



To: Joint Audit Committee

From: Chief Executive

Date: 10 December 2013

TRANSFER ORDER 2 PROGRESS REPORT

1. Purpose

- 1.1 To update the committee in respect to risk 4/1 on the joint strategic risk register, i.e. the Commissioner and Chief Constable fail to apply and demonstrate good governance, in accordance with best practice, including the Nolan principles.

2. Background

2.1 Stage 1 Transfer (22 November 2012)

On 22 November 2012, the Police Reform and Social Responsibility Act 2011 abolished police authorities and replaced them with police and crime commissioners. At midnight on 21 November, the Act transferred the employment of police staff in England and Wales from the outgoing police authorities to police and crime commissioners: known as the stage 1 transfer. Police Staff Council joint circular 73 set out guidance for forces, trade union branches and police staff in relation to the Stage 1 Transfer.

2.2 Stage 2 Transfer (April 2014)

The Police Reform Act proposes a second transfer, or transfers, of police staff by April 2014 whereby each police and crime commissioner may transfer staff, either to the chief constable in each force, or to a local authority. This is known as the stage 2 transfer.

Stage 2 Transfer Legal Basis - The transfer of police staff from police and crime commissioners to chief constables, or local authorities, is governed by Schedule 15 of the Police Reform and Social Responsibility Act 2011. Within the Act the powers of the

Home Secretary are defined including the power to approve, modify or reject the police transfer schemes submitted to her.

- 2.3 On 4 September 2013 the Cambridgeshire PCC wrote to the Home Secretary enclosing details of the proposed transfer scheme agreed with the Chief Constable. The Home secretary has not responded to the proposed scheme.
- 2.4 Transition to the new governance requirements dictated by Transfer Order 2, increases risk with respect to governance.

3. Current Position

- 3.1 A joint Governance Implementation Group has been established consisting of members from the Constabulary and the OPCC.
- 3.2 An Implementation Plan has been developed by this Implementation Group. Progress with this is reviewed at Business Coordination Board.
- 3.3 Progress is being made with respect to preparation for transfer order 2. A staff consultation document has been prepared in readiness for the Home Secretary's decision and preparatory work in respect of separate accounting arrangements has taken place should this be required by the external auditors.
- 3.4 However, two key areas are waiting for decisions to be made elsewhere - Home Secretary approval of the proposed scheme and external auditors decision on financial accounting arrangements.
- 3.5 This means that likelihood remains at 2 and impact at 4; giving a medium risk. At each meeting the level of risk and controls processes are kept under review.

4. Recommendation

To note the content of this report.