

[22 June 2023] Agenda Pack / Audit and Risk Assurance Committee

MEETING
22 June 2023 10:30 BST

PUBLISHED
20 June 2023

WEBSITE

Agenda

Location
Hybrid meeting - BTPA Meeting Room, 2nd Floor , 25 Camden
Road, London, NW1 9LN

Date
22 Jun 2023

Time
10:30

	Item	Owner	Time	Page
1	Apologies	Chair	10:30	-
2	Declarations	All		-
3	Minutes	Chair		4
4	Actions	Chair		15
	Strategic Risk			-
5	Manchester Arena Inquiry Update Q4 2022/23	Assistant Chief Constable	10:40	17
6	Joint Update Risk Management Q4 2022/23	Head of Audit and Assurance	10:50	30
7	Joint Strategic Risk Register Q4 2022/23	Head of Audit and Assurance		36
	British Transport Police Authority			-
8	Chief Financial Officer's Report Q4 2022/23	Chief Financial Officer	11:05	56
9	Counter-Fraud Update Q4 2022/23	Chief Financial Officer	11:15	66
10	Financial Statements Period 14 (31st March 2023)	Chief Financial Officer	11:20	72
11	Draft BTPA Annual Report and Accounts 2022/23	Chief Financial Officer	11:25	85
12	BTPA Code of Governance Refresh 2023	Head of Governance and Compliance	11:40	198
13	Assurance Map	Chief Financial Officer	11:45	242
	British Transport Police			-
14	Deputy Chief Constable's Report Q4 2022/23	Deputy Chief Constable	11:50	245
	Internal Audit			-
15	Internal Audit Progress Report Q4 2022/23	Head of Internal Audit	12:00	256
15.1	Internal Audit Draft Annual Report and Opinion 2022/23	Head of Internal Audit		264
15.2	[Background Pack] Internal Audit - Travel Expenses			-

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	Item	Owner	Time	Page
15.3	[Background Pack] Internal Audit - Fixing the Fundamentals			-
15.4	[Background Pack] Internal Audit - Net Zero			-
15.5	[Background Pack] Internal Audit - A Force on the Move			-
15.6	[Background Pack] Internal Audit Report Supplement			-
	External Audit			-
16	Draft External Audit Completion Report	External Auditor	12:20	291
	Committee Governance			-
17	Committee Effectiveness Evaluation 2022/23	Board Secretary	12:35	321
18	Terms of Reference Refresh 2023	Board Secretary	12:45	329
19	Committee Workplan 2023/24	Chief Financial Officer	12:50	334
20	Any Other Business	All		-
21	Meeting Evaluation	Lord Jackson		-

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AUDIT AND RISK ASSURANCE COMMITTEE - ACTIONS

Item Ref	Date	Action	Owner	Due Date
1/2023	10 March 2023	Management Assurance Return 2022/23 to be submitted to Full Authority alongside mitigating actions to address Project Delivery <i>Moderate</i> rating.	Chief Financial Officer	Completed Management Assurance Return 22/23 approved by Full Authority on 29 March 2023
2/2023	10 March 2023	The Chair requested that key controls set out in the Strategic Risk Register should focus on mitigating measures that had been implemented in future iterations of the register	Head of Audit and Assurance	Completed Incorporated into commissioning/drafting of Strategic Risk Register
3/2023	10 March 2023	The Chair was supportive of Risk Deep Dive Schedule 2023/24 Option 2 and suggested its implementation be enhanced through delivery of risk training to all Full Authority Members	Chief Financial Officer	Completed BTPA Risk Workshop convened for 11 July 2023.
4/2023	10 March 2023	BTP/A to review whether the standing risk profile at each Committee meeting could be replaced with the more detailed strategic risk register entry for that Committee's owned risks, to encourage greater scrutiny of risk by owner Committees.	Chief Financial Officer	Completed Following discussion at Full Authority 29 March 2023 and Chairs' Forum 4 April a refreshed approach to oversight of risk has been implemented: each Committee sees detailed strategic risk register entry for its 'owned' risks and Committees with no 'owned' risks e.g. Scottish Railways Policing see strategic risk summary.
5/2023	10 March 2023	The Chair acknowledged the tight timeline but nevertheless challenged the Chief Financial Officer to aim for introduction of the new Cost Allocation Model in time for the 24/25 PSA Charges.	Chief Financial Officer	To be closed Strategy and Planning Committee received a Cost Allocation Model Progress report at its May 2023 meeting. Chief Financial Officer to confirm at ARAC 22 June 2023 likelihood of introduction of model in time for 24/25.

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AUDIT AND RISK ASSURANCE COMMITTEE - ACTIONS

6/2023	10 March 2023	The Chair noted she was supportive of the new counter-fraud reporting methodology but acknowledged BTP/A now risked over-reporting on fraud, and therefore BTP/A staff should establish an effective and streamlined reporting process as possible.	Chief Financial Officer	To be closed BTPA Chief Financial Officer/BTP Head of Audit and Assurance to provide verbal update at ARAC 22 June 2023.
7/2023	10 March 2023	The Chief Financial Officer noted the change of responsibility for counter-fraud to Force Professional Standards Department should be flagged with the Department for Transport.	Chief Financial Officer	Completed Head of Audit and Assurance convened a handover meeting between Department for Transport/Professional Standards Department on 11 April 2023.
8/2023	10 March 2023	The Chair requested that the Committee receive an update on the new PSD responsibility for fraud at its October 2023 meeting, after at least six months' operation.	Deputy Chief Constable	Completed Workplan updated
9/2023	10 March 2023	The Chair thanked the Assistant Chief Constable for his verbal update and requested that a written report on Manchester Arena Inquiry Q3 2022/23 be provided for the Committee as soon as possible	Assistant Chief Constable	Completed Report circulated to Members on 14 March 2023
10/2023	10 March 2023	The Board Secretary agreed to liaise with the GIAA Head of Internal Audit to ensure the Committee used best practice self-assessment tools.	Board Secretary	Completed GIAA highlighted NAO best-practice on 20 March 2023
11/2023	10 March 2023	In response to a question, the KPMG representative agreed to clarify an IFRS16-related query from the Chief Financial Officer prior to the end of March 2023	KPMG Representative	Completed KPMG contacted twice by email by Board Secretary prior to end-March 2023 to request clarification.

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Report to: Audit and Risk Assurance Committee
 Date: 22 June 2023
 Subject: BTPA Code of Governance Refresh 2023
 Sponsor: Head of Governance and Compliance
 Author: Board Secretary
 For: Decision

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1. Purpose of paper

- 1.1 To invite Audit and Risk Assurance Committee's feedback on proposed amendments to the BTPA Code of Governance prior to their consideration by BTPA Full Authority at its meeting on 28 June 2023.
- 1.2 To invite Audit and Risk Assurance Committee to endorse the proposed approach to BTPA Working Groups.

2. Background

- 2.1 The Full Authority refreshes its Code of Governance at least annually. The last refresh was conducted in June 2022 and focused on amendments to Committee terms of references. At that time, Members also noted a more comprehensive update regarding the Code's sections on Financial Management and Financial Delegations was forthcoming. These are dealt with under a separate report on this agenda.

3. Proposed Amendments: Committee Terms of References

- 3.1 **Performance and Delivery Committee.** At its 10 May 2023 meeting, PDC agreed that the amendments summarised at appendix 1 should be made.
- 3.2 **Strategy and Planning Committee.** No amendments are proposed.
- 3.3 **Scottish Railways Policing Committee.** No amendments are proposed.
- 3.4 **People and Culture Committee.** At its 7 June 2023 meeting, People Committee recommended that it be granted more explicit responsibility for overseeing Force leadership development; and for its membership target to be increased to five Members pending the scheduled appointment of up to seven Members of the Full Authority later in 2023.
- 3.5 **Appointments, Remuneration and Appraisal Committee.** A verbal update will be provided on any proposed changes following the Appointments Committee meeting on 21 June 2023.
- 3.6 **Audit and Risk Assurance Committee.** These are the subject of a separate report on your agenda.

4. Reference to Force Director of Finance and Commercial Services

- 4.1 On the departure of the Director of Finance and Commercial Services in May 2023, the Chief Constable decided to hold the post vacant pending a review of the role. An interim appointment to a new role of Director of Corporate Development was made whilst this review is being conducted. This is estimated to take no longer than six months.

- 4.2 This interim arrangement impacts on the Code, which has several references to the role of Force Finance Director – primarily the need for them to work closely with the BTPA Chief Financial Officer to ensure that the British Transport Police Fund is properly administered. The Code has noted to date that both BTPA Chief Financial Officer and Force Director of Finance and Commercial Services will have a Consultative Committee of Accountancy Bodies financial qualification¹.
- 4.3 BTPA Executive propose that the Code be amended to note that, in the event of the post of Force Director of Finance and Commercial Services being vacant, the Chief Constable be obliged to nominate another post holder to fulfil the functions ordinarily performance by a Director of Finance and Commercial Services.
5. Reference to a Code of Ethics
- 5.1 As per paragraph 1.5 of the Code, an Association of Police and Crime Commissioners Chief Executives (APACE) Policing Protocol exists which sets out which relevant persons (e.g. the Chief Constable) exercise what authority. APACE notified BTPA of amendments to the Policing Protocol made by the Home Office on 15 June 2023.
- 5.2 Whereas BTPA does not consider the Authority and the Chief Constable to be relevant persons under the Protocol, to date, where appropriate, relevant principles of the Protocol have been incorporated into the Code.
- 5.3 In line with this approach, it is recommended that Code paragraph 1.8.1 be amended (additional text underlined) as follows:
- [The Chief Constable is responsible for...] leading the Force in a way that is consistent with the Code of Ethics and the attestation made by all constables on their appointment and ensuring that it acts with impartiality.
6. BTPA Working Groups
- 6.1 The Code notes that BTPA may establish working groups as and when required, with their terms of references subject to approval by the Full Authority. The Code goes on to note that Working Groups will be reviewed annually as part of board effectiveness evaluation activity, as follows:
- 6.2 **Pension Working Group** had its terms of reference reviewed and approved by Full Authority on 29 March 2023.
- 6.3 **Stakeholder Engagement Working Group** was established in September 2022 and has yet to complete its first annual business cycle. BTPA Executive will therefore review the group during the 23/24 meeting cycle.
- 6.4 **Strategy Working Group**. SWG is concerned with the development of the Strategic Plan and last met in January 2022. Members are asked to agree that SWG be discontinued and reactivated, with a refreshed terms of reference, when the BTPA Strategic Plan 2028/2033 comes to be developed c. 2027.
- 6.5 **Innovation and Transformation Working Group** was established in March 2022 and has never met. In practice much of its proposed remit is being met by the Strategy and Planning Committee. Members are asked to approve that this working group be discontinued.

¹ That is, a financial qualification recognised by one of: ICAEW, ACCA, CIPFA, ICAS and Chartered Accountants Ireland.

6.6 For completeness, Members will recall that the Modernising Rail Industry Charges paper considered by the Full Authority in June 2022 made reference to a working group overseeing the development of a new Cost Allocation Model. This was never intended as a formal working group under the Code but rather, as has been the case, informal consultation of a number of Members on emerging CAM proposals. Members are asked to note therefore that there is no formal working group in existence.

7. Annexes 4 (Financial Management), 6 (Accounting Officer SLAs) and 7 (Scheme of Financial Delegations)

7.1 The Financial Governance and Ways of Working review in 2022 gathered stakeholder feedback on Annex 4: Financial Management, Annex 6: Accounting Officer Service Level Agreements and Annex 7: Scheme of Financial Delegations. There was a clear appetite from stakeholders for the annexes to be updated.

7.2 Deloitte recommended a substantial refresh to the annexes with the aim of simplification, removing duplication with other areas of the Code, the Chief Executive's AO memorandum and Chief Constable's delegation letter as far as possible and emphasising partnership working between BTP and BTPA. BTPA Chief Financial Officer and BTP Deputy Director Financial Control and Deputy Director Decision Support have discussed the refresh and most of the recommendations have been accepted.

7.3 The amended annexes are presented at appendix 2 and they represent wholesale replacement of the existing annexes. Annex 6 has been renamed 'Principles for Engagement'.

8. Recommendations

8.1 That Members,

- Review and endorse proposed amendments to BTPA Committees' terms of references, specifically,
 - 8.1.1 Amendments to Performance Committee's terms of reference shown at Appendix 1
 - 8.1.2 Amendments in principle to People Committee's terms of reference summarised at paragraph 3.4.
- Consider and endorse the proposal that the Chief Constable be obliged, under the Code, to nominate a post holder to fulfil the function of Director of Finance and Commercial Services during periods where that post is vacant.
- Consider and endorse the inclusion of reference to a Code of Ethics, as per the notification received from APACE regarding the Policing Protocol.
- Endorse the proposed approach to BTPA Working Groups.

9. Appendices

9.1 Appendix 1 – Performance and Delivery Committee Terms of Reference Amendments 2023/24

9.2 Appendix 2 – Refreshed Annex 4, Annex 6 and Annex 7

Performance and Delivery Committee

Purpose

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

Reporting

5.51 A digest of key issues arising at each meeting will be circulated to the Full Authority for information. The minutes of each Committee meeting will be reported to the next meeting of the Full Authority, with any reports or issues requiring the attention of the Full Authority highlighted by the Chair of the Committee.

Responsibilities

- Assessing financial reports, including performance against annual and medium-term financial plans and ensuring the effective review by the Authority of financial performance
- Assessing progress against delivery and spend on capital projects and major revenue schemes approved by the Authority in accordance with the scheme of delegation
- To assess and provide supportive challenge on BTP's operational and organisational performance and efficiency against criteria which are defined in the rolling strategic plan and Policing Plan(s), ~~(and supporting plans such as the people and estates strategy)~~ and refreshed annually to include operational and organisational, KPIs and outputs from external inspections.
- To have oversight of 'Legitimacy' with respect to BTP's use of its policing powers and service delivery,
- To have oversight of other business as usual operational indicators such as the use of Stop and Search and use of force ~~including, deployment of Taser and firearms to include delivery of mandatory training to maintain these capabilities~~
- Oversee BTP compliance with legislative requirements and guidance with respect to referral of cases to the IOPC, complaint and conduct handling and custody facilities.
- ~~Track trends in relation to public complaints, non-complaint investigations and investigations into civil claims and internal matters conducted by the Professional Standards Department (PSD) and make recommendations as appropriate.~~
- 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

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- Deep dive(s) of any risks referred to the Committee from the Audit and Risk Assurance Committee.

Meetings

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

Chair and Deputy Chair

5.53 The Chair and Deputy Chair of the Committee shall be appointed by the Chair of the Board.

Quorum

5.54 Half of Committee membership (where overall membership is an odd number, the quorum figure is rounded up e.g. membership of five = quorum of three.)

Membership

5.55 Up to five Members of the Full Authority

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Annex 4: Financial management

1. Introduction & purpose:

1.1 To enable the BTP and the Authority to effectively achieve its aims and objectives, a set of sound financial management policies are in place and it is important that the Chief Constable and Chief Executive work collaboratively to ensure they are strictly adhered to.

1.2 The purpose of this document is to set out the financial responsibilities of the Chief Executive, Chief Constable, Force Director of Finance and Commercial Services (or where the post is vacant, the Chief Constable nominee) and Authority Chief Financial Officer to the extent that they are not covered in respective Delegation Letters / Accounting or Additional Accounting Office Memorandums.

1.3 For this reason, these Financial Regulations should not be seen in isolation, but rather in conjunction with these, as well as the Framework Document and guidance such as HM Treasury's Managing Public Money and the Green Book. Nothing in this Annex is intended to override the requirements of HM Treasury's Managing Public Money.

2. Responsibilities:

2.1 The Chief Executive as Accounting Officer receives a delegation letter from the Department of Transport (DfT) outlining their delegated authority and overarching role and responsibility with regard to setting a capital programme and revenue budget to cover the requirements of the Authority and the Force and managing income and expenditure with support of the Authority's Chief Financial Officer and the Force's Chief Constable and Finance Director.

2.2 The Chief Executive appoints the Chief Constable as an Additional Accounting Officer, issuing them with a delegation letter outlining their delegated authority, in particular with regard to managing the budget and expenditure of the Force.

2.3 As well as the relevant delegation letter, the Financial Regulations are supported by a Scheme of Financial Delegation (annex 7) that specifies the limit(s) upon the authority delegated to each of the Chief Executive and the Chief Constable. The financial regulations are set out below, with links:

A. Financial Management, Planning and Control

[A1: Annual Accounts](#)

[A2: Revenue Budget and Reserves](#)

[A3: Capital and Major Revenue Schemes](#)

[A4: Virement](#)

B. Systems and Procedures:

[B1: Salaries, wages, pensions, gratuities and expenses](#)

[B2: Orders for Goods & Services](#)

[B3: Payment of Accounts & Purchase Cards](#)

[B4: Income](#)

[B5: Systems and Financial Systems](#)

[B6: Taxation](#)

C. Management of risk & Resources

[C1: Property, Fixed Assets and other Assets](#)

[C2: Banking Arrangements](#)

[C3: Insurance and Risk Management](#)

[C4: Internal Audit](#)

[C5: Anti-Fraud](#)

[C6: External Audit](#)

[C7: Anti Money Laundering](#)

[C8: Compensation payments](#)

[C9: Gifts and Hospitality](#)

[C10: Loans and sponsorship](#)

[C11: Intellectual Property](#)

[C12: Third party assets](#)

D. External Arrangements

[D1: Joint working arrangements](#)

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Annual Accounts

Annual Accounts: Key Responsibilities	
Force Director of Finance and Commercial Services	<ul style="list-style-type: none"> Draw up timetable for final accounts preparation in consultation with the external auditor and Authority Chief Financial Officer including preparation and review of different sections, DfT reporting requirements on Consolidation Pack and presenting accounts to Audit and Risk Assurance Committee and the Authority
	<ul style="list-style-type: none"> Consistently apply suitable accounting policies, complying with any specific accounts direction by DfT, the FReM and other legislation
	<ul style="list-style-type: none"> Make judgements and estimates on a reasonable basis
	<ul style="list-style-type: none"> Advise the Authority Chief Financial Officer of any proposed changes to the accounting policies, assessing any financial implication

Revenue and Capital Budget and Reserves

The revenue and capital budget shall be prepared in accordance with the requirements set out in HMT Managing Public Money and any DfT instructions and in two parts:

- the budget for the Force, managed by the Chief Constable; and
- the budget for the Authority retained by the Executive and managed by the Chief Executive

Revenue Budget: Key Responsibilities	
Chief Executive and Chief Constable	<ul style="list-style-type: none"> Prepare a medium term financial plan (5 year plan), recommending to the Authority effective financial and budget planning for the short, and medium term, ensuring it: <ul style="list-style-type: none"> reflects the Authority's consultations including efficiency plans plans for all known commitments, proposals for changes, or the introduction of new services, taking account of affordability presents a range of alternative financial planning scenarios based on assessed financial risk
Chief Constable	<ul style="list-style-type: none"> submit at least quarterly revenue and capital budget monitoring reports to the Authority with benefits tracking reporting (or its appropriate Committee).

	<ul style="list-style-type: none"> ensure accurate forecast of staffing levels, advising the Authority on budget provision to cover estimated staffing levels.
	<ul style="list-style-type: none"> ensure that total spending for policing remains within the overall resource allocation, affordability and DfT budget delegations. Alert Chief Executive of over/under spend and propose solutions.
	<ul style="list-style-type: none"> ensure that the revenue budget and capital programme proposals reflect the priorities outlined in the Policing Plan and Strategy.
Chief Executive	<ul style="list-style-type: none"> approve (in consultation with the Authority) revenue budget's and capital programme's general format, as proposed by the Chief Constable
	<ul style="list-style-type: none"> securing proper arrangements for the management of the Authority's revenue and capital budget, considering where appropriate, to adopt similar arrangements to those set out in these Financial Regulations more widely
	<ul style="list-style-type: none"> submit at least quarterly budget monitoring reports to the Authority (or its appropriate Committee).
	<ul style="list-style-type: none"> in consultation with the Chief Constable, establish a reserves policy, including a reasonable operational reserve for the Chief Constable
Authority	<ul style="list-style-type: none"> approve the medium term financial plan (5 year plan) ensuring it reflects effective financial and budget planning for the short and medium term and approve by the end of March of each year the total budget for the following financial year including the level of charges to be defrayed to the PSA holders.
Authority Chief Financial Officer and Force Director of Finance and Commercial Services	<ul style="list-style-type: none"> annually recommend a reserves policy to the Authority ahead of revenue and capital budget approval

Capital and Major Revenue Schemes

Once a capital project is included within the 5 -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.

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All evaluations shall be undertaken in line with project appraisal guidelines which fulfil Government accounting and policy requirements (including HMT Managing Public Money and Green Book), and shall include, inter alia, affordability, value for money and calculations to show the Net Present Value (NPV) and Internal Rate of Return (IRR) for each scheme as appropriate.

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.

Capital and Major Revenue Schemes: Key Responsibilities	
Authority Chief Financial Officer and Force Director of Finance and Commercial Services	<ul style="list-style-type: none"> create a joint report to accompany the evaluation and business case for schemes requiring Authority approval.
Chief Constable	<ul style="list-style-type: none"> prepare a 5-year capital programme and capital budget for Authority approval which reflects the priorities outlined in the Policing Plan and Strategy, forming the basis of discussions with DfT for allocation
	<ul style="list-style-type: none"> approve business cases for schemes that fall below the value for reporting to the Authority and annual business cases for rolling, replacement or refurbishment schemes
	<ul style="list-style-type: none"> in consultation with the Chief Executive, monitor capital and major revenue schemes and submit to the Authority: <ul style="list-style-type: none"> exception reports where a decision is required or to make Members aware of circumstances; and a post completion assessment report for all schemes approved by the Authority (including through life operating costs) excluding replacement schemes

Virements and Budget Transfers

Virement thresholds are detailed in the Scheme of Financial Delegations (Annex 7). A virement describes moving funds for a different purpose than originally budgeted (virements for government funded expenditure are not possible). A budget transfer describes moving funds for the same purpose, but changing its budget terms. Both are subject to adhering to Authority policy and aligning with Strategy and Policing Plan's objectives without materially prejudicing the achievement of them.

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Virements and Budget Transfers: Key Responsibilities

Chief Constable	<ul style="list-style-type: none"> authorise virements/budget transfers within thresholds and the amount set out in the Scheme of Financial Delegation that align with policy and do not increase net totals for revenue and capital budgets
Chief Executive	<ul style="list-style-type: none"> authorise virements/budget transfers within thresholds and the amount set out in the Scheme of Financial Delegation that align with policy and do not increase net totals for revenue and capital budgets

Salaries, wages, pensions, gratuities and expenses

Salaries, wages, pensions and gratuities: Key Responsibilities

Chief Constable	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> ensure secure and reliable payment of valid salaries, overtime, pensions, compensation and other emoluments due to existing and former employees, maintaining the necessary records and subject to any statutory provisions to the contrary, recover any overpayments
	<ul style="list-style-type: none"> ensure tax, superannuation and other deductions are made correctly and paid over at the right time to the relevant body and ensure full compliance with prevailing employment legislation including that relating to tax, superannuation, pensions and sickness benefit.
	<ul style="list-style-type: none"> pay all valid travel and subsistence claims being wholly, necessarily and exclusively incurred in the course of duties or financial loss allowance
	<ul style="list-style-type: none"> decide whether to make an imprest advance to an officer for expenses
	<ul style="list-style-type: none"> pay salaries, wages, pensions and reimbursements by the most economical means
	<ul style="list-style-type: none"> ensure payroll transactions are processed only through the payroll system

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	<ul style="list-style-type: none"> ensure that full records are maintained of payments in kind and properly accounted for in any returns to the HMRC
	<ul style="list-style-type: none"> ensure detailed Financial Instructions for dealing with payments to employees, to be agreed with the Authority Chief Financial Officer, are produced and signed and these shall be issued to all appropriate employees
Chief Executive	<ul style="list-style-type: none"> shall undertake the same responsibilities for staff of the Executive with regard to travel and subsistence.

Orders for Goods and Services

Orders for Goods and Services: Key Responsibilities	
Chief Constable	<ul style="list-style-type: none"> issue official orders through appropriate, approved channels for all work, goods or services to be supplied, except for utilities
	<ul style="list-style-type: none"> where urgent, oral orders can be placed and confirmed with a written order within 2 working days
	<ul style="list-style-type: none"> ensure all orders are appropriate and there is approved revenue or capital budget, which expenditure (including VAT) is accurately recorded against
	<ul style="list-style-type: none"> ensure payment is made only when goods and services have been received at the correct price, quantity and quality accordingly to the properly certified order
	<ul style="list-style-type: none"> ensure VAT is recovered where appropriate
	<ul style="list-style-type: none"> ensure arrangements are efficient, economical and effective and comply with DfT and Managing Public Money requirements
	<ul style="list-style-type: none"> ensure separation of duties between ordering and payment

Payment of Accounts & Government Procurement Cards

Government Procurement Cards are not to be used for any personal expenses that are not wholly, exclusively and necessarily incurred as a direct result of carrying out official police business. Government Procurement Card holders are responsible to order and pay for goods in accordance with the Government Procurement Card policy.

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Payment on Accounts & Government Procurement Cards: Key Responsibilities

Chief Constable	<ul style="list-style-type: none"> ensure financial procedures are in place with adequate separation of duties, with consultation with Force Finance Director, adhering to related policies from DfT and the Authority and in accordance with the Late Payment of Commercial Debts (Interest) Act 1988
Force Director of Finance and Commercial Services	<ul style="list-style-type: none"> keep Government Procurement Card policy and associated procedures up to date.

Income

Income: Key Responsibilities

Chief Constable	<ul style="list-style-type: none"> ensure income is identified, collected, recorded and receipted promptly and banked correctly without delay and with adequate separation of duties.
	<ul style="list-style-type: none"> retain an aged debtors listing and ensure all outstanding income is pursued until it is determined, in accordance with the scheme of delegation, as uneconomic to pursue, at which time make arrangements to write off
	<ul style="list-style-type: none"> ensure voluntary/unofficial funds are identified, collected and recorded correctly, and kept separate to BTP funds
Force Director of Finance and Commercial Services	<ul style="list-style-type: none"> ensure bank reconciliations and other key control accounts are reconciled on a timely and accurate basis and that sample testing is undertaken to ensure compliance
Chief Executive	<ul style="list-style-type: none"> ensure Police Service Agreements are in place and kept under review
	<ul style="list-style-type: none"> ensure charges for services provided are in accordance with the terms of the relevant Police Services Agreement, otherwise on the basis of recovering the full costs involved as per legislation and Managing Public Money

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	<ul style="list-style-type: none"> ensure charges for services provided are in accordance with the terms of the relevant Enhanced Police Services Agreement, otherwise on the basis of recovering the full costs involved as per Managing Public Money
Authority	<ul style="list-style-type: none"> approve annual PSA holder charges calculated by BTPA
	<ul style="list-style-type: none"> ensure Enhanced Police Service Agreements are in place and kept under review to ensure that they remain fit for purpose and comply with any overall policy
	<ul style="list-style-type: none"> approve procedures for writing off debts as part of the overall control framework of accountability and control

Grant in aid

Grant in aid: Key Responsibilities	
Chief Constable	<ul style="list-style-type: none"> ensure arrangements are in place to ensure that no grant in aid is received in advance of need
	<ul style="list-style-type: none"> ensure 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

Property, Fixed and other Assets

Property, Fixed and other Assets: Key Responsibilities	
Chief Executive	<ul style="list-style-type: none"> ensure secure custody of the title deeds of all property in the BTP Fund's ownership
Chief Constable	<ul style="list-style-type: none"> maintain an inventory of all properties leased or occupied by the Force
	<ul style="list-style-type: none"> maintain records of BTP's fixed assets
	<ul style="list-style-type: none"> arrange periodic physical checks of equipment and stores against relevant records by officers other than those responsible for their custody and control
	<ul style="list-style-type: none"> maintain a register or inventory of valuable, attractive and/or portable assets

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	<ul style="list-style-type: none"> ensure sound arrangements exist for security, issue and movement of assets including cash and valuable documents
	<ul style="list-style-type: none"> specify limits of cash or other holdings, which shall not be exceeded without prior permission
	<ul style="list-style-type: none"> other than land and buildings, ensure (unless inappropriate) selling assets is by public auction or competitive tender
	<ul style="list-style-type: none"> in consultation with the Force Finance Director, may dispose of redundant equipment with no net book nor market value to charitable organisations
	<ul style="list-style-type: none"> ensure Fixed Asset write offs are within the limits set out in the Scheme of Financial Delegation

Banking Arrangements

Banking Arrangements: Key Responsibilities	
Chief Constable	<ul style="list-style-type: none"> subject to approval from the Chief Executive, oversee the Force's banking arrangements and open or close any account
	<ul style="list-style-type: none"> ensure banking arrangements adhere to Managing Public Money's requirements and follows HMT's 'Departmental Banking: a Manual for Government Departments' and that the arrangements safeguard public funds, are efficient, economical and effective
	<ul style="list-style-type: none"> ensure imprest and advance accounts are used appropriately for petty cash and other expenses
	<ul style="list-style-type: none"> ensure effective controls for all banking arrangements including systems such as BACS and CHAPS
Chief Executive	<ul style="list-style-type: none"> determine principles in consultation with Force Finance Director and DfT when covert accounts need to be managed or created
Authority	<ul style="list-style-type: none"> approve requests to change banker

Insurance and Risk Management

Insurance and Risk Management: Key Responsibilities

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Chief Constable	<ul style="list-style-type: none"> • arrange insurance cover which adheres to the Authority approved policy
	<ul style="list-style-type: none"> • comply with the requirements of the insurers, including maintaining appropriate records, dealing with claims, and supplying information promptly as and when required
	<ul style="list-style-type: none"> • maintain effective risk management arrangements in accordance with Authority policies and maintain a strategic risk register which will identify evaluate and describe mitigation and management measures in relation to all the strategic risks listed.
	<ul style="list-style-type: none"> • 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.
Chief Executive	<ul style="list-style-type: none"> • maintain effective risk management arrangements in accordance with Authority policies and maintain a strategic risk register which will identify evaluate and describe mitigation and management measures in relation to all the strategic risks listed.

Systems and Financial Systems

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. 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 BTP Fund.

Systems and Financial Systems: Key Responsibilities

Chief Constable	<ul style="list-style-type: none"> • vary existing systems or commission new systems subject to consultations with the Force Finance Director and Internal Audit at the development stage as well as prior to implementation
	<ul style="list-style-type: none"> • ensure computerised financial systems (including any integration, interface, and interoperability) are secure, accompanied by up to date written instructions and comply with legislation such as the

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	requirements of the Data Protection Act 1984 as subsequently amended and the Government Information Assurance Standards
	<ul style="list-style-type: none"> ensure adequate internal controls exist and accounting records are properly maintained, retained over the timeframe required for audit and tax purposes, held securely and segregated
	<ul style="list-style-type: none"> ensure secure yet accessible back ups are in place for important systems

Internal Audit

Internal Audit: Key Responsibilities	
Audit and Risk Assurance Committee	<ul style="list-style-type: none"> agree and monitor a programme of work for Internal Audit to carry out.
	<ul style="list-style-type: none"> consider matters referred to them to consider disclosure of information deemed unsuitable by the Chief Constable
	<ul style="list-style-type: none"> in consultation with the Chief Constable or the Chief Executive, request Internal Audit undertake an urgent investigation into a specific area where this is considered to be warranted by special circumstances and amend the audit programme accordingly
Internal Audit service	<ul style="list-style-type: none"> have the right to access any document, information or explanation from any officer or member. Refer matters where information is considered unsuitable for sharing to the Audit and Risk Assurance Committee
	<ul style="list-style-type: none"> submit internal audit reports to the Chief Constable, Chief Executive and Audit and Risk Assurance Committee
Chief Constable	<ul style="list-style-type: none"> respond orally or in writing the action intended to address any recommendations and implement agreed actions within a reasonable time frame and be held to account by the Audit and Risk Assurance Committee

Taxation

Taxation: Key Responsibilities

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Force Director of Finance and Commercial Services	<ul style="list-style-type: none"> ensure timely completion of HMRC returns, regarding PAYE and VAT claims, and that due payments adhere with statutory requirements.
	<ul style="list-style-type: none"> ensure that the correct VAT liability is attached to all income due and that all VAT receivable on purchases complies with HMRC regulations
	<ul style="list-style-type: none"> shall provide details to the HMRC regarding the construction industry tax deduction Scheme
Chief Constable	<ul style="list-style-type: none"> ensure the completion of VAT claims, receipts and payments are made in accordance with statutory requirements.

Anti-Fraud

Anti-Fraud: Key Responsibilities	
Chief Executive	<ul style="list-style-type: none"> maintain a register of staff with any links or personal interests with suppliers/contractors, maintaining a segregation of duties if there is a conflict of interest, for staff of the Executive
	<ul style="list-style-type: none"> ensure Authority's policy relating to accepting gifts, loans of property and sponsorship is strictly adhered to for staff of the Executive
Chief Constable	<ul style="list-style-type: none"> ensure appropriate anti-fraud and whistleblowing procedures are in place to comply with any anti fraud and whistle blowing polices approved by the Authority
	<ul style="list-style-type: none"> maintain a register of staff with any links or personal interests with suppliers/contractors, maintaining a segregation of duties if there is a conflict of interest
	<ul style="list-style-type: none"> notify the Chief Executive, DfT, Chair of Audit and Risk Assurance Committee (who shall notify internal audit and external audit) of any frauds, corruption, financial irregularity and unusual or major incidents as soon as possible
	<ul style="list-style-type: none"> ensure Authority's policy relating to accepting gifts, loans of property and sponsorship is strictly adhered to

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	<ul style="list-style-type: none"> in consultation with the Authority Chief Financial Officer and the Force Finance Director, determine scope of any internal enquiries or investigations
	<ul style="list-style-type: none"> shall keep records of, and prepare and forward to the Chief Executive an annual report on fraud and theft suffered by the Force

External Audit

Both the Authority and the Force will, from time to time, be subject to audit, inspection or investigation by external bodies such as the External Auditors, HMIC and HM Revenue and Customs, who have statutory rights of access to all documents, facilities and information necessary for audit and inspection purposes.

External Audit: Key Responsibilities	
Chief Executive and Chief Constable	<ul style="list-style-type: none"> respond to issues arising from external audits
	<ul style="list-style-type: none"> implement agreed actions within a reasonable time frame and be held to account by the Audit and Risk Assurance Committee

Anti Money Laundering

To be alert to the possibility that the Force might become the subject of an attempted money laundering transaction, suspicious cash deposits in any currency in excess of £10,000 (or equivalent) should be reported to the National Crime Agency (NCA).

Anti Money Laundering: Key Responsibilities	
Authority Chief Financial Officer	<ul style="list-style-type: none"> as the nominated Money Laundering Reporting Officer, decide whether a particular transaction gives rise to a suspicion or concern and therefore should be reported to the NCA if over £10,000.
Authority Chief Financial Officer and Force Director of Finance and Commercial Services	<ul style="list-style-type: none"> ensure that within their respective organisations they undertake appropriate checks to ensure that all new suppliers and counterparties are bona fide

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All officers and staff of the Authority and Force	<ul style="list-style-type: none"> to inform the Authority Chief Financial Officer if they receive information which may result in them knowing or having reasonable grounds for knowing or suspecting money laundering, fraud or use of the proceeds of crime.
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Compensation Payments

Thresholds can be found in the Scheme of Financial Delegations (Annex 7).

Compensation Payments: Key Responsibilities	
Force Director of Finance and Commercial Services	<ul style="list-style-type: none"> approve non-significant compensation claims in line with Scheme of delegation

Claims will be considered non-significant if:

- they do not involve a high-profile claimant including National Police Chiefs' Council rank police officers
- there is no particular public interest in the case
- there is no real risk that the Authority or the Chief Constable will be exposed to serious public criticism, or serious weaknesses in the organisation's policies and procedures will be revealed.
- it is not in the nature of a test case
- it does not fall under any exception as per HM Treasury's Managing Public Money of DfT delegation

Gifts and Hospitality

Gifts and Hospitality: Key Responsibilities	
Authority Chief Financial Officer and Deputy Chief Constable	<ul style="list-style-type: none"> ensure all gifts of money and other property received by anyone within the Authority or Force are properly recorded in the financial statements
Deputy Chief Constable	<ul style="list-style-type: none"> ensure registers are maintained for the Authority and Force recording all gifts of money and other property
Chief Constable	<ul style="list-style-type: none"> refer all gifts above £10,000 to the Authority for approval

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Head of Professional Standards	<ul style="list-style-type: none"> issue advice and guidance on the acceptance of gifts and hospitality
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Loans and sponsorship

The total value of loans and sponsorship accepted should not exceed a maximum equivalent value of 1% of the Force annual Net Budget Requirement.

Loans and sponsorship: Key Responsibilities	
Authority Chief Financial Officer and Deputy Chief Constable	<ul style="list-style-type: none"> ensure all sponsorship and loans of other property received by anyone within the Authority or Force are properly recorded in the financial statements
Authority or Chief Constable	<ul style="list-style-type: none"> may accept loans and sponsorship from any source which has genuine, well-intentioned reasons for wishing to support specific police projects, recognising they may expect some publicity or acknowledgement in return. This is acceptable provided that it does not detract from the purpose of the supported project

Intellectual Property

Any intellectual property created by an officer or member of staff of the BTPA or the BTP during the course of their employment is deemed to belong to the BTPA or the BTP and not the officer or member of staff. Examples of intellectual property are the creation of specific pieces of computer software, particular inventions or written solutions to managerial or operational problems.

In the event that the BTPA or the BTP decides to commercially exploit intellectual property, matters should only proceed after taking appropriate legal advice to ensure that the BTPA or the BTP's rights in the intellectual property are properly protected by patents for example.

Intellectual Property: Key Responsibilities	
Authority Chief Financial Officer and Force Director of Finance and	<ul style="list-style-type: none"> ensure satisfactory and appropriate accounting arrangements are adopted relating to Intellectual Property
	<ul style="list-style-type: none"> consult Chief Executive as to the overall governance arrangements and legal issues

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Commercial Services	
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Third Party Assets

Third Party Assets: Key Responsibilities	
Chief Constable	<ul style="list-style-type: none"> exercise a duty of care and safeguard third-party assets or private property of an individual (e.g. a suspect in custody)
	<ul style="list-style-type: none"> determine procedures for the safekeeping of third-party assets, other than a member of staff, under her/his guardianship or supervision and ensure that these procedures are drawn to the attention of all appropriate officers and members of staff.
All officers and staff	<ul style="list-style-type: none"> notify the Chief Constable in the case of loss or diminution in the value of such private property.

Joint working arrangements

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

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

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

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ANNEX 6: Principles for Engagement

1. Scope & Purpose

1.1 This document is in place to recognise the breadth of services and information sharing the Authority and BTP rely on each other for in fulfilling their respective duties and responsibilities. The purpose of this document is to formally set out a framework for engaging with one another in this context, and in doing so, the importance of reflecting principles of trust, openness and transparency.

1.2 In order for both BTP and the Authority to serve as an enabler for both organisations in their respective duties it is critical that the two act in partnership, recognising the Authority requires sufficient independence to be an effective oversight body and that the Chief Constable has operational independence.

1.3 The Authority will regularly ask BTP for data and information, required to enable the Authority to fulfil its statutory duties as an oversight body, and often to provide information to wider Government or appropriate third parties e.g. actuary. The Authority relies on BTP to engage with these in an open, transparent and timely manner.

1.4 Many of these requirements are known and the Authority will engage with BTP with sufficient notice when responding to these. Where the Authority receives requests for information with little notice, often due to their nature, the Authority asks that BTP prioritises providing the data required as appropriate to support the Authority respond effectively and on time.

1.5 BTP provide a number of corporate and transactional services on behalf of the Authority, such as invoicing and provision of IT equipment and support. For the purpose of these services, the Authority will be regarded as a business unit alongside wider BTP business units and therefore subject to the same service levels and processes, except where there is an agreed reason for why these do not apply. Where needed, BTPA should attend training from BTP to ensure a consistent approach. The assumptions underpinning the engagement regarding these corporate services is outlined below.

2. Corporate Services

2.1 In practice, when providing corporate services to the Authority, BTP will by default apply the same policy for a given activity as those that apply to other business units within the Force itself. These services are outlined below, with a link to the applicable policy. There will be some instances where the Authority is subject to a slightly different process or carries an exemption in some part and where known, these are outlined below.

2.2 Services and link to the policy portal are set out below:

- [Finance](#)
- [Payroll](#)
- [Recruitment](#)
- [Health and Safety](#)
- [Technology](#)
- [Commercial](#)
- [Contract Management](#)
- [Estates](#)
- [Communications](#)
- [Legal & regulatory](#)

2.3 Exceptions to these policies that exist for the Authority are set out below:

- Recruitment – including where BTPA have a statutory duty

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- Finance – approval of BTPA budget and forecasting by the Authority
- Communications – BTPA website and communications

3. Information requirements

3.1 BTP and the Authority will also work collaboratively to share information. There is a range of supporting material that codifies how BTP and BTPA will work together to in a number of specific areas, and in particular financial management. These documents are both internal and external facing and include the following:

- Individual Service Level Agreements (SLAs) between BTP and the Authority for those activities for which there is a case for and that benefit from having one (for example PSA Charging Model and PSD)
- BTPA Chief Executive and BTP Chief Constable delegation letters, setting out the role and responsibilities as Accounting Officer and Additional Accounting Officer respectively and approvals required from DfT, Cabinet Office and HM Treasury
- The Code of Governance including Annex 4: Financial Management of the Code of Governance, setting out financial regulations and responsibilities in more detail
- Other external guidance and material, including but not limited to HM Treasury’s Managing Public Money, the Financial Reporting Manual (FRM) and Cabinet Office Controls.

3.2 Appendices A and B contain the Accounting Officer Memorandum and Additional Accounting Officer Memorandum respectively.

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Appendix A

THE BRITISH TRANSPORT POLICE AUTHORITY ACCOUNTING OFFICER MEMORANDUM

Issued to the Chief Executive by the Accounting Officer of the Department for Transport

Background

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

responsibility and that you will only intervene if a major issue of propriety, regularity or prudent and economic administration makes it necessary for you to do so. In particular, you will not be accountable for the Chief Constable's decisions on matters of policing.

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

Main duties

8. As Accounting Officer of the Authority, you have the personal duty of signing the accounts. By virtue of this duty, you also have the further duty of being a witness before the Committee of Public Accounts (PAC) to deal with questions relating to your responsibilities arising from those accounts or, more commonly, from reports made to Parliament by the Comptroller and Auditor General (C&AG) under the National Audit Act 1983. It is an important principle that, regardless of the source of the funding, you are responsible to Parliament for the resources under your control.
9. Associated with these duties are the further responsibilities that are the subject of the remainder of this letter. It is incumbent upon you to combine these duties with your duties to the Members of the Authority. More detailed guidance on this can be found in Managing Public Money.

Responsibilities of the Accounting Officer of the Department for Transport

10. It is the responsibility of the Accounting Officer of the Department for Transport (the Department) to be satisfied that:
 - i. the financial and other management controls applied by the Department are appropriate and sufficient to safeguard public funds and, more generally, that those being applied by the Authority conform with the requirements both of propriety and of good financial management;
 - ii. there is an adequate statement of the financial relationship between the Department and the Authority (in the Framework Document) and that this statement is regularly reviewed; and
 - iii. the conditions attached to grants and loans conform with the terms of the Vote and the Department monitors compliance with those conditions.

General responsibilities

11. 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.
12. 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

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considerations are fully taken into account in decisions on Authority policy proposals.

Specific responsibilities

13. The essence of your role as Accounting Officer is a personal responsibility for the propriety and regularity of the public finances for which you are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the resources in your charge. As Accounting Officer you must:
- i. personally sign the accounts, and in doing so accept personal responsibility for their proper presentation as prescribed in legislation or by Ministers;
 - ii. conform with relevant requirements of the Framework Document) and ensure that accounts are drawn up in accordance with any conditions set out in legislation, the Accounts Direction and relevant Treasury guidance;
 - iii. ensure that proper financial procedures are followed and that accounting records are maintained in a form suited to the requirements of management as well as in the form prescribed for published accounts;
 - iv. ensure that the resources for which you are responsible as Accounting Officer are properly and well managed (see paragraph 15 below) and safeguarded, with independent and effective checks of cash balances in the hands of any official;
 - v. ensure that assets for which you are responsible such as land, buildings or other property, including stores and equipment are controlled and safeguarded with similar care, and with checks as appropriate;
 - vi. ensure that conflicts of interest are avoided, whether in the proceedings of the Members of the Authority or in the actions or advice of its staff, including yourself, or those of the Force; and
 - vii. ensure that, in the consideration of policy proposals relating to the income and expenditure for which you are responsible as Accounting Officer, all relevant financial considerations, including any issues of propriety, regularity or value for money, are taken into account, and brought to the attention of the Members of the Authority.
14. As Accounting Officer you should ensure that effective management systems appropriate for the achievement of the Authority's objectives, including financial monitoring and control systems have been put in place. You should also ensure that managers at all levels:
- i. have a clear view of their objectives, and the means to assess and, wherever possible, measure outputs or performance in relation to those objectives;
 - ii. are assigned well defined responsibilities for making the best use of resources (both those consumed by their own commands and any made available to organisations and individuals outside the Authority or the Force), including a critical scrutiny of output and value for money; and
 - iii. have the information (particularly about costs), training and access to the expert advice which they need to exercise their responsibilities effectively.
15. 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

16. 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.
17. 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

18. As Accounting Officer you have particular responsibility to see that appropriate advice is tendered to the Members of the Authority on all matters of financial propriety and regularity relating to the activities of the Authority, and more broadly as to all considerations of prudent and economical administration, efficiency and effectiveness. You will need to determine how and in what terms such advice should be tendered, and whether in a particular case to make specific reference to your own duty as Accounting Officer to justify to the PAC transactions for which you are accountable.
19. The Members of the Authority should act in accordance with the requirements of propriety and regularity (including the provisions of the Framework Document, or any rules in Managing Public Money or elsewhere governing the conduct of the Authority as a non-departmental public body). If the Members or the Chairman contemplate a course of action involving a transaction by the Authority which you as Accounting Officer consider would infringe these requirements, you should set out in writing your objection to the proposal, the reasons for this objection, and your duty to notify the C&AG should your advice be overruled. If the Members or Chairman decide nonetheless to proceed, you should seek a written instruction to take the action in question. You should also inform the Department's Accounting Officer of the position, if possible before the decision is taken or in any event before it is implemented, so that the Department, if it considers it appropriate, can intervene with the Authority and inform the Treasury. If the outcome is that you are overruled, the instruction must be complied with, but your request for the instruction and the instruction itself should be communicated without delay to the C&AG. Provided that this procedure has been followed, the PAC can be expected to recognise that you bear no personal responsibility for the transaction.
20. 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

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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).

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

Appearance before the PAC

22. 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.
23. 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.
24. 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.
25. 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.
26. 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

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accurately briefed on matters which are likely to arise at the hearing. You may, however, ask the PAC for leave to supply information not within your immediate knowledge by means of a later note. Should it be discovered subsequently that the evidence provided to the PAC has contained errors; these should be made known to the committee at the earliest possible moment.

27. 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 it's 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

28. 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.
29. 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.
30. The PAC may be expected to postpone a hearing if the relevant Accounting Officer is temporarily indisposed.
31. 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.

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Appendix B

THE BRITISH TRANSPORT POLICE ADDITIONAL ACCOUNTING OFFICER MEMORANDUM

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

Background

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

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

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

Main duties

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

Responsibilities of the Accounting Officer of the Department for Transport

10. My responsibility as Accounting Officer derives from my appointment by the Accounting Officer of the Department for Transport (the Department). It is her/his responsibility to be satisfied that:
 - i. the financial and other management controls applied by the Department are appropriate and sufficient to safeguard public funds and, more generally, that those being applied by the Authority conform with the requirements both of propriety and of good financial management;
 - ii. there is an adequate statement of the financial relationship between the Department and the Authority (in the Framework Document), and that these statements are regularly reviewed; and
 - iii. the conditions attached to grants and loans conform with the terms of the Vote and the Department monitors compliance with those conditions

General responsibilities

11. 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.
12. 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.

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Specific responsibilities

13. 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.

14. As Additional Accounting Officer you must, jointly with me as Accounting Officer of the Authority:
 - i. conform with relevant requirements of the Framework Document and ensure that accounts are drawn up in accordance with any conditions set out in legislation, the Accounts Direction and relevant Treasury guidance; and
 - ii. ensure that proper financial procedures are followed and that accounting records are maintained in a form suited to the requirements of management as well as in the form prescribed for published accounts.

15. 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.

16. As Additional Accounting Officer you should ensure that effective management systems appropriate for the achievement of the Force's objectives, including financial monitoring and control systems have been put in place. You should also ensure that managers at all levels:
 - i. have a clear view of their objectives, and the means to assess and, wherever possible, measure outputs or performance in relation to those objectives;
 - ii. are assigned well defined responsibilities for making the best use of resources (both those consumed by their own commands and any made available to organisations and individuals outside the Force), including a critical scrutiny of output and value for money; and
 - iii. have the information (particularly about costs), training and access to the expert advice which they need to exercise their responsibilities effectively.

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17. 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

18. 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.
19. 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

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

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responsibility for the transaction.

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

Appearance before the PAC

24. 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.
25. 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.
26. 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.
27. In practice, you will normally have delegated authority to others, but you cannot on that

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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.

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

30. 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.
31. 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.
32. The PAC may be expected to postpone a hearing if the relevant Additional Accounting Officer is temporarily indisposed.

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Annex 7: Scheme of Delegations

1. BTPA's Scheme of Delegation

1.1 The table below sets out the financial and procurement approval authority held by the Authority's Chair and Chief Executive with respect to BTPA spend. It provides guidance for and BTP as to the extent of approval required depending on the nature of spend and should be used to identify and proactively engage with the respective approver on a given item of spend.

1.2 [HM Treasury Managing Public Money](#) / DfT / [Cabinet Office approval requirements](#) / [Cabinet Office Contracts Finder](#) should be read in conjunction with this table. The definitions, characteristics of spend covered and requirements differ. BTPA must comply with all.

2. BTP's Scheme of Delegation

2.1 The table below sets out the financial and procurement approval authority held by the Authority's Chair, Chief Executive and Chief Constable with respect to BTPA expenditure. It provides guidance for and BTP and BTPA as to the extent of approval required depending on the nature of spend. It should be used to check and identify the approval requirements for each of the following items, in order to plan for the process involved and proactively engage with the Authority on items that exceed the delegation of the Chief Constable. In addition, where spend carries a high impact / risk or public interest, for example novel approaches that change delivery models, the Chief Constable should consult with the Authority's Chair and Chief Executive even if limits are not reached.

2.2 [HM Treasury Managing Public Money](#) / DfT / [Cabinet Office approval requirements](#) / [Cabinet Office Contracts Finder](#) should be read in conjunction with this table. The definitions, characteristics of spend covered and requirements differ. BTP and BTPA must comply with all.

3. DfT Specific Requirements for both Financial and Procurement Authority

3.1 The table below outlines thresholds and characteristics that define whether BTP and BTPA are required to seek approval from DfT and / or Cabinet Office, in addition to BTP or BTPA approvals outlined in their respective Scheme of Delegations. It provides guidance for BTP and BTPA as to when DfT or Cabinet Office will need to be engaged and it should be used in order to plan for the process involved and likely timescales required in doing so.

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ANNEX 7: Scheme of Financial Delegations

All delegated amounts are inclusive of VAT, where applicable.

BTPA's Scheme of Delegation

Approved By	Authority	Chief Exec	Notes
Capital Projects *			<p>* All Project Business Cases must be whole life costs</p> <p>** 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)</p>
All Projects Business Cases must be whole life costs			
Final Approval for Projects in the Capital programme (which is within the agreed Capital DEL and in the MTFP including cyclical capital spend)	Over £50k	Up to £50k	
Projects exceeding Capital budget will need to gain approval by the original authorising body except where this breaches their level of authority and does not exceed the Capital 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 chief officers in excess of the approved budgeted amount.	Over £25k	Up to £25k	

Approved By	Authority	Chief Exec	Notes
Banking Arrangements			
Invest cash in accordance with an Authority approved policy (except interest on bank balances)	Over £1m	Up to £1m	* 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.
Individual Redundancy Payments*			
Within approved scheme (chief officers)	All	N/A	
Within approved scheme	Over £50k	Up to £50k	
Outside approved scheme	All	N/A	
Ex-gratia payments #			# Because of tighter restrictions now in place from DfT all Ex-gratia payments must now be approved by DfT (who will liaise with HM Treasury as appropriate). An ex-gratia payment is a payment made in circumstances where there is no legal obligation to make such a payment. An example of an ex gratia payment would be where a police officer were recompensed for damage done to personal property in the execution of her/his duty or to a member of the public for providing assistance to a police officer in the execution of her/his duty.
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 **			** Write offs can be for one off items but must be aggregated if a number are to be written off together. Do not avoid higher authorisation by doing numerous one off write offs.
Tangible & Non Tangible Assets with a book value	Over £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	

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Approved By	Authority	Chief Exec	Notes
Procurement Authority * # (All limits are for total Contract Value)			Where the value of a contract is required to increase in value by more than 15%, approval
Acceptance of a bid and signing of contracts after competitive tender for revenue and capital contracts with the exception of any contract, regardless of its value, felt to be of a novel, contentious or exceptional nature	Over £50k	Up to £50k	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.
Acceptance of a bid and signing of contracts for a revenue or capital project contract without competitive tendering with the exception of any contract, regardless of its value, felt to be of a novel, contentious or exceptional nature	Over £50k	Up to £50k	* Contracts including Framework Agreements
Signing of contracts	Over £500k	Up to £500k	# 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)

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BTP's Scheme of Delegation

Approved By	Authority	Chief Exec	Chief Constable	Notes
Capital Projects *				* All Project Business Cases must be whole life costs
Final Approval for Projects in the Capital programme (which is within the agreed Capital DEL and in the MTFP including cyclical capital spend)	Over £500k	Up to £500k	Up to £250k	
Projects exceeding project budget will need to gain approval by the original authorising body except where this breaches their level of authority and does not exceed the Capital budget.	All Projects where expenditure was or is increased above £500k	Up to £500k	Up to £250k	
Revenue Expenditure** Total Revenue spend in the approved Revenue budget				** 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 its satisfies the following conditions:
Emergency spend or Virement (defined as where funds will be used for a different purpose than originally budgeted) but still within overall approved Budget spend this does not include Budget Transfers defined as funds used for same purpose but moved in budget terms and reported 4 weekly	Over £250k	Up to £250k	Up to £125k	the revenue budget and capital budget net totals are not increased;
Pay Awards #				the future commitments falling to the Authority are not increased by more than £100k;
Implementation of pay awards for police officers and staff and ACPO officers in excess of the approved budgeted level.	Over £250k	Up to £250k	Up to £125k	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

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Approved By	Authority	Chief Exec	Chief Constable	Notes
Banking Arrangements				* Because of tighter restrictions now in place from Cabinet Office/DfT all Redundancy payments must gain Cabinet Office agreement BEFORE any redundancy is offered to staff and must be approved by DfT and submitted through the Chief Executive. Sign off by the appropriate BTP/Authority authoriser prior to Cabinet Office or DfT approval.
Invest cash in accordance with an Authority approved policy (except interest on bank balances)	Over £1m	Up to £1m	Up to 500k	
Individual Redundancy Payments*				** In accordance with the DfT Delegation letter ALL special payments to staff require HMT approval. *** Consolatory Payments (ex gratia payments) to individuals in respect of incidents which do not involve financial loss. e.g. stress, inconvenience, embarrassment etc. They are a form of special payment, as defined by Managing Public Money (annex 4.13 – Special Payments). Due to the size of the amounts involved, Treasury approval is not required for any payment up to £500, which is not novel, contentious or repercussive, and which is within the delegated authority limit for ex-gratia payments. Given that there is no measure of financial loss in assessing consolatory payments, any such payment over £500 is liable to be novel and contentious by its nature and as such would require Treasury approval in most cases, even if the level of payment is within the delegated authority limit for ex gratia payments for the department or agency concerned.
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	
Special severance payments to staff **	All	N/A	N/A	
Ex-gratia payments *				
Ex-gratia payments – Consolatory payments to individuals in respect of incidents which do not involve financial loss ***	Up to £500	Up to £250	N/A	
Ex-gratia payments to staff or former members of staff only not covered by the above delegation (subject to DfT and HMT approval)	All	N/A	N/A	
Ex-gratia payments and special payments to third parties	All	N/A	N/A	
Special Payments - Compensation payments are made to provide redress for personal injuries, traffic accidents, damage to property etc. suffered by employees, customers or others	Over £50k	Up to £50k	Up to £10k	
Contracts for sale of redundant fixed assets				
Acceptance of highest bid after competitive tender	Over £250k	Up to 250k	Up to 100k	

Approved By	Authority	Chief Exec	Chief Constable	Notes
Write-offs				Write offs can be for one off items but must be aggregated if a number are to be written off together. Do not avoid higher authorisation by doing numerous one off write offs.
Tangible & Non Tangible Assets with a book value	Over £50k	Up to £50k	Up to £5k	
Debtor and creditor Accounts (including EPSAs)	Over £50k	Up to £50k	Up to £5k	
Payroll & Pensions Accounts	Over £50k	Up to £50k	Up to £5k	Because of tighter restrictions now in place from DfT all Ex-gratia payments must now be approved by DfT.
Procurement Authority * (All limits are for total contract Value)				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
Acceptance of a bid and signing of contracts after competitive tender for revenue and capital contracts with the exception of any contract, regardless of its value, felt to be of a novel, contentious or exceptional nature 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 with the exception of any contract, regardless of its value, felt to be of a novel, contentious or exceptional nature	Over £250k	Up to 250k	Up to 100k	
				# 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)

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Finance & Procurement DfT Specific Requirements

DfT Specific Requirements for both Financial & Procurement Authority		
		DfT & Cabinet Office (see link for all thresholds)
Advertising & Marketing (including research)	Up To £10k	DfT above £10k Cabinet Office above £100k (or as updated)
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 See link for Cabinet Office
Non-operational Property costs (including lease changes, sale & new leases).	Up to £100k	Operational premises exemption will be sought on a case by case basis Non-operational property e.g. FHQ and PSD York require 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.

DfT Specific Requirements for both Financial & Procurement Authority		
Procurement		Central Government Departments, including their Arm's Length Bodies (ALBs), must commit volume spend and buy from centrally sourced contracts and approved frameworks for all common goods and service categories covered by central procurement strategies
Operational excellence – Shared Services		Once the Shared Services strategic operating model and plan is published, Departments and ALBs will be asked to develop a strategy for future delivery 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. Departments will also be asked to spend in a way that is consistent with this Shared Services strategies, across all levels of spend.
Moving Services online		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.
Identity Assurance		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.
Major Projects		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.
Strategic Supplier Management		Approval by the relevant Crown Representative (CR) is needed for certain proposed spend

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Report to: Audit and Risk Assurance Committee
 Date: 22 June 2023
 Subject: Assurance Map Update
 Sponsor: Kenna Kintrea, Chair
 Author: Chief Financial Officer
 For: Information

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1 Purpose

1.1 To update the ARAC with the latest Assurance Map.

2 Background

2.1 In accordance with the 22/23 ARAC workplan, the Assurance Map is a standing agenda item.

3 Updates

3.1 The Assurance Map has been updated with the latest GIAA deliverables and other relevant items.

3.2 The assurance rating for any completed audit work has been included.

3.3 All Strategic Risk Deep Dive review dates have been included.

4 Recommendations

4.1 The committee is requested to take note of the updates in the Assurance Map.

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Assurance Map

	Technology	Cyber and Data Security	Recruitment & Retention	Income (Financial Control and Planning)	Partnership Working	Change Management	Major Incidents	Legitimacy	Health, Safety & Wellbeing
3rd Line of Defence	22/23 GIAA IT resilience & technology function (Substantial)	21/22 IT Health Check	22/23 GIAA Inclusion & Diversity audit (Moderate)	22/23 GIAA Review of the travel expenses regime and system (Limited)	21/22 GIAA Strategic Workforce audit (Limited)	HMICFRS Organisational Assessment Inspection - Oct 2022	22/23 GIAA Organisational learning – Manchester Inquiry Advisory Report	HMICFRS Inspections: Public Treatment Inspection - May 22, Organisational Assessment Inspection - Oct 22 and Vetting Inspection 23	22/23 GIAA Physical Security (Limited)
	20/21 IT Health Check	21/22 GIAA Data Governance & Integrity (Moderate)	21/22 GIAA Payroll audit (Moderate)	22/23 GIAA IFRS 16 - Leases (Moderate)	20/21 GIAA EPSA audit (Moderate)	22/23 GIAA Strategic Change – ‘Force on the Move’ embedded assurance (Moderate)	HMIC CT4 Inspection	22/23 GIAA Diversity & Inclusion (Moderate)	20/21 GIAA H&S Audit (Moderate)
	21/22 IT Health Check	20/21 GIAA Audit- Cyber (Limited)	21/22 GIAA Strategic Workforce audit (Limited)	21/22 NAO External Audit	19/20 GIAA Charging model audit (Moderate)	22/23 GIAA Net Zero Strategy & Governance (Moderate)	HMIC CT5 Inspection	21/22 HMIC Victim Service Inspection	19/20 T&T culture audit
	20/21 GIAA IT Assets (Covid-19) - Advisory	20/21 IT Health Check	20/21 GIAA Recruitment audit (Moderate)	21/22 GIAA Commercial Audit (Substantial)	19/20 HMIC Disruption	21/22 GIAA Estates audit (Moderate)	HMIC Covid-19 National Thematic Inspection	20/21 HMIC Protest Policing National Thematic Inspection	AWE Radiation Assmt
	HMICFRS Organisational Assessment Inspection - Oct 2022	19/20 GDPR audit (Substantial)	19/20 GIAA Payroll audit (Moderate)	21/22 GIAA Period-end Audit (Moderate)	HMICFRS Serious & Organised Crime Inspection - July 2022	21/22 GIAA Trfm'n audit (Moderate)	Manchester Arena Inquiry Volume 1: Security for the Arena 17/06/21 Volume 2: Emergency Response 03/11/22 Volume 3: Radicalisation and Recruitment 03/03/23	19/20 HMIC Custody	HMICFRS Organisational Assessment Inspection - Oct 2022
	2022 ITHC (Information Technology Health Check) accreditation	22/23 EY Cyber Security Review	HMICFRS Organisational Assessment Inspection - Oct 2022	20/21 GIAA Accruals Audit (Moderate)		20/21 GIAA Trfm'n audit (Moderate)	Kerslake Report	MOPAC ICV	
		2022 ITHC (Information Technology Health Check) accreditation		20/21 GIAA Fixed Assets audit (Moderate)		20/21 GIAA IT Assets (Covid-19) - Advisory	HMIC CT6 Inspection	IOPC reviews	
				20/21 GIAA E-expenses audit (Limited)		19/20 GIAA Decision Making & Approvals audit (Moderate)		HO Crime data reviews	
				NAO external audit and control recommendation follow-up		19/20 GIAA Efficiencies audit		PND audits by national body - annual	
				19/20 GIAA Contract mgmt audit (Limited)		HMICFRS Organisational Assessment Inspection - Oct 2022		Scheme assessment over PND	
				Annual DFT review of CF standard compliance Actuarial valuations				Sensitive Intelligence Network annual	
				19/20 GIAA Charging model audit (Moderate)				IPCO inspection (comms data) - annual IPCO inspection (covert) - annual	
				HMICFRS Organisational Assessment Inspection - Oct 2022				Undercover accreditation - annual	
			22/23 GIAA Sustainability				UKAS ISO 17025 and 17020 - annual (crime scene, fingerprints etc) Independent member attendance at BTP Independent Advisory Forums		
2nd Line of Defence	MPS Peer review	Information Board - exceptions to ARIC	FAB Oversight of Payroll	FAB dashboard and controls review	Workforce planning board	PCIB	CONTEST board	Use of Force Board	Central H&S Committee
	Consultants aiding tech fixes	Information Assurance Board - exceptions to ARIC	Workforce planning board	Strategic Commercial Board	Crime data audits	Change Board	Civil Contingencies Board	Seized assets at ARIC	ARIC exceptions review
	MAR	BC/DR Board, exceptions to ARIC	MAR	ARIC Exceptions from FAB	Force Performance Board	MAR	Strategic Risk Deep Dive - Mar 22	Driving standards at ARIC	MAR
	Strategic Risk Deep Dive - Mar 22	Physical security checks - ARIC	Strategic Risk Deep Dive - Sep 22	Fraud Action Plan at ARIC	MAR	Strategic Risk Deep Dive - Mar 23		Captor audit regime	RM3 assurance
		MAR		Strategic Risk Deep Dive - Mar 23	Strategic Risk Deep Dive - Jun 22			Crime data audits	Strategic Risk Deep Dive - Nov 22
		Strategic Risk Deep Dive - Jun 22						Review of OOC disposals	
								EDI Board	
								Strategic Risk Deep Dive - Jun 22	
Committees (1st Line of Defence)	ARAC - oversight of tech issues	ARAC - Cyber Strategy at June 21 ARAC	Annual Leave / TOIL / RDIL at Sep 21 ARAC	PDC in year financial review	PDC review of Policing Plan, incl joint working initiatives	Review of change prog budgets at PDC	Presentation to Sep 21 ARAC	Legitimacy overview at Sep 21 PDC, ongoing prof'm review	Health & Safety Assur Statem't to People C'ee
			People & Culture Committee	ARAC - Control deficiencies	CEO update to members covering stakeholder engm't	SPC - review change programmes	Ongoing review of MAI at ARAC	People & Culture Committee	CHSC Exceptions to ARAC (via DCC report)
				ARAC - reserves	Scotland Committee	Estates Board - BTPA			Assurance Paper to Authority
				Pensions Working Group	Stakeholder Engagement Working Group				People & Culture Committee
				Appointments, Remuneration & Appraisal Committee					
				SPC MTFP/budget review					

23/24		22/23	
Engagement title	BTP/A Strategic risk addressed	Engagement title	BTP/A Strategic risk addressed
Workforce Planning	Recruitment & Retention	IT resilience & technology function	Technology
Health & Safety	Health, Safety & Wellbeing	Strategic Change – ‘Force on the Move’ embedded assurance	Change Management
Physical Security follow up	Health, Safety & Wellbeing	Diversity & Inclusion	Recruitment & Retention / Legitimacy
Major Incidents	Major incidents	Organisational learning – Manchester Inquiry	Major incidents
E-expenses	Income	Sustainability	n/a emerging
Financial planning and efficiencies	Income	Physical Security	Wellbeing, Health & Safety
Contract management	Income	Travel Expenses (replaced Vetting due to duplication with HMICFRS)	Income (Financial Control and Planning)
‘Force on the Move’ specific review: Estates	Change Management	IFRS 16 - Leases	Income (Financial Control & Planning)

21/22	20/21	19/20	18/19	17/18
Payroll	Recruitment	Payroll	Transformation Maturity	Project Scotland
Procurement	E-expenses	Contract Management	Annual Budget setting	Efficiencies
Strategic Workforce Planning	EPSA/ Income	Accruals	Authority Governance	Accounts Payable
Data Integrity	Health & Safety	Fixed Assets	Cashflow forecasting	Procurement
Finance Period-end Transformation	Covid: IT Assets Transformation	Blue Folders Efficiencies	GDPR Business case process design	Risk Management Management accounts
Risk Management	Cyber Security	Charging model	Finance Action Plan	IT governance
Estates			MAR	Payroll
				MAR

IT Stability & Resilience

Inventory

Report to: Audit and Risk Assurance Committee
 Date: 22 June 2023
 Subject: Committee Effectiveness Evaluation 2022/23
 Sponsor: Head of Governance and Compliance
 Author: Board Secretary
 For: Comment

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1. Purpose of paper

- 1.1 To comply with Committee's terms of reference to *perform an annual assessment of [the Committee's] performance, timed to input into the Governance Statement, summarising the work [the Committee] has done during the year in relation to its terms of reference and annual work plan.*

2. Background

- 2.1 This year, Committee Members, BTPA Chief Financial Officer, Deputy Chief Constable and Head of Internal Audit were invited to complete a hybrid questionnaire devised from the NAO Audit and Risk Assurance Committee Effectiveness Checklist (2017) and NAO Audit and Risk Committee Effectiveness Tool (May 2022). 5 responses were received from 7 questionnaires issued and represent a cross section of Committee/Authority Executive/Force.
- 2.2 Positive feedback from the first half of the questionnaire included,
- Risk professionals within the Force and Authority are seen as highly engaged and effective
 - the results of the committee's work on risk was brought to the attention of the Full Authority.
 - Members received good support from both the Force and the Executive.
- 2.3 Key feedback regarding room for improvement from the first half of the questionnaire can be summarised as follows:
- Principle 1 – Membership, Independence, Objectivity and Understanding
 - 2.3.1 There could be more engagement with DfT audit function in the work of the committee.
 - 2.3.2 Issues considered by the committee were complex and deserved more time.

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- 2.3.3 A finance representative from the Force could either receive papers/attend meetings.
- 2.3.4 Members could receive more effective induction to assist them in performing their roles on ARAC.
- Principle 2 – Skills
 - 2.3.5 The blend of Member skills and experience on the committee could be better understood.
 - 2.3.6 It was felt the committee lacked digital, commercial and finance skills.
 - 2.3.7 As at Principle 1, committee induction could be improved.
 - Principles 3 & 4 – Role and Scope of the Committee
 - 2.3.8 Member lead responsibility for whistleblowing was unclear
 - 2.3.9 Member understanding of the Force’s control environment could be improved.
 - 2.3.10 It was unclear whether the committee provided sufficient attention to financial management and reporting issues.
 - 2.3.11 It was unclear to what extent the committee reviewed the Cabinet Office’s Counter-Fraud Standards.
 - 2.3.12 Cybersecurity deserved more scrutiny by the committee.
 - 2.3.13 It was unclear how any external audit recommendations in particular were reported into the BTPA committee structure.
 - 2.3.14 Committee terms of reference should be cross-referenced against HMT ARAC Handbook.
 - 2.3.15 Member challenge of Executive, Force, internal and external audit could be more rigorous.
 - Principle 5 – Communication and Reporting
 - 2.3.16 It was queried whether the committee should offer an annual report to the Full Authority.
 - 2.3.17 ARAC Chair bilaterals could be broadened beyond BTPA CFO and Head of Internal Audit.
 - 2.3.18 A view should be taken on whether the committee proactively communicated its work beyond BTP/A (i.e. to DfT audit lead(s)).

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- 2.4 The second half of the questionnaire asked respondents to grade activity of the committee according as 1 (room for improvement) 2 (meeting standard) and 3 (excelling).
- The following areas received a high average score for ‘meeting standard’ i.e. a score of 2.4 or higher:
 - 2.4.1 The committee was satisfied that management takes an enterprise-wide view of the organisation’s risks
 - 2.4.2 There is a clear understanding of the role of the Full Authority in relation to managing risk.
 - 2.4.3 The committee understands and challenges the risk management framework
 - 2.4.4 The committee promotes the importance of a positive risk culture within the organisation
 - 2.4.5 The committee challenges management on its approach to evaluating risks, including effectiveness of scenario planning and stress testing.
 - None of the measures presented received an overall average grade of 1 (room for improvement) albeit some feedback from individual respondents suggested there was room for improvement in the following areas.
 - 2.4.6 The committee needs to better understand the Force’s business strategy, operating environment and associated risks.
 - 2.4.7 The committee could improve how it discusses with the Full Authority how its policies, attitude to and appetite for risk are defined and communicated across BTP/A.
 - 2.4.8 The committee could improve its understanding of the Force to assess whether the risk register is an appropriate reflection of risks facing the Force.
 - 2.4.9 The committee could better understand how internal controls are developed, operated and monitored.
 - 2.4.10 The committee could seek more assurance on how risks are managed through controls.
 - 2.4.11 The committee could better review any root causes for failings or weaknesses in internal controls and monitor any action plans arising.
- 2.5 This report also provides the following appendices (as per the annual assessment format adopted in June 2022):
- Appendix 1 (summary of 2022/23 Committee activity against its terms of reference)

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- Appendix 2 (summary of Committee activity against its 2022/23 workplan)

3. Next Steps

- 3.1 BTPA Executive will, in consultation with the Force, evaluate the issues raised and develop a Committee Effectiveness Action Plan for submission to the September 2023 meeting.
- 3.2 Members are invited to share their observations on the points raised to further inform the development of the action plan.
- 3.3 NB that some of the issues raised are already being addressed by the BTPA Executive e.g. improved induction, given its relevance to the impending addition of up to seven new Members of the Full Authority later in 2023. Moreover the terms of reference refresh elsewhere on the agenda incorporates feedback on HMT ARAC Handbook comparison (para 2.3.14).

4. Recommendations

- 4.1 Members are asked to,
 - Note the outputs from the ARAC committee effectiveness exercise 2022/23.
 - Share further observations in light of the areas for improvement identified during the recent committee effectiveness exercise.
 - Note the appendices regarding committee activity 22/23.

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Appendix 1

Audit and Risk Assurance Committee – Delivery against Terms of Reference 2022/23

Terms of Reference	Commentary 2022/23 [June 2023]
The Audit and Risk Assurance Committee will present a summary of key points to the Authority after each meeting and minutes for noting.	Digests provided to all Members of Full Authority on Board Intelligence following each meeting; and draft minutes of ARAC provided to subsequent meeting of Full Authority for information.
The Audit and Risk Assurance Committee will perform an annual assessment of their performance, timed to input into the Governance Statement, summarising the work it has done during the year in relation to its Terms of Reference and Annual Work Plan.	As per this paper.
The Audit and Risk Assurance Committee will advise the Authority and Accounting Officer on:	
the strategic processes for risk, control and governance and the Governance Statement;	Strategic risk a standing item at each ARAC, and Governance Statement is included within Annual Report that is submitted to Full Authority for approval.
the accounting policies, the accounts, and the annual report, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors;	Committee reviews Annual Report and Accounts prior to submission to Full Authority; informal Member briefing sessions (walkthroughs) are scheduled to brief whole Membership on draft Annual Report; Committee has extraordinary meeting in July to finalise Annual Report. Committee has External Audit as standing item on agenda.
production and approval of the Management Assurance Return (MAR)	MAR dealt with at March 2023 meeting.
the planned activity, results of both internal and external audit and HMICFRS;	Internal audit reports were uploaded to dedicated shelf on <i>Board Intelligence</i> throughout 22/23; internal and external audit are standing items on committee agendas; HMICFRS inspection plan due for approval by Committee June 2023.
adequacy of management's response to issues identified by audit activity, including external audit's management letter;	Internal audit reports were uploaded to dedicated shelf on <i>Board Intelligence</i> throughout 2022/23; internal and external audit are standing items on committee agendas.

assurances relating to the corporate governance requirements for the organisation;	<i>Corporate Governance</i> is a key theme of every Internal Audit and is assessed each year in the Governance Statement of the ARA. ARAC may provide oversight and scrutiny of corporate governance by discussing themes emerging from these two workstreams and seeking further assurance if necessary. Further, the Board Effectiveness Review assesses corporate governance and is in the workplan each year.
anti-fraud, bribery and corruption and whistleblowing processes and arrangements for investigations	Committee receives a summary of instances of fraud, bribery and corruption each quarter as well as a summary of confidential reports made in this area.
monitor and assess compliance with and performance against statutory duties	A very wide area and is included in almost every piece of assurance work done. There is no 'list' of requirements but rather each business area must be responsible for their own statutory duties. Having consulted other forces on this same matter, the consensus is that statutory duties should be included in each area of the assurance map (provided from November 2021) and, when assurance work occurs, this should be an area under review.
Assurances related to financial reporting, including understanding significant changes to accounting policies	Occurs through routine reporting to Committee and enhanced by attendance and input from external auditors.
Assurances over data, systems and information	Deferred November 2022
The Audit and Risk Assurance Committee may:	
Approve the annual external audit plan	Statutory External Auditor appointment endorsed at November 2022 meeting.
Approve the internal audit plan	GIAA Internal Audit Plan 2023/24 approved at March 2023 meeting.
Approve the HMICFRS Inspection plan	HMICFRS Inspection Plan due for approval at June 2023 meeting.
Endorse the strategic risk register, risk appetite and other risk documents for approval at the Full Authority	Endorsed a revised strategic risk register that was approved by Full Authority in December 2022. Risk appetite due for review at Member workshop on 11 July 2023.

Milestones	
Annual report and Accounts, including the Governance Statement and audit opinions, to the June meeting	Annual Report due for review at June 2023 meeting, approval in principle by Full Authority on 28 June 2023 and final sign-off by ARAC on 5 July 2023.
Management Assurance Statement to the March meeting	Management Assurance Return approved at March 2023 meeting.
Annual health and safety assurance statement to the June meeting	Responsibility transferred to People and Culture Committee (June 2022) – to be removed as part of Code of Governance refresh 2023.
Annual endorsement of strategic risks and risk appetite statement to the Authority	As above – revised strategic risk register submitted to Full Authority December 2022, and risk appetite due for review at Member workshop in July 2023.
Data assurance statement	Deferred at November 2022 meeting.
At least one strategic risk deep dive	ARAC completed its three risk deep dives by June 2022. A refreshed strategic risk deep dive approach was approved by ARAC at its March 2023 meeting (i.e. one risk each quarter, determined by four highest risks).
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.	N/A
The Audit and Risk Assurance Committee will meet at least 4 times a year. The Chair of the Committee may convene additional meetings, as they deem necessary.	As at 13 June 2023, ARAC has met three times (September 2022, November 2022, March 2023) and is due to meet on 22 June 2023 and 5 July 2023 (5 times).
The Authority or Accounting Officer may ask the Audit and Risk Assurance Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.	N/A
The membership of this Committee will be five members of the Authority. Executive Team and Force colleagues will join as agreed with the Chair.	Membership is currently four Members. Up to seven new Members of the Full Authority are expected to be appointed from September 2023.

Appendix 2 - Delivery of Audit and Risk Assurance Committee Workplan 2022/23 (approved March 2022)

Items marked green were delivered / items marked yellow saw some variation. NB the table does not include standing items such as CFO Report, DCC Report, Counter-Fraud Update, GIAA Internal Audit Reports (all planned 22/23 GIAA audit reports were delivered).

Meetings	Items	Comment
September 2022	<ul style="list-style-type: none"> Strategic Risk Deep Dive – Cyber Security (delivered June 2022) Half year review of 22-23 GIAA plan (GIAA Progress Report) HMIC PEEL inspection results (Phase 2) (as part of DCC Report) Assurance Framework (Map) 	Delivered at earlier June 2022 meeting instead.
November 2022	<ul style="list-style-type: none"> Reserves Policy Anti-fraud and whistleblowing policies/processes review Statutory appointment of the Comptroller and Auditor General as External Auditor endorsed External Audit Plan Annual statement on data assurance 	Items marked yellow were deferred at the November 2022 meeting due to having been considered in recent past. To be included in workplan 23/24.
March 2023	<ul style="list-style-type: none"> Strategic Risk Deep Dive – Contract Management Work plan for 2023/24 Management Assurance Return (MAR) Functional Standards Review (if separate to the MAR) GIAA Plan 2023/24 HMICFRS 2023/24 Preliminary External Audit findings from interim work HMIC PEEL inspection results (Phase 3) 	<p>Contract Management risk was de-escalated in September 2022 and a deep dive was no longer necessary.</p> <p>Reference to Functional Standards factored into MAR reporting.</p> <p>HMICFRS 23/24 due at June 2023 meeting</p> <p>HMICFRS PEEL Inspection Results Phase 3 deferred to June 2023 meeting.</p>
Other responsibilities to be programmed or for the future	<ul style="list-style-type: none"> Risk documents review – appetite and universe – May 2022 – full Authority 	<p>Revised Strategic Risk Register was approved, on ARACs recommendation, by Full Authority in December 2022.</p> <p>A Member risk workshop has been scheduled for July 2023.</p>

Official



Report to: Audit and Risk Assurance Committee
Date: 22 June 2023
Subject: Terms of Reference Refresh 2023
Sponsor: Head of Governance and Compliance
Author: Board Secretary
For: Decision

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1. Purpose of paper

- 1.1 To invite Members of the Audit and Risk Assurance Committee to review the Committee's terms of reference and provide any reflections on how they can be amended and/or influence the Committee's Workplan for 2023/24 elsewhere on today's agenda.

2. Background

- 2.1 Paragraph 10.4 of the BTPA Code of Governance (June 2022) notes each Committee, to contribute to Board Effectiveness, will review its terms of reference in conjunction with its workplan.
- 2.2 Any changes to a committee terms of reference are referred to the Full Authority for approval as part of the annual refresh of the overall BTPA Code of Governance (28 June 2023).
- 2.3 BTPA Executive has reviewed each of the BTPA Committees' terms of reference(s) alongside its Legitimacy Map and Oversight Map to ensure any gaps in oversight are addressed. NB some identified gaps will be addressed through Committee workplans rather than through explicit reference in a Committee's terms of reference.
- 2.4 Members will note that one issue arising from the ARAC Committee Effectiveness Exercise 2022/23 elsewhere on the agenda was a call to ensure the committee's terms of reference was in line with the Example Terms of Reference set out at [Annex D of the HMT ARAC Handbook \(2016\)](#). This is considered below at section 4.

3. Terms of Reference Refresh 2023

- 3.1 The Audit and Risk Assurance Committee's terms of reference are set out in Annex 1.
- 3.2 One area where Member feedback would be welcome is the requirement for the Committee to *endorse the strategic risk register, risk appetite and other risk documents for approval at the Full Authority*.
- 3.3 In practice, the strategic risk register and risk appetite have been set by the Full Authority (at workshops in 2021 and scheduled for July 2023) and the monitoring of risk then delegated to the Committee rather than vice versa. Indeed when it was necessary to refer a change to the risk register at Full Authority in December 2022 it was felt that this process was perhaps too

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bureaucratic and such minor amendments could be made by the Committee itself, which could then simply inform the Full Authority.

- 3.4 Members could therefore choose to propose an amendment to this section along the lines of, *reviewing and approving minor amendments to the strategic risk register, risk appetite and other risk documents as set by the Full Authority, and proposing significant amendments (e.g. additional & emerging risks) to the Full Authority for approval.*

4. His Majesty's Treasury Audit and Risk Assurance Committee Handbook (2016)

- 4.1 By way of reassurance, this committee's terms of reference have been drafted to reflect the Example Terms of Reference provided at Annex D in the HMT ARAC Handbook since at least 2021 (c.f. BTPA ARAC Report – *ARAC Terms of Reference Update – March 2021*).

- 4.2 The only areas of difference are, broadly,

- BTPA ARAC is not prescriptive (i.e. named individuals) on who is among its membership.
- BTPA ARAC conducts an annual effectiveness evaluation that includes a mapping exercise of its activity against its terms of reference and workplan, rather than an annual report on its activity to the Full Authority. BTPA ARAC does provide both its minutes and a digest of key points summarising its activity to the Full Authority each quarter throughout the year.
- BTPA ARAC terms of reference do not explicitly grant it the right to co-opt persons with specialist expertise, albeit there is scope for it to do so provided within the wider BTPA Code of Governance.
- BTPA ARAC terms of reference do not list the committee's information requirements i.e. what papers it expects to receive at each meeting. Instead these are reflected in its workplan.
- BTPA ARAC incorporates some items e.g. the Management Assurance Return and HMICFRS Inspection Plan, which do not feature in the Example TOR provided in the HMT ARAC Handbook.

5. Recommendations

- 5.1 That Members

- Consider the overall terms of reference and suggest any amendments for inclusion.
- Approve any changes to the terms of reference for submission to the Full Authority.

Annex 1 – BTPA Audit and Risk Assurance Committee Terms of Reference

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Audit and Risk Assurance Committee

Purpose

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

Reporting

- The Audit and Risk Assurance Committee will present a summary of key points to the Authority after each meeting and minutes for noting.
- The Audit and Risk Assurance Committee will perform an annual assessment of their performance, timed to input into the Governance Statement, summarising the work it has done during the year in relation to its Terms of Reference and Annual Work Plan.

Responsibilities

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

- the 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 submission for audit, levels of error identified, and management's letter of representation to the external auditors;
- production and approval of the Management Assurance Return (MAR)
- the planned activity, results of both internal and external audit and HMICFRS;
- 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, bribery and corruption and whistleblowing processes and arrangements for investigations
- monitor and assess compliance with and performance against statutory duties
- Assurances related to financial reporting, including understanding significant changes to accounting policies
- Assurances over the ethical standards, professionalism, integrity and conduct of employees

- Assurances over data, systems and information

The Audit and Risk Assurance Committee may:

- Approve the annual external audit plan
- Approve the internal audit plan
- Approve the HMICFRS Inspection plan
- Endorse the strategic risk register, risk appetite and other risk documents for approval at the Full Authority.

Commented [MA(1)]: Please see proposed amendment at paragraph 3.4

Milestones

In line with the annual work plan,

- Annual report and Accounts, including the Governance Statement and audit opinions, to the June meeting
- Management Assurance Return to the March meeting
- Annual health and safety assurance statement to the June meeting
- Annual endorsement of strategic risks and risk appetite statement to the Authority
- Data assurance statement
- At least one strategic risk deep dive

Commented [MA(2)]: Responsibility now rests with People and Culture Committee

Commented [MA(3)]: Inclusion dependent on any amendment as per Paragraph 3.4

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

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

Chair and Deputy Chair

The Chair and Deputy Chair of the Committee shall be appointed by the Chair of the Full Authority.

Quorum

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Official

Half of committee membership (where overall membership is an odd number, the quorum is rounded up e.g. membership of five = quorum of three).

Commented [MA(4): Added for consistency with other Committee terms of references in the BTPA Code of Governance

Membership

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

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Audit and Risk Assurance 2023-24 Workplan

Changes from previous year have been highlighted in yellow.

Meetings	Items	Output
Standing Items	<ul style="list-style-type: none"> Welcome, introductions and conflict declaration Minutes of previous meeting Matters arising/actions outstanding Risk Register Assurance Map Fraud report BTPA CFO Quarterly Update, <i>to include pensions, income, cash flow and any other Financial Control areas to raise</i> BTP DCC Quarterly Update, <i>to include inspection results, crime & incident audit exceptions and escalations from ARIC / other Force oversight boards</i> Manchester Arena Inquiry Update Internal audit update & reports, <i>including SLAs and monitoring completion of GIAA agreed actions</i> Reflection on effectiveness of meeting Workplan 	<ul style="list-style-type: none"> Minutes Summary for Authority meeting
June 2023	<ul style="list-style-type: none"> 2022-23 Annual Report and Accounts with P14 Financial Statement paper Governance statement (included in the ARA) Code of Governance amendments and Board Effectiveness Evaluation Internal Audit Annual Report and Opinion Draft External Audit Completion Report Report on committee effectiveness self-assessment, including oversight and ToR Revise ARAC ToR 	<ul style="list-style-type: none"> Approval of 2022-23 Annual Report and Accounts to Authority Approval of any Code of Governance amendments to Authority Remedial actions for effectiveness from self-assessment Approval of ARAC ToR changes to the Authority
July 2023 - Extraordinary	<ul style="list-style-type: none"> Final approval of 2022-23 Annual Report and Accounts Final 2022-23 NAO Audit Completion Report 	<ul style="list-style-type: none"> Approval of Annual Report and Accounts to Authority
September 2023	<ul style="list-style-type: none"> Half year review of 2023-24 GIAA plan Assurance Framework 	<ul style="list-style-type: none"> Approval of any changes to Internal Audit Plan

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	<ul style="list-style-type: none"> Update on information and data related issues and assurance (as per Governance Statement) 	
November 2023	<ul style="list-style-type: none"> Reserves Policy Anti-fraud and whistleblowing policies/processes review (to contain update on PSD oversight of fraud from April 2023) 2023-24 Management Assurance Return (MAR) process Statutory appointment of the Comptroller and Auditor General as External Auditor endorsed External Audit Plan 	<ul style="list-style-type: none"> Approval of updated reserves policy Approval of updated fraud and whistle-blowing policies Approval of external audit plan
March 2024	<ul style="list-style-type: none"> 2023-24 Management Assurance Return (MAR) Functional Standards Review (<i>if separate to the MAR</i>) GIAA Plan 2024-25 HMICFRS 2024-25 Preliminary External Audit findings from interim work Risk Deep Dive Schedule 2024-25 Work plan for 2024-25 Training plan for 2024-25 	<ul style="list-style-type: none"> Approval of work plan Approval of training plan Approval of MAR submission Approval of Internal Audit Plan
Other responsibilities to be programmed or for the future	<ul style="list-style-type: none"> Risk review (introduction of risk layer below Strategic Risks) – TBC Strategic Risk Deep Dives – TBC HMICFRS Inspection Reports – TBC Assurance Map reviews - TBC 	

Items listed in HMT ARAC Handbook Example Terms of Reference under Information Requirements that are not currently reflected in workplan:

- a. A report on co-operation between internal audit and external audit

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