

**JOINT INDEPENDENT AUDIT COMMITTEE
19 APRIL 2018**

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SUBJECT		FINANCE REVIEW – NEW DEVELOPMENTS & FUTURE PLANS
REPORT BY	CHIEF FINANCE OFFICER (CFO) & FORCE CHIEF FINANCE OFFICER (FCFO)	
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SUMMARY AND PURPOSE OF REPORT		
To update the Committee on national developments relating to the CIPFA Finance review and how these will be incorporated into future planning.		
RECOMMENDATION	<i>That the Committee notes the proposal for incorporating the national initiative “Finance Excellence in Policing” in taking forward the Finance Review.</i>	

A. SUPPORTING INFORMATION

1.0 Purpose

1.1 The purpose of this report is to provide the Committee with a briefing in respect of the CIPFA proposal “Finance Excellence in Policing” which was presented to the NPCC on 25th January 2018 and how this will impact upon the CIPFA Finance Review previously carried out by Lincolnshire Police. It also sets out how we propose to relaunch the Finance Review in the light of this national development.

2.0 “Finance Excellence in Policing”

2.1 The Finance Coordination Committee of the National Police Chiefs’ Council (NPCC) presented a paper at the Chief Constables’ Council on 25th January 2018 which covered the submissions made to the 2018/19 financial settlement, learning from this work and actions needed to address future work. A copy of this report is included in Appendix A. Section 4 addresses the issue of Financial Excellence within the Police service and outlines the work which has been ongoing between the Finance and Co-ordinating Committee, CIPFA and the College of Policing.

2.2 Appendix B includes the joint proposal to the NPCC produced by the Finance and Co-ordinating Committee and CIPFA. This contains a wide range of proposals designed to develop and support financial excellence within policing, providing both national and local support by means of a model which is broadly similar to that already in existence for Local Government and Health. One of the tools identified under the local support

section is the CIPFA Financial Management (FM) Diagnostic Tool, which was used in the original Finance review.

- 2.3 The proposal received support from all Chief Constables at the January Chief Constables' Council. Given the time elapsed since the inception of the Finance review, this national proposal presents the force with the opportunity to take stock of the progress to date and revise future plans to make use of the new resources which will be made available through this initiative.

3.0 Review of Finance Review progress at April 2018

A review of progress against the original action plan shows that this is an opportune time to take stock of the organisation and the original aims and objectives of the review. Appendix C shows that most of the actions have now been completed or are due for completion within a very short timescale.

There has been considerable organisational change since the original CIPFA review was undertaken. The new Chief Officer Group has produced its first strategic plan, "Distinctively Lincolnshire", and is now working on the operational plans to deliver the strategic objectives contained therein. The force has undergone significant cultural change under the new Chief Officer Group and some of the findings from the original review are no longer relevant. This national focus on financial excellence within the context of an increasingly challenging funding environment presents us with an opportunity to relaunch the Finance Review, adapting for the organisational change which has already taken place.

4.0 Next Steps

A new plan will be produced which takes account of the NPCC and CIPFA proposal. Consideration will be given to using the CIPFA (FM) Diagnostic Tool to assess organisational progress and identify areas for further improvement. A report will be presented to JIAC in October 2018.

B. FINANCIAL CONSIDERATIONS

In respect of the NPCC/CIPFA proposal, first steps identified will cost £200k which, as supported by Chief Constables, will be funded from existing Police Transformation funding in the first year. The Finance Coordination Committee will work with CIPFA and the College of Policing to establish future operating costs which will require support by forces. The cost of using the CIPFA (FM) Diagnostic Tool would be approximately £25k.

C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS

The Police and Crime Commissioner and Chief Constable discharge their responsibilities to secure the maintenance of an efficient and effective police force under section 1 (6)(b) of the Police Reform and Social Responsibility Act 2011, and the Chief Finance Officer and Force Chief Finance Officer meet their responsibilities under section 151 of the Local Government Act 1972,

section 73 of the Local Government Act 1985 and section 112 of the Local Government Finance Act 1988 for ensuring the proper administration of the Commissioner and Chief Constable's financial affairs.

D. PERSONNEL, EQUAL OPPORTUNITIES AND DIVERSITY ISSUES (including any impact or issues relating to Children and Young People.)

There are no direct Personnel, Equal Opportunities and Diversity issues arising from this report.

E. REVIEW ARRANGEMENTS

The Committee will receive the further updates on progress as appropriate.

F. RISK MANAGEMENT

The Police and Crime Commissioner and Chief Constable include risks on financial procedures and processes as appropriate within the Corporate Finance risk register, with any significant items being included within the force wide register.

G. PUBLIC ACCESS TO INFORMATION

Information in this report along with any supporting material is subject to the Freedom of Information Act 2000 and other legislation.