

Report to: Audit Committee
Agenda #: 7
Date: 19 March 2013
Subject: Authority Code of Governance and
Committee Structure
Sponsor: Chief Executive
Author: Authority Business Manager
For: Approval

The Forum
5th Floor North
74-80 Camden Street
London NW1 0EG

T: 020 7383 0259
F: 020 7383 2655
E: general.enquiries
@btpa.police.uk

www.btpa.police.uk

1. Purpose of paper

- 1.1 This paper attaches the proposed new Code of Governance following consultation with the Chief Constable. It also attaches the proposed updates to the Committee Structure following consultation with Authority Members and the Chief Constable.
- 1.2 The paper provides the background on the drivers for the revisions, discusses the consultation responses, how they have been interpreted and explains the rationale where suggestions have not been adopted.

2. Background

- 2.1 The Authority's Code of Governance, and Committee structure as a key part of this, have been significantly revised as part of the annual review process. The intention of the annual review process is to ensure that the Authority continues to discharge its duties and functions in the most efficient and effective way, as such this review was informed by the following:
 - the revised Cabinet Office Guidance on Codes of Governance for Central Government Departments;
 - the new BTP Governance structure and how this impacted the information flows between force level and Authority meetings;
 - a perception of duplication/overlap between committees and groups;
 - recommendations from Internal Audit with respect to capital project governance and the DfT review;
 - feedback from the Chief Constable; and
 - feedback from Members.

- 2.2 The review of the Committee Structure was conducted in partnership with the review of the Code of Governance but was consulted on separately. The revised Code of Governance staffed through with the Chief Constable and his team. The final version is attached at Annex A for approval.
- 2.3 The consultation on the Committee Structure was conducted more widely with three possible models designed and offered for comment. The models aimed to build on the good practice in place whilst reviewing how the Authority could streamline its oversight function without risk to the fulfilment of its statutory duties. A revised model has been developed as a result of the consultation and is recommended for approval.

3. Code of Governance

The Revised Code

- 3.1 The Code of Governance has been revised with the emphasis on making the document more user-friendly, clarifying the rules and delegations and removing duplication. The new version (attached at Annex A) takes account of government guidance. It also ensures that all of the key statutory duties detailed in the Railways and Transport Safety Act 2003 (“the 2003 Act”) are captured and the processes for fulfilling these described. It further includes a new Annex capturing the Authority’s statutory duties from a range of legislation as well as guidance documents. The key changes to the document are listed in the table below:

New Governance Code	Old Governance Code	Revisions
Main Body	Amended	This has been significantly rewritten to improve ease of reference, reduce duplication, cover all of the statutory duties under the 2003 Act and clarify the legal basis of the Authority and those matters delegated to the Chief Executive and Chief Constable. The Committee structure will be added once this has been agreed.
Annex 1: Statutory Duties	New	This is a new Annex which captures the Authority’s statutory duties from a range of legislation and guidance, including how these are fulfilled. It is intended to provide confidence that the Authority is compliant with its statutory duties and clarify the basis for the Authority’s structure and approach.
Annex 2: Code of	Unchanged	This document was agreed with the DfT when the Authority was established and

Conduct		remains extant. It is based on the Nolan principles of public life which have remained unchanged.
Annex 3: Framework Document	No material change	This document was drafted in partnership with the DfT in 2010. Minor stylistic amendments and a small number of clarifications have been made but no contextual changes.
Annex 4: Financial Management	Amended	The Financial Management and Regulations Annex has been revised in accordance with Audit recommendations on capital projects and major revenue streams. All numbers replaced with references to the scheme of delegation. A minimum requirement for an evaluation and financial appraisal to be undertaken and reported in respect of all capital and major revenue schemes over £50k. There was no minimum previously, meaning all schemes required an evaluation and financial appraisal.
Annex 5: Procedural Standing Orders	No material change	This document was significantly revised in 2010 and a few minor stylistic amendments only have been made in this review.
Annex 6: Accounting Officer Service Level Agreement	No material change	No contextual changes have been made to the Service Level Agreement or the Memorandums. There were some stylistic amendments to the introduction of the SLA as the arrangements are no longer new.
Annex 7: Scheme of Financial Delegation	Moved from main body	This was significantly revised in 2012 and was recommended to the Authority for approval by the Audit Committee in December 2012. Approval was given and the revised scheme was adopted with immediate effect. The scheme has been moved from the main body of the code to an annex. The decision was taken that no numbers were to be included in the main body and other annexes, only references to the scheme of delegation to ease updating of the document and ensure clarity.

Table 1: Breakdown of amendments to Corporate Governance Code

Consultation on the Revised Code

3.2 Feedback on the Code of Governance was received from a number of sources including:

- Authority members
- Chief Constable

- Auditors; and
 - the DfT.
- 3.3 This feedback was used to revise the Code with the emphasis, as described in paragraph 3.1, of making the document more user-friendly, clarifying the rules and delegations and removing duplication.
- 3.4 An initial review was conducted and shared with the Force and comments were largely positive. The request for a minimum threshold at which capital projects must be subject to financial appraisal and evaluation was requested and included at £50k. The Force also asked for clarity as to the rules on income that was received from third parties for specific projects. This is addressed in the main body of the document under the section detailing the *‘Responsibilities of the Chief Executive and Chief Constable: Financial’* where it is clarified that *“whilst the Chief Executive’s responsibilities relate to the income for the Authority and BTP and the expenditure of the Authority’s own budget, there is an exception where income is received from third parties for specific projects, this will be 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”*.
- 3.5 Following the second set of revisions the Code was sent to the Chief Constable for comment. A number of comments were received and included, where comments could not be accommodated explanations were provided and compromises suggested. No significant contextual requests were refused.
- 3.6 The document attached at Annex A represents the final version of the Code of Governance and is recommended for approval with the caveats mentioned with respect to the Committee structure.

4. Committee Structure

- 4.1 The proposed structure following the consultation responses is attached at Annex B. The model responds to the comments and concerns raised in the consultation. The key issues raised as part of the consultation are detailed in the paper below along with the Authority response:

Matters raised in consultation	How addressed in Proposed Structure
Greater clarity and linkage between statutory duties, code of Governance, Authority Committee and Force Meeting structures	The statutory duties are annexed to the governance code with an explanation of how they are fulfilled. A spreadsheet detailing where each statutory duty is fulfilled by Committee and how the information flows

	<p>between the Authority and Force meeting structures is attached at Annex C and a chart showing how the Authority Meetings align with Force meetings is attached at Annex D</p> <p>A Board Assurance Framework is also under development.</p>
<p>Duplication and overlap between Committees</p>	<p>No specific examples of this were received as part of the review.</p> <p>The terms of reference were reviewed and the following amendments made to possible perceptions of overlap:</p> <p>Where the Finance Group had previously reviewed spend against capital projects and the Performance Review Group (PRG) had reviewed delivery this would now be combined with the Finance Committee having oversight of both spend and delivery.</p> <p>The Audit and Risk Committee would both approve action plans following HMIC inspections and assess progress. Assessment of progress had previously been fulfilled by the PRG following approval of the Plans by Audit.</p>
<p>Leaner meeting structure with amalgamated committees</p>	<p>The suggested amalgamation of Finance and Performance whilst receiving some support was dismissed by others as there was a concern that this could lead to less focus and rigour in meetings owing to the heavy workload. There were also concerns around quorum.</p>
<p>Reports compiled for one meeting should be fit for purpose for multiple meetings</p>	<p>The Authority Groups and Committees are very aware of not adding unnecessary burden to the Force and try to use reports that have been produced for use elsewhere in the Force meeting structure, for example</p> <ul style="list-style-type: none"> • PRG receive a Stop and Search report that has been produced for the Force's Stop and Search Scrutiny Board¹; • project reports for PRG and Finance are those used by Service Improvement Board

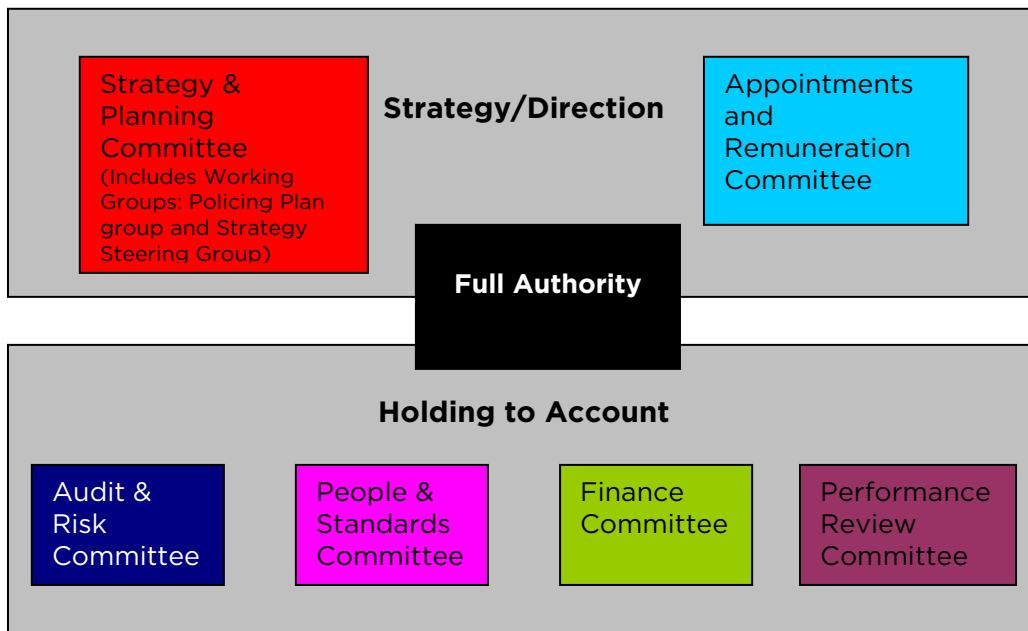
¹ This report also goes to the NIAG and Stop and Search Community Group

	<p>(SIB);</p> <ul style="list-style-type: none"> • the EDHR update to PRG is the same as goes to Force DAG; • PRG are also proposing to use the Performance Portal to support dashboard discussions; and • the main finance report to Finance group is the same as goes to SIB.
<p>Consider formation of an Executive Committee to speed up decision making</p>	<p>This was not considered necessary as the Authority already had out of committee and urgency procedures which may be used where decisions are required between meetings.</p>
<p>Terms of reference reflect delegation levels</p>	<p>Decision to keep all figures in the scheme of financial delegation. This will not only make updating the scheme easier removing the risk of confusion arising from duplications or missing figures in the document when updating updates.</p>
<p>Assign an Force executive lead for each committee</p>	<p>Suggested executive leads have been identified in the terms of reference attached and these will be discussed with the Chief Constable once the committee structure has been agreed.</p> <p>The Members reinforced the position that only essential staff from the Force should attend meetings and if others were required they should attend for their agenda item only.</p>
<p>As people account for 80% of expenditure more oversight of HR required, particularly as issues raised with respect to structure and data.</p>	<p>The Professional Standards Committee has been expanded to cover a wider role with a broader focus on people and renamed as the People and Standards Committee. This is separate to the Appointments and Remuneration Committee which has a very narrow role with respect to terms and conditions and senior officer appointments and appraisal.</p> <p>The new PSC will oversee the development and maintenance of the Force's capability and representation through the monitoring of key HR data relating to recruitment, retention,</p>

	progression and management of attendance as well as having oversight of the restructure of the Human Resources Department
--	---

Table 2: Consultation responses and how these have been addressed

- 4.2 The proposed structure is not a radical remodel as feedback did not support this and no constructive model was suggested to replace the current arrangements.
- 4.3 The outline of the proposed model is below and full details are found at Annex B:



4.4 The key differences are detailed in the table below:

Committee	Changes
Full Authority	A Terms of Reference has been drafted which is in accordance with those for central government department boards.
Strategy and Planning Committee	This will be a key Committee and is designed to amalgamate the oversight of the strategy/planning function of the Authority. It will have oversight of and input to the development of the Strategy, MTFP and Policing Plans, with working groups for the development of Strategy and Policing Plan reporting in to it. This Committee will recommend the Strategy including the MTFP and Policing Plan to the Authority for approval.
Appointments and remuneration	No change

Committee	
Audit and Risk Committee	<p>The name has been changed to reflect the role the Committee undertakes.</p> <p>The terms of reference have been revised in accordance with the model Audit Committee terms of reference in the Treasury's Audit Committee Handbook. These were largely similar to the terms of reference that had been in place.</p> <p>The Committee will now assess progress against action plans following HMIC inspections as well as approving the plans.</p>
People and Standards Committee	<p>This was the Professional Standards Committee. Its remit has been retained and expanded to cover HR matters following concerns that there was not adequate oversight in this area.</p>
Finance Committee	<p>The terms of reference are largely unchanged. The only difference being that the Finance Committee will have sole responsibility for the monitoring spend and delivery of capital projects approved by the Authority.</p>
Performance Review Committee	<p>The HR, project and HMIC action plan oversight have been moved to other committees to remove any perception of duplication. The Committee retains a significant portfolio of work including assessment of progress against the Policing Plan and Strategy and oversight of BTP's protective services capability and equality.</p>

Table 3: The new Committees and how these have changed

4.5 The proposed model at Annex B is recommended for approval.

5. Portfolios

5.1 The feedback that was received on portfolio arrangements was positive with Area portfolios considered to be particularly useful. It was noted for these to add benefit it was important that feedback from portfolio providers was provided.

5.2 Portfolio activity has reduced and Members are asked to consider the level of support they would like to have in respect of these from the Executive team. Also, whether the alignments with chief officer portfolios are considered to be helpful.

6. Diversity issues

- 6.1 The Authority is dedicated to its equality and human rights oversight responsibility and this is implicit in all the meeting agendas. However, for a detailed note of the Authority's oversight in this area see Appendix A of the Authority Business Cycle.

7. Impact assessment

- 7.1 The recommendations have minimal stakeholder impact.

8. Recommendations

- 8.1 Members approve the revised Code of Governance to be implemented with immediate effect.
- 8.2 Members approve the revisions to the Committee Structure to be implemented with immediate effect.
- 8.3 That the portfolio arrangements continue and Members determine the level of support they would like to have in respect of these.

Annexes

Annex A: Revised Code of Governance

Annex B: Proposed Committee Structure

Annex C: Information flows between Authority and Force meetings

Annex D: Alignment between Authority and Force Committees

British Transport Police Authority

Corporate Governance Code

Author	Lucy Yasin
Date approved	
Date last reviewed	
Date of next review	March 2014
Protective marking	Not Protectively Marked
Equality analysis	

Revision History

Revision date	Version	Summary of changes	Author
16 April 2010	0.1	Substantial rework from original governance handbook	P. Coen
22 April 2010	0.2	Formatting applied	L. Barrick
10 May 2010	0.3	Standing orders amended	L. Barrick
8 June 2010	0.4	Review of document before sending for independent advice	L. Barrick
5 August 2010	0.5	Incorporating Tribal's comments	L. Barrick
18 August 2010	0.6	Incorporating comments from BTP and LP	L. Pike
31 August	0.7	AF comments incorporated	L. Barrick
14 February 2011	0.8	Final Amendments for publication	L. Barrick
11 March 2011	0.9	Final review by LP	L. Pike
5 May 2011	1.0	Final version prepared	L. Barrick
17 November 2011	1.1	Updated following changes to Terms of reference and staffing changes at BTP SCT	L. Barrick
18 January 2012	2.0	Final amendments completed	L. Barrick
11 October 2012	2.1	Biennial Review changes	L. Yasin
15 March 2013	2.2-2.7 2.8	Draft of revised document Significantly revised version following annual review	L. Yasin

Approvals

Approval Date	Version Approved	Approved by	Review Date
2010			
2011			
2012			
2012			
2013			

Table of Contents	
Revision History	2
Approvals	2
Foreword	6
1. Who we are and what we do	7
1.1. Establishment and powers	7
1.2. Membership	9
<i>Appointment to the Authority</i>	9
<i>Chair</i>	9
<i>Members of the Authority</i>	10
1.3. Executive Roles	10
<i>Chief Constable of British Transport Police</i>	10
<i>Chief Executive to the Authority</i>	10
<i>Finance Director to the Authority</i>	11
<i>The Accounting Officer</i>	11
2. How we deliver	12
2.1. Accountability, Openness and Transparency	12
2.2. Governance Structure	12
<i>The Authority and its committees (outline)</i>	12
<i>Member Portfolios</i>	12
<i>The Executive</i>	12
<i>The BTP</i>	12
2.3. The Authority's Business Cycle	12
<i>Roles and Responsibilities</i>	12
2.4. Consultation	13
2.5. Managerial and Financial Framework	13
<i>Responsibilities of Chief Executive & Chief Constable: Financial ...</i> 13	
<i>Responsibilities of Chief Executive & Chief Constable: Managerial</i> 14	
<i>Medium Term Financial Forecast and Budgets</i>	15
<i>Collaboration</i>	16
<i>Procurement</i>	18
<i>Scheme of managerial delegations</i>	18
<i>Scheme of financial delegations</i>	19
<i>Police Service Agreements and Charging</i>	20
<i>Pensions</i>	20
2.6. Risk Management and Controls	20
<i>Risk Management</i>	20
<i>External Audit and Governance Statement</i>	21
<i>Management Assurance Return</i>	21
<i>Internal Audit</i>	21
<i>Information Management</i>	21
<i>Her Majesty's Inspectorate of Constabulary</i>	22
<i>Health and Safety</i>	22
<i>Critical Incident Reporting</i>	22
3. Monitoring and Review Arrangements	22
4. Document Owner	22
ANNEX 1: The Authority's Statutory Duties	24
ANNEX 2: The Authority Code of Conduct	29

ANNEX 3: Framework Document	35
Purpose of the Authority	35
Governance and accountability.....	36
2. The Authority’s legal origins of powers and duties.....	36
3. Overall objectives	36
4. Ministerial responsibility.....	36
5. Sponsor Department’s Accounting Officer’s specific accountabilities and responsibilities.....	37
6. Responsibilities of the Chief Executive as the Authority’s Accounting Officer	38
7. The Authority	39
8. Annual report and accounts	42
9. Internal audit.....	43
10. External audit	43
Management and financial responsibilities	44
11. Managing Public Money and other government-wide corporate guidance and instructions	44
12. Corporate governance.....	45
13. Risk management	45
14. Strategic and policing plans	46
15. Budgeting procedures	47
16. Grant-in-aid and any ring-fenced grants.....	47
17. Reporting performance to the DfT	48
18. Delegated authorities.....	48
19. The Authority staff	49
20. Review of the Authority status.....	51
21. Arrangements in the event that the Authority is wound up.....	51
ANNEX 4 - Financial Management	55
Definitions	55
Introduction.....	55
General Principles of Financial Management: Planning, Funding and Control.....	56
General Principles of Financial Management: Accountability	57
Role of the Authority’s Chief Executive and the Force’s Chief Constable	58
Role of the Authority’s Finance Director and the Force’s Director of Corporate Resources	59
Role of and Responsibilities for Financial Regulations	62
Financial Regulations.....	64
Annual Statement of Accounts	64
Financial Plans and Budgetary Control.....	65
ANNEX 5: Procedural Standing Orders	81
The Authority.....	81
The Committees	84
Public access to meetings and papers	85
Questions from the Public at Authority Meetings.....	86
Variations to Standing Orders	88
ANNEX 6: Accounting Officer Service Level Agreement	89

1	Scope.....	91
2	Service Details.....	93
	ANNEX 7: Scheme of Financial Delegations.....	117
	The Authority’s Scheme of Delegation.....	117
	BTP’s Scheme of Delegation	120
	Finance & Procurement DfT Specific Requirements.....	123
	DfT and Cabinet Office Definitions	125

Foreword

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 document 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.

Millie Banerjee, Chair of the Authority

Andrew Figgures, Chief Executive of the Authority and Accounting Officer

Andrew Trotter, Chief Constable and Additional Accounting Officer

1. Who we are and what we do

1.1. Establishment and powers

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.

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 Police¹
- Ensure the efficient and effective policing of the railways²
- Appoint the Chief Constable, Deputy Chief Constable, Assistant Chief Constables and their staff equivalents, Chief Executive and Treasurer³
- Enter into Police Service Agreements with railway operators⁴
- Employ police constables, civilian employees and cadets⁵
- Regulate the government, administration and conditions of service of those employed by the Authority in the service of the police force⁶
- Set a strategy for policing the railway⁷
- Set objectives for the policing of the railway⁸
- Issue an annual Railways Policing Plan⁹
- Set the budget of expected income and expenditure for policing the railways each year¹⁰, defray the expenses and recover the cost¹¹

For a detailed overview of all the Authority’s statutory duties see Annex 1.

The Authority is a body corporate¹².

¹ 2003 Act Section 20

² 2003 Act Section 19 (a)

³ 2003 Act Section 21-23 and schedule 4, part 2 section 11

⁴ 2003 Act Section 33 (1)

⁵ 2003 Act Sections 24, 26 & 27

⁶ 2003 Act Section 36

⁷ 2003 Act Section 55

⁸ 2003 Act Section 50

⁹ 2003 Act Section 52

¹⁰ 2003 Act Schedule 4, Part 3, s19

¹¹ 2003 Act Section 33 (3-4)

¹² 2003 Act Section 18 (1) a body corporate has the ability to act, and the limits on its actions are set by statute, in the Authority’s case the 2003 Act.

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

Police officers and staff (with the exception of those directly appointed by the Authority) are under the direction and control of the Chief Constable. 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 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 within the framework of 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 to meet the strategic objectives set by the Authority.

This list is not exhaustive and is by way of illustration only. 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.¹³

The Authority and Chief Constable must work together to safeguard the principle of operational independence, while ensuring that the Authority is not fettered in fulfilling its statutory role. The context of operational independence is not defined in statute, and as Her

¹³ The Policing Protocol Order 2011 sections 33-34

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; primary legislation and common law already provide the framework that underpins operational independence and the Office of Constable.

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.

1.2. Membership

Appointment to the Authority

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

However, Members 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.

Chair

The Chair has particular responsibility to provide effective and strategic leadership to the Authority.

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.

The Chair will undertake an annual appraisal with each Authority Member. The appraisal shall be used as a base for the Chair's report to the Secretary of State on the Member's reappointment.

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.

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

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.

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.

For details on terms and conditions for Members see the Framework Document at Annex 3.

1.3. Executive Roles

Chief Constable of British Transport Police

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.

Chief Executive to the Authority

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 1989¹⁴.

The Chief Executive is the principal advisor to the Authority and leads and directs the Authority staff ensuring the Authority achieves its objectives.

¹⁴ c. 42

Finance Director to the Authority

The Authority also appoints a Finance Director who fulfils the role of Treasurer, with the responsibility for ensuring the proper management of the Authority's finances. The Finance Director will also provide independent financial advice to the Authority in all aspects of its activity, including the strategic planning and policy making process, as well as on budgetary matters. The Director of Corporate Resources, and Head of Finance where the Director of Corporate Resources is not CCAB qualified, are 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.

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.

The same principles will apply to the Head of Finance when he attends a panel/board (or similar) meeting constituted by the Authority.

The Chief Executive and Chief Constable will jointly agree in writing when it is deemed appropriate for either the Authority Finance Director or Head of Finance 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.

For a detailed list of the specific responsibilities of the Authority Finance Director see Annex 4 Financial Management.

The Accounting Officer

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.

2. How we deliver

2.1. Accountability, Openness and Transparency

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.

The Committee structure is set out in the next section.

2.2. Governance Structure

The Authority and its committees (outline)

Add in once agreed

Member Portfolios

Add in once agreed

The Executive

The BTP

2.3. The Authority's Business Cycle

Add in once agreed

Roles and Responsibilities

Chair/Member of a committee

2.4. Consultation

The Authority shall develop an integrated communications plan with the Chief Constable to discharge its duties and functions under section 62 of the 2003 Act.

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;

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.

2.5. Managerial and Financial Framework

The Authority has established the BTPF¹⁵ into which all monies received shall be paid¹⁶. 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

The proper management of all activities and financial matters whether capital or revenue is the responsibility of the Chief Executive and Chief Constable, as Accounting Officer and Additional Accounting Officer respectively.

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 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.

¹⁵ Schedule 4, Part 3, s16-18

¹⁶ Schedule 4, Part 3, s29

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.

The Authority is to comply with the Delegated Expenditure Limits set by the Department for Transport¹⁷. The Chief Executive as Accounting Officer is responsible for ensuring these are included in the Authority's Scheme of Delegation¹⁸.

Responsibilities of Chief Executive & Chief Constable: Managerial

The Authority is responsible for the recruitment, retention, development and motivation of its directly appointed staff, including the Chief Constable, Deputy Chief Constable, Assistant Chief Constables and their staff equivalents, the Chief Executive and the Authority Finance Director. The Authority delegates these responsibilities to the Chief Constable for all under his direction and control.

The Authority requires the Chief Executive and Chief Constable, in their respective areas of responsibility, 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 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;

¹⁷ See Annual DEL letter

¹⁸ See the scheme of financial delegation at Annex 5

- 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 Cabinet Office's Model Code for Staff of Executive Non-departmental Public Bodies <http://www.civilservice.gov.uk/modelcode>; and
- staff are subject to levels of remuneration and terms and conditions of service (including pensions) as determined by the Authority, and approved where necessary by the Department for Transport and/or the Treasury.

The Authority retains the power of decision with respect to pay and terms and conditions 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.

Medium Term Financial Forecast and Budgets

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 three years.

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.

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.

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.

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.

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.

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

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 apply to the Authority and Force. The amendments¹⁹ 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 the interests of efficiency and effectiveness of their own, or another, force

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 Authority.

¹⁹ s22(b-c)

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

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

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

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)
- 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

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

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

The Director of Corporate Resources 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.

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

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:

- Are in accordance 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 being within the limits of the financial authority delegated to him.

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:

- Are in accordance 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.

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.

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

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.

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.

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.

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.

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

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 services²⁰.

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 PSA²¹. 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.

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 years²².

Pensions

The Authority has the power to vary the terms of the pension schemes operated for the Police Officers and staff. The Authority may, with the consent of the Secretary of State, arrange for the establishment of a new pension scheme for the benefit of members or staff.

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

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.

2.6. Risk Management and Controls

Risk Management

The Chief Constable and the Chief Executive will create and maintain operational risk registers. Strategic risk registers for their respective organisations will also summarise the key operational risks which will identify, evaluate and describe mitigation and management measures in relation to all the key risks listed. The registers will be reported and

²⁰ Section 33

²¹ Section 33(4)(b)

²² Schedule 4, Part 3, Section 20

debated quarterly at the Audit 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 Committee of their opinion on the accuracy and sufficiency of the registers and the efficacy of the proposed mitigation and management measures.

External Audit and Governance Statement

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 Parliament²³.

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

Management Assurance Return

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 agencies and Non-Departmental Public Bodies (NDPBs), on specific issues of internal governance and internal control.

The Authority is required to submit a MAR in March and September of each year. The MAR is reviewed by the internal auditors, Audit 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

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

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

²³ Schedule 4, Part 3, 17-17A

Framework. Bi-annual assurance reports on information management compliance shall be provided to the Audit Committee. Annual assurance returns to the Association of Chief Police Officers and Department for Transport shall be submitted for the Chief Constable and Chief Executive respectively.

Her Majesty's Inspectorate of Constabulary

BTP may be inspected by HMIC either through agreement with the HMIC or on the request of the Secretary of State²⁴. Inspection reports are received and progress against action plans assessed by the Audit Committee.

Health and Safety

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 individuals²⁵. The day-to-day 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 Committee.

Critical Incident Reporting

The Chief Constable is to report to the Authority on critical incidents in a timely fashion, such that Members of the Authority are in a position to respond as necessary.

3. Monitoring and Review Arrangements

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 annual Authority meeting each May.

4. Document Owner

Andrew Figgures
Chief Executive
British Transport Police Authority
The Forum, 5th Floor North
74-80 Camden Street
London
NW1 0EG

020 7383 3844
lucy.yasin@btp.pnn.police.uk

²⁴ Section 63

²⁵ Section 2(1) Health and Safety at Work Act 1974 c.37

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
Railways and Transport Safety Act 2003		
Part 3 - British Transport Police		
Police Authority		
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
Police Force		
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	CC in place. See Chief Officer Recruitment SOP for detailed process information
The Authority shall appoint a Deputy Chief Constable	s22	DCC in place. See Chief Officer Recruitment SOP for detailed process information
The Authority shall appoint Assistant Chief Constables	s23	ACCs in place. See Chief Officer Recruitment SOP for detailed process information
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	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 received
Police Service Agreements		
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. This is with current PSA holders to sign prior to the expiration of the current PSAs following the termination notice. The annual budget is scrutinised by the Finance 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	BTPA has not referred any disputes to the SofS, however, some PSA have and these have been settled.
Regulation of Police Force		
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. The specialist knowledge and advice for this work comes from the Integrity and Ethics Committee. Regulations mirroring section 50 regulations for BTP officers are underway and will be discussed in detail by the Appointments and Remuneration Committee before recommendation to the full Authority

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 specials are underway and will be discussed in detail by the Appointments and Remuneration Committee before recommendation to the full Authority
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 cadets are underway and will be discussed in detail by the Appointments and Remuneration Committee before recommendation to the full Authority
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
A Conditions of Service Conference must be held as part of the process for making any regulations	s46	A Conference has been held with the Federation each time regulations have been 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
Planning		
Before the beginning of each financial year the Authority shall set objectives for policing the railways during that year	s50	The BTPA discusses the objectives for policing the Railway with the Chief Constable and his team and consults the 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 who recommend 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 is developed through the Strategy Group and consultation with stakeholders. The strategy is refreshed on an annual basis and aligns with the control period of the rail industry.
Information		
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 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 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 holds an annual stakeholder workshop each September to feed into the development of the Strategy refresh and the annual policing Plan. The Authority has a consultation strategy.
Inspection		

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 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
Miscellaneous		
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	
Schedule 4		
Part 1 - Membership		
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.
Part 2 - Proceedings		
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 support team headed by the Chief Executive and 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. Only Members are present and have voting rights with all others 'in attendance' only.
The Authority shall determine its practice and procedure.	s13	The Authority's practice and procedure is enshrined in the Code of Governance Business Cycle 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 are not protectively marked. Redacted versions of restricted 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	
Part 3 - Money and Property		
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 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 is scrutinised by 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 Finance Committee for scrutiny and discussion and 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 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	A police staff pension fund was established
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.
Equality Act 2010		
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/Groups have a role in their areas but this is mainly covered by the Performance Review Group and Full Authority
(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/Groups have a role in their areas but this is mainly covered by the Performance Review Group and Full Authority
(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/Groups have a role in their areas but this is mainly covered by the Performance Review Group and Full Authority
Children's Act 2004		
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 Review Group
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 Review Group
Police Act 1996		
Police Reform Act 2002 (Authority section 26 Agreement with IPCC applies Part 2)		
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 People and Standards Committee fulfils this role.
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 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 People and Standards Committee receives assurance on this.
Police and Social Responsibility Act 2011		
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.
Freedom of Information Act 2000		Compliance is reviewed at the Audit and Risk Committee
Data Protection Act 1998		Compliance is reviewed at the Audit and Risk Committee
Health and Safety at Work Act 1974		Compliance is reviewed at the Audit and Risk Committee
Corporate Manslaughter and Corporate Homicide Act 2007		Compliance with respect to custody is assessed at the Professional Standards Committee and with respect to employees at the Audit and Risk Committee.
IPCC Statutory Guidance		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
HMG Information Assurance Standards		Annual Assurance is provided to the DfT and quarterly assurance
Guidance Documents		
McPherson Report		
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	
Cabinet Office and HMT Corporate Governance in Central Government Departments: Code of good practice 2011		
CIPFA Good Governance Standard for Public Services		
Managing Public Money		
HMT Orange Book - Risk Management		
HMT Audit Committee Handbook		Reflected in the Audit Committee terms of reference and constitution
Home Office Guidance		
HMIC Police Integrity Reports		
APA Guidance		
<i>Police Performance Management: Practical Guidance for Police Authorities</i>		
<i>Guidance for police authorities on the performance monitoring and scrutiny of protective services</i>		

NOT PROTECTIVELY MARKED

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.

NOT PROTECTIVELY MARKED

Page 29 of 127

NOT PROTECTIVELY MARKED

- 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 -

NOT PROTECTIVELY MARKED

Page 30 of 127

NOT PROTECTIVELY MARKED

- 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

NOT PROTECTIVELY MARKED

NOT PROTECTIVELY MARKED

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

NOT PROTECTIVELY MARKED

Page 32 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

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.

NOT PROTECTIVELY MARKED

Page 33 of 127

NOT PROTECTIVELY MARKED

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.

NOT PROTECTIVELY MARKED

Page 34 of 127

NOT PROTECTIVELY MARKED

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 and staff equivalents;

NOT PROTECTIVELY MARKED
Page 35 of 127

NOT PROTECTIVELY MARKED

- Enter into Police Services Agreements with railway operators;
- Regulate the governance, administration and conditions of service of those employed by BTP;
- Set objectives for BTP in its role in the policing of the railway;
- Set a budget each year of expected income and expenditure.

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 and staff equivalents 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

NOT PROTECTIVELY MARKED

Page 36 of 127

NOT PROTECTIVELY MARKED

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, 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

NOT PROTECTIVELY MARKED

Page 37 of 127

NOT PROTECTIVELY MARKED

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 and regularity 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 *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;
- signing a Statement of Accounting Officer's 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.

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,

NOT PROTECTIVELY MARKED

Page 38 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

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 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 3.7.5 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

NOT PROTECTIVELY MARKED

Page 39 of 127

NOT PROTECTIVELY MARKED

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

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 organisation.

7.5. In addition, the chairman has the following leadership responsibilities:

- formulating the Authority's strategy;
- ensuring that the board, 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

NOT PROTECTIVELY MARKED

Page 40 of 127

NOT PROTECTIVELY MARKED

propriety; and represents the views of the board to the general public.

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

- the work of the board and its members are reviewed and are working effectively;
- the board has a balance of skills appropriate to directing the Authority business, as set out in the *Government Code of Good Practice on Corporate Governance*;
- board members are fully briefed on terms of appointment, duties, rights and responsibilities;
- he or she, together with the other board 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 board vacancies arise;
- he or she assesses the performance of individual members once a year;
- there is a code of practice for members in place consistent with the Cabinet Office model Code.

Individual Authority members' responsibilities

7.7. Individual members should:

- comply at all times with the Members' Code of Practice 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

NOT PROTECTIVELY MARKED

Page 41 of 127

NOT PROTECTIVELY MARKED

- 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 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);

NOT PROTECTIVELY MARKED

Page 42 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

- 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 Government Internal Audit Standards (GIAS)
- (http://www.hm-treasury.gov.uk/...gia_guidance.cfm);
- 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 GIAS 5.2;
- set up an audit committee of its board in accordance with the Cabinet Office's Guidance on Code of Practice for Public Bodies and the Audit Committee Handbook;
- forward the audit strategy, periodic audit plans and annual audit report, including the Authority 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 prepared by the Authority's internal auditor, 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.

NOT PROTECTIVELY MARKED

Page 43 of 127

NOT PROTECTIVELY MARKED

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;

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.

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:

NOT PROTECTIVELY MARKED

Page 44 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

- 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 Code of Practice of the Office of the Commissioner on Public Appointments

Board appointments - the Chief Executive

12.2. The Chief Executive is appointed by the Board as described in para 7.3

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.hm-treasury.gov.uk/...governance_corporate.cfm), 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/...risk>). It should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with the Treasury's guide: *Managing the Risk of Fraud* (http://www.hmtreasury.gov.uk/...fraud_guide_for_managers.pdf) . It should also take all reasonable steps to appraise the financial

NOT PROTECTIVELY MARKED

Page 45 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

standing of any firm or other body with which it intends to enter into a contract or to give grant or grant-in-aid.

- 13.2. 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 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.

Statement on Internal Control

- 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 Statement on Internal Control will be prepared in accordance with Treasury guidance.

14. Strategic and policing plans

- 14.1. Before each financial year 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.
- 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;

NOT PROTECTIVELY MARKED

Page 46 of 127

NOT PROTECTIVELY MARKED

- 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 provides 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.

NOT PROTECTIVELY MARKED

Page 47 of 127

NOT PROTECTIVELY MARKED

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 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 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 shall obtain the DfT's prior written approval before:

NOT PROTECTIVELY MARKED

Page 48 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

- entering into any undertaking to incur any expenditure which is not provided for in the Authority's annual budget as approved by DfT at COINS reporting level.
- 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 <http://www.civilservice.gov.uk/modelcode>.

NOT PROTECTIVELY MARKED

Page 49 of 127

NOT PROTECTIVELY MARKED

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

(www.civilservice.gov.uk/other/agencies/guidance_for_departments/pb_guidance/index.asp).

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

(www.civilservice.gov.uk/publications/doc/csmc_jun06.doc)

except where prior approval has been given by the DfT to vary such rates. By virtue of the Railways and Transport Safety Act 2003²⁶ 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 board 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.

²⁶ Schedule 4 part 4, 33(3)

NOT PROTECTIVELY MARKED

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 three years. The next review will be due in 2014.

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.

NOT PROTECTIVELY MARKED

Page 51 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

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.

LIST OF APPENDICES TO THE SPECIMEN DOCUMENT

Appendix 1 - List of government-wide corporate guidance instructions (attached)

Appendix 2 - checklist of actions for the Authority

Appendix 3 - checklist of actions for the Secretary of State

Signed on behalf of the DfT

Date

Stephen Wolstenholme,

Signed on behalf of the Authority

Date

Andrew Figgures, Chief Executive

NOT PROTECTIVELY MARKED

Page 52 of 127

NOT PROTECTIVELY MARKED

APPENDIX 1: 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
http://www.hmtreasury.gov.uk/.../governance_risk/psr_governance_corporate.cfm;
- Managing Public Money (MPM);
- Government Internal Audit Standards,
http://www.hmtreasury.gov.uk/...gia_guidance.cfm
- Management of Risk: Principles and Concepts:
(www.hmtreasury.gov.uk/media/3/5/FE66035B-BCDC-D4B3-11057A7707D2521F.pdf);
- Managing the Risk of Fraud,
(www.hmtreasury.gov.uk/media/C/3/managing_the_risk_fraud_guide_for_managers.pdf)
- Government Financial Reporting Manual (FReM),
(www.financialreporting.gov.uk)
- Fees and Charges Guide, Chapter 6 of MPM;
- Departmental Banking: A Manual for Government Departments, annex 5.7 of MPM ;
- relevant Dear Accounting Officer letters;
- Regularity, Propriety and Value for Money
www.hmtreasury.gov.uk/media/A/2/Reg_Prop_and_VfM-November04.pdf
- The Parliamentary Ombudsman's Principles of Good Administration
www.ombudsman.org.uk/improving_services/good_administration/index.html
- Consolidation Officer Memorandum, and relevant DCO letters;
- relevant Freedom of Information Act guidance and instructions (Ministry of Justice);
- Model Code for Staff of Executive Non-departmental Public Bodies (Cabinet Office);

NOT PROTECTIVELY MARKED
Page 53 of 127

NOT PROTECTIVELY MARKED

- 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 DfT;

recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to the Authority.

NOT PROTECTIVELY MARKED

Page 54 of 127

NOT PROTECTIVELY MARKED

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 sub committee 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. 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.
7. The terms Chief Constable, Chief Executive and Director of Corporate Resources 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.
8. In particular, the Chief Constable will exercise his or her delegated powers for the day to day financial management of the BTPF, through the Director of Corporate Resources. References in this document to Director of Corporate Resources reflect the practical day to day responsibilities.

Introduction

9. 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

NOT PROTECTIVELY MARKED

Page 55 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

Governance Code is supported by the Financial Regulations which set out the arrangements for controlling revenue and capital spending.

10. This protocol has been guided by the financial memorandum, Cabinet Office guidance for NDPBs and the Combined Code on Corporate Governance.
11. 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

12. The general principles that are to be adhered to in operation of the BTPF are:
 - 12.1. its aims and objectives are agreed, clearly defined and included as appropriate in the underlying statute and Framework Document;
 - 12.2. the respective responsibilities of the Authority and the Department for Transport (DfT) are clearly defined in a Framework Document;
 - 12.3. 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;
 - 12.4. the BTPF has sound internal financial and management information systems including:
 - 12.4.1. management accounting systems to enable the BTPF to monitor and control its expenditure and revenue against budget;
 - 12.4.2. financial management information systems to enable it to produce annual accounts in statutory format;
 - 12.4.3. a governance framework for the calculations of annual PSA Charges and EPSA Charges
 - 12.4.4. 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.
13. 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

NOT PROTECTIVELY MARKED

Page 56 of 127

NOT PROTECTIVELY MARKED

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

14. The general principles that the BTPF should adhere to regarding corporate governance, based on the Cabinet Office guide for NDPBs, are that:
 - 14.1. 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;
 - 14.2. all members and staff should maintain the strictest standards of financial propriety;
 - 14.3. staff with financial responsibilities should receive appropriate training;
 - 14.4. accounts should be maintained on an accruals basis and aim to follow the Treasury's Financial Reporting Manual (FReM) with regard to the preparation of accounts and reports;
 - 14.5. the Executive, in conjunction with the Force should prepare annual reports and accounts for the BTPF in statutory format;
 - 14.6. 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;
 - 14.7. the Executive should make effective arrangements for internal audit which should maintain links with other inspection and review services;
 - 14.8. the BTPF should make banking arrangements which keep banking costs to a minimum; and
 - 14.9. the BTPF's assets should be reviewed regularly and surplus assets (profitably) disposed of.
15. 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.
16. Sound internal control and accountability for financial matters is best achieved by clear arrangements for delegation of powers and

NOT PROTECTIVELY MARKED

Page 57 of 127

NOT PROTECTIVELY MARKED

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

17. 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.
18. The Chief Executive is responsible for:
 - 18.1. Reporting any actual or potential breaches of the law or maladministration to the Authority.
 - 18.2. Ensuring that Authority Members are advised of the financial implications of all proposals.
 - 18.3. Seeking approval from the Authority on any matter liable to affect the BTPF finances materially, before any commitments are incurred.
 - 18.4. Advising the Authority Members and officers about who has the authority to take a particular decision.
 - 18.5. Signing contracts on behalf of the Authority which must be supported by an authorised business case.
19. 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.
20. 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.
21. The Chief Executive is responsible for:
 - 21.1. Setting and seeking approval for a capital programme and revenue budget to cover the requirements of the Authority and the Force;
 - 21.2. calculating and levying charges on holders of Police Services Agreements;

NOT PROTECTIVELY MARKED

Page 58 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

- 21.3. the management and expenditure of the Authority;
 - 21.4. the oversight of the BTPF.
22. 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.
23. 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:
- 23.1. safeguard the Forces assets
 - 23.2. ensure reliability of records
 - 23.3. monitor adherence to policies and directives
24. 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.
25. 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 Director of Corporate Resources

26. The Authority will ensure that the roles of the Authority Finance Director and the Force's Director of Corporate Resources are clearly defined and understood. The Authority Finance Director will have a relevant full CCAB financial qualification and the Force's Director of Corporate Resources will have or be supported by a designated deputy with a relevant full CCAB financial qualification.
27. The Director of Corporate Resources must nominate to and receive approval from the Chief Executive a properly qualified deputy should he or she be unable to perform the duties personally. The appointed Deputy must be a CCAB qualified accountant.
28. The Authority Finance Director will provide financial advice to the Authority and the Accounting Officer; shall be involved in audit

NOT PROTECTIVELY MARKED

Page 59 of 127

NOT PROTECTIVELY MARKED

and will be an adviser to the Audit 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 Director of Corporate Resources 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

NOT PROTECTIVELY MARKED

Page 60 of 127

NOT PROTECTIVELY MARKED

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 Director of Corporate Resources 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 Director of Corporate Resources 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 Director of Corporate Resources 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 Director of Corporate Resources 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 Director of Corporate Resources is to be a member of the Force Executive Board (or equivalent). Where the Director of Corporate Resources does not have a relevant CCAB qualification their designated CCAB qualified deputy will act as the lead finance professional for the Force (see paragraphs 26 & 27).
37. The Director of Corporate Resources 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 Director of Corporate Resources 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;

NOT PROTECTIVELY MARKED

NOT PROTECTIVELY MARKED

- 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 Director of Corporate Resources 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 Director of Corporate Resources 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 Director of Corporate Resources will agree a protocol that will outline how their roles will operate and complement each other.

Role of and Responsibilities for Financial Regulations

- 42. 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.
- 43. 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.
- 44. 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.
- 45. 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.
- 46. The Chief Executive, Chief Constable, Authority Finance Director, and the Director of Corporate Resources shall maintain a written record where decision-making has been delegated to members of their staff, including temporary and seconded staff.

NOT PROTECTIVELY MARKED

Page 62 of 127

NOT PROTECTIVELY MARKED

47. 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.
48. 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.
49. The Chief Constable and the Director of Corporate Resources 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.
50. 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.
51. 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.
52. Any reference to 'officer' 'staff' or 'employee' within the Financial Regulations includes police officers.
53. Failure to observe the Financial Regulations and/or the Scheme of Financial Delegation may result in action under the disciplinary procedures.
54. The Director of Corporate Resources in consultation with the Chief Constable shall issue financial instructions detailing how the Financial Regulations will be implemented. The Director of Corporate Resources is responsible for monitoring compliance with these instructions.
55. The Director of Corporate Resources 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 Director of Corporate Resources is responsible for monitoring compliance with the Force Scheme of Financial Delegation.
56. In allocating responsibilities, the Chief Constable and the Director of Corporate Resources should have regard to the desirability of securing an adequate and effective level of internal control by

NOT PROTECTIVELY MARKED

NOT PROTECTIVELY MARKED

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:

- 56.1. Internal Check (the checking of one person's work by another);
 - 56.2. Separation of Duties (assigning key tasks within a process to different members of staff);
 - 56.3. Systems Manuals (descriptions of how systems and individuals should operate);
 - 56.4. Authorisation (certification that a transaction or event is acceptable for further processing);
 - 56.5. Monitoring, scrutiny of exceptions and general supervision.
57. The Financial Regulations and Scheme of Financial Delegation will be reviewed annually by the Authority when reviewing the Governance Code.
58. The Financial Management, Financial Regulations and Scheme of Financial Delegation need to be read in conjunction with the Governance Code.
59. The Chief Constable, in consultation with the Director of Corporate Resources, 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 Director of Corporate Resources.

Financial Regulations

Annual Statement of Accounts

1. FR1 Annual Accounts

- 1.1 The Director of Corporate Resources shall:
 - 1.1.1 draw up the timetable for final accounts preparation in accordance with legislation and in consultation with the external auditor and the Authority Finance Director;
 - 1.1.2 select suitable accounting policies and apply them consistently;
 - 1.1.3 make judgements and estimates that are reasonable and prudent;

NOT PROTECTIVELY MARKED

Page 64 of 127

NOT PROTECTIVELY MARKED

- 1.1.4 comply with any specific accounts direction issued by the DfT, the FReM and other legislation;
- 1.1.5 ensure accounts are prepared in accordance with the timetable.
- 1.2 The Director of Corporate Resources 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 By the end of March of each year the Authority shall agree the total revenue budget for the following financial year.
- 2.2 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.
- 2.3 The revenue budget shall be presented in two parts, i.e.
 - 2.3.1 the budget for the Force, responsibility for the management of which lies with the Chief Constable; and
 - 2.3.2 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 .
- 2.4 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.
- 2.5 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.
- 2.6 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.
- 2.7 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.

NOT PROTECTIVELY MARKED

Page 65 of 127

NOT PROTECTIVELY MARKED

- 2.8 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.
- 2.9 Additionally, in all such instances there shall be a report on the matter to the next quarterly reporting meeting of the Authority.
- 2.10 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.
- 2.11 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.
- 2.12 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.
- 2.13 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.

NOT PROTECTIVELY MARKED

Page 66 of 127

NOT PROTECTIVELY MARKED

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 Director of Corporate Resources. 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.

NOT PROTECTIVELY MARKED

Page 67 of 127

NOT PROTECTIVELY MARKED

- 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:
- 3.11.1 exception reports where a decision is required or there are circumstances of which Members should be aware; and
 - 3.11.2 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:
- 4.2.1 results in activities which are outside the objectives of the Strategy or Policing Plan;
 - 4.2.2 prejudices to a material degree the achievement of any of the objectives of the Strategy or Policing Plan; or

NOT PROTECTIVELY MARKED

Page 68 of 127

NOT PROTECTIVELY MARKED

- 4.2.3 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:
- 4.3.1 the revenue budget and capital budget net totals are not increased;
 - 4.3.2 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;
 - 4.3.3 the transfer does not result in a significant change of policy;
 - 4.3.4 the amount does not exceed the value set out in the Scheme of Financial Delegation;
 - 4.3.5 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.

NOT PROTECTIVELY MARKED

Page 69 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

6 FR6 Salaries, wages, pensions, gratuities

- 6.1 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.
- 6.2 The Chief Constable is responsible for ensuring that adequate and effective systems and procedures are operated for personnel and payroll aspects, to ensure that:
 - 6.2.1 payments are only authorised to bona fide employees
 - 6.2.2 payments are only made where there is a valid entitlement
 - 6.2.3 conditions and Contracts of Employment are correctly applied
 - 6.2.4 employee names listed on the payroll are checked at regular intervals to verify accuracy and completeness
 - 6.2.5 national insurance numbers are recorded for all employees and pensioners
 - 6.2.6 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.
- 6.3 The Chief Constable shall maintain records containing details of:
 - 6.3.1 appointments, secondments, resignations, dismissals, suspensions from duty, transfers, grievances and disciplinary matters;
 - 6.3.2 periods of sickness and absences other than normal annual leave;
 - 6.3.3 changes in remuneration or allowances or liabilities of officers; and
 - 6.3.4 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.
- 6.4 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

NOT PROTECTIVELY MARKED

Page 70 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

status of the individual has been confirmed as self employed in accordance with HMRC guidelines.

- 6.5 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.
- 6.6 The Chief Constable shall make arrangements for:
- 6.6.1 the payment of pensions, gratuities, compensation, and other payments due and for maintaining the necessary records; and
 - 6.6.2 the payment of compensation or redundancy payments due under any statutory arrangements or policies agreed by the Authority and for maintaining the necessary records.
- 6.7 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.
- 6.8 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.
- 6.9 Subject to any statutory provisions to the contrary, the Chief Constable shall recover any overpayment of salaries, wages, allowances, or police pensions entitlements.
- 6.10 The Chief Constable shall ensure full compliance with prevailing employment legislation including that relating to PAYE, National Insurance, pensions and sickness benefit.

7 FR7 Travelling, Allowances and Schemes of Assistance

- 7.1 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.
- 7.2 All claims by officers and police staff for travelling, other allowances or advances under conditions of service or the Authority's policies shall:
- 7.2.1 be prepared and signed personally by the claimant as being wholly, necessarily and exclusively incurred in the course of duties;
 - 7.2.2 be certified by an authorised officer;

NOT PROTECTIVELY MARKED

Page 71 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

- 7.2.3 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
- 7.2.4 be submitted in accordance with Force T&S policy.
- 7.3 The Chief Executive shall undertake the same responsibilities for staff of the Executive.

8 FR8 Orders for Goods and Services

- 8.1 The Chief Constable shall:
 - 8.1.1 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;
 - 8.1.2 ensure that orders are issued only where the cost can be met from an approved revenue or capital budget;
 - 8.1.3 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
 - 8.1.4 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.
- 8.2 Paperless ordering systems involving the preparation, authorisation and transmission of electronic data, may be implemented if adequate and effective controls are operated.
- 8.3 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.
- 8.4 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.

9 FR9 Payment of Accounts

- 9.1 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

NOT PROTECTIVELY MARKED

Page 72 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

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.

- 9.2 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.
- 9.3 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 Director of Corporate Resources, and subject to any overall policy of the Authority and the DfT on this aspect.
- 9.4 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.

10 FR10 Income

- 10.1 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.
- 10.2 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
- 10.3 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.
- 10.4 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
- 10.5 The Chief Constable shall arrange for the prompt:
 - 10.5.1 issue of debtors accounts and collection of monies due for credit income;

NOT PROTECTIVELY MARKED

Page 73 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

- 10.5.2 collection of cash due to the BTPF; and
- 10.5.3 completion and submission of any claims for grant payable towards expenditure incurred, and for ensuring payment is received.
- 10.6 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.
- 10.7 Officers receiving cash income on behalf of the BTPF shall issue official receipts immediately for all such income.
- 10.8 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 Director of Corporate Resources.
- 10.9 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.
- 10.10 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.
- 10.11 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.

11 FR11 Grant in aid

- 11.1 The Chief Constable will put arrangements in place to ensure that no grant-in-aid is received in advance of need.
- 11.2 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.

12 FR12 Security

- 12.1 The Chief Constable shall make arrangements for the supply and issue of controlled stationery (e.g. receipt books).
- 12.2 The Chief Constable, with the agreement of the insurer where appropriate, shall ensure that sound arrangements exist for

NOT PROTECTIVELY MARKED

Page 74 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

the security, issue and movement of assets, including cash and valuable documents, such as cheques and bank books.

- 12.3 The Chief Constable shall specify limits of cash or other holdings, which shall not be exceeded without prior permission.

13 FR13 Unofficial and Voluntary Funds

- 13.1 The Chief Constable shall ensure that he is notified immediately of the nature and purpose of any unofficial or voluntary fund.
- 13.2 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.

14 FR14 Property

- 14.1 The title deeds of all property in the BTPF's ownership will be held in the custody of the Chief Executive.
- 14.2 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.

15 FR15 Fixed Assets and other Assets

- 15.1 The Chief Constable shall maintain proper records of the BTPF's assets and ensure that these records are properly maintained and securely held.
- 15.2 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.
- 15.3 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.
- 15.4 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.

16 FR16 Disposal of Assets

- 16.1 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,

NOT PROTECTIVELY MARKED

Page 75 of 127

NOT PROTECTIVELY MARKED

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 Director of Corporate Resources, dispose of redundant equipment with no net book value and no market value to charitable organisations.

- 16.2 Fixed Asset write offs will be within the limits set out in the Scheme of Financial Delegation.

17 FR17 Banking Arrangements

- 17.1 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.
- 17.2 Any change of banker must be approved in advance by the Authority.
- 17.3 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.
- 17.4 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 Director of Corporate Resources and the DfT.
- 17.5 The Chief Constable shall decide whether to make an imprest advance to an officer for the payment of expenses.
- 17.6 Subject to FR17.5 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.
- 17.7 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.
- 17.8 The Chief Constable shall be responsible for the daily management and operation of bank accounts, including imprest accounts.

NOT PROTECTIVELY MARKED

Page 76 of 127

NOT PROTECTIVELY MARKED

17.9 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.

18 FR18 Insurance and Risk Management

18.1 The Chief Constable shall arrange insurance cover in accordance with the overall policy approved by the Authority.

18.2 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.

18.3 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.

18.4 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.

19 FR19 Financial Systems

19.1 The Chief Constable may vary existing systems or commission new systems subject to consultations with the Director of Corporate Resources and to the following safeguards:

19.1.1 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;

19.1.2 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.

19.1.3 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;

NOT PROTECTIVELY MARKED

Page 77 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

- 19.1.4 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;
- 19.1.5 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;
- 19.1.6 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;
- 19.1.7 The Chief Constable shall ensure that:
 - 19.1.7.1 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
 - 19.1.7.2 suitable back-up arrangements and/or reserve facilities are in place for important systems; and
 - 19.1.7.3 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

20 FR20 Data Security

- 20.1 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.
- 20.2 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.
- 20.3 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.

21 FR21 Internal Audit

- 21.1 There shall be an Internal Audit service to carry out a programme of work to review, appraise and report on the

NOT PROTECTIVELY MARKED

Page 78 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

adequacy of the Authority, Executive and the Force's systems, both financial and non-financial. The Audit Committee shall agree and monitor this programme.

- 21.2 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.
- 21.3 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.
- 21.4 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.
- 21.5 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.

22 FR22 Taxation

- 22.1 The Director of Corporate Resources shall ensure the completion of all HMRC returns regarding PAYE and that due payments are made in accordance with statutory requirements.
- 22.2 The Director of Corporate Resources 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.
- 22.3 Where construction and maintenance works are undertaken, the contractor shall fulfil the necessary construction industry

NOT PROTECTIVELY MARKED

Page 79 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

tax deduction requirements. The Director of Corporate Resources shall provide details to the HMRC regarding the construction industry tax deduction Scheme.

23 FR23 Anti-Fraud

- 23.1 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.
- 23.2 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.
- 23.3 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.
- 23.4 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.
- 23.5 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.
- 23.6 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 Director of Corporate Resources 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.
- 23.7 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.

NOT PROTECTIVELY MARKED

Page 80 of 127

NOT PROTECTIVELY MARKED

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.

NOT PROTECTIVELY MARKED

Page 81 of 127

NOT PROTECTIVELY MARKED

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 group²⁷.
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.

²⁷ 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.

NOT PROTECTIVELY MARKED

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:

NOT PROTECTIVELY MARKED

Page 83 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

- 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.²⁸
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.

²⁸ See the Governance Structure for the current committee arrangements.

NOT PROTECTIVELY MARKED

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.

NOT PROTECTIVELY MARKED

Page 85 of 127

NOT PROTECTIVELY MARKED

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

NOT PROTECTIVELY MARKED

Page 86 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

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.

NOT PROTECTIVELY MARKED

Page 87 of 127

NOT PROTECTIVELY MARKED

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.

NOT PROTECTIVELY MARKED

Page 88 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

ANNEX 6: Accounting Officer Service Level Agreement

Service Level Agreement between the Authority and BTP

Version 1.4

18 August 2010

NOT PROTECTIVELY MARKED

Page 89 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

Table of Contents

1		Scope
2		Service Details
	2.1	Statutory Financial Reporting
	2.2	Four weekly management report and budget monitoring
	2.3	Charging Model - running new charging model each year for PSA charges
	2.4	PSA Charges and Debtor Control
	2.5	EPSA Debtors and Contract Support
	2.6	Risk Register
	2.7	Internal Audit
	2.8	Treasury Management, including DfT Loans and Grants
	2.9	DfT reporting
	2.10	Pensions Valuation - Police Officer and Police Staff Schemes
	2.11	Insurance
	2.12	Authorisations required from DfT
Appendices	A	The Authority -Accounting Officer Memorandum
	B	BTP - Accounting Officer Memorandum

NOT PROTECTIVELY MARKED

Page 90 of 127

NOT PROTECTIVELY MARKED

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.

NOT PROTECTIVELY MARKED

Page 91 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

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 report; 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

NOT PROTECTIVELY MARKED

Page 92 of 127

NOT PROTECTIVELY MARKED

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, Director of Corporate Resources and Audit Committee members, for comment	31 January		Director of Corporate Resources(DofCR)
Comments back to DofCR for inclusion in final Governance Statement	21 February	Authority Finance Director	DofCR
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	DofCR
Management Assurance Report - to be prepared by Risk Manager and circulated to Accounting Officers; Authority Finance Director, Director of Corporate Resources and Audit Committee members, for comment	February and August		DofCR
Comments back to DofCR for inclusion in final Management Assurance Report	February and August	Authority Finance Director	DofCR
Internal Audit to finalise evidence to support Management Assurance Report	March and September		Head of Finance
Present final six-monthly Management Assurance Reports to Audit Committee.	March and September Audit Committees	Authority Finance Director	DofCR
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	DofCR
BTP to prepare detailed	14 March		Head of Finance

NOT PROTECTIVELY MARKED

NOT PROTECTIVELY MARKED

timetable for preparation of statutory financial statements 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		DofCR
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	DofCR
Consolidation Pack (including the Risk Assurance Statement) to be submitted to DfT	In line with DfT timetable (8 May 2012)	Authority Finance Director	DofCR
Accounts issued to NAO	First day of final audit (30 April 2012)	Authority Finance Director	DofCR
Audit commences	End of April		DofCR
Final Wash up meeting with NAO	Mid May	Authority Finance Director/ Chief Executive	DofCR
Present Accounts to Audit Committee	End May	Authority Finance Director	DofCR
Present Accounts to Authority	Mid June	Chief Executive / Authority Finance Director	DofCR
Send signed Accounts to NAO	Mid June	Authority Finance Director	DofCR
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		Head of Finance
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		Head of Finance
Comments back to Head of Finance documenting any	3 days post report	Authority Finance	

NOT PROTECTIVELY MARKED
Page 94 of 127

NOT PROTECTIVELY MARKED

changes to full year forecast		Director	
Publish management accounts	Within 10 days of period end		Head of Finance
Report Quarterly to Finance Group and Authority	Finance Group for Quarterly reports	Authority Finance Director	

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		Strategic Services
BTP to provide incident data for previous calendar year	14 January		Strategic Services
BTP Finance to provide financial breakdown of budgets by Area and FHQ	31 January		Head of Finance
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		Strategic Services / DofCR
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		DofCR
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	

NOT PROTECTIVELY MARKED
Page 95 of 127

NOT PROTECTIVELY MARKED

Authority Finance Director will write to the PSA holders to inform them of their annual charge	Before 31 March	Authority Finance Director	
BTP will arrange for invoices to be raised every four weeks to all PSA Holders, or annual if charge is below £10,000.			Head of Finance
BTP will perform all credit control functions and process the invoices and payments on to the Sales Ledger and the General Ledger			Head of Finance
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		Head of Finance
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 Director of Corporate Resources	As required		DofCR
THE AUTHORITY to sign EPSA and copy BTP	Within 14 days of receipt of financial schedule	Chief Executive	Head of Finance
BTP Finance to arrange invoicing for EPSA			Head of Finance

NOT PROTECTIVELY MARKED

Page 96 of 127

NOT PROTECTIVELY MARKED

2.6 Risk Register

Action	Target Date	BTPA responsibility	BTP responsibility
BTP to provide training to BTPA Executive to ensure consistent approach.	As required		DofCR
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		DofCR
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

Action	Target Date	BTPA responsibility	BTP responsibility
Agree areas to be covered in the annual Internal Audit Plan with BTP	28 February		DofCR
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		DofCR
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	DofCR

NOT PROTECTIVELY MARKED

Page 97 of 127

NOT PROTECTIVELY MARKED

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		Head of Finance
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		DofCR
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	Head of Finance

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		Head of Finance
Authority Finance Director to review reports and submit to DfT	Within 10 days of period end	Authority Finance Director	

NOT PROTECTIVELY MARKED

Page 98 of 127

NOT PROTECTIVELY MARKED

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		DofCR
BTPA to review initial valuation assumptions and outcome with BTP Finance	Within 6 months of valuation date	Authority Finance Director	DofCR
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	DofCR
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		DofCR
BTP HR to consult with the staff on any issues directly affecting them.	As required		DofCR
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	DofCR
BTP to ensure appropriate cover is provided for BTPA Executive and Members.	Annually (December)		DofCR

NOT PROTECTIVELY MARKED

Page 99 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

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		DofCR
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	

NOT PROTECTIVELY MARKED

Page 100 of 127

NOT PROTECTIVELY MARKED

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

NOT PROTECTIVELY MARKED

Page 101 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

(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*.

NOT PROTECTIVELY MARKED

Page 102 of 127

NOT PROTECTIVELY MARKED

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 Financial Memorandum, to be replaced in due course by a 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

NOT PROTECTIVELY MARKED

Page 103 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

responsibility for their proper presentation as prescribed in legislation or by Ministers;

(ii) conform with relevant requirements of the Authority's Management Statement and Financial Memorandum (to be replaced in due course by a single 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

NOT PROTECTIVELY MARKED
Page 104 of 127

NOT PROTECTIVELY MARKED

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

NOT PROTECTIVELY MARKED

Page 105 of 127

NOT PROTECTIVELY MARKED

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 Authority's Management Statement and Financial Memorandum, and subsequently those of the Framework Document once adopted, 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

NOT PROTECTIVELY MARKED

Page 106 of 127

NOT PROTECTIVELY MARKED

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

NOT PROTECTIVELY MARKED

Page 107 of 127

NOT PROTECTIVELY MARKED

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.

NOT PROTECTIVELY MARKED

Page 108 of 127

NOT PROTECTIVELY MARKED

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:

NOT PROTECTIVELY MARKED
Page 109 of 127

NOT PROTECTIVELY MARKED

- (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.

NOT PROTECTIVELY MARKED

Page 110 of 127

NOT PROTECTIVELY MARKED

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 Financial Memorandum, to be replaced in due course by a 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 Authority's

NOT PROTECTIVELY MARKED

Page 111 of 127

Agenda Item 7 Annex A 20130315 New Governance Code v2.8 wip

NOT PROTECTIVELY MARKED

Management Statement and Financial Memorandum (to be replaced in due course by a single 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

NOT PROTECTIVELY MARKED

Page 112 of 127

NOT PROTECTIVELY MARKED

(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

NOT PROTECTIVELY MARKED

Page 113 of 127

NOT PROTECTIVELY MARKED

the Authority's Management Statement and Financial Memorandum, and subsequently those of the Framework Document once adopted, 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

NOT PROTECTIVELY MARKED

Page 114 of 127

NOT PROTECTIVELY MARKED

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

NOT PROTECTIVELY MARKED

Page 115 of 127

NOT PROTECTIVELY MARKED

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.

NOT PROTECTIVELY MARKED

Page 116 of 127

NOT PROTECTIVELY MARKED

ANNEX 7: Scheme of Financial Delegations

All delegated amounts are inclusive of VAT, where applicable.

The Authority's Scheme of Delegation

Financial Approval		
Area of Expenditure	Authority	Authority
Approved By	Authority	Chief Exec
Capital Projects		
All Projects Business Cases must be whole life costs		
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
Revenue Expenditure		
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
Pay Awards		
Implementation of pay awards for police officers and staff and ACPO officers in excess of the approved budgeted amount.	Over £25k	Up to £25k
Banking Arrangements		
Invest cash in accordance with an Authority approved policy (except interest on bank balances)	Over £1m	Up to £1m

Note

*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)

NOT PROTECTIVELY MARKED

Page 117 of 127

NOT PROTECTIVELY MARKED

Area of Expenditure	Authority	Authority
Approved By	Authority	Chief Exec
Banking Arrangements		
Invest cash in accordance with an Authority approved policy (except interest on bank balances)	Over £1m	Up to £1m
Individual Redundancy Payments*		
Within approved scheme (ACPO)	All	N/A
Within approved scheme	Over £50k	Up to £50k
Outside approved scheme	All	N/A
Ex-gratia payments #		
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
Contracts for sale of redundant fixed assets		
Acceptance of highest bid after competitive tender	Over £5k	Up to £5k
Write-offs α		
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

Notes

* 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.

Because of tighter restrictions now in place from DfT all Ex-gratia payments must now be approved by DfT.

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.

NOT PROTECTIVELY MARKED

Page 118 of 127

NOT PROTECTIVELY MARKED

Area of Expenditure	Authority	Authority
Approved By	Authority	Chief Exec
Procurement Authority * # (All limits are for total Contract Value)		
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

Notes

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)

NOT PROTECTIVELY MARKED

NOT PROTECTIVELY MARKED

BTP's Scheme of Delegation

Financial Approval			
Area of Expenditure	Force	Force	Force
Approved By	Authority	Chief Exec	Chief Constable
Capital Projects			
All Project Business Cases must be whole life costs			
Final Approval for Projects in the Capital programme (which is within the agreed DEL)	Over £1m	Up to £1m	Up to 500k
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 £1m	Up to £1m	Up to 500k
Revenue Expenditure*			
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 £500k	Up to 500k	Up to 250k
Pay Awards #			
Implementation of pay awards for police officers and staff and ACPO officers in excess of the approved budgeted level.	Over £500k	Up to 500k	Up to 250k

Notes

* 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)

In addition to the delegated virements thresholds a virement is only authorised if it satisfies the following conditions:

- the revenue budget and capital budget net totals are not increased;
- the future commitments falling to the Authority are not increased by more than £100k;
- the transfer does not result in a significant change of policy;
- the Authority Finance Director has been consulted and gives approval.

Any above agreed wage award payments must be approved by the Authority

NOT PROTECTIVELY MARKED

NOT PROTECTIVELY MARKED

Area of Expenditure	Force	Force	Force
Approved By	Authority	Chief Exec	Chief Constable
Banking Arrangements			
Invest cash in accordance with an Authority approved policy (except interest on bank balances)	Over £1m	Up to £1m	Up to 500k
Individual Redundancy Payments*			
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
Ex-gratia payments *			
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
Contracts for sale of redundant fixed assets			
Acceptance of highest bid after competitive tender	Over £250k	Up to 250k	Up to 100k

Notes

* 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.

NOT PROTECTIVELY MARKED

NOT PROTECTIVELY MARKED

Area of Expenditure	Force	Force	Force
Approved By	Authority	Chief Exec	Chief Constable
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
Procurement Authority * (All limits are for total contract Value)			
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

Notes

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.

Because of tighter restrictions now in place from DfT all Ex-gratia payments must now be approved by DfT.

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.

* 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)

NOT PROTECTIVELY MARKED

NOT PROTECTIVELY MARKED

Finance & Procurement DfT Specific Requirements

DfT Specific Requirements for both Financial & Procurement Authority		
		DfT & Cabinet Office
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 Arms 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"> • Develop a strategy for future delivery

NOT PROTECTIVELY MARKED

NOT PROTECTIVELY MARKED

		<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>

NOT PROTECTIVELY MARKED

NOT PROTECTIVELY MARKED

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;
- consultation activities including: associated publicity, events, resources and materials, research, analysis and evaluation;
- communication strategy, planning, concept and proposition testing and development;
- market research that informs marketing and advertising activity and evaluation of marketing and advertising activity;
- printing and publications;
- events, conferences and exhibitions;
 - public relations (PR) activity; and
- digital activity including: website and application development; search engine marketing, including pay-per-click; digital display advertising; content partnerships; email marketing; mobile and SMS marketing; interactive online

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.

NOT PROTECTIVELY MARKED
Page 125 of 127

NOT PROTECTIVELY MARKED

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

Scope

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.

NOT PROTECTIVELY MARKED

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

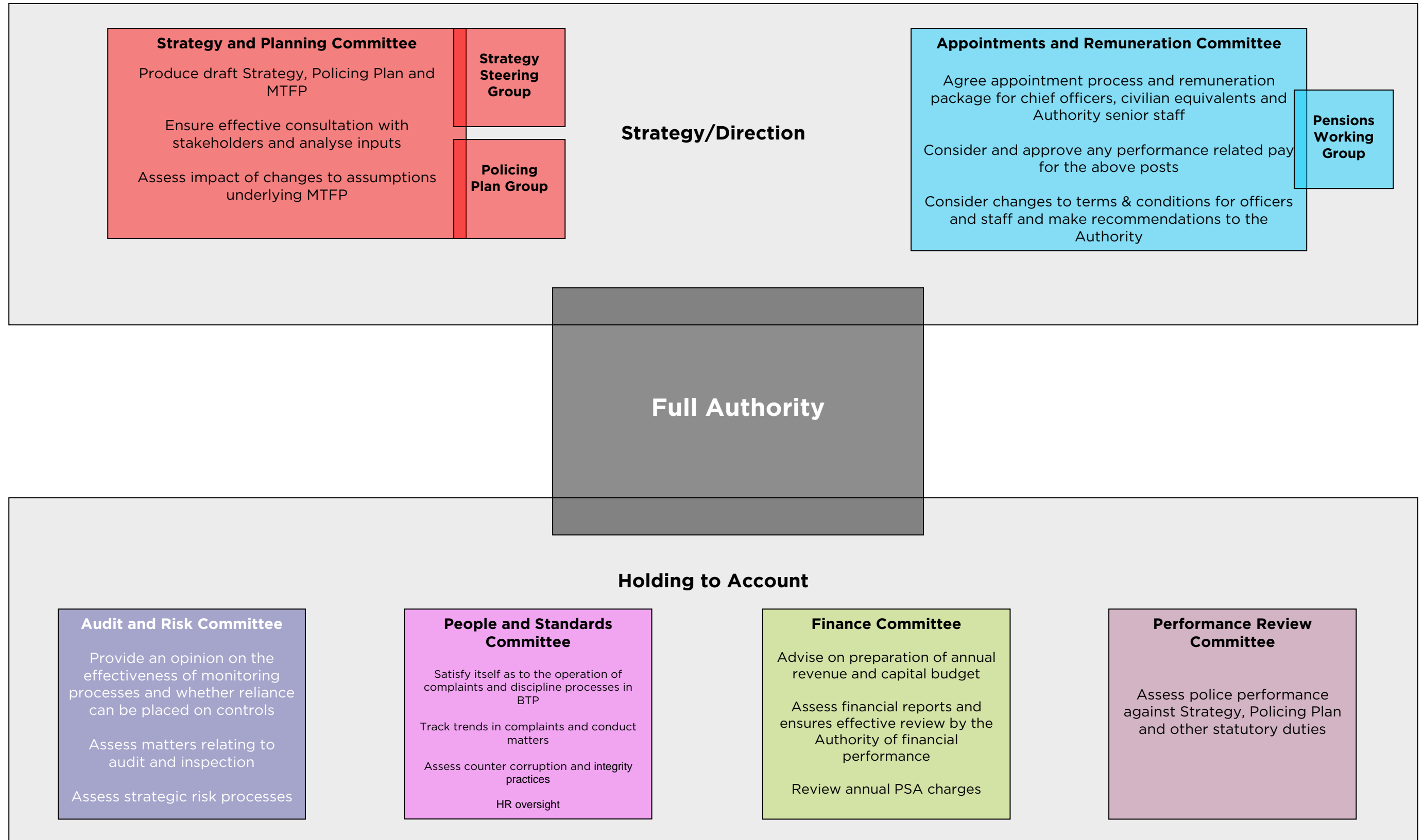
Scope

- 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

NOT PROTECTIVELY MARKED

Page 127 of 127

Annex B: The Proposed Authority Model



Police Authority

Membership

The members of the full Authority are:

Millie Banerjee (Chair)
Brian Phillpott (Deputy Chair)
Lew Adams, Rail staff
Patrick Butcher, Industry
Howard Collins, Industry
Elizabeth France, Passenger
Michael Holden, Industry
Len Jackson, Passenger
Bill Matthews, Passenger and Scotland
Wendy Towers, Passenger
Anton Valk, Industry
Jeroen Weimar, Industry

Other attendees may be:

Authority Chief Executive (Executive lead)
Authority Finance Director
Authority Performance Review Manager
Authority Business Manager (minutes)

Chief Constable (Force Executive lead)
Deputy Chief Constable
Assistant Chief Constables
Director of Corporate Resources

Reporting

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

Responsibilities

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 areas¹:

- *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

¹ 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.

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.

- *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.
- *Professional standards* - ensuring that matters are dealt with according to statute and policy and challenging non-compliance.

The Full Authority retains total responsibility for governance, taking all decisions unless specifically delegated to a Committee and enshrined in its terms of reference.

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 PSA charges

Meetings

The Authority will meet at least 6 times a year. The Chair of the Authority may convene additional meetings, as they deem necessary.

Audit and Risk Committee

Membership

The members of the Audit and Risk Committee are:

Brian Phillpott (Chair)
Michael Holden, Industry
Bill Matthews, Passenger and Scotland

Other attendees may be:

Authority Chief Executive
Authority Finance Director (Executive lead)
Authority Business Manager (minutes)

Chief Constable (once a year)
Deputy Chief Constable (Force Executive lead)
Director of Corporate Resources

National Audit Office
Department for Transport
Internal Audit

Reporting

The Audit and Risk Committee will formally report in writing to the Authority after each meeting.

The Audit and Risk 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

The Audit and Risk Committee will advise the Authority on²:

- the effectiveness of the BTPA and BTP's plans for risk management and business continuity, including disaster recovery, and strategic processes for risk, control and governance and the Governance Statement;
- the accounting policies, the accounts, and the annual report, including the process for review of the accounts prior to

² These terms of reference mirror the model Audit Committee terms of reference in the HM Treasury Audit Committee Handbook 2007, with the exception of the final bullet which is additional.

- submission for audit, levels of error identified, and management's letter of representation to the external auditors;
- 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
 - monitor and assess compliance with and performance against statutory duties

The Audit and Risk Committee may:

- Approve the internal audit strategy
- Approve the external audit strategy

Milestones

- Accounts and Governance Statement to the May meeting
- Annual audit report to the May meeting
- Annual health and safety opinion to the May meeting
- Management Assurance Statement to March and September

Access

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

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

People and Standards Committee

Membership

The members of the People and Standards Committee are:

Wendy Towers (Chair)
Lew Adams
Howard Collins
Elizabeth France
Len Jackson

Other attendees may be:

Authority Business Manager (Executive lead and minutes)

Deputy Chief Constable (Force Executive lead)
Head of PSD

IPCC Commissioner

Reporting

The People and Standards Committee will formally report in writing to the Authority updating on any other significant matters arising.

Responsibilities

Standards and Integrity

- To assess the measures taken by the Force to ensure police integrity, counter corruption and identify breaches
- To respond to consultations on police integrity and pertaining to professional standards
- To assess the impact for the Authority and Force of proposed changes in the professional standards and police integrity area, making appropriate recommendations to the Authority
- Satisfy itself as to the operation of the complaints, discipline and grievance processes within the Force
- Oversee BTP compliance with legislative requirements and guidance with respect custody facilities
- Analyse the output from the independent custody visiting scheme and escalate any issues as appropriate.

People

- 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

- Monitor the mandatory requirement for referral of cases to the IPCC
- Oversee the development and maintenance of the Force's capability and representation through the monitoring of key HR data relating to recruitment, retention, progression and management of attendance.
- To oversee the restructure of the Human Resources Department

Meetings

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

Strategy and Planning Committee

Membership

The members of the Strategy, Planning and Performance Committee are:

TBC

Reporting

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

Responsibilities

- To produce a draft Strategy and Medium Term Financial Plan (MTFP) for consideration by the Authority
- 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 assess performance against the defined criteria of the Policing and Strategic Plans
- To request and consider other information from BTP, BTPA, stakeholders and other sources to support scrutiny activities
- 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

The Strategy, Planning and Performance Committee will meet at least 4 times a year. The Chair of the Committee may convene additional meetings, as they deem necessary.

Finance Committee

Membership

The members of the Finance Committee are:

Jeroen Weimar (Chair)
Bill Matthews
Wendy Towers
Anton Valk

Other attendees may be:

Authority Finance Director (Executive lead)
Authority PSA Manager (minutes)

Director of Corporate Resources (Force Executive Lead)
BTP Head of Finance

Reporting

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

The Finance 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.

The Finance 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
- Assessing financial reports and ensuring the effective review by the Authority of financial performance
- Reviewing the annual PSA charges and understanding the reasons for any significant the movements
- 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

Milestones

- Quarterly summary of spend versus budget to be prepared and sent to the Authority members for review and comment
- In setting its strategy in December the Authority will also set a strategic framework within which the next budget will be prepared

Meetings

The Finance Committee will meet at least 6 times a year. The Chair of the Committee may convene additional meetings, as they deem necessary.

Performance Review Committee

Membership

The members of the Performance Review Committee are:

Howard Collins (Chair)
Liz France
Michael Holden
Bill Matthews
Anton Valk

Other attendees may be:

Authority Performance Review Manager (Executive lead)
Authority Performance Analyst (minutes)

Deputy Chief Constable (Force Executive Lead)
Assistant Chief Constable Territorial Policing
Senior Advisor Command Support

Reporting

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

Responsibilities

- To monitor and provide supportive challenge on BTP's operational and organisational performance and efficiency against criteria which are defined and refreshed annually to include operational and organisational KPIs and outputs from external inspections.
- To have oversight of deployment of taser and firearms to include delivery of mandatory training to maintain these capabilities
- Provide a regular update to the full Authority on progress with performance including the key issues and actions arising
- 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

Milestones

- Quarterly Budget and Performance Authority meetings
- Annual performance report

Meetings

The Performance Committee will meet at least 4 times a year. The Chair of the Committee may convene additional meetings, as they deem necessary.

Appointments and Remuneration Committee

Membership

The members of the Appointments and Remuneration Committee are:

Brian Phillpott (Chair)
Millie Banerjee
Len Jackson
Wendy Towers
Anton Valk
Jeroen Weimar

Other attendees may be:

Authority Chief Executive (executive lead and restricted minutes)
Chief Constable
Authority Business Manager (minutes)

Reporting

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

Responsibilities

- To act on behalf of the Authority to make the arrangements for and appointment of chief officers and equivalent appointments, including the approval of the recruitment process and contracts of employment for chief officers.
- To act on behalf of the Authority, working with the Chief Constable, to make chief officer temporary and acting appointments expected to last beyond 6 months.
- To act 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 be responsible for determining the payment or otherwise, of performance related payments and other remuneration packages to the Chief Constable, Deputy Chief Constable, Assistant Chief Constables and equivalents.
- To act on behalf of the Authority to make the arrangements for and appointment of the Chief Executive and Authority Finance Director
- To consider and approve the remuneration package for the Chief Executive and Authority Finance Director.
- To consider and approve packages on termination for employees of chief officer rank or equivalent in both BTP and

BTPA. For the avoidance of doubt, this includes for example discretionary awards and payments, discretionary pension enhancements and ex gratia payments.

- To consider any relevant matters in respect of PNB, Police Advisory Board, and other national bodies in relation to police officer and police staff terms and conditions and recommend a way forward to the Authority.
- To have due regard, in exercising the Committee's responsibilities, to equal opportunities and the requirements of equalities legislation.

Milestones

Annual PDR and any performance related pay decisions in June

Meetings

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.

BTPA Statutory Duties and how these are discharged

Authority/Committee/Group	Statutory Duty	Guidance	Good Practice	Reference	Reference Summary	Information currently received	Information Flow
Police Authority							
Purpose							
To assess whether products/outcomes have been delivered and that all legal requirements have been met to ensure efficient and effective policing of the railways							
Products							
Approved Policing Plan	✓			Railways and Transport Safety Act 2003 sections 50, 51 and 52	Before the beginning of each financial year the Authority shall set objectives for that year and issue a plan setting out the proposed arrangements for policing the railways that year.	Recommended version of Plan Policing Plan Group minutes	BTP Strategic Development Department → BTP Service Excellence Board → Force Executive Board BTPA Policing Plan Group → Police Authority
Approved Strategic Plan	✓			Railways and Transport Safety Act 2003 section 55	The Authority shall before the beginning of each consecutive period of 3 financial years issue a 3 year strategy plan which sets out the medium and long term strategies for policing the railways during that period. The strategy must have been prepared by the Chief Constable and submitted to the Authority for its consideration.	Recommended Strategic Plan Strategy Group reports and minutes	BTP Strategic Development Department → Service Improvement Board / Corporate Delivery Board / Service Excellence Board → Force Executive Board BTPA Strategy Group → Police Authority
Approved Annual Budget	✓			Railways and Transport Safety Act 2003 Schedule 4 section 19	The Authority shall before each financial year set a budget of expected expenditure and income for the year.	Recommended annual budget Finance Group reports and minutes	BTP Finance & Procurement Department → Corporate Delivery Board → Force Executive Board BTPA Finance Group → Police Authority
Approved MTFP	✓			Railways and Transport Safety Act 2003 Schedule 4 section 20	The Authority shall make an estimate of the likely ratio of customers' contributions before and in relation to each period of five financial years and at other times and in relation to other periods as the Authority think appropriate.	Recommended MTFP Strategy Group reports and minutes	BTPA Executive → Finance Group / Strategy Group → Police Authority
Approved Annual Statement of Accounts	✓			Railways and Transport Safety Act 2003 Schedule 4 paragraph 17(a)	The Authority shall maintain accounts of the British Transport Police Fund	Annual Statement of Accounts Progress updates on accounts in Chief Executive Report Audit Committee minutes, update and recommendation	BTP Finance & Procurement Department → BTPA Executive → BTPA Finance Group → Police Authority → DfT
Approved Annual Report	✓			Railways and Transport Safety Act 2003 Section 57	As soon as is reasonably practicable after the end of each financial year the Authority shall issue a report about the policing of the railways in that year. The Authority's report must include an assessment of the extent to which the objectives set for the year under s50 have been achieved, the arrangements set out in the railways policing plan for the year under s52 have been implemented, and the strategies set out in the relevant three-year strategy plan under S55 have been implemented. The Authority shall publish each report under this section, and send a copy of each report under this section to the Secretary of State.		BTP Strategic Development Department → BTPA Executive → BTPA Police Authority
Approved PSA Charges	✓			Railways and Transport Safety Act 2003 paragraph 33(3)(4)	A police services agreement shall include provision requiring the customer to make payments to the Authority	PSA Charges report Finance Group report and minutes	BTPA Executive → Finance Group → Police Authority
Approved Annual Health and Safety Statement	✓			Health and Safety at Work Act 1974 Management of Health & Safety at Work Regulations 1999 Corporate Manslaughter and Corporate Homicide Act 2007	Acts to make provision for the health, safety and welfare of persons at work and to create an offence in England, Wales or Northern Ireland of corporate manslaughter and, in Scotland, of corporate homicide.	Annual Health and Safety Statements from BTP and BTPA	BTP Human Resources → Service Excellence Board → Force Executive Board BTPA Performance Review Group / Audit Committee → BTPA Police Authority
Key Responsibilities							
Ensure compliance with legislation	✓			Railways and Transport Safety Act 2003 section 18	There shall be a body corporate to be known as the British Transport Police Authority.	Reports on legislative change - often included in the Chief Executive or Chief Constable's Reports	BTP Force Executive Board BTPA Police Authority
Assessment of financial, organisational and operational performance	✓			Railways and Transport Safety Act 2003 section 19	In performing its functions the Authority shall aim to ensure the efficient and effective policing of the railways	Chief Constable's Report Performance Review Group Quarterly Report Finance Group Quarterly Report	BTPA Performance Review Group → BTPA Police Authority (organisational & operational performance) BTPA Finance Group → Police Authority (financial performance) BTPA Audit Committee → Police Authority (organisational performance / risks / project management)
Feed into Strategy, Policing Plan, budget and MTFP development	✓			Railways and Transport Safety Act sections 50, 55 and schedule 4 paragraphs 19 and 20	Before the beginning of each financial year the Authority shall set objectives for policing the railways for that year. The Authority shall before the beginning of each period of three financial years issue a three year strategic plan setting out the Authority's medium and long term strategies for policing the railways during that period. The Authority shall before each financial year set a budget of expected expenditure and income. The Authority shall before and in relation to each period of 5 financial years or at other time periods make an estimate of the likely ratio of customers' contributions.	Recommended version of Plan Policing Plan Group minutes Recommended Strategic Plan Recommended MTFP Strategy Group reports and minutes Recommended annual budget Finance Group reports and minutes	BTP Strategic Development Department → Service Improvement Board / Service Excellence Board / Corporate Delivery Board → Force Executive Board BTPA Strategy Group → Police Authority BTP Performance & Analysis → Strategic Development Department → BTP Service Excellence Board → Force Executive Board BTPA Policing Plan Group → Police Authority BTP Finance & Procurement Department → BTP Corporate Delivery Board / Force Executive Board BTPA Finance Group / Strategy Group → Police Authority

BTPA Statutory Duties and how these are discharged

Corporate Governance in place, effective and up to date	✓	✓	Railways and Transport Safety Act 2003 section 19 Managing Public Money Good Governance Standard for Public Services	In performing its functions the Authority shall aim to ensure the efficient and effective policing of the railways	Annual Review report which includes: <i>review of committee structure, including terms of reference, membership etc</i> <i>portfolio arrangements</i> <i>information supply</i> <i>implications of changes for the Governance Code</i> <i>Assurance from Audit Committee on Register of Interest and Gifts and Hospitality</i>	BTPA Audit Committee → Police Authority
To have awareness of the risks to the organisation, particularly when taking decisions, and to escalate risks to DfT as appropriate	✓	✓	Railways and Transport Safety Act 2003 section 19 Good Governance Standard for Public Services HMT Risk Management Orange Book	In performing its functions the Authority shall aim to ensure the efficient and effective policing of the railways	Strategic Risk Registers Risk implications sections in papers Audit Committee minutes and updates	BTP Strategic Development Department / BTPA Executive → BTPA Audit Committee → Police Authority
To take decisions on key strategic issues as and when they arise	✓		Railways and Transport Safety Act 2003 section 19	In performing its functions the Authority shall aim to ensure the efficient and effective policing of the railways		
Audit and Risk Committee						
Products						
Recommended Statement of Accounts	✓		Railways and Transport Safety Act 2003 Schedule 4 paragraph 17(a)	The Authority shall maintain accounts of the British Transport Police Fund	Annual Statement of Accounts NAO Audit Report Accounts Timetable	BTPA Finance & Procurement / BTPA Executive → BTPA Audit Committee / Finance Group → Police Authority → DfT
Approved Internal Audit Plan	✓		Railways and Transport Safety Act 2003 Schedule 4 paragraph 17(b)	(b) send a copy of the accounts in respect of each financial year ending on or after 31st March 2005 to the Comptroller and Auditor General as soon as reasonably practicable after the end of that year	Annual Internal Audit Plan	Strategic Development Department → Integrity and Compliance Board / BTPA Audit Committee → Police Authority
Approved External Audit Strategy	✓		Railways and Transport Safety Act 2003 Schedule 4 paragraph 17(b)	(b) send a copy of the accounts in respect of each financial year ending on or after 31st March 2005 to the Comptroller and Auditor General as soon as reasonably practicable after the end of that year	Annual Audit Strategy	Strategic Development Department → Integrity and Compliance Board / BTPA Audit Committee → Police Authority
Approved Fraud and Anti-corruption policies	✓		Bribery Act 2010	Act makes provision about offences relating to bribery; and for connected purposes	Anti-Fraud and Corruption Policies from BTP and BTPA	BTP PSD → Integrity & Compliance Board / BTPA Executive → Audit Committee
Approved Gifts and Hospitality Registers		✓	Good Governance Standard for Public Services		BTP and BTPA Gifts and Hospitality Registers	BTP PSD → Integrity & Compliance Board / BTPA Executive → Audit Committee
Key Responsibilities						
Assess effectiveness of financial management, internal business processes and control systems	✓		Railways and Transport Safety Act 2003 section 19	In performing its functions the Authority shall aim to ensure the efficient and effective policing of the railways	Management Assurance Statement received 6-monthly and submitted to DfT Statement on Internal Control, now Governance Statement Gifts and Hospitality Registers provided for approval	BTPA Audit Committee → DfT
Assess the performance, effectiveness of and results from the Authority's audit arrangements, both internal and external (including HMIC)	✓		Railways and Transport Safety Act 2003 section 19	In performing its functions the Authority shall aim to ensure the efficient and effective policing of the railways	HMIC Inspection Plan fro agreement Crime and Incident Data Quarterly Updates	BTPA Audit Committee → Police Authority SDD → Integrity & Compliance Board / BTPA Performance Review Group
Assess the implementation of agreed audit-based recommendations from any management letters received from internal or external auditors	✓		Railways and Transport Safety Act 2003 section 19	In performing its functions the Authority shall aim to ensure the efficient and effective policing of the railways	Provided as an appendix of BTP Director of Corporate Resources standing report	BTPA Audit Committee → Performance Review Group → Police Authority
Assess the accounting policies and the accounts, 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.	✓		Railways and Transport Safety Act 2003 Schedule 4 paragraph 17(a) and (b)	The Authority shall maintain accounts of the British Transport Police Fund. It shall send a copy of the accounts to the Comptroller and Auditor General as soon as reasonably practicable after the end of that year	NAO Audit Reports Accounts timetable agreed by Committee Annual Statement of Accounts and management commentary Delegated Expenditure letter	BTPA Audit Committee → Police Authority → DfT
Assess the BTPA and BTP's plan for risk management, business continuity (including disaster recovery) and the strategic processes for risk, control and governance and the Statement on Internal Control	✓		Railways and Transport Safety Act 2003 section 19 Good Governance Standard for Public Services HMT Risk Management Orange Book	In performing its functions the Authority shall aim to ensure the efficient and effective policing of the railways	Management Assurance Statement received 6-monthly and submitted to DfT Statement on Internal Control, now Governance Statement Business Continuity updates Gifts and Hospitality Registers provided for approval BTP and BTPA Strategic Risk Registers presented Anti Fraud and Corruption Policy for approval	Strategic Development Department → Corporate Delivery Board / Information Management Board / BTPA Audit Committee
People and Standards Committee						
Products						
Quarterly reports on complaints, conduct, grievances and HR matters	✓		Police Act 1996 section 77	Every police authority in carrying out its duty with respect to the maintenance of an efficient and effective police force shall keep themselves informed as to the working of sections 67 to 76 (handling of complaints etc.) in relation to the force.	Quarterly Report (See below for more detail)	BTP Professional Standards Department/ Human Resources → Integrity and Compliance Board/Service Excellence Vboard/ BTPA Professional Standards Committee → Police Authority
Six-monthly custody report	✓		Police Reform Act 2002 section 51 Corporate Manslaughter and Corporate Homicide Act 2007	Police Reform Act 2002 S51: Every police authority shall make arrangements for detainees to be visited by independent custody visitors and keep those arrangements under review and from time to time revise them as they think fit. An organisation (including a police force) is guilty of an offence if the way in which its activities are managed or organised causes a person's death and amounts to a gross breach of a relevant duty of care owed by the organisation to the deceased.	Six-monthly custody report	BTP Professional Standards Department → Integrity and Compliance Board / BTPA Professional Standards Committee → Police Authority
Key Responsibilities						

BTPA Statutory Duties and how these are discharged

Ensure appropriate complaints policies and procedures comply, with legislation	✓		Police Act 1996 section 77	Every police authority in carrying out its duty with respect to the maintenance of an efficient and effective police force shall keep themselves informed as to the working of sections 67 to 76 (handling of complaints etc.) in relation to the force.	Regulation making and Quarterly Report	BTP Professional Standards Department → Integrity and Compliance Board / BTPA Professional Standards Committee → Police Authority
Assess policy and procedure adherence in the management of complaints	✓		Police Act 1996 section 77	Every police authority in carrying out its duty with respect to the maintenance of an efficient and effective police force shall keep themselves informed as to the working of sections 67 to 76 (handling of complaints etc.) in relation to the force.	Dip-Sampling exercise	BTP Professional Standards Department → Integrity and Compliance Board BTPA Professional Standards Committee → Police Authority
Receive ICV reports and assess custody compliance with legislation to reassure the Authority	✓		Police Reform Act 2002 section 51	Police Reform Act 2002 S51: Every police authority shall make arrangements for detainees to be visited by independent custody visitors and keep those arrangements under review and from time to time revise them as they think fit.	BTPA Quarterly Update attaches ICV reports from partners Six-monthly custody report providing assurance of compliance with legislation	BTP Professional Standards Department → Integrity and Compliance Board / BTPA Professional Standards Committee → Police Authority
Assess, investigate as appropriate and determine complaints and conduct cases against senior officers	✓		Police Act 1996 Chapter 1, section 65 Police Reform Act 2002, Schedule 3, Part 1, section 1.	Where a complaint is made about the conduct of a chief officer, it shall be the duty of the police authority maintaining his force to secure that all such steps as are appropriate are taken, both initially and from time to time after that, for obtaining and preserving evidence relating to the conduct complained of.	Sub-Group receives all relevant papers	BTP Professional Standards Department / BTPA Professional Standards Committee
Track trends in relation to public complaints, non complaint investigations, employment tribunals, grievances and investigations into civil claims and internal matters conducted by the Professional Standards Department (PSD) and make recommendations as appropriate	✓		Police Act 1996 section 77	Every police authority in carrying out its duty with respect to the maintenance of an efficient and effective police force shall keep themselves informed as to the working of sections 67 to 76 (handling of complaints etc.) in relation to the force.	Quarterly Report which includes: PSD Updates Complaint statistics received/recorded/ethnicity of subject and complainant/by Area/by category/disposal etc Trend information IPCC Referrals Misconduct Hearings Civil claims Property store audits Lessons learned	BTP Professional Standards Department → Integrity and Compliance Board / BTPA Professional Standards Committee → Police Authority
Monitor the mandatory requirement for referral of cases	✓		Police Reform Act Schedule 3, Part 1, Section 4	(1) It shall be the duty of the appropriate authority to refer a complaint to the Commission if the complaint is alleging that the conduct complained of has resulted in death or serious injury; it is of a description specified in regulations made by the Secretary of State; or the IPCC notifies the appropriate authority that it requires the complaint in question to be referred to the Commission for its consideration.	Quarterly Report includes information on referred cases and high risk or sensitive cases	BTP Professional Standards Department BTPA Professional Standards Committee → Police Authority
Appointments and Remuneration Committee						
Products						
Approve remuneration packages for chief officers and civilian equivalents at BTP	✓		Railways and Transport Safety Act 2003 sections 21, 22, 23 and 27	The Authority shall appoint a CC, DCC and at least 1 ACC. The Authority may employ persons to assist the police force. The Chief Constable shall have regard to any relevant Code of Practice issued or having effect under S48 (Code of Practice: Chief Constable), any relevant plan issued under S52 (railways policing plan) and under S55 (3 year strategy plan). The DCC may perform the function of the CC is unable to act, or unavailable, during a vacancy in the office of CC or with the consent of the CC. The Authority may permit an ACC to perform the function of the CC, this may not have effect for a continuous period exceeding 3 months without the consent of the Secretary of State	Copies of contracts and supporting background information e.g. PNB circulars	BTPA Executive → Appointments and Remuneration Committee
Approve acting chief officer positions lasting beyond 6 months	✓		Railways and Transport Safety Act 2003 sections 21, 22, 23 and 27	The Authority shall appoint a CC, DCC and at least 1 ACC. The Authority may employ persons to assist the police force. The Chief Constable shall have regard to any relevant Code of Practice issued or having effect under S48 (Code of Practice: Chief Constable), any relevant plan issued under S52 (railways policing plan) and under S55 (3 year strategy plan). The DCC may perform the function of the CC is unable to act, or unavailable, during a vacancy in the office of CC or with the consent of the CC. The Authority may permit an ACC to perform the function of the CC, this may not have effect for a continuous period exceeding 3 months without the consent of the Secretary of State	Not yet occurred	BTPA Executive → Appointments and Remuneration Committee
Approve chief officer secondments lasting beyond 6 months	✓		Railways and Transport Safety Act 2003 sections 21, 22, 23 and 27	The Authority shall appoint a CC, DCC and at least 1 ACC. The Authority may employ persons to assist the police force. The Chief Constable shall have regard to any relevant Code of Practice issued or having effect under S48 (Code of Practice: Chief Constable), any relevant plan issued under S52 (railways policing plan) and under S55 (3 year strategy plan). The DCC may perform the function of the CC is unable to act, or unavailable, during a vacancy in the office of CC or with the consent of the CC. The Authority may permit an ACC to perform the function of the CC, this may not have effect for a continuous period exceeding 3 months without the consent of the Secretary of State	Not yet occurred	BTPA Executive → Appointments and Remuneration Committee

BTPA Statutory Duties and how these are discharged

Approve chief officer and equivalent termination packages for Treasury approval	✓		Railways and Transport Safety Act 2003 sections 21, 22, 23 and 27	The Authority shall appoint a CC, DCC and at least 1 ACC. The Authority may employ persons to assist the police force. The Chief Constable shall have regard to any relevant Code of Practice issued or having effect under S48 (Code of Practice: Chief Constable), any relevant plan issued under S52 (railways policing plan) and under S55 (3 year strategy plan). The DCC may perform the function of the CC is unable to act, or unavailable, during a vacancy in the office of CC or with the consent of the CC. The Authority may permit an ACC to perform the function of the CC, this may not have effect for a continuous period exceeding 3 months without the consent of the Secretary of State		BTPA Executive → Appointments and Remuneration Committee
Make recommendations on staff and officer terms and conditions	✓		Railways and Transport Safety Act 2003 sections 26 and 27 Corporate Governance financial delegations	The Chief Constable may appoint cadets to undergo training with a view to becoming constables of the Police Force. They shall be under the direction and control of the Chief Constable The Authority may employ persons to assist the Police Force. They shall be under the direction and control of either the Chief Constable or the Authority, in accordance with his terms of employment.	Contextual information Financial Implications Diversity Implications Risk Implications Recommendations	BTP Finance & Procurement / Human Resources → BTPA Executive → Appointments and Remuneration Committee
Key responsibilities						
To have due regard to equal opportunities whilst making the above decisions	✓		Equality Act 2010 Part II, Chapter 1 section 149	A public authority must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment, victimisation; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.	Diversity implications reported in decision papers	BTPA Executive → Appointments and Remuneration Committee
Strategy and Planning Group						
Products						
Recommended Refresh of Strategic Plan	✓		Railways and Transport Safety Act section 55	The Authority shall before the beginning of each consecutive period of 3 financial years issue a 3 year strategy plan which sets out the medium and long term strategies for policing the railways during that period. The strategy must have been prepared by the Chief Constable and submitted to the Authority for its consideration.	Draft objectives, draft Plan and operating context	BTP Strategic Development Department → Service Improvement Board / Corporate Delivery Board / Service Excellence Board / Force Executive Board / BTPA Strategy Group → Police Authority
Recommended MTFP	✓		Railways and Transport Safety Act Schedule 4 paragraph 20	The Authority shall make an estimate of the likely ratio of customers' contributions before and in relation to each period of five financial years and at other times and in relation to other periods as the Authority think appropriate.	Draft MTFP with forecast operating context	BTPA Executive → Finance Group / Strategy Group → Police Authority
Recommended charging arrangements from April 2013	✓		Railways and Transport Safety Act paragraph 33(3)(4)	A PSA shall include provision requiring the customer to make payments to the Authority. In determining the terms in a PSA the Authority shall aim to ensure that the expenses of the Authority are as nearly as possible equivalent to the income of the Authority, and the amount of contribution to the Authority made by each customer in a financial year approximately reflects the nature and extent of the functions likely to be undertaken in accordance with the customer's PSA.	Proposed way forward including risks and benefits	BTPA Executive → Finance Group / Strategy Group → Police Authority
Recommended TfL governance and funding arrangements	✓		Railways and Transport Safety Act paragraph 33(3)(4)	A PSA shall include provision requiring the customer to make payments to the Authority. In determining the terms in a PSA the Authority shall aim to ensure that the expenses of the Authority are as nearly as possible equivalent to the income of the Authority, and the amount of contribution to the Authority made by each customer in a financial year approximately reflects the nature and extent of the functions likely to be undertaken in accordance with the customer's PSA.	Proposed PSA with TfL	BTPA Executive → Finance Group / Strategy Group → Police Authority
Recommended Annual Policing Plan	✓		Railways and Transport Safety Act sections 50, 51 and 52	Before the beginning of each financial year the Authority shall set objectives for that year and issue a plan setting out the proposed arrangements for policing the railways that year.	See below	BTP Strategic Development Department → BTP Service Excellence Board → Force Executive Board BTPA Policing Plan Group → Police Authority
Key responsibilities						
Advice on the preparation of the MTFP	✓		Railways and Transport Safety Act Schedule 4 section 20	The Authority shall make an estimate of the likely ratio of customers' contributions before and in relation to each period of five financial years and at other times and in relation to other periods as the Authority think appropriate.	Draft proposed MTFP with forecast operating context Assumptions (including inflation) staff and non-staff	BTPA Executive → Finance Group / Strategy Group → Police Authority
To consider the context, style and content of the Strategic Plan against the current landscape understanding the key strategic challenges facing BTP and BTPA	✓		Railways and Transport Safety Act sections 19 and 55	In performing its functions the Authority shall aim to ensure the efficient and effective policing of the railways. The Authority shall before the beginning of each consecutive period of 3 financial years issue a 3 year strategy plan which sets out the medium and long term strategies for policing the railways during that period. The strategy must have been prepared by the Chief Constable and submitted to the Authority for its consideration.	Suggested overarching objectives accompanied by a report on the operating context Stakeholder feedback Report on other relevant factors e.g. rail industry projects such as McNulty Suggested refreshed Plan	BTP Performance & Analysis → Strategic Development Department → Service Improvement Board / Service Excellence Board / Force Executive Board BTPA Strategy Group / Policing Plan Group → Police Authority
To consider the context, style and content of the Policing Plan against the current landscape understanding the key strategic challenges facing BTP and BTPA	✓		Railways and Transport Safety Act sections 50, 51 and 52	Before the beginning of each financial year the Authority shall set objectives for that year and issue a plan setting out the proposed arrangements for policing the railways that year.	Suggested overarching objectives accompanied by a report on the operating context Stakeholder feedback Report on other relevant factors e.g. rail industry projects such as McNulty Suggested refreshed Plan	BTP Strategic Development Department → BTP Service Excellence Board → Force Executive Board BTPA Policing Plan Group → Police Authority

BTPA Statutory Duties and how these are discharged

To monitor the progress of the Futures Programme	✓		Railways and Transport Safety Act section 19	In performing its functions the Authority shall aim to ensure the efficient and effective policing of the railways	Quarterly Update Reports on the Programme	Portfolio Management Office / Business Change → Strategic Development Department → Service Improvement Board / Corporate Development Board / Force Executive Board BTPA Performance Review Group / Strategy Group → Police Authority
To ensure that there is stakeholder consultation and that cognisance of taken of responses	✓		Railways and Transport Safety Act section 62	The Authority shall make, and review from time to time, arrangements to obtain the opinions about the policing of the railways	Stakeholder feedback from the annual September Workshop Feedback from written consultation on proposed refreshed Plan	BTPA Executive → Policing Plan Group / Strategy Group → Police Authority
Finance Committee						
Products						
Recommended annual budget	✓		Railways and Transport Safety Act Schedule 4 section 19	The Authority shall before each financial year set a budget of expected expenditure and income for the year.	Revenue budget proposals including operating context BTP and BTPA London Underground proposed budget and operating context	BTP Finance & Procurement Department → Corporate Delivery Board → Force Executive Board BTPA Finance Group → Police Authority
Recommended capital budget	✓		Railways and Transport Safety Act Schedule 4 section 19	The Authority shall before each financial year set a budget of expected expenditure and income for the year.	Capital budget proposals and spend profile	BTP Finance & Procurement Department / Corporate Delivery Board / Force Executive Board DfT → BTPA Finance Group → Police Authority
Recommended PSA charges	✓		Railways and Transport Safety Act paragraph 33(3)(4)	A PSA shall include provision requiring the customer to make payments to the Authority. In determining the terms in a PSA the Authority shall aim to ensure that the expenses of the Authority are as nearly as possible equivalent to the income of the Authority, and the amount of contribution to the Authority made by each customer in a financial year approximately reflects the nature and extent of the functions likely to be undertaken in accordance with the customer's PSA.	Annual charges report (see below for more detail)	BTPA Executive → Finance Group → Police Authority
Quarterly financial reports	✓		Railways and Transport Safety Act section 19	In performing its functions the Authority shall aim to ensure the efficient and effective policing of the railways	Quarterly Reports from BTP and BTPA (see below for more detail)	BTP Finance & Procurement Department → Corporate Delivery Board / Force Executive Board BTPA Executive → Finance Group → Police Authority
Key responsibilities						
Assessment of financial performance	✓		Railways and Transport Safety Act section 19 Managing Public Money	In performing its functions the Authority shall aim to ensure the efficient and effective policing of the railways	Quarterly Reports from BTP including: <i>Revenue budget analysis by Department and Area, Income and Expenditure</i> <i>In year budget movements</i> <i>Capital programme performance</i> <i>Balance sheet and cash flow</i> <i>Underlying financial position</i> Quarterly Report from BTPA including: <i>Financial position</i> <i>Financial Forecast</i> <i>Debtors</i>	BTP Finance & Procurement Department → Corporate Delivery Board / Force Executive Board BTPA Finance Group → Police Authority
Advice on the preparation of the annual budget	✓		Railways and Transport Safety Act Schedule 4 section 19	The Authority shall before each financial year set a budget of expected expenditure and income for the year.	Revenue and Capital budget proposals including operating context BTP and BTPA London Underground proposed budget and operating context	BTP Finance & Procurement Department → Corporate Delivery Board / Force Executive Board DfT → BTPA Finance Group → Police Authority
Assessment of spend on capital projects approved by BTPA	✓		Railways and Transport Safety Act section 19 Managing Public Money	In performing its functions the Authority shall aim to ensure the efficient and effective policing of the railways	Update on capital spend in BTP Quarterly Report End of Project Reports	BTP Finance & Procurement Department → Corporate Delivery Board / Force Executive Board BTPA Finance Group → Police Authority
Assessment of accuracy of charges from Model and context	✓		Railways and Transport Safety Act paragraph 33(3)(4)	A PSA shall include provision requiring the customer to make payments to the Authority. In determining the terms in a PSA the Authority shall aim to ensure that the expenses of the Authority are as nearly as possible equivalent to the income of the Authority, and the amount of contribution to the Authority made by each customer in a financial year approximately reflects the nature and extent of the functions likely to be undertaken in accordance with the customer's PSA.	Annual charges report including: <i>PSA holder movements from previous year and explanations</i> <i>List of data sources and verification work</i>	BTPA Executive → Finance Group → Police Authority
Performance Review Committee						
Products						

BTPA Statutory Duties and how these are discharged

Quarterly performance reports	✓			Railways and Transport Safety Act sections 19, 52, 53, 55, 56, 57 and 59	In performing its functions the Authority shall aim to ensure the efficient and effective policing of the railways. 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. It must include a statement of the Authority's priorities, the financial resources expected to be available and the proposed allocation of resources. It must specify any objective set by the Authority, any objectives of the Secretary of State for the year, any performance target set by the Authority in relation to the achievement of an objective for that year. The CC shall submit to the Authority a draft plan for each financial year. The Authority shall publish a plan and send a copy to the Secretary of State. The Secretary of State may by direction to the Authority require it to set a target in relation to the achievement of an objective set out in S51. The Authority shall before the beginning of each consecutive period of 3 financial years issue a 3 year strategy plan which sets out the medium and long term strategy. As soon as is reasonably practicable after the end of each financial year the Chief Constable shall submit to the Authority a report on the performance of the Authority. The Authority's report must include an assessment of the extent to which the objectives have been achieved. The Secretary of State may require the Chief Constable to supply information about the performance of the Authority.	Quarterly Reports from BTP (see below for more detail)	Performance & Analysis / Audit & Compliance / Business Change / Portfolio Management Office → Strategic Development Department / Territorial Policing / Central Operations → BTP Service Improvement Board / Service Excellence Board / Integrity & Compliance Board / Information Management Board / Corporate Delivery Board → Force Executive Board. BTPA Performance Review Group → Police Authority
Key responsibilities							
Assessment of performance against Policing Plan, Strategic Plan, KPIs, organisational targets, project delivery and external inspection recommendations	✓	✓	✓	Railways and Transport Safety Act 2003 sections 19, 52, 53, 55, 56, 57 and 59 McPherson Report recommendations 62 and 63 (Stop and search monitoring) Equality Act 2010 Part II, Chapter 1 section 149	Railway and Transport Safety Act 2003: As above McPherson Report: Stop and Search These records should be monitored and analysed by Police Services and Police Authorities, and reviewed by HMIC on inspections. The information and analysis should be published. Police Authorities be given the duty to undertake publicity campaigns to ensure that the public is aware of "stop and search" provisions and the right to receive a record in all circumstances. Equality Act 2010 A public authority must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment, victimisation; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.	Progress against the Policing Plan Progress against the Strategic Plan Progress against the EDHR Strategy Cable theft performance Progress against HMIC recommendations Taser usage figures Stop and Search usage figures Performance against project delivery Performance Dashboard Thematic reports	Performance & Analysis / Audit & Compliance / Business Change / Portfolio Management Office → Strategic Development Department / Human Resources / Territorial Policing / Central Operations → BTP Service Improvement Board / Service Excellence Board / Integrity & Compliance Board / Information Management Board / Corporate Delivery Board → Force Executive Board. BTPA Performance Review Group → Police Authority
Have regard to the need to safeguard and promote the welfare of children	✓			Children Act 2004 Part 2, Section 11	The British Transport Police Authority, so far as exercising functions in relation to England must make arrangements for ensuring that their functions are discharged having regard to the need to safeguard and promote the welfare of children; and 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.		BTP Territorial Policing → Service Excellence Board BTPA Performance Review Group → Police Authority
Policing Plan Group							
Products							
Draft Annual Policing Plan	✓			Railways and Transport Safety Act sections 50, 51 and 52	Before the beginning of each financial year the Authority shall set objectives for that year and issue a plan setting out the proposed arrangements for policing the railways that year.	See below	BTP Strategic Development Department → BTP Service Excellence Board → Force Executive Board BTPA Policing Plan Group → Police Authority
Key responsibilities							
To consider the context, style and content of the Policing Plan against the current landscape	✓			Railways and Transport Safety Act sections 50, 51 and 52	Before the beginning of each financial year the Authority shall set objectives for that year and issue a plan setting out the proposed arrangements for policing the railways that year.	Suggested process steps Progress on current Plan objectives Proposed National Targets including context and landscape Proposed common and local targets including context and landscape	BTP Analysis & Performance → Strategic Development Department / Territorial Policing / Central Operations → BTP Service Excellence Board → Force Executive Board BTPA Performance Review Group → Policing Plan Group → Police Authority
To ensure that there is stakeholder consultation and that cognisance of taken of responses	✓			Railways and Transport Safety Act sections 52	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.	Stakeholder feedback from the annual September Workshop Passenger/Union views research Feedback from written consultation on proposed national targets	Strategic Development Department → Service Excellence Board → Force Executive Board BTPA Policing Plan Group → Police Authority
Strategy Steering Group							
Product							
Draft Refresh of Strategic Plan	✓			Railways and Transport Safety Act section 55	The Authority shall before the beginning of each consecutive period of 3 financial years issue a 3 year strategy plan which sets out the medium and long term strategies for policing the railways during that period. The strategy must have been prepared by the Chief Constable and submitted to the Authority for its consideration.	Draft objectives, draft Plan and operating context	BTP Strategic Development Department → Service Improvement Board / Corporate Delivery Board / Service Excellence Board / Force Executive Board / BTPA Strategy Group → Police Authority
Key responsibilities							

BTPA Statutory Duties and how these are discharged

To consider the context, style and content of the Strategy against the current landscape	✓			Railways and Transport Safety Act sections 55	Before the beginning of each financial year the Authority shall set objectives for that year and issue a refreshed Strategy.	Draft objectives, draft Plan and operating context	BTP Analysis & Performance → Strategic Development Department / Territorial Policing / Central Operations → BTP Service Excellence Board → Force Executive Board BTPA Performance Review Group → Policing Plan Group → Police Authority
To ensure that there is stakeholder consultation and that cognisance of taken of responses	✓			Railways and Transport Safety Act sections 55	Before the beginning of each financial year the Authority shall issue a refreshed Strayegy.	Stakeholder feedback from the annual September Workshop Passenger/Union views research Feedback from written consultation on proposed national targets	Strategic Development Department → Service Excellence Board → Force Executive Board BTPA Policing Plan Group → Police Authority
Pensions Working Group							
Products							
Recommended governance structure of funds			✓				RPMI, Trustees of fund BTPA Pensions Working Group → Police Authority
Recommended de-risked investment strategy			✓				RPMI, Trustees of fund BTPA Pensions Working Group → Police Authority
Key Responsibilities							
This is a working group which was established to achieve the two specific objectives outlined it does any further responsibilities							

		BTPA Governance Structure						
		Proposed Model						
		Police Authority	Audit & Risk Committee	Appointments & Remuneration Committee	People and Standards Committee	Strategy and Planning Committee	Performance Review Committee	Finance Committee
BTP Governance Structure	Force Executive Board	Strategy						
		High level risk						
		Key decisions						
		Budgetary position review						
		Continuous improvement						
		Receive board reports						
	Service Excellence Board	Policing Plan Performance						
		Operational performance						
		Organisational performance						
		Strategic policing issues						
		Force-wide policy and direction						
		Creativity and innovation						
		Brief on financial/political/operational issues						
	Information Management Board	Force information strategy						
		DPA and FOI compliance						
		Compliance with HMG security policy framework and assurance standards						
		MoPI compliance						
	SIB	Change management and link to Strategy						
		Programme management						
	Corporate Delivery Board	Corporate Resources project management						
Corporate services performance:								
Health and Safety								
Finance								
Learning and Development Recruitment								
Integrity and Compliance Board	Provide assurance on integrity and counter corruption							
	Provide assurance on compliance							
	Data quality assurance							
	Monitoring audit actions and agreeing audit activity							
	Good practice/lessons learned identification							
	Effectiveness of internal business processes and control mechanisms							