Agenda Item No

10

JOINT INDEPENDENT AUDIT COMMITTEE

25 April 2022

SUBJECT	**SCHEME OF ARRANGEMENTS INCLUDING FINANCE, CONTRACT AND PROCUREMENT REGULATIONS**
REPORT BY	**CHIEF FINANCE OFFICER and FORCE CHIEF FINANCE OFFICER**
CONTACT OFFICER	**JULIE FLINT, CHIEF FINANCE OFFICER** **TEL: 01522 947222** **SHARON CLARK, FORCE CHIEF FINANCE OFFICER** **TEL: 01522 947468**
SUMMARY AND PURPOSE OF REPORT 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 April 2022, subject to PCC approval.	
RECOMMENDATION	***That the Committee considers this report and attachments and provides comments.***

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 had previously been undertaken and considered by the JIAC at its meeting in January 2021.

Following the meeting, further comments were received from a (now) former member of the JIAC. Following receipt of these comments, a further review has been undertaken and all of the proposed changes, including those previously considered by the JIAC at its meeting in January 2021, are shown in "track" to enable comparison.

1.5 The majority of the services provided via the Strategic Partnership with G4S have now concluded with most services now being provided in-house, apart from Custody services and Cleaning services which are now provided via alternative contractual arrangements. The Strategic Partnership remains in place in respect of the delivery of the replacement Command & Control system. As a result, the Scheme of Governance reflects a transitional period with some references to the Strategic Partnership having been replaced to reflect this transitional period.

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;
- References to the Strategic Partnership have been replaced, largely by references to "Finance Staff" where appropriate.

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.