



**Lancashire  
Constabulary**  
police and communities together

# **CORPORATE GOVERNANCE FRAMEWORK**

June 2016

# CODE OF CORPORATE GOVERNANCE

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# **Statement of Corporate Governance for the Police and Crime Commissioner for Lancashire and the Chief Constable of Lancashire**

## **1 Introduction**

1.1 The purpose of this statement is to give clarity to the way the two corporations sole, Police and Crime Commissioner (the Commissioner) and Chief Constable, will govern both jointly and separately, to do business in the right way, for the right reason at the right time.

## **2 Context**

2.1 The principle statutory framework within which the corporations' sole will operate is defined by:-

- Police Reform and Social Responsibility Act 2011
- Policing Protocol Order 2011
- Financial Management Code of Practice
- Strategic Policing Requirement

2.2 This framework creates a public sector relationship, based upon the commissioner provider arrangement but with unique elements such as the single elected commissioner and operational independence of the police service.

2.3 In addition as required by the Accounts and Audit (England) Regulations 2011 the Commissioner and Chief Constable are required to produce separate annual governance statements to show how their respective organisations have complied with this joint Code of Corporate Governance.

## **3 Principles**

3.1 The core principles to be adopted by both corporations sole are:-

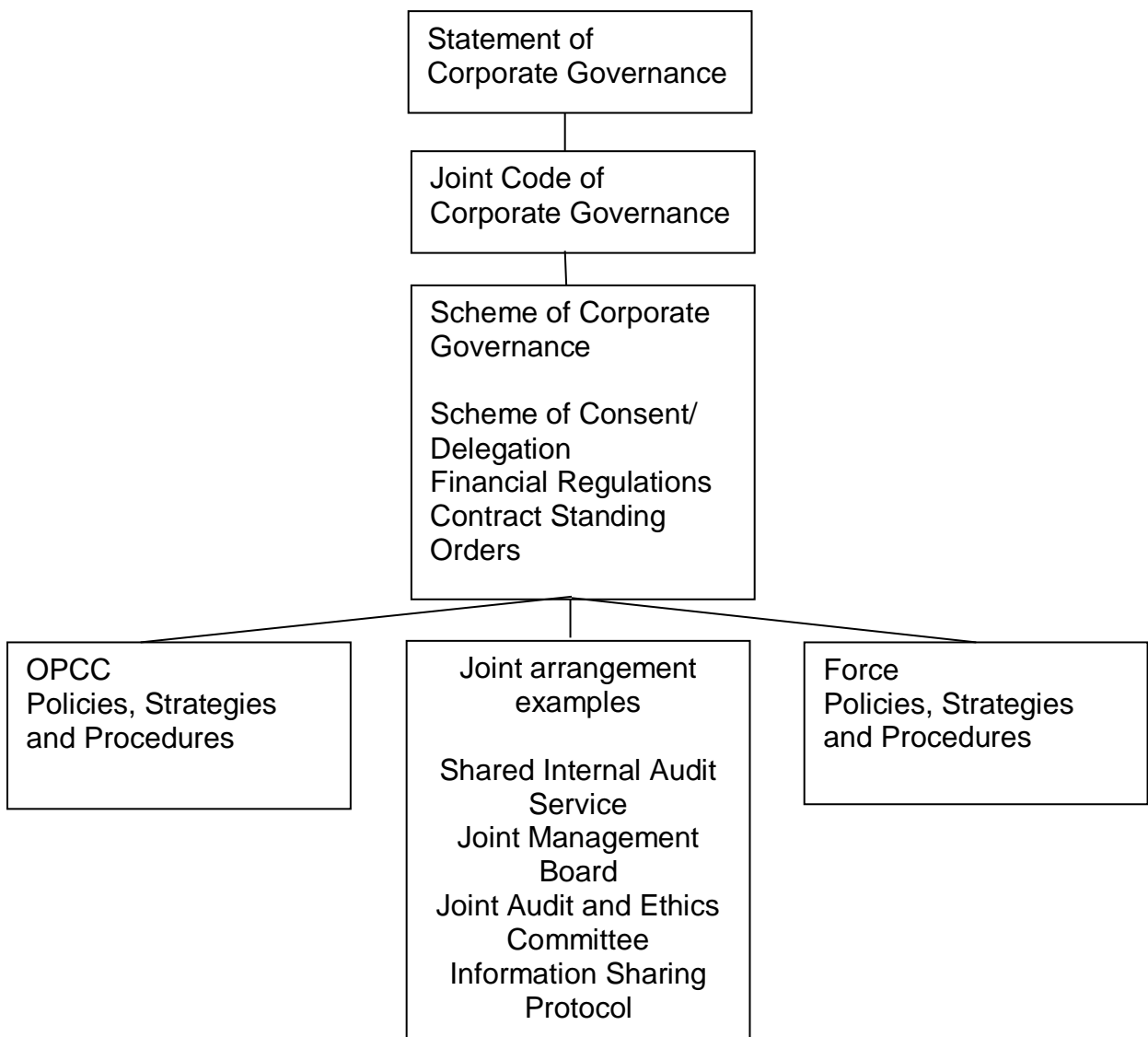
- Focus on outcomes for local people.
- Clarity of roles and functions.
- Promotion of values and demonstrating these through behaviour.
- Informed transparent decisions and managing risk.
- Developing capacity and capability.
- Engaging with local people to ensure robust accountability.

3.2 These principles are set out in the CIPFA/SOLACE framework "Delivering Good Governance in Local Government" 2007.

#### 4 Framework / Instruments of governance

4.1 The Corporate Governance framework within which both corporations sole will govern, both jointly and separately will consist of:-

- Statement of Corporate Governance – is to give clarity to the way the two corporations sole, will govern both jointly and separately, to do business in the right way, for the right reason at the right time.
- Joint Code of Corporate Governance – sets out how the core principles will be implemented, and describes the strategies, arrangements, instruments and controls to ensure good governance in the two corporations sole.
- Scheme of Corporate Governance – defines the parameters within which the corporations' soles will conduct their business.
- Separate policy and procedures for each corporation sole, with protocols where they operate jointly.



# JOINT CODE OF CORPORATE GOVERNANCE FOR THE POLICE AND CRIME COMMISSIONER AND CHIEF CONSTABLE FOR LANCASHIRE

## 1 Introduction

- 1.1 Governance is about how the Police and Crime Commissioner (Commissioner) and Chief Constable ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open and accountable manner. It comprises the systems, processes, culture and values within the Office of the Police and Crime Commissioner (OPCC) and the Lancashire Constabulary (Constabulary), and through which the Commissioner and Chief Constable account to, engage with and, where appropriate, lead the community.
- 1.2 This Joint Code of Corporate Governance describes how the Police and Crime Commissioner and the Chief Constable will discharge their statutory responsibilities. It should be read alongside the Governance Framework Documents that define the parameters for decision-making, including schemes of consent, delegations, financial regulations and standing orders relating to contracts.
- 1.3 The PCC has two key statutory responsibilities:
  - 1.3.1 To secure the maintenance of an efficient and effective local police force;
  - 1.3.2 To hold to account the Chief Constable of Lancashire for the exercise of his functions and those of persons under his direction and control.
- 1.4 The Chief Constable has a statutory responsibility for
  - 1.4.1 maintaining the Queen's peace
  - 1.4.2 the control, direction and delivery of operational police services provided by the force.
- 1.5 The Chief Constable is accountable to the law for the exercise of police powers and the Police and Crime Commissioner for the delivery of efficient and effective policing, and management of resources and expenditure by the police force.
- 1.6 This Joint Code applies to all personnel, contractors and/or agents providing a direct service to the commissioner and the Chief Constable.
- 1.7 The CIPFA/SOLACE Framework “**Delivering Good Governance in Local Government**” sets out six core principles on which effective governance should be built. The way in which each of the core principles of good governance is put into practice is set out below and evidenced in the Commissioner's and Chief Constable's Annual Certificate of Assurance prepared by the Director and the Chief Finance Officers.
- 1.8 **Focusing on the purpose of the Commissioner and the Constabulary, and on outcomes for the community to create and implement a vision for the local area.**

1.8.1 To achieve this, the Commissioner and Chief Constable will:

- Promote their mission, vision and values
- Ensure that when working in partnership with others it is underpinned by a common vision that is understood by all parties
- Decide how the quality of service for users is to be measured and ensure that the information needed to review service quality effectively and regularly is available
- Ensure that the information needed to review performance in achieving value for money effectively and regularly is available
- Consider the environmental impact of policies, plans and decisions
- Put in place effective arrangements to ensure the OPCC and the Constabulary perform to high standards and to identify and deal with failure in service delivery.

**1.9 Leaders, officers and partners working together to achieve a common purpose with clearly defined functions and roles.**

1.9.1 To achieve this, the Commissioner and Chief Constable will:

- Appoint the Statutory Officers required under legislation and enable them to effectively carry out their statutory functions and provide appropriate advice on matters within their sphere of responsibility;
- Ensure there is a clear understanding of the respective roles and responsibilities within each corporation sole and regularly review the effectiveness of these roles and responsibilities;
- Determine a scheme of consent/delegation, including a schedule of those matters specifically reserved for decision by the Commissioner, taking account of relevant legislation and ensure that it is monitored and updated when required;
- Work with stakeholders and communities to develop and deliver against clearly defined strategic plans, priorities and measurable outcomes to drive improvements in policing services; and
- Ensure when working in partnership and in commissioning services that the arrangements for governance and accountability for performance and financial administration are clearly articulated and disseminated.

**1.10 Promoting the values for the Commissioner and demonstrating the values of good governance through upholding high standards of conduct and behaviour.**

1.10.1 To achieve this, the Commissioner and Chief Constable will:

- Ensure that their leadership sets a tone for their respective organisations by creating a climate of openness, support and respect
- Ensure that standards of conduct and personal behaviour expected between the Commissioner, staff of the OPCC, and staff and officers of the Constabulary are defined and communicated through appropriate codes of conduct and protocols

- Put in place arrangements to ensure that the Commissioner's and Constabulary's systems and processes are designed to conform with appropriate ethical standards and monitor their continuing effectiveness in practice
- Put in place arrangements to ensure that the Commissioner and staff of the OPCC and officers and staff of the Constabulary are not influenced by prejudice, bias or conflicts of interest when dealing with different stakeholders and working in partnership

### **1.11 Taking informed and transparent decisions which are subject to effective scrutiny and risk management arrangements.**

1.11.1 To achieve this, the Commissioner and Chief Constable will:

- Develop and maintain effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations.
- Develop and maintain effective arrangements to challenge and scrutinise performance and compliance with other requirements.
- Ensure that the two corporations sole work together to obtain objective and timely information which is necessary to take balanced and informed decisions.
- Ensure that risk management is embedded both within the OPCC and Constabulary and is used effectively to inform and focus its decision making, scrutiny and monitoring work.
- Ensure that both the Commissioner and Constabulary have effective, transparent and accessible arrangements in place for dealing with complaints
- Actively recognise the limits of lawful activity and ensure that professional advice on matters with legal or financial implications is available and used appropriately and in acting as a Commissioner of services, the Commissioner will agree the priorities or outcomes to be delivered through a contract or grant agreement with each provider.

### **1.12 Developing the capacity and capability of the Commissioner, Chief Constable and all officers and staff within the OPCC and Constabulary to be effective in their roles.**

1.12.1 To achieve this, the Commissioner and Chief Constable will:

- Ensure, through effective planning, processes, procedures and appropriate allocation and use of funding, that officers and staff of the OPCC and Constabulary have the skills, resources and support necessary to perform effectively in their roles and functions
- Provide induction programmes tailored to individual needs as well as opportunities for officers and staff of the OPCC and Constabulary to update their knowledge on an on-going basis
- Regularly assess performance, as well as the skills required by officers and staff of the OPCC and Constabulary, and make a commitment to develop those skills to enable roles to be carried out effectively.

- Ensure there are effective arrangements designed to encourage individuals from all sections of the community to engage with, contribute to and participate in policing.

### **1.13 Aim to engage with local people and other stakeholders to ensure robust public accountability.**

1.13.1 To achieve this, the Commissioner and Chief Constable will:-

- Make clear to all officers and staff, the community and stakeholders, what they are accountable for and to whom
- Ensure arrangements are in place to enable effective engagement with partners, stakeholders, all sections of the community and victims of crime, recognising that different sections of the community will have different priorities
- Ensure that processes for taking decisions about matters where there are competing demands from different sections of the community openly recognise and address those differences
- Hold meetings in public unless there are good reasons for confidentiality and
- Regularly publish information on the Commissioner's and Constabulary's work, achievements and satisfaction of users, including the publication by the Commissioner of a Police and Crime Plan and an Annual Report.

## **2 Statutory Governance Structure**

2.1 The '2011 Act' and the Policing Protocol Order 2011 (the Protocol) established not only the role of the Police and Crime Commissioner but also a statutory structure that contributes towards good governance.

2.2 The Commissioner is ultimately accountable to the electorate in the Lancashire Police area.

2.3 The Commissioner has a statutory responsibility to hold the Chief Constable to account for the exercise of their functions and those of persons under their direction and control.

2.4 The Police and Crime Panel provides support and scrutiny to the Commissioner in fulfilling their role. The Panel does not scrutinise the Chief Constable, this is the role of the Commissioner.

2.5 The Code of Corporate Governance builds on this structure, including other requirements of the Act, Protocol, other legislation and local arrangements.

## **3 Code of Corporate Governance**

3.1 The Commissioner and Chief Constable are responsible for jointly approving this Joint Code of Corporate Governance.



## **4 Arrangements for review of Governance**

- 4.1 A formal review of both the Corporate Governance Framework Documents will be undertaken annually to ensure that they reflect any changes in legislation and current best practice.
- 4.2 The Commissioner and Chief Constable are committed to a joint local Code of Corporate Governance and reviewing its effectiveness.
- 4.3 The Commissioner and Chief Constable will both produce Annual Governance Statements (AGS) that will be published on their websites alongside the annual Statement of Accounts. The AGSs will include an Action Plan to rectify any significant areas of weakness in internal control and/or corporate governance.
- 4.4 The review will be ongoing throughout the year with the results being brought together annually to produce the AGSs. Significant elements of the review process are set out in the paragraphs below.

## **5 Joint Audit and Ethics Committee**

- 5.1 In accordance with the Financial Management Code of Practice for the Police Forces of England and Wales issued by the Home Office, the Commissioner and Chief Constable have established a Joint Audit and Ethics Committee. This Committee will advise the Commissioner and Chief Constable in accordance with good governance principles.

## **6 Shared Internal Audit**

- 6.1 The primary role of Internal Audit is to give assurance to the Commissioner and Chief Constable, on the effectiveness of the controls in place to manage risks. The Internal Audit Manager will report to the Joint Audit and Ethics Committee on a quarterly basis, highlighting any major control weaknesses identified.
- 6.2 The review of both corporate governance and risk management arrangements periodically feature in the annual Internal Audit Plan which is subject to review by the Joint Audit and Ethics Committee. Corporate governance and risk management issues may arise through other reviews carried out by Internal Audit. In this case the issues will be raised through the relevant audit report.

## **7 External Audit**

- 7.1 The External Auditors audit the Commissioner's and Chief Constable's financial statements, Annual Governance Statement and arrangements for securing value for money, as well as undertaking a number of thematic based reviews. The External Auditor's plans and reports, including the Annual Audit Findings report, will be considered by the Commissioner and Chief Constable and reviewed by the Joint Audit and Ethics Committee at appropriate times in the annual cycle of meetings.



# **Scheme of Delegation and Scheme of Consent**

2016

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# OFFICE OF THE POLICE AND CRIME COMMISSIONER FOR LANCASHIRE

## SCHEME OF DELEGATION

### 1. INTRODUCTION

- 1.1. The Scheme of Delegation details the key roles of the Police and Crime Commissioner (PCC), and those functions which he delegates to the Director and the Commissioner's Chief Finance Officer.
- 1.2. The Scheme of Delegation should be read alongside the Scheme of Consent, Financial Regulations, Standing Orders relating to Contracts, policies, procedures, and plans.
- 1.3. This Scheme of Delegation forms part of the PCC's governance framework to ensure that business is carried out efficiently and that decisions are not unnecessarily delayed.

### 2. KEY ROLES OF THE POLICE AND CRIME COMMISSIONER

- 2.1. The PCC has a statutory duty and electoral mandate to hold the Chief Constable of Lancashire to account on behalf of the public.
- 2.2. The PCC is the recipient of all funding, including the government grant and precept and other sources of income, related to policing and crime reduction and all funding for the Lancashire Constabulary must come via the PCC. How this money is allocated is a matter for the PCC in consultation with the Chief Constable, or in accordance with any grant terms. The Chief Constable will provide professional advice and recommendations.
- 2.3. The PCC has the legal power and duty to—
  - (a) set the strategic direction and objectives of the force through the Police and Crime Plan (the Plan), which must have regard to the Strategic Policing Requirement set by the Home Secretary;
  - (b) scrutinise, support and challenge the overall performance of the force including against the priorities agreed within the Plan;
  - (c) hold the Chief Constable to account for the performance of the force's officers and staff;
  - (d) decide the budget, allocating assets and funds to the Chief Constable; and set the precept for the force area;
  - (e) appoint the Chief Constable;
  - (f) remove the Chief Constable subject to following the process set out in Part 2 of Schedule 8 to the 2011 Act and regulations made under section 50 of the Police Act 1996;
  - (g) maintain an efficient and effective police force for the police area;
  - (h) enter into collaboration agreements with other PCCs, other policing bodies and partners that improve the efficiency or effectiveness of policing for

one or more policing bodies or police forces in consultation with the Chief Constable (where this relates to the functions of the police force, then it must be with the agreement of the Chief Constable);

(i) provide the local link between the police and communities, working to translate the legitimate desires and aspirations of the public into action;

(j) hold the Chief Constable to account for the exercise of the functions of the office of Chief Constable and the functions of the persons under the direction and control of the Chief Constable;

(k) publish information specified by the Secretary of State and information that the PCC considers necessary to enable the people who live in the force area to assess the performance of the PCC and Chief Constable;

(l) comply with all reasonable formal requests from the Police and Crime Panel (the Panel) to attend their meetings;

(m) prepare and issue an annual report to the Panel on the PCC's delivery against the objectives set within the Plan;

(n) monitor all complaints made against officers and staff, whilst having responsibility for complaints against the Chief Constable.

2.4. The PCC must not fetter the operational independence of the police force and the Chief Constable who leads it.

2.5. In order to enable the PCC to exercise the functions of his office effectively, he will need access to information and officers and staff within Lancashire Constabulary. Such access to any information must not be unreasonably withheld or obstructed by the Chief Constable and/or fetter the Chief Constable's direction and control of the force.

2.6. The PCC has wider responsibilities than those relating solely to the police force, namely—

(a) a specific responsibility for the delivery of community safety and crime reduction;

(b) the ability to bring together Community Safety Partnerships at the force level;

(c) the ability to make crime and disorder reduction grants within the Lancashire force area;

(d) a duty to ensure that all collaboration agreements with other Local Policing Bodies and forces deliver better value for money or enhance the effectiveness of policing capabilities and resilience;

(e) a wider responsibility for the enhancement of the delivery of criminal justice in Lancashire.

### **3. GENERAL PRICIPLES OF DELEGATION**

3.1. The PCC may not arrange for any constable or any person employed by the Chief Constable to exercise any of the PCC's functions. Under this Scheme, there is no formal delegation of any function from the PCC to any constable or member of police staff. Where this Scheme of Delegation refers to a

delegation that is a reference to a delegation of a function or power by the PCC to a member of his own staff.

- 3.2. Officers and staff of the Chief Constable may assist the PCC to exercise his functions. Indeed the Chief Constable is under a statutory duty to 'exercise the power of direction and control in such a way as is reasonable to give that assistance. The Scheme sets out some of the ways in which that assistance will be given. For the avoidance of doubt these are not delegations from the PCC.
- 3.3. This Scheme of Delegation provides the Director and the PCC's Chief Finance Officer with the legal authority to carry out specific duties on behalf of the PCC. In carrying out these duties they must comply with all other statutory and regulatory requirements and relevant professional guidance including:
  - The 2011 Act and other relevant legislation issued under this Act;
  - Financial Regulations;
  - Standing Orders relating to Contracts;
  - Home Office Financial Management Code of Practice; and
  - CIPFA Statement on the role of the Chief Financial Officer to the Police and Crime Commissioner.
- 3.4. Where the PCC has delegated powers to the Director and or the Chief Finance Officer, this scheme allows the Director and the Chief Finance Officer to authorise a member of the Office of the Police and Crime Commissioner to carry out those functions. The Director shall maintain a record of those officers authorised to act on her behalf.
- 3.5. With exception to these statutory powers, any person to whom a power is delegated under this Scheme may authorise that power, with the approval of the Director and/or the Chief Finance Officer to the Commissioner. The formal responsibility and accountability for the effective discharge of these authorised powers remains in law with the person to whom the power was delegated by the Commissioner.
- 3.6. Giving delegation to authorised officers and staff under this Scheme does not prevent them from referring a matter to the PCC for a decision if it is considered appropriate, (for example, because of sensitive issues or any matter that may have a significant financial, legal or reputational implication). Additionally, the PCC may ask that a specific matter be referred to him for a decision and not be dealt with under powers of delegation.
- 3.7. All decisions taken under delegated powers given to them by the Commissioner must be recorded and be available for inspection by the PCC.
- 3.8. Consideration must be given to any issues that arise from delegations granted within this Scheme which may have a potential reputational risk for the Office of the Police and Crime Commissioner. Any such issues must be

reported to the PCC, prior to any decision being made or where this is not possible, as soon as practically possible.

3.9. In addition, the PCC is ultimately accountable for the police fund. Delegations for approvals relating to the police fund are set out in this scheme.

3.10. The PCC may choose to delegate certain responsibilities to committee or panel. These responsibilities are detailed in the terms of reference for that committee/panel as set out in Appendix A.

3.11. In the absence of the PCC (defined as leave or illness or other exceptional circumstances) where contact with the PCC is not possible and a decision of an urgent nature is required to protect the interests of the organisation, the PCC delegates decisions in relation to the exercise of his statutory functions to the Director (in consultation with the PCC's section 151 officer where applicable) with the exception of those powers which cannot be delegated (see paragraphs 3.14 and 3.15). Upon the PCC's return, any decisions made by the Director under this paragraph will be reported to the PCC.

3.12. Should the Police and Crime Panel appoint an Acting Commissioner, the powers of authority will still remain with the Director until such time as a new Commissioner is elected.

3.13. When carrying out any functions, the PCC and his staff must have regard to:

3.13.1. The views of people in Lancashire, obtained through consultation

3.13.2. Any report or recommendation made by the Panel on the annual report for the previous year

3.13.3. The Plan and any guidance issued by the Secretary of State.

(This list is a summary and is not exhaustive.)

3.14. The 2011 Act provides that the following functions remain the responsibility of the Commissioner and cannot be delegated:

3.14.1. Issuing the Plan.

3.14.2. The appointment or suspension of the Chief Constable or calling upon the Chief Constable to retire or resign.

3.14.3. Calculating a budget requirement.

3.15. The PCC may only delegate the following functions to a Deputy Police and Crime Commissioner (if appointed) but not to any other member of staff:

3.15.1. Determining objectives in the Plan.

3.15.2. Attendance at the Panel when specifically requested.

3.15.3. Preparing the annual report to the Panel.

For the avoidance of doubt these functions remain the responsibility of the PCC.

**4. FUNCTIONS DELEGATED TO THE DIRECTOR OF THE OFFICE OF THE POLICE AND CRIME COMMISSIONER.**

**4.1. Introduction**

**4.1.1.** The Director is the Head of the Police and Crime Commissioner's staff. The Director is also the Monitoring Officer for the PCC and does not rely on any delegations from the PCC to carry out those functions and responsibilities.

**4.1.2.** The delegations given to the Director are listed below.

**4.2. General**

4.2.1. Prepare the Police and Crime Plan in consultation with the Chief Constable for submission to the Police and Crime Commissioner.

4.2.2. Prepare an annual report for submission to the Police and Crime Commissioner.

4.2.3. Provide information to the Police and Crime Panel, as reasonably required to enable the panel to carry out its functions.

4.2.4. To take such day to day action as is required for the efficient and effective administration of the Commissioner's Office and, except as provided in this Scheme, the discharge of the Commissioner's functions and to give effect to the decisions and direction of the Commissioner.

4.2.5. Take any action, including incurring expenditure, in connection with an emergency or disaster in the Lancashire Constabulary area, subject to consultation with the Commissioner's section 151 officer.

4.2.6. Exercise powers delegated to any officer when that officer is unable or unwilling to act.

4.2.7. Represent the Commissioner on the managing boards of major partnerships and, in so doing, to exercise such operational powers as they may be required on behalf of the Commissioner.

4.2.8. Issue corporate media statements, publicity and electronic or hard copy publications.

4.2.9. Exercise powers and duties relating to the Commissioner's property, including land buildings and assets.



#### 4.3. Legal

- 4.3.1. To act as “Proper Officer” to deal with various administrative matters involving the Commissioner, including without limitation any issues arising in respect of the Data Protection Act 1998 and the Freedom of Information Act 2000.
- 4.3.2. To execute all contracts, agreements and other legal instruments either in writing or by affixing the Common Seal of the Commissioner, on behalf of the Commissioner, in accordance with any decisions and directions of the Commissioner.
- 4.3.3. To consider whether, in consultation with the Chief Finance Officer to the Police and Crime Commissioner, to provide indemnity to the Police and Crime Commissioner in accordance with the Local Authorities (Indemnities for Members and Officers) Order 2004 and to deal with or make provision to deal with other matters arising from any proceedings relating to them.
- 4.3.4. To consider and approve, in consultation with the Chief Finance Officer to the Police and Crime Commissioner, provision of indemnity and/or insurance to individual staff of the Police and Crime Commissioner in accordance with the Local Authorities (Indemnities for Members and Officers) Order 2004.
- 4.3.5. Approve the financial implications of settlement agreements prior to finalisation to ensure they accord with best value principles and will not damage the reputation of the Commissioner. Where the Commissioner has approved a settlement agreement policy, the requirement to seek approval shall only apply to proposed agreements which do not comply with it.
- 4.3.6. To obtain legal and other expert advice. To institute, defend or participate in any legal proceedings on behalf of the Commissioner in any case where such action is necessary to give effect to the decisions of the Commissioner or in any case where the Constabulary's Head of Legal, considers that such action is necessary to protect the Commissioner's interests.
- 4.3.7. Take action to protect the Commissioner's legal rights and take any necessary steps to settle disputes arising.

#### 4.4. Financial

- 4.4.1. The financial management responsibilities of the Director are set out in the financial regulations.

## 4.5. Human Resources

- 4.5.1. To appoint and dismiss and to agree the terms of any other termination of employment, in consultation with the Police and Crime Commissioner, for staff who are employed by the Police and Crime Commissioner, except the role of Director (this remains with the Police and Crime Commissioner).
- 4.5.2. To make recommendations to the Police and Crime Commissioner with regard to the terms and conditions of employment of those employed by the Police and Crime Commissioner, except those relating to the Director (this remains with the Police and Crime Commissioner).
- 4.5.3. To make all discretionary decisions under the Local Government Superannuation Scheme in respect of those staff who are employed by the Commissioner, except for the role of Chief Executive which remains the responsibility of the Commissioner.
- 4.5.4. To undertake the management of staffing resources for all staff employed by the Police and Crime Commissioner in line with agreed policies and procedures, including the settlement in relation to any employment matters.
- 4.5.5. To exercise any of the Commissioner's functions which fall to be discharged in relation to pensions and conduct matters for officers and staff of the Constabulary and the Commissioner's Office (except relating to her as Chief Executive) including in accordance with the Police Regulations 2003, the Police (Conduct) Regulations 2004, 2008 and 2012; and the Police Pensions Regulations 1987 (and any statutory modification and re-enactment thereof).
- 4.5.6. Approve the financial settlement of claims or requests for compensation where:
  - (i) the amount to be paid is more than £30,000; or
  - (ii) they involve a high profile claimant including ACPO rank police officers and/or senior police officers and police staff that are members or participants on the Constabulary's Strategic Management Board; or
  - (iii) there is a real or perceived public interest in the case; or
  - (iv) it is in the nature of a test case.
- 4.5.7. To settle appeals against decisions of the Senior Administrator of the Local Government Pension Scheme, in line with the Occupational Pension Schemes (Internal Dispute Resolution Procedures) Regulations 1996.
- 4.5.8. To appoint Independent Custody Visitors or other volunteers managed by the Office of the Police and Crime Commissioner and terminate appointments if necessary.

4.5.9. To approve the attendance of Custody Visitors or other volunteers at national or regional conferences.

#### 4.6. Other

4.6.1. To sign and affix the common seal of the PCC to all documents which in the opinion of the Director should be so sealed.

4.6.2. To make arrangements for dealing with complaints against the Chief Constable including:

- to determine whether a complaint should be referred to the IPCC in accordance with the definition of mandatory and voluntary referrals set out in the appropriate guidance;
- to determine whether or not to record a complaint as conduct or a direction and control matter – if it is decided not to record a complaint the support of the Commissioner must be obtained;
- to appoint an investigating officer to investigate a recordable complaint in accordance with the appropriate regulations;
- to determine whether a recorded complaint is suitable for local resolution and if so to appoint a person to locally resolve the complaint;
- to determine, in accordance with the appropriate regulations, whether IPCC agreement should be sought for a dispensation of the complaint;
- where an investigation has been undertaken, to ensure a suitable report is presented to the Commissioner to enable a decision to be made on the action to be taken.

4.6.3. In relation to a grievance against the Chief Constable, to take the appropriate action to investigate the grievance, applying the appropriate procedure, and reporting the outcome to the Police and Crime Commissioner.

4.6.4. To discharge functions and responsibilities in respect of Police Appeal Tribunals, on behalf of the Commissioner including the appointment of members of the Tribunals.

4.6.5. To respond to consultations on proposals affecting the Police and Crime Commissioner after first taking the views of the Police and Crime Commissioner, the Chief Finance Officers and/or the Chief Constable, as appropriate.

4.6.6. To make sure, in consultation with the Chief Constable, appropriate arrangements are made to gather the community's views on the policing of Lancashire and preventing crime.

4.6.7. To determine claims submitted under the Riot (Damages) Act 1886, in consultation with the Commissioner's Chief Finance Officer and the Chief Constable as appropriate. To ensure the Commissioner is briefed on the number and value of claims and the Chief Finance Officer provides appropriate reports to the Commissioner on the outcome of all claims and the implications on the Commissioner's budget.

4.6.8. In relation to the Commissioner's land and property, to serve notices to quit and notices to terminate its use or occupation, and to institute court proceedings to recover arrears of rent and other payments or to recover possession from occupiers and users.

4.6.9. To carry out work to assist the Commissioner in the discharge of the Commissioner's duty for health and safety matters.

## **5. FUNCTIONS DELEGATED TO THE CHIEF FINANCE OFFICER OF THE COMMISSIONER**

5.1. To seek assurances that there are appropriate arrangements in place within Lancashire Constabulary for its financial management.

5.2. To be responsible for all banking arrangements, together with creating, closing or authorising all bank accounts of the Commissioner or Constabulary (except covert accounts).

5.3. To approve the arrangements for securing and preparing the Group accounts and the Commissioner's accounts and seek assurances that there are appropriate arrangements in place for the preparation of the Constabulary's accounts.

5.4. To authorise payments, without having to obtain approval and regardless of whether or not provision has been made in the revenue budget in relation to:

- (i) payments required by law
- (ii) payments ordered by the court
- (iii) payments due under any agreement entered into by the Commissioner.

5.5. To prepare draft financial regulations and Standing Orders relating to contracts in consultation with the Constabulary's Director of Resources for approval by the Commissioner.

5.6. To approve the arrangements for the treasury management function, including the day to day management, the production of the treasury management strategy, borrowing and investment and supporting policies and procedures.

5.7. To ensure in consultation with the Constabulary's CFO that an adequate and effective joint internal audit service is provided.

5.8. To undertake the day to day management of the insurance function.

#### **4. URGENCY PROVISIONS**

If any matter which would normally be referred to the Commissioner for a decision arises and cannot be delayed, in the absence of the Commissioner the matter may be decided by the Commissioner's Director. If the matter relates to a financial issue the Chief Executive must consult with the Commissioner's Chief Finance Officer before making any decision.

## PART 2

### **SCHEME OF CONSENT BETWEEN THE POLICE AND CRIME COMMISSIONER AND THE CHIEF CONSTABLE**

#### 1. Introduction

- 1.1. In becoming a separate corporation sole, the 2011 Act allows the Chief Constable of Lancashire to operate independently in specific areas, and has specific legal responsibility for maintaining the Queen's Peace, and direction and control over the his officers and staff.
- 1.2. The Chief Constable is accountable to the law for the exercise of police powers, and to the PCC for the delivery of efficient and effective policing, management of resources and expenditure by the police force. At all times his constables and staff, remain operationally independent in the service of the communities that they serve.
- 1.3. The Chief Constable is responsible to the public and accountable to the PCC for—
  - 1.3.1. leading the force in a way that is consistent with the attestation made by all constables on appointment and ensuring that it acts with impartiality;
  - 1.3.2. appointing the force's officers and staff (after consultation with the PCC, in the case of officers above the rank of Chief Superintendent and police staff equivalents);
  - 1.3.3. supporting the PCC in the delivery of the strategy and objectives set out in the Plan;
  - 1.3.4. assisting the PCC in planning the force's budget;
  - 1.3.5. providing the PCC with access to information, officers and staff as required;
  - 1.3.6. having regard to the Strategic Policing Requirement when exercising and planning his policing functions in respect of the force's national and international policing responsibilities;
  - 1.3.7. notifying and briefing the PCC of any matter or investigation on which the PCC may need to provide public assurance either alone or in company with him;
  - 1.3.8. being the operational voice of policing in the Lancashire police area and regularly explaining to the public the operational actions of officers and staff under his command;

- 1.3.9. entering into collaboration agreements with other Chief Constables, other policing bodies and partners that improve the efficiency or effectiveness of policing, and with the agreement of the PCC;
- 1.3.10. remaining politically independent of the PCC;
- 1.3.11. managing all complaints against the force, its officers and staff, except in relation to himself, and ensuring that the PCC is kept informed in such a way as to enable the PCC to discharge his statutory obligations in relation to complaints in a regular, meaningful and timely fashion. Serious complaints and conduct matters must be passed to the Independent Police Complaints Commission in line with legislation;
- 1.3.12. exercising the power of direction and control in such a way as is reasonable to enable the PCC to have access to all necessary information and staff within the force;
- 1.3.13. having day to day responsibility for financial management of the force within the framework of the agreed revenue budget allocation and approved capital programme and levels of authorisation issued by the PCC.

## 2. General Principles of Consent

- 2.1. This Scheme of Consent sets out the extent of, and any conditions attaching to, the PCC's consent to the Chief Constable's exercise of the powers to enter into contracts and acquire or dispose of property on the PCC's behalf.
- 2.2. This Scheme does not identify all the statutory duties which are contained in specific laws and regulations, nor does it attempt to list all matters which form part of everyday management responsibilities.
- 2.3. Consent refers to the provision of approval or agreement, particularly and especially after due and thoughtful consideration.
- 2.4. For services which are provided jointly to both the PCC and the Chief Constable, a Memorandum of Understanding is in place setting out the agreed arrangements for service delivery.
- 2.5. In becoming a separate corporation sole, the Act allows the Chief Constable to operate independently in specific areas, and he has specific legal responsibility for:
  - All employment matters relating to Police Officers and Police Staff under his control and day-to-day management, including temporary staff (and for the avoidance of doubt, those staff employed by the PCC but who are under the day-to-day management of the Chief Constable by virtue of a secondment agreement, are excluded). This includes the rights, powers, duties and liabilities of the employer under or in connection with the contract of employment e.g. PAYE and pension arrangements within the Local Government Pension Scheme;

- Entering into collaboration agreements under S22A of the Act with other chief constables, other policing bodies and partners that improve the efficiency or effectiveness of policing, and with the agreement of their respective policing bodies;
- Making covert payments.

2.6. The legislation prohibits the Chief Constable from performing those functions which are functions that must be retained by the Commissioner, including:

- Treasury management, borrowing and general overdraft;
- The purchase and disposal of land and buildings (including leases or rent);
- The approval of the settlement of legal claims;
- The procurement of 'and crime' activities.

2.7. Matters that are of a novel, repercussive or contentious nature must always be referred to the Commissioner for decision.

2.8. The Chief Constable shall maintain a record of those officers authorised to act on his behalf and ensure those officers fully understand the extent of their authority.

2.9. The Chief Constable is responsible for the day to day financial management of the Constabulary (including assets) within the framework of the agreed revenue budget and approved capital programme consent, levels of authorisation, rules of virement and reporting arrangements agreed by the Commissioner and set out in of the Financial Regulations.

### 3. Consent

The Commissioner gives consent to the Chief Constable to

3.1. enter into contracts and to acquire or dispose of property, other than land, buildings and assets, subject to the requirements of the Scheme of Corporate Governance, including the Financial Regulations and Contract Standing Orders.

3.2 approve the settlement of any claim for damages less than £30,000 or other compensation (plus costs incurred or predicted to date) unless the claim:

- involves a high profile party including ACPO rank police officers and/or senior police officers and police staff who are members or participants of the Constabulary's Strategic Management Board, or
- there is a perceived public interest or reputational risk in the case, or
- it is in the nature of a test case.





**Lancashire  
Constabulary**  
police and communities together

**Joint Audit and Ethics Committee for the Lancashire Police and Crime  
Commissioner and Chief Constable  
Terms of Reference**

**Statement of Purpose**

The Joint Audit and Ethics Committee is responsible for enhancing public trust and confidence in the governance, financial reporting and financial performance of the Office of the Police and Crime Commissioner (PCC) and of the Chief Constable of Lancashire Constabulary (CC).

It also assists the Commissioner in discharging statutory responsibilities in holding the Chief Constable to account and helping to deliver an effective policing service. This will be achieved by:

- Providing **independent assurance to both the PCC and CC** of the adequacy and efficiency of the risk management framework and the associated control environment within the Constabulary and the office of the Commissioner.
- **Independently reviewing** financial and non-financial performance to the extent that it affects the Commissioner and Constabulary's exposure to risk and weakens the overall control environment.
- **Providing assurance** that any issues arising from the process of drawing up, auditing and certifying the annual accounts are properly dealt with and that the appropriate accounting policies have been applied.

## **Terms of Reference**

### **Audit Function**

In order to effectively discharge its function and purpose the Joint Audit and Ethics Committee is responsible for providing assurance to the PCC and CC in respect of:

#### **1 Internal Audit**

- 1.1 Ensuring appropriate arrangements for internal audit and approving the internal audit strategy.
- 1.2 Reviewing and approving the internal audit plan.
- 1.3 Ensuring that there are no unreasonable or unjustified restrictions or limitations on the work of internal audit.
- 1.4 Considering the annual report and opinion by the Head of Internal Audit, including a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the internal control environment and governance arrangements for the PCC and CC.
- 1.5 Considering summaries of specific internal audit reports as required.
- 1.6 Considering and monitoring the management and performance of internal audit by taking the above steps.

#### **2 External Audit**

- 2.1 Receiving and considering the external audit plan and scope of the audit.
- 2.2 Considering the external auditor's annual audit letter and reports.
- 2.3 Monitoring the responses of the staff of the PCC and CC to the findings and reports of external audit.
- 2.4 Monitoring the effectiveness of the work of external audit and ensuring that external audit provides value for money.

#### **3 Statutory Accounts**

- 3.1 Reviewing the annual statement of accounts and considering whether the accounts are complete and consistent with information known to the Committee and whether appropriate accounting policies have been followed.

3.2 Reviewing other sections of the annual report and related regulatory filings before release and considering the accuracy and completeness of the information.

3.3 Reviewing, with management, the external auditor's report and opinion on the financial statements and reporting to the PCC and CC any issues arising from or difficulties encountered during the audit.

#### **4 Internal Control**

4.1 Considering the effectiveness of the processes for assessing and managing key risks to the PCC and CC by reviewing risk registers for the PCC and CC at not less than 6 monthly intervals.

4.2 Considering the effectiveness of the internal control systems of the PCC and CC, including systems for monitoring compliance with relevant laws and regulations.

4.3 Reviewing the PCC and CC scheme of governance in respect of contract procedures and financial regulations.

4.4 Reviewing the draft Annual Governance statement for the PCC and the CC and reviewing the overall strategic processes and arrangements for risk management and effective corporate governance.

4.5 Reviewing the findings of any examinations by regulatory agencies, eg HMIC

#### **5 Reporting**

5.1 Reporting regularly to the PCC and CC about Committee activities, issues and related recommendations

5.2 Providing an open avenue of communication between internal audit, the external auditor and the PCC and CC.

#### **6 Other Responsibilities**

6.1 to scrutinise the basis of the assurances provided as to the integrity of crime data, including the related performance management systems

6.2 Review the PCC and the Constabulary's governance and framework documents to ensure they remain up to date and relevant.

6.3 Reviewing any issue referred to the Committee by the PCC and/or the CC.

- 6.4 Receiving reports from officers of the PCC and/or CC on matters referred for investigation, including any issues of alleged or proven fraud or financial irregularity. The CFO's for the PCC and CC will inform the Chair of the Committee of any significant cases and it is at the discretion of the Chair whether other Members of the Committee should be advised.
- 6.5 Reviewing and assessing the adequacy of the Committee Terms of Reference annually and seeking the approval of the PCC and CC for any proposed changes.
- 6.6 Confirming annually that all responsibilities outlined in the Terms of Reference have been carried out.
- 6.7 Evaluating the Committee's performance on a regular basis.
- 6.8 Performing any other relevant activities requested by the PCC and/or CC.

### **Ethics Function**

- 1) To advise the Commissioner and the Chief Constable on the effectiveness of the embedding of the Code of Ethics and its on-going influence on service delivery.
- 2) To advise the Commissioner and the Chief Constable on the progression of a transparent ethical framework.
- 3) To evaluate regular and structured reviews of:-
  - the handling of public complaints, misconduct and grievances to commend best practice, to identify necessary organisational learning and to report any irregularities to the Commissioner and the Chief Constable so they may take appropriate action;
  - anti-fraud and corruption arrangements, including whistleblowing policies and their operation in the OPCC and the Constabulary;
  - registers of interests, gifts and hospitality, expenses and scheduled information as required by Government under the transparency agenda.
- 4) To receive reports on Chief Officer standards of integrity, prior to consideration by the Commissioner; (i.e. the Chief Constable, Deputy Chief Constable, Assistant Chief Constables, Chief Executive, and Chief Finance Officers)
- 5) To consider any ethical matters referred by the Commissioner or by the Chief Constable and influence change to policy.
- 6) To receive reports from and make recommendations in response to the Commissioner's Monitoring Officer in the event of the Commissioner or his staff committing or proposing to act unlawfully.
- 7) To receive reviews from Her Majesty's Inspector of Constabulary (HMIC), the Independent Police Complaints Commission (IPCC) and any other relevant review body, which include ethical issues relevant to the Constabulary or the

OPCC, to ensure full consideration has been given to appropriate action arising from the recommendations and monitor implementation.

- 8) To publish an annual report on the work and findings of the Committee that the communities of Lancashire can have confidence in.