

## **Warwickshire Police and Crime Commissioner's**

### **Annual Governance Statement 2019-20**

#### **1. Introduction.**

This 'Annual Governance Statement 2019-20' is a regulatory requirement and explains how the Warwickshire Police and Crime Commissioner (PCC) and his Office (OPCC) have complied with their published corporate governance framework for the year ended 31 March 2020, including plans for the financial year 2020/21.

#### **2. Scope.**

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.

In discharging this overall responsibility, the PCC is responsible for putting in place proper arrangements for the governance of his Office's affairs and facilitating the exercise of its functions. This includes ensuring a sound system of internal control is maintained through the year and that arrangements are in place for the management of risk.

A joint corporate governance framework sets out how governance operates for both the PCC and Chief Constable. This code is consistent with the principles of the CIPFA/SOLACE guidance 'Delivering Good Governance in Local Government'. The joint corporate governance framework was last reviewed in October 2019, and has been reviewed again in March 2020 to ensure that it appropriately reflects the governance arrangements for services transitioning out of the Alliance with West Mercia. The framework consists of: -

- **Statement of Corporate Governance.** Outlining the statutory framework and local policy,
- **Code of Corporate Governance.** Setting out how the core principles will be implemented,
- **Scheme of Corporate Governance.** Defining the parameters within which the organisations will conduct their business, scheme of delegations etc,
- **Policy and Procedures.** Separate for each corporation sole, with protocols where they

operate jointly.

- **Cooperative Arrangements.** Those arrangements by which the PCC and the Warwickshire Chief Constable support the exercise of each others' functions.

The 'Joint Corporate Governance Framework' can be found on the OPCC website [www.warwickshire-pcc.gov.uk](http://www.warwickshire-pcc.gov.uk). It can also be obtained from the OPCC at 3, Northgate Street, Warwick, Warwickshire, CV34 4SP.

The Chief Constable is responsible for operational policing matters, the direction and control of police officers and police staff, and for putting in place proper arrangements for the governance of the force. The PCC is required to hold the Chief Constable to account for the exercise of those functions and those of the persons under the Chief Constable's direction and control. The PCC must satisfy himself that the force has appropriate mechanisms in place for the maintenance of good governance, and that these operate in practice.

The 'Annual Governance Statement' for Warwickshire Police is published alongside the accounts of the PCC.

This statement explains how the PCC has complied with the code and also meets the requirements of 'Regulation 6 of the Accounts and Audit 2015 (England) Regulations' in relation to the publication of a statement on the effectiveness of the system of internal control.

On the 23<sup>rd</sup> March 2020, the country went into a national lockdown to stem the impact of the coronavirus pandemic. As a result of the pressure on Local Authorities and public bodies nationally, a new timetable regarding the publication and approval of the Annual Governance Statement and the Statement of Accounts was announced, which pushed back the timetable from 31<sup>st</sup> May 2020 to 31<sup>st</sup> August 2020. The Accounts and Audit (amendment) regulations 2020 reflect this change, along with an amendment to the date for final publication of the accounts which is now the 30<sup>th</sup> November 2020. The 30<sup>th</sup> November is also the target date for the audited statement of accounts, although this is not a statutory requirement. Members of the Joint Audit and Standards Committee reviewed the initial draft AGS in March 2020, prior to lockdown, but the document has now been updated in the light of the crisis, guidance from CIPFA and the changes made internally to

governance arrangements to ensure the document reflects the updated position at the point of publication. Due to the timing of the lockdown, the majority of 2019/20 governance was conducted under the arrangements outlined fully below and unaffected by the Coronavirus. However, the coronavirus did have an impact on governance during March 2020 and this AGS also reflects that period in the separate section 4 below. As a consequence further significant potential governance issues have also been raised for 2020/21 and are included in section 6.3 of this document.

### **3. The Governance Framework.**

Governance comprises of the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The fundamental function of good governance in the public sector is to ensure that entities like the PCC achieve their intended outcomes whilst acting in the public interest at all times. The governance framework comprises the systems and processes, together with culture and values by which the PCC directs and controls the activities for which he is accountable, including engagement with communities. It enables the PCC to monitor the achievement of his 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 PCC's policies, aims and objectives in order to evaluate the likelihood of those risks being realised and the impact should they be realised. This process enables them to be effectively, efficiently and economically managed.

The Chartered Institute for Public Finance and Accountancy (CIPFA) '*Delivering Good Governance Framework for Public Services 2016*' sets out seven good governance core principles. The governance arrangements that have been put in place for the PCC / OPCC and how they adhere to these principles are set out below: -

### **3.1 Principle A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.**

The 'Police Reform and Social Responsibility Act'<sup>1</sup> sets out the functions of the PCC and Crime Commissioner and Chief Constable. The Act requires the PCC to have a Chief Executive and Chief Finance Officer<sup>2</sup> (the Treasurer). The PCC and the Chief constable have developed and approved a 'Joint Corporate Governance Framework' which clarifies the working relationship between the PCC, Chief Constable and their respective staff. This includes the code of corporate governance, the scheme of delegation and financial regulations. The framework is informed by the requirements of 'The Good Governance Standard for Public Services' and the Policing Protocol 2011, and is consistent with the seven Nolan principles of standards in *public life*<sup>3</sup>. Additionally, the 'Police Code of Ethics'<sup>4</sup> combines these values with others enshrined in policing, and sets and provides a framework for upholding high standards of conduct and behaviour which applies both on and off duty. It guides behaviour within the organisation as much as it informs how to deal with those outside. The Code also includes two additional principles.

Following his election in May 2016 the PCC signed a code of conduct based on the principles referred to above. This document has been published on the OPCC website along with the register of interest of the PCC, together with the protocol for managing conflicts between the leader of Warwickshire County Council and the Warwickshire PCC.

All Warwickshire police officers, police staff and the staff of the OPCC operate within: -

- OPCC and Police Force policies and procedures.
- Corporate Governance Framework.
- Conduct Regulations and Codes of Conduct.

Policies, procedures, regulations and the governance framework are reviewed as appropriate. Further work on reviewing these and updating them will be undertaken in the light of the termination of the Alliance. All current policy documents are published

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<sup>1</sup> PRSRA11, S5 – 8,

<sup>2</sup> PRSRA11 Sch1 p6

<sup>3</sup> Standards in Public Life 2005. As amended by the 14<sup>th</sup> Report of the Committee on Standards in Public Life: Selflessness; Integrity

<sup>4</sup> Code of Ethics (College of Policing 2014)

on the OPCC website. A review of all policies will be undertaken over the next 12 months to ensure that they are up to date and fit for purpose, following the termination of the strategic alliance.

The 'Joint Audit and Standards (JASC) Committee' with West Mercia met for the final time in July 2019, before the alliance was due to end in October 2019. Warwickshire established its own Joint Audit and Standards Committee throughout the summer of 2019, in the light of the termination notice, and its first meeting took place in November 2019. A subsequent meeting of the Committee took place in January 2020, focussing solely on issues for Warwickshire. The Committee consisted of three transferring members and two new members which provided continuity and brought new skills to the Warwickshire only committee. The Committee have reviewed their terms of reference since forming and have an agreed work plan which is reviewed at each meeting, new members have undergone a brief induction and a more detailed and prioritised training programme has been developed for all members which has been commenced and will continue to be implemented over the coming months. Different members of the Committee take the lead in specific areas of work to maximise their coverage by working closely with key staff, often meeting outside of the formal meetings to monitor progress and seek assurance. Monthly dip-sampling of complaints made against the police that are subject to investigation by the Professional Standards Department (PSD) is undertaken by a Committee member, supported by the OPCC Development and Police Lead, with formal reports taken to the Committee of any results. The Committee is well attended by staff and officers from the force and OPCC. The agreed work programme seeks to ensure that the force and OPCC embrace the highest levels of integrity and ethical standards of behaviour. This is a public meeting and copies of papers are published on the website.

Quarterly performance meetings are held between the PSD Head of the Department and the OPCC, to coincide with the publication of the 'Independent Office of Police Conduct' (IOPC) performance reports to provide scrutiny and challenge on PSD performance. From 1<sup>st</sup> February 2020, PCCs had a new stronger role in the complaints system. This follows extensive consultation and work by the Home Office and the IOPC. The reforms include a move towards a more reflective practice focusing on learning outcomes for both the individual officers, staff and the Force. The OPCC will be responsible for reviews

of police complaints from this date, delegated to a Complaints Appeal Manager post shared with West Midlands and Staffordshire OPCC's. This new way of working tackles some of the issues faced from the old system, ensuring clarity, less bureaucracy, improved governance arrangements and more flexibility to deal with complaints to provide increased public satisfaction and assurance on complaints handling.

The PCC demonstrates respect for the rule of law and complies with relevant laws and regulations. He uses legal advisors to provide assurance and guidance on lawful decision making. The PCC is independent of force management and operational decision-making which is the responsibility of the Chief Constable, and has an appointed Monitoring Officer (the Chief Executive) to oversee the decision-making and legal actions of the PCC. The PCC creates conditions for all members of the OPCC to be able to discharge their responsibilities in accordance with good practise. Guidance from the Association of the Police and Crime Commissioners (APCC), Association of Policing and Crime Chief Executives (APACE) and Police and Crime Commissioners Treasurers Society (PACCTS) is disseminated amongst OPCC staff.

### **3.2 Principle B. Ensuring openness and comprehensive stakeholder engagement.**

The protocol<sup>5</sup> highlights that the PCC 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. He must have regard to the views of the public as well as the priorities of the authorities within Warwickshire and relevant government bodies before issuing a Police and Crime Plan.

The PCC's 'Police and Crime Plan 2016-2021' sets out what the strategic direction and priorities are and how they will be delivered. The Warwickshire plan was published in December 2016 following a two phase public and stakeholder consultation, well within the timeframe for publishing such a plan, i.e. before the end of the financial year in which the PCC is elected. The first phase focused on the policing priorities and the second phase on the draft of the plan. The Plan was refreshed during 2019/20 to ensure it remained relevant and fit for purpose. In doing so the PCC is helping to make sure that local policing services address the priorities of local communities and that the force is being held to account for

the way services are delivered to the public. The Plan addresses issues on the strategic policing requirement issued by the Home Secretary and is developed with the Chief Constable, informed by the views of the public, victims of crime and the priorities of other key stakeholders. In addition to this public consultation, the PCC has also widely consulted on the Precepts for 2019/20 and 2020/21 and reported the outcome of those consultations to the Police and Crime Panel (PCP) for their information and scrutiny, before setting the precepts each year. The PCP meets regularly to review and scrutinise the decisions and actions of the PCC and his performance in delivering the objectives contained in his Police and Crime Plan, Annual Report and any proposed appointment to key roles. Two separate working groups also meet to specifically deal with issues around performance monitoring and finance.

A 'Consultation and Engagement Strategy' for the term of the PCC's office has been published and is reviewed annually. This sets out how local people will be involved with the PCC and the Chief Constable to ensure that they are part of the decision making, accountability and the future direction of police and crime matters in Warwickshire.

The OPCC Head of Media and Communications drives the use of social media, as well as more traditional methods of engagement, to engage with communities and to promote the public consultations that have taken place.

The PCC's Rural, Business and Cyber-crime Coordinators host a range of public engagement events and meetings that the PCC attends, to listen to the concerns and issues of the local communities. These roles enable the commissioner to develop a better local understanding of the specific issues that face different types of communities throughout Warwickshire. The community concerns and issues are fed back to relevant partners and dealt with accordingly.

The Alliance Governance Group (AGG) and more latterly the Alliance Transitional Governance Group (ATGG) for services delivered through the alliance arrangements during 2019/20 are minuted to record decisions and actions. Warwickshire also undertake their own Governance Group meetings for services which have transitioned from the alliance

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<sup>5</sup> Policing Protocol Order 2011, art14

arrangements. This provides coverage on all areas of governance to seek assurance that effective controls are in place and protocol is adhered to.

The PCC has continued the weekly 'holding to account' meeting with the Chief Constable, including the issues of force performance. Minutes from the 'open' session of the meetings are published on the website. The website also contains details of key decisions made by the PCC, together with the agendas, reports and minutes from the JASC.

The PCC's annual report sets out how the PCC has exercised his functions in each financial year and the progress which has been made in meeting the objectives of the 'Police and Crime Plan'. The PCC's 'Annual Report 2018-19' is published and available on the OPCC website and will be updated and published again in respect of 2019-20.

The PCC attends various Local Authority meetings across Warwickshire and provides formal briefings to local MPs on topical policing matters and the precept. The PCC also works with and part funds the four Community Safety partnerships across Warwickshire and has commissioned services in 2019/20 to deliver many key services to victims, drugs and substance misuse services, and sexual abuse and exploitation services. Such activities are aligned to the PCC's strategic objectives as set out in the Police and Crime Plan, and help in their delivery in addition to supporting other partners in achieving their local priorities too. The PCC is a member of the Local Criminal Justice Board which meets regularly to consider and discuss the performance of the local criminal justice system and any issues or initiatives being addressed individually or collectively by the criminal justice agencies.

### **3.3 Principle C. Defining outcomes in terms of sustainable economic, social and environmental benefits.**

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

The PCC is committed to the identification and consideration of collaborative opportunities, despite the ending of the Strategic Alliance with West Mercia with regards systems, processes and resourcing to sustain delivery and increase the capacity and resilience of Warwickshire without diminishing capability and access to specialist services. Collaboration agreements set out those areas of business to be undertaken jointly with



other police forces and Local Policing Bodies, whether to reduce cost, increase efficiency or increase capability to protect local people. The Strategic Alliance Collaboration Agreement covers the arrangements for delivering policing services with West Mercia. However, following the termination notice served by West Mercia this was due to come to an end in October 2019, but was extended from October for a further 6 months by a Home Office direction.

A 'Medium Term Financial Plan' (MTFP) has been developed to support delivery of the 'Police and Crime Plan 2016-2021' and ensure that the plans are sustainable. It is monitored closely throughout the year and reviewed and updated formerly as part of the annual budget setting process.

The Police and Crime Commissioner for Warwickshire Police has a duty to ensure value for money through purchasing, contracts and the wider commissioning of services. Every effort is taken to secure value for money whilst improving or minimising the impact on the environment. However, it is recognised that in some areas of compliance with legislation and/or to achieve higher standards, or to improve environmental impacts, this might increase costs or require specific one-off investment.

The 'Police and Crime Commissioner's Grant Scheme' has been further developed to ensure funding is based on identified need, with clear outcomes. In 2019/20 the PCC adopted a commissioned approach in key service areas to ensure that they are fit for purpose and provide value for money. He has also undertaken some co-commissioning with partners in terms of domestic abuse services. PCC commissioned services are operating well and performance is monitored regularly. An annual grants process is undertaken by the OPCC for allocating funds, following a robust and rigorous evaluation process. Monitoring of grants in terms of finance and performance achieved from the grant allocation is also undertaken throughout the year to ensure that the desired outcomes and the Police and Crime Plan objectives are being delivered.

### **3.4 Principle D. Determining the interventions necessary to optimise the achievement of the intended outcomes.**

The PCC has developed a 'Delivery Plan' that sets out the monitoring and progress made

against the commitments within the 'Police and Crime Plan'. This programme is subject to scrutiny by the 'Warwickshire Police and Crime Panel'.

The force's performance management framework has been reviewed to reflect the 'Police and Crime Plan'. Monthly and quarterly performance reports are produced which enabled both the PCC and Chief Constable to assess and scrutinise force performance. The quarterly performance report is published on the OPCC website.

The PCC and Chief Constable have a 'Risk Management Strategy' in place, and hold separate risk registers to manage their key risks. The risk registers are reported to the respective Chief Officer teams and are regularly reviewed by the Joint Audit and Standards Committee for scrutiny and comment.

Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) provides an annual independent thematic inspection and assessment of the force's performance in terms of its effectiveness, efficiency and legitimacy. The most recent assessment (2018-19, and published in September 2019) found the force to be good in the areas for legitimacy and effectiveness, but requiring improvement in efficiency. The force considers carefully HMICFRS recommendations and acts upon them through a series of coordinated action plans 'owned' by the appropriate Chief Officer. These officers are held to account through ongoing performance monitoring by the PCC and actions are also reported and reviewed by the Joint Audit and Standards Committee to provide further assurance that progress and appropriate actions to deal with the issues raised in the inspections are being dealt with. The actions arising from the latest inspection are no exception, and it is hoped that the work and changes that have been undertaken will be recognized in the next inspection as Warwickshire Police emerge from the alliance, stand up services in Warwickshire and enter new collaborations with different forces and partners.

The PCC undertakes a budget and precept consultation exercise to help him formulate his precept proposal. The Police and Crime Panel review and scrutinise the PCC's proposed council tax precept increase and make recommendations to the PCC, to which he is required to respond, before he finally sets the annual budget in February. Formal budget monitoring is undertaken throughout the year and is discussed at the regular Force Governance Board meetings with the Chief Constable and key stakeholders. The PCP

finance working group also scrutinise and challenge the budget monitoring reports, requesting additional information as necessary.

### **3.5 Principle E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.**

The PCC ensures that their statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the OPCC and force. Specialist advice in areas such as treasury management is externally sourced as this is more cost effective and practical. Our training strategies provide 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. This principle is included within the 'Police and Crime Plan'.

The 'Corporate Governance Framework' provides a clear statement of respective roles and responsibilities and how they are delegated. All OPCC staff are encouraged to network and build working relationships with key stakeholders in their respective fields. The PCC's Treasurer participates in the CIPFA continuous professional development programme to ensure that her skills and knowledge are kept up to date and relevant. The PCC is a member of the Association of Police and Crime Commissioners as well as members of his team being involved with other bodies including the Association of Police and Crime Commissioners Chief Executives (APACE) and Police and Crime Commissioners Treasures Society (PACCTS). These organisations provide an opportunity to share knowledge, experience and thinking on current issues, legislation and Government announcements, how these should be applied and examples of best practise. They also provide opportunities for networking and release guidance and notifications on a regular basis to assist officer to carry out their roles effectively.

### **3.6 Principle F. Managing risks and performance through robust internal control and strong public financial management.**

The PCC and Chief Constable each have a 'Strategic Risk Strategy' in place to ensure that the risks facing the force and PCC's office are effectively and appropriately identified, evaluated

and reported. The Treasurer, on behalf of the PCC has reviewed the strategic risks on at least a quarterly basis. The strategic risks are also scrutinised by the JASC when they meet.

The 'Corporate Governance Framework' sets out the parameters for decision making, including the delegations, consents, financial limits for specific matters and for contracts. This was reviewed in October 2019 as a result of the termination notice by West Mercia regarding the Alliance to reflect the circumstances, and has been reviewed again in March 2020, to ensure that appropriate governance arrangements are in place in April for when services transition fully from the alliance.

The JASC meet on a quarterly basis and the agendas, papers and minutes are published on the OPCC website. As part of its work programme the committee receives regular updates on internal and external audit, HMICFRS inspections, treasury management, risk management and the progress on transitioning services from the alliance. The JASC was a joint Committee with West Mercia in the early part of the year, but a Warwickshire only committee was established in October 2019 and held its first meeting in November. It met again in January 2020 and was due to meet in March, but due to Covid 19 this was postponed and a remote template circulated to gauge members view on the agenda reports instead. The JASC have reviewed their terms of reference, developed a training programme and have a formal work plan which is reviewed regularly. The JASC operates in line with CIPFA guidance and within the guidance of the 'Financial Management Code of Practice'<sup>6</sup>. They received full copies of the amended Corporate Governance Framework and associated documents at its meeting in November 2019. Meeting papers were also circulated for scrutiny and challenge by the Committee following the March review process, and comments were sought following the cancellation of the meeting due to the Covid 19 pandemic. However, both processes in relatively short succession, to reflect the timing and transitioning of services from the alliance, provided ample opportunity for the Committee to provide feedback on the proposals to address the significant governance issue identified in the last Annual Governance Statement (AGS) of: *'there will be a requirement to review the governance arrangements of the organisation to ensure that any such new arrangements are operative at the point of termination'*.

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<sup>6</sup> Financial Management Code of Practice for the Police, s11.1.3

The 'Warwickshire and Worcestershire County Council Law and Governance Service' are commissioned by the PCC and Chief Constable to conduct independent and impartial audits of processes inside and outside of any alliance arrangements in 2019/20 for Warwickshire.

Regular financial monitoring is undertaken and reported to the PCC against the approved budget. This is supplemented by regular informal meetings between the Treasurer and the force finance teams, who provides feedback on issues as necessary. Budget monitoring and performance is discussed at the monthly governance group meetings as well as at weekly holding to account meetings held with the Chief Officers to enable the PCC to scrutinise and challenge performance, financial management and internal control. Business planning feeds into the annual budget planning process and this will continue to be refined, developed and embedded over the coming months.

**3.7 Principle G. Implementing good practices in transparency, reporting and audit to deliver effective accountability.**

The PCC has produced and published an annual report that details performance against objectives for the previous year.

Information published on the OPCC website is in accordance with the 'Elected Local Policing Bodies (Specification Information) Order 2011'.

The OPCC website is kept up to date with the publication of key decisions, performance reports and details of HMICFRS inspections including the PCC's response to the Home Secretary on the reports. Additionally, the PCC publishes notes from his weekly holding to account meetings with the Chief Constable.

The PCC and Chief Constable have appointed internal and external auditors and audit recommendations are reported to the JASC. Further details on audit outcomes are in Section 5 below. Regular briefings are held between the Director of Finance, Treasurer and audit colleagues to ensure that internal and external audit progress is on track against plan and to keep abreast of any specific issues which can be raised more widely if necessary, to ensure that good outcomes are achieved, relationships are strong and controls are adequate and provide the necessary assurance to the PCC.

The PCC has a 'Publication and Freedom of Information (FOI) Scheme' in place. All FOIs are dealt with by the OPCC, or passed onto the force as appropriate by agreement.

The Police and Crime Panel also undertake a scrutiny role of the PCC. The Panel meet at least quarterly to challenge the PCC, they receive formal reports and meet in open session. On occasion they have also received informal updates on specific issues, and they have two separate working groups who report back to the full panel on budget and performance issues.

#### **4. Challenges arising from the Coronavirus pandemic**

CIPFA have introduced some guidance on how PCC's should consider the impact the Coronavirus pandemic has had on its governance arrangements in the short period that fell within the 2019/20 financial year. This has been reviewed for Warwickshire OPCC and a number of changes were introduced in March 2020 to reflect the changed landscape during the crisis.

##### **4.1 Business as usual in the delivery of services**

The work of the office continued where possible, initially with minimal physical staff presence in the Office, until this became inappropriate under the governments advice. At this point staff then began to work from home. All staff had the necessary equipment to do so, phone calls and correspondence continued to be dealt with, internal and external meetings continued to occur, but largely on a remote dial in basis using technology. However, all PCC public engagements were postponed or cancelled. The PCC continued with his regular holding to account meetings with the Chief Constable in March, along with the monthly governance group meetings and performance management meetings, thus enabling him to fulfil one of his primary roles. Normal decision making continued, with a number of decision notices approved during March and signed off following a series of email and telephone conversations.

##### **4.2 New areas of activity as part of the national response to coronavirus and governance issues arising**

Two members of staff from the OPCC went to work on a temporary basis within the Force to support the Covid response, working directly with the Gold Command lead. This provided greater resilience and knowledge to the force but also provided an opportunity for greater insight into how the force was responding to the crisis which could be fed back and provide assurance to the PCC. The PCC was also represented on the Gold and Silver command planning meetings.

#### **4.2.1 Implementation of new policies and processes**

Perhaps one of the main new processes introduced and delivered in part in March in response to the ongoing pandemic, to ensure good governance and use of public funds was the introduction of a risk assessment matrix for the 2020/21 PCC grants round. All of the 2020/21 PCC grants are approved prior to April, and the vast majority are paid in April to ensure that projects and work can commence, however due to the uncertainty arising from the pandemic, a further additional review of grant recipients, their ability to deliver services and projects, along with a pragmatic desk top review of their financial resilience given the unfolding situation was undertaken. Payments to suppliers were expedited or phased with new terms and conditions issued where this felt appropriate. The Treasury Management Strategy was updated slightly and approved via a decision notice to allow for greater cash holdings to ensure creditor payments could be made in a timely manner and in the event of key staff absence, and the latest and most relevant advice of our Treasury Management Advisors Arlingclose was shared and adopted rigorously, prioritising the security of investments. Cashflow issues were closely monitored, with increased liaison with the Treasurer throughout the month as increased spending within the force on Covid began to emerge, albeit at relatively low levels in March 2020. No specific funding or cashflow issues were however encountered in the light of the pandemic in March, although separate monitoring of Covid related expenditure was introduced.

#### **4.3 Changes to formal meetings and decision making arrangements.**

The meeting of the Joint Audit and Standards Committee on the 17<sup>th</sup> March was cancelled by the Chair as a result of the emerging situation. All Committee members had received a full set of the meeting papers for consideration as normal, and feedback was sought individually and via a template circulated to all members, with responses coordinated by

the Chair. The Treasurer and Chair remained in contact to discuss all relevant issues throughout the month, and this process enabled the good governance and scrutiny of the key policies and strategies to be adopted from April 2020 to be achieved. All other decision making was undertaken on a remote basis, and other holding to account, governance and performance meetings were also undertaken via tele-conference.

#### **4.4 Assessment of the longer term disruption and consequences arising from the Coronavirus pandemic.**

The impacts of the coronavirus pandemic are anticipated to be deep and far reaching. The costs incurred by the force and PCC are being collated and will form part of any future claim for reimbursement. Costs will fall into 3 categories – short, medium and longer term, with the latter being the most significant potentially. Short and medium terms costs will initially be funded from reserves following PCC approval and full engagement will take place with central government regarding potential reimbursement to recover any applicable Covid costs. Longer term impacts to funding are anticipated and the MTFP will be reviewed to include any changes in assumptions based on the most up to date and available information. Whilst billing Authorities have not indicated any precept payment difficulties in 2020/21, this will be kept under constant review as the crisis evolves. Likewise, council tax modelling and close liaison with all Warwickshire Local Authorities is being maintained to ensure that the latest information is used for our financial planning and is consistent with their thinking.

The force transitioned a number of services from the alliance arrangement from April 2020, and the remaining four service areas are due to transition by April 2021. Section 22's with West Mercia provide for some flexibility around this transition date, but it is hoped that the original timetable will be adhered to and transitional progress will be unaffected by the pandemic. The transition and 2020/21 budget includes significant capital investment in estates and ICT primarily. Some estates work may get delayed as a result of the pandemic, due to a number of factors, but this will be kept under review. The financial settlement with West Mercia has reduced the financial risk to Warwickshire around transition and its ability to deal with the pandemic, but monitoring of transitional costs, project delivery, the reserves strategy and financing of the capital programme in 2020/21 will be considered



further to manage risk and ensure that any ongoing consequences of the pandemic can be managed effectively.

Operational risks arising from the pandemic will be managed by the force, and the PCC will hold them to account on any governance related issues that may arise. Priorities and objectives may change as new risks and existing risks are identified and escalated or de-escalated as the progress through the pandemic continues. Lessons learnt will need to be considered in the fullness of time and this has been included as an improvement area which is likely to bring with it significant governance issues.

## **5. Review of Effectiveness.**

The PCC's office 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 Treasurer. The roles and processes applied in maintaining and reviewing the effectiveness of the governance framework are outlined below: -

### **5.1 Police and Crime Commissioner.**

The PCC has overall responsibility for the discharge of all the powers and duties placed on him and has a statutory duty to maintain an efficient and effective police force.

The effectiveness, review and maintenance of the governance framework is undertaken by the JASC, who discuss governance issues and refer reports to the PCC when 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, including the Director of Finance, 'Head of Internal Audit' and the 'Risk and Assurance' managers, who have responsibility for the development and maintenance of the governance environment.

### **5.3 Joint Audit and Standards Committee (JASC).**

The JASC for the early part of the year was joint between West Mercia and Warwickshire, and a Warwickshire only JASC was created with renewed terms of reference comprising of existing and new members which provided continuity and increased knowledge, and which met for the first time in November 2019. JASC receives regular reports on governance issues. This includes the review of the 'Annual Governance Statement' (AGS) for inclusion in the 'Annual Statement of Accounts' and update reports on the progress made in addressing any significant governance issues identified in the AGS.

The JASC receives regular reports on policy and procedure, decision making, leadership, culture, people, performance and conduct. This also includes update reports on the progress made in addressing any significant issues that have been identified, particularly in terms of updates relating to the termination of the alliance. Individual members of the Committee lead on issues in specific areas, working closely with staff across the force and PCC outside of the formal meetings. The Committee members have developed a training programme which is being implemented to ensure that they have the skills and knowledge to carry out their roles in line with the terms of reference. The Committee formally meets approximately 4 times a year.

### **5.4 Head of Internal Audit.**

In maintaining and reviewing the governance framework, the Treasurer places reliance on the work undertaken by internal audit; in particular, the 'Head of Internal Audit' independent opinion on the adequacy and effectiveness of the system of internal control. The annual report of the 'Head of Internal Audit' provides the opinion that taking into account all available evidence, that internal control environments give "*moderate assurance*".

The internal audit service is compliant with all CIPFA and industry requirements and standards. The JASC reviews (and will continue to review) internal audit performance.

### **5.5 External Audit and Other External Review Bodies.**

External audits are an essential element in ensuring public accountability and stewardship of public resources and the corporate governance of the PCC services. Their annual

governance report in particular provides comment on the financial aspects of corporate governance, performance management, value for money and other reports.

The external auditors have issued their opinion on the 'Statement of Accounts 2018/19' including their value for money conclusion, and is published on the OPCC website. Recommendations made in the report have been responded to and will be actioned as appropriate. Regular update meetings are held each month between external audit, the Treasurer and Director of Finance to discuss topical and emerging issues in more detail. Regular updates from external audit are also provided in a report to each JASC meeting which is also attended by the PCC and Chief Constable and their respective staff.

In addition to the above, other review / assurance mechanisms such as Her Majesty's Inspectorate of Constabulary and Fire and Rescue Service (HMICFRS), who are charged with promoting the effectiveness and efficiency of policing and improving performance and sharing good practice nationally, are relied upon by the PCC, along with assurances from within the Analysis and Service Improvement department within the force who monitor progress against HMICFRS action plans and report back to the PCC, Chief Constable and JASC. The Police and Crime Panel also provide some assurance and scrutiny to ensure that the PCC and his office are undertaking and fulfilling their key responsibilities effectively, and two separate sub-working groups on performance and finance are set up to scrutinise specific areas in more detail.

## **6. Significant Governance Issues.**

### **6.1 Strategic Risks.**

This AGS referred earlier to the 'Strategic Risk Register', which is compiled by the Treasurer to ensure that the PCC is fulfilling his role and is reviewed on at least a quarterly basis in conjunction with the PCC and the OPCC Chief Executive.

A supporting narrative is provided for each risk and the Register is reviewed by the JASC. The risk register is in the process of being reviewed more fundamentally in consultation with stakeholders. The reported position as at March 2020 is summarised below: -

No	Risk	Mitigating Activity
1	The risk of the Police and Crime	A number of measures are in place to

	Commissioner not meeting his statutory responsibilities	mitigate this risk. The activity continues to be monitored and reviewed on a regular basis, monitoring performance against the Police and crime Plan delivery plan.
2	The risks arising from the termination of the Strategic Alliance.	Notice was served by the West Mercia Chief Constable and Police and Crime Commissioner to terminate the Strategic Alliance in October 2019. A number of actions are in place to manage the process of exiting the alliance to ensure a smooth transition for both forces. Whilst the ending of the Strategic Alliance carried risk for both partners, the Home Office direction for a further 6 month period to the 8 <sup>th</sup> April 2020, will enable the majority of services to be transitioned from the alliance smoothly. During this period, Warwickshire will continue to make productive decisions, and enable partners to feel informed and involved as appropriate. This is the subject of ongoing negotiations.
3	The risk of failing to manage our finances effectively	There is a significant amount of activity to mitigate against this risk. Whilst the ending of the Strategic Alliance with West Mercia posed a risk to both parties, it is anticipated that the actual plans and costs for service delivery in Warwickshire post October 2019 will fall in line with the current MTFP and there are sufficient finance resources to carry out the work required. A key manifesto pledge in December 2019 was additional investment in 20,000 police officers as part of the national picture and Warwickshire's share of these officers is included in the budget. The budget for 2020/21 was set in February 2020, and includes no costs from a settlement with West Mercia. This indicates a stressed budget and MTFP position, but one that is affordable. It does show rapidly reducing reserves and increased borrowing to finance the transition process. The Home Office are actively involved in this area of work between West Mercia and Warwickshire and a cost settlement will significantly de-risk this area of concern.
4	The risk that the Police and Crime	Reports to Police and Crime Panel and

	Commissioner does not hold the Chief Constable to account	HMICFRS reports. Weekly meetings are held with the Chief Constable to hold him to account. A series of monthly governance and finance meetings are also held to consider performance and other issues in more detail.
5	The risk of inadequate commissioning of Victims Services, which is a key responsibility of the PCC	A number of measures are in place to mitigate this risk. Victims are satisfied with the services provided measured through qualitative surveys and forums. Positive perception of local providers. Value for money being provided by service providers, and costs are closely monitored.
6	The risk that we do not manage our partnerships effectively could lead to our objectives not being achieved, poor value for money and adverse impact on the reputation of the Police and Crime Commissioner	A number of processes and legal agreements are in place to mitigate this risk, including contracts, s22 agreements (Collaboration agreements), grant agreements, terms of reference, memorandums of understanding and service level agreements (SLA's). Effective relationships and communication are key but the delivery of services relies heavily on partners. It is recognised that the OPCC can only mitigate against some of the risk with partners, but the OPCC and force are naturally collaborative and are keen to work effectively with all partners. Regular confirmed attendance at meetings, partner engagement with the OPCC, healthy working relationships with the force and other stakeholders and response to consultations will be seen as positive signs of effective partnership working and engagement.
7	The risk of failure in performance by external partners including the Force impacting negatively on the delivery of the Police and Crime Plan	There is much ongoing activity to ensure that external partners including the force achieve or exceed the level of performance expected. This can take the form of formal and informal meetings to gather data and evidence and to seek assurance through questioning and scrutiny on performance. Specific monthly performance board meetings are held with the force to hold them to account on such matters. Other activities including collating performance monitoring information and returns and comparing against pre agreed outcomes and various engagement activities are also undertaken. Where performance is

		not achieved there is a clear understanding of the issues that inhibited performance and any necessary actions agreed if appropriate.
8	The risk of the Police and Crime Commissioner failing to engage with the community	Effective relationships and communication with the public are critical through a number of different channels. Regular attendance at meetings, varied public engagements, along with effective media officers managing direct contact with the office, social media outputs and websites can all be seen as positive signs of effective engagement.

## 6.2 Significant Governance Issues 2019-20

In the last AGS there was one ‘*significant governance issue*’ as defined by CIPFA, as outlined below:

*‘As a consequence of the decision of West Mercia Police to terminate the alliance with Warwickshire Police as of the October 2019, there will be a requirement to review the governance arrangements of the organisation to ensure that any such new arrangements are operative at the point of termination.’*

Paragraph 3.6 of this AGS outlines fully how this has been addressed and the actions that were undertaken in 2019/20. There were also number of other areas identified and to be addressed during 2019-20 as outlined below:

Issues identified	Mitigating activity
Preparation for the legislative changes in the arrangements for dealing with police complaints.	<ul style="list-style-type: none"> <li>• CEO engaged at a national level through APACE in developing awareness of legislative changes for complaints.</li> <li>• A shared Complaints Appeal Manager post has been appointed and is in post from February 2020 with West Midlands PCC to deal with the new process and changes.</li> </ul>
The progress of the Alliance Transformation Programme and monitoring of the benefits realisation and delivery of savings.	<ul style="list-style-type: none"> <li>• Governance of the Change Programme through the Transformation Board</li> <li>• Any issues have also be dealt with at the Alliance Transitional Governance Group</li> <li>• Benefits realisation and savings have been</li> </ul>

	<p>(and will continue to be) monitored by the Evolve change team in conjunction with the finance team and reported in the Money Matters report and at the regular PCC/CC meetings. The year end outturn report is approved by the PCC in a formal decision notice, which is published on the website.</p>
<p>Ensure a smooth transition from the Alliance beyond October 2019 and develop plans and fully explore opportunities for collaborations with partners.</p>	<ul style="list-style-type: none"> <li>• Transitional projects have been and continue to be monitored by the Evolve team and progress reported to the PCC in the weekly meetings.</li> <li>• New collaborations have been publicly agreed in principle with West Midlands Police.</li> <li>• Work on S22 collaboration agreements with services that will continue to be collaborated with West Mercia has been ongoing in 2019/20 and are now agreed.</li> </ul>

### 6.3 Potential Significant Governance Issues 2020-21.

As a consequence of the decision of West Mercia Police to terminate the alliance with Warwickshire Police, there will be a requirement to review the governance arrangements of any remaining services still part of a collaborated service with West Mercia to ensure that any new arrangements are appropriate.

Other governance issues which will require consideration are: -

- Monitor progress arising from the legislative changes and embed the arrangements for dealing with police complaints reviews by working in partnership with the OPCC for West Midlands.
- Monitor the progress of the ICT Coordination Committee including the benefits realisation and costs to ensure that Warwickshire is able to stabilise systems and infrastructure to enable it to transition to its new future arrangements.
- Development of the Evolve 2 efficiency savings plans to ensure that the force is able to meet the requirements of the MTFP and develop a good and balanced budget.

- Ensure a smooth transition from the Alliance beyond April 2020 for the majority of services and develop and monitor plans, including spending, for collaborations with new partners, including West Midlands police.
- Undertake a review of the lessons learnt from the Coronavirus pandemic and what governance, service and operational changes should be adopted in the light of the crisis.
- Fundamentally review the funding assumptions in the MTFP, using the latest information from central and local government and identify a sustainable budget, including savings plans over the medium term.
- Consider the options and plan for the delivery of estates services from April 2021 across Warwickshire in the light of the exit notice issued by Worcestershire County Council, as one of the four main shareholders, to Place Partnership Ltd in March 2020.

## **7. Conclusion and Commitment Statement.**

I am satisfied that this report is an accurate summary of the governance arrangements in place and of their effectiveness during 2019-20.

The coronavirus outbreak in late March 2020 and the country going into a state of lockdown to contain the pandemic has resulted in a number of changes to the way the OPCC conducts its work, whilst ensuring that governance arrangements continue to be adhered to. This AGS reflects on those changes, to bring this document up to date at the point of signing.

I shall continue to ensure all the necessary steps are taken to implement and scrutinise effective governance during 2020-21 and that the areas identified in Section 6.3 are suitably addressed.

Signed and Dated

30<sup>th</sup> November 2020

Philip Seccombe TD

Warwickshire Police and Crime Commissioner



30<sup>th</sup> November 2020

Neil Hewison

Chief Executive

Warwickshire OPCC

30<sup>th</sup> November 2020

Sara Ansell

Treasurer

Warwickshire OPCC