

# THE FINANCIAL PROCESS

## INTRODUCTION

The PCC follows a process in setting the precept each year. Members of the public are consulted first via a precept survey. The PCC then presents their draft budget and local precept proposal to the Police and Crime Panel in the early months of the year, before the final budget and commissioning plans are published.

### Statement of Accounts

The PCC and Chief Constable are required to prepare separate statement of accounts. The PCC's accounts are required to cover both the OPCC and the Force.

All PCC's are required to appoint a Chief Finance Officer (CFO).

The preparation of the budget and the day-to-day management of the PCC's financial affairs is handled by the CFO. This officer holds the statutory responsibilities for advising the PCC on the robustness of the budget and the adequacy of any reserves.

The CFO is also responsible for issuing formal notices in the event of potential illegal spending.

## WHO DOES THE PCC ENGAGE

The PCC engages a range of bodies and individuals in relation to the different aspects of the financial and corporate process including:

- The Chief Constable and their CFO who holds statutory responsibilities in relation to the Force Finances.
- The Police and Crime Panel (PCP) which must be consulted on the precept and holds the potential power to veto.
- The external auditors who report on the PCC's statutory statement of accounts and governance arrangements.
- The Joint Audit Committee (JAC) which holds joint responsibilities in relation to the PCC and CC to ensure confidence in how public money is spent.
- HMICFRS which undertakes force inspections but has no remit to review or inspect the PCC, the public and partners.

## GOVERNANCE

Good governance is about how bodies ensure they are doing the right things in the right way, for the right people. This must be in a timely manner, Inclusive, open, honest and accountable.

Good governance requires independent and effective assurance regarding the adequacy of financial management and reporting.

Good governance is the PCC having an independent Joint Audit Committee. This committee takes on the oversight of risk management, local protocols and codes of governance.

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