

JOINT AUDIT AND ETHICS COMMITTEE

Meeting to be held on 13 June 2022

REVIEW OF GOVERNANCE FRAMEWORK DOCUMENT

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EXECUTIVE SUMMARY

This report provides the Joint Audit and Ethics Committee with recommended changes to the current Scheme of Governance following the annual review process. The agreed changes will then be presented to the PCC for approval and the revised documents published.

RECOMMENDATION

The Committee are asked to consider the proposed changes to the Scheme of Governance and provide comments/make recommendations to the Police and Crime Commissioner and Chief Constable.

1. Background

- 1.1. The Committee is responsible for advising and commenting on the adequacy of the Scheme of Corporate Governance, comprising the Scheme of Delegation, Financial Regulations, Contract Standing Orders, Memorandum of Understanding, and the Code of Corporate Governance, to review and comment on the desirability of any proposed changes. The Committee are asked to consider the proposed changes to the Scheme of Governance and make any recommendations to the Police and Crime Commissioner and Chief Constable.
- 1.2. Officers from the Office of the Police & Crime Commissioner and Lancashire Constabulary have committed to undertake a review of all governance documentation to ensure that they are up to date and fit for purpose.
- 1.3. The Framework is intended to set out all significant decisions which are consented/delegated to senior police staff and which are of a statutory, financial, or managerial nature. The Framework does not define how those decisions should be taken nor does it attempt to list all of the matters which are incidental to the exercise of those. The Corporate Governance Framework is intended to:
 - Avoid unnecessary divisions within the workforce to ensure that the two corporations sole work together in an efficient and effective way.

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- Minimise the additional bureaucracy, cost and disruption to staff required to implement the governance arrangements.
- Ensure appropriate safeguards to protect the corporate requirements and positions of the two corporations' sole.

1.4. The Framework has several constituent parts.

- a) Code of Corporate Governance
- b) Schemes of Delegation
- c) Memorandum of Understanding
- d) Financial Regulations
- e) Contract Standing Orders

1.5. Except for the Chief Constable's internal scheme of delegation, all documents in this Framework are jointly owned by the Police & Crime Commissioner and the Chief Constable.

1.6. The Framework is intended to set out all significant decisions which are consented/delegated to senior police staff and which are of a statutory, financial, or managerial nature. The Framework does not define how those decisions should be taken nor does it attempt to list all of the matters which are incidental to the exercise of those. The Corporate Governance Framework is intended to:

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1.7. The Framework and the Financial regulations were previously approved and adopted by the Commissioner and the Chief Constable in 2016. A review of these documents has now been undertaken by officers of both the OPCC and Constabulary in recent months and revised documents are now presented for approval. Whilst the majority of identified changes are cosmetic to provide greater clarity to officers, any significant changes of note from the previous versions are detailed at Appendix A.

2. Implications

Financial

2.1. The Joint Corporate Governance Framework and its supporting governance documentation is intended to ensure that the Commissioner and Chief Constable exercised their statutory roles and functions in accordance with statutory requirements and CIPFA guidance.

Legal

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2.2. The Home Secretary has indicated that she expects Commissioners to operate with a governance framework. A Police and Crime Commissioner may do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of commissioner.

Equality.

2.3. A full impact assessment is not required as the Joint Corporate Governance Framework will not adversely affect any member of the protected characteristic community as defined in the Equality Act 2011.

3. Link to the Police and Crime Plan

3.1. The establishment and maintenance of the highest level of corporate governance will assist the Commissioner in achieving the priorities set out in the Police and Crime Plan.

Report Author - Ian Dickinson, Head of Governance and Accountability, OPCC

Significant changes to the Joint Corporate Governance Framework/Scheme of delegation/scheme of consent

Page No	Proposed Change
4	The Framework will be reviewed bi-annually by the Joint Audit and Ethics Committee who will be invited to make any appropriate recommendations to ensure they reflect any changes in legislation and current best practice.
19	The Police and Crime Commissioner and the Chief Constable are asked to agree the definition of a key decision which is one which will have a significant or ongoing impact to communities in Lancashire. It may also be financially significant, in terms of spending or savings for the service or function concerned.
	Delegation to the Chief Constable
23	6.5.2 and 6.5.3 – Chief Constable Complaints – delegation to Chief Executive amended in relation to complaints against the Chief Constable following changes in complaints legislation in February 2020.
23	6.5.11 Delegations to the Chief Executive to include being the 'Appropriate Authority' for all decisions made in relation to police complaints reviews.
	Delegation to the Chief Finance Officer of the Police and Crime Commissioner
24	New delegations to the PCC CFO 7.9 To determine when goods are surplus to requirements or obsolete and arrange for disposal in line with Financial Regulations. 7.10 To report to the PCC and the external auditor any unlawful spending by his staff or the Constabulary's staff and officers. 7.11 To administer grants awarded by the PCC.

	<p>7.12 Sign cheques on behalf of the PCC or Deputy PCC (if appointed).</p> <p>7.13 Write off stock and debts in accordance with the limits set out in the Financial Regulations.</p>
	<p>Consent to the Chief Constable</p>
	<p>Enter into short term building rental or room hire of less than one month or for covert operational reasons.</p>
	<p>Amend the threshold to enable the Chief Constable to settle any claim for damages or costs or other compensation (plus costs incurred or predicted to date) up to £50,000</p>

Annex B

Proposed changes to the Financial Regulations

	Paragraph	Comments		Limits	Responsibility
Virements	2.7.6	CC's CFO up to £100,000		Up to £250,000	CC's CFO
		PCC above £100,000		£250,000 - £500,000	CC's CFO & PCC's CFO PCC's CFO & Director
				Above £500,000	PCC
Land & Buildings	3.5.20 and 3.5.22	This provides a new consent in relation to entering into a short-term hire and formalises the existing consent in relation to covert buildings	Enter into short term hires of less than one month or Use for covert operational purposes		Chief Constable
	3.5.21	No change	All others		PCC
Asset Acquisition	3.5.7	No change	Vehicles	In accordance with the agreed capital programme and budgets	Chief Constable

	3.5.7	No change	ICT	In accordance with the agreed capital programme and budgets	Chief Constable Director
	3.5.7	No change	Plant & Equipment	In accordance with the agreed capital programme and budgets	Chief Constable Director
Asset Register	3.5.22		Land & Buildings	£100,000	CC's CFO
			Vehicles	£5,000	CC's CFO
			ICT	£15,000	CC's CFO PCC's CFO
			Plant & Equipment	£15,000	CC's CFO PCC's CFO
Asset Disposal	3.5.13	No change	Vehicles	At the most advantageous price in accordance with the agreed disposal policy	Chief Constable
	3.5.13	No change	ICT	At the most advantageous price in accordance with the agreed disposal policy	Chief Constable
	3.5.13	No change	Plant & Equipment	At the most advantageous price in accordance with the agreed disposal policy	Chief Constable

Public Works, Services and Supplies	3.5.8	CC could enter into contracts and to acquire or dispose of property, other than land, buildings and assets		All Contracts meeting the criteria of a key decision	PCC
	3.5.7			All other contracts	Director Chief Constable
Public Gifts, Loans & Hospitality	3.11.6	Currently governed by governed by the relevant policy		Up to £50,000	CC
	3.11.7			Above £50,000	PCC
Write-off bad debt	4.2.12	Currently £11,000		Up to £30,000 in accordance with the agreed Bad Debt Policy	CC's CFO PCC's CFO
	4.2.12			Above £30,000 in accordance with the Bad Debt Policy	PCC
Write-Off pension and payroll overpayments	4.4.8	Currently £11,000		Up to £10,000	CC's CFO
				Above £10,000	PCC
Write-off of stocks and stores	3.5.26 & 3.5.27			Up to £10,000	CC CFO
				Above £10,000	PCC CFO

Compensation Claims	3.3 of the scheme of consent	Currently £30,000	General accident	Below £50,000	Chief Constable
				Above £50,000	PCC/PCC's Director
Employee Related Compensation Payments	3.3 of the scheme of consent	Currently £30,000		Below £50,000	Chief Constable
				Above £50,000	PCC/PCC's Director
Ex-gratia	4.7.4			Up to £30,000	CC's CFO or PCC's Director
				Above £30,000	PCC
Fees and Charges	4.2				PCC