



ORIGINATOR: PCC CFO and CC CFO

DECISION NO. 1-2013

REASON FOR SUBMISSION: For Decision

SUBMITTED TO: Police and Crime Commissioner

SUBJECT: Police and Crime Commissioner's Governance Scheme:  
(i) Financial Regulations

**SUMMARY:**

1. Within the Police and Crime Commissioner's corporate governance framework is the requirement to approve a set of Financial Regulations.

**RECOMMENDATION:**

It is recommended that:

1. The PCC adopts the Financial Regulations attached as Appendix A.

**OUTCOME/APPROVAL BY: PCC**

The recommendation above is approved.

Signature

*Tim Parnmore*

Date

3/1/13

## DETAIL OF THE SUBMISSION

### 1. KEY ISSUES FOR CONSIDERATION:

#### 1.1 Introduction

1.1.1 On 22 November 2012 the Police and Crime Commissioner for Suffolk (PCC) formally took up office under the Police Reform and Social Responsibility Act 2011. The PCC has a duty to hold the Chief Constable to account for the exercise of their functions and for the functions of those staff under their direction and control.

1.1.2 The PCC requires a framework for corporate governance, which includes mechanisms for the making of decisions to discharge the PCC's functions and to hold the Chief Constable to account.

1.1.3 The corporate governance framework, known as the "Governance Scheme" comprises four key elements:

- a Decision-making and Accountability Framework;
- a Scheme of Delegation;
- Financial Regulations; and
- Contract Standing Orders.

1.1.4 This paper considers the third of these key elements, with the Decision-making and Accountability Framework and Scheme of Delegation having been approved on 22 November 2012 (Decision number 1- 2012).

#### 1.2 Financial Regulations

1.2.1 Public sector accounting is covered by a range of government legislation and accounting standards that are designed to ensure proper accountability for public funds, including:

- The Local Government Act 1972
- The Local Government Finance Act 1988
- The Accounts and Audit Regulations 2003, 2006 and 2011

1.2.2 The Police Reform and Social Responsibility Act 2011 defined arrangements for separate corporations sole for the Police and Crime Commissioner (PCC) and Chief Constable (CC), each of which is required to appoint a Chief Finance Officer (CFO).

1.2.3 In addition, the Home Office issued a Financial Management Code of Practice (FMCP) in January 2012, which deals specifically with the financial management of the corporations sole of the PCC and CC. The professional responsibilities of the PCC and CC CFOs are defined in the FMCP and in a CIPFA Statement issued in September 2012, "Responsibilities of the CFO to the PCC and the CFO to the CC".

1.2.4 To conduct its business effectively, the PCC and CC need to ensure that sound financial management policies are in place and that they are strictly adhered to. Part of this process is to adopt and implement Financial Regulations.

1.2.5 The draft Regulations attached as Appendix A have been drawn up in such a way as to ensure that the financial matters of the PCC and CC are conducted properly and in compliance with all necessary requirements.

- 1.2.6 The Regulations are designed to establish overarching financial responsibilities, and to provide clarity about the financial accountabilities of groups or individuals. They apply to all PCC staff and all CC officers and staff and anyone acting on their behalf. The Regulations have been drawn in the knowledge that under s18 of the Police Reform and Social Responsibility Act 2011 it is not possible for the PCC to arrange for a function to be exercised by a constable.
- 1.2.7 The Regulations have been developed by the Joint Head of Finance in consultation with the CFO's and Assistant Chief Officers in Suffolk and Norfolk, with the intention of agreeing a common set of Financial Regulations in the near future. There are considerable operational benefits in the short and longer-term of adopting a common set of Financial Regulations, particularly in the collaborated areas with Norfolk.
- 1.2.8 Financial Regulations should not be seen in isolation, but rather as part of the overall regulatory framework summarised in paragraph 1.1.3 above.

## **2. FINANCIAL IMPLICATIONS:**

- 2.1. There are no direct financial implications arising from this paper.

## **3. OTHER IMPLICATIONS AND RISKS**

### **3.1 Legal**

- 3.1.1 The legal issues connected with the development of the proposals for the Financial Regulations and Contract Standing Orders, and which are articulated in the relevant Appendices referred to above, have been at the core of developing the proposals. Both statutory officers, namely the Chief Executive (and Monitoring Officer) and the Chief Finance Officers of the PCC and CC, together with the Joint Heads of Finance and Procurement, have been fully involved in developing the proposed arrangements.

### **3.2 Equality and Diversity**

- 3.2.1 An Equality Analysis has been undertaken in the development of the proposals and there are no factors of direct material significance in terms of the governance arrangements per se that would prevent adoption of the recommendations. However, compliance with Equality and Diversity legislation is the responsibility of the contract controls department through the inclusion in tender documentation of the requirement for contractors to confirm their adherence to relevant legislation.

### **3.3 Risk**

- 3.3.1 It is critical for the PCC to have a Scheme of Governance and the proposals contribute to the delivery of the Scheme. It is expected that the Scheme of Governance will progress through numerous iterations as the new policing landscape develops. No risks are envisaged at this stage requiring recording upon the PCC's Risk Register.

**PUBLIC ACCESS TO INFORMATION:** *Information contained within this submission is subject to the Freedom of Information Act 2000 and wherever possible will be made available on the Police and Crime Commissioner's website. Submissions should be labelled as 'Not Protectively Marked' unless any of the material is 'restricted' or 'confidential'. Where information contained within the submission is 'restricted' or 'confidential' it should be highlighted, along with the reason why.*

ORIGINATOR CHECKLIST (MUST BE COMPLETED)	PLEASE STATE 'YES' OR 'NO'
Has legal advice been sought on this submission?	Yes- see paragraph 3.1.1 above
Has the PCC's Chief Finance Officer been consulted?	Yes
Have equality, diversity and human rights implications been considered including equality analysis, as appropriate?	Yes-see paragraph 3.2.1 above
Have human resource implications been considered?	Yes
Is the recommendation consistent with the objectives in the Police and Crime Plan?	Not applicable
Has consultation been undertaken with people or agencies likely to be affected by the recommendation?	Yes
Has communications advice been sought on areas of likely media interest and how they might be managed?	Yes
In relation to the above, have all relevant issues been highlighted in the 'other implications and risks' section of the submission?	Yes

**APPROVAL TO SUBMIT TO THE DECISION-MAKER** (this approval is required only for submissions to the PCC).

**Chief Executive**

I am satisfied that relevant advice has been taken into account in the preparation of the report and that this is an appropriate request to be submitted to the PCC.

Signature:

Date 21 December 2012