

# West Mercia Police and Crime Commissioner's Annual Governance Statement 2019-20

## 1. Introduction

The Annual Governance Statement 2019-20 reflects the governance framework established and delivered by the Police and Crime Commissioner (PCC) and his office and 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,
- Separate policy and procedures for each corporation sole, with protocols where they operate jointly.
- Cooperative arrangements - those arrangements by which the Police and Crime Commissioner and the Chief Constable support the exercise of each others' functions.

The Joint Corporate Governance Framework can be found on the PCC's website [www.westmercia-pcc.gov.uk](http://www.westmercia-pcc.gov.uk) or can be obtained from the Office of the PCC at Hindlip Hall, Hindlip, Worcester, Worcestershire, WR3 8SP.

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 West Mercia 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, 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, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, efficiently and economically.

The International Framework for good governance in the Public Sector<sup>1</sup> sets out seven good governance core principles. The governance arrangements that have been put in place for the PCC and how they adhere to these seven 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>2</sup> sets out the functions of the Police and Crime Commissioner and Chief Constable and the Policing Protocol<sup>3</sup> sets out how these functions will be undertaken to achieve the outcomes of the police and crime plan.

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<sup>1</sup> International Framework: Good Governance in the Public Sector, IFAC and CIPFA 2014

<sup>2</sup> PRSRA11, s5 – 8,

<sup>3</sup> Policing Protocol Order 2011

The Act requires the Police and Crime Commissioner to have a Chief Executive and Chief Finance Officer<sup>4</sup> (the Treasurer). The Chief Executive is the head of paid service and undertakes the responsibilities of monitoring officer<sup>5</sup>.

The financial management code of practice and statements of roles<sup>6</sup> set out the responsibilities of Chief Finance Officer for the Police and Crime Commissioner and of the Chief Executive.

The scheme of delegation 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 decision making policy and procedure sets out the framework and principles for decision making, and the processes for ensuring decisions are made by the right people in the right way and at the right level within the organisation. It sets out which decisions will be formally recorded and published.

The Policing Protocol 2011 requires all parties to abide by the seven principles of public life<sup>7</sup> and these will be central to the conduct and behaviour of all. Additionally, the Police Code of Ethics<sup>8</sup> 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. The Deputy PCC signed the same code of conduct following her appointment in July 2016. These documents have been published on the PCC's website, along with the declarations of interest of both the PCC and DPCC.

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

- Office of the Police and Crime Commissioner and Police Force policy 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 PCC's

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<sup>4</sup> PRSRA11 sch 1 p6

<sup>5</sup> Local Government and Housing Act 1989 s5,

<sup>6</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>7</sup> Standards in Public Life, 2005 as amended by the 14th report of the Committee on Standards in Public Life

<sup>8</sup> Code of Ethics(College of Policing 2014)

website.

On the 1 February 2020 the Police (Complaints and Misconduct) Regulations 2020 came into effect. These regulations give PCCs extra responsibilities for reviewing how complaints are dealt with, where the complainant is not happy with the outcome. A Complaints Review Manager has been employed by the PCC to ensure the complaint review process is compliant with relevant legislation, policy and procedure, and to ensure the police force and the PCC remain compliant with changes in legislation related to complaints and misconduct.

The Alliance Joint Audit and Standards (JASC) Committee met on two occasions within the financial year. This included an extraordinary meeting held to discuss the Alliance changes. The JASC had an agreed work programme seeking to ensure that the two forces within the Alliance embrace the highest levels of integrity and ethical standards of behaviour. The Alliance JASC was a public meeting and copies of all papers are published on the PCC's website.

Since 1 October 2019 West Mercia has had its own JASC separate from Warwickshire. The West Mercia JASC (joint between the Police and Crime Commissioner and Chief Constable) has met once since its inception and is in place to ensure that West Mercia PCC and Police continue to uphold ethical standards and integrity. The West Mercia JASC is a public meeting and copies of all papers are published on the PCC's website.

Quarterly Professional Standards Department performance meetings are held between the Head of the Department and the DPCC to coincide with the publication of IOPC performance data to provide oversight and challenge on PSD performance.

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

The Protocol<sup>9</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 they will be delivered. The Safer West Mercia Plan 2016 – 2021 was published in October 2016 following a two phase public and stakeholder consultation.

In conjunction with West Mercia Police, the PCC has commissioned a public perceptions survey. Members of local communities are being interviewed and asked their thoughts on police visibility, accessibility and integrity on a quarterly basis. The results of the survey are published on the PCC's website.

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<sup>9</sup> Policing Protocol Order 2011, art14

The PCC consulted with Town and Parish Council on a range of subjects, including the visibility of local policing, relationships with officers and local crime priorities. The feedback is being used to inform the PCC's and to help identify where and how local police relationships are working well, or if they can be improved.

During 2019/20 the PCC has undertaken public and stakeholder consultation to inform the development of strategic documents on serious and organised crime, rural crime, road safety and domestic abuse. The findings from the consultations are being published alongside the final versions of the strategy documents on the PCC's website when complete.

The PCC has also consulted on the Precept for 2019/20.

Social media is widely used by the PCC as well as more traditional methods of engagement. The PCC actively uses Twitter and Facebook to engage with communities. Facebook advertising has also been successfully used to promote the public consultations that have taken place.

A consultation and engagement strategy for the term of office has been published. This sets 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.

In support of his strategic priorities the PCC launched a Rural Focus Campaign giving members of the public in rural areas the opportunity to discuss any concerns with the PCC on a one to one basis. A separate Roads Focus Campaign included a series of public drop-in sessions enabling members of the public to express their concerns about roads in their area. In addition, nineteen public Question and Answer sessions were held with communities across West Mercia.

The PCC has a Community Ambassador Scheme, appointing an ambassador for each local policing area. These individuals act as the 'eyes and ears' for the PCC and ensure community concerns and issues are fed back and dealt with accordingly.

To further improve openness and transparency notes of the discussions and decisions made at the Alliance Governance Group, now the Alliance Transition Governance Group are published on the PCC's website. Notes of the West Mercia Governance Group are also published on the PCC's website. The website also contains details of key decisions made by the PCC and agendas, reports and minutes from the Joint Audit and Standards Committee.

The PCC has an annual holding to account programme. The 2019 programme included performance, thematic topics and two public meetings, on policing concerns and the police budget. A number of virtual holding to account reports (without a formal meeting) were also submitted by the force in

response to PCC requests. Notes of the holding to account meetings held between the PCC and the Chief Constable and redacted copies of the virtual holding to account reports are published on the PCC's website. The public meetings are also available to view on the website.

The PCC's 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.

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. An Annual Report was published in June 2019.

The PCC has a Publication and FOI scheme in place. All FOIs are dealt with by the PCC's office or passed onto the force by agreement as appropriate.

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

The PCC 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. It is monitored closely throughout the year, and reviewed and updated formerly as part of the budget setting process each year.

The Police and Crime Commissioner's grant scheme is based on identified need, with clear outcomes. The approach is set out in the Commissioning and Grants Strategy.

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

The Police and Crime Commissioner's Police and Crime Plan outlines the police and crime objectives (outcomes) and the strategic direction for the policing and supporting services of the Force area.

The PCC has developed a delivery plan which sets out monitoring and progress against the commitments within the Police and Crime Plan. This

programme is subject to scrutiny by the West Mercia Police and Crime Panel.

Weekly, 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 PCC's website. The force performance products are subject to revision in conjunction with the PCC's office and a new reporting programme will be implemented in 2020/21.

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 also 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. A West Mercia only Corporate Governance Framework was published in October 2019 following the ending of the Strategic Alliance between West Mercia Police and Warwickshire Police.

### **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 PCCs office are effectively and appropriately identified, evaluated and reported. The joint alliance risk registers have been subject to significant review following the end of the Strategic Alliance and standalone risk registers have been published for both West Mercia Police and the PCC's office. The Treasurer, on behalf of the PCC has reviewed the strategic risks on a quarterly basis. The strategic risks have been subject to scrutiny by the Joint Audit and Standards Committee.

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

The Alliance Joint Audit and Standards Committee has met twice and the West Mercia Joint Audit and Standards Committee once; agendas, papers and minutes are published on the PCC's website. As part of its work programme the Committee(s) receives regular updates on internal and external audit, HMICFRS inspections and treasury management. The Committee(s) operates in line with CIPFA guidance and within the guidance of the Financial Management Code of Practice<sup>10</sup>.

Warwickshire County Council are commissioned by the PCC and Chief Constable to provide internal audit functions, conducting independent and impartial audits of PCC and Police processes.

### **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 which details performance against objectives for the previous year.

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

The PCC's 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 the Alliance Transition Governance Group, the West Mercia Governance Board and Holding to Account meetings.

The PCC and Chief Constable have appointed internal and external auditors. Audit recommendations are reported to the Joint Audit and Standards Committee. 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.

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

#### **4.1 PCC**

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 Joint Audit and Standards Committee who discuss governance issues, referring reports to the PCC when necessary.

#### **4.2 West Mercia 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.

#### **4.3 Joint Audit and Standards Committee**

Following the ending of the Strategic Alliance between West Mercia Police and Warwickshire Police a decision was made by the PCC to form a West Mercia Joint Audit and Standards Committee (JASC), with effect from October 2019. In order to ensure adequate scrutiny and resilience, a membership of five was proposed with a quorum of three. One member will be given specific responsibility for ethics and standards.

The Chair and members of the joint Warwickshire and West Mercia Joint Audit and Standards Committee were invited to express an interest in serving as members of the West Mercia JASC, however to reach the required number of committee members additional recruitment was undertaken, leading to a delay in the committee's inception. The inaugural meeting took place in February 2020.

The Joint Audit and Standards 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.

The Joint Audit and Standards 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.

#### **4.4 Head of Internal Audit**

In maintaining and reviewing the governance framework, the Treasurer places reliance on the work undertaken by Internal Audit and in particular, the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the system of internal control. The Head of Internal Audit's annual report is of the opinion, taking into account all available evidence that internal control environments give "moderate assurance". [NB The Head of Internal Audit has yet to give his opinion . This is the 2018/19 opinion. This statement will be amended once this opinion is received.] The internal audit service is compliant with all CIPFA and industry requirements and standards. The Joint Audit and Standards Committee reviews internal audit performance.

#### 4.5 External Audit and other external review bodies

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.

The External Auditors issued their draft audit report in July 2019. In the report the auditors' state that their risk based review of the value for money arrangements of the PCC and Chief Constable were ongoing. The External Auditor's Annual Audit Letter has not been issued.

In addition to the above other review/assurance mechanisms are relied upon by the PCC, such as HMICFRS who are charged with promoting the effectiveness and efficiency of policing, improving performance and sharing good practice nationally.

### 5. Significant governance issues

#### 5.1 Strategic risks

The AGS referred to the Strategic Risk register earlier in the report. The register is compiled by the Treasurer in conjunction with the PCC and Chief Executive. It is reviewed quarterly. A supporting narrative is provided for each risk and the Register is reviewed by the Joint Audit and Standards Committee.

In March 2020 the risk register was subject to an additional review to incorporate the risks associated with the Coronavirus pandemic. The reported position as at March 2020 is summarised and shown below.

No	Risk	Mitigating activity
1	The risk of the Police and Crime Commissioner not meeting his	A number of measures are in place to mitigate this risk. The activity continues

	statutory responsibilities	to be monitored and reviewed on a regular basis.
2	The risks arising from the termination of the Strategic Alliance	Whilst the ending of the Strategic Alliance carries risk for both partners, clear transition plans for service delivery beyond April 2020 have been developed for West Mercia.
3	The risk of failing to manage our finances effectively	Whilst the ending of the Strategic Alliance with Warwickshire poses a significant potential risk, it is anticipated that the actual plans and costs for service delivery beyond April 2020 fall in line with the new MTFP and there are sufficient finance resources to carry out the work required. Exit Strategy implementation costs are anticipated to be within financial capacity of the PCC and Force.
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 MoJ 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 are 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	There is much 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
9	The Risk of the OPCC and Force being unable to operate effectively or respond immediately due to the Coronavirus outbreak.	Business continuity planning is in place across the force and measures have been taken to ensure all critical service areas are maintained. The force is actively engaged in the LRF at county, regional and national levels, working to help and maintain effective services across all partner organisations and communities. The Coronavirus Act 2020 and supporting regulations enable the OPCC and Force to

	respond correctly, effectively and legally to the outbreak.
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## 5.2 Significant Governance Issues 2019-20

In the last AGS one *significant governance issue* as defined by CIPFA was identified. In addition a number of other areas were identified to be addressed during 2019-20. These are set out below:

<b>Significant Issue identified</b>	<b>Mitigating activity</b>
As a consequence of changes to the collaboration between West Mercia Police and Warwickshire Police from October 2019 the governance of the organisations will be reviewed and new arrangement in place from October 2019.	<ul style="list-style-type: none"> <li>• A West Mercia Corporate Governance Framework has been published and implemented</li> <li>• A West Mercia Joint Audit and Standards Committee has been established</li> <li>• An Alliance Transition Governance Group has been established to be a decision making body for any services remaining shared until transition is complete.</li> <li>• A West Mercia Governance Board has been established to oversee governance of West Mercia Police.</li> </ul>
<b>Other issues identified</b>	<b>Mitigating activity</b>
Subject to the outcome of a judicial review approval of the submitted business case, preparation for the potential transfer of governance of Hereford and Worcestershire and Shropshire Fire Authorities to the PCC.	<ul style="list-style-type: none"> <li>• CEx engaged at a national level through APACE in developing awareness of legislative changes for both fire authorities.</li> <li>• APCC involvement by PCC and CEx.</li> <li>• PCC actively engaged with both Hereford and Worcestershire and Shropshire Fire Authorities</li> </ul>
Preparation for the changes in the arrangements for dealing with police complaints	<ul style="list-style-type: none"> <li>• CEx engaged at a national level through APACE in developing awareness of legislative changes for complaints.</li> <li>• Active involvement by OPCC staff in consultation on the development of regulation guidance</li> <li>• CEx and lead OPCC staff taking part in national training provided for OPCCs</li> <li>• Appointment of a dedicated Complaints Review Manager to ensure the PCC fulfils his statutory obligations</li> </ul>
Implementation of the alliance and West Mercia transformation programmes and monitoring of the benefits realisation and delivery of	Governance of the Change Programme through the Transformation Boards

### 5.3 Potential significant governance issues 2020-21

No significant governance issues as defined by CIPFA have been identified for 2020-21. Other governance issues which will be addressed but which are not considered significant:

- Transition of the remaining shared alliance service areas to their agreed final service model.
- Subject to the outcome of a judicial review of the approval of the submitted business case, preparation for the potential transfer of governance of Hereford and Worcestershire and Shropshire Fire Authorities to the PCC.
- Implementation of the Force transformation programme and monitoring of the benefits realisation and delivery of savings.
- Impact of Coronavirus on the MTFP and the force transformation programme.

## 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 2019-20.

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 5.3 are suitably addressed.

Signed

John Champion  
Police and Crime Commissioner

Andy Champness  
Chief Executive  
West Mercia OPCC

Elizabeth Hall  
Treasurer  
West Mercia and Warwickshire OPCC