

## JOINT INDEPENDENT AUDIT COMMITTEE

26 January 2021

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SUBJECT		SCHEME OF ARRANGEMENTS INCLUDING FINANCE, CONTRACT AND PROCUREMENT REGULATIONS
REPORT BY		CHIEF FINANCE OFFICER and FORCE CHIEF FINANCE OFFICER
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<b>SUMMARY AND PURPOSE OF REPORT</b>  The Scheme of Governance should be regularly reviewed and amended. Committee's views are being sought on the amendments to the integrated Scheme of Governance. Changes to take effect from 1 February 2021, subject to PCC approval.		
RECOMMENDATION		<i>That the Committee considers this report and attachments and provides comments.</i>

**A. SUPPORTING INFORMATION****1. BACKGROUND**

- 1.1 The Financial Management Code of Practice for the Police Forces of England and Wales published by the Home Office (revised July 2018) provides that a Scheme of Governance should be prepared by the Police and Crime Commissioner (PCC), advised by the Commissioner's Chief Finance Officer in consultation with the Chief Executive, the Chief Constable (CC) and the Force Chief Finance Officer. The Scheme should be regularly reviewed and amended in consultation with, and on the advice of, these same people as appropriate.
- 1.2 The Scheme should identify those powers which may be exercised by either the PCC or the Chief Constable but which may also be exercised by their staff. It should also set out any constraints on those powers, including requirements to report back or advise the PCC or the Chief Constable, and should address circumstances which will require consultation between the staff of the PCC and the Chief Constable.
- 1.3 The integrated Scheme of Governance comprises of:
  - Scheme of Consent;
  - PCC's Scheme of Delegation;
  - Chief Constable's Scheme of Delegation;
  - PCC and Chief Constable Financial, Contract and Procurement Regulations.
- 1.4 A review of the Scheme of Governance documentation has been undertaken, proposed changes are shown in "track" to enable comparison.

## **2. SCHEME OF CONSENT**

- 2.1 The Scheme of Consent sets out the extent to which the PCC empowers the Chief Constable to enter into contracts etc. on their own behalf rather than as an agent of the PCC. The Scheme of Consent is attached at **Appendix A** and reflects the PCC's decision to not confer consent.
- 2.2 The draft Scheme of Consent has had some minor narrative amendments and reformatting.

## **3. PCC'S SCHEME OF DELEGATION**

- 3.1 The PCC's Scheme of Delegation provides for the delegation of powers from the PCC to staff in their direct employ. The latest draft is attached at **Appendix B**.
- 3.2 The draft PCC Scheme of Delegation has had some minor narrative amendments.

## **4. CHIEF CONSTABLE'S SCHEME OF DELEGATION**

- 4.1 The Chief Constable's Scheme of Delegation provides for the delegation of powers from the Chief Constable to officers and to staff in their direct employ. The latest draft is attached at **Appendix C**.
- 4.2 The draft CC Scheme of Delegation has had some minor revision.

## **5. FINANCIAL, CONTRACT AND PROCUREMENT REGULATIONS**

- 5.1 The PCC and the Chief Constable have the same Financial, Contract and Procurement Regulations, the latest draft is attached at **Appendix D**.
- 5.2 The draft Financial, Contract and Procurement Regulations has had some minor revision and reformatting. Specific updates include:
- Clarification around the establishment and drawdown of reserve balances, which includes allowing the Commissioner's CFO to approve the drawdown of Earmarked Reserves for specific project/activities;
  - Removing the PFI scheme regulation as the PFI legislation has been abolished;
  - The approval of charges for special police services has been amended to the Commissioner's CFO instead of the Commissioner;
  - Amendments to FR45, which include adding the Commercial Accountant and Finance Scrutiny & Performance post and removing the Chief Executive from Treasury activities;
  - Clarification around the approval of Grant Agreements;
  - Contract regulations have been amended to reflect the formalisation of the UK leaving the EU.

## **B. FINANCIAL CONSIDERATIONS**

None.

**C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS**

The proposals described in this paper respond to the requirements of the Police Reform & Social Responsibility Act 2011 and the Financial Management Code of Practice for the Police Forces of England and Wales published by the Home Office (revised July 2018).

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

None.

**E. REVIEW ARRANGEMENTS**

The Scheme of Governance will be subject to annual review.

**F. RISK MANAGEMENT**

The Scheme of Governance is a key component of the risk management framework.

**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.