

# Warwickshire Police and Crime Commissioners

## Annual Governance Statement 2014 - 15

### 1. Introduction

This Annual Governance Statement 2014-15 reviews the second full financial year for the Police and Crime Commissioner (PCC). The statement reflects the governance framework established and delivered by the Office of the Police and Crime Commissioner (OPCC).

### 2. Scope of Responsibility

The PCC is responsible for ensuring his business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The PCC has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the PCC is responsible for putting in place proper arrangements for the governance of his offices affairs and facilitating the exercise of its functions, which includes ensuring a sound system of internal control is maintained through the year and that arrangements are in place for the management of risk. In exercising this responsibility, the PCC places reliance on the Chief Constable to support the governance and risk management processes.

The OPCC reviews policies and procedures on a regular basis. All of the documents are consistent with the principles of the CIPFA/SOLACE Framework: *“Delivering Good Governance in Local Government. (Guidance Note for Police)”* and are available on our website <http://www.warwickshire-pcc.gov.uk/> or can be obtained from the Office of the Police and Crime commissioner, North Gate house, 3 Northgate Street, Warwick, Warwickshire, CV34 4SP.

This statement explains how the PCC has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit 2011(England) Regulations in relation to the publication of a statement on internal control.

In developing the PCC Annual Governance Statement reliance has been placed on the governance processes within Warwickshire Police (WP), as reflected in the WP Annual Governance Statement which is published alongside the accounts of the PCC.

### 3. The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values by which the OPCC is directed and controlled and its activities through which it accounts to and engages with the community. It enables the OPCC to monitor the achievement of its strategic objectives and to consider whether these objectives have led to the delivery of appropriate, cost effective services, including achieving value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable and foreseeable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the OPCC's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, efficiently and economically.

#### **4. The Governance Framework**

This statement sets out how the organisations are conducted, using the six good governance core principles<sup>1</sup> as the structure for setting out the statutory framework and local arrangements.

##### **4.1 Focusing upon the purpose of the Police and Crime Commissioner and the Chief Constable, and on outcomes for local people, and creating a vision for the local area.**

The Police and Crime Commissioner has issued a **Police and Crime Plan**. It outlines the police and crime objectives (outcomes) and the strategic direction for the policing of the Force area.

**Collaboration agreements** set out those areas of business to be undertaken jointly with other Forces and Local Policing Bodies, whether to reduce cost, increase efficiency or increase capability to protect local people.

A **Medium Term Financial Plan (MTFP)** has been developed to support delivery of the Police and Crime Plan.

The Warwickshire Commissioner' Grant Scheme has been revised by the Police and Crime Commissioner during 2014-15 to address the Commissioner's statutory function in the commissioning of local victims' services<sup>2</sup>.

The Corporate Governance Framework sets out the principles behind how decisions will be taken by the Police and Crime Commissioner and Chief Constable and the standards to be adopted

##### **4.2 Working together to achieve a common purpose with clearly defined functions and roles**

The Act<sup>3</sup> sets out **the functions of the Police and Crime Commissioner and Chief Constable** and the protocol<sup>4</sup> sets out how these functions will be undertaken to achieve the outcomes of the police and crime plan.

The Act requires the Police and Crime Commissioner to have a **Chief Executive and Chief Finance Officer<sup>5</sup>(the Treasurer)**. The Chief Executive will be the head of paid service and undertake the responsibilities of monitoring officer<sup>6</sup>.

The Act requires the Chief Constable to appoint a **Chief Finance Officer<sup>7</sup> (the Director of Finance)**.

---

<sup>1</sup> Good Governance Standard For Public Services, 2005

<sup>2</sup> Section 143 Anti-Social Behaviour, Crime and Policing Act 2014

<sup>3</sup> PRSRA11, s5 – 8,

<sup>4</sup> Policing Protocol Order 2011

<sup>5</sup> PRSR Act, sch 1, p6,

<sup>6</sup> Local Government and Housing Act, s5,

<sup>7</sup> PRSR Act 2011, sch 2 p4.

The **financial management code of practice** and **statements of roles**<sup>8</sup> set out the responsibilities of Chief Finance Officers for both the Police and Crime Commissioner and the Chief Constable, and of the Chief Executive.

The **scheme of corporate governance** highlights the parameters for key roles in the organisations including delegations or consents from the Police and Crime Commissioner and Chief Constable, financial regulations and contracts.

The **Code of Ethics**<sup>9</sup> sets out the principles and standards of behaviour for everyone who works in policing in England and Wales and relates specifically to the chief officers in the discharge of their functions.

A joint independent **audit committee** operates in line with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and within the guidance of the Financial Management Code of Practice<sup>10</sup>.

A joint independent Trust Integrity and Ethics Committee has been established. This committee's function is to advise the Commissioners and Chief Constables according to the principles set out in the Code of Ethics in relation to questions of integrity, values and ethical behaviour.

#### **4.3 Promoting the values of the Office of the Police and Crime Commissioner and Police Force and demonstrating the values of good governance through upholding high standards of conduct and behaviour**

The Policing Protocol 2011 requires all parties to abide by the seven **principles of public life**<sup>11</sup> and these will be central to the conduct and behaviour of all. Those principles are:

**Selflessness** Holders of public office should act solely in terms of the public interest.

**Integrity** Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

**Objectivity** Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

**Accountability** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

**Openness** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

**Honesty** Holders of public office should be truthful.

---

<sup>8</sup> Financial Management Code of Practice for the Police, s4, CIPFA Statement on the Role of Chief Finance Officers, APACE Statement on the Role of the Chief Executive

<sup>9</sup> The Code of Ethics, A Code of Practice for the Principles and Standards of Professional Behaviour for the Policing Profession of England and Wales issued under section 39A of the Police Act 1996 (as amended by section 124 of the Anti-Social Behaviour, Crime and Policing Act 2014).

<sup>10</sup> Financial Management Code of Practice for the Police, s11.1.3

<sup>11</sup> Standards in Public Life, 2005 as amended by the 14th report of the Committee on Standards in Public Life

**Leadership** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

The Code of Ethics combines these values with others espoused in policing, and sets and provides a framework for upholding high standards of conduct and behaviour which reflect the expectations that the professional body and the public have of those working in policing. It adds two further principles:

**Fairness** Holders of public office should treat opeople fairly.

**Respect** Holders of public office should treat everyone with respect.

The Protocol also highlights the expectation that the relationship between all parties will be based upon the principles of goodwill, professionalism, openness and trust.

Officers, police support staff and staff of the Office of Police and Crime Commissioner will operate within:

- Office of the Police and Crime Commissioner and Police Force policy and procedures,
- corporate governance framework,
- conduct regulations and codes of conduct.

The Financial Management Code of Practice requires the Police and Crime Commissioner and Chief Constable to ensure that the **good governance principles** are embedded in the way the organisations operate.

#### ***4.4 Taking informed and transparent decisions, which are subject to scrutiny and managing risk***

The national decision model<sup>12</sup> is applied to spontaneous incidents or planned operations, by officers and staff within the Force as individuals or teams, and to both operational and non-operational situations.

The **scheme of governance** highlights the parameters for decision making, including the delegations, consents, financial limits for specific matters and for contracts.

The **risk management strategy** establishes how risk is managed throughout the various elements of corporate governance of the organisations, whether operating solely or jointly.

The **community engagement strategy** set out how the Police and Crime Commissioner will ensure that local people are involved in decision making.

The **publication scheme** establishes the means by which information relating to decisions will be made available to local people, with those of greater public interest receiving the highest level of prominence, except where operational and legal constraints exist.

#### ***4.5 Developing the capacity and capability of all to be effective in their roles***

---

<sup>12</sup> Single National Decision Model (NDM) for the Police Service. ACPO July 2011

The organisations' **training strategies** set the climate for continued development of individuals. The respective performance development review processes will ensure that these strategies are turned into reality for officers and members of staff.

#### **4.6 Engaging with local people and other stakeholders to ensure robust public accountability**

The protocol<sup>13</sup> highlights that the Police and Crime Commissioner is **accountable to local people** and draws on this mandate to set and shape the strategic objectives for the force area in consultation with the Chief Constable.

The **Police and Crime Plan** sets out what the strategic direction and priorities are and how it will be delivered.

To complement this **community engagement strategy** set out how local people will be involved with the Police and Crime Commissioner and the Chief Constable to ensure they are part of decision making, accountability and future direction.

The Police and Crime Commissioner and Chief Constable will develop arrangements for effective engagement with key **stakeholders**, ensuring that where appropriate they remain closely involved in decision making, accountability and future direction.

The **annual report** sets out how the PCC has exercised his functions in each financial year and the progress which has been made in the financial year in meeting the police and crime plan objectives set out in the police and crime plan.

## **5. Review of effectiveness**

The OPCC has responsibility for conducting, at least annually, a review of the effectiveness of the governance framework, including;

- The system of internal audit
- The system of internal control

The governance framework within the OPCC is reviewed regularly and influenced by the internal and external audit reviews for its effectiveness by the PCC, Chief Executive and Chief Finance Officer. The roles and processes applied in maintaining and reviewing the effectiveness of the governance framework are outlined below: -

### **5.1 OPCC**

The OPCC has overall responsibility for the discharge of all the powers and duties placed on it and has a statutory duty to 'maintain an efficient and effective police force'. The review and maintenance of the governance framework is undertaken by the Joint audit committee who discuss governance issues, referring reports to the PCC when as necessary.

### **5.2 Warwickshire Police**

The Chief Constable has responsibility for conducting a review of the effectiveness of the governance framework within the Force at least annually. This review is informed by the work of senior officers and managers, the Head of Internal Audit and the Risk and Assurance managers within the Force who have responsibility for the development and maintenance of the governance environment. In preparing the Annual Governance Statement the officers of the OPCC have placed reliance on this review and the Force's resulting Annual Governance Statement.

---

<sup>13</sup> Policing Protocol Order 2011, art14

### **5.3 Joint Audit Committee**

The Joint Audit Committee receives regular reports on governance issues. This will include the review of the Annual Governance Statement for inclusion in the Annual Statement of Accounts and update reports on progress made in addressing significant governance issues included in it.

### **5.4 Joint Trust Integrity and Ethics Committee**

The Joint Trust Integrity and Ethics Committee receives regular reports on policy and procedure, decision making, leadership, culture, people, performance and conduct. This also includes update reports on progress made in addressing any significant issues identified.

### **5.5 Head of Internal Audit**

In maintaining and reviewing the governance framework, the PCC Chief Finance Officer places reliance on the work undertaken by Internal Audit and in particular, the Head of Internal Audits independent opinion on the adequacy and effectiveness of the system of internal control. The Head of Internal Audit is of the opinion, taking into account all available evidence that internal control environments give “substantial assurance”. The internal audit service is compliant with all CIPFA and industry requirements and standards. The Audit Committee reviews (and will review) internal audit performance.

### **5.6 External Audit**

External Audit are an essential element in ensuring public accountability and stewardship of public resources and the corporate governance of the PCC services, with their annual governance report particularly providing comment on financial aspects of corporate governance, performance management, value for money and other reports.

In addition to the above other review/assurance mechanisms such as Her Majesty's Inspectorate of Constabulary who are charged with promoting the effectiveness and efficiency of policing, improving performance and sharing good practice nationally are relied upon.

## **6. Significant Governance Issues**

Although we do not consider there to be “significant governance issues”, according to the CIPFA definition, during 2015 – 16 the following areas will be addressed:

- Further developing and supporting the roles of the Joint Trust Integrity and Ethics Committee.
- Further developing and supporting the role of the Joint Audit Committee particularly in relation to procurement and value for money and their review of key policies.
- Further develop the commissioning process for Victims services and community safety organisations.
- The Corporate Governance Framework will be subject to review in accordance with the framework itself and good practice.



Ron Ball  
Police and Crime Commissioner



Neil Hewison  
Chief Executive  
Warwickshire OPCC