

# Have you got what it takes?

**Balancing the books**

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### Important facts

The Financial Management Code of Practice (FMCP) explains the governance arrangements around finance matters within the police service in England and Wales.

It builds on the policing protocol issued by the Home Secretary and provides high-level guidance to help make sure there are effective and constructive relationships between all those involved in financial matters in a police force area.

The FMCP covers a wide range of issues, including the roles and responsibilities of the chief finance officers (CFOs), accounting and audit arrangements, strategic and financial planning and value-for-money considerations.

The legal duties of the CFO for the police and crime commissioner (PCC) and the CFO for the police force are very similar. The FMCP will help make sure that the two CFOs operate effectively and without conflict.

The FMCP sets the tone while promoting flexibility and avoiding being too restrictive so that the detail of arrangements can be worked out locally.

PCCs, the Mayor's Office for Policing and Crime, chief constables and the Metropolitan Police Commissioner must take account of this code in carrying out their functions.

You can see the FMCP on the Home Office website at <http://www.official-documents.gov.uk/document/other/9780108511332/9780108511332.asp>

### Background

As set out in the policing protocol, each PCC and their chief constable will, under the Police Reform and Social Responsibility Act 2011, become a separate legal entity (known as a 'corporation sole'). As such, by law, both can employ staff and hold funds in their official capacity. Chief constables are responsible for the direction and control of all constables and staff within the police force that they lead. Staff of the PCC must answer to the directly elected holder of that office.

The PCC's duty to hold the chief constable to account and the law itself together define the relationship between the PCC and chief constable. The principles of police operational independence and the role of the chief constable are already set out in Acts of Parliament and decisions of the courts.

### When was the FMCP last updated?

The FMCP was revised during 2011 in close consultation with policing partners and other relevant organisations including the Chartered Institute for Finance and Public Accounting and the Audit Commission. The revised version was laid down in Parliament on 16 January 2012 and reflects the changes to policing which have resulted from introducing PCCs.

The FMCP will be reviewed and updated regularly to make sure that it reflects any significant change to the relevant legal framework.

### Is the FMCP a legal document?

Yes. The revised FMCP is issued under section 17 of the Police Reform and Social Responsibility Act 2011 and section 39A of the Police Act 1996. It has applied in London since 16 January 2012 and will apply to the rest of England and Wales from 22 November 2012.

The existing FMCP for the police service in England and Wales, issued under section 39 of the Police Act 1996 and presented to Parliament on 24 October 2000, will continue to apply to police authorities outside London until then.

### How does the FMCP link to the policing protocol?

The FMCP is one part of a wide framework for financial governance within the police service which includes Acts of Parliament, secondary legislation (including the policing protocol) and guidance.

This FMCP builds on the policing protocol and sets out the working financial relationship between the PCC and the chief constable and their chief finance officers, while also taking account of the role carried out by the PCC's chief executive.