

Warwickshire Police and Crime Commissioner's

Annual Governance Statement 2018-19

1. Introduction.

This 'Annual Governance Statement 2018-19' reflects the governance framework established and delivered by the Warwickshire Police and Crime Commissioner (PCC) and his Office (OPCC). It also provides a review of compliance with that framework during the financial year.

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. 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. 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 internal control.

3. The Governance Framework.

The governance framework comprises the systems and processes, together with culture and values by which the PCC directs and control 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 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'¹ 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 Officer² (the Treasurer).

The 'Policing Protocol 2011' requires all parties to abide by the *seven principles of public life*³. Additionally, the 'Police Code of Ethics'⁴ combines these values with others enshrined in policing, and sets and provides a framework for upholding high standards of conduct and behaviour. 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 declarations 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. Policy documents are published on the OPCC website.

The joint independent 'Trust Integrity and Ethics' (TIE) Committee met twice within the current financial year, before their function was merged with the 'Joint Audit Committee'.

¹ PRSRA11, S5 – 8,

² PRSRA11 Sch1 p6

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

From the 1st September 2018 this body has now become the 'Joint Audit and Standards (JASC) Committee'. The JASC has met on two further occasions within this financial year. The JASC has agreed work programme seeking to ensure that the two police forces within the alliance embrace the highest levels of integrity and ethical standards of behaviour. This is a public meeting and copies of all papers are published on the OPCC website.

On a monthly basis TIE committee members have dip-sampled complaints made against the police that are subject to investigation by the Professional Standards Department (PSD). The monthly dip-sampling has been continued by the OPCC Development and Police Lead - Standards and Integrity member of staff whilst the training of two new members of the JASC was completed. The findings are reported to the JASC Committee. This process has been reviewed and revised to ensure it is fit for purpose and better aligned to the statutory guidance and with other performance / inspection programmes. The JASC members now undertake dip- sampling on a quarterly basis.

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.

3.2 Principle B. Ensuring openness and comprehensive stakeholder engagement.

The protocol⁵ 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.

The PCC's 'Police and Crime Plan 2016-2012' 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. The first phase focused on the policing priorities and the second phase on the draft of the plan. In addition to this public consultation, the PCC has also widely consulted on the Precept for 2019/20.

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

⁴ Code of Ethics (College of Policing 2014)

⁵ Policing Protocol Order 2011, art14

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.

To further improve openness and transparency, notes of the discussions and decisions made at the AGG are published on the OPCC website.

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 in meeting the objectives of the 'Police and Crime Plan'. The PCC's 'Annual Report 2017-2018' is published and available on the OPCC website.

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.

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.

A 'Medium Term Financial Plan' (MTFP) has been developed to support delivery of the 'Police and Crime Plan 2016-2021'. 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's Grant Scheme' has been further developed to ensure funding is based on identified need, with clear outcomes. A new approach to commissioning victim services has commenced and the PCC has agreed a commissioning intentions document for the remainder of his term of office. Co-commissioning with partners in terms of domestic abuse services has taken place.

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 forces' 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 'Joint Risk Management Strategy' in place.

The development of the commissioning intentions and the grant scheme will ensure the right interventions are used to achieve the intended outcomes set out in the 'Police and Crime Plan'.

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

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. 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.

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 a quarterly basis. The strategic risks are subject to scrutiny on a quarterly basis by the JASC.

The 'Corporate Governance Framework' sets out the parameters for decision making, including the delegations, consents, financial limits for specific matters and for contracts.

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, HMIC inspections and treasury management.

The JASC operates in line with CIPFA guidance and within the guidance of the 'Financial Management Code of Practice'⁶.

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 alliance processes.

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.

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'.

⁶ Financial Management Code of Practice for the Police, s11.1.3

The OPCC website is kept up to date with the publication of key decisions, performance reports and details of HMIC inspections including the PCC's response to the Home Secretary on the reports. Additionally, the PCC publishes notes from the AGG meetings.

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 4 below.

4. 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: -

4.1 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.

4.2 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 'Head of Internal Audit' and the 'Risk and Assurance' managers, who have responsibility for the development and maintenance of the governance environment.

4.3 Joint Audit and Standards Committee (JASC).

A decision was taken by the AGG to merge with effect from the 1st September 2018 the 'Trust Integrity and Ethics (TIE) Committee' with the 'Joint Audit Committee', thereby ending the tenure of the existing TIE members. This merger has resulted in the creation of a single JASC. Terms of reference for the JASC have been developed to reflect the whole remit of the committee. Two new members have been appointed to the JASC to provide additional capacity, particularly in relation to the standards remit of the committee.

The 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.

4.5 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 "*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.

4.6 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.

An unqualified audit report was issued on the 'Statement of Accounts 2016/17' at the end of July 2017, together with an unqualified value for money conclusion. The 'External Auditor's Annual Audit Letter' issued in July 2017 did not identify any matters to be addressed.

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.

5. Significant Governance Issues.

5.1 Strategic Risks.

This AGS referred earlier to the 'Strategic Risk Register', which is compiled by the Treasurer in conjunction with the PCC and the OPCC Chief Executive and is reviewed quarterly.

A supporting narrative is provided for each risk and the Register is reviewed by the JASC. The reported position as at October is shown below: -

No	Risk	Mitigating Activity
1	The risk of the Police and Crime Commissioner not meeting his statutory responsibilities	A number of measures are in place to mitigate this risk. The activity continues to be monitored and reviewed on a regular basis.
2	The risk that the Strategic Alliance fails	Formal structures are in place and reviewed regularly. Informal relationships have been built and are maintained. The risk has increased slightly due to the financial challenges faced and the added pressure and tensions that this can bring, however marginal there is a recognition that failure would affect both parties significantly.
3	The risk of failing to manage our finances effectively	There is a significant amount of activity to mitigate against this risk. The 2018/19 provisional and subsequently final funding settlement covered two years which has provided greater certainty in the medium term and greater flexibility on precept increases. Activity does however continue throughout the year to ensure that we can meet any challenges and manage the financial risks accordingly

4	The risk that the Police and Crime Commissioner does not hold the Chief Constable to account	An OPCC assurance programme sets out what issues are to be considered to ensure that the CC is held to account for all key matters.
5	The risk of inadequate commissioning of Victims Services	A number of measures are in place to mitigate this risk including external additional scrutiny provided by Ministry of Justice returns for grant expenditure.
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 formal and informal processes in place to mitigate this risk. Although it is recognised that the OPCC can only mitigate against some of the risks.
7	The risk of failure in performance by external partners including the Force impacting negatively on the delivery of the Police and Crime Plan	A lot of ongoing activity to ensure that external partners including the Force achieve or exceed the level of performance expected. Where this is not achieved there is a clear understanding of the issues that inhibited performance.
8	The risk of the Police and Crime Commissioner failing to engage with the community	A 'Consultation and Engagement Strategy' is in place to ensure that the PCC fully engages with the community

5.2 Significant Governance Issues 2017-18

In the last AGS there were '*no significant governance issues*' as defined by CIPFA, however there were a number of areas identified to be addressed during 2017-18: -

Issues identified	Mitigating activity
Potential transfer of Fire and Rescue Authority responsibilities to the Police and Crime Commissioner under the Policing and Crime Act 2017	<ul style="list-style-type: none"> CEO engaged at a national level through APACE in developing awareness of legislative changes for both fire authorities. APCC involvement by PCC and CEO, on behalf of PCC, actively engaged with Warwickshire Fire and Rescue Service. 'The PCC has convened and chairs the County Blue Light Collaboration Advisory Board meetings during which areas of collaboration for all of the emergency services in Warwickshire are promoted and implemented.
Preparation for the changes in the arrangements for dealing with police complaints	<ul style="list-style-type: none"> CEO engaged at a national level through APACE in developing awareness of legislative changes for complaints.

Implementation of the alliance Transformation Programme.	<ul style="list-style-type: none"> • Governance of the Change Programme through the Transformation Board
Review arrangements for the governance and oversight of ethical issues for when the current term of appointments to the Trust, Integrity and Ethics Committee end in August 2018.	<ul style="list-style-type: none"> • AGG decision taken to merge the Trust Integrity and Ethics Committee with the Joint Audit Committee and for the TIE committee members' term to end. • Joint Audit and Standards Committee formed from 1 September with terms of reference to reflect the remit of the committee. • Two new members successfully recruited.

5.3 Potential Significant Governance Issues 2019-20.

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 organisations to ensure that any such new arrangement are operative at the point of termination.

Other governance issues which will require consideration are: -

- Preparation for the legislative changes in the arrangements for dealing with police complaints.
- The progress of the alliance Transformation Programme and monitoring of the benefits realisation and delivery of savings.

6. 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 201-19.

I shall continue to ensure all the necessary steps are taken to implement and scrutinise effective governance during 2019-20 and that the areas identified in Section 5.3 are suitably addressed.

Signed and Dated

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Philip Seccombe TD

Warwickshire Police and Crime Commissioner

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Neil Hewison

Chief Executive

Warwickshire OPCC

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Elizabeth Hall

Treasurer

Warwickshire and Warwickshire OPCC