



To: Joint Audit Committee

From: Chief Executive and Chief Constable

Date: 18 March 2014

DRAFT SCHEME OF GOVERNANCE AND DRAFT FINANCIAL REGULATIONS

1. Purpose

1.1 For the Joint Audit Committee to consider the draft scheme of governance and the draft Financial Regulations for implementation on 1st April 2014.

2 Recommendations

2.1 The Joint Audit Committee to note:

- The content of the report
- The draft scheme of governance – This is a Joint Scheme between Bedfordshire, Cambridgeshire and Hertfordshire, which is subject to approval by the respective Police and Crime Commissioners.
- The draft financial regulations – This relates to Cambridgeshire only.
- The intention among chief finance officers is to develop joint financial regulations between Bedfordshire, Cambridgeshire and Hertfordshire with a target date of the 30th June 2014, with a view of implementation on 1st July 2014, subject to agreement and approval from the Police and Crime Commissioners.
- Minor amendments will be made to the draft scheme of governance and financial regulations between the time of writing this report and 31st March to reflect comments from Bedfordshire and Hertfordshire (scheme of

governance) and comments from Bedfordshire PCC and Constabulary (financial regulations).

3 Introduction

- 3.1 The Police and Crime Commissioner commenced in Office on 26th November 2012 and took on the responsibility for the employment of all Police Staff, assets, liabilities, contracts and bank accounts which were previously under the responsibility of the Police Authority.
- 3.2 In September 2013 all Police and Crime Commissioners had to submit their intentions of Police Staffing responsibilities (who the employment of staff would reside, Police and Crime Commissioner or Chief Constable). The Home Secretary approved the Draft proposals for Bedfordshire, Cambridgeshire and Hertfordshire. This along with deciding whom assets, liabilities, contracts and bank accounts reside with is known as "Stage 2 Transfers".
- 3.3 Cambridgeshire submitted its final stage 2 staffing transfer schemes by the Home Office deadline of the 6th March 2014 for approval.
- 3.4 As a result of certain responsibilities being transferred to the respective constabulary chief constables, the current scheme of governance is required to be updated for the 1st April 2014 to reflect the responsibilities of the Police and Crime Commissioners, Chief Constable and Chief Officers, as well as the consents (giving of authority) to the chief constable by the Police and Crime Commissioner.
- 3.5 The 3 Police and Crime Commissioners (Bedfordshire, Cambridgeshire and Hertfordshire) have decided to use this as an opportunity to explore the possibility to adopt one scheme of governance /consent between the 3 authorities.

4 Draft Scheme of Governance

- 4.1 The draft scheme of governance has been developed in conjunction with Bedfordshire and Hertfordshire to establish a joint scheme. This has been undertaken by the respective Chief finance officers and is subject to approval by the respective Police and Crime Commissioners.
- 4.2 The possibility of developing a joint scheme has been enabled by the respective Police and Crime Commissioners adopting the same core principles of:
- All staff, except those under the direct control of the Police and Crime Commissioner transferring to the Chief Constable
 - All Assets owned by the Police and Crime Commissioner
 - All contracts to be in the Police and Crime Commissioners name
 - One Bank Account under the Police and Crime Commissioner

4.3 It is noted that the draft scheme is different in both style and presentation to the current scheme of governance. The scheme has also been amended to reflect some differences in terminology between the 3 Police and Crime Commissioners. Some of the main differences from the current scheme are:

- The revised scheme:
 - Includes a section on “duty to provide information to the police and crime panel” – This describes how and what information is provided to the panel (particularly in relation to the precept).
 - Enables the Chief Executive to appoint and dismiss OPCC staff.
 - Enables the Chief Executive to settle employment tribunal claims (previously could only “assist in the resolution of claims”).
 - Chief Executive has delegated authority for negotiating variation in services with the county council.
 - Chief Executive can appoint technical and general consultants.
 - Includes sections on Deputy Chief Executive/Deputy Chief of Staff which are only relevant to Hertfordshire and Bedfordshire.
 - Defined brief section on Stage 2 Transfers included.
 - The financial claims settlement delegation limits have been removed and included in the draft financial regulations under Section G – Delegated limits.
 - In relation to Chief Executive Delegations - Does not refer to delegated authority to exercise the statutory powers of the chief constable for professional standards, which is referred to in the current scheme. However, as the Scheme of Governance is not an exhaustive list, it could be implied within the Chief Executive role.
 - The current scheme mentions specific delegation to the chief constable of car allowances, awards under staff suggestion scheme. The revised scheme covers this by enabling the chief constable to determine allowances.
 - The finance section under the chief constable has been expanded to give detail, where previously it simply referred to the financial regulations. The meaning and intent remain the same.

It should be noted that the above is not an exhaustive list.

4.4 Whilst the Scheme of Governance combines Bedfordshire, Hertfordshire and Cambridgeshire, there is likely to be minor amendments made up to 31st March, as the scheme is refined.

5 Draft Financial Regulations

5.1 The draft financial regulations are specific to Cambridgeshire and set out the financial regulations that apply to the Police and Crime Commissioner for Cambridgeshire (the Commissioner), all staff in his office, the Chief Constable and police officers and police staff within Cambridgeshire Constabulary having due regard to the overall regulatory framework of their approach to financial management.

5.2 It is proposed to make the following amends to the financial regulations, as well as update the referencing to the scheme of delegation:

- Pg 4 – Expanded The Deputy Police and Crime Commissioner section to highlight what functions cannot be delegated by the Police and Crime Commissioner.
- Pg 5 – Removal of Paragraph 39, this is repetitive within the financial regulations
- Pg 9 - Included a section on The Chief Executive and Monitoring Officer which defines the main responsibilities of the Monitoring Officer
- Pg 25 - Included a line on civil claims, to maintain the Chief Executive responsibility for taking, defending and settling civil claims.
- Pg 37 - Para 18 moved from under Chief Constable to Chief Constable CFO. This related to financial instructions for dealing with petty cash which appear to better fit as a responsibility of the Chief Constable CFO.
- Pg 40 - Included section C9 Evidential and Non-Evidential Property - This is currently for discussion with the Chief Constable at the time of writing this report (7th March).
- Pg 48 - Added para 8 - Card Holders providing receipted details of all payments
- Pg 62 - Para 18 amended to reflect the Chief Executive responsibility for determining authorised signatories.
- Pg 66 - Included additional bullet point regarding the cumulative value of virements
- Pg 68 - Included Section on Legal claims/settlements which was previously in the Scheme of Governance
- Pg 71 - Included 2 bullet points to cover bodies who can scrutinise the PCC and CC affairs, who were not mentioned in the current financial regulations.

5.3 There are also an additional couple of discussion points which are being considered at the time of writing this report as follows:

- Pg 13 - Financial Planning - Joint responsibilities of the Commissioner CFO and Chief Constable. This relates to the format and timing of the medium term financial plan and whether this would be more appropriate under the Chief Constable CFO rather than the Chief Constable.

- Pg 22 - Monitoring of Capital Programme and Expenditure - Joint responsibilities of the Chief Constable and Commissioner CFO. Would be more appropriate under the Chief Constable CFO rather than the Chief Constable.

5.4 It is also anticipated that there will be some further minor amendments before implementation on 1st April.

5.5 As at the 1st April the Bedfordshire, Cambridgeshire and Hertfordshire, will each have adopted their own individual financial regulations. There is a desire among the Chief Finance Officers to develop a joint financial regulations and it has been acknowledged to work towards a target date of 30th June 2014 to achieve this and implementation (subject to approval of the respective Police and Crime Commissioner and Chief Constables) on 1st July 2014.

6 Recommendations

6.1 The Joint Audit Committee to note:

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