpose*

5.30. The Executive Review Group provides a second line of assurance to the Authority and its committees by reviewing information provided for decision-making and/or performance monitoring purposes to ensure it is relevant, sufficient, integrated, timely, reliable, clear and concise.

##### *Responsibilities*

5.31. The Executive Review Group will provide a cover report to each report received at committee or Authority level providing its assurance opinion on the information provided,

5.32. The Executive Review Group will quality assure papers and provide feedback to ensure that all relevant information is provided to enable the Authority and its committees to make high quality decisions in a timely fashion.

5.33. The Executive Review Group has no delegated decision-making powers nor does it have the remit to prevent a paper from going to the Authority or a committee.

#### *Meetings*

5.34. The Executive Review Group will meet two weeks ahead of all Authority and committee meetings.

#### *Membership*

5.35. The membership of this Committee will be the Authority's senior management team and the Chief Constable's Senior Advisor.

#### *The Role of the Chair*

5.36. The role of committee chair involves:

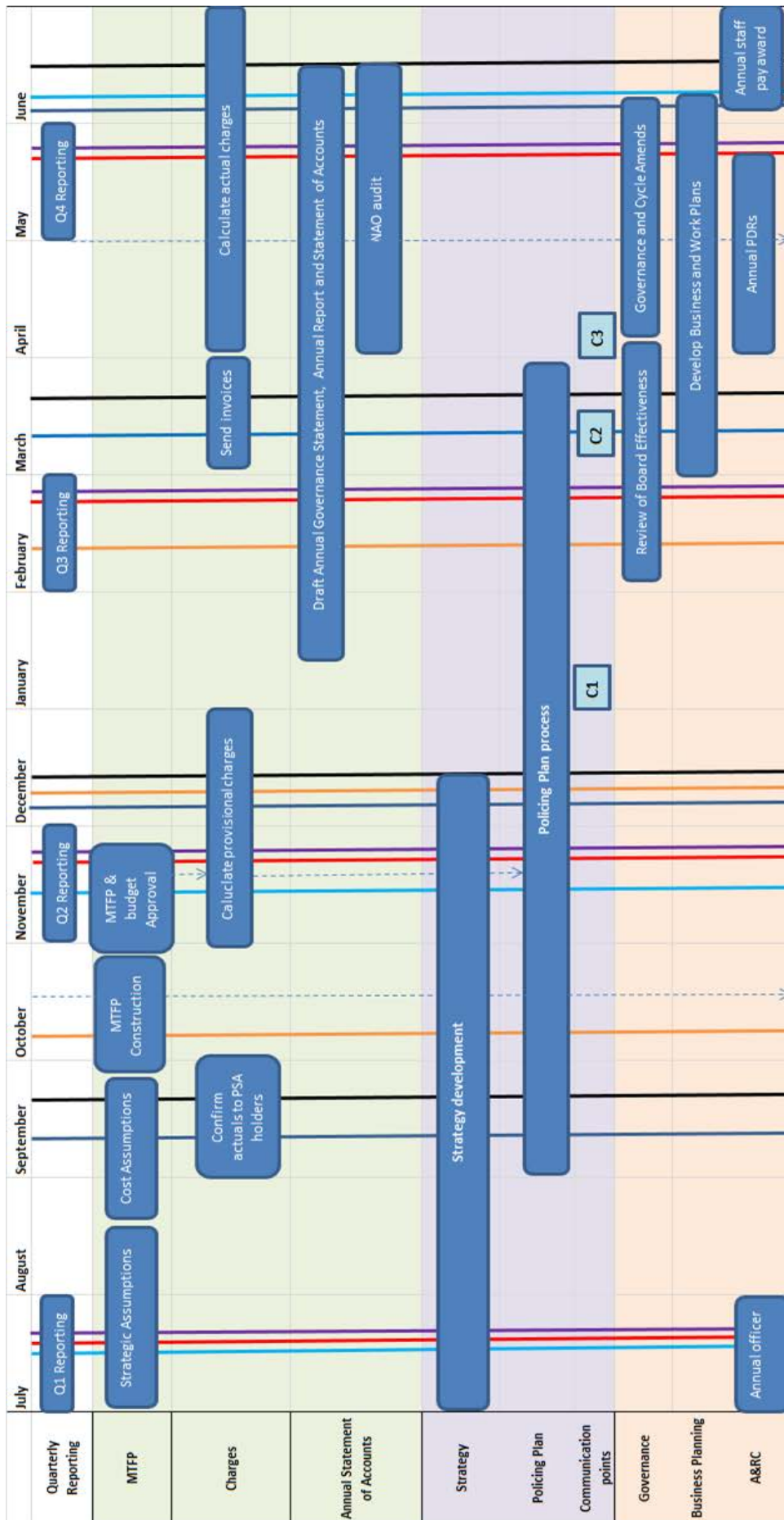
- facilitating meetings;
- ensuring adherence to the comply or explain principle; and
- ensuring that the Committee obtains and considers all appropriate information.

### **Member Portfolios**

5.37. All Authority Members shall be allocated a portfolio area. Portfolios may range from alignment with a BTP sub-division or chief officer to a specific policing theme. The purpose of portfolios is to provide Members with a forum within which they can have general oversight of the wide range of BTP's operational and organisational activities. Portfolios are also intended to assist Members in developing their own knowledge and experience of policing issues and to increase the visibility of the Authority amongst front-line officers and staff. The Member Handbook includes detailed information on the portfolio arrangements.

## **6. The Authority's Business Cycle**

6.1. The Authority has agreed an annual business cycle for its work to help it ensure that it maintains focus on key work streams in a timely and efficient way.



## 7. Consultation

- 7.1. The Authority shall develop a consultation plan which will be aligned with that of the Chief Constable to discharge its duties and functions under section 62 of the 2003 Act.
- 7.2. In discharging its duties and functions the Authority is required to consult those listed in section 62(1) of the Act, basing its decisions on:
  - the requirements of passengers and staff and other rail users in relation to personal security and policing
  - the professional advice from the Chief Constable
  - the commercial and operational challenges of the rail and train operating companies and their priorities for policing;
- 7.3. With this knowledge, as an independent body, the Authority then makes its own judgements about how to secure an efficient and effective police force which it reflects in its Strategy, Policing Plan and budget decisions.

## 8. Managerial and Financial Framework

- 8.1. The Authority has established the BTPF<sup>25</sup> into which all monies received shall be paid<sup>26</sup>. The Authority retains overall responsibility for all strategically important issues affecting the direction and finances of the Authority with the support of the Strategy and Planning Committee.

### *Responsibilities of Chief Executive & Chief Constable: Financial*

- 8.2. As Accounting Officer and Additional Accounting Officer respectively the Chief Executive and Chief Constable must be able to assure Parliament and the public of high standards of probity in the management of the BTPF. The Chief Executive as Accounting Officer must also sign the:
  - Accounts
  - Annual Report
  - Governance Statement
- 8.3. The Chief Executive assigned to the Chief Constable responsibilities relating to all expenditure and activities by BTP within the agreed budget and specific revenue or capital projects as defined in the Scheme of Delegation. The Chief Executive's responsibilities relate to the income for the Authority and BTP and the expenditure of the Authority's own budget. The only exception being where income is received from third parties for specific projects, this will be

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<sup>25</sup> Schedule 4, Part 3, s16-18

<sup>26</sup> Schedule 4, Part 3, s29

approached as if it were a contract with responsibility for the income dependent on the value of the project in accordance with the scheme of financial delegation.

- 8.4. The responsibilities of the Chief Constable and Chief Executive are to be interpreted broadly. In summary they include but are not limited to, ensuring that they discharge their responsibilities efficiently and effectively in accordance with the Authority's Strategy and plans. The responsibilities are described in the Accounting Officer and Additional Accounting Officer Memorandums which can be found at Annex 6.
- 8.5. The Authority is to comply with the Delegated Expenditure Limits set by the Department for Transport<sup>27</sup>. The Chief Executive as Accounting Officer is responsible for ensuring these are included in the Authority's Scheme of Delegation<sup>28</sup>.
- 8.6. The Authority must also consult the Chief Constable each financial year before setting a budget.

#### *Responsibilities of Authority Finance Director: Financial*

- 8.7. The Authority Finance Director is the Treasurer and has the responsibility for ensuring the proper management of the BTPF.
- 8.8. The Authority must also consult the Treasurer each financial year before setting a budget.

#### *Responsibilities of Force Finance Director: Financial*

- 8.9. The Force Finance Director is to work closely with the Authority's Finance Director to ensure that the BTPF is properly administered and financial regulations are observed and kept up to date,

#### *Responsibilities of Chief Executive & Chief Constable: Managerial*

- 8.10. The Authority is responsible for the recruitment, retention, development and motivation of its directly appointed staff including the Chief Constable, Chief Executive and Authority Finance Director. The Authority and Chief Constable are jointly responsible for the recruitment, retention, development and motivation of the Deputy Chief Constable, Assistant Chief Constables, and their staff equivalents. The Authority delegates these responsibilities to the Chief Constable for all others under his direction and control.
- 8.11. The Authority requires the Chief Executive and Chief Constable, in their respective areas of responsibility, to ensure that:

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<sup>27</sup> See Annual DEL letter

<sup>28</sup> See the scheme of financial delegation at Annex 5



- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit: there is no discrimination on grounds of gender, marital status, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background or age;
- the level and structure of staffing, including grading and number of staff, shall be appropriate to the functions and the requirements of efficiency, effectiveness and economy;
- the performance of staff at all levels is satisfactorily appraised and the performance measurement systems are reviewed from time to time;
- staff shall be encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the Authority's objectives;
- adequate grievance and disciplinary procedures are in place;
- reporting of wrongdoing and whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place;
- proper consultation with staff and their elected representatives takes place on key issues affecting them;
- appropriate arrangements are in place for compliance with legislative requirements with respect to staff under the Chief Executive and Chief Constable's respective direction and control;
- a code of conduct for staff is in place based on The College of Policing's Code of Ethics; and
- the collective pay and grading structure, and terms and conditions of service (including pensions) as determined by the Authority, are approved where necessary by the Department for Transport and/or the Treasury.

8.12. The Authority retains the power of decision with respect to pay and terms and conditions of service for officers and staff. In accordance with Section 46 of the 2003 Act, for police officers there shall be a Conference to which all questions of rates of pay, hours of duty and conditions of service of transport police shall be referred. The Conference will be chaired by the Chief Executive and will usually be held annually. These decisions will be recorded in Regulations made under section 36 to 40.

### *Responsibilities of Finance Director: Managerial*

8.13. As Treasurer of the BTPF, the Authority Finance Director is responsible for the proper processes and controls in place for the management of money.

### *Medium Term Financial Forecast and Budget*

8.14. The Authority shall determine and maintain a medium term financial forecast. This will set out its expectations and intentions in relation to the gross revenue income to the BTPF and expenditure for the next five years<sup>29</sup>.

8.15. Not later than the end of March in any year for the forthcoming financial year, the Authority will:

- set for the forthcoming year a gross revenue budget for Authority including all sources of income to the BTPF;
- agree the gross expenditure budget for the Authority;
- determine the charges to be paid by PSA holders;
- agree a three year capital expenditure programme; and
- agree the delegated expenditure limit with the DfT.

8.16. The Authority may hold reserves to be applied towards expenses relating to a future period, in accordance with the Authority's policy on reserves. The Authority reserves the right to amend the policy as required.

8.17. The Chief Executive and the Chief Constable will be individually and collectively responsible and accountable for ensuring that all expenditure whether against the revenue budget or the capital programme is properly authorised and accounted for and that no expenditure or commitments are entered into unless authorised within the rules laid down in this governance code or by decision of the Authority.

8.18. During the course of the financial year the Chief Executive and Chief Constable will report to the Authority at least quarterly on expenditure against the budget and the capital programme, highlighting any variances from the planned phased expenditure and proposing and seeking authorisation for the treatment of such variances.

8.19. Virement thresholds are detailed in the Scheme of Financial Delegations (Annex 7) and the detailed conditions can be found at Financial Regulation 4 (FR4) in Annex 4. Virement will not be possible in respect of expenditure for which specific government funding has been granted.

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<sup>29</sup> RTSA Schedule 4, Part 3, Paragraph 20(a)

8.20. The Chief Executive may arrange with the Chief Constable for any or all of his financial functions to be fulfilled by the financial staff under the Chief Constable's direction and control. In doing so formal but straightforward agreements are to be drawn up to ensure that all responsibilities and service levels are clearly defined and agreed (Annex 6 Accounting Officer Memorandums and Service Level Agreement).

### *Collaboration*

8.21. The 2011 Police Reform and Social Responsibility Act amended sections 22A to 23I of the Police Act 1996, which relate to police collaboration arrangements. These arrangements apply to the Authority and BTP.

8.22. The amendments introduced new legal duties for police forces and authorities to;

- Work together (and with policing partners) to keep collaboration opportunities under review
- Collaborate where it is in the interests of efficiency and effectiveness of their own, or another, force

8.23. The Authority has the overriding authority to determine questions of efficiency and effectiveness and must approve relevant collaboration agreements. Any collaboration agreements are to be made with the Chief Constable and Authority jointly<sup>30</sup>.

8.24. The Authority must be included in consultation and discussion at the development/formative stage of any proposed collaboration; similarly the Chief Constable must be consulted by other forces/authorities if collaboration proposals potentially affect officers/staff under his direction and control.

8.25. Chief officers party to a collaborative agreement must each agree that the collaboration is in the interests of at least one of the other parties. This benefit need not be to their own force/police body.

8.26. The Authority and the relevant local policing body must also agree that the collaboration is in the interests of at least one of the other parties. Again, this benefit need not be to their own force/police body.

8.27. In reviewing collaboration opportunities forces and police bodies should take into account:

- Whether the issue is a 'special demand' (when they should use mutual aid legislation instead)

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<sup>30</sup> Police Act 1996 s22a(3) which specifically covers BTP and the Authority by virtue of s23I(3)

- The likely impact of the proposals on the efficiency or effectiveness of their own or another force/body
- Whether the proposals relate to discharging the functions of (or by) a police force
- How costs/benefits will be shared between parties and arrangements for making/receiving any related payments
- Arrangements for collaborative procurement should be set out in an agreement – this should also take into account EU rules on police procurement – legal advice may be advisable on this aspect
- Any existing agreements which may be affected/superseded
- Whether external (non-police) parties are involved (covered by other legislation)
- Processes by which variations to, and exits from, agreements must be agreed by all parties

8.28. Any refusal to be a party to a collaboration agreement must be reasonable and be articulated. There is currently no statutory right of appeal against a refusal to enter a collaborative agreement.

#### *Capital and Major Revenue Schemes*

8.29. The regulations governing capital and major revenue schemes are detailed in the Financial Regulations FR3 (Annex 4). Thresholds as set down in the scheme of financial delegation (Annex 7) shall apply to the approval of schemes and variations to schemes.

#### *Procurement*

8.30. The Force Finance Director will establish and maintain Regulations governing the acquisition of goods and services from third parties. These will be agreed first by the Chief Constable and then by the Chief Executive and will be mandatory.

8.31. The Authority requires that these regulations conform to best practice as promulgated by the Office of Government Commerce and/or Chartered Institute of Purchasing and Supply. They must enable the Authority to ensure value for money in all its purchases and contracts and at the same time ensure that goods and services provided by third parties are of the required standard and quality. It is imperative that the process of purchasing and contracting is itself efficient, effective and supportive of business needs.

#### *Scheme of managerial delegations*

8.32. The Chief Constable is authorised to take any action or make a decision associated with the day to day running of the Force and the furtherance of the strategies, policies and objectives of the Authority so long as all such actions or decisions:

- have regard to such strategies policies and objectives and, insofar as they incur expenditure, are within the Authority's budget or capital programme as appropriate;
- do not create new or change existing policies that have been agreed by the Authority; and
- are also authorised within the scheme of delegation being within the limits of the financial authority delegated to him.

8.33. The Chief Executive is authorised to manage and direct the work of the Authority in accordance with its Strategy, plans, budgets and policies. Specifically the Chief Executive is authorised to take any action or make a decision associated with the day to day running of the Authority and the furtherance of its strategies, policies and objectives so long as all such actions or decisions:

- have regard to with such strategies, policies and objectives and insofar as they incur expenditure are within the Authority's budget or capital programme as appropriate;
- do not create new or change existing policies that have been agreed by the Authority; and
- are also authorised within the scheme of delegation as within the limits of the financial authority delegated to him.

8.34. The Chief Constable and Chief Executive may delegate their responsibilities to members of their staff but in doing so they retain ultimate accountability for any decisions taken. In the absence of the Chief Constable his duties and responsibilities may be exercised by the Deputy Chief Constable. In the absence of the Chief Executive his duties and responsibilities may be exercised by the Authority Finance Director as Deputy Chief Executive.

8.35. In acting within these delegations, the Chief Constable and Chief Executive and others acting on their behalf should always consult and keep the Chair fully informed on all matters likely to be of concern to Members of the Authority.

#### *Scheme of financial delegations*

8.36. The intention behind this scheme is to ensure the proper and timely conduct of the Authority's business. The decisions authorised under this scheme will be final decisions to proceed and they will commit the Authority.

8.37. The scheme assumes that through the budget and capital programme and related policies a framework has been created within which individual projects are authorised and progressed.

Some of these projects will be of such value or strategic importance that the Authority decides not to delegate authority.

- 8.38. Generally, projects having been included and authorised in the capital programme or budget, can be finally authorised under delegated authority and it is these that this scheme is primarily concerned with. It is recognised that projects funded by third parties, or from a commutation of revenue to capital, may be authorised in addition to those that were included in the capital scheme, in accordance with the scheme of financial delegation virement thresholds.
- 8.39. Emergencies of varying kinds, particularly with an operational force like BTP, may arise from time to time that could not have been foreseen. The scheme gives the Chief Constable authority to incur expenditure in such circumstances. To regularise the position the Chief Constable shall consult the Chair and Chief Executive as Accounting Officer before or very soon after such a decision.
- 8.40. The scheme can be found at Annex 7 and it should be noted that all financial amounts are inclusive of VAT.

#### *Police Service Agreements and Charging*

- 8.41. The Authority has the power to enter into PSAs and enhanced PSAs (EPSAs) with railway operators, and owners of railway property who, in connection with which, provide railway services<sup>31</sup>.
- 8.42. The Authority must aim to ensure that the amount of contribution to the BTPF made by each customer in a financial year approximately reflects the nature and extent of the functions likely to be undertaken in that year in accordance with the customer's PSA<sup>32</sup>. This is achieved through the use of a charging model, which combines carefully selected data sources to defray the expenses in accordance with this requirement. The Governance Statement for charges to PSA Holders sets out and formalises the governance arrangements that apply to the calculation and allocation of costs to PSA holders, both for the statutory policing function and the enhanced police services.
- 8.43. The Medium Term Financial Forecast satisfies the requirement of the Authority to estimate the likely ratio of customer contributions to the BTPF before and in relation to each consecutive period of five financial years<sup>33</sup>.

#### *Pensions*

- 8.44. The Authority has the power to vary the terms of the pension schemes operated for the police officers and staff. The Authority

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<sup>31</sup> Section 33

<sup>32</sup> Section 33(4)(b)

<sup>33</sup> Schedule 4, Part 3, Section 20

may, with the consent of the Secretary of State, arrange for the establishment of a new pension scheme for the benefit of officers or staff.

8.45. The Authority will scrutinise and monitor all major decisions regarding the investments of the scheme.

8.46. The Authority will review the triennial valuations for all current pension schemes and ensure that prudent assumptions are made in line with actuarial advice. It will ensure that appropriate measures are taken in order to satisfy the regulations set out by both the pensions Regulators and the Trustees of the Railways Pension scheme.

## **9. Risk Management and Controls**

### *Risk Management*

9.1. The Chief Constable and the Chief Executive will agree and recommend a risk strategy and risk appetite on an annual basis to the Audit and Risk Assurance Committee for recommendation to the Authority. A Joint Risk Register which identifies evaluates and describes mitigation and management measures in relation to all the key internal and external strategic risks to the Authority and Force listed will be maintained. Operational risk registers should also be maintained with structures in place for risks to escalate and de-escalate throughout the risk hierarchy.

9.2. The Joint Risk Register will be reported and debated quarterly at the Audit and Risk Assurance Committee before going to the Full Authority where any significant matters will be raised and debated and the registers approved. Internal Audit will separately advise the Chief Executive and Chief Constable as Accounting Officers and the Audit and Risk Assurance Committee of their opinion on the accuracy and sufficiency of the registers and the efficacy of the proposed mitigation and management measures.

9.3. An escalation mechanism for remitting governmental risks to the DfT is included in the Framework Document.

### *External Audit and Governance Statement*

9.4. The Authority shall ensure that arrangements are in place for the Comptroller and Auditor General to receive a copy of the financial accounts for the BTPF for each financial year as soon as reasonably practicable after the end of each year to examine, certify, report on and lay before both Houses of Parliament<sup>34</sup>.

9.5. Having received assurance from the Chief Constable, as the Additional Accounting Officer, in accordance with his responsibilities

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<sup>34</sup> Schedule 4, Part 3, 17-17A

under the Scheme of Delegation, the Chief Executive as Accounting Officer is to confirm the adequacy of all internal control systems and report on the same to the Comptroller and Auditor General. This Governance Statement will be prepared in accordance with Treasury and NAO guidance and will be reported to the Audit and Risk Assurance Committee.

#### *Management Assurance Return*

9.6. The MAR was developed by the DfT in 2009-10 following the consolidation of whole government accounts. This tool is used by DfT to gain assurance from all of its arms' length bodies, on specific issues of internal governance and internal control.

9.7. The Authority is required to submit a MAR in accordance with the DfT timetable each year. The MAR is reviewed by the internal auditors, Audit and Risk Assurance Committee and Chief Constable as Additional Accounting Officer. Following assurance from each of the above named parties the MAR is signed by the Chief Executive as Accounting Officer.

#### *Internal Audit*

9.8. The Authority is required to make arrangements for internal audit under the framework agreement with the DfT. The Internal Audit arrangements are fulfilled by the DfT internal audit team.

#### *Information Management*

9.9. In accordance with FR20 both the Authority and Force must ensure that they are compliant with the relevant legislation in this area, e.g. the Freedom of Information and Data Protection Acts, but also the Government Information Assurance Standards and Security Policy Framework. Annual assurance reports on information management compliance shall be provided by BTP and the Authority to the Audit and Risk Assurance Committee for submission to the Home Office and Department for Transport respectively.

#### *Her Majesty's Inspectorate of Constabulary*

9.10. BTP may be inspected by HMIC either through agreement with the HMIC or on the request of the Secretary of State<sup>35</sup>. Inspection reports are received and reviewed by the Audit and Risk Assurance Committee with progress against action plans delegated from the Audit and Risk Assurance Committee to the relevant committee of the Authority.

#### *Health and Safety*

9.11. As the legal employer of the officers and staff under the direction and control of the Chief Constable, the Authority is legally responsible for ensuring, *so far as reasonably practicable*, the health, safety and welfare at work of these individuals<sup>36</sup>. The day-to-day

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<sup>35</sup> Section 63

<sup>36</sup> Section 2(1) Health and Safety at Work Act 1974 c.37



health and safety responsibility for officers and staff under the direction and control of the Chief Constable is delegated to the Chief Constable. Compliance is reported to, and assessed by, the Audit & Risk Assurance Committee.

## **Monitoring and Review Arrangements**

### **10. Board Effectiveness**

- 10.1. The DfT has published guidance based on the Treasury document *Corporate Governance in Central Government Departments: Code of Good practice 2011*. This Guidance requires all arms' length bodies to conduct an evaluation of board, committee and member effectiveness annually with an independent input at least every three years.
- 10.2. The Authority is required to report the findings of its board level effectiveness evaluation to the Principal Accounting Officer at the DfT along with a plan for how the Authority will address any identified weaknesses. The evaluation report and action plan must be submitted within 3 months of the evaluation being completed. Progress against the evaluation action plan will be monitored through the bi-monthly sponsorship meetings with the DfT. *Managing Public Money* also requires that the evaluation be reported in the Annual Governance Statement.
- 10.3. Board effectiveness evaluations will take place in the final quarter of each financial year and report to the March Authority meeting to accommodate the accounts timetable.
- 10.4. Committee effectiveness will be evaluated at a high level by the board evaluation, however, each committee will continue to review its terms of reference and effectiveness as part of its development of its work plan for the following year.
- 10.5. For information on member appraisals see paragraph 2.6.

### **11. Review of the Code**

- 11.1. The Code is a living document and may be updated in-year with proposed updates presented to the Authority for approval prior to inclusion. It shall be subject to a formal review at the Authority meeting each March following the completion of the Board Effectiveness Evaluation.

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## **Annexes**

Annex 1: Statutory Duties  
Annex 2: Member Code of Conduct  
Annex 3: Framework Document  
Annex 4: Financial Management and Regulations  
Annex 5: Procedural Standing Orders  
Annex 6: Accounting Officer Service Level Agreement  
Annex 7: Scheme of Financial Delegations

## ANNEX 1: The Authority's Statutory Duties

Statutory Duties	Reference	How/Where Fulfilled
<b>Railways and Transport Safety Act 2003</b>		
<b>Part 3 - British Transport Police</b>		
<b>Police Authority</b>		
To establish the BTPA	s18	BTPA was established and came into being on 1 July 2004.
Aim to ensure the efficient and effective policing of the railways	s19	Through the governance structures including the committees, portfolios etc
<b>Police Force</b>		
Secure the maintenance of an efficient and effective police force known as the BTP to police the railways; and	s20	Through the governance structures including the committees, portfolios etc
defray the expenses of the police force so that they approximately reflect the nature and extent of functions likely to be taken in accordance with a customer's PSA	s33(4)(b)	Through the PSA and charging model.
The Authority shall appoint a Chief Constable	s21	See Chief Officer Recruitment SOP and College of Policing Guidance
The Authority shall appoint a Deputy Chief Constable	s22	See Chief Officer Recruitment SOP and College of Policing Guidance
The Authority shall appoint Assistant Chief Constables	s23	See Chief Officer Recruitment SOP and College of Policing Guidance
The Authority shall appoint and employ constables under direction and control of Chief Constable	s24	BTPA has delegated the appointment of constables below the rank of ACC to the Chief Constable but remains the legal employer with the responsibility for the government, administration and conditions of service under sections 50, 51, 52, 84 and 85 of the Police Act 1996
Chief Constable may appoint special constables	s25	The CC has procedures in place to execute this.
Chief Constable may appoint cadets with a view to undergoing training and becoming constables	s26	The CC has procedures in place to execute this.
The Authority shall employ persons to assist the police force - people appointed under this section will be under direction and control of Chief Constable or the Authority	s27	BTPA has delegated the appointment of the police staff, other than those equivalent to chief officers, to the Chief Constable but remains the legal employer with the responsibility for deciding and negotiating terms and conditions of service
With respect to terms and conditions of employment for staff and constables the Authority shall comply with the rules and principles contained in any document issued to them for the purpose by SofS	s29	No such documents have been issued to the Authority since its inception.
<b>Police Service Agreements</b>		
The Authority may enter into PSAs once a draft has been approved by the SofS. The PSA shall include provision requiring the customer to make payment to the Authority. In defraying the expenses of the Authority, including those of the police force, the Authority shall ensure that each year the financial expenses are as nearly as possible equivalent to the income of the Authority.	s33	A new PSA was agreed with the SofS in February 2012 and came into force in 2013. The annual budget will be scrutinised by the Strategy Committee to ensure that the expenses of the Authority and Force are as nearly as possible equivalent to income received in the BTPF.
A PSA holder or the Authority may refer a dispute to the SofS	s35	
<b>Regulation of Police Force</b>		
The Authority may make regulations about the government, administration and conditions of service of constables and other persons employed in the service of the police force generally but also specifically under sections 50, 84 and 85 and schedule 6 of the Police Act	s36	The Authority has made regulations for police officers and staff covering Complaints and Misconduct. Also for police officers only Conduct, Performance and Police Appeals Tribunals Regulations. Regulations mirroring section 50 regulations for BTP officers have not currently been made
The Authority may make regulations about the government, administration and conditions of service of special constables specifically under section 51 of the Police Act 1996	s37	Regulations mirroring section 51 regulations for BTP officers have not currently been made
The Authority may make regulations about the government, administration and conditions of service of cadets specifically under section 52 of the Police Act 1996	s38	Regulations mirroring section 52 regulations for BTP officers have not currently been made
The Authority may make regulations about the British Transport Police Federation. Regulations must be similar to those under section 60 of the Police Act 1996 subject to such modifications as may be necessary to reflect the structure and circumstances of the police force	s39	No such regulations have been made

The Authority may not make regulations under section 36, 37, 38 or 39 unless a draft has been approved by the Chief Constable, Staff Associations and Secretary of State.	s40	This power is not in use as an order prescribing the staff associations has not been made by the SofS
The SofS may direct the Authority to make regulations	s41	No such request has been received since the Authority's inception
A Conditions of Service Conference must be held as part of the process for making any regulations	s46	Conferences are held with the Federation each time regulations are made.
The SofS may issue code of practice relating to the performance by the Authority of any of its functions.	s47	No such code issued
The SofS may issue code of practice relating to the performance by the Chief Constable of any of his functions.	s48	No such code issued
The SofS may make regulations about the treatment by the Authority of a person who is or was a constable of the police force and is or was engaged in service outside of the police force	s49	No such regulations have been made
<b>Planning</b>		
Before the beginning of each financial year the Authority shall set objectives for policing the railways during that year	s50	The Authority discusses the objectives for policing the railway with the Chief Constable and his team and consults stakeholders. The Policing Plan is developed as a result and the detailed work in this area is completed by the Policing Plan Group.
Before the beginning of each financial year the Authority shall issue a plan setting out the proposed arrangements for policing the railways during that year, including the Authority's priorities, the financial resources the Authority expects to have available and the proposed allocation of resources	s52	The Annual Railways Policing Plan is developed through the Policing Plan Group which recommends it to the full Authority where it receives approval.
The Authority shall before the beginning of each consecutive three financial years issue a plan which sets out the Authority's medium term and long-term strategies for policing the railways during that period	s55	The Strategy will be developed through the Strategy and Planning Committee and consultation with stakeholders. The Strategy will be refreshed on an annual basis and at least every three years.
<b>Information</b>		
The Chief Constable shall submit to the Authority a report on the policing of the railways that year as soon as reasonably practicable at the end of each financial year.	s56	The Chief Constable publishes an annual report each year.
The Authority shall publish and send to the SofS a report on the policing of the railways that year as soon as reasonably practicable at the end of each financial year.	s57	The Annual Report is completed with the Accounts each year and submitted to the SofS as soon as reasonably practicable at after the end of the financial year. This is reviewed at the Audit and Risk Assurance Committee who recommend approval to the full Authority.
The SofS may require the Authority or Chief Constable to submit a report on specified matters connected with the performance of its/his functions	s58	All information requests from the SofS are fully complied with.
The Authority shall make, and review from time to time, arrangements to obtain the opinions about the policing of the railways of a specified list of people/organisations and anyone else with an interest in the railways that the Authority sees it fit to consult.	s62	The Authority has a Stakeholder Engagement Strategy.
<b>Inspection</b>		
HMIC shall inspect the police force from time to time	s63	BTPA has a protocol in place with the HMIC and inspection reports are received and progress against action plans assessed through the Audit and Risk Assurance Committee.
The SofS may require BTPA to take specified measures for the purpose of remedying a deficiency identified in the report.	s65	No such directions given to the Authority
Where section 65 has been actioned the SofS may require BTPA to submit an action plan	s66	No such directions given to the Authority
<b>Miscellaneous</b>		
The Authority may provide international advice or assistance, or arrange for the police force to, in relation to a body policing a railway outside of Great Britain	s70	
<b>Schedule 4</b>		
<b>Part 1 - Membership</b>		
The SofS shall appoint members of the Authority and ensure that the number is not lower than 11 nor higher than 17 and an odd number	s1	The Authority forecasts its recruitment to ensure that it is at all times compliant with this section of the Act. Where Members leave unexpectedly causing the Authority to be in breach of this section immediate arrangements are put in place to recruit a replacement.

The constitution of the Authority is listed.	s2	The Authority forecasts its recruitment to ensure that it is at all times compliant with this section of the Act. Where Members leave unexpectedly causing the Authority to be in breach of this section immediate arrangements are put in place to recruit a replacement.
<b>Part 2 - Proceedings</b>		
The Authority shall make a code of practice establishing standards for the conduct of members to be approved by SofS	s9	Annex 2 of the Governance document is the code of conduct. This has been approved by the Secretary of State and is in accordance with the Nolan principles.
The Authority may appoint staff and delegate a function to them. In particular it shall appoint a Treasurer and a Chief Executive.	s10 & 11	The Authority has an executive team headed by the Chief Executive and a Finance Director who fulfils the role of Treasurer.
The Authority may establish a committee which may include persons who are not members of the Authority	s12	The Authority has a number of committees.
The Authority shall determine its practice and procedure.	s13	The Authority's practice and procedure is enshrined in the Code of Governance and also in its other policies and procedural documents which are published on the website
The Authority shall conduct its proceedings in public, except where private matters are discussed and may exclude a specified person.	s14	The full Authority meetings are open to the public. All committee meetings feed into this and papers and minutes from all meetings are published on the website where they do not contain sensitive material. Redacted versions of sensitive papers are published where possible.
The validity of the proceedings of the Authority not affected by a vacancy, a defect or participation of a member whose membership has lapsed	s15	
<b>Part 3 - Money and Property</b>		
The Authority shall establish a fund to be known as the BTP Fund (BTPF)	s16	The fund has been established
The Authority shall maintain accounts of BTPF and send a copy of accounts for each financial year to the Comptroller and Auditor general as soon as practicable at the end of each financial year	s17	Arrangements are in place with the National Audit Office (NAO) for an annual Audit of the BTPF Accounts. The NAO attend the Audit and Risk Assurance Committee which scrutinise the accounts and recommend their approval to the full Authority.
All expenditure of the Authority to be made by way of payment from BTPF	s18	All expenditure is paid from the BTPF fund and will be scrutinised by the Performance and Delivery Committee (until 1 July 2017 the Finance Committee)
The Authority shall before each financial year set a budget of expected expenditure and income	s19	The annual budget is prepared by the police force in accordance with the direction given in the Medium Term Financial Plan (MTFP) and presented to the Strategy and Planning Committee for support and challenge. It is then recommended to the full Authority for approval in December of each year for the next financial year.
The Authority shall estimate the likely ratio of customers' contributions in accordance with section 33(4)(b) before and in relation to each consecutive period of five financial years	s20	The Authority's Strategy and Planning Committee works with the police force to develop the MTFP following direction from the full Authority as to the direction of travel. The Committee reviews the assumptions underpinning the MTFP and in provides direction before recommending the MTFP to the full Authority. The MTFP cover the control period for the rail industry.
The Authority shall publish arrangements for the making of payments to members	s21	The Member Allowances Scheme includes the required information and is published on the BTPA website. BTPA also publishes member expenses on a monthly basis.
The Authority may make payments to staff or former staff	s22	Staff are paid through the standard payroll system in accordance with their terms and conditions which are approved by the Authority
The Authority may make payments to or in respect of a person who is or has been a constable, cadet or civilian employee of the police force	s23	Constables, cadets and police staff are paid through the standard payroll system in accordance with their terms and conditions which are approved by the Authority
Pensions officers	s24	
The Authority may with the consent of the Secretary of State arrange for the establishment of a pension scheme for the benefit of members or staff	s25	The Authority has both police staff and officer pension funds
The Authority may make pension payments under the schemes to which paragraphs 24 and 25 apply	s26	Employer pension donations are made for officers and staff on a monthly basis.
The Authority may accept money or other property by way of grant, loan or otherwise, from any person	s28	
The Authority may borrow money only from or with the consent of the SofS	s29	
All monies received by the Authority to be paid into the BTPF	s30	All income is paid into the BTPF.
The Authority may acquire, develop and dispose of property	s31	The Authority is the leaseholder for all property used by the police force

The financial year shall be period of 12 months ending with 31 March	s32	All duties to which this pertains are conducted to reflect this, including the Strategy, Policing Plan, Annual Reports, audit and accounts.
<b>Equality Act 2010</b>		
A public authority must, in the exercise of its functions, have due regard to the need to—	Part 11 Chapter 1 Section 149	
(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;	Part 11 Chapter 1 Section 149	All Committees have a role in their areas
(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;	Part 11 Chapter 1 Section 149	All Committees have a role in their areas
(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.	Part 11 Chapter 1 Section 149	All Committees have a role in their areas
<b>Children's Act 2004</b>		
Part 2 s.11 of the Act places two specific duties upon English police authorities. Police authorities must ensure that:		
their functions are discharged having regard to the need to safeguard and promote welfare of children; and	Part 2 section 11	This is covered through the Performance and Delivery Committee – until 1 July 2017 the Performance Review Committee
any services provided by another person pursuant to arrangements made by the person or body in the discharge of their functions are provided having regard to that need.	Part 2 section 11	This is covered through the Performance and Delivery Committee – until 1 July 2017 the Performance Review Committee
<b>Police Act 1996 – for collaboration see below under Police Reform and Social Responsibility Act and sections 8.21 – 8.28 of the main Code</b>		
<b>Police Reform Act 2002 ( Authority section 26 Agreement with IPCC applies Part 2)</b>		
Handling of complaints, conduct and DSI matters as according to the Act	s13	These arrangements are enshrined in regulations made by the Authority
It shall be the responsibility of every police authority maintaining a police force to ensure that it is kept informed, in relation to that force, about matters falling within subsection 2 which covers matters which with respect to which any provisions of this Part 2 (Complaints and Misconduct) has effect	s15(1)(a)(2)	The Performance and Delivery Committee fulfils this role – until 1 July 2017 the People and Standards Committee
To provide the Commission with all such assistance as the Commission may reasonably require	s15(4)(a)	The Authority has a good relationship with the IPCC and the IPCC Commissioner has a standing invitation to attend the Performance Delivery Committee – until 1 July 2017 People and Standards Committee meetings
Ensure a person appointed under paragraph 16, 17 or 18 of schedule 3 to carry out an investigation is given such assistance or cooperation as they may reasonably require		The Performance and Delivery Committee (until 1 July 2017 the People and Standards Committee) receives assurance on this.
<b>Police and Social Responsibility Act 2011</b>		
To have regard to the Strategic Policing Requirement	s77 (see 37A of Police Act 1996)	Non-Home Office forces are encouraged to have regard to the SPR and the Authority has cognisance of this as part of its Strategy development
Collaboration	s89 (see 22A -23I of Police Act 1996)	This collaboration provisions is included in the Governance Code and collaboration work is reported to the Strategy and Planning Committee.
<b>Modern Slavery Act</b>		
		To publish an annual statement
<b>Freedom of Information Act 2000</b>		
		Compliance is reviewed at the Audit and Risk Assurance Committee
<b>Data Protection Act 1998</b>		
		Compliance is reviewed at the Audit and Risk Assurance Committee
<b>Health and Safety at Work Act 1974</b>		
		Compliance is reviewed at the Audit and Risk Assurance Committee
<b>Police (Health and Safety) Act 1997</b>		
		Compliance is reviewed at the Audit and Risk Assurance Committee
<b>Police and Fire Reform (Scotland) 2012</b>		
		Compliance is reviewed at the Audit and Risk Assurance Committee
<b>Corporate Manslaughter and Corporate Homicide Act 2007</b>		
		Compliance with respect to custody is assessed at the Professional Standards Committee and with respect to employees at the Audit and Risk Committee.
<b>Bribery Act 2010</b>		
		Compliance is reviewed at the Audit and Risk Assurance Committee

<b>IPCC Statutory Guidance</b>		This is assessed as part of the dip sampling conducted by the Integrity and Compliance Committee and as part of the Committee's oversight work. The guidance requirements and related regulations are translated into policies to ensure a clear understanding and aid compliance
<b>HMG Information Assurance Standards</b>		Annual Assurance is provided to the DfT and quarterly assurance
<b>Guidance Documents</b>		
<b>McPherson Report</b>		
Monitor Force's use of stops and searches and publish analysis	Rec 62	A 6 monthly report is received from BTP and a member of Executive staff attends the Force's Stop and Search Forum
Undertake publicity campaigns to raise awareness of stop and search use and public rights	Rec 63	
<b>Cabinet Office and HMT Corporate Governance in Central Government Departments: Code of good practice 2011</b>		
<b>CIPFA Good Governance Standard for Public Services</b>		
<b>Managing Public Money</b>		
<b>HMT Orange Book - Risk Management</b>		
<b>HMT Audit Committee Handbook</b>		Reflected in the Audit Committee terms of reference and constitution
<b>Home Office Guidance</b>		
<b>HMIC Reports</b>		
<b>APCC Guidance</b>		

## **ANNEX 2: The Authority Code of Conduct**

### **Scope**

1. A Member must observe the Authority's code of conduct whenever he or she conducts the business of the Authority or acts as a representative of the Authority, and references to a Member's official capacity shall be construed accordingly.
2. This code of conduct shall not, apart from paragraphs 4 and 5(a) below, have effect in relation to the activities of a Member undertaken other than in an official capacity.
3. Where a Member acts as a representative of the Authority on any other body, he or she must, when acting for that other body, comply with the Authority's code of conduct, except and insofar as it conflicts with any other lawful obligations to which that other body may be subject.
4. A Member must -
  - a) promote equality by not discriminating unlawfully against any person;
  - b) treat others with respect;
  - c) not do anything which compromises or which is likely to compromise the impartiality of a police officer or those who work for, or on behalf of, the Authority; and
  - d) observe the seven principles of public life as defined by Nolan.

### **The Seven Principles of Public Life**

Members are to comply with the 'Seven Principles of Public Life' which it believes should apply to all in the public service. These are:

- a) Selflessness. Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.
- b) Integrity. Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.
- c) Objectivity. In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
- d) Accountability. Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- e) Openness. Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.



- f) Honesty. Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- g) Leadership Holders of public office should promote and support these principles by leadership and example.

### **Members' responsibilities**

5. A Member must not –

- a) disclose information given to him or her in confidence by anyone, or information acquired which he or she believes is of a confidential nature, without the consent of a person authorised to give it, or unless he or she is required by law to do so; nor
- b) prevent another person from gaining access to information to which that person is entitled by law

6. A Member must not –

- a) in his or her official capacity, or any other circumstance, conduct himself or herself in a manner which could reasonably be regarded as bringing the Authority into disrepute.

7. A Member –

- a) must, if he or she becomes aware of any conduct by another Member which he or she reasonably believes involves a failure to comply with the code of conduct, or any other misconduct, to report to the Chair of the Authority as soon as it is practicable to do so. The Chair must attempt to resolve a complaint within 28 days of receiving notice of the complaint.
- b) may contact the Secretary of State in relation to complaints about the Chair of the Authority only if he or she has tried to resolve the matter within the Authority to an unsatisfactory conclusion.

### **Personal interests**

8. A Member must regard himself or herself as having a personal interest in any matter if the matter relates to an interest in respect of which notification must be given under the paragraphs below, or if a decision upon it might reasonably be regarded as affecting the Member to a greater extent than the other railway operators, passengers or the public at large, the well-being or financial position of himself or herself, a relative or a friend or –

- a) any employment or business carried on by such persons;
- b) any person who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors;
- c) any corporate body in which the Member has a beneficial interest in a class of securities of that body that exceeds the nominal value

- of £25,000 or one hundredth of the total issued share capital of that body;
- d) any body to which he has been appointed or nominated by the Authority as its representative;
  - e) any public authority or body exercising functions of a public nature;
  - f) any company, industrial and provident society, charity, or body directed to charitable purposes; or
  - g) and anybody whose principal purposes include the influence of public opinion or policy.

In this paragraph -

- a) “relative” means those family members, or members of the same household, who may be expected to influence, or be influenced by, that person in their dealings with the reporting entity. This includes a: spouse, partner, parent, son, daughter, brother, sister, grandparent, and grandchild; and
- b) “partner” in sub-paragraph (a) above means a member of a couple who live together.

#### **Disclosure of personal interests by Members and Staff**

9. If it comes to the knowledge of a Member that a contract in which he or she has any pecuniary interest, whether direct or indirect (not being a contract to which he or she is himself or herself a party), has been, or is proposed to be, entered into by the Authority, he or she shall give notice in writing to the Chief Executive within 28 days of the fact that he or she is interested therein.
10. Within 28 days of taking office, Members and staff must complete and sign a Notice of Interest and Code of Conduct. These notices are filed in a public register kept by the Chief Executive. Interest includes all pecuniary interests and any non-pecuniary interests that are relevant to the work of the Authority. If any of the interests specified in the notice change, the Member/staff shall give further notice to the Chief Executive within two months of the date on which the change occurred. The register will also be reviewed on an annual basis and published on the Authority’s web site.
11. Where a Member of the Authority is a representative of an organisation with an inherent pecuniary and non-pecuniary interest, an interest will be deemed to exist and the Member shall not need to declare it and can participate and vote. Where the matter is of direct relevance, such as the organisation is mentioned by name or the organisation can be inferred, then the Authority Member/staff shall need to declare their interest to the meeting and it shall be up to the meeting to determine a) whether they can participate and b) whether they can vote.
12. All declarations of interest will be minuted.

### **Prejudicial interests**

13. A Member with a personal interest in a matter also has a prejudicial interest in that matter if the interest is one which a reasonable person would regard as so significant that it is likely to prejudice the Member's judgement of the public interest.

### **Participation in relation to disclosed interests**

14. A Member with a prejudicial interest in any matter must –

- a) declare that interest at Authority meetings if it relates specifically to a particular issue under consideration.
- b) follow the decision of the majority vote of the Authority Members present at the meeting and accordingly either withdraw from the room where a meeting is being held, not participate in the discussion or determination of matters in which they have an interest, or partake fully.
- c) not seek improperly to influence a decision about that matter.

15. When voting on the annual budget, the budget must be voted for by a majority, with at least half the members voting in favour and with at least half the members who vote being neither officer nor employed by a person who has entered into, or is required to enter into, a police service agreement.

16. For the purpose of this Part, “meeting” means any meeting of –

- a) the Authority; or
- b) any of the Authority's duly constituted sub-committees, Panels, Groups or any other constituted bodies.

### **The Register of Member's Interests**

17. The principles described in Financial Reporting Standard 8 (FRS8) on related party disclosures aim to ensure that financial statements contain the disclosures necessary to draw attention to the possibility that the reported financial position and results may have been affected by the existence of related parties and by material transactions with them. FRS8 requires the disclosure of: information on related party transactions and the name of the party controlling the reporting entity and, if different, that of the ultimate controlling party whether or not any transactions between the reporting entity and those parties have taken place.

### **Registration of financial and other interests**

18. Within 28 days of the provisions of the Authority's code of conduct being adopted or within 28 days of his or her appointment to office (if that is later), a Member must register his or her financial interests in the Authority's register maintained by the Chief Executive by providing written notification to the Chief Executive by completion of the declaration of interests form.

- a) the name of the person who employs or has appointed him or her, the name of any firm in which he or she is a partner, and the name of any company for which he or she is a remunerated director;
- b) the name of any corporate body in which the Member has a beneficial interest in a class of securities of that body that exceeds the nominal value of £25,000 or one hundredth of the total issued share capital of that body;
- c) a description of a contract for goods, services or works made between the Authority and himself or herself or a firm in which he or she is a partner, a company of which he or she is a remunerated director, or a body of the description specified in sub-paragraph (b) above (other than a Police Services Agreement);
- d) the name of any person, other than a relevant authority, who has made a payment to him or her in respect of any expenses incurred by him in carrying out his duties;
- e) the address or other description (sufficient to identify the location) of any land where the landlord is the Authority and the tenant is a firm in which he or she is a partner, a company of which he or she is a remunerated director, or a body that has a beneficial interest in a class of securities that exceeds the nominal value of £25,000 or one hundredth of the total issued share capital of that body; and
- f) the address or other description (sufficient to identify the location) of any land in the UK in which he or she has a licence (alone or jointly with others) to occupy for 28 days or longer.

19. A Member must within 28 days of becoming aware of any change to their interests specified under paragraph 12 above, provide written notification to the Chief Executive of that change.

20. A register of interests shall be kept up-to-date by the Chief Executive and published on the Authority's website.

### **Registration of gifts and hospitality**

21. A Member must within 28 days of receiving any gift or hospitality over the value of £50, provide written notification to the Chief Executive of the existence and nature of that gift or hospitality. The register of gifts and hospitality will be published on the Authority's website.

22. The register of gifts and hospitality will be reviewed by the Audit Committee on a quarterly basis.

### **Personal liability of Members**

23. A Member may be personally liable if he or she makes a fraudulent or negligent statement which results in a loss to a third party. However, individual Members who have acted honestly, reasonably, in good faith and without negligence will not have to meet out of their own personal resources any personal civil liability which is incurred in execution of purported execution of their Authority functions.

**Canvassing for employment positions within the Authority**

24. Canvassing of Members of the Authority directly or indirectly for any appointment is not permitted and may, at the discretion of the Authority, disqualify the candidate concerned for that appointment.

25. A Member of the Authority shall not solicit for any person or any appointment under the Authority, but this shall not preclude a Member from giving a written testimonial of a candidate's ability, experience, or character for submission with an application for appointment.

26. A candidate for any appointment under the Authority who knows that he or she is related to any Member or senior officer of the Authority or the Force shall, when making application disclose that relationship to the officer to whom the candidate is required to deliver his or her application. A candidate who fails to disclose such a relationship shall be disqualified for the appointment and if appointed shall be liable to dismissal without notice. This Standing Order shall be brought to the notice of all candidates for appointments.

### **ANNEX 3: Framework Document**

This framework document has been drawn up by the Department for Transport (hereinafter DfT) in consultation with the British Transport Police Authority (hereinafter “the Authority”). This document sets out the broad framework within which the Authority will operate and replaces the previous Management Statement and Financial Memorandum. It should be read in conjunction with the Railways Transport and Safety Act 2003 (“RTSA 2003”). The definitions within the Act apply to this framework. The document does not convey any legal powers or responsibilities. It is signed and dated by the DfT and the Authority. 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 Authority website.

Subject to the legislation noted below, this document sets out the broad framework within which the Authority will operate, in particular:

- The Authority’s overall aim, objectives and targets in support of the sponsor Department’s wider strategic aims and objectives.
- The rules and guidelines relevant to the exercise of the Authority’s functions, duties and powers;
- The conditions under which any public funds are paid to the Authority; and
- How the Authority is to be held to account for its performance.

#### **Purpose of the Authority**

1.1. Under the RTSA 2003, the Authority was set up in July 2004 in order to support the strategic aims and current Public Service Agreement of the DfT. The strategic aim of the Authority is to ensure an effective and efficient police force and to oversee the British Transport Police (BTP) force, and set its targets and budget.

1.2. Its statutory duties are to:

- Secure the maintenance of an efficient and effective police force;
- Ensure the efficient and effective policing of the railways;
- Appoint a Chief Constable, Deputy Chief Constable, Assistant Chief Constables, Chief Executive and Treasurer;
- Enter into Police Services Agreements with railway operators;

- Employ police constables, civilian employees and cadets;
- Regulate the governance, administration and conditions of service of those employed by the Authority in the service of the police force;
- Set a Strategy for policing the railway;
- Set objectives for BTP in its role in the policing of the railway;
- Issue an annual Railways Policing Plan; and
- Set a budget r of expected income and expenditure for policing the railways each year, defray the expenses and recover the cost.

## **Governance and accountability**

### **2. The Authority's legal origins of powers and duties**

2.1. The Authority's powers and duties stem from sections 18 to 77 and Schedule 4 to the Railways Safety and Transport Act 2003.

### **3. Overall objectives**

3.1. The Secretary of State has agreed that, subject to 1.2, the objectives of the Authority should be as follows:

- i) To draw up each year a sustainable budget for the BTP;
- ii) To oversee the operation of the BTP with a view to securing the efficient, cost effective and effective policing service for rail operators and users;
- iii) To ensure that the Chief Constable, Deputy Chief Constable, Assistant Chief Constables are appointed in an effective and timely manner;
- iv) To ensure that appropriate Police Services Agreements are in place with all relevant railway operators and that Police Service Agreements are kept under review to ensure that they remain fit for purpose.

### **4. Ministerial responsibility**

4.1. The Secretary of State for Transport will account for the Authority's business in Parliament.

4.2. The Secretary of State is accountable to Parliament for the activities and performance of the Authority. His or her responsibilities include:

- Issuing directions to the Authority in relation to strategic objectives under Section 51 of the Act;
- Keeping Parliament informed about the Authority's performance;

- Approving the amount of any grant-in-aid or grant to be paid to the Authority, and securing Parliamentary approval where required by this framework document.
- Carrying out responsibilities specified in the founding legislation including appointments to the Authority, approving the terms and conditions of Authority members, issuing rules and principles in relation to the terms and conditions of employment, and laying of the annual report and accounts before Parliament and before the Devolved Assemblies, where required.

4.3. The Secretary of State shall meet with the Chairman of the Authority at least annually, and ensure that the Chairman has right of access to other Ministers where necessary.

## **5. Sponsor Department's Accounting Officer's specific accountabilities and responsibilities**

5.1. The DfT's Accounting Officer (AO) has designated the Chief Executive as the Accounting Officer for the Authority. (The respective responsibilities of the AO and Accounting Officers for NDPBs and other arm's length bodies are set out in Chapter 3 of *Managing Public Money* which is sent separately to the Authority Accounting Officer on appointment).

5.2. The DfT's AO is accountable to Parliament for the issue of any grant-in-aid to the Authority. The AO is also responsible for advising the responsible minister:

- On an appropriate framework of objectives and targets for the Authority in the light of the DfT's wider strategic aims and current PSA;
- On an appropriate budget in the light of the sponsor Department's overall public expenditure priorities; and
- How well the Authority is achieving its strategic objectives and whether it is delivering value for money.

5.3. DfT's AO is also responsible for ensuring arrangements are in place to:

- monitor the Authority's activities on a continuous basis;
- address significant problems in the Authority, making such interventions as are judged necessary;
- periodically carry out an assessment of the risks both to the Department's and the Authority's objectives and activities;
- inform the Authority of relevant government policy in a timely manner; and
- bring concerns about the activities of the Authority to the full Authority, and, as appropriate to the departmental board requiring



explanations and assurances that appropriate action has been taken.

- 5.4. The relevant Sponsorship Team in DfT is the primary contact for the Authority. They are the main source of advice to the responsible minister on the discharge of his or her responsibilities in respect of the Authority. They also support the DfT's AO on his or her responsibilities toward the Authority.

## **6. Responsibilities of the Chief Executive as the Authority's Accounting Officer**

### *General*

- 6.1. The Chief Executive as Accounting Officer is personally responsible for safeguarding the public funds for which he or she has charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and for the day-to-day operations and management of the Authority. In addition, he or she should ensure that the Authority as a whole is run on the basis of the standards of governance, decision-making and financial management that are set out in Box 3.1 of *Managing Public Money*.

### *Responsibilities for accounting to Parliament*

- 6.2. The accountabilities include:
- signing the accounts and all component parts 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;
  - preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts;
  - ensuring that effective procedures for handling complaints about the Authority are established and made widely known within the Authority;
  - acting in accordance with the terms of this document, *Managing Public Money* and other instructions and guidance issued from time to time by the DfT, Treasury and Cabinet Office;
  - giving evidence, normally with the AO of the DfT, when summoned before the Public Accounts Committee on the Authority's stewardship of public funds.

### *Responsibilities to the DfT*

- 6.3. Particular responsibilities to the DfT include:
- establishing, in agreement with the DfT, the Authority's corporate and business plans in the light of the DfT's wider strategic aims and current Public Service Agreements;

- informing the DfT 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 to DfT; that DfT is notified promptly 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 DfT in a timely fashion.

#### *Responsibilities to the Authority*

6.4. The Chief Executive is responsible for:

- advising the board on the discharge of the Authority's responsibilities as set out in this document, in the founding legislation and in any other relevant legislation, instructions and guidance that may be issued from time to time;
- advising the board on the Authority's and BTP's performance compared with its aims and objectives;
- ensuring that financial considerations are taken fully into account by the Authority at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed;
- taking action as set out in paragraphs 3.8.6 of *Managing Public Money* if the board, or its chairman, is contemplating a course of action involving a transaction which the Chief Executive 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.

## **7. The Authority**

7.1. The Chairman and Members of the Authority are appointed by the Secretary of State. Members are drawn from people who have experience of the rail industry, railway staff, and the travelling public, and others with designated experience but they are not intended to be representatives of those interests. There are also Members with knowledge of the interests of persons in England, Scotland and Wales, in the case of the latter two appointed in consultation with Scottish Ministers and the National Assembly for Wales respectively. In the Authority, Members work together and act as a single corporate body.

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

- 7.3. The Authority is specifically responsible for:
- establishing and taking forward the strategic aims and objectives of the Authority consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State;
  - ensuring that the responsible minister is kept informed of any changes which are likely to impact on the strategic direction of the Authority 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 board operates within the limits of its statutory authority and any delegated authority agreed with the DfT and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account guidance issued by the sponsor department;
  - reviewing regular financial information concerning the management of the Authority and BTP; is informed in a timely manner about any concerns about the activities of the Authority and Force; and provides positive assurance to DfT that appropriate action has been taken on such concerns;
  - demonstrating high standards of corporate governance at all times, including by using the independent audit committee to help the Board to address key financial and other risks;
  - appoint a chief executive and set performance objectives and remuneration terms linked to these objectives for the chief executive which give due weight to the proper management and use and utilization of public resources.
  - in conjunction with the Chief Executive, appoint an Authority Finance Director to be inclusive of the statutory role of Treasurer

*The Chairman's personal responsibilities*

- 7.4. The Chairman is responsible to the named minister. Communications between the Authority board and the responsible minister should normally be through the Chairman. He or she is responsible for ensuring that policies and actions support the responsible minister's wider strategic policies and that its affairs are conducted with probity. Where appropriate, these policies and actions should be clearly communicated and disseminated throughout the Authority.

- 7.5. In addition, the chairman has the following leadership responsibilities:
- formulating the Authority's strategy;

- ensuring that the Authority, in reaching decisions, takes proper account of guidance provided by the responsible minister or the department;
- promotes the efficient and effective use of staff and other resources;
- delivers high standards of regularity and propriety; and
- represents the views of the Authority to the general public.

7.6. The Chairman also has an obligation to ensure that:

- the work of the Authority and its members are reviewed and are working effectively;
- the Authority has a balance of skills appropriate to directing the Authority business, as set out in the *Government Code of Good Practice on Corporate Governance*;
- Authority members are fully briefed on terms of appointment, duties, rights and responsibilities;
- he or she, together with the other Authority members, receives appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice;
- the responsible minister is advised of the Authority needs when member vacancies arise;
- he or she assesses the performance of individual members once a year;
- there is an Authority Operating Framework setting out the role and responsibilities of the Authority consistent with the Government Code of Good Practice for Corporate Governance
- there is a code of practice for members in place, consistent with the Cabinet Office Code of Conduct for Board members of Public Bodies.

#### *Individual Authority members' responsibilities*

7.7. Individual members should:

- comply at all times with the Code of Conduct for Board Members of Public Bodies and with the rules relating to the use of public funds and to conflicts of interest;
- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
- comply with the Authority's rules on the acceptance of gifts and hospitality, and of business appointments;
- act in good faith and in the best interests of the Authority.

### *Time Commitments*

7.8. Authority Members are currently expected to give the following time to Authority business:

- Chair 60 days per year
- Deputy Chair 50 days per year
- Members 30 days per year

7.9. Duties which qualify for remuneration are set out in Section 4 of the Members Allowances scheme but in summary include;

- Attendance at full Authority and Committee meetings
- Preparation time for meetings
- Consultation events/meetings
- Other meetings with officers/representatives from the Force

### *Member Appraisal*

7.10. A Member shall receive an annual appraisal from the Chair relating to objectives that will have been agreed by the Member and the Chair at the beginning of the year. The appraisal shall be used as a base for the Chair's report to the Secretary of State in the event of the Member's reappointment for a further term.

### *Member Dismissal*

7.11. A Member can be dismissed by the Secretary of State if:

- they are absent for three consecutive meetings without permission from the Authority;
- they are convicted of a criminal offence;
- the Secretary of State is satisfied that the Member is unable, unfit or unwilling to discharge his or her functions as a Member (whether because of illness or otherwise); or
- they are the subject of a bankruptcy restrictions order, a disqualification order under the Company Directors Disqualification Act 1986 or an order under section 429(2)(b) of the Insolvency Act 1986

### *Member Resignation*

7.12. A Member of the Authority may resign by sending three months written notice to the Secretary of State which must be copied to the Authority.

### *Member Development*

7.13. The Chair should address the developmental needs of the Authority as a whole with a view to enhancing its effectiveness. Resources should be provided for developing and refreshing the knowledge and skills of Members. Member development will come under the remit of the relevant committee dealing with HR issues.

## **8. Annual report and accounts**

8.1. The Authority must publish an annual report of its activities together with its audited accounts after the end of each financial year. The Authority shall provide the DfT with its finalised (audited) accounts by 30 June each year in order for the accounts to be consolidated within the DfT's accounts unless prevented by reasons outside its control.

8.2. The annual report must:

- cover any corporate, subsidiary or joint ventures under its control;
- comply with the Treasury's *Financial Reporting Manual* (FReM);
- outline main activities and performance during the previous financial year and set out in summary form forward plans.

8.3. 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 Authority's website, in accordance with the guidance in the FReM. A draft of the report should be submitted to the DfT at least two weeks before the proposed publication date. The accounts should be prepared in accordance with the relevant statutes and specific accounts direction issued by the DfT as well as the FReM.

## **9. Internal audit**

9.1. The Authority shall:

- establish and maintain arrangements for internal audit in accordance with the Treasury's Public Sector Internal Audit Standards (PSIAS)

(<http://www.gov.uk/government/publications/public-sector-internal-audit-standards>);

- ensure the DfT is satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointments in accordance with PSIAS;
- set up an audit committee of its board in accordance with the Code of Good Practice for Corporate Governance and the Audit and Risk Assurance Committee Handbook;
- forward the audit strategy, periodic audit plans and annual audit report, including the Authority's Head of Internal Audit opinion on risk management, control and governance as soon as possible to the DfT; and
- keep records of, and prepare and forward to the DfT an annual report on fraud and theft suffered by the Authority and notify the DfT of any unusual or major incidents as soon as possible.

9.2. Subject to security clearance the DfT's internal audit service has a right of access to all documents, including where the service is contracted out.

## **10. External audit**

10.1. The Comptroller & Auditor General (C&AG) audits the Authority annual accounts and lays them before Parliament, together with his report. In the event that the Authority has set up and controls subsidiary companies, it will 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 Authority shall discuss with the DfT the procedures for appointing the C&AG as auditor of the companies.

10.2. The C&AG:

- will consult the DfT and the Authority on whom – the NAO or a commercial auditor – shall undertake the audit(s) on his behalf, though the final decision rests with the C&AG;
- 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 Authority;
- will share with the DfT 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 DfT's responsibilities in relation to financial systems within the Authority;
- will, where asked, provide departments and other relevant bodies with Regulatory Compliance Reports and other similar reports which departments may request at the commencement of the audit and which are compatible with the independent auditor's role

10.3. The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the Authority and Force have used their resources in discharging their 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 Authority and Force 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.

### Right of access

10.4. Subject to security clearance the department has the right of access to all Authority records and personnel for any purpose

including, for example, sponsorship audits and operational investigation.

## **Management and financial responsibilities**

### **11. Managing Public Money and other government-wide corporate guidance and instructions**

11.1. Unless agreed by the DfT and, as necessary, HM Treasury, the Authority shall follow the principles, rules, guidance and advice in *Managing Public Money*, referring any difficulties or potential bids for exceptions to the Sponsorship Team at DfT in the first instance. A list of guidance and instructions with which the NDPB should comply is in Appendix 1.

11.2. Once the budget has been approved by the Authority (see 15) and subject to any restrictions imposed by statute, the responsible minister's instructions and this document, the Authority shall have authority to incur expenditure approved in the budget without further reference to the DfT, on the following conditions:

- The Authority shall comply with the delegations set in out in Appendix 2. These delegations shall not be altered without the prior agreement of the sponsor department;
- the Authority shall comply with *Managing Public Money* regarding novel, contentious or repercussive proposals;
- inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal DfT approval where any proposed expenditure is outside the delegated limits or is for major new schemes not previously agreed;
- the Authority shall provide the DfT with such information about its operations, performance individual projects or other expenditure as the DfT may reasonably require.

## **12. Corporate governance**

### *Board appointments - the chairman and board members*

12.1. The Authority chairman and board members are appointed for a period of years by the responsible minister. Such appointments will comply with the Commissioner on Public Appointments Code of Practice for Ministerial Appointments to Public Bodies

### *Board appointments - the Chief Executive*

12.2. The Chief Executive is appointed by the Authority in accordance with RTSA 2003 Schedule 4, Part 2 para 11b



### *Composition of the board*

12.3. Schedule 4 to the Railways and Transport and Safety Act 2003 sets out the statutory requirements which apply to the composition of the Authority Board. In addition, and in line with the government's *Code of Practice on Corporate Governance* (<http://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>), the Board will consist of a chairman and members who have a balance of skills and experience appropriate to directing the Authority's business.

## **13. Risk management**

13.1. The Authority and BTP shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance 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.hmtreasury.gov.uk/orange\\_book.htm](http://www.hmtreasury.gov.uk/orange_book.htm)). It should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with the Treasury's guidance on tackling fraud ([http://www.wenarchive.nationalarchives.gov.uk/20130129110402/http://www.hmtreasury.gov.uk/d/managing\\_the\\_risk\\_fraud\\_guide\\_for\\_managers.pdf.pdf](http://www.wenarchive.nationalarchives.gov.uk/20130129110402/http://www.hmtreasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf.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 Chief Constable and the Chief Executive will create and maintain a strategic risk register. This will identify evaluate and describe mitigation and management measures in relation to all the key risks listed. The Register will be reported and debated quarterly at the Audit Committee before going to the Full Authority where any significant matters and recommendations for escalation to the DfT (whether resulting from consequential risk to the DfT or owing to further mitigation requiring the support of DfT) will be raised and debated and the register approved. Internal Audit will separately advise the Chief Executive and Chief Constable as Accounting Officers and the Audit Committee of their opinion on the accuracy and sufficiency of the register and the efficacy of the proposed mitigation and management measures.

13.2. The Authority Finance Director will brief the sponsorship team as soon as possible after the escalation decision is taken. Escalated risks will be monitored through the bi-monthly sponsorship meetings.

### *Governance Statement*

13.3. As Accounting Officer the Chief Executive has to confirm the adequacy of all internal control systems and report on the same to

the Comptroller and Auditor General. This Governance Statement will be prepared in accordance with Treasury guidance.

#### **14. Strategic and policing plans**

14.1. Every three years the Authority shall prepare a strategic plan covering three years ahead. The plan shall reflect the Authority's statutory duties and, within those duties, the priorities set from time to time by the responsible minister (including decisions taken on policy and resources in the light of wider public expenditure decisions). The plan shall be copied to the Secretary of State. The Plan will be reviewed at the end of the first and second year.

14.2. The first year of the strategic plan, amplified as necessary, shall form the policing plan. The policing plan shall be updated to include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by the DfT. Subject to any commercial considerations, the strategic and policing plans should be published by the Authority on its website and separately be made available to staff.

14.3. 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;
- a review of performance in the preceding financial year, together with comparable outturns for previous years, and an estimate of performance in the current year;
- 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 DfT and the Authority.

#### **15. Budgeting procedures**

15.1. Each year the Authority shall set an annual budget, taking into account any specific directions issued by the Department, and provide a statement of such budget to the Department (the agreed net budget). The Department shall send to the Authority each year a statement of any planned changes in policies affecting the Authority.

15.2. When setting its budget, the Authority shall have regard to any impact on the Department's DEL and shall restrict such impact to limits agreed with the Department.

15.3. The approved annual policing plan will take account both of approved funding provision and forecast receipts, and will include a

budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any DfT funding and/or other income over the year.

## **16. Grant-in-aid and any ring-fenced grants**

- 16.1. Grant-in-aid provided by the DfT for the year in question will be voted in the DfT's Supply Estimate and be subject to Parliamentary control.
- 16.2. The grant-in-aid will normally be paid in instalments on the basis of written applications showing evidence of need. The Authority will comply with the general principle, that there is no payment in advance of need. 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 Authority. 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 DfT 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.

### *Emergency provision*

- 16.3. Where the DfT provides the Authority with separate grants for specific (ring-fenced) purposes - such as funding for exceptional emergency work associated with a rail crash or terrorist incident - it will issue the grant as and when the Authority needs it on the basis of a written request. The Authority will provide evidence that the grant was used for the purposes authorised by the DfT. The Authority shall not have uncommitted specific grant funds in hand, nor carry specific grant funds over to another financial year.

## **17. Reporting performance to the DfT**

- 17.1. The Authority 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 strategic and policing plans. The Authority shall inform the DfT of any changes that make achievement of objectives more or less difficult. It shall report financial and non-financial performance, including performance in helping to deliver ministers' policies, and the achievement of key objectives at its regular meetings with the appointed DfT officials. The Authority's performance shall be formally reviewed by the DfT twice a year. The responsible minister will meet the chairman and chief executive at least once a year.

#### *Providing monitoring information to DfT*

17.2. As a minimum, the Authority and force shall provide the DfT with information monthly, normally at the time of submitting a claim for grant in aid if one is being made, that will enable the DfT satisfactorily to monitor:

- the Authority'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)

#### *The Authority/DfT working level liaison arrangements*

17.3. Officials of the DfT Sponsorship Team will liaise regularly with the Authority officials to review financial performance against plans, achievement against the Authority targets and the Authority's expenditure against its DEL and AME allocations. The Sponsorship Team will also take the opportunity to explain wider policy developments that might have an impact on the Authority through regular sponsorship meetings and day to day contact.

### **18. Delegated authorities**

18.1. The Authority's delegated authorities are set out in Appendix 2. The Authority shall obtain the DfT's prior written approval before:

- entering into any undertaking to incur any expenditure which is not provided for in the Authority's annual budget as approved by DfT.
- 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 DfT;
- 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*.

### **19. The Authority staff**

#### *Broad responsibilities for the Authority staff*

19.1. Within the arrangements approved by the responsible minister and the Treasury the Authority will have responsibility for the

recruitment, retention and motivation of staff. The broad responsibilities toward its staff are to ensure that:

- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit: there is no discrimination on grounds of gender, marital status, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background or age;
- the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness;
- the performance of its staff at all levels is satisfactorily appraised and the Authority performance measurement systems are reviewed from time to time;
- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the Authority's objectives;
- proper consultation with staff takes place on key issues affecting them;
- adequate grievance and disciplinary procedures are in place;
- whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place;
- a code of conduct for staff is in place based on the Cabinet Office's Model Code for Staff of Executive Non-departmental Public Bodies [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/80082/PublicBodiesGuidance2006\\_5\\_public\\_body\\_staffv2\\_0.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80082/PublicBodiesGuidance2006_5_public_body_staffv2_0.pdf).

#### *Staff costs*

19.2. Subject to its delegated authorities, the Authority 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*

19.3. The Authority staff are subject to levels of remuneration and terms and conditions of service (including pensions) within the general pay structure approved by DfT and, where necessary, the Treasury. The Authority has no delegated power to amend these terms and conditions. In considering the Authority staff matters, the DfT will have regard to Chapter 5 of the Cabinet Office Guide to Public Bodies that provides guidance on staff issues in public bodies ( ).

19.4. If civil service terms and conditions of service apply to the rates of pay and non-pay allowances paid to the staff and to any other

party entitled to payment in respect of travel expenses or other allowances, payment shall be made in accordance with the Civil Service Management Code (<https://www.gov.uk/government/publications/civil-servants-term-and-conditions>) except where prior approval has been given by the DfT to vary such rates. By virtue of the Railways and Transport Safety Act 2003<sup>37</sup> membership of or employment by the Authority is not employment in the civil service of the State.

- 19.5. Staff terms and conditions should be set out in an Employee Handbook, which should be provided to the DfT together with subsequent amendments.
- 19.6. If the Authority operate a performance-related pay scheme that shall form part of the staff annual aggregate pay budget approved by the DfT or the general pay structure approved by the DfT and the Treasury, whichever is applicable].
- 19.7. The travel expenses of Authority members shall be tied to the rates allowed to senior staff of the Authority. Reasonable actual costs shall be reimbursed.
- 19.8. The Authority shall comply with the EU Directive on contract workers – the Fixed- Term Employees (Prevention of Less Favourable Treatment) Regulations.

#### *Pensions, redundancy and compensation*

- 19.9. The Authority staff shall normally be eligible for a pension provided by its own scheme. Staff may opt out of the occupational pension scheme provided by the Authority, but that employers' contribution to any personal pension arrangement, including stakeholder pension shall normally be limited to the national insurance rebate level.
- 19.10. Any proposal by the Authority to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the DfT on a case by case basis. Proposals on severance must comply with the rules in chapter 4 of *Managing Public Money*.

## **20. Review of the Authority status**

- 20.1. The Authority will be reviewed every five years. The next review will be due in 2019.

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<sup>37</sup> Schedule 4 part 4, 33(3)

## **21. Arrangements in the event that the Authority is wound up**

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

- ensure that procedures are in place in the Authority 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 Authority'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, together with his report on the accounts;
- arrange for the most appropriate person to sign the closing accounts. In the event that another NDPB takes on the role, responsibilities, assets and liabilities, the succeeding NDPB AO should sign the closing accounts. In the event that the DfT inherits the role, responsibilities, assets and liabilities, the DfT's AO should sign.

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

## **22. Review of this Framework Document**

22.1. The Framework Document is to be reviewed annually and any amendments discussed at the sponsorship meetings.

### **LIST OF APPENDICES TO THE DOCUMENT**

Appendix 1 - List of government-wide corporate guidance instructions

Appendix 2 - List of delegated authorities

Appendix 3 - checklist of actions for the Authority

Appendix 4 - checklist of actions for the Secretary of State

**Signed on behalf of the DfT**

**Date**

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**Signed on behalf of the Authority**

**Date**

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**APPENDIX 1: Compliance with government-wide corporate guidance and instructions**

**Compliance with government-wide corporate guidance and instructions**

The Authority 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*  
<https://www.gov.uk/government/publications/corporate-governance-code-forcentral-government-departments> ;
- *Code of Conduct for Board Members of Public Bodies*  
[http://www.civilservice.gov.uk/wp-content/uploads/2011/09/code-ofconduct\\_tcm6-38901.pdf](http://www.civilservice.gov.uk/wp-content/uploads/2011/09/code-ofconduct_tcm6-38901.pdf)
- *Code of Practice for Ministerial Appointments to Public Bodies*  
<http://publicappointmentscommissioner.independent.gov.uk/wpcontent/uploads/2012/02/Code-of-Practice-2012.pdf>
- *Managing Public Money* (MPM);
- Public Sector Internal Audit Standards,  
<https://www.gov.uk/government/publications/public-sector-internal-auditstandards>;
- Management of Risk: Principles and Concepts: ;  
<https://www.gov.uk/government/publications/orange-book>
- HM Treasury Guidance on Tackling Fraud,  
[http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hmtreasury.gov.uk/d/managing\\_the\\_risk\\_fraud\\_guide\\_for\\_managers.pdf.pdf](http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hmtreasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf.pdf) ;
- Government Financial Reporting Manual (FReM),  
<https://www.gov.uk/government/publications/government-financial-reportingmanual>;
- Fees and Charges Guide, Chapter 6 of *Managing Public Money*;
- Departmental Banking: A Manual for Government Departments, annex 5.6 of



*Managing Public Money;*

- relevant Dear Accounting Officer letters  
<https://www.gov.uk/government/collections/dao-letters> ;
- Regularity, Propriety and Value for Money,  
[http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hmtreasury.gov.uk/psr\\_governance\\_valueformoney.htm](http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hmtreasury.gov.uk/psr_governance_valueformoney.htm);
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration <http://www.ombudsman.org.uk/improving-publicservice/ombudsmansprinciples> ;
- Consolidation Officer Memorandum, and relevant DCO letters;
- relevant Freedom of Information Act guidance and instructions (Ministry of Justice);
- [Model Code for Staff of Executive Non-departmental Public Bodies (Cabinet Office)  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/80082/PublicBodiesGuide2006\\_5\\_public\\_body\\_staffv2\\_0.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80082/PublicBodiesGuide2006_5_public_body_staffv2_0.pdf)];
- other relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts;
- other relevant instructions and guidance issued by the central Departments;
- specific instructions and guidance issued by the sponsor Department;
- recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to the ALB.

## **ANNEX 4 - Financial Management**

### **Definitions**

1. The 'British Transport Police Authority ('the Authority')' when used as a body for approving policy decisions shall refer to the Authority members including the chair and deputy chair of the Authority.
2. The terms 'the Authority' shall also embrace any committee or subcommittee exercising functions delegated to it by the Authority.
3. The 'Executive' shall refer to the Authority Chief Executive and staff under his or her direction and where appropriate the expenditure of both the Authority and the Executive.
4. The 'Force' shall refer to the Chief Constable, police officers, the special constabulary, police staff and volunteers under his or her direction.
5. The 'BTPF' shall refer to the fund established by the Authority into which all money received by the Authority shall be paid.
6. The 'Authority Finance Director' is inclusive of the role of Treasurer and any reference to the Authority Finance Director is a reference to the Treasurer and vice versa.
7. Within the Financial Regulations, most of the references have been made to the responsibilities of the Chief Constable since most of the day to day financial management is vested with that post. However, where resources are under the control of the Chief Executive, the duties, rights and powers as detailed for the Chief Constable shall apply equally to the Chief Executive.
8. The terms Chief Constable, Chief Executive, Authority Finance Director and Force Finance Director include any members of staff, contractors or agents to whom particular responsibilities may be lawfully delegated. However, the level of such delegated responsibility must be evidenced clearly, made to an appropriate level and the member of staff given sufficient authority, training and resources to undertake the duty in hand.
9. In particular, the Chief Constable will exercise his or her delegated powers for the day to day financial management of the BTPF, through the Force Finance Director. References in this document to Force Finance Director reflect the practical day to day responsibilities.

### **Introduction**

10. Proper management of resources and a sound financial standing enables the Authority to achieve its aims and objectives. The Framework Document, the Accounting Officer Memorandum and the Additional Accounting Officer Memorandum are to be read in

conjunction with this document. The Financial Management Governance Code is supported by the Financial Regulations which set out the arrangements for controlling revenue and capital spending.

11. This protocol has been guided by the Framework Document, Cabinet Office guidance for NDPBs and the Combined Code on Corporate Governance. Nothing in this protocol is intended to override the requirements of HM Treasury's Managing Public Money.
12. Financial management covers all financial accountabilities in relation to the operation of the BTPF. All Members, Authority officers, police staff and police officers have a duty to abide by the highest standards of probity in dealing with financial issues.

### **General Principles of Financial Management: Planning, Funding and Control**

13. The general principles that are to be adhered to in operation of the BTPF are:
  - 13.1. its aims and objectives are agreed, clearly defined and included as appropriate in the underlying statute and Framework Document;
  - 13.2. the respective responsibilities of the Authority and the Department for Transport (DfT) are clearly defined in a Framework Document;
  - 13.3. the Authority will establish the broad policy framework within which it will operate, and performance targets are set covering economy, efficiency and effectiveness in the delivery of its services;
  - 13.4. the BTPF has sound internal financial and management information systems including:
    - 13.4.1. management accounting systems to enable the BTPF to monitor and control its expenditure and revenue against budget;
    - 13.4.2. financial management information systems to enable it to produce annual accounts in statutory format;
    - 13.4.3. a governance framework for the calculations of annual PSA Charges and EPSA Charges
    - 13.4.4. a system of corporate planning leading to the production of an annual strategic plan; and management measurement systems to ensure that there is continual evaluation of progress towards key targets covering financial performance, quality of services and efficiency and adjustment of those targets as necessary.
14. All systems will ensure that the BTPF is used to make the best use of the resources and secure value for money in all areas; and the Authority will carry out regular assessments designed to monitor performance and ensure the financial management arrangements reflect best public sector practice and are working efficiently.

## **General Principles of Financial Management: Accountability**

15. The general principles that the BTPF should adhere to regarding corporate governance, based on the Cabinet Office guide for NDPBs, are that:
  - 15.1. the Authority should aim to improve accountability and use its annual accounts and reports to demonstrate to Parliament, taxpayers, the railway industry and customers the extent to which they are achieving improved value-for money;
  - 15.2. all members and staff should maintain the strictest standards of financial propriety;
  - 15.3. staff with financial responsibilities should receive appropriate training;
  - 15.4. accounts should be maintained on an accruals basis and aim to follow the Treasury's Financial Reporting Manual (FRoM) with regard to the preparation of accounts and reports;
  - 15.5. the Executive, in conjunction with the Force should prepare annual reports and accounts for the BTPF in statutory format;
  - 15.6. publication of the extent to which financial and other performance targets have been met should identify what savings have been achieved and how far the Force has improved the delivery of its services;
  - 15.7. the Executive should make effective arrangements for internal audit which should maintain links with other inspection and review services;
  - 15.8. the BTPF should make banking arrangements which keep banking costs to a minimum; and
  - 15.9. the BTPF's assets should be reviewed regularly and surplus assets (profitably) disposed of.
16. The Authority is responsible for approving the financial policy framework and budget. It is also responsible for approving and monitoring compliance with the BTPF's overall framework of accountability and control, and for monitoring compliance with the agreed policy.
17. Sound internal control and accountability for financial matters is best achieved by clear arrangements for delegation of powers and responsibilities and the separation of duties, with an effective system of monitoring, feedback and reporting.

## **Role of the Authority's Chief Executive and the Force's Chief Constable**

18. The Chief Executive 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; will only intervene in the direct financial management of the BTPF if a major issue of propriety, regularity or prudent and economic

administration makes it necessary for him or her to do so. In addition, he or she should ensure that the BTPF as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management as set out in Managing Public Money and the DfT's Accounting Officer's letter of appointment.

19. The Chief Executive is responsible for:
  - 19.1. Reporting any actual or potential breaches of the law or maladministration to the Authority.
  - 19.2. Ensuring that Authority Members are advised of the financial implications of all proposals.
  - 19.3. Seeking approval from the Authority on any matter liable to affect the BTPF finances materially, before any commitments are incurred.
  - 19.4. Advising the Authority Members and officers about who has the authority to take a particular decision.
  - 19.5. Signing contracts on behalf of the Authority which must be supported by an authorised business case.
20. The Chief Executive is responsible for ensuring that financial considerations are taken fully into account by the BTPF at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed.
21. The Chief Executive is responsible for taking action if the Authority, or its Chair, is contemplating a course of action involving a transaction which the Chief Executive 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.
22. The Chief Executive is responsible for:
  - 22.1. Setting and seeking approval for a capital programme and revenue budget to cover the requirements of the Authority and the Force;
  - 22.2. calculating and levying charges on holders of Police Services Agreements;
  - 22.3. the management and expenditure of the Authority;
  - 22.4. the oversight of the BTPF.
23. The Chief Constable as the Additional Accounting Officer is personally responsible for safeguarding the public funds for which he or she has been given under the delegated authority of the Principal Accounting Officer; for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operations and management of the BTPF in accordance with the Authority's Additional Accounting Officer's Memorandum to the Chief Constable.
24. The Chief Constable shall establish internal control systems to the satisfaction of the Chief Executive so that the financial activities under

the control of the Force are conducted in an efficient and well-ordered manner. Internal control comprises the whole system of controls and methods, both financial and otherwise, which are established to:

- 24.1. safeguard the Forces assets
  - 24.2. ensure reliability of records
  - 24.3. monitor adherence to policies and directives
25. The Chief Constable must nominate to and receive approval from the Chief Executive a properly qualified deputy should he or she be unable to perform the financial management duties personally and that this person should normally be the Deputy Chief Constable.
26. The Chief Constable is responsible for ensuring that the accounts of the BTPF are prepared to the satisfaction of the Chief Executive and the NAO.

### **Role of the Authority's Finance Director and the Force's Finance Director**

27. The Authority will ensure that the roles of the Authority Finance Director and the Force's Finance Director are clearly defined and understood. Each will have a relevant full CCAB financial qualification.
28. The Authority Finance Director will provide financial advice to the Authority and the Accounting Officer; shall be involved in audit and will be an adviser to the Audit and Risk Assurance Committee; and will discharge the responsibilities set out in the Framework Document.
29. The Authority Finance Director is responsible to the Chief Executive for:
- 29.1. Providing financial advice to the Authority on all aspects of its activity including, in particular, strategic planning and policy-making;
  - 29.2. Leading and advising the Authority on the development of budget policies and link these to policing priority decisions;
  - 29.3. Preparing and monitoring the financial position of the Executive and reporting as appropriate to the Authority;
  - 29.4. Working with the Force's Finance Director on the financial evaluation of major capital investment projects and the management of their funding;
  - 29.5. Ensuring that statutory and other accounts are properly prepared, in accordance with prevailing Codes of Practice;
  - 29.6. Ensuring that arrangements for Treasury management are appropriate and secure and to approve any changes to these arrangements;
  - 29.7. Reviewing investment accounting and other financial policies;
  - 29.8. Reviewing and approving the Executive's financial statements;

- 29.9. Working with the Chief Executive in advising, assuring and supporting members generally in the discharge of their statutory functions;
- 29.10. Ensuring that the Chief Executive has appropriate financial advice (working with external consultants where necessary) in connection with the drafting and operation of Police Service Agreements;
- 29.11. Overseeing the financial elements of the negotiations of Police Service Agreements and supporting the Chief Executive, as appropriate;
- 29.12. Ensuring that arrangements regarding any Grant in Aid and Loans with the DfT are in place and properly accounted for.
30. To enable the Authority Finance Director to discharge his or her responsibilities, the Chief Executive and the Chief Constable shall provide the Authority Finance Director with any information required and shall allow the Authority Finance Director access to the documents and records under their control.
31. The Chief Executive is responsible for consulting the Authority Finance Director and seeking approval on any matter liable to affect the BTPF's finances materially, before any commitments are incurred.
32. The Authority Finance Director is responsible for the proper administration of the Executive's financial affairs and shall be the principal financial adviser to the Authority with respect to the proper administration of the BTPF.
33. The Force Finance Director shall ensure that the accounting systems agreed are observed and that the accounts, accounting control systems and supporting records of the Authority are maintained in accordance with proper practices and kept up to date.
34. The Force Finance Director advises the Chief Constable on the tactical and strategic management of the budget allocated to the Force; the day-to-day financial management of the Force; and provides advice to the Chief Constable on financial matters.
35. The Force Finance Director has a duty to ensure the proper administration of the Force's financial affairs, so that the organisation operates efficiently, effectively and in accordance with statutory requirements and accounting standards.
36. The Force Finance Director is the lead finance professional for the Force and to the Force Executive Board (or equivalent) and has direct right of access to the Chief Constable, Chief Executive and Authority Finance Director regarding any matter of financial significance. The Force Finance Director is to be a member of the Force Executive Board (or equivalent).
37. The Force Finance Director must devise and implement a finance strategy for the BTPF which ensures that adequate financial controls

are in place, all financial reporting meets statutory requirements and that accounting activities are timely, accurate and cost effective.

38. The Force Finance Director is responsible for the day to day financial administration for the BTPF. He or she is responsible to the Chief Constable for:
  - 38.1. Preparing annual operating cost and grant budgets and financial plans;
  - 38.2. Preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations;
  - 38.3. Preparing the BTPF's annual accounts and other financial statements and accounts;
  - 38.4. Ensuring that the Force maintains satisfactory financial systems;
  - 38.5. Providing professional financial advice on all matters relating to financial policies and procedures;
  - 38.6. Encouraging management and staff in the best use of resources and value for money.
39. The Authority Finance Director with the Force Finance Director will represent the BTPF in dealings with the NAO to ensure that the BTPF fulfils its annual financial reporting responsibilities on time and in line with regulatory requirements.
40. The Force Finance Director shall ensure that the accounting systems determined by him or her are observed and that the accounts, accounting control systems and supporting records of the BTPF are maintained in accordance with proper practices and kept up to date
41. The Authority Finance Director and the Force Finance Director will agree a protocol that will outline how their roles will operate and complement each other.
42. The Force Finance Director in advising the Chief Constable and the Authority on the effective discharge of Force financial management will need to work closely with the Director of Capability and Resources. The Force Finance Director and Director of Capability and Resources will agree a protocol that will outline how their roles will operate and complement each other.

### **Role of and Responsibilities for Financial Regulations**

43. The Financial Regulations form part of the financial control framework which governs the relationship between the Authority and the Force in relation to financial matters.
44. The Financial Regulations link the Financial Management with other internal regulatory documents. For example, contract standing orders, schemes of delegation, financial procedures, guidance and instructions and employee codes of conduct. Should there be any



- contradiction contained within procedures, guidance, instructions or codes of guidance the Financial Regulations will take precedence.
45. Any case of difficulty or doubt concerning the correct interpretation or application of the Financial Regulations shall be referred to the Chief Executive, who shall consult the Authority Finance Director as appropriate, and whose decision shall be final.
  46. The Financial Regulations are supported by a Scheme of Financial Delegation that clearly specifies the limit(s) upon the authority delegated to each of the Chief Executive and the Chief Constable.
  47. The Chief Executive, Chief Constable, Authority Finance Director, and the Force Finance Director shall maintain a written record where decision-making has been delegated to members of their staff, including temporary and seconded staff.
  48. All staff and members at both the Executive and the Force have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised, provides value for money and achieves best value.
  49. The Chief Constable is responsible for reporting, where appropriate, breaches of the Financial Regulations and/or the Scheme of Financial Delegation to the Chief Executive.
  50. The Chief Constable and the Force Finance Director shall provide assurance to the Chief Executive through the Management Assurance Return that to the best of their knowledge all the requirements set out in the Financial Regulations and Scheme of Financial Delegation have been fully complied with. The Authority Finance Director will do likewise for the Executive.
  51. The Chief Executive is responsible for ensuring that all Executive staff are aware of the existence and content of, and have access to, the BTPF's Financial Regulations and/or the Scheme of Financial Delegation and other internal regulatory documents and that these are observed.
  52. The Chief Constable is responsible for ensuring that all police and police staff are aware of the existence and content of, and have access to, the BTPF's Financial Regulations and Scheme of Financial Delegation and other internal regulatory documents and that these are observed.
  53. Any reference to 'officer' 'staff' or 'employee' within the Financial Regulations includes police officers.
  54. Failure to observe the Financial Regulations and/or the Scheme of Financial Delegation may result in action under the disciplinary procedures.
  55. The Force Finance Director in consultation with the Chief Constable shall issue financial instructions detailing how the Financial Regulations will be implemented. The Force Finance

Director is responsible for monitoring compliance with these instructions.

56. The Force Finance Director in consultation with the Chief Constable is to maintain a separate Force Scheme of Financial Delegation. This Force Scheme of Financial Delegation is to be approved by the Chief Executive. The Force Finance Director is responsible for monitoring compliance with the Force Scheme of Financial Delegation.
57. In allocating responsibilities, the Chief Constable and the Force Finance Director should have regard to the desirability of securing an adequate and effective level of internal control by allocating roles in a way that gives assurance that transactions will be properly processed and that errors will be detected promptly. Examples of such controls are:
  - 57.1. Internal Check (the checking of one person's work by another);
  - 57.2. Separation of Duties (assigning key tasks within a process to different members of staff);
  - 57.3. Systems Manuals (descriptions of how systems and individuals should operate);
  - 57.4. Authorisation (certification that a transaction or event is acceptable for further processing);
  - 57.5. Monitoring, scrutiny of exceptions and general supervision.
58. The Financial Regulations and Scheme of Financial Delegation will be reviewed annually by the Authority when reviewing the Governance Code.
59. The Financial Management, Financial Regulations and Scheme of Financial Delegation need to be read in conjunction with the Governance Code.
60. The Chief Constable, in consultation with the Force Finance Director, is responsible for ensuring that the arrangements operated by L Area comply with the Financial Regulations. The Chief Constable is to provide the Chief Executive with a report annually setting out where the financial arrangements operated by L Area do not accord fully with the Financial Regulations setting out the alternative arrangements that are in place and confirming that these meet the requirements set out in Financial Regulation 45. The Head of finance for L Area shall have a relevant full CCAB financial qualification. The Head of Finance is the lead professional for L Area and has direct access to the Force Finance Director.

## **Financial Regulations**

## **Annual Statement of Accounts**

### **1. FR1 Annual Accounts**

1.1 The Force Finance Director shall:

- draw up the timetable for final accounts preparation in accordance with legislation and in consultation with the external auditor and the Authority Finance Director;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with any specific accounts direction issued by the DfT, the FReM and other legislation;
- ensure accounts are prepared in accordance with the timetable.

1.2 The Force Finance Director shall advise the Authority Finance Director of any proposed changes to the accounting policies and provide an assessment of the financial implications of these changes.

## **Financial Plans and Budgetary Control**

### **2 FR2 Revenue Budget**

2.1 The Chief Executive and Chief Constable as Accounting Officer and Additional Accounting Officer respectively share a responsibility to recommend to the Authority effective financial and budget planning for the short, medium and long term. This objective is achieved by preparing a medium term financial plan made up of at least five year estimates of revenue and capital expenditure and income, efficiency and improvement savings plans, reserves and balances and risk assessments. This must contain:

- plans that reflect the Authority's consultations with not only the Chief Constable and Treasurer, but also other relevant partners and key stakeholders.
- plans for the development of services and the priorities for the allocation of both capital and revenue resources between services that reflect the strategic direction outlined in the Policing Plan.
- the financial effects of all known commitments together with any other proposals for changes to levels of existing services, or the introduction of new services.
- consider the balance between the level of activity to be funded and the level of charges to be defrayed to the PSA holders.

- a range of alternative financial planning scenarios (optimistic, likely, pessimistic) based on assessed financial risk.
- 2.2 budget planning assumptions. By the end of March of each year the Authority shall agree the total revenue budget for the following financial year.
- 2.3 The Chief Executive is responsible for ensuring that the overall annual revenue budget and capital programme prepared by the Chief Constable accords with the requirements set out in Managing Public Money, before it is presented for approval by the Authority.
- 2.4 The revenue budget shall be presented in two parts, i.e.
- the budget for the Force, responsibility for the management of which lies with the Chief Constable; and
  - the budget retained by the Executive, which shall include provision for expenditure directly related to the functions of the Authority, the management of which shall be the responsibility of the Chief Executive .
- 2.5 The general format of the revenue budget and capital programme proposed by the Chief Constable, will be approved by the Chief Executive subject to any directions by the Authority.
- 2.6 It is the responsibility of the Chief Constable to ensure that the revenue budget and capital programme proposals reflect the priorities outlined in the Policing Plan.
- 2.7 The Chief Constable shall submit quarterly monitoring reports to the Authority, but more frequently if requested by the Authority, dealing with income and expenditure against the budget.
- 2.8 The Chief Executive shall submit quarterly monitoring reports on the budget retained by the Executive to the Authority (or its appropriate Committee), but more frequently if required.
- 2.9 For Capital and Major Revenue Schemes, no expenditure shall be incurred, no commitments (including leasing agreements relevant to the revenue budget) entered into and no liabilities established unless there is sufficient and appropriate budgetary provision. Any such expenditure must be in accordance with any Treasury and DfT instructions. In an emergency, expenditure for operational purposes that is not otherwise provided for in the budget may be authorised, using the Authority's Urgency Procedure, up to the limits contained within the Scheme of Financial Delegations.
- 2.10 Additionally, in all such instances there shall be a report on the matter to the next quarterly reporting meeting of the Authority.

- 2.11 The Chief Constable shall ensure that the staffing budget provides an accurate forecast of staffing levels, that it accords with the approved staffing policies of the Authority and shall advise the Authority on the budget provision necessary to cover estimated staffing levels.
- 2.12 The Chief Constable shall ensure that total spending for policing remains within the overall allocation of resources and take corrective action where significant variations from the approved budget are forecast. Where total projected expenditure indicates either an overall over or under spend, the Chief Executive shall be alerted and proposals for remedy should be put forward by the Chief Constable as part of the regular reporting process to the Authority. The same responsibilities apply to the Chief Executive for his or her budget.
- 2.13 Where operating cost resources are devolved to Deputy/Assistant Chief Constables, Directors or Heads of Division procedures must be in place to ensure that these resources are used in compliance with the agreed business plans. The Chief Constable is required to provide to the Chief Executive a declaration at the end of the financial year confirming that all managers who have been provided with such delegated responsibility have understood and fulfilled their responsibilities with regard to the operating cost budget. This statement provides assurance to the Chief Executive that budgetary controls have operated as required and supports the quarterly statement outlined in paragraph 2.11.
- 2.14 Where significant savings or increased income were not included in the Budget, but arise fortuitously because of external factors outside the Force's control, these new resources should be reported to the Authority before any decision is taken about their utilisation.

### **3 FR3 Capital and Major Revenue Schemes**

- 3.1 The Chief Constable shall prepare a 3-year capital programme and capital budget for consideration and approval by the Authority. This programme will form the basis of discussions with the DfT for inclusion in their capital allocation programme.
- 3.2 Once a capital project is included within the 3-year capital programme, the details of each scheme shall be the subject of a further and final approval. An evaluation, including a financial appraisal, shall be undertaken and reported in respect of all capital and major revenue schemes over £50k which shall include the business case for the scheme. For such schemes, expenditure necessary to produce a proper evaluation ahead of approval may be incurred, in accordance with Procurement or Contract Standing Orders. The thresholds that shall apply to the approval of schemes are (in respect of major revenue

schemes shall relate to the estimated additional annual cost) as set out in the Scheme of Financial Delegation (Annex 2).

- 3.3 For all Schemes requiring Authority approval, the appraisal and business case must be presented to the Authority for consideration and approval. The evaluation and business case must be accompanied by a joint report from the Authority Finance Director and Force Finance Director. Schemes that are related or phased shall be treated as a single scheme for these purposes. For the purpose of the application of the thresholds, the capital and additional revenue costs will be aggregated.
- 3.4 Where a scheme falls below the value for reporting to the Authority a business case must be produced and approved by the Chief Constable.
- 3.5 An annual business case for rolling, replacement or refurbishment schemes must be approved annually by the Chief Constable.
- 3.6 The capacity of the Chief Constable and Chief Executive to enter into capital works contracts is set out in the Scheme of Financial Delegations. Contracts must not be disaggregated to avoid the stated thresholds.
- 3.7 All evaluations shall be undertaken in line with project appraisal guidelines which fulfil Government accounting and policy requirements, and shall include, inter alia, calculations to show the Net Present Value (NPV) and Internal Rate of Return (IRR) for each scheme.
- 3.8 Capital and major revenue scheme expenditure may not take place prior to scheme approval. Following approval of the scheme evaluation, capital and major revenue scheme expenditure may be incurred in accordance with Procurement or Contract Standing Orders up to the estimate (plus inflation as appropriate) specified in the scheme evaluation. Approval for additional scheme expenditure shall be sought when it is first identified and, if possible, before it is contractually committed, e.g. at tender acceptance stage, and shall be authorised as in accordance with the Scheme of Financial Delegation.
- 3.9 It is vital that both financial and procurement authority are obtained prior to a Project being started. Financial authority ensures the project has a good business case and funds are available to the project. Procurement authority ensures the best commercial terms and contracts are in place with suppliers.
- 3.10 The Chief Constable shall ensure that contract payments and other expenditure against approved schemes are controlled within the scheme approval given under the Scheme of Financial Delegation.

- 3.11 The Chief Constable, in consultation with the Chief Executive, shall monitor capital and major revenue schemes and shall submit to the Authority:
- exception reports where a decision is required or there are circumstances of which Members should be aware; and
  - a post-completion assessment report for all schemes approved by the Authority (including through life operating costs) excluding replacement schemes.

#### **4 FR4 Virement**

- 4.1 Virement is defined as where funds will be used for different purpose than originally budgeted, this excludes budget transfers.
- 4.2 A budget transfer will only require to be noted in 4 weekly reports and is defined as funds used for the same purpose but moved in budget terms, subject to it not meaning a significant change of policy which:
- results in activities which are outside the objectives of the Strategy or Policing Plan;
  - prejudices to a material degree the achievement of any of the objectives of the Strategy or Policing Plan; or
  - does not conform to Authority policy resolutions; or alters a specific approval by the Authority.
- 4.3 The Chief Executive and Chief Constable may authorise the transfer of resources between budget headings within the revenue budget for the Authority and Force respectively, provided that:
- the revenue budget and capital budget net totals are not increased;
  - the future commitments in budgets not yet approved falling to the BTPF are not increased by more than the financial limits set out in the scheme of delegations;
  - the transfer does not result in a significant change of policy;
  - the amount does not exceed the value set out in the Scheme of Financial Delegation;
  - the Authority Finance Director has been informed where the Scheme of Financial Delegation means it does not need Authority approval.
- 4.4 Where the amount exceeds the financial limits sets out in the scheme of financial delegation, virement requires the approval of the Authority.

- 4.5 Virement will not be possible in respect of expenditure which is specifically government funded.
- 4.6 The approval of the Authority is required when the virement proposals imply significant changes of major policy (see paragraphs 4.2.1 to 4.2.3 for definition) or involve additional revenue commitments in future years.
- 4.7 The Chief Constable shall be empowered to incur expenditure within the approved estimates but no expenditure, capital or revenue, shall be incurred in connection with the adoption of any new policy or extension of existing policy without the prior approval of the Authority following consideration of a report.

## **5 FR5 Management of the Authority's Budget**

- 5.1 The Chief Executive shall be responsible for securing proper arrangements for the management of that part of the budget allocated to the Executive and shall, where considered appropriate, adopt similar arrangements to those set out in these Financial Regulations, in consultation where appropriate with the Authority Finance Director.

## **6 FR 6 Maintenance of Balances and Reserves**

- 6.1 The Chief Executive should establish a policy on reserves in consultation with the Chief Constable. The Chief Executive will be advised on the reasonable level of reserves that should be maintained by the Authority Finance Director. All Reserves are held by the BTPF, but a reasonable operational reserve should be available for use by the Chief Constable to cover operational delivery risks.
- 6.2 The Authority Finance Director and Force Finance Director will formally review and recommend a Reserves Policy to the Authority for approval annually prior to approval of the revenue and capital budget.

## **7 FR6 Salaries, wages, pensions, gratuities**

- 7.1 In relation to police officers and police staff, the Chief Constable shall ensure that payments of all salaries, wages and emoluments due to employees and the collection of amounts due from officers are in accordance with the relevant salary scales, wage rates and conditions of service and police terms and conditions approved by the Authority and the Police Regulations.
- 7.2 The Chief Constable is responsible for ensuring that adequate and effective systems and procedures are operated for personnel and payroll aspects, to ensure that:
  - payments are only authorised to bona fide employees



- payments are only made where there is a valid entitlement
- conditions and Contracts of Employment are correctly applied
- employee names listed on the payroll are checked at regular intervals to verify accuracy and completeness
- national insurance numbers are recorded for all employees and pensioners
- there is an effective system of checking and clarification of information submitted to effect changes to information held on the payroll system, whether in the form of amendments to computer records or written information.

7.3 The Chief Constable shall maintain records containing details of:

- appointments, secondments, resignations, dismissals, suspensions from duty, transfers, grievances and disciplinary matters;
- periods of sickness and absences other than normal annual leave;
- changes in remuneration or allowances or liabilities of officers; and
- any other matters affecting the calculation and payment of salaries, wages, compensation, allowances and other emoluments to an officer, pension entitlements and of amounts due from an officer.

7.4 All payments to individuals directly contracted to the BTPF who are acting in a self-employed capacity shall be paid through the payroll system and be subject to tax unless the status of the individual has been confirmed as self-employed in accordance with HMRC guidelines.

7.5 If the payment of salaries, wages etc. is provided by a contractor outside of the BTPF, the relevant terms, conditions and controls shall be agreed between the Chief Constable and the Chief Executive and be included in the contract.

7.6 The Chief Constable shall make arrangements for:

- the payment of pensions, gratuities, compensation, and other payments due and for maintaining the necessary records; and
- the payment of compensation or redundancy payments due under any statutory arrangements or policies agreed by the Authority and for maintaining the necessary records.

7.7 In respect of those officers who are subject to pension schemes, the Chief Constable shall maintain such records and

shall supply such information as the administering Authority may require to discharge its functions.

- 7.8 If any part of the functions set out in these Financial Regulations is provided by a contractor outside of the BTPF, the relevant terms, conditions and controls shall be agreed between the Chief Constable and the Chief Executive and included in the contract.
- 7.9 Subject to any statutory provisions to the contrary, the Chief Constable shall recover any overpayment of salaries, wages, allowances, or police pensions entitlements.
- 7.10 The Chief Constable shall ensure full compliance with prevailing employment legislation including that relating to PAYE, National Insurance, pensions and sickness benefit.

## **8 FR7 Travelling, Allowances and Schemes of Assistance**

- 8.1 The Chief Constable shall ensure that payments are made in a manner which ensures that the appropriate arrangements are made to account for the National Insurance and any taxation due and to create the necessary records for self-assessment.
- 8.2 All claims by officers and police staff for travelling, other allowances or advances under conditions of service or the Authority's policies shall:
- be prepared and signed personally by the claimant as being wholly, necessarily and exclusively incurred in the course of duties;
  - be certified by an authorised officer;
  - be accompanied by relevant receipts, and submitted on a timely basis and if of a continuing nature, be submitted at intervals specified by the Chief Constable; and
  - be submitted in accordance with Force T&S policy.
- 8.3 The Chief Executive shall undertake the same responsibilities for staff of the Executive.

## **9 FR8 Orders for Goods and Services**

- 9.1 The Chief Constable shall:
- ensure that written orders are placed in advance for all works, goods and services to be supplied (other than public utility services) provided that in cases of urgency oral orders may be placed and confirmed by written order within 2 working days;
  - ensure that orders are issued only where the cost can be met from an approved revenue or capital budget;

- ensure that orders are properly certified and indicate the price to be paid or exceptionally, where the price is not known, the price that the order is not to exceed and
  - obtain goods and services in the most cost effective way and from the source offering best value commensurate with the required quality, performance and delivery.
- 9.2 Paperless ordering systems involving the preparation, authorisation and transmission of electronic data, may be implemented if adequate and effective controls are operated.
- 9.3 Purchase of equipment, goods and materials shall be effected through the most economical and practical means making use of contracts arranged through the DfT and other bodies where these are available.
- 9.4 Use of the internet to place orders electronically shall be in accordance with any overall policy of the Authority and will comply with the procedures and guidance issued by the Chief Constable having regard to advice from the Director and Corporate Resources. For avoidance of doubt such arrangements must comply with any DfT and Managing Public Money requirements.

## **10 FR9 Payment of Accounts**

- 10.1 The Chief Constable shall ensure that every invoice, payment voucher or claim for payment will be checked by an authorised officer/budget holder who shall certify that the expenditure has been properly incurred, is within the relevant budgetary provision and that the goods have been received and/or work done and is of a satisfactory standard.
- 10.2 The Chief Constable shall ensure that there is adequate separation of duties with regard to the certification of orders and the certification of requests for payment, and the certification of goods or services received and the approval of payment.
- 10.3 The use of credit or purchasing cards is permissible. These will be subject to specific instances agreed by the Chief Constable and he / she is responsible for ensuring there are financial procedures and guidance in place, having regard to advice from the Force Finance Director, and subject to any overall policy of the Authority and the DfT on this aspect.
- 10.4 The Chief Constable is responsible for ensuring that payments are made to suppliers in accordance with The Late Payment of Commercial Debts (Interest) Act 1988 and any DfT direction on prompt payment. The Chief Executive is to be notified of any sustained failure to meet this requirement and/or of claims made for interest on late payments by suppliers.

## **11 FR10 Income**

- 11.1 The Chief Executive shall ensure that appropriate Police Services Agreements are in place with all relevant railway operators and that Police Service Agreements are kept under review to ensure that they remain fit for purpose and comply with any overall Authority policy.
- 11.2 The Authority shall ensure that appropriate Enhanced Police Services Agreements are in place with all relevant railway operators and that Enhanced Police Service Agreements are kept under review to ensure that they remain fit for purpose and comply with any overall Authority policy
- 11.3 The Chief Executive shall ensure that charges for services provided shall be made on the basis of and in accordance with the terms of the relevant Police Services Agreement and otherwise on the basis of recovering the full costs involved.
- 11.4 The Chief Constable shall ensure that charges for services provided shall be made on the basis of and in accordance with the terms of the relevant Enhanced Police Services Agreement and otherwise on the basis of recovering the full costs involved
- 11.5 The Chief Constable shall arrange for the prompt:
  - issue of debtors accounts and collection of monies due for credit income;
  - collection of cash due to the BTPF; and
  - completion and submission of any claims for grant payable towards expenditure incurred, and for ensuring payment is received.
- 11.6 The Chief Constable shall ensure that income is recorded promptly and that all monies received are, without delay, banked intact in the name of the BTPF.
- 11.7 Officers receiving cash income on behalf of the BTPF shall issue official receipts immediately for all such income.
- 11.8 The Chief Constable will ensure that monthly reconciliations of all BTPF bank accounts are carried out within 30 days of the end of the month end and that any unexplained and/or uncleared items are investigated to the satisfaction of the Force Finance Director.
- 11.9 The Chief Constable shall ensure that there is adequate separation of duties with regard to the issuing of debtors' accounts and the collection and banking of income.
- 11.10 Monies received by officers on behalf of the BTPF shall be kept separate from personal funds and shall not be lent to officers or others, nor used to cash personal or other cheques.
- 11.11 All outstanding income will be pursued until it is determined, by the appropriate authorising authority in accordance with the

scheme of delegation, as uneconomic to pursue, at which time arrangements will be made to write it off. The Authority is responsible for approving procedures for writing off debts as part of the overall control framework of accountability and control.

## **12 FR11 Grant in aid**

- 12.1 The Chief Constable will put arrangements in place to ensure that no grant-in-aid is received in advance of need.
- 12.2 The Chief Constable will put arrangements in place to ensure that grants received for specific purposes are used for the purpose for which they were provided and that appropriate records are maintained to demonstrate compliance with the conditions of the grants.

## **13 FR12 Security**

- 13.1 The Chief Constable shall make arrangements for the supply and issue of controlled stationery (e.g. receipt books).
- 13.2 The Chief Constable, with the agreement of the insurer where appropriate, shall ensure that sound arrangements exist for the security, issue and movement of assets, including cash and valuable documents, such as cheques and bank books.
- 13.3 The Chief Constable shall specify limits of cash or other holdings, which shall not be exceeded without prior permission.

## **14 FR13 Unofficial and Voluntary Funds**

- 14.1 The Chief Constable shall ensure that he is notified immediately of the nature and purpose of any unofficial or voluntary fund.
- 14.2 The Chief Constable shall maintain proper records of such funds, including a separate account for the transactions of the fund, and for keeping them separate from those belonging to the BTPF.

## **15 FR14 Property**

- 15.1 The title deeds of all property in the BTPF's ownership will be held in the custody of the Chief Executive.
- 15.2 The Chief Constable shall maintain an inventory of all of the properties leased by or occupied by the Force and shall make arrangements for the safe custody of associated leases and licences.

## **16 FR15 Fixed Assets and other Assets**

- 16.1 The Chief Constable shall maintain proper records of the BTPF's assets and ensure that these records are properly maintained and securely held.

- 16.2 The Chief Constable shall maintain registers or inventories of valuable, attractive and/or portable assets, keep them up to date and certify them as accurate at least annually.
- 16.3 The Chief Constable shall arrange periodic physical checks of equipment and stores against relevant records by officers other than those responsible for their custody and control.
- 16.4 The Chief Constable shall make arrangements for the custody and control of stocks and for ensuring that they are not in excess of reasonable requirements. The Chief Constable shall arrange to maintain proper records for the control of stocks and arrange for a partial or full count and valuation on or around 31 March each year.

### **17 FR16 Disposal of Assets**

- 17.1 For the disposal of assets other than land and buildings, the Chief Constable shall ensure that all sales, including those to Members or officers of the BTPF, will be by public auction or competitive tender. He may also decide that, exceptionally, public auction or competitive tender is inappropriate for operational or security reasons in which case he will authorise appropriate alternative means of disposal. In such cases, he will seek to maximise income commensurate with maintaining security. The Chief Constable may, in consultation with the Force Finance Director, dispose of redundant equipment with no net book value and no market value to charitable organisations.
- 17.2 Fixed Asset write offs will be within the limits set out in the Scheme of Financial Delegation.

### **18 FR17 Banking Arrangements**

- 18.1 Subject to the approval of the Chief Executive, the Chief Constable shall oversee the BTPF's banking arrangements and shall authorise the creation or closure of any account.
- 18.2 Any change of banker must be approved in advance by the Authority.
- 18.3 The Chief Constable is responsible for ensuring that the BTPF's banking arrangements are in accordance with the requirements of Managing Public Money and the Treasury guidance document Departmental Banking: a Manual for Government Departments. In particular, he or she must ensure that the arrangements safeguard public funds, are efficient, economical and effective.
- 18.4 Covert accounts (i.e. those required for police operations in which the connection of the account with the police needs to be concealed) shall be managed in accordance with principles determined by the Chief Executive in consultation with the Force Finance Director and the DfT.

- 18.5 The Chief Constable shall decide whether to make an imprest advance to an officer for the payment of expenses.
- 18.6 Subject to FR18.5 all cheques drawn on the BTPF's bank accounts shall be crossed "Account Payee" and, if appropriate, bear signatures in accordance with bank mandates and cheque signatory arrangements.
- 18.7 The Chief Constable shall provide such imprest and advance accounts as he or she considers suitable for the purpose of defraying petty cash and other expenses, and shall issue the necessary instructions to imprest holders for the setting up and operation of these accounts.
- 18.8 The Chief Constable shall be responsible for the daily management and operation of bank accounts, including imprest accounts.
- 18.9 The Chief Constable shall ensure that there are effective controls for all banking arrangements and systems including electronic payments systems such as BACS and CHAPS.

## **19 FR18 Insurance and Risk Management**

- 19.1 The Chief Constable shall arrange insurance cover in accordance with the overall policy approved by the Authority.
- 19.2 In relation to insured risks, the Chief Constable will comply with the requirements of the insurers, including maintaining appropriate records, dealing with claims, and supplying information promptly as and when required.
- 19.3 In relation to insured risks, the Chief Constable will discuss with the insurers any proposed response to potential claimants and will not, without the specific agreement of the insurers, enter into any correspondence (beyond acknowledging receipt of the claim) or discussion with the claimant(s) or their representatives. No liability is to be admitted except through the insurer.
- 19.4 The Chief Constable and the Chief Executive will maintain effective risk management arrangements in accordance with Authority policies and will each maintain a strategic risk register. This will identify evaluate and describe mitigation and management measures in relation to all the key risks listed.

## **20 FR19 Financial Systems**

- 20.1 The Chief Constable may vary existing systems or commission new systems subject to consultations with the Force Finance Director and to the following safeguards:
- Internal Audit shall be consulted on proposed new systems of control in respect of both financial systems and other systems with significant financial implications. This consultation shall take place at the development stage

of the system to help ensure that due regard is paid to the principles of effective internal control;

- Internal Audit shall also be consulted on proposed major changes to existing systems of control. Where practicable this consultation should take place at least four weeks before the proposed change is due to be implemented. Internal Audit will be notified of any changes that are implemented.
- each system shall be put under the control of a named officer who will ensure and monitor its continuing relevance and effectiveness; and be responsible for it;
- systems shall be properly described and accompanied by written instructions which shall be kept up to date in line with developments in service provision or changes in techniques and technology;
- all prime financial records, as agreed with the external auditor, shall be readily available in a permanent form and will be retained for six financial years plus the current year;
- for audit purposes, all other financial records shall be retained for three financial years plus the current year, unless otherwise agreed by the Comptroller and Auditor General;
- The Chief Constable shall ensure that:
  - 20.1.1 there is adequate separation of duties within any one system so that officers are not placed in a situation where they might be exposed to undue influence, unfair criticism or allegation; and
  - 20.1.2 suitable back-up arrangements and/or reserve facilities are in place for important systems; and
  - 20.1.3 these back-up systems can be invoked when required with sufficient speed to ensure that the operation and integrity of the service and its financial and other systems is maintained

## **21 FR20 Data Security**

- 21.1 The Chief Constable shall ensure that all computerised financial systems are secure and comply with legislation such as the requirements of the Data Protection Act 1984 as subsequently amended and the Government Information Assurance Standards.
- 21.2 Staff shall not use systems for unauthorised access, disclose passwords or use any passwords allocated to other people, or load or download software which has not been authorised by the Chief Constable; and any attempts to do so or other breaches of this Regulation shall be reported to the Data Protection Officer.



- 21.3 All employees of the Authority have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive, or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the BTPF.

## **22 FR21 Internal Audit**

- 22.1 There shall be an Internal Audit service to carry out a programme of work to review, appraise and report on the adequacy of the Authority, Executive and the Force's systems, both financial and non-financial. The Audit Committee shall agree and monitor this programme.
- 22.2 The Chief Constable or the Chief Executive, in consultation with the Chairman of the Audit Committee, may require Internal Audit to undertake an urgent investigation into a specific area where this is considered to be warranted by special circumstances. All such investigations shall be notified to the Audit Committee, which may amend the audit programme accordingly.
- 22.3 Internal auditors shall have the right of access to any document, information or explanation they require from any officer or Member in order to carry out their duties. This right is not limited to financial information or accounting records. Notwithstanding that, the Chief Constable may consider that certain information is not suitable for disclosure to the Internal Auditor. Should the Internal Auditor consider it to be essential for the proper conduct of the audit, then the matter shall be referred to the Audit Committee. The Chief Constable shall notify the Chairman and the Chief Executive of all such occurrences and their outcome.
- 22.4 Internal audit reports shall be submitted to the Chief Constable who shall respond to such reports orally or in writing, as appropriate, in accordance with an agreed timescale, detailing the action intended to address any recommendations. A copy of each report shall also be sent to the Chief Executive.
- 22.5 These reports shall be submitted to every meeting of the Audit Committee describing the programme of work completed and progress on the implementation of recommendations.

## **23 FR22 Taxation**

- 23.1 The Force Finance Director shall ensure the completion of all HMRC returns regarding PAYE and that due payments are made in accordance with statutory requirements.
- 23.2 The Force Finance Director shall ensure that the correct VAT liability is attached to all income due and that all VAT receivable on purchases complies with HMRC regulations. The Chief Constable

shall ensure the completion of VAT claims, receipts and payments are made in accordance with statutory requirements.

- 23.3 Where construction and maintenance works are undertaken, the contractor shall fulfil the necessary construction industry tax deduction requirements. The Force Finance Director shall provide details to the HMRC regarding the construction industry tax deduction Scheme.

#### **24 FR23 Anti-Fraud**

- 24.1 The Chief Constable shall ensure that appropriate procedures are in place to comply with any anti-fraud and whistle blowing policies that are approved by the Authority.
- 24.2 The Chief Constable shall maintain a register of interests of any links or personal interests which staff under his direction and control may have with suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the BTPF and will ensure that effective segregation of duties ensures that there is no diminution in the transparency and accountability for procurement decisions taken for any such declared interests. The Chief Executive will put in place corresponding arrangements for the Authority.
- 24.3 Any Member or officer who suspects fraud, corruption or other financial irregularity shall report the matter to the Chief Constable, who shall notify Internal Audit, External Audit and the Chief Executive.
- 24.4 The Chief Executive will notify the DfT and Chairman of the Audit Committee of any frauds and unusual or major incidents as soon as possible.
- 24.5 The Chief Constable is responsible for ensuring that the Authority's policy relating to the acceptance of gifts, loans of property and sponsorship is strictly adhered to.
- 24.6 All financial or accounting irregularities or suspected irregularities, or of any circumstances which may suggest the possibility of irregularities, including those affecting cash, stores, property, remuneration or allowances shall be immediately reported to the Chief Executive. The Chief Executive in consultation with the Authority Finance Director and the Force Finance Director shall determine the scope of any internal enquiries or investigations. Pending investigation and reporting, the Chief Constable shall take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.
- 24.7 The Chief Constable shall keep records of, and prepare and forward to the Chief Executive an annual report on fraud and theft suffered by the Force.

## **25 FR 25 External Audit**

- 25.1 Both the Authority and the Force will, from time to time, be subject to audit, inspection or investigation by external bodies such as the External Auditors, HMIC and HM Revenue and Customs, who have statutory rights of access to all documents, facilities and information necessary for audit and inspection purposes.
- 25.2 The National Audit Office is responsible for the Audit of the Financial Statements in accordance with the Code of Audit Practice, which sets out the auditors objectives to review and report upon:-
- the financial aspects of the audited body's corporate governance arrangements.
  - the audited body's financial statements. In auditing the annual accounts the external auditor must ensure that:
    - the accounts are prepared in accordance with all relevant guidance and statutory regulations ;
    - that proper accounting practices have been observed in the compilation of the accounts.
- 25.3 The Chief Executive and the Chief Constable will be expected to respond to issues arising out of the external audit and to account to the Audit and Risk Assurance Committee for having implemented agreed actions within a reasonable time frame.

## **26 FR26 Anti Money Laundering**

- 26.1 To be alert to the possibility that the Force might become the subject of an attempted money laundering transaction, suspicious cash deposits in any currency in excess of £12,000 (or equivalent) should be reported to the National Crime Agency (NCA).
- 26.2 The Authority Finance Director is the nominated Money Laundering Reporting Officer and will decide whether a particular transaction gives rise to a suspicion or concern that should be reported to NCA.
- 26.3 The Authority Finance Director and Force Finance Director have a responsibility to ensure that within their respective organisations they undertake appropriate checks to ensure that all new suppliers and counterparties are bona fide.
- 26.4 There is a duty on all officers and staff of the Authority and Force to inform the Authority Finance Director if they receive information which may result in them knowing or having reasonable grounds for knowing or suspecting money laundering, fraud or use of the proceeds of crime.

## **27 FR 27 Purchase cards and expenses**

- 27.1 Purchase cards, are usually issued to staff who regularly order goods and services, with the aim of reducing the transaction costs associated with processing low value transactions. Additionally, purchase cards are issued to senior staff and police officers to allow them to pay for personal expenses necessarily and exclusively incurred while carrying out official police business. Under no circumstances should a Purchase Card be used to pay for any personal expenses that are not incurred as a direct result of carrying out official police business.
- 27.2 Holders of purchasing cards will be responsible for ordering and paying for goods and services in accordance with the government purchase card policy. The Force Finance Director is responsible for updating the government procurement card policy and associated procedures.

## **28 FR 28 Compensation payments**

- 28.1 The Force Finance Director may approve the financial settlement of claims or requests for compensation felt to be non-significant if the compensation to be paid is £100,000 or less (to include multiple or linked claims/claimants) except in the case of accident claims where the threshold will be £250,000 or less. Claims will be considered non-significant if:
- they do not involve a high profile claimant including Association of Chief Police Officer rank police officers
  - there is no particular public interest in the case
  - there is no real risk that the Authority or the Chief Constable will be exposed to serious public criticism, or serious weaknesses in the organisation's policies and procedures will be revealed.
  - it is not in the nature of a test case.

## **29 FR29 Ex-gratia payments**

- 29.1 An ex gratia payment is a payment made in circumstances where there is no legal obligation to make such a payment. An example of an ex gratia payment would be where a police officer were recompensed for damage done to personal property in the execution of his/her duty or to a member of the public for providing assistance to a police officer in the execution of his/her duty.
- 29.2 The Authority and Force do not have delegated powers to approve any ex-gratia payments. If an ex-gratia payment is required to be made then Treasury approval must be sought in all instances via the DfT.

### **30 FR 30 Gifts and Hospitality**

- 30.1 The Authority Finance Director & the Deputy Chief Constable are responsible for ensuring that all gifts of money and gifts of other property, which are received by the Authority or the Chief Constable or their officers or staff, are properly recorded in the financial statements. As a general rule officers and staff may only accept gifts of low intrinsic value.
- 30.2 The Chief Constable must refer all gifts above £50,000 to the Authority for approval before they are accepted.
- 30.3 Gifts should not be accepted where there is a risk of offending the integrity or propriety of the Force.
- 30.4 The Authority Finance Director and the Deputy Chief Constable must ensure that registers for the Authority and the Force are maintained which respectively record, all gifts of money, gifts.
- 30.5 All hospitality received should be reasonable in nature and clearly related to work activity. The Head of Professional Standards will issue advice and guidance on the acceptance of gifts and hospitality.

## **31 FR 31 Loans and sponsorship**

- 31.1 The Authority Finance Director & the Deputy Chief Constable are responsible for ensuring that all loans of other property, including sponsorship, which are received by the Authority or the Chief Constable or their officers or staff, are properly recorded in the financial statements.
- 31.2 The Authority or the Chief Constable may accept loans and sponsorship from any source which has genuine and well-intentioned reasons for wishing to support specific police projects. In return the provider may expect some publicity or other acknowledgement, such as displaying an organisation's name or logo. This is acceptable provided that it does not dominate or detract from the purpose of the supported project.
- 31.3 Priority shall be given to meeting the needs of the Authority or Force rather than those of any sponsor and care should be taken to avoid association with inappropriate sponsors, giving the impression that sponsors have accrued a commercial advantage, entering into projects of dubious or limited benefit and allowing unacceptable conditions to be attached to sponsorships.
- 31.4 The total value of loans and sponsorship accepted should not exceed a maximum equivalent value of 1% of the Force annual Net Budget Requirement.

## **32 FR32 Intellectual Property**

- 32.1 Any intellectual property created by an officer or member of staff of the BTPA or the BTP during the course of their employment is deemed to belong to the BTPA or the BTP and not the officer or member of staff. Examples of intellectual property are the creation of specific pieces of computer software, particular inventions or written solutions to managerial or operational problems.
- 32.2 In the event that the BTPA or the BTP decides to commercially exploit intellectual property, matters should only proceed after taking appropriate legal advice to ensure that the BTPA or the BTP's rights in the intellectual property are properly protected by patents for example.
- 32.3 The Authority Finance Director and Force Finance Director must ensure that the accounting arrangements to be adopted relating to Intellectual Property Rights are satisfactory and appropriate. The Chief Executive must be consulted as to the overall governance arrangements and legal issues when Intellectual Property Rights are a component of proposed agreements with external bodies.

### **33 FR33 Third party assets**

33.1 The Chief Constable is required to exercise a duty of care and safeguard third party assets or private property of an individual e.g. a suspect in custody.

33.2 The Chief Constable will determine procedures for the safekeeping of third party assets, other than a member of staff, under his guardianship or supervision and ensure that these procedures are drawn to the attention of all appropriate officers and members of staff.

33.3 There is a duty on all officers and staff to notify the Chief Constable in the case of loss or diminution in the value of such private property.

### **34 FR33 Joint working arrangements**

34.1 Public bodies are increasingly encouraged to provide seamless service delivery through working closely with other public bodies, local authorities, agencies and private sector providers.

34.2 In all joint working arrangements the following key principles must apply:

- before entering into the agreement, a risk assessment must be prepared
- such agreements must not impact adversely upon the services provided by the Authority or Chief Constable.
- project appraisal is in place to assess the viability of the project in terms of resources, staffing and expertise II all arrangements are properly documented II regular communication is held with other partners throughout the project in order to achieve the most successful outcome II audit and control requirements are satisfied
- accounting and taxation requirements, particularly VAT, are understood fully and complied with II an appropriate exit strategy has been produced.

## **ANNEX 5: Procedural Standing Orders**

### **Introduction**

Procedural standing orders regulate the conduct of the Authority's business so that fair and accountable decisions can be made.

### **The Authority**

#### **Extraordinary Meetings of the Authority**

1. An extraordinary meeting of the Authority may be called at any time by the Chair. A minimum of five Members may request a meeting in writing to the Chair who shall not unreasonably refuse additional meetings. No business may be discussed other than the business that led to the need for an extraordinary meeting.

#### **Membership and Members' rights**

2. All Members are entitled to attend full meetings of the Authority and to speak and vote unless they have been suspended from office. Any Member may request to attend any meeting of a committee/group, whether or not he or she is a Member of that committee/group and may not unreasonably be refused. If they are not a Member of that committee/group they may speak with the permission of the Chair, but not vote.
3. Any Authority Member has the right of access to Ministers on any matter which he or she believes raises important issues relating to his or her duties as an Authority Member. In such cases, the agreement of the rest of the Authority should normally be sought and the Chair should be used as the intermediate stage for consultation with Ministers. Members should endeavour to resolve all matters internally.

#### **Co-opted Members**

4. In accordance with the Act the Authority will not appoint co-opted Members.

#### **Business at Authority meetings**

5. The agenda for each meeting of the Authority shall be prepared by the Chief Executive in consultation with the Chair of the Authority. The Chief Executive and the Chair shall consult with the Chief Constable as appropriate and agree the submission of such reports from the Force to the Authority as requested by the Chief Executive, Chief Constable or Chair.
6. Members may place items on agendas but they must be received in writing by the Chief Executive 25 working days before the meeting. Items may be accepted between 25 and 15 working days before the meeting at the discretion of the Chief Executive. Items will not be accepted less than 15 working days before a meeting.



7. Reports shall be submitted to the Chief Executive for despatch not later than seven working days before the meeting. Papers received after the seven day deadline will not be circulated without the agreement of the Chairman.
8. Where any Member is unable to attend a meeting for which he or she is a Member, they may:
  - (a) send written comments on any items or reports to the Chief Executive who will make them known to the Chairman of the Meeting and which will be relayed to the meeting when the item or report to which they relate are being discussed;
  - (b) participate in the meeting by way of a telephone or video link conference call, provided that at least three days' notice has been given to the Chief Executive of their intention to do so, and the Chairman of the meeting has agreed to this method of participation. Any such attendance will be counted for the purpose of recording any votes and shall be included in the numbers relating to the quorum of the meeting.

#### **Quorum of the Authority**

9. The quorum for meetings of the Authority shall be half the number plus one of Authority Members. The quorum for meetings of the Authority will need to include at least one Member from each knowledge group<sup>38</sup>.
10. Outside of the Authority Membership, the Authority Senior Management Team and the Chief Officer Team, attendance at Authority meetings will be limited with policy leads from the Authority and BTP attending only for the duration of items that fall within their policy area.

#### **Authority Minutes**

11. The minutes of the proceedings of a meeting of the Authority shall be considered and approved at the next suitable meeting of the Authority.
12. Minutes should include the names of those present at meetings and all decisions taken. Approved minutes must be kept available for inspection by Members and the public for six years after the date of meeting. Minutes of Public Meetings will be made available on the Authority's web site.

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<sup>38</sup> Representative groups are the Members with experience of providing railway services, Members with experience of the interests of people travelling by railway and independent Members.

13. The Chair shall determine the sense of the meeting; if necessary, a proposition can be determined by show of hands or, at the discretion of the Chair, by secret ballot.
14. Names and votes of Members shall not normally be recorded in minutes, but Members can request that abstention or dissent is recorded.
15. In the case of an equality of votes the Chair, or other person presiding at the meeting, shall have a second or casting vote.

### **The Authority Chair**

16. The Chair will chair all Authority meetings, if he or she is present. In the absence of the Chair, meetings will be chaired by the Deputy Chair (if appointed) or by another Member chosen by a simple majority of Members present.
17. If the Deputy Chair is presiding at the meeting in the absence of the Chair, he or she may exercise any power or duty of the Chair of the Authority.
18. In the absence of the Chair or Deputy Chair (if appointed) or in other circumstances with the consent of the Chair, another Member may act as Chair in every capacity, both at Authority meetings and at other times.
19. The Chair should ensure that the Authority meets at appropriate intervals, and that the minutes of meetings and any reports to the Secretary of State accurately record the decisions taken and, where appropriate, the views of the individual Authority members.
20. The Chair is responsible for representing the views of the Authority to the public.
21. The Chair should ensure that new Authority Members are appropriately and properly briefed on appointment (and their training needs considered), and provide an assessment of their performance, on request, when Members are considered for re-appointment to the Authority.
22. In the event of disruptive or abusive behaviour, the Chair may require any person or persons to leave a meeting of the Authority.
23. The Chair may adjourn and reconvene a meeting at any time.

### **Out of Committee Procedure for Urgent Matters**

24. Urgent matters that cannot await the next meeting of the Authority will be dealt with under this Urgency Procedure:

- 24.1. The officer of the Force or the Authority requiring the decision will prepare a report as far as is reasonably practicable as if he or she were reporting to the full Authority.
- 24.2. The Chief Executive shall draw the matter to the attention of the Members who will discuss by telephone or exchange views by fax or email, as is reasonably practicable in the circumstances. Following this consultation, the Chief Executive, in consultation with the Chair and if appropriate, the Chief Constable, shall make a decision on the matter.
- 24.3. Any decisions made under the Urgency Procedure shall be recorded in writing. The Chief Executive will keep a proper record of this progress and copies of the report and the decision will be circulated to all Members as soon as is reasonably practicable. The action should be approved by Members at the next ordinary meeting of the Authority.

## **The Committees**

### **Appointment of Committees, Groups and Panels**

25. The Authority shall appoint Committees including an Audit and Risk Committee. The Authority may appoint such other Committees, Groups and Panels as it considers appropriate for the efficient and effective discharge of the Authority's functions.<sup>39</sup>
26. No Committee, Group or Panel may take decisions on behalf of the Authority unless the Authority has expressly granted that power under that body's terms of reference.
27. Notwithstanding the quorum of Committees, Groups or Panels, casual vacancies arising in the membership of a Committee or Group may be filled and substitute Members may be appointed by the Chair.

### **Committee Chair**

28. The Authority Chair will appoint the Chair of a Committee who shall be a standing Member of that Committee. The Authority Chair may chair any Committee with the exception of the Committee dealing with audit matters.

### **Meetings to be held**

29. Committee meetings shall be held on such days and at such times decided by the Authority, or by the Committee Chair.
30. Additional meetings of the Committee may be convened by its Chair at any time.

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<sup>39</sup> See the Governance Structure for the current committee arrangements.

### **Terms of Reference for Committee**

31. The terms of reference will be agreed by the Authority at its annual meeting in May. The terms of reference for the committees may be amended throughout the year with the approval of the Authority.
32. The agenda for a meeting of a Committee shall be prepared by the Chief Executive in consultation with the Chair of the Committee.

### **Quorum of Committees**

33. The quorum of Committees shall be half of the Members all of whom must have full voting rights.

### **Committee Minutes**

34. Committee minutes will be circulated to all Members of the Authority.

### **Public access to meetings and papers**

#### **General Access Policy**

35. Authority meetings will be held in public, except at such times as the Authority is considering information that is protectively marked according to the Government Protective Marking Scheme. All Authority reports, excluding those with a protective marking, will be available to the public on the Authority's website, including the minutes of the meeting once formally approved.
36. Meetings will be advertised on the Authority website and will be held at a time and place which would encourage interested parties to attend.
37. If a member of the public or press disturbs or disrupts a meeting, the Chair should warn of the consequences first and if it continues the Chair shall order his or her removal from the meeting. The Chair can also adjourn the meeting for a period considered expedient.
38. The Authority may also pass a resolution to exclude the press and public from all or part of a meeting if publicity would be prejudicial to the public interest because the business being transacted is subject to protective status or exempt as defined by the Freedom of Information Act (FOIA) 2000 or Data Protection Act 1998.
39. Committee meetings will be held in private but papers and minutes will be published on the website, in accordance with the Authority's FOI Publication Scheme, once the minutes have been formally approved. Those papers subject to protective marking will need to undergo a public interest test, unless they meet the criteria for an absolute exemption under the FOIA 2000 in which case they will not be released.

## **Protected Information**

40. The status of a report or agenda item shall be clearly identified according to the Government Protective Marking Scheme at the time that the report is submitted to the Authority Executive for despatch.

Protected information may include:

- (a) information relating to action taken or to be taken in connection with the prevention, investigation or prosecution of crime or which would be significant value to those individuals targeted by the Force in that, amongst other things, it would tend to provide information about the methods or capacity of the Force beyond such information which is properly in the public domain;
- (b) information which has national security implications;
- (c) information containing personal details of identifiable individuals;
- (d) information of a commercially sensitive nature relating to financial contracts;
- (e) information which, by statute or court order, may not be published;
- (f) information relating to any consultation or negotiations, or contemplated consultations or negotiations, in connection with any matter of staff relations, terms of employment, or conditions of services arising between the Authority and/or the Chief Constable and any employee of the Authority; and
- (g) information which a claim to legal professional privilege could be maintained in legal proceedings.
- (h) any other categories of information which the Chair and the Chief Executive consider would be in the interests of the Force to keep confidential.

41. In resolving to exclude material from publication in accordance with these standing orders, the Authority shall specify and publicly minute the reasons for its decision by listing the type of confidential information as outlined in SO 39 above.

## **Disagreements on the status of protected documents**

42. The Authority may decide that it wishes to deal with a report in public session, or to make it available to the public. However, it shall not do so without giving the author an opportunity to address the Authority in private session to explain why they consider that the information should retain a protective marking.

## **Questions from the Public at Authority Meetings**

43. Members of the public may ask questions of the Authority, which are relevant to its business, functions or responsibilities. The Chief Executive must receive the question not less than ten working days before the meeting of the Authority.

44. A person may ask no more than two questions in a rolling 12 month period.
45. The Chief Executive will have the discretion to refuse a question in consultation with the Chair or, in their absence the Deputy Chair. If a question is refused the Chief Executive shall write and outline the reason(s) for this decision. The letters shall be copied to all Authority Members before the meeting. The reasons why a question may be refused may include the following (although it should be noted that this is not an exhaustive list):
- a. The question cannot be answered satisfactorily without the disclosure of exempt information (as defined in the Access to Information or Freedom of Information legislation)
  - b. The question has already been answered by another means and contains no issues of wider public interest that require a public answer
  - c. The question contains a number of different questions, in which case the Chief Executive will ask for an amended question to be submitted (the amended question is still subject to the listed exemptions and must still be submitted at least ten working days before the meeting for an answer to be provided, if submitted after this timeframe it may not be answered until the next meeting of the Authority)
  - d. The question is similar to, or on a similar theme to, a question asked by someone else in the preceding three months.
46. Questions shall be included on the agenda for the meeting. The Chief Executive will respond to any questions either orally or in writing on behalf of the Authority. Following the response the person who asked the question may speak for a maximum of three minutes. If any clarification is sought regarding the answer this will be given to the person within ten working days of clarification being sought.
47. To ensure that the business of the Authority is not disrupted a maximum of 20 minutes will be allowed for public questions and answers.

### **Variations to Standing Orders**

#### **Suspension of Standing Orders**

48. A resolution may be passed to suspend Standing Orders in specific instances where it is deemed to be in the interest of the Authority. The resolution must be agreed by a majority vote.

#### **Amending and revoking Standing Orders**

49. Any changes to these Standing Orders may be agreed at the Annual Meeting, or at any ordinary meeting of the Authority.

**Interpretation of Standing Orders**

50. The ruling of the Chair as to the interpretation or application of these Standing Orders shall be final.

# **Service Level Agreement between the Authority and BTP**

***Version 1.4***

18 August 2010



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## 1 Scope

- 1.1 The Permanent Secretary to the Department for Transport appointed the Chief Constable as the Accounting Officer for the when the Authority was established. Over the years this position was seen as increasingly inappropriate as it made the Chief Constable accountable for the work of his own governing body. Furthermore as Accounting Officer the Chief Constable was accountable for the Authority's work in setting a budget and recovering the costs of BTP from the PSA holders, and in consequence for the development and application of the charging models, this is clearly something that the Chief Executive of the Authority not the Chief Constable should be accountable for. In April 2010 the Department re-examined this position and suggested new arrangements. The effect of these was to make the Chief Executive to the Authority the Accounting Officer for the Authority with the Chief Constable being the additional Accounting Officer for BTP, more accurately reflecting their actual responsibilities. The changes did not affect the Chief Constable's responsibilities in relation to policing.
- 1.2 The arrangements also provided for shared accountabilities where these were appropriate and formal agreements between the Authority and BTP when one was providing services for the other.
- 1.3 The arrangements were captured in formal documentation that was prepared by the DfT. Treasury rules governing Accounting Officers require a single responsible official at every stage. Hence the Permanent Secretary appointed the Chief Executive as the Accounting Officer for the Authority as it is to the Authority that the Department formally relates. The Chief Executive appointed the Chief Constable as an additional accounting officer.
- 1.4 In all respects these arrangements should lead to improved and strengthened governance. The Authority should note that under the new arrangements two of its employees, the Chief Executive and Chief Constable have duties and responsibilities, as Accounting Officers, that cannot be fettered by the Authority. However as those duties and responsibilities all relate to probity and the proper conduct of the Authority/BTP's affairs there is no reason to think that their exercise would ever be contrary to the Authority's wishes. The Chief Constable of course already had such freedoms in relation to Policing.
- 1.5 This document formalises the agreement between the Authority and BTP when one is providing services for the other. The areas covered are as follows:
  - Statutory Financial Reporting (Accounts; letter of rep; wash up meetings with NAO) DfT assurance statement; SIC;

Management Commentary; liaison with NAO)

- Four weekly Financial Management Reporting (Income and Expenditure) and budget monitoring for the Authority
- Charging Model
- PSA Debtors
- EPSA Debtors and contract support
- Risk Register - BTP; the Authority and elevation to the DfT
- Internal Audit;
- Cashflow Management and Accounting for Loans and Grant in Aid from DfT
- DfT reporting
- Pensions
- Insurance
- Authorisations required from the DfT

## 2 Service Details

### 2.1 Statutory Financial Reporting

Action	Target Date	BTPA responsibility	BTP responsibility
Governance Statement – the agreed sections to be prepared by the Risk Manager and circulated to Accounting Officers; Authority Finance Director, Force Finance Director and Audit Committee members, for comment	31 January		Force Finance Director (FFD)
Comments back to FFD for inclusion in final Governance Statement	21 February	Authority Finance Director	FFD
Internal Audit to finalise evidence to support Governance Statement	7 March		Head of Finance
Present draft management commentary, remuneration report and Governance Statement to Audit Committee scheduled for end of March.	March Audit Committee	Authority Finance Director	FFD
Management Assurance Report – to be prepared by Risk Manager and circulated to Accounting Officers; Authority Finance Director, Force Finance Director and Audit Committee members, for comment	February and August		FFD
Comments back to FFD for inclusion in final Management Assurance Report	February and August	Authority Finance Director	FFD
Internal Audit to finalise evidence to support Management Assurance Report	March and September		FFD
Present final six-monthly Management Assurance Reports to Audit Committee.	March and September Audit Committees	Authority Finance Director	FFD
Authority Finance Director to liaise with DfT on reporting requirements on Consolidation Pack to be prepared	28 February	Authority Finance Director	
Planning meeting to be held with External Auditors	By 31 October	Authority Finance Director	FFD
BTP to prepare detailed timetable for preparation of statutory financial statements	14 March		FFD

and agree with Authority Finance Director			
Preparation of Financial Accounts to be completed by BTP Finance and reviewed internally	1 week in advance of final audit		FFD
Agreed accounts to be issued to BTPA for review and comment with comments fed back to BTP Finance within 7 days of receipt	3 days in advance of final audit	Authority Finance Director	FFD
Consolidation Pack (including the Risk Assurance Statement) to be submitted to DfT	In line with DfT timetable (8 May 2012)	Authority Finance Director	FFD
Accounts issued to NAO	First day of final audit (30 April 2012)	Authority Finance Director	FFD
Audit commences	End of April		FFD
Final Wash up meeting with NAO	Mid May	Authority Finance Director/ Chief Executive	FFD
Present Accounts to Audit Committee	End May	Authority Finance Director	FFD
Present Accounts to Authority	Mid June	Chief Executive / Authority Finance Director	FFD
Send signed Accounts to NAO	Mid June	Authority Finance Director	FFD
NAO to lay accounts before parliament	End June		

## 2.2 Four weekly management reporting and budget monitoring for the Authority's own budget

Action	Target Date	BTPA responsibility	BTP responsibility
Process all authorized purchase orders, invoices and payroll information for BTPA	As required		FFD
Four weekly Management accounts to be prepared by BTP Finance and provided to the Authority Finance Director with analysis of payroll costs and other expenditure	Within 5 days of period end		FFD
Comments back to FFD documenting any changes to full year forecast	3 days post report	Authority Finance Director	
Publish management accounts	Within 10		FFD

	days of period end		
Report Quarterly to Finance Group and Authority	Finance Group for Quarterly reports	Authority Finance Director	FFD

### 2.3 Charging Model - running new charging model each year for PSA charges

Action	Target Date	BTPA responsibility	BTP responsibility
BTP to provide Command and Control data, namely the electronic officer activity logs (previous year - 4 month sample) to BTPA	14 January		Head of Strategic Development
BTP to provide incident data for previous calendar year	14 January		Head of Strategic Development
BTP Finance to provide financial breakdown of budgets by Area and FHQ	31 January		FFD
BTPA to run charging model with all inputs.	28 February	Authority Finance Director	
Charging Model to be verified by BTP (11 constituent elements)	7 March		Head of Strategic Development/FFD
Once verified - charges to be scrutinized by the Finance Group before being submitted to the Full Authority for approval at its March meeting	March Finance Group and Authority	Authority Finance Director	

### 2.4 PSA Debtors

Action	Target Date	BTPA responsibility	BTP responsibility
BTPA will calculate an annual charge for each PSA holder and seek authorisation from the Authority	14 March	Authority Finance Director	
Initial charges to be given to BTP Finance by Authority Finance Director to ensure Purchase orders can be raised with customers.	14 March	Authority Finance Director	
BTP will agree the charge for London Underground contribution and inform Authority Finance Director of charge to be made.	7 March		FFD
Once approved, BTPA will provide BTP Finance with a schedule of amounts to be invoiced in total and where applicable by month	28 March	Authority Finance Director	
Authority Finance Director will write to the PSA holders to inform	Before 31 March	Authority Finance	

them of their annual charge		Director	
BTP will arrange for invoices to be raised every four weeks to all PSA Holders, or annual if charge is below £10,000.			FFD
BTP will perform all credit control functions and process the invoices and payments on to the Sales Ledger and the General Ledger			FFD
A four weekly report will be prepared for the Authority Finance Director to include: Aged debtors listing for core PSA holders Commentary on action taken on debts over 30 days Actions requested for BTPA follow up Reconciliation of debtors listing to the General Ledger Sales Ledger Control Account.	Within 7 days of period end		FFD
Feedback from Authority Finance Director of actions taken in debt recovery	Within 21 days of period end	Authority Finance Director	

The above framework is to be used in conjunction with the Governance Document regarding charges to PSA holders.

## 2.5 EPSA Debtors and Contract Support

Action	Target Date	BTPA responsibility	BTP responsibility
The Authority to provide pro-forma contract for Enhanced PSAs.	Within 7 days of initial request	Authority Finance Director	
BTP to provide financial schedule for inclusion in the contract to The Authority, approved by Area Commander and the FFD	As required		FFD
The Authority to sign EPSA and copy BTP	Within 14 days of receipt of financial schedule	Chief Executive	FFD
BTP Finance to arrange invoicing for EPSA			FFD

## 2.6 Risk Register

<b>Action</b>	<b>Target Date</b>	<b>BTPA responsibility</b>	<b>BTP responsibility</b>
BTP to provide training to BTPA Executive to ensure consistent approach.	As required		FFD
BTPA to report both operational risks and strategic risks of the Authority to Audit Committee and the full Authority	Quarterly	Authority Finance Director	
BTP to report both operational risks and strategic risks of the Authority to Audit Committee and the full Authority	Quarterly		FFD
BTPA to elevate strategic risks at bi-monthly meetings with DfT.	Agenda item on DfT BI-monthly meetings	Authority Finance Director	

## 2.7 Internal Audit

<b>Action</b>	<b>Target Date</b>	<b>BTPA responsibility</b>	<b>BTP responsibility</b>
Agree areas to be covered in the annual Internal Audit Plan with BTP	28 February		FFD
Agree final Audit plan with BTPA	14 March	Authority Finance Director / Chief Executive	
Present Final Audit plan for next 12 months to Audit Committee	March Audit Committee	Authority Finance Director / Chief Executive	
Internal Audit Reports headed by BTP to be sent to the Authority Finance Director for information	When issued to BTP		FFD
Internal Audit Papers prepared for BTPA to be reviewed and management comments added within 7 days of receipt of report from Internal Auditors	Within 7 days of receipt of report	Authority Finance Director	
Meet with Head of Internal Audit each quarter to discuss all completed internal audits	Quarterly in advance of Audit Committee	Authority Finance Director/Chief Executive	FFD



## 2.8 Treasury Management, including DfT Loans and Grants

Action	Target Date	BTPA responsibility	BTP responsibility
Cash flow forecasts to be presented to the Authority Finance Director within 7 days of period end	Within 7 days of period end		FFD
In accordance with the FReM, competitive tendering to be completed every three to five years by BTP Finance to ensure value for money and to be presented to the Authority Finance Director/ Chief Executive of the Authority	2014		FFD
Quarterly bank reconciliations to be sent to the Authority Finance Director for review and back up to the quarterly finance reports - to satisfy the AO duties re banking (section VIII)	Within 10 days of quarter and year end	Authority Finance Director	FFD

## 2.9 DfT Reporting

Action	Target Date	BTPA responsibility	BTP responsibility
All DfT reporting requirements are : CASSIE Grant in Aid Claims Cash flow To be completed by BTP in accordance with the DfT reporting timetable.	Within 9 days of period end		FFD
Authority Finance Director to review reports and submit to DfT	Within 10 days of period end	Authority Finance Director	

## 2.10 Pensions Valuations - Police Officer and Police Staff Schemes

Action	Target Date	BTPA responsibility	BTP responsibility
BTPA to liaise with RPMI as Trustee of the pensions schemes in advance of the triennial valuations	As required	Authority Finance Director	
BTP to provide information on wage assumptions and other information required from the Trustee / Actuary	As required		FFD/DofC&R
BTPA to review initial valuation assumptions and outcome with BTP Finance	Within 6 months of valuation date	Authority Finance Director	FFD
BTPA to agree final assumptions with full Authority	Within 8 months of valuation date	Chief Executive / Authority Finance Director	

Recovery Plan – BTP and BTPA to liaise with Trustee on affordability of any deficit repayment or treatment of any surplus	Within 9 Months of valuation date	Authority Finance Director	FFD
BTPA to agree final recovery plan with full Authority	Within 9 Months of valuation date	Chief Executive / Authority Finance Director	
BTP Finance to ensure financial implications are built into the budgets	September each year		FFD
BTP HR to consult with the staff on any issues directly affecting them.	As required		FFD
BTPA to liaise with Trustee and Regulator, on recovery plan for formal approval		Authority Finance Director	

## 2.11 Insurance

Action	Target Date	BTPA responsibility	BTP responsibility
BTPA to review insurable risks in respect of Executive and Members – with BTP	Annually (November)	Chief Executive	FFD
BTP to ensure appropriate cover is provided for BTPA Executive and Members.	Annually (December)		FFD

## 2.12 Authorisations required from DfT

Action	Target Date	BTPA responsibility	BTP responsibility
The Financial Reporting Memorandum (FReM) details authorisations required by BTPA / BTP from the DfT. BTP to notify BTPA of authorisations sought	As required		FFD
BTPA to seek formal approval from DfT Authority Finance Director to review reports and submit to DfT	Within 7 days of receipt of request	Chief Executive / Authority Finance Director	
BTPA to confirm when formal approval has been received	As received	Chief Executive / Authority Finance Director	

## **Appendix A**

### **THE BRITISH TRANSPORT POLICE AUTHORITY**

#### **ACCOUNTING OFFICER MEMORANDUM**

##### **Issued to the Chief Executive and Clerk by the Accounting Officer of the Department for Transport**

#### **Background**

1. The British Transport Police Authority (the Authority) is responsible for setting the budget and raising income under the terms of Police Services Agreements, both for itself and for the British Transport Police (the Force). It is also responsible for its own administration and expenditure. The Force has a large degree of autonomy in the spending of the budget given to it by the Authority, and full independence in policing matters, but it is the role of the Authority to exercise appropriate oversight of the Force, particularly in matters of financial and corporate governance and senior appointments.
2. The Force may by agreement, for reasons of economy and efficiency, provide financial and other services to the Authority. In doing so, it acts as the agent of the Authority but remains responsible for the manner in which it discharges the functions.
3. You have been appointed as the Accounting Officer of the Authority. It is agreed that you will appoint the Chief Constable of the Force as an Additional Accounting Officer.
4. Your responsibilities as the Accounting Officer for the Authority cover:
  - (i) servicing and advising the Members of the Authority and implementing their decisions;
  - (ii) setting a capital programme and revenue budget to cover the requirements of the Authority and the Force;
  - (iii) calculating and levying charges on holders of Police Services Agreements;
  - (iv) the management and expenditure of the Authority and the Force;
  - (v) the Authority's oversight of the Force; and
  - (vi) all other requirements within this document.
5. The responsibilities which it would be appropriate for you to assign to the Chief Constable as Additional Accounting Officer are:

- (i) the management and expenditure of the Force;
- (ii) the quality and propriety of any services provided by the Force to the Authority;
- (iii) (in his role as Chief Constable) all operational matters relating to policing by the Force; and
- (iv) other requirements within this document as they affect the Force as set out in paragraphs 11, 12, 14, 15 and 17.

6. In appointing an Additional Accounting Officer, you as the principal Accounting Officer retain overall accountability for both the Authority and the Force. It is accepted, however, that the Additional Accounting Officer will have autonomy within his areas of responsibility and that you will only intervene if a major issue of propriety, regularity or prudent and economic administration makes it necessary for you to do so. In particular, you will not be accountable for the Chief Constable's decisions on matters of policing.

7. You and the Chief Constable have joint responsibility for the preparation of the Authority's accounts (which include those of the Force)

#### **Main duties**

8. As Accounting Officer of the Authority, you have the personal duty of signing the accounts. By virtue of this duty, you also have the further duty of being a witness before the Committee of Public Accounts (PAC) to deal with questions relating to your responsibilities arising from those accounts or, more commonly, from reports made to Parliament by the Comptroller and Auditor General (C&AG) under the National Audit Act 1983. It is an important principle that, regardless of the source of the funding, you are responsible to Parliament for the resources under your control.

9. Associated with these duties are the further responsibilities that are the subject of the remainder of this letter. It is incumbent upon you to combine these duties with your duties to the Members of the Authority. More detailed guidance on this can be found in *Managing Public Money*.

#### **Responsibilities of the Accounting Officer of the Department for Transport**

10. It is the responsibility of the Accounting Officer of the Department for Transport (the Department) to be satisfied that:

- (i) the financial and other management controls applied by the Department are appropriate and sufficient to safeguard public funds and, more generally, that those being applied by the Authority conform with the requirements both of propriety and of good

financial management;

(ii) there is an adequate statement of the financial relationship between the Department and the Authority (in the Framework Document) and that this statement is regularly reviewed; and

(iii) the conditions attached to grants and loans conform with the terms of the Vote and the Department monitors compliance with those conditions.

### **General responsibilities**

Your designation as Accounting Officer reflects the fact that under the Members of the Authority you have responsibility, which only you are in a position to discharge, for the overall organisation, management and staffing of the Authority and the Force, and for their procedures in financial and other matters. You also have responsibility for advising and representing the Authority in its oversight of the Force's conduct in these areas.

11. As Accounting Officer you must ensure that there is a high standard of financial management in the Authority and the Force; that financial systems and procedures promote the efficient and economical conduct of business and safeguard financial propriety and regularity throughout the Authority and the Force; and that financial considerations are fully taken into account in decisions on Authority policy proposals.

### **Specific responsibilities**

12. The essence of your role as Accounting Officer is a personal responsibility for the propriety and regularity of the public finances for which you are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the resources in your charge.

As Accounting Officer you must:

(i) personally sign the accounts, and in doing so accept personal responsibility for their proper presentation as prescribed in legislation or by Ministers;

(ii) conform with relevant requirements of the Framework Document) and ensure that accounts are drawn up in accordance with any conditions set out in legislation, the Accounts Direction and relevant Treasury guidance;

(iii) ensure that proper financial procedures are followed and that accounting records are maintained in a form suited to the requirements of management as well as in the form prescribed for published accounts.

(iv) ensure that the resources for which you are responsible as

Accounting Officer are properly and well managed (see paragraph 15 below) and safeguarded, with independent and effective checks of cash balances in the hands of any official;

(v) ensure that assets for which you are responsible such as land, buildings or other property, including stores and equipment are controlled and safeguarded with similar care, and with checks as appropriate;

(vi) ensure that conflicts of interest are avoided, whether in the proceedings of the Members of the Authority or in the actions or advice of its staff, including yourself, or those of the Force; and

(vii) ensure that, in the consideration of policy proposals relating to the income and expenditure for which you are responsible as Accounting Officer, all relevant financial considerations, including any issues of propriety, regularity or value for money, are taken into account, and brought to the attention of the Members of the Authority.

13. As Accounting Officer you should ensure that effective management systems appropriate for the achievement of the Authority's objectives, including financial monitoring and control systems have been put in place. You should also ensure that managers at all levels:

(i) have a clear view of their objectives, and the means to assess and, wherever possible, measure outputs or performance in relation to those objectives;

(ii) are assigned well defined responsibilities for making the best use of resources (both those consumed by their own commands and any made available to organisations and individuals outside the Authority or the Force), including a critical scrutiny of output and value for money; and

(iii) have the information (particularly about costs), training and access to the expert advice which they need to exercise their responsibilities effectively.

14. You must make sure that your arrangements for delegation promotes good management and that they are supported by the necessary staff with an appropriate balance of skills. Arrangements for internal audit, to cover both the Authority and the Force, should accord with the objectives, standards and practices set out in the Treasury Government Internal Audit Manual.

### **Regularity and propriety of expenditure**

15. To the extent that the Authority and the Force are spending funds Voted by Parliament, you have a particular responsibility as Accounting Officer for ensuring compliance with Parliamentary requirements in the control of expenditure, and with any requirements imposed by the Department. A fundamental requirement is that the Voted funds for

which you are responsible should be applied only to the extent and for the purposes authorised by Parliament. You must also comply with any conditions which Ministers may apply to any grant, grant in aid or loan. You must ensure that Parliament's attention is drawn to losses and special payments by appropriate notation of the relevant account.

16. You are responsible for ensuring that specific arrangements are in place for the Additional Accounting Officer to obtain approval for expenditure has been obtained from the Department in all cases where it is required, including cases involving pay, pensions and conditions of service. This will include any expenditure not covered by any authorities delegated by the Department to the Authority. As in the case of delegations from the Treasury to departments, delegated authority does not remove the obligation to submit to the Department all proposals which are novel or contentious. You are also responsible for ensuring that adequate machinery exists for the collection and bringing to account in due form of all receipts of any kind connected with the accounts of the Authority.

#### **Advice to the Members of the Authority**

17. As Accounting Officer you have particular responsibility to see that appropriate advice is tendered to the Members of the Authority on all matters of financial propriety and regularity relating to the activities of the Authority, and more broadly as to all considerations of prudent and economical administration, efficiency and effectiveness. You will need to determine how and in what terms such advice should be tendered, and whether in a particular case to make specific reference to your own duty as Accounting Officer to justify to the PAC transactions for which you are accountable.

18. The Members of the Authority should act in accordance with the requirements of propriety and regularity (including the provisions of the Framework Document, or any rules in *Managing Public Money* or elsewhere governing the conduct of the Authority as a non-departmental public body). If the Members or the Chairman contemplate a course of action involving a transaction by the Authority which you as Accounting Officer consider would infringe these requirements, you should set out in writing your objection to the proposal, the reasons for this objection, and your duty to notify the C&AG should your advice be overruled. If the Members or Chairman decide nonetheless to proceed, you should seek a written instruction to take the action in question. You should also inform the Department's Accounting Officer of the position, if possible before the decision is taken or in any event before it is implemented, so that the Department, if it considers it appropriate, can intervene with the Authority and inform the Treasury. If the outcome is that you are overruled, the instruction must be complied with, but your request for the instruction and the instruction itself should be communicated without delay to the C&AG. Provided that this procedure has been followed, the PAC can be expected to recognise that you bear no personal

responsibility for the transaction.

19. If a course of action is contemplated which raises an issue not of formal propriety or regularity but relating to your wider responsibilities for economy, efficiency and effectiveness, it is your duty to draw the relevant factors to the attention of the Members of the Authority and to advise them in whatever way you consider appropriate. If your advice is overruled, and the proposal is one which as Accounting Officer you would not feel able to defend to the PAC as representing value for money, you should seek a written instruction before proceeding. The Department's Accounting Officer should be informed of such an instruction, if possible before the decision is implemented. It will then be for the Departmental Accounting Officer to consider the matter, and decide whether or not to intervene. If the outcome is that the difference between yourself and the Members of the Authority nevertheless remains unresolved, the Treasury should be informed and your request for the instruction and the instruction itself should be communicated to the C&AG without undue delay, as in cases of propriety or regularity (see paragraph 20 above).

20. If, because of the extreme urgency of the situation, there is no time to submit advice in writing to the Members of the Authority in either of the eventualities referred to in paragraphs 20 and 21 above before a decision is taken, you must ensure that, if the Members of the Authority overrule the advice, both the advice and the members' instructions are recorded in writing immediately afterwards.

### **Appearance before the PAC**

21. The C&AG may, under the National Audit Act 1983, carry out examinations into the economy, efficiency and effectiveness with which the Authority has used its resources in discharging its functions. As Accounting Officer you may expect to be called upon to appear before the PAC from time to time, normally with the Department's Accounting Officer and if appropriate the Additional Accounting Officer, to give evidence on the reports arising from those examinations or reports following the annual certification audit, and to answer the PAC's questions concerning expenditure and receipts for which you are the Accounting Officer. You may be supported by one or two other senior officials who may, if necessary, assist in giving evidence.

22. Treasury officials attend PAC hearings, and may be asked to comment on the evidence. The Treasury has the formal responsibility for presenting Estimates to Parliament, for prescribing the form of accounts and the rules set out in *Managing Public Money*, and for promoting good financial management in departments and other public bodies. This goes with the Treasury's central responsibility for the operation of public expenditure control. Parliament has traditionally regarded the Treasury as an ally in controlling expenditure.



23. You will be expected to furnish the PAC with explanations of any indications of weakness in the matters covered under the sub-headings "Specific responsibilities" and "Regularity and propriety of expenditure" above to which their attention has been drawn by the C&AG or about which they may wish to question you as Accounting Officer.

24. In practice, you will normally have delegated authority to others, but you cannot on that account disclaim responsibility or accountability. Nor, by convention, would you decline to answer questions where the events took place before you took up appointment: the PAC may be expected not to press your personal responsibility in such circumstances.

25. The PAC has emphasised the importance it attaches to accuracy of evidence, and the responsibility of witnesses to ensure this, in order to ensure that relevant lines of enquiry may be pursued at its hearings. You should therefore ensure that you are adequately and accurately briefed on matters which are likely to arise at the hearing. You may, however, ask the PAC for leave to supply information not within your immediate knowledge by means of a later note. Should it be discovered subsequently that the evidence provided to the PAC has contained errors; these should be made known to the committee at the earliest possible moment.

26. In general, the rules and conventions governing appearances of officials before Parliamentary committees apply to the PAC, including the general convention that officials do not disclose the advice given to the Members of the Authority. Nevertheless, in a case where you used the procedures (described in paragraph 20 above) concerning a matter of propriety or regularity, your advice, and its overruling by the Members of the Authority, would be disclosed to the PAC. In a case where your advice had been overruled in a matter not of propriety or regularity but of prudent and economical administration, efficiency or effectiveness (paragraph 21 above), the C&AG will have made clear in the report to the PAC that you were overruled. You should seek to avoid disclosing the advice given to the Members of the Authority, though, subject to their agreement, you should be ready to explain the reasons for their decision.

### **Absence of an Accounting Officer**

27. As Accounting Officer, you should ensure that you are generally available for consultation and that in any temporary period of unavailability due to illness or other cause, or during the normal period of annual leave, there will be a senior official in the Authority who can act on your behalf if required.

28. If it becomes clear to the Members of the Authority that you are so incapacitated that you will be unable to discharge your Accounting Officer responsibilities over a period of four weeks or more, the Department should be notified so that an acting Accounting Officer can be formally designated, pending your return. The same applies if exceptionally you plan an absence of more than four weeks during which

you cannot be contacted.

29. The PAC may be expected to postpone a hearing if the relevant Accounting Officer is temporarily indisposed.

30. Where you are unable by reason of incapacity or absence to sign the accounts in time to submit them to Ministers, the Authority may submit unsigned copies pending your return. If you are unable to sign the accounts in time for printing, the acting Accounting Officer should sign instead.

## **Appendix B**

### **THE BRITISH TRANSPORT POLICE**

#### **ADDITIONAL ACCOUNTING OFFICER MEMORANDUM**

##### **Issued to the Chief Constable by the Accounting Officer of the British Transport Police Authority**

##### **Background**

1. The British Transport Police Authority (the Authority) is responsible for setting the budget and raising the income under the terms of Police Services Agreements both for itself and for the British Transport Police (the Force). It is also responsible for its own administration and expenditure. The Force has a large degree of autonomy in the spending of the budget given to it by the Authority, and full independence in policing matters, but it is the role of the Authority to exercise appropriate oversight of the Force, particularly in matters of financial and corporate governance and senior appointments.
2. The Force may by agreement, for reasons of economy and efficiency, provide financial and other services to the Authority. In doing so, it acts as the agent of the Authority but remains responsible for the manner in which it discharges the functions.
3. I have been appointed as the Accounting Officer of the Authority. I am appointing you as an Additional Accounting Officer, to be accountable for the resources which come under your control as Chief Constable.
4. Your responsibilities as an Additional Accounting Officer cover:
  - (i) advising the Members of the Authority and implementing their decisions in so far as they relate to the Force;
  - (ii) the management and expenditure of the Force;
  - (iii) the quality and propriety of any services provided by the Force to the Authority;
  - (iv) in your role as Chief Constable, all operational matters relating to policing by the Force; and
  - (v) other requirements within this document as they affect the Force.
5. My responsibilities as the Accounting Officer for the Authority cover:
  - (i) servicing and advising the Members of the Authority and implementing their decisions in so far as they relate to the

Authority;

(ii) setting a capital programme and revenue budget to cover the requirements of the Authority and the Force;

(iii) calculating and levying charges on holders of Police Services Agreements;

(iv) the management and expenditure of the Authority;

(v) the Authority's oversight of the Force;

(vi) joint accountability with you for the matters listed in paragraph 4(i)-(iii) and (v) above; and

(vii) all other requirements within this document.

6. In appointing you as an Additional Accounting Officer, I retain overall accountability for both the Authority and the Force. You will have autonomy within your areas of responsibility and I will only intervene if a major issue of propriety, regularity or prudent and economic administration makes it necessary for me to do so in order for me adequately to fulfil my own responsibilities as Accounting Officer. You have sole responsibility for your decisions on matters of policing.

7. We have joint responsibility for the preparation of the Authority's accounts (which include those of the Force).

### **Main duties**

8. As an Additional Accounting Officer, you may be called upon to be a witness before the Committee of Public Accounts (PAC) to deal with questions relating to your responsibilities arising from the accounts or, more commonly, from reports made to Parliament by the Comptroller and Auditor General (C&AG) under the National Audit Act 1983. It is an important principle that, regardless of the source of the funding, Accounting Officers are responsible to Parliament for the resources under their control.

9. Associated with these duties are the further responsibilities that are the subject of the remainder of this letter.

### **Responsibilities of the Accounting Officer of the Department for Transport**

10. My responsibility as Accounting Officer derives from my appointment by the Accounting Officer of the Department for Transport (the Department). It is his responsibility to be satisfied that:

(i) the financial and other management controls applied by the Department are appropriate and sufficient to safeguard public funds and, more generally, that those being applied by the Authority conform with

the requirements both of propriety and of good financial management;

(ii) there is an adequate statement of the financial relationship between the Department and the Authority (in the Framework Document), and that these statements are regularly reviewed; and

(iii) the conditions attached to grants and loans conform with the terms of the Vote and the Department monitors compliance with those conditions.

### **General responsibilities**

Your designation as an Additional Accounting Officer reflects the fact that as Chief Constable, subject to oversight by the Authority, you have responsibility, which only you are in a position to discharge, for the overall organisation, management and staffing of the Force, and for its procedures in financial and other matters.

11. As Additional Accounting Officer you must ensure that there is a high standard of financial management in the Force; that financial systems and procedures promote the efficient and economical conduct of business and safeguard financial propriety and regularity throughout the Force; and that Members of the Authority are made aware of financial considerations relating to the Force which are relevant to their decisions on policy proposals.

### **Specific responsibilities**

12. The essence of your role as Additional Accounting Officer is a personal responsibility for the propriety and regularity of the public finances for which you are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the resources in your charge.

13. As Additional Accounting Officer you must, jointly with me as Accounting Officer of the Authority:

(i) conform with relevant requirements of the Framework Document and ensure that accounts are drawn up in accordance with any conditions set out in legislation, the Accounts Direction and relevant Treasury guidance; and

(ii) ensure that proper financial procedures are followed and that accounting records are maintained in a form suited to the requirements of management as well as in the form prescribed for published accounts.

14. In addition, you must individually:

(i) ensure that the resources for which you are responsible as Additional Accounting Officer are properly and well managed (see paragraph 16 below) and safeguarded, with independent and effective checks of cash

balances in the hands of any official;

(ii) ensure that assets for which you are responsible such as land, buildings or other property, including stores and equipment are controlled and safeguarded with similar care, and with checks as appropriate;

(iii) ensure that conflicts of interest are avoided in the actions or advice of the officers and staff of the Force, including yourself; and

(iv) ensure that, in the consideration of policy proposals relating to the income and expenditure for which you are responsible as Additional Accounting Officer, all relevant financial considerations, including any issues of propriety, regularity or value for money, are taken into account, and brought to the attention of the Members of the Authority.

15. As Additional Accounting Officer you should ensure that effective management systems appropriate for the achievement of the Force's objectives, including financial monitoring and control systems have been put in place. You should also ensure that managers at all levels:

(i) have a clear view of their objectives, and the means to assess and, wherever possible, measure outputs or performance in relation to those objectives;

(ii) are assigned well defined responsibilities for making the best use of resources (both those consumed by their own commands and any made available to organisations and individuals outside the Force), including a critical scrutiny of output and value for money; and

(iii) have the information (particularly about costs), training and access to the expert advice which they need to exercise their responsibilities effectively.

16. You must make sure that your arrangements for delegation promote good management and that they are supported by the necessary staff with an appropriate balance of skills.

### **Regularity and propriety of expenditure**

17. To the extent that the Force is spending funds Voted by Parliament, you have a particular responsibility as Additional Accounting Officer for ensuring compliance with Parliamentary requirements in the control of expenditure, and with any requirements imposed by the Department. A fundamental requirement is that the Voted funds for which you are responsible should be applied only to the extent and for the purposes authorised by Parliament. You must also comply with any conditions which Ministers may apply to any grant, grant in aid or loan. You must ensure that Parliament's attention is drawn to losses and special payments by appropriate notation of the relevant account.

18. You are responsible for ensuring that specific approval for expenditure by the Force has been obtained from the Authority or the Department as the case may be in all cases where it is required, including cases involving pay, pensions and conditions of service. This will include any expenditure not covered by any authorities delegated by the Authority to the Force. As in the case of delegations from the Treasury to departments, delegated authority does not remove the obligation to submit to the Department all proposals which are novel or contentious. You are also responsible for ensuring that adequate machinery exists for the collection and bringing to account in due form of all receipts of any kind connected with the accounts of the Force.

### **Advice to the Members of the Authority**

19. As Additional Accounting Officer you have particular responsibility to see that appropriate advice is tendered to the Members of the Authority on all matters of financial propriety and regularity relating to the activities of the Force, and more broadly as to all considerations of prudent and economical administration, efficiency and effectiveness. You will need to determine how and in what terms such advice should be tendered, and whether in a particular case to make specific reference to your own duty as Additional Accounting Officer to justify to the PAC transactions for which you are accountable.

20. The Members of the Authority should act in accordance with the requirements of propriety and regularity (including the provisions of the Framework Document, or any rules in *Managing Public Money* or elsewhere governing the conduct of the Authority as a non-departmental public body). If the Members or the Chairman contemplate a course of action involving a transaction by the Force which you as Additional Accounting Officer consider would infringe these requirements, you should inform me in order that I can consider your objection. Should I concur I will set out in writing our objection to the proposal, the reasons for this objection, and our duty to notify the C&AG should our advice be overruled. Should I not concur I will set out my advice to your objection, my reasons and your duty to notify C&AG should your advice be overruled by the Authority. If the Members or Chairman decide nonetheless to proceed, you should seek a written instruction to take the action in question. You should also inform me of the position, if possible before the decision is taken or in any event before it is implemented, so that, if I consider it appropriate, I can intervene with the Authority and inform the Department's Accounting Officer and, through him, the Treasury. If the outcome is that you are overruled, the instruction must be complied with, but your request for the instruction and the instruction itself will be communicated without delay to the C&AG. Provided that this procedure has been followed, the PAC can be expected to recognise that you bear no personal responsibility for the transaction.

21. If a course of action is contemplated which raises an issue not of formal propriety or regularity but relating to your wider responsibilities for economy, efficiency and effectiveness, it is your duty to draw the

relevant factors to the attention of the Members of the Authority and to advise them in whatever way you consider appropriate. If your advice is overruled, and the proposal is one which as Additional Accounting Officer you would not feel able to defend to the PAC as representing value for money, you should, through me, seek a written instruction before proceeding. You should inform me on receipt of such an instruction, if possible before the decision is implemented. It will then be for me to consider the matter, and decide whether or not to concur and advise the authority accordingly. If the outcome is that the difference between yourself and the Members of the Authority nevertheless remains unresolved, I will inform the Department's Accounting Officer and, through him, the Treasury and I will communicate the request for the instruction and the instruction itself to the C&AG without undue delay, as in cases of propriety or regularity (see paragraph 20 above).

22. If, because of the extreme urgency of the situation, there is no time to submit advice in writing to the Members of the Authority in either of the eventualities referred to in paragraphs 21 and 22 above before a decision is taken, we must both ensure that, if the Members of the Authority overrule the advice, both the advice and the members' instructions are recorded in writing immediately afterwards.

#### **Appearance before the PAC**

23. The C&AG may, under the National Audit Act 1983, carry out examinations into the economy, efficiency and effectiveness with which the Authority has used its resources in discharging its functions, and such examinations may on occasion extend to the activities of the Force. As Additional Accounting Officer you may expect to be called upon to appear before the PAC from time to time, normally with the Department's Accounting Officer and with me as Accounting Officer of the Authority, to give evidence on the reports arising from those examinations or reports following the annual certification audit, and to answer the PAC's questions concerning expenditure and receipts for which you are the Additional Accounting Officer. You may be supported by one or two other senior officers or members of staff who may, if necessary, assist in giving evidence.

24. Treasury officials attend PAC hearings, and may be asked to comment on the evidence. The Treasury has the formal responsibility for presenting Estimates to Parliament, for prescribing the form of accounts and the rules set out in *Managing Public Money*, and for promoting good financial management in departments and other public bodies. This goes with the Treasury's central responsibility for the operation of public expenditure control. Parliament has traditionally regarded the Treasury as an ally in controlling expenditure.

25. You will be expected to furnish the PAC with explanations of any indications of weakness in the matters covered under the sub-headings "Specific responsibilities" and "Regularity and propriety of expenditure" above to which their attention has been drawn by the C&AG or about



which they may wish to question you as Additional Accounting Officer.

26. In practice, you will normally have delegated authority to others, but you cannot on that account disclaim responsibility or accountability. Nor, by convention, would you decline to answer questions where the events took place before you took up appointment: the PAC may be expected not to press your personal responsibility in such circumstances.

27. The PAC has emphasised the importance it attaches to accuracy of evidence, and the responsibility of witnesses to ensure this, in order to ensure that relevant lines of enquiry may be pursued at its hearings. You should therefore ensure that you are adequately and accurately briefed on matters which are likely to arise at the hearing. You may, however, ask the PAC for leave to supply information not within your immediate knowledge by means of a later note. Should it be discovered subsequently that the evidence provided to the PAC has contained errors; these should be made known to the committee at the earliest possible moment.

28. In general, the rules and conventions governing appearances of officials before Parliamentary committees apply to the PAC, including the general convention that officials do not disclose the advice given to the Members of the Authority. Nevertheless, in a case where you used the procedures (described in paragraph 21 above) concerning a matter of propriety or regularity, your advice, and its overruling by the Members of the Authority, would be disclosed to the PAC. In a case where your advice had been overruled in a matter not of propriety or regularity but of prudent and economical administration, efficiency or effectiveness (paragraph 22 above), the C&AG will have made clear in the report to the PAC that you were overruled. You should seek to avoid disclosing the advice given to the Members of the Authority, though, subject to their agreement, you should be ready to explain the reasons for their decision.

### **Absence of an Accounting Officer**

29. As Additional Accounting Officer, you should ensure that you are generally available for consultation and that in any temporary period of unavailability due to illness or other cause, or during the normal period of annual leave, there will be a senior officer or member of staff in the Force who can act on your behalf if required.

30. If it becomes clear to me that you are so incapacitated that you will be unable to discharge your Additional Accounting Officer responsibilities over a period of four weeks or more, I will formally designate an acting Additional Accounting Officer, pending your return. The same applies if exceptionally you plan an absence of more than four weeks during which you cannot be contacted.

31. The PAC may be expected to postpone a hearing if the relevant Additional Accounting Officer is temporarily indisposed.

## ANNEX 7: Scheme of Financial Delegations

All delegated amounts are inclusive of VAT, where applicable.

### BTPA's Scheme of Delegation

Approved By	Authority	Chief Exec	
<b>Capital Projects</b>			*Funding must be available before a Project is authorised to increase its authority level. Virement limits are cumulative for each project (e.g. if a project has a number of increases to costs it is the total of those increases)
<b>All Projects Business Cases must be whole life costs</b>			
Final Approval for Projects in the Capital programme (which is within the agreed DEL)	Over £50k	Up to £50k	
Projects exceeding project budget will need to gain approval by the original authorising body except where this breaches their level of authority and does not exceed the Budget. *	Over £50k	Up to £50k	
<b>Revenue Expenditure</b>			
Revenue spend in the approved Revenue budget			
Emergency spend or Virement (defined as where funds will be used for a different purpose than originally budgeted) but still within overall approved Budget spend (Budget transfer defined as funds used for same purpose but moved to another cost centre)	Over £50k	Up to £50k	
<b>Pay Awards</b>			
Implementation of pay awards for police officers and staff and chief officers in excess of the approved budgeted amount.	Over £25k	Up to £25k	

Approved By	Authority	Chief Exec	Notes
<b>Banking Arrangements</b>			<p>* Because of tighter restrictions now in place from Cabinet Office/DfT all Redundancy payments must gain Cabinet Office agreement BEFORE any redundancy is offered to staff and must be approved by DfT and submitted through the Chief Executive. Sign off by the Chief Executive/Chief Constable, or persons to whom they have delegated authority, is required prior to submission to Cabinet Office or DfT.</p> <p># Because of tighter restrictions now in place from DfT all Ex-gratia payments must now be approved by DfT.</p> <p>α Write offs can be for one off items but must be aggregated if a number are to be written off together. Do not avoid higher authorisation by doing numerous one off write offs.</p>
Invest cash in accordance with an Authority approved policy (except interest on bank balances)	Over £1m	Up to £1m	
<b>Individual Redundancy Payments*</b>			
Within approved scheme (chief officers)	All	N/A	
Within approved scheme	Over £50k	Up to £50k	
Outside approved scheme	All	N/A	
<b>Ex-gratia payments #</b>			
Ex-gratia payments to staff or former members of staff only (subject to DfT approval)	All	N/A	
Ex-gratia payments and special payments to third parties	All	N/A	
<b>Contracts for sale of redundant fixed assets</b>			
Acceptance of highest bid after competitive tender	Over £5k	Up to £5k	
<b>Write-offs α</b>			
Tangible & Non Tangible Assets with a book value	Over £5k	Up to £5k	
PSA accounts	Over £50k	Up to £50k	
EPSA accounts	Over £50k	N/A	
Debtor and creditor accounts	Over £5k	Up to £5k	
Payroll & Pensions Accounts	Over £50k	Up to £50k	

Approved By	Authority	Chief Exec	Notes
<b>Procurement Authority * # ( All limits are for total Contract Value)</b>			Where the value of a contract is required to increase in value by more than 15%, approval needs to be sought from the original authorising body except where the new contract value breaches their level of authority then it will go to the next level of approval. It is also important that any changes must be in accordance with the relevant contract clause and the resulting new purchase order cross references the original order.  * Contracts including Framework Agreements  # Authorisation of Procurement Contracts and Purchases for goods and services after expenditure has been included in the revenue budget or capital programme (subject to E.U. procurement legislation and thresholds)
Acceptance of lowest tender after competitive tender for revenue and capital contracts	Over £100k	Up to £100k	
Acceptance of a bid for any contract other than the lowest for revenue and capital contracts	Over £50k	Up to £50k	
Acceptance of a bid for a revenue or capital project contract without competitive tendering	Over £50k	Up to £50k	
Signing of contracts	Over £500k	Up to £500k	

## BTP's Scheme of Delegation

Approved By	Authority	Chief Exec	Chief Constable	Notes
<b>Capital Projects *</b>				<p><b>* All Project Business Cases must be whole life costs</b></p> <p>** Funding must be available for an increase in the amount approved for a project to be authorised. Virement limits are cumulative for each project (e.g. if a project has a number of increases to its costs it is the total of those increases)</p> <p>In addition to the delegated virements thresholds a virement is only authorised if it satisfies the following conditions:</p> <ul style="list-style-type: none"> <li>• the revenue budget and capital budget net totals are not increased;</li> <li>• the future commitments falling to the Authority are not increased by more than £100k;</li> <li>• the transfer does not result in a significant change of policy;</li> <li>• the Authority Finance Director has been consulted and gives approval.</li> </ul> <p># Any above agreed wage award payments must be approved by the Authority</p>
Final Approval for Projects in the Capital programme (which is within the agreed DEL)	Over £500k	Up to £500k	Up to £250k	
Projects exceeding project budget will need to gain approval by the original authorising body except where this breaches their level of authority and does not exceed the budget.	All Projects where expenditure was or is increased above £500k	Up to £500k	Up to £250k	
<b>Revenue Expenditure**</b>				
Revenue spend in the approved Revenue budget			Total of approved Revenue Spend	
Emergency spend or Virement (defined as where funds will be used for a different purpose than originally budgeted) but still within overall approved Budget spend this does not include Budget Transfers defined as funds used for same purpose but moved in budget terms and reported 4 weekly	Over £250k	Up to £250k	Up to £125k	
<b>Pay Awards #</b>				
Implementation of pay awards for police officers and staff and ACPO officers in excess of the approved budgeted level.	Over £250k	Up to £250k	Up to £125k	

Approved By	Authority	Chief Exec	Chief Constable	Notes
<b>Banking Arrangements</b>				* Because of tighter restrictions now in place from Cabinet Office/DfT all Redundancy payments must gain Cabinet Office agreement BEFORE any redundancy is offered to staff and must be approved by DfT and submitted through the Chief Executive. Sign off by the appropriate BTP/Authority authoriser prior to Cabinet Office or DfT approval.
Invest cash in accordance with an Authority approved policy (except interest on bank balances)	Over £1m	Up to £1m	Up to 500k	
<b>Individual Redundancy Payments*</b>				
Within approved scheme (ACPO)	Over £100k	Up to 100k	N/A	
Within approved scheme	Over £100k	Up to £100k	Up to £50k	
Outside approved scheme	Over £100k	Up to 100k	N/A	
<b>Ex-gratia payments *</b>				
Ex-gratia payments to staff or former members of staff only (subject to DfT approval)	All	N/A	N/A	
Ex-gratia payments and special payments to third parties	All	N/A	N/A	
<b>Contracts for sale of redundant fixed assets</b>				
Acceptance of highest bid after competitive tender	Over £250k	Up to 250k	Up to 100k	

Approved By	Authority	Chief Exec	Chief Constable	Notes
<b>Write-offs</b>				Write offs can be for one off items but must be aggregated if a number are to be written off together. Do not avoid higher authorisation by doing numerous one off write offs.
Tangible & Non Tangible Assets with a book value	Over £50k	Up to £50k	Up to £5k	
Debtor and creditor Accounts (including EPSAs)	Over £50k	Up to £50k	Up to £5k	
Payroll & Pensions Accounts	Over £50k	Up to £50k	Up to £5k	<p>Because of tighter restrictions now in place from DfT all Ex-gratia payments must now be approved by DfT.</p> <p>Where a contract needs to be increased in value by more than 15%, approval is to be sought from the original authorising body, except where the new contract value breaches their level of authority, then it will go to the next level of approval. It is also important that any changes must be in accordance with the relevant contract clause and the resulting new purchase order cross references the original order.</p> <p>* Contracts including Framework Agreements # Authorisation of Procurement Contracts and Purchases for goods and services after expenditure has been included in the revenue budget or capital programme (subject to E.U. procurement legislation and thresholds)</p>
<b>Procurement Authority *</b> <b>(All limits are for total contract Value)</b>				
Acceptance of lowest tender and signing of contracts after competitive tender for revenue and capital contracts	Over £2m	Up to £2m	Up to £1m	
Acceptance of a bid and signing of contracts for any contract other than the lowest for revenue and capital contracts	Over £1m	Up to £1m	Up to 500k	
Acceptance of a bid and signing of contracts for a revenue or capital project contract without competitive Tendering	Over £250k	Up to 250k	Up to 100k	

## Finance & Procurement DfT Specific Requirements

<b>DfT Specific Requirements for both Financial &amp; Procurement Authority</b>		
		<b>DfT &amp; Cabinet Office</b>
Advertising & Marketing (including research)	Up To £10k	DfT above £10k Cabinet Office Above £100k
Consultancy expenditure (See definition of Consultancy and note especially prior to any continuous improvement 6Sigma etc consultancy this must be notified to the cabinet office first)	Up to £20k or contract not longer than 9 months or extended less than 3 times.	Over £20k or where the contracts are expected to last longer than 9 months or existing contracts extended taking their total life over 9 months or extended more than 3 times
Non-operational Property costs (Including lease changes, sale & new leases).	Up to £100k	Operational premises exempt except for the Authority Offices and PSD York which requires DfT approval over £100k
	DfT /Cabinet Office Authority	
ICT	Over £5m or Over £1m (per system for supporting administration functions)	DfT / Cabinet Office  DfT
Recruitment	All recruitment above agreed budgeted establishment. All temporary Contingent labour recruitment	DfT
Procurement of learning, development or training		This is included in the DfT Letter of Delegation, but because THE AUTHORITY is a non-crown NDPB it is not applicable. Confirm on email from Andy Nicholas on 29 June 2012.
Redundancy		Cabinet Office agreement must be secured BEFORE any redundancy is offered to staff.
Procurement		Central Government Departments, including their Arm's Length Bodies (ALBs), must commit volume spend and buy from centrally sourced contracts and approved frameworks for all common goods and service categories covered by central procurement strategies
Operational excellence - Shared Services		Once the Shared Services strategic operating model and plan is published, Departments and ALBs will be asked to <ul style="list-style-type: none"> <li>• Develop a strategy for future delivery</li> </ul>



		<p>of their back office services in line with the cross government model and agree this with their HMT spending teams and Cabinet Office Operational Excellence Team.</p> <p>Departments will also be asked to spend in a way that is consistent with this Shared Services strategies, across all levels of spend.</p>
Moving Services online		<p>Digital by Default approach to all public information and services sets out standards for digital delivery across Government. This will be assured through the new Government Digital Service (GDS), with the authority to agree, commission, and quality to assure all government digital services. This approach to be implemented alongside the Government's ICT strategy and transparency agenda.</p>
Identity Assurance		<p>DfT and its ALBs must agree their alignment plan to the Identity Assurance Strategy with Cabinet Office when developing any on-line or digitally based transactional service; to include the technical design, the service architecture and the standard and certifications requirements.</p>
Major Projects		<p>The Major Projects Authority (MPA) has been set up to oversee the direction of major projects i.e. project that require HMT approval, and projects within delegated limits that are of special interest to the government.</p>
Strategic Supplier Management		<p>Approval by the relevant Crown Representative (CR) is needed for certain proposed spend, e.g. Crown</p>

## **DfT and Cabinet Office Definitions**

### **Advertising and Marketing**

#### **What is in scope of this control?**

This control applies to the following:

- advertising including: TV; radio; digital advertising; outdoor; print; advertorials; recruitment; costs of media; fees and commission for media buying; media planning; creative development and production;
- marketing activities including: design and branding; direct and relationship marketing; customer relationship management programmes; telemarketing; campaign help lines; partnership marketing; sponsorship marketing; field or experiential marketing; merchandising; advertiser-funded programming; audio-visual activity; storage and distribution of marketing materials;

### **Consultancy**

#### **Policy summary**

In May 2010 Cabinet Office introduced a control on the use of consultants within central government to reduce spending and to challenge departments to only use consultants when absolutely necessary.

#### **What is in scope of this control?**

The provision to management of objective advice relating to strategy, structure, management or operations of an organisation in pursuit of its purposes and objectives. Such advice will be provided outside the 'business-as usual' environment when in-house skills are not available and will be time limited. Consultancy may include the identification of options with recommendations, or assistance with (but not the delivery of) the implementation of solutions.

The Cabinet Office must be contacted prior to engaging with ANY consultancy firms on continuous initiatives (e.g. LEAN, Six Sigma and BPR)

A Statement of Value to be delivered must be published on Contracts Finder for contracts over £20k and on completion of the contract, to update this with a statement of actual value delivered.

#### **What is not in scope of this control?**

Certain types of legal consultancy are not in scope, namely:

- legal advisory services provided by counsel (barristers)
- legal services relating to civil or criminal litigation

- legal disputes (including disciplinary, regulatory or tribunal matters), inquiries or any matter of a contentious nature.

## **ICT**

### **What is in scope of this control?**

This applies to all contracts and projects where ICT is a key element to deliver the scope and service or outcome.

New ICT spend includes any new ICT contracts, contract amendments, contract extensions, feasibility and/or proof of concept studies, pilots, projects and programmes.

It also covers using existing framework contracts to purchase ICT.

No new OJEU notices should be issued to imply that ICT based contracts will be started without the express permission of the Efficiency and Reform Group (ERG) in the Cabinet Office.

NDPBs must move to adopt the Government's ICT Strategy, and comply with the strategy's solutions and standards for all ICT spend as they update/renew their existing systems.

Additionally, all spend with Oracle and all spend within the scope of PSN (Public Services Network) requires ICT Spend Approval.

## **Learning and Development**

### **What is in scope of this control?**

- All *new* generic training should be sourced through CSL. The definition of generic training being all L&D on leadership, management development, PSG core skills and other L&D needs which are common across the Civil Service, e.g. first aid, pre-retirement training etc
- Procurement of any learning, development or training of £10k or higher, whether for courses or other learning activities, must go through the CSL gateway process.
- CSL is available to provide advice to Professions and to offer advice on the procurement process
- BTP/A must present a case to DfT setting out why CSL has not been used to provide generic training