



Home Office

**HOME OFFICE ACCOUNTING OFFICER
ACCOUNTABILITY SYSTEM
STATEMENT FOR POLICING AND
CRIME REDUCTION**

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Executive Summary

Accounting Officers are accountable to Parliament for the proper stewardship of the resources allocated to their department. This statement sets out the accountability system for policing and crime reduction for the financial year 2013-14.

I am accountable for the allocation of grants to Local Policing Bodies so that they fulfil their statutory responsibilities, as intended by Parliament, to secure an efficient and effective police force whilst acting with regularity, propriety and securing value for money (VfM). Specific grants are also made to Local Policing Bodies, which are ring-fenced and for which I am directly accountable. Additionally I am accountable for the health and effectiveness of the overall system, drawing on information, including reports by regulatory bodies, in order to advise Ministers on any changes that need to be made.

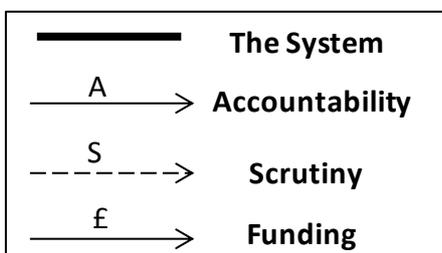
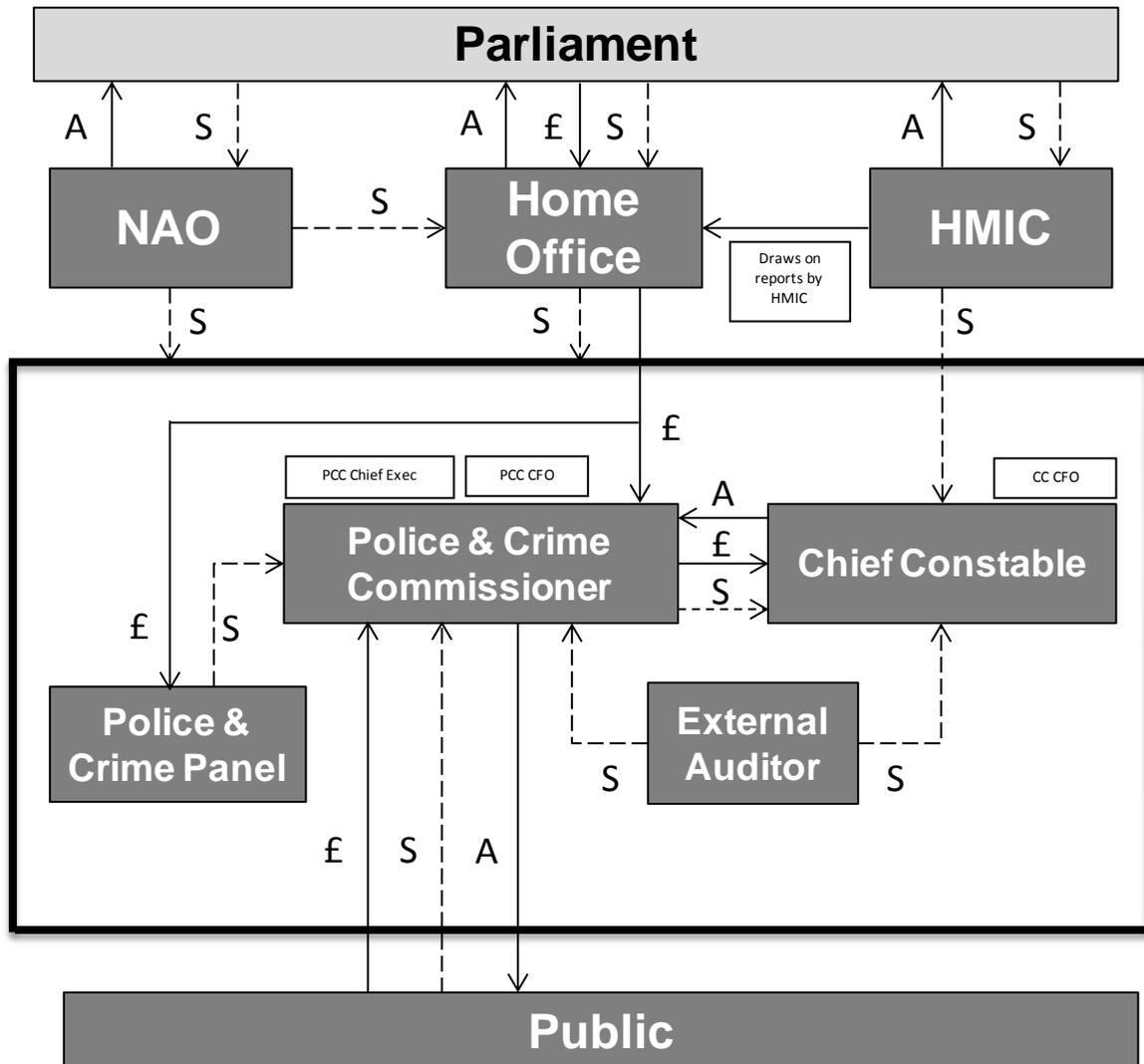
The other key components of the system are:

- Directly elected **Police and Crime Commissioners** (PCCs) who are accountable to their electorate for ensuring the policing needs of local communities are met effectively;
- **Police and Crime Panels** which provide a statutory oversight and scrutiny function and which are modelled upon scrutiny committees in local authorities;
- **Chief Constables** who are responsible for the operational delivery of the local police force and who direct and control officers and staff in the force;
- Independent **regulatory and inspection bodies** such as Her Majesty's Inspectorate of Constabulary, the National Audit Office and external auditors, and
- **the public** who, through robust transparency arrangements, can assess the performance of their local force and hold their PCC to account.

The statement sets out the legislation and guidance which underpins the system and signposts changes that are expected to be made during the year. It also describes the sources of information, published locally as well as by independent sources, which allow judgements to be made about the efficiency and effectiveness of policing and crime reduction.

There is a robust framework in place, which I can rely on as Accounting Officer for the Home Office, to provide assurance that spending on policing and crime reduction is spent with regularity, propriety and VfM. The key elements are legal controls and directly elected PCCs having direct accountability to the public they serve. This is reinforced by robust transparency arrangements to enable the public to make informed decisions about the performance of the PCC. That is further reinforced by a system of personal fiduciary duties, audit and inspection arrangements. Finally, this is underpinned by back stop powers for the Secretary of State.

Diagram showing the key components of the Accountability System for Policing and Crime Reduction



Footnotes

1. For Wales, the Wales Audit Office replaces NAO. WAO is also the external auditor to the PCC and Chief Constable.
2. HMIC and external audit scrutiny of the Chief Constable is scrutiny of the force not the office holder.
3. The diagram reflects the arrangements for the police grant allocated via the Police Allocation Formula. Specific grants are also made to Local Policing Bodies. These ring-fenced grants carry specific accountability lines back to the Department.

Accounting Officer System Statement for policing and crime reduction

1. As Accounting Officer for the Home Office, I am accountable to Parliament for the proper stewardship of the resources allocated to my Department. The key requirements, as set out in the HM Treasury Guidance [Managing Public Money](#), are to ensure regularity, propriety and value for money (VfM). This statement defines my responsibilities in relation to policing and crime reduction.
2. The vast majority of Home Office funding is distributed directly to Local Policing Bodies as defined in the Police Reform and Social Responsibility Act 2011 (PRSR Act). The term 'Local Policing Bodies' gives a collective title to the 41 Police and Crime Commissioners (PCCs), the Mayor's Office for Policing and Crime (MOPAC) and the Common Council of the City of London (as the local policing body for the City of London Police). The vast majority of Home Office funding is distributed through the Police Grant Report and the PRSR Act requires each Local Policing Body to secure an efficient and effective police force. Each force is headed by a Chief Officer of Police (the Chief Constable, in the case of the forces outside London, and in London the Commissioner of the Metropolitan and City of London forces).
3. As Accounting Officer, I ensure a framework is in place to provide assurance to Parliament that the grants that are made by the Home Office are properly accounted for by Local Policing Bodies. This system must also encompass any other expenditure made by Local Policing Bodies, including that funded by grants from Other Government Departments (OGDs) as well as taxation raised locally (the police precept component of council tax) and any other sources of income.
4. This framework ensures that Local Policing Bodies are clear about how they fulfil their statutory responsibilities to secure an efficient and effective police force whilst acting with regularity, propriety and securing VfM.
5. This is my statement of how this system operates. It covers:
 - the scope of my accountability in relation to policing and crime reduction;
 - how the accountability system for policing and crime reduction works;
 - sources of information on whether the system is effective, and
 - system failure and reviewing the system.
6. As major precepting bodies, Local Policing Bodies are treated as local authorities in some respects. There is a clear relationship between this statement and the Department for Communities and Local Government (DCLG) Statement on Local Government. Whilst the police receive the vast majority of Central Government funding from the Home Office, some funding in England is provided by DCLG. This includes council tax freeze grants and local council tax support funding. The DCLG Statement sets out how the accountability system works in relation to these grants. The police in Wales receive funding from the Welsh Government, who are accountable for this funding.

Scope of my accountability in relation to policing and crime reduction

7. I am accountable for the system which allocates the aggregate amount of grants for police purposes to Local Policing Bodies in England and Wales. I am also accountable for the allocation of Home Office 'specific' grants to the police (including Counter Terrorism Police Grant and the Community Safety Fund), the funding for which is also provided by Parliament and is within the ambit of funds voted to my department. The Home Office Departmental Expenditure Limit amounts to £11 billion in 2013-14, of which £8.4 billion is paid to Local Policing Bodies. This includes grant funding of £3bn, which, prior to 2013/14, had been paid to Local Policing Bodies by the Secretary of State for Communities and Local Government.
8. I am directly accountable for ensuring that there is a robust system of checks and balances in place that assures the regularity, propriety and VfM in the distribution of resources from these budgets to Local Policing Bodies. Other Departmental Accounting Officers are accountable for the allocation and distribution of any other grants which they provide to the police, to support delivery in other policy areas.
9. The system must provide the necessary assurances that Local Policing Bodies will spend these resources with regularity, propriety and VfM. Regulations and regulatory oversight give me adequate assurance for each of those dimensions of my accountability. Other Accounting Officers can rely upon those systems in relation to the expenditure by Local Policing Bodies of funds allocated through their own processes. I am accountable for maintaining and reviewing the system and, should it fail to provide me with the necessary assurances, I will make the appropriate recommendations for change to Ministers.

How the accountability system for policing and crime reduction works

10. Local Policing Bodies are established in statute, with their responsibilities set out largely through a framework of legal powers and duties. The legislation sets out a range of checks and balances on their actions, the most important is a statutory oversight and scrutiny committee – the Police and Crime Panel – made up of representatives of the local authorities in the police area (or, in the case of the MOPAC, the London Assembly) and independent members.
11. Statutory duties are also placed on key members of the staff of each Local Policing Body and police force. Schedules 1 to 4 to the PRSR Act require the Local Policing Body to appoint a head of its staff, known as the Chief Executive, and also require the Local Policing Body and Chief Officer of Police each to appoint a person to be responsible for the proper administration of their financial affairs, known as their Chief Finance Officer¹. These officers have specific reporting duties of their own, and their actions are also subject to public scrutiny via the Police and Crime Panel. The accountability system is based largely on the application of these legal duties placed on these officials.
12. The Financial Management Code of Practice for the Police Service of England and Wales² (FMCP) describes the financial governance arrangements within the police in England and Wales and reflects that Local Policing Bodies, Chief Constables and Chief Finance Officers have a key statutory duty to secure VfM.
13. The Secretary of State has also retained two statutory powers to intervene if she is satisfied that a Local Policing Body or police force is failing, or will fail, to discharge its functions effectively³. As Accounting Officer, I have a personal responsibility to advise the Secretary of State on the use of these powers in order to secure the proper stewardship of the resources that have been voted to my Department.

The allocation and distribution of resources to Local Policing Bodies

14. The funds which my Department pays to Local Policing Bodies via the Police Grant Report are allocated using the Police Allocation Formula (PAF), which distributes resources between police force areas by estimating relative police workloads. The police are consulted on this distribution before it is signed off by Parliament each year. The Report includes details of the formula and the data it uses and is also published on the Home Office website⁴.
15. Local Policing Bodies receive further funding through, for example:
 - the police precept component of council tax;
 - specific grants from my Department, including Counter Terrorism Police Grant and the transitional Community Safety Fund, and
 - grants from OGDs, particularly DCLG and the Welsh Government.

¹ The Chief Finance Officer has a personal fiduciary duty by virtue of section 114 of the Local Government Finance Act 1988.

² <http://www.official-documents.gov.uk/document/other/9780108511332/9780108511332.pdf>

³ Sections 40 and 40A of the Police Act 1996

⁴ <http://www.homeoffice.gov.uk/publications/police/police-finance/grant-report-2013-14>

16. The most significant of these additional funding streams is the police precept component of council tax which was in excess of £3bn in 2012/13⁵. The Police and Crime Panel have a specific power to scrutinise the proposed precept. In England, the Secretary of State determines what constitutes an excessive increase in precept. Anything above this will trigger a local referendum. Council tax in Wales remains a matter for the Welsh Government.
17. Regularity is secured through effective internal financial controls, exercised by Chief Finance Officers. Grant agreements include a requirement to report expenditure and impact to my Department in-year, and all such agreements include right of access, for audit purposes, for my Department's officials and the National Audit Office (NAO).

Local accountability

18. Local Policing Bodies are accountable to their electorates for the spending decisions that they make.
19. There is a comprehensive framework of financial governance within the police, along the lines of that applicable to local authorities, which includes primary legislation, secondary legislation and guidance. The principal local checks on regularity and propriety include:
 - a set of financial duties and rules which require PCCs to act prudently in their spending (as set out in the FMCP);
 - internal checks that the rules are followed through the duties on the Chief Finance Officers of the PCC and the Chief Constable respectively; and external checks by an independent auditor (as set out in the FMCP);
 - a requirement to publish an annual statement of accounts and an Annual Governance Statement, which sets out formal assurances about the governance process, and is reviewed by the independent auditor;
 - transparency through publication of specified information including all spending over £500 and annual reports, and
 - a requirement to publish information requested by the Police and Crime Panel.

Legal and formal controls

20. There are legal and formal controls in place to ensure that it is clear who is accountable for money at the local level. The main duties set out in legislation are summarised in the annex.

Her Majesty's Inspectorate of Constabulary

21. Amendments to the Police Act 1996 have made Her Majesty's Inspectorate of Constabulary (HMIC) more robustly independent so that it acts directly in the public interest. In discharging its primary statutory function of inspecting police forces' efficiency and effectiveness, the Inspectorate will 'shine a light on issues of national and strategic importance'. HMIC is in the unique position to inform both the public and PCCs, and provide the crucial tools to enable them to reach informed judgements. The PRSR Act gives HM Inspectors clearer and stronger powers such as the right to enter premises and access information. HMIC's role does not extend to the Office of the PCC. PCCs are democratically accountable to their electorates.

⁵ Part 1 Local Government Finance Act 1992 and Part 3 Greater London Authority Act 1999

Achieving value for money at the local level

22. VfM is assured through a combination of sharp local accountabilities, public scrutiny underpinned by transparent, robust, comparative data, and external scrutiny by external auditors, the NAO and HMIC. Local Policing Bodies produce public accounts, and are required to consult the public; like other public bodies, they are subject to the Freedom of Information Act 2000.
23. Local Policing Bodies are accountable for setting local priorities. There are a range of checks and systems in place to provide assurance that they achieve VfM including:
 - the democratic mandate ensures they are well placed to judge where resources need to be allocated to match what communities need;
 - a legal duty to ensure the police force is effective and efficient and to hold the Chief Constable to account for the extent to which he has complied with his VfM duty;
 - the legal duty to carry out a number of functions;
 - scrutiny by the public and the Police and Crime Panel outside of elections, and also by an independent auditor;
 - availability of transparent, comparable data on performance and on spending, and
 - VfM studies by HMIC and the NAO.
24. Ultimately, as with Government, the requirement to undergo re-election creates a strong incentive for the PCC to set, explain and deliver on their priorities. The PCC will need to communicate to the electorate how they have achieved the priorities that they have set out.

Commissioning

25. Local Policing Bodies may choose to secure public service outcomes through partnership with other public sector bodies, awarding grants to voluntary bodies or procuring services from the private sector. In such cases, it is the duty of PCCs, MOPAC and their Chief Finance Officers to make arrangements that provide adequate assurance of regularity, propriety and VfM. In the case of partnership with other public bodies, that assurance is secured by arrangements put in place by Accounting Officers of the lead departments concerned. Local arrangements to give assurance of regularity, propriety and VfM fall within the scope of external audit and transparency reporting.

College of Policing

26. Another means of improving VfM at the local level will be through the College of Policing. Central to the work of the College will be identifying and sharing good practice and setting national standards where needed. The College is developing a range of activities from working more closely with universities and academics to build the evidence base for effective practice to looking at how technology can support frontline police officers and staff and the benefits of partnership working. The College will also enable officers and staff across policing to build the evidence base. The standards and the good practice that has been fully evaluated by the College will form the template against which HMIC will inspect.

Sources of information on whether the system is effective

27. As Accounting Officer, I need to know that the system I have set out is working and whether changes are needed. I have a range of sources of information available to me which enable me to have an overview of the system, which include:
- *Regular contact between the Department and individual PCCs, Chief Constables and Chief Executives* to identify issues and provide support, where required;
 - *Transparent data* on a wide range of activity, the Home Office sets these transparency requirements;
 - *Links to national organisations and availability of policy reports.* The Department is well connected to national organisations and structures such as; the Association of Police and Crime Commissioners; Local Government Association; Association of Policing and Crime Chief Executives; Association of Chief Police Officers; Police Superintendents Association and the Police Federation, and
 - *Regulators* including HMIC and the NAO. HMIC's chief statutory function is to assess and report to Parliament on the efficiency and effectiveness of police forces, including VfM, in England and Wales. The NAO will carry out around five thematic VfM studies across the local government sector each year, which will periodically include policing.
 - *External audit reports* which the Department receives. The NAO, Financial Reporting Council, and professional bodies will oversee the new external audit framework, following the abolition of the Audit Commission, which mirrors the regulatory roles within the companies audit sector.

Local Scrutiny & Police and Crime Panels

28. PCCs are accountable to the local electorate, through direct election, for the discharge of their functions. This is complemented by robust transparency arrangements, which provide a sharp incentive on the PCC to respond to failures in propriety, VfM and resilience. This approach will provide adequate systems to safeguard the efficient and effective use of public funds in all but extraordinary circumstances.
29. A number of Local Government regulations have been applied to the PCPs to ensure that they operate on much the same way as existing local authority committees. This includes meetings taking place in public (some exceptions exist) and the publication of minutes and agendas.
30. PCPs will ensure that information is available for the public to make the PCC answer for their decisions. PCPs have an important role to play in the appointment of Chief Constables and may veto the appointment with a two-thirds majority as well holding confirmation hearings for important staff – Chief Executives and Chief Finance Officer and for any Deputy PCC.
31. The PCP must publish all reports and recommendations that it makes to the PCC. The PCC is required to publish their response to these. The PCP must hold a public meeting to discuss the annual report and to question the PCC about any concerns they may have.
32. The PCP has other specific powers including:
- Asking HMIC for a professional view when the PCC plans to dismiss the Chief Constable. In cases of dismissal (forced resignation or retirement) the panel must hold a scrutiny hearing and make a recommendation to the PCC;

- Appointing an acting PCC if the elected PCC cannot carry out their role for health reasons, resigns or is disqualified;
- Holding confirmation hearings for the Chief Executive and Chief Finance Officer and for any deputy. The panel will have no power to refuse appointments but could make a recommendation to the PCC;
- Monitoring complaints against the PCC or MOPAC and dealing with non-criminal complaints, and
- Asking to see any papers the PCC/MOPAC has, requiring the PCC/MOPAC (and their staff) to attend a PCP meeting to answer questions; asking the Chief Officer of Police to attend any meeting which the PCC/MOPAC is required to attend.

Transparency

33. Section 11(1) and (2) of the PRSR Act requires an elected Local Policing Body to publish any information specified by the Secretary of State by Order. The Secretary of State may also specify by Order the time and manner of publication. The details of the information required to be published includes⁶:
- the total budget of the elected Local Policing Body;
 - information as to each item of expenditure of the Local Policing Body exceeding £500 (other than a crime and disorder reduction grant), including the recipient of the funds, the purpose of the expenditure and the reasons why the body or the chief officer (as the case may be) considered that good VfM would be obtained;
 - information as to each anticipated source of revenue of the Local Policing Body other than, in the case of a PCC, the precept);
 - information as to each crime and disorder reduction grant made by the Local Policing Body;
 - the salary of each senior employee, and
 - a copy of each contract with a value exceeding £10,000 to which the Local Policing Body or the chief officer is or is to be a party.
34. The Annual Data Requirement (ADR) sets out all routine requests for data made to all police forces in England and Wales under the Secretary of State's statutory powers. Some of the data collected through the ADR form [National Statistics](#) that are subject to stringent reporting and validation standards. The ADR requires police forces to submit the financial data used by HMIC in the preparation of its annual Value for Money profiles of police forces.
35. Comparative crime and cost reports, and reports on specific operational performance themes, are published by HMIC (sometimes in partnership with Her Majesty's Inspectorate of Prisons, and other public regulators). Importantly, the crime and policing comparator⁷ provides the public with a range of information including crime, finance, workforce and victim satisfaction data in a user-friendly format, facilitating comparison of forces, including by use of bar-charts. HMIC validates and publishes this data, which is submitted by police forces. In addition, HMIC publish force-level Value for Money profiles, which provide more granular data, and are used by forces in developing their own efficiency planning. HMIC also makes an annual statutory report to Parliament on the efficiency and effectiveness of the police. HMIC also undertakes thematic studies that address issues across the policing landscape⁸.
36. The Home Office run website, [Police.uk](#), provides the public with easy access to street-level information about crime, anti-social behaviour and justice outcomes in their local area in the

⁶ <http://www.legislation.gov.uk/ukxi/2011/3050/contents/made>

⁷ <http://www.hmic.gov.uk/crime-and-policing-comparator/>

⁸ <http://www.hmic.gov.uk/publication/increasing-efficiency-in-the-police-service/>

form of crime maps. The public can also see how crime rates in their area compare with those in other similar areas. By following a link to HMIC's website the public can see how the cost of policing in their force area compares to the cost in other police areas. Users can also find information about their Police and Crime Commissioner. We will be adding comparative information about the finances and staffing of PCC offices.

37. For counter terrorism policing, the Association of Chief Police Officer's Terrorism and Allied Matters group (ACPO TAM) collects standardised performance data for the nine lead counter terrorism units in England and Wales. This data is used to assess performance in those police forces areas that include lead Counter-Terrorism Units in England and Wales, through oversight by my Department. Financial control is subject to audit in the usual way, and operational performance is assessed by HMIC. To help safeguard national security, data and inspection reports are not usually made public but fall within existing arrangements for Parliamentary oversight.
38. In summary, in the core system for which I am accountable, there are clear roles for the public, the PCC, the PCP, the sector, auditors and inspectorates in ensuring that VfM is achieved.

Whistle Blowing

39. The staff of the Local Policing Body or Chief Officer of Police have an important role in flagging any wrong-doing. A member of staff can contact the auditor, who could investigate the concern. Employees who become "whistleblowers", as in other businesses or agencies, are protected from dismissal or adverse treatment by the Public Interest Disclosure Act 1998. For a disclosure to be protected, it must usually be made to the appropriate regulatory body, which in the case of Local Policing Bodies in England is the Audit Commission and/or the appointed auditor, and in the case of the Chief Officers of Police is the Independent Police Complaints Commission⁹. DCLG will ensure that arrangements are put in place following the disbanding of the Audit Commission.
40. The challenging and reporting of improper conduct is one of the ten specific standards of professional behaviour for police officers, as provided by Schedule 2 of the Police (Conduct) Regulations 2012, which require that police officers report, challenge or take action against the conduct of colleagues which has fallen below the standards of professional behaviour.

⁹ Public Interest Disclosure (Prescribed Persons) Order 1999

System failure and reviewing the system

41. The ability for system failure to be identified locally has been enhanced under the new system. Clarity on the roles and responsibilities achieved by the PRSR Act as well as the supporting legislative documents such as the policing protocol and the FMCP mean that robust incentives, as well as the necessary checks and balances are now available locally to identify and air local failures at an early point. This is supported by a more clearly defined relationship with the Home Office, where the Department has separate clear lines of information and intelligence, either via a regulator, directly from the PCC, the Chief Constable or the sector to identify system failures.
42. The Secretary of State possesses backstop powers by virtue of sections 40 and 40A of the Police Act 1996. These allow her to direct Local Policing Bodies to take action in cases of systemic failure on the part of the police force or the body itself. Ultimately, drawing on advice from HMIC, external audit reports, and other sources, I may advise the Secretary of State to make use of these backstop powers.
43. The Secretary of State may if she sees fit use these powers to :
 - direct HMIC to look into and report on any issue;
 - give a direction to a Local Policing Body in cases of systematic failure / danger of effective and efficient policing not being delivered;
 - intervene where force budgets are set too low and threaten the capability of the Chief Officer to provide basic policing;
 - require any Local Policing Body to enter into agreements over national and international policing responsibilities;
 - specify some functions that all forces must perform in collaboration/co-operation with other forces or other bodies;
 - mandate or terminate collaborations between forces and/or between Local Policing Bodies;
 - mandate mutual aid agreements to meet special demand on resources (e.g. Olympics), and
 - prescribe that certain services and equipment are procured under specific arrangements (e.g. nationally).

Conclusion

44. There is a robust framework in place, which I rely on to provide assurance that spending on policing and crime reduction is spent with regularity, propriety and VfM. The key elements are legal controls and directly elected PCCs having direct accountability to the public they serve. This is reinforced by robust transparency arrangements to enable the public to make informed decisions about the performance of the PCC. That is further reinforced by a system of personal fiduciary duties, audit and inspection arrangements. Finally, this is underpinned by back stop powers for the Secretary of State. As her principal adviser, I will advise her how and when to use these.

Mark Sedwill
Accounting Officer for the Home Office
March 2013

Annex

Legal and formal controls

1. There are legal and formal controls in place to ensure that it is clear who is accountable for money at the local level. The main duties set out in legislation are summarised below.
2. The Financial Management Code of Practice (FMCP) requires that financial dealings are conducted properly and meet best practice requirements, including safeguards. The Local Policing Body sets and is responsible for strategy and budgets. Responsibility for operational decisions lies with the Chief Officer of Police. The Local Policing Body possesses a direct mandate for the allocation of budgets. Police and Crime Panels scrutinise the priorities detailed in the Police and Crime Plan during the year (including spend against priorities) and subsequent performance against these priorities.
3. Whilst the Chief Officers of Police retain operational independence they require the consent of the Local Policing Body to enter into contracts and acquire and dispose of property, reflecting the Local Policing Body's responsibility for the force area Police and Crime Plan, and its underpinning budget.
4. To ensure transparency and accountability for the allocation of funds and contracts within a force area, the FMCP encourages Local Policing Bodies to publish formal schemes of governance in relation to contracts and property.
5. Police and Crime Panels scrutinise the priorities detailed in the Police and Crime Plan, the budget, the scheme(s) of governance and subsequent performance against these priorities. Police and Crime Panels continue to provide local, transparent, and direct challenge to PCC accountability throughout each financial year.
6. The Chief Finance Officer of both the Local Policing Body and the police force is an important mechanism for holding Local Policing Bodies to account, as they have duties and powers to alert their Local Policing Body, the relevant Police and Crime Panel and the auditor in the case of unlawful expenditure. The Chartered Institute of Public Finance and Accountancy (CIPFA) statement, *The Role of the Chief Financial Officer in Local Government*¹⁰, makes it clear that achieving best value is expected of Chief Finance Officers as part of their professional standards.
7. The FMCP also requires Local Policing Bodies and Chief Finance Officers to draw up standing orders and financial regulations covering matters such as approval procedures, management of assets, and agreement of contracts in compliance with relevant legislation.
8. Like local authorities, Local Policing Bodies are subject to Part 1 of the Local Government Act 2003 which requires them to restrict any borrowing to what is affordable. They must comply with a range of guidance including the CIPFA Treasury Management Code of Practice and the CIPFA Prudential Code for Capital Finance in Local Authorities.
9. The Secretary of State has retained a power¹¹ to require a Chief Officer of Police to provide her with information about the policing of their force area or the discharge of their national or international policing functions. This includes statistical data.

¹⁰ <http://www.cipfa.org/-/media/files/publications/reports/role%20of%20cfo%20police.pdf>

¹¹ Section 44 of the Police Act 1996 as amended by section 92 of the PRSR Act

10. There are mechanisms in place for occasions when routine processes fail. The Local Government Finance Act 1988 requires the Chief Finance Officer to issue a report (a section 114 notice), in consultation with the Chief Executive, if there is or likely to be unlawful expenditure or an unbalanced budget.
11. Independent assurance is provided by external financial auditors appointed under the Audit Commission Act 1998. In Wales, independent assurance is provided by the Auditor General for Wales.
12. The financial robustness of Local Policing Bodies is the subject of audit opinion in Annual Accounts and Annual Accounting Statements, following an annual audit¹². The auditor is required to give an opinion on the accuracy of the financial statements, to satisfy themselves that arrangements are in place in the authority to achieve effectiveness, efficiency and economy, and that all statutory provisions relating to the accounts have been complied with. Audited bodies are required to co-operate with their appointed auditor. My Department receives copies of those audit opinions each year.¹³
13. When deemed necessary, an auditor may make a “report in the public interest”¹⁴ that then requires formal local consideration. The auditor may provide copies of any such reports, and formal conclusions, to any person they see fit, this could include the independent audit committee, the Police and Crime Panel, the Chief Constable, the PCC and the Secretary of State.
14. An auditor may seek judicial review of any item of account which is, in the auditor’s opinion, contrary to law¹⁵. This system provides a robust independent check on regularity and propriety and, through the checks on arrangements to secure efficiency, provides some assurance on VfM.
15. Under the new framework for local public audit in England, Local Policing Bodies in England will appoint their own independent auditors, based on advice from an independent audit committee. The new framework will be established by legislation to be introduced by CLG in May 2013.

¹² Section 2 of the Audit Commission Act 1998 (in Wales, section 13 of the Public Audit Wales Act 2004)

¹³ <http://www.audit-commission.gov.uk/audit-regime/codes-of-audit-practice/auditing-the-accounts/>

¹⁴ Section 8 of the Audit Commission Act (in Wales, section 22 of the Public Audit Wales Act)

¹⁵ Section 24 of the Audit Commission Act (in Wales, section 36 of the Public Audit Wales Act)

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