

**FINANCIAL GUIDELINES FOR
POLICING AND COMMUNITY SAFETY
PARTNERSHIPS (PCSPs) AND
DISTRICT POLICING AND COMMUNITY
SAFETY PARTNERSHIPS (DPCSPs)**

These guidelines apply from April 2012

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Annex A PCSP Budget and Grant Claim Workbook

1. INTRODUCTION

Policing and Community Safety Partnerships (PCSPs) are new statutory bodies established under the Justice Act (Northern Ireland) 2011 and constituted in May 2012.

The overall purpose of the partnerships is to help make communities safer¹. They aim to provide a more integrated approach by bringing together in a single partnership the functions and responsibilities previously undertaken by District Policing Partnerships (DPPs) and Community Safety Partnerships (CSPs). The partnerships will take forward activity to enhance community safety in their local area. The Policing Committee of the PCSP or DPCSP (District Policing and Community Safety Partnerships), consisting of the political and independent members, will carry out functions in relation to the development of the local policing plan and monitoring the performance of the police.

There will be 26 PCSPs – one for each of the Council areas in Northern Ireland. Belfast will have one overarching PCSP and four DPCSPs, one for each of the police area commands of Belfast – North, South, East and West.

The Justice Act (Northern Ireland) 2011 makes provision for the establishment and operation of PCSPs, and specifically outlines the terms of the grant provided to the partnerships (Schedules 1 and 2, paragraph 18). These financial guidelines have been produced on this basis and will continue be developed as new systems are implemented. They will be based on consultation with Councils, who are responsible for establishing and administering PCSPs and DPCSPs.

These financial guidelines relate to funding provided to Councils by the Joint Committee to fund PCSPs and DPCSPs.

¹ Definition of 'enhancing community safety' provided in Justice Act (NI) 2011 Sections 21 (3) and 22 (3).

This document will complement the Code of Practice on Functions for the exercise of functions by Policing and Community Safety Partnerships (PCSPs) and District Policing and Community Safety Partnerships (DPCSPs). It has been produced separately to provide guidance to assist Councils and PCSPs to carry out their statutory responsibilities and describe the conditions which are attached to the Agreement of Funding between the Joint Committee and Council in relation to the costs of PCSPs.

2. JOINT COMMITTEE

Under the Justice Act, a Joint Committee has been established to oversee the work of PCSPs. The Joint Committee consists of representatives of the Department of Justice (DOJ) and the Northern Ireland Policing Board (NIPB).

The overall aim of the Joint Committee is to enable PCSPs to operate effectively and to provide strategic direction to partnerships, assessing their effectiveness in meeting targets set against the strategic objectives for the partnerships and, more generally, supporting them.

The Joint Committee will undertake a number of functions including:

- agreeing the funding to be provided to each Council to support delivery against the partnership plan; and
- evaluating and monitoring the effectiveness of PCSPs.

The Joint Committee is responsible for taking decisions jointly on behalf of the DOJ and NIPB in relation to the oversight, operation and governance of PCSPs. The Joint Committee is supported by a Secretariat and this will be the initial point of contact for all queries relating to PCSPs.

NIPB and the DOJ will assist PCSPs on issues which fall within their areas of responsibility. NIPB will be the single point of contact for PCSP funding arising from the Joint Committee. All financial returns and queries arising from the Joint Committee funding should be directed to NIPB who will be responsible for co-ordinating with the DOJ. The single point of contact on Joint Committee funding is:

Valerie Mills
Finance Branch
Northern Ireland Policing Board
Tel: 02890 408586
Valerie.Mills@nipolicingboard.org.uk

3. FINANCIAL RESPONSIBILITIES OF THE COUNCIL AND PCSP

The function of the Council is to establish the PCSP or DPCSP for their area and, in turn, the PCSP will provide annually to the Council and Joint Committee a report on the exercise of functions for the previous year. The Joint Committee funds the PCSP/DPCSP through the Council, and the Council Chief Executive is the Accounting Officer for the funding provided from the Joint Committee.

The PCSP will ensure that their functions are carried out in accordance with the provisions in the Justice Act and within the Council governance and financial framework. In doing this, the PCSP has responsibility to ensure that it operates within the limits of its statutory responsibility and that the requirements and standards of accountability for public expenditure are adhered to. Each PCSP will produce a partnership plan in line with strategic objectives issued by the Joint Committee.

In addition the Council, on behalf of the PCSP, is required:

- to provide assurance that funding has been wholly, exclusively and necessarily incurred by the Council in respect of the functions of the PCSP;
- on behalf of the PCSP to submit the PCSP budget proposal phased over the 12 month period;
- to put in place, and operate, adequate and timely accounting systems;
- to provide details of quarterly expenditure and other supporting documentation as required by the Joint Committee, to support grant claims and to submit such claims within 3 weeks of the quarter end;
- to provide final PCSP accounts in a format agreed by the Joint Committee within 3 weeks of the end of the financial year. This

timescale reflects the legislative requirements related to the Board closing its accounts;

- to allow the Joint Committee, its agents and auditors reasonable access to their premises and to records relating to the PCSP;
- to implement and apply sufficient controls in respect of safeguarding Joint Committee monies including areas of theft and fraud;
- to consult with the Joint Committee before disposing of any funded assets provided for PCSP purposes;
- to have effective Corporate Governance and Risk Management procedures in place for the PCSP which should be confirmed annually to the Joint Committee in the Council's letter of acceptance of funding; and
- to ensure that adequate professional indemnity insurance is in place to cover the responsibilities associated with the operation of a PCSP (Schedules 1 and 2, paragraphs 15 and 16 of the Justice Act (NI) 2011 refer).

4. FINANCIAL RESPONSIBILITIES OF THE JOINT COMMITTEE

The Joint Committee will provide funding to allow PCSPs to carry out their statutory functions in accordance with the Justice (Northern Ireland) Act 2011.

The Joint Committee is required to:

- secure funding for PCSPs and communicate this to Council and the partnerships on a timely basis;
- provide strategic objectives for the forthcoming year to enable the PCSP to produce an action plan in a timely manner to allow budgets to be set in line with Councils' deadlines for setting the rates;
- set the annual budget for the PCSP, within financial constraints, to ensure that sufficient funds are available to run the PCSP for the next financial year. An indication of the annual budget will be provided by early October. The final budget will be agreed on approval of the PCSP Annual Plan and following confirmation of Joint Committee funding;
- provide guidelines to PCSPs on matters relating to finance and resolve any queries relating to these;
- provide guidelines to PCSPs on monitoring and evaluation of projects;
- provide phased funding to Councils to support PCSP in relation to administration and operational costs;
- process grant payments for PCSPs to Councils on a timely basis; and
- provide advice and information on closing of year end accounts on a timely basis.

5. PCSP FUNDING

Funding provided for PCSPs relates to administration and operational costs. Each funding area is defined as follows:

Administration

Administration relates to staffing and running costs which were previously classified as:

- CSP technical assistance which included salary and administration costs; and
- DPP staff and running costs which included DPP Manager and other staff salaries, DPP Manager travel costs, members' travel costs and running costs (insurance, printing, telephones, photocopies, postage, stationery, sundries, service level agreement and audit fees).

Operational

Operational costs were previously classified as:

- CSP programme projects; and
- DPP engagement which included engagement, funding groups, DPP meetings, advertising, PR and NISRA survey costs.

As per previous DOJ requirements in respect of programme costs, we would expect that the priorities set by the PCSP will attract match funding to a minimum of 20% of the total cost of programme/project delivery. All funding sources must be clearly identified and demonstrated in the Partnership Action Plan. The match funding may be done by way of financial contribution from partners and/or in kind assistance. In the event that a PCSP secures match funding, financial or in kind, that will not affect funding from the Joint Committee, unless it is a duplication of that agreed by the Joint Committee.

Budget 2012/13

The budget is split between administration and operational work relating to the PCSP.

In setting the indicative budget for the transitional year, the balance between administration and operational funding was not set as a target, however the Joint Committee has signalled its desire to maximise the amount spent on frontline provision. It is anticipated that the maximum spend on administration in 2012/13 should be no greater than the agreed allocation for 2011/12. For 2013/14 onwards the Joint Committee will consider, in consultation with stakeholders, an appropriate ratio of spend between administration and operational costs. It is, however, anticipated that the majority of funding will be directed towards operational costs.

The following specific conditions apply to PCSP funding:

- **Administration**

This includes staff salary costs and running costs (travel and subsistence, insurance, printing, telephones, photocopies, SLA, postage and stationery).

Staffing budgets will be phased over 12 months in equal proportions and funding will be provided in line with budget phasing based on actual costs, up to the maximum agreed phased budget.

The Council must ensure adequate staffing arrangements to ensure the statutory duties of the PCSP are carried out and that queries are responded to in a timely manner.

- **Staff Salaries**

Councils should provide details for all PCSP staff showing:

- salary band
- pay point

- actual salary
- national insurance costs
- pension costs
- percentage of time to be allocated to PCSP activities.

Councils must maintain records of staff costs and time allocated to PCSPs. This will be required for grant claims and audit purposes.

- **Running Costs (including staff and members travel)**

This category covers general running costs and travel for staff and members.

An estimate of anticipated expenditure should be provided and records of actual expenditure on these categories should be maintained and included in quarterly grant claims. The following details will be required for travel claims:

- **Travel & Subsistence**

Funding for staff and members' travel costs is included in the 2012/13 indicative PCSP budgets provided to Councils.

Travel claims for actual expenditure should be reasonable, be made for the shortest route of journey and relate to PCSP business only.

Travel claims relating to PCSP business should be made on a separate form from other Council business to facilitate the audit process. Receipts for expenses incurred must be obtained and included with the claim.

All claims should be paid in line with NJC/Local Government rates and conditions and Council financial policies and must be submitted within three months of the date incurred.

Mileage claims will be paid via the Council payroll system. Travel for members may be taxable where they exceed HMRC limits. Members will be responsible for advising HMRC of business mileage if necessary.

- **Operational Budget**

The operational budget should include details of all proposed operational expenditure in the PCSP's partnership plan, the work of the Policing Committee and local priorities arising from engagement and consultation.

During the process of establishment CSPs and DPPs were asked to begin the process of developing the transitional PCSP Action Plan for 2012/13. Following acceptance of action plans a firm Letter of Offer will be issued to Councils (see Appendix 1).

- **Eligible Expenditure**

Eligible expenditure consists of payments by the Council for revenue expenditure during the term of the Funding Agreement for the purposes set out in the bid. Eligible expenditure is net of VAT recoverable by the Council from HM Revenue & Customs, and gross of irrecoverable VAT.

For the purpose of defining the time of payments, a payment is made by the Council when and only when, money passes out of the Council's control. Money will be assumed to have passed out of the Council's control at the moment when legal tender is passed to a supplier, when a letter is posted to a supplier containing a cheque or an electronic instruction is sent to a bank to make payment to a supplier by direct credit or bank transfer.

The Council must not deliberately incur liabilities for eligible expenditure before there is an operational need for it to do so.

If the Council incurs any of the following costs, they must be excluded from eligible expenditure:

- a. Activities of a political or exclusively religious nature;

- b. Goods or services that another Joint Committee, organisation or agency has a statutory duty to provide;
- c. Payments reimbursed or to be reimbursed by other public or private sector grants;
- d. Contributions in kind;
- e. Depreciation, amortisation or impairment of fixed assets owned by the Council;
- f. The acquisition or improvement of fixed assets by the Council;
- g. Interest payments (including service charge payments for finance leases);
- h. Gifts to individuals other than promotional items with a value no more than £10 a year to any one individual;
- i. Entertaining (entertaining for this purpose means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations);
- j. Statutory fines, criminal fines or penalties; and
- k. Liabilities incurred before the issue of this funding agreement unless agreed in writing by the Joint Committee.

Meeting Expense Payment

Meeting expense payments are available for PCSP members in relation to official business which they undertake in the course of their duties. Official business relates to:

- meetings of the PCSP and Policing Committee; and
- events organised by the PCSP solely in relation to PCSP business (or by the Joint Committee, eg training events, seminars, consultation).

The general principle is that all members should attend the full meeting. In exceptional circumstances the payment may be made for attending at least half of the meeting or for a period of one hour, whichever is the lesser.

A maximum of 20 meetings per member per financial year will be funded by the Joint Committee at £60 per meeting. The PCSP will need to take into account the need to conduct business over the whole year. Members may claim a maximum of one meeting expense payment per day and submit no more than 3 claims per month. Councils will have discretion to provide funding for any additional meetings at their own expense.

This payment is available to all members, although members from statutory organisations are prevented from claiming under public sector rules and claims will be from independent, political and voluntary sector PCSP members only.

These expenses will be funded from a separate 'meeting expense' budget which will be agreed with each Council, based on membership of its PCSP. Funding will be **in addition** to the indicative PCSP budget allocated to Councils. The budget will be ring-fenced and must not be used for any other purposes. This will be monitored and reviewed in quarterly grant claims.

Members claiming meeting expenses should use Council expense claim procedures in line with Council Financial policies. A suggested proforma claim form is attached in Appendix 2.

As claims for meeting expenses are non-receipts based, they are taxable and will be paid via the Council payroll system.

PCSP managers must:

- maintain a record of members' attendance at meetings/events;
- authorise meeting expense claims;
- monitor claims and ensure they do not exceed the maximum of 20 per year; and
- provide details of expense claims with PCSP quarterly grant claims.

National Insurance on Members Expenses

As expense payments will be made through payroll, some may attract employers' national insurance (NI). The Joint Committee will fund a proportion of NI costs based on the percentage of PCSP expenses to total Council payments to members. These costs will be funded separately along with meeting expense payments. Detail of the calculation of claims for NI should be provided to the Joint Committee.

Treatment of Expense Payments for the Purpose of Taxation and Social Security Benefits

As advised in the previous section, expense payments are taxable. It is the responsibility of each individual to advise HMRC of payments received.

The payment is unlikely to impact on benefit, however, members may wish to seek advice from the appropriate agency if necessary.

Designated members are representatives from organisations who participate on the PCSP as members. They will not be expected to claim the meeting expense payment. If, however, designated members are drawn from voluntary or community groups who do not receive expenses or other recompense from their own organisation, the payment may be drawn down by the organisation itself.

Process of setting PCSP Budget

At the start of each financial year, the PCSP should submit an Action Plan for the PCSP to the Joint Committee for approval. The Action Plan should be submitted in the PCSP Budget and Grant Claim workbook (see Annex B).

The workbook will contain all financial information for the PCSP for the year. The first return to the Joint Committee will include the PCSP budget details in line with the proposed Action Plan. At the end of each quarter, details of actual expenditure, any necessary budget rephasing and progress reports should be completed.

The PCSP budget and Action Plan should:

- be based on the strategic objectives, including the work of the Policing Committee, set by the Joint Committee;
- include details of PCSP staffing and running costs;
- detail all PCSP work and resources planned and phased over the financial year including:
 - the work of the Policing Committee and project work based on strategic objectives
 - staffing budgets phased over 12 months
 - members' meeting expenses; and
- in terms of operational budgets, be phased on anticipated expenditure for each project/activity

The Joint Committee will advise the PCSP if the proposed Action Plan and budget is agreed.

PCSPs have delegated responsibility for approving individual project/activity budgets. The Joint Committee should be advised of any necessary re-profiling between projects/activities.

Budget phasing should be regularly reviewed by the PCSP and revisions advised to Joint Committee. As a minimum, budget profiles must be returned with **each** quarterly return.

6. PCSP GRANT CLAIMS

PCSP grant claims cannot be processed until the Joint Committee has received acceptance of the formal PCSP funding offer from the Chief Executive on behalf of the Council, agreeing to the terms and conditions of funding. This will be in the form of returning a signed copy of the letter of acceptance (see Appendix 1).

The Joint Committee will provide funding to Councils in quarterly instalments based on expenditure returns submitted by PCSPs. Funding will be paid in arrears and based on actual eligible expenditure, provided it is in line with the agreed phased budget.

Grant claims should be submitted on the grant claim form PCSP Budget and Grant Claim workbook (see Annex A). Claims must be submitted on a quarterly basis, no later than 3 weeks from the end of each quarter. The timetable for submitting grant claims is shown in Appendix 3.

All grant claims should be submitted on the PCSP Budget and Grant Claim workbook to the Joint Committee. The workbook should be updated to include the quarterly claim for PCSP Actual Expenditure and a quarterly Progress Report. Information provided should show actual expenditure for each quarter and a cumulative total to date and a progress report for each area of work agreed in the PCSP action plan.

Councils must maintain financial records that clearly identify all expenditure relating to the operation of the PCSP.

As grant payments may not be made in advance of the expenditure being incurred, the final payment for the financial year will be made on agreement of the year-end figures, after the accounts have been audited by Local Government Branch of the NI Audit Office (LGA) and the Joint Committee has been provided with the LGA audit certificate.

It is the responsibility of PCSPs to ensure that PCSP spend is for eligible expenditure only. Ineligible expenditure includes items of unauthorised expenditure not previously agreed with the Joint Committee or included in the programme budget.

The PCSP Manager will verify and retain the following documentation, where relevant, evidencing what actual and eligible expenditure has been incurred in support of claims - actual copy invoices are not required to be supplied with returns to the Joint Committee but will have been verified and retained by the PCSP Manager for inspection:

- payroll reports
- members expense claims
- Project Claim Form
- All receipts and invoices
- Copy bank statements/cost centre report
- Actual expenditure report
- Revised budget profile
- Project Progress Reports
- Travel claims
- Apportionment forms
- Timesheets for staff employed by project
- Fraud Policy
- Assets (include in Council Asset Register)
- Contracts of Employment for all staff employed by project
- P11s for all staff employed by project

In relation to Programme Funding, Joint Committee funding may not be used to cover the following costs:

- Core Costs – to include rent, rates, insurance, management charges and utility charges except where a voluntary or community organisation is the lead delivery agent for the project. In this case, core costs will be appropriately apportioned; or
- Statutory Service Delivery – works that would normally be undertaken within the remit of a statutory service delivery organisation.

It is essential that the return is properly completed, checked and verified by PCSP officials and Council officers.

The Joint Committee will review progress against the PCSP Action Plan and the accuracy of the grant claim, and, following this, will process the payment. Payments will be made by BACS transfer to an account specified by the Council.

Programme Quarterly Operations Progress Report

The quarterly progress report is contained in the PCSP Budget and Grant Claim Workbook and is to be completed by the Programme Manager to outline the status of the programme against the agreed milestones and objectives. It is essential that as much detail as possible is supplied on this return as it will form the basis of the Joint Committee's overall assessment of the progress of PCSP Action Plans.

The progress report is a collation of all relevant PCSP outputs i.e. operational and project activity. To accurately report on a thematic/programme basis, the PCSP Manager will need to ensure that each third party project promoter provides the information in the format advised in Annex B, Operations Progress Report.

It is the responsibility of the PCSP to ensure that each contributing project provides the necessary backing papers to support the programme/thematic return.

7. BUDGETARY CONTROL

To assist with financial management of the PCSP expenditure, the PCSP Manager will phase the budget when it is being set. The phasing will depend on when the work will take place and be based on the PCSP action plan for the financial year.

To maintain good financial management, the PCSP Manager should regularly check actual spend against the phased budget and investigate any variances and projected costs. Based on the outcome of this exercise the PCSP Manager should advise if any change is required to budgets or any specific area of work.

The Joint Committee is required by DOJ to carry out regular monitoring rounds on PCSP expenditure in line with the Department of Finance and Personnel (DFP) requirements. The main monitoring round affecting PCSPs will take place in October each year. PCSP figures included in this exercise will be based on the actual costs to the end of the second quarter, i.e. for the period from April to September. The timescale for completing this exercise is very short and the deadline for PCSP Managers to submit the information is no later than 3 weeks after quarter end.

8. VERIFICATION AND ASSURANCE

To enable the Joint Committee to fulfil its statutory requirement to provide an assurance on PCSP expenditure, the Council shall allow the Joint Committee, its agents and auditors reasonable access to their premises, and to records relating to the PCSP.

Councils must have assurance procedures in place ensuring that terms and conditions of the grant are being met and being monitored. This is a condition

of the grant and a statement is included in the letter of acceptance of the PCSP budget signed by the Chief Executive. The assurance requires a regular review of administration, operational effectiveness, risk management, controls and corporate governance arrangements.

Throughout the year, the Joint Committee will monitor expenditure, evaluate progress against the PCSP action plan and measure effectiveness. Checks will be carried out on relevant processes to gain assurance that all financial and procedural managerial controls are adhered to.

The final accounts will be signed by the Chief Executive to confirm to the Joint Committee that all reasonable steps have been taken to ensure adequate controls, management of financial risks and effective management of allocated resources.

At year end, the Joint Committee will rely on the professional services of the LGA to audit each Council's accounts and grant claims in relation to the PCSP. The NI Audit Office will invoice the Joint Committee for the audit of each PCSP. The cost of the audit will be funded by the Joint Committee and will not be recharged to Councils.

The Council will ensure that all practical measures and controls are in place and operating to prevent theft or fraud. The Council shall notify the Joint Committee immediately in any case of fraud or suspected fraud and the matter will be dealt with by the Council in accordance with its Fraud Policy.

The PCSP will ensure compliance with an anti-fraud policy and fraud response plan and should follow procedures set out in the Council Fraud policy A Model Fraud Policy Statement and Model Fraud Response Plan is attached at Appendix 4 for use if the Council do not have a Fraud Policy.

9. YEAR-END ACCOUNTS

The deadline for Councils to submit completed annual accounts is 3 weeks after the end of the financial year, 31 March. This is to ensure the Joint Committee can meet its obligation to the DOJ for consolidation purposes. The following information should be submitted by the deadline:

- the grant claim spreadsheet showing details of expenditure (Annex A)
- a statement of income and expenditure in the agreed format (Appendix 5)
- detailed breakdown of staff claims
- detail of meeting expense claims
- breakdown of claims for each project
- final progress report for each project

The accounts should be prepared on an accruals basis.

The figures provided will be checked and agreed between the Committee Secretariat and Councils before being submitted to LGA. A timetable for closing accounts will be provided by the Committee Secretariat in line with the dates in Appendix 3.

Final accounts must be signed by the Council's Chief Financial Officer, on behalf of the Chief Executive, to certify that all expenditure was incurred wholly, necessarily and exclusively on the running of the PCSP, to allow the Joint Committee to comply with government guidelines and to complete statutory accounts by mid-May.

There is a very tight timetable for the accounts to be audited and this will normally take place over a 2 week period in May. LGA will liaise with PCSP Managers to agree a date for the audit of their accounts. PCSP accounts have to be audited before the audit of accounts for the Board and DOJ can be

finalised in early May. When the audit is complete, LGA will provide audit certificates to the Joint Committee and by the end of May. The final grant payment for the financial year will be made shortly after the receipt of the audit certificates from LGA.

10. PROCUREMENT

When dealing with procurement, irrespective of the value of the goods or services being procured, staff involved in the process should ensure that the highest standards in line with the 7 principles of public life as detailed in DFP guidance 'Managing Public Money in Northern Ireland' at www.dfpni.gov.uk (see Appendix 6). Individuals should disclose any personal or business interest or potential issue which the public might reasonably think could influence judgment in the awarding of contracts or work.

Guidance in 'Managing Public Money in Northern Ireland' states that goods and services should be acquired by competition unless there are convincing reasons to the contrary which should be clearly documented where this applies. When Councils are purchasing goods and services on behalf of the PCSP they should follow normal Council procurement procedures to ensure that goods and services are purchased in a cost-effective manner.

While following Council guidelines, you may wish to note good practice as follows:

- A specification of generic items or services is decided upon
- Notices for public tender are placed in the local press
- The same list of items and/or services is presented to all companies
- Companies invited to quote/tender are advised of the evaluation criteria
- Tenders are opened at the same time and no advance knowledge of bids is made available to anyone prior to this opening or during the tendering process. A suitably qualified and experienced individual will supervise the tendering process

- Written records are made of the assessment of the tenders and factors informing subsequent decision to award
- Receipts, invoices and copies of all bids are retained for inspection

It is recommended that each PCSP Manager should attach a copy of their local Council procurement policy to these guidelines. A copy of Council guidelines should be available for inspection by the Joint Committee on request.

Disclosure: Conflict of Interest

A conflict of interest with official duties is defined as “a conflict between the public duties and private interests of a public official, in which the public official has private-capacity interests which could improperly influence the performance of their official duties and responsibilities.”

It is the responsibility of the PCSP to ensure that there are no conflicts of interest or the perception of bias at any stage. Any connections between contractors and PCSP officials (members and staff) must be formally disclosed and documented at the earliest possible opportunity. The PCSP should then take (and record) action deemed appropriate in each particular circumstance.

Conflicts of interest arise when public officials have to make decisions at work that may affect their private interests and this could improperly influence the way work is undertaken. Examples of opportunities for such are:

- PCSP officials (members/staff) having private business interests in the form of partnerships, shareholdings, board memberships, investments, government contracts, etc
- PCSP officials (members/staff) having affiliations with other organisations (e.g. a public official sits on the board of a non-profit organisation that receives funding from the official’s department)

All PCSP officials (members and staff) should declare any conflict of interest with their official duties in relation to the work of the PCSP. Where there is doubt if an interest should be disclosed, it is better to provide the information anyway. A copy of the conflict of interest declaration is attached in Appendix 7.

11. HOSPITALITY, COMPETITION PRIZES, GIFTS AND INCENTIVES

It is recognised that at events held by PCSPs there will be occasions when hospitality may be provided, e.g. at PCSP meetings, training events and PR events. Reasonable costs may be incurred depending on the nature of the activity; however the PCSP Manager should consider whether or not such expenditure would be acceptable to the public.

The level of hospitality offered should be proportionate to the length of the event or training course.

If an event is to be held during the Christmas period, it is not acceptable to hold an event for PCSP members only. A Christmas reception is acceptable if it is used to reach out into the community as part of an outreach programme and could include members of groups attending consultation events and/or those you work with.

All hospitality given or received by staff or members must be entered in the Council gifts and hospitality register.

Current DOJ guidance on hospitality

- Meetings, management hospitality, training and conferences - appropriate refreshments may be provided in line with subsistence allowances
- Alcohol should not be provided
- No subsistence allowance when refreshments are provided at public expense

- Approval for exceeding the above limit should be gained from the relevant officer in Council

Key points to consider

- A pre-condition of issuing any prize is that it will be in the direct interests of the PCSP to assist with fulfilling its statutory responsibilities

Details of the provision of prizes must be recorded by the PCSP

- The PCSP Manager must ensure best use of available funds and expenditure must not be excessive in line with DFP guidance 'Managing Public Money in Northern Ireland' at www.dfpni.gov.uk
- Conduct of staff should not foster suspicion of a conflict of interest in line with the seven principles of public life (see Appendix 6)
- Expenditure must be able to withstand both internal and external scrutiny and incurred in accordance with the principles of regularity and propriety
- Competition prizes in the form of cash, lottery tickets, or gift cheques, cannot be provided. Incentives may be provided in line with Council policy. In any event they should be no greater value than £10, and the PCSP must be able to justify to Local Government Audit that any such incentives were legitimate public expenditure
- The PCSP should obtain approval of the Joint Committee for any expenditure for any purpose which is or might be considered novel or contentious

12. FINANCIAL SUPPORT TO LOCAL GROUPS

Sections 21(1)(h) and 33 of the Justice Act make provision for the Policing Committee of the PCSP or DPCSP to provide support or funding to organisations involved in ventures designed to reduce crime or enhance community safety, and to facilitate and defray reasonable costs for consultation by the police with any local community. The PCSP can fund local groups in relation to projects or consultation with the police. This also includes arrangements to fund reasonable meeting costs of groups who consult with the police.

Details of the proposed programme of work with local groups should be included in the PCSP Action Plan and submitted for approval. PCSPs should develop their own guidelines for funding local groups and these should be available on request to be viewed by the Joint Committee.

APPENDIX 1

PCSP Joint Committee

Date:

Dear Chief Executive

XXXXX Council

PCSP FUNDING 1st APRIL to 30th SEPTEMBER 2012 – LETTER OF OFFER

Paragraph 18 of schedules 1 and 2 to the Justice Act (Northern Ireland) 2011 specify the terms of grant provided to the PCSPs and DPCSPs. It states:

‘The Department and the Policing Board shall for each financial year make to the Council grants of such amounts as the Joint Committee may determine for defraying or contributing towards the expenses of the Council in that year in connection with PCSPs and DPCSPs’.

The Joint Committee has provided an indicative budget of XXXX to your Council for the costs associated with the PCSP for the period of 1 April 2012 to 31 March 2013. Following consideration and approval of the PCSP transitional Action Plan the funding offer for 1 April to 30 September 2012 is XXXX for the total administration and operational costs which is detailed in the attached budget schedule. The Council will be liable for any costs incurred not approved by the Joint Committee.

The Policing Board and Department of Justice will in addition to this amount defray the costs incurred during this period for members meeting expenses. Please refer to the footnote below on the issue of PCSP members travel².

² The budget for PCSP Members travel was included in the indicative budget for 2012/13 provided by the Joint Committee

Specific conditions of the offer

1. The funding provided is to be used solely for running the PCSP.
2. This offer is governed by the conditions for PCSPs funding as detailed in the PCSP Financial Guidelines which will be issued.
3. This offer is conditional on acceptance of and adherence to the terms and conditions contained in the Financial Guidelines for PCSPs.

Acceptance

Please complete the enclosed letter of acceptance of funding offer with a copy of the budget attached and return it to Valerie Mills, PCSP Finance, Waterside Tower, 31 Clarendon Road, Belfast, BT1 3BG as soon as possible. The Joint Committee requires acceptance prior to authorise the PCSP first quarter grant claim.

Yours sincerely

Peter May
Department of Justice

Edgar Jardine
Northern Ireland Policing
Board

| |
|-----------------------------|
| LETTER OF ACCEPTANCE |
|-----------------------------|

**The Joint Committee
c/o Valerie Mills
PCSP Finance
Waterside Tower
31 Clarendon Road
Clarendon Dock
Belfast
BT1 3BG**

Date

Dear

**LETTER OF ACCEPTANCE OF POLICING AND COMMUNITY SAFETY
PARTNERSHIP (PCSP) FUNDING 1 APRIL TO 30 SEPTEMBER 2012**

Xxxxxxxx Council

This Council agrees the funding offer from the Joint Committee for the xxxxxxxx Policing and Community Safety Partnership for the period 1 April 2012 to 30 September 2012 of:

1. xxxxxx to administer and run the activities PCSP in this Council;
2. The costs incurred to fund members meeting expenses in line with the funding criteria.

The funding will be wholly, exclusively and necessarily incurred in running the activities of the PCSP as detailed in the transitional PCSP Action Plan and budget schedule. The Council accept and agree to abide by the Terms and Conditions of the PCSP Financial Guidelines and Funding Agreement.

Statement of Financial arrangements and control environment

I confirm the Council:

- has sound financial procedures and controls in place to govern the activities and expenditure of the PCSP;

- will ensure all relevant documentation is retained to support all PCSP expenditure claims;
- has arrangements in place to satisfy the requirement for providing assurance on the probity and proper use of funds;
- has effective Corporate Governance, Risk Management and operating policies referred to in the Financial Guidelines in place for the PCSP; and
- will allow reasonable access to Council records relating to PCSP transactions.

Signed.....

Date

Chief Executive, on behalf of xxxxxxxx Council

PCSP Key Dates

APPENDIX 3

| | |
|------------------------------|---|
| <u>Grant Payments</u> | Grant claims to be submitted with PCSP progress reports to the Joint Committee no later than 3 weeks after each quarter end – claims will be processed after reports are reviewed. The final payment will be made after receipt of the audit certificate. |
| Quarter 1 (Apr-Jun) | 20 July 2012 |
| Quarter 2 (Jul-Sep) | 20 October 2012 |
| Quarter 3 (Oct-Dec) | 21 January 2013 |
| Quarter 4 (Jan-Mar) | 19 April 2013 |

Closing Accounts

| | |
|-----------------------------|---|
| Early March 2013 | Joint Committee issues year end instructions |
| 19 April 2013 | Councils submit year end returns/draft accounts |
| early May for 2 weeks | LGA Audit to audit PCSP accounts |
| 3 rd week in May | LGA to provide audit certificates |
| Mid June | Final grant payment made |

APPENDIX 4

MODEL FRAUD POLICY STATEMENT

INTRODUCTION

In order to meet the expectations of the community, funders and the public the PCSP has adopted a positive approach to combating fraud. The PCSP is committed to preventing fraud and corruption, whether it is attempted on the PCSP from internal or external sources, and is committed to an effective Anti-Fraud and Corruption Policy designed to:

- promote an anti-fraud culture throughout the organisation;
- encourage fraud prevention;
- promote fraud detection; and
- support fraud investigation.

Definition of Fraud:

While a precise legal definition of fraud does not currently exist it is defined as the use of deception with the intention of gaining an advantage, avoiding an obligation or causing loss to another party. The term is used to describe such acts as deception, bribery, forgery, theft, collusion, misappropriation and falsifying of any account or record.

SCOPE

The PCSP requires that members and staff will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

The PCSP also expects that individuals and organisations (e.g. suppliers, contractors and service providers) that it interacts with will act towards the PCSP with integrity and without thought or actions involving fraud and corruption. Where relevant the PCSP will include appropriate clauses in its contracts about the consequences of fraud, bribery and corruption; evidence

of such acts is likely to lead to a termination of the particular contract and may lead to prosecution.

RESPONSIBILITIES OF PCSP

The PCSP has overall responsibility for managing the risk of fraud. Their responsibilities include:

- a. complying with the Council fraud policy, or if none is in place, establishing an anti-fraud policy and fraud response plan;
- b. ensuring compliance with anti-fraud policies and fraud response plan;
- c. appointing a Fraud Liaison Officer, who will be responsible for the management of all fraud risks;
- d. ensuring that timely and effective action is taken in line with the instructions set out in the Fraud Response Plan;
- e. ensuring that the PCSP has in place robust systems of internal control to enable the prevention and detection of fraud within the various areas of the PCSP's activities;
- f. developing and implementing a risk management process to identify potential fraud risks in each area of the PCSP's activities and undertake a regular review of the fraud risks associated with each key area;
- g. making sure that members and staff are aware of the PCSP's anti-fraud policy and know what their responsibilities are in relation to combating and reporting fraud;
- h. making sure that members and staff are aware of the channels open to them to report suspicions of fraud and are aware of the PCSP's procedure in relation to the Public Interest Disclosure (NI) Order 1998 (which provides protection for 'Whistleblowers' against dismissal and victimisation);
- i. ensuring that the PCSP has effective fraud awareness programme i.e. to increase awareness of when and how fraud can occur, what to be alert for and what to do if you suspect fraud;

- j. taking appropriate legal/disciplinary action against perpetrators of fraud. Any action should be conducted in line with relevant employment legislation and recognised codes of practice. Advance consultation with the relevant funding body or the Police should be undertaken where there is the potential for criminal prosecution;
- k. notifying the appropriate authority, funding body or Police immediately a fraud is suspected; and
- l. cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

FRAUD RESPONSE PLAN

The PCSP has a Fraud Response Plan that sets out, for example, how to report suspicions of fraud, how the fraud will be investigated and by whom, what experts to contact for advice e.g. funding body or Police. The Plan forms part of the PCSP's anti-fraud policy.

MODEL FRAUD RESPONSE PLAN

PURPOSE

The purpose of this plan is to provide guidance on the action to be taken when a fraud is suspected or discovered. It covers, among other things, to whom the fraud will be reported, responsibilities for actions, who will investigate the incident and how employees under suspicion will be dealt with. The use of the plan may enable the PCSP to:

- prevent further loss;
- establish and secure evidence necessary for criminal and disciplinary action;
- notify the relevant authority, funding body and/or Police;

- establish circumstances in which external specialists will be involved;
- minimise and recover losses;
- punish the culprits;
- review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud; and
- keep all personnel with a need to know suitably informed about the incident and the PCSP's response.

INITIATING ACTION

Detection

Suspicion of fraud or irregularity may be captured through a number of means, including the following:

- a. supervision and checking outputs;
- b. random spot checks by managers;
- c. operation of proper management and control procedures;
- d. a complete and secure audit trail; and
- e. suspicions of fraud reported by staff (it is important that staff know that any reported fraud will be acted upon and that protection against victimisation or dismissal is provided to them under the Public Interest Disclosure (NI) Order 1998).

Action to be taken

- a. All actual or suspected incidents of fraud will be reported without delay to the Fraud Liaison Officer, who is responsible for managing the risk of fraud within the PCSP.

- b. The PCSP will immediately take steps to identify if the actual or suspected fraud involves public funding or is restricted to the PCSP's own funds.
- c. Where the fraud may involve public funding the PCSP will immediately contact the relevant funding body for guidance on what action needs to be taken by the PCSP. This may include advice on any preliminary enquiries which may be required and on who will conduct the investigation; for example in cases where the suspected fraud involves funding money disbursed by the Department of Justice, then any investigation will be conducted by DOJ.
- d. If the fraud involves the PCSP's own private funding then the Police should be notified immediately. In such instances the Police will be responsible for taking forward any investigation and providing advice in respect of any preliminary enquiry to be undertaken.

PREVENTION OF FURTHER LOSS

- a. Where initial enquiries provide reasonable grounds for suspecting a member or members of staff of fraud, the PCSP will decide how to prevent further loss. This may require the suspension, with or without pay, of the suspect(s). It may be necessary to plan the timing of suspension to prevent the suspect(s) from destroying or removing evidence that may be needed to support disciplinary or criminal action. Regard should be paid to guidance below regarding disciplinary action.
- b. In these circumstances, the suspect(s) will be approached unannounced. They will be supervised at all times before leaving the premises. They will be allowed to collect personal property under supervision, but will not be able to remove any property belonging to the PCSP. Any security passes and keys to premises, offices and furniture will be returned.

- c. The PCSP will consider the best means of denying access to its premises/property while the suspect(s) remain suspended (for example by changing locks and informing staff not to admit the individual(s) to any part of the premises). Similarly, access permissions to all computer systems will be withdrawn.

ESTABLISHING AND SECURING EVIDENCE

Following an allegation or the report of a suspicion of fraud, information to determine whether fraud is a possibility will initially be obtained by the PCSP.

Discreet Enquiries

The PCSP will follow up any such suspicions or allegations; this may involve enquiries with for example members of the management committee, employees and volunteers. These will be carried out in such a way as to ensure that individuals are not harmed by false accusations and to avoid alerting the fraudster.

Review of Documents/Records

Security of records - once a suspected fraud is reported, steps will be taken immediately to prevent the theft, alteration, or destruction of relevant records. Such actions may include, but are not necessarily limited to, removing the records and placing them in a secure location, limiting access to the location(s) where the records currently exist, and preventing the individual(s) suspected of committing the fraud from having access to the records. The records will be adequately secured until the relevant investigation unit or the Police obtain the records to begin an investigation.

The funding body or the Police may consider whether it is necessary to investigate systems other than that which has given rise to suspicion, to determine the extent of any fraudulent activity

At an early stage it may be useful to seek guidance from either the funding body or the Police, on how to proceed and to ensure that evidence requirements will be met during any fraud investigation.

RECOVERY OF LOSSES

Where the PCSP has suffered a loss, efforts will be made to recover that loss. In some circumstances this may involve a civil action and it will probably be necessary to seek legal advice. If the loss may be covered by insurance then the appointed brokers will be advised at the earliest opportunity.

The funding body or the Police should be able to advise on options available.

OTHER ISSUES

Disciplinary Action

The application of disciplinary procedures is solely a matter for the PCSP. Advice shall however be obtained, either from the funding body or the Police, on whether or not such action could impede or interfere with a potential criminal investigation.

All disciplinary action will be conducted in line with relevant employment legislation and recognised codes of practice. It is worth noting that information in relation to employment legislation can be sourced from the Department for Employment and Learning (DEL) and the Labour Relations Agency (LRA) websites. Alternatively, employment good practice and advice can be obtained from NICVA.

Review of Fraud Response Plan

The Fraud Response Plan will be reviewed annually or following an incident of fraud, to ensure that it reflects changes, which may be necessary to strengthen future responses to fraud. Any need for change will be discussed and agreed by the management committee of the PCSP and reported to personnel within the PCSP.

Statement of Income & Expenditure

APPENDIX 5

xxxxx Borough Council
Policing and Community Safety Partnership
 Statement of Income & Expenditure
 Year to 31 March 20xx

| | Cash Basis | Central Costs Charged | Central Costs Accrued | Total Central Costs | Creditors Opening | Creditors Closing | Debtors Opening | Debtors Closing | Accruals Basis |
|----------------------------|------------|-----------------------|-----------------------|---------------------|-------------------|-------------------|-----------------|-----------------|----------------|
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Receipts | | | | | | | | | |
| Grant from Policing Board | | | | | | | | | |
| Grant from Dept of Justice | | | | | | | | | |
| Contribution From Council | | | | | | | | | |
| Contributions from others | | | | | | | | | |
| | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== |
| Payments | | | | | | | | | |
| Staff Costs | | | | | | | | | |
| Running Costs | | | | | | | | | |
| Meeting Expenses | | | | | | | | | |
| Strategic Priority 1 | | | | | | | | | |
| Strategic Priority 2 | | | | | | | | | |
| Strategic Priority 3 | | | | | | | | | |
| Strategic Priority 4 | | | | | | | | | |
| Training | | | | | | | | | |
| Audit Fees | | | | | | | | | |
| | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== |

Certificate of Chief Financial Officer

Subject to the central charges shown above properly reflecting actual costs incurred centrally by the Joint Committee on behalf of the local Policing and Community Safety Partnership, I am satisfied that the expenditure shown has been wholly, exclusively and necessarily incurred by the Council on the local Policing and Community Safety Partnership and that the grant receivable from the Justice committee is in accordance with the regulations and conditions applicable.

 Chief Financial Officer

 Date

Seven Principles of Public Life

These standards, known as the Nolan principles, should apply to all in the public service

Selflessness

Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their families, or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.

Declaration of Interest Form

To be completed by all PCSP Members and staff

Please declare any interest you feel might be or perceived to be in conflict with your official duties. **Delete*** as appropriate:

* I confirm that **I am aware of no** conflict of interest with my PCSP official duties

* I confirm that **I could have** a conflict of interest with my official duties

Please list nature of the potential conflict of interest:

| Name of Organisation | Nature of my connection with organisation |
|----------------------|---|
| | |
| | |
| | |
| | |

Signed _____ Date _____

Print Name _____

Completed form to be returned to PCSP Manager