

To: Joint Audit Committee

Date: 24th April 2019

By: Lisa Herrington, Chief Executive

Title: Scheme of Corporate Governance – Annual Review

Purpose of Report/Issue:

The Joint Audit Committee has a responsibility to ‘consider and comment on the adequacy of the (PCC and Chief Constable’s) Scheme of Governance...and review and comment on the desirability of any proposed changes’. The Scheme must be reviewed on an annual basis. This year, the review has been slightly delayed in order to incorporate recent changes to the Surrey-Sussex finance department.

The Scheme comprises a number of documents, some of which are shared across both Surrey and Sussex. Chief Executives from both OPCCs as well as Surrey and Sussex Police/OPCC Chief Finance Officers have reviewed the documents.

Sussex Audit Committee reviewed the documents at its meeting in March. In Surrey, the Scheme has already been submitted to two members (Chris Johnson and Paul Roberts) for their early comment. To date, the proposed amendments suggested do not make substantive changes to the existing scheme.

The Scheme of Governance

The Scheme of Corporate Governance comprises a number of different elements which, when taken together, give clarity to the way the PCC and Chief Constable intend to govern, both jointly and separately, and aim to ensure they are conducting business in the right way, for the right reasons and at the right time. The different elements are described below. ***Those marked with * are those that are shared between Surrey and Sussex.*** The other elements are specific to each Force area.

- **Code of Corporate Governance**
This sets out how the PCC/CC will achieve the core principles of ‘good governance’.
- **Framework of Decision-Making and Accountability**
This describes how the PCC will make/publish key decisions and fulfil his/her responsibilities to hold the CC to account. It also sets out the role of the Audit Committee.
- ***Scheme of Delegation for the PCC and CC***
This sets out the key roles of the PCC/CC and those functions they delegate to others.
- ***Memorandum of Understanding and Schedules***

The MOU attempts to describe how, in an arrangement where the CC employs the majority of the staff and the PCC owns all assets, the two parties will work together and ensure sufficient support in areas such as estates management, procurement, finance, HR, communications and corporate development.

The CC has a requirement under section 2(5) of the Police Reform & Social Responsibility Act 2011 to exercise his powers in such ways as are reasonable to assist the PCC in the exercise of his/her functions. It is important to articulate the expectations of both parties in this regard and the MOU serves this purpose. The Schedules to the MOU provide more detail.

- ***Financial Regulations***
These set out the framework for managing the PCC's financial affairs.
- ***Contract Standing Orders***
These describe the rules for the procurement of goods, works and services. Contracts are issued in the name of the PCC and the CC operates within the parameters of Contract Standing Orders.

Distribution of Documents

Following approval of the Scheme after the Audit Committee, senior officers and staff across both force areas will need to be made aware of the revised documentation to ensure they comply with them. Given the collaborated nature of the services, it is suggested that the suite of documents is published on both the Surrey and Sussex OPCC websites. One email can be sent to relevant officers/staff in both force areas directing them to the most appropriate website and asking them to familiarise themselves with the relevant set of documents.

Recommendation(s) - That the Committee considers and comments on the Scheme of Governance and recommends the Scheme's adoption to the PCC and Chief Constable.

Equalities / Human Rights Implications – None arising.

Risk- As discussed in the report.

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