

POLICE AND CRIME COMMISSIONER FOR HUMBERSIDE ANNUAL GOVERNANCE STATEMENT 2019-2020

1. INTRODUCTION

This Annual Governance Statement (AGS) demonstrates the governance arrangements in place for the Police and Crime Commissioner (PCC) for Humberside, including how the effectiveness of the framework is evaluated and monitored. This statement also outlines significant governance issues and any planned changes.

2. SCOPE OF RESPONSIBILITIES

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

In discharging his overall responsibility, the PCC is responsible for putting in place proper arrangements for the governance of his affairs and facilitating the exercise of his functions, which includes ensuring maintenance of a sound system of internal control and that arrangements are in place to support the management of risk.

The PCC has adopted a Code of Corporate Governance, consistent with the principles of the CIPFA/SOLACE Guidance: Delivering Good Governance in Local Government¹. This statement explains how the PCC has complied with the Code and met the requirements of the Accounts and Audit Regulations 2015, requiring all relevant bodies to prepare an Annual Governance Statement (AGS) and publication of a statement on internal control.

3. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems, processes, culture and values by which the PCC directs and controls his activities and through which he accounts to and engages with the community. It enables him to monitor the achievement of his objectives as set out in the Police and Crime Plan, and consider whether those 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 the framework, designed to manage risk to reasonable and foreseeable levels. It cannot eliminate all risk of failure to achieve policies, aims and objectives, only providing reasonable not absolute assurance of effectiveness. The system of internal control is based on ongoing processes designed to identify and prioritise risks to achievement of the PCC's policies, aims and objectives, evaluate the likelihood of those risks being realised and the impact should they be realised, and manage them effectively, efficiently and economically.

The fundamental function of good governance in the public sector is to ensure intended outcomes are achieved whilst acting in the public interest at all times. Governance arrangements for the PCC and force follow the seven principles set out in the revised Delivering Good Governance: Guidance Notes for Policing Bodies in England and Wales (2016). These principles are:

- A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.*
- B: Ensuring openness and comprehensive stakeholder engagement.*
- C: Defining outcomes in terms of sustainable economic, social and environmental benefits.*
- D: Determining the interventions necessary to optimise the achievement of the intended outcomes.*
- E: Developing the entity's capacity, including the capability of its leadership and the individuals within it.*
- F: Managing risks and performance through robust internal controls and strong public financial management.*
- G: Implementing good practices in transparency, reporting and audit to delivery effective accountability.*

¹ Delivering Good Governance in Local Government – Guidance Notes for Policing Bodies (revised 2016)
www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-guidance-notes-for-policing-bodies-in-england-and-wales-2016-edition

4. THE GOVERNANCE FRAMEWORK

The Chief Constable is responsible for operational policing matters, direction and control of police personnel, and for putting in place proper arrangements for governance of the force. The PCC is required to hold him to account for the exercise of those functions and those of persons under his direction and control. It follows that the PCC must be assured that the force has appropriate mechanisms in place for maintenance of good governance, and that these operate in practice. The relationship between the PCC, Chief Constable, Police and Crime Panel and Home Secretary is guided by the Policing Protocol Order 2011².

For the appropriate mechanisms to operate in practice, the PCC and Chief Constable, as separate corporations sole, have separate but complimentary governance structures. These facilitate achievement of effective governance arrangements, including monitoring and assessment of performance in line with statutory responsibilities. This consists of a governance framework, collectively known as the Scheme of Corporate Governance.

The PCC has adopted a number of systems and processes which comprise the PCC's current governance arrangements, the key elements of which are outlined below.

Police and Crime Plan 2017-2021:

This sets out the PCC's objectives for policing/community safety, policing to be provided, financial and other resources available, how performance is measured, what grants are to be made and how the Chief Constable is to be held to account. The PCC works with the Chief Constable to ensure processes and systems are in place to deliver against the Police and Crime Plan. This allows the PCC to be satisfied the Chief Constable has regard to the Police and Crime Plan through operational plans of the force, including their Plan-on-a-Page and Strategic Delivery Plan.

Delivery Plan 2019-2020:

This translates the PCC's objectives into the OPCC Annual Delivery Plan³ and Activity Plan.

Accountability Board:

The Accountability Board⁴ ensures proper governance of the force and PCC, through open, constructive debate of their respective statutory duties and the efficiency and effectiveness of the force. The agenda covers delivery against the Police and Crime Plan, inspections/audits/reviews, people, finance, collaboration/partnerships, risks and current/significant issues.

Further Assurance Arrangements:

The PCC fulfils the duty to hold the Chief Constable to account in a number of other ways:

- **Daily Informal Interaction:** enabling and encouraging spontaneous face-to-face discussions between Chief Officers and the PCC on significant issues and critical incidents.
- **Joint PCC/Chief Constable Briefings:** weekly briefings enabling dialogue and discussion, with opportunities to cover Police and Crime Plan delivery and receive updates on topical issues/operational matters.
- **Joint Chief Executive/Deputy Chief Constable Briefings:** monthly briefings enabling dialogue and discussion, with opportunities to discuss organisational planning, risks and current/significant issues.
- **Assurance Conversations:** monthly/quarterly between the PCC and Chief Officers/Function Heads to complement and enhance force performance management and corporate governance arrangements, enhance understanding of the PCC around delivery against Plan-on-a-Page and Police and Crime Plan outcomes, and provide with access to information, officers and staff as required.
- **Joint Independent Audit Committee (JIAC):** quarterly to provide independent advice and recommendations to the PCC and Chief Constable on the adequacy of governance and risk management frameworks, internal controls and financial reporting, annual governance processes and internal and external audit, helping to ensure efficient and effective assurance arrangements.

² Policing Protocol Order 2011 <http://www.legislation.gov.uk/ukxi/2011/2744/made>

³ OPCC Humberside Delivery Plan <https://www.humberside-pcc.gov.uk/Our-Work/Delivery-Plan.aspx>

⁴ Humberside Police and Crime Commissioner – Accountability Board <https://www.humberside-pcc.gov.uk/Your-Police/Documents/Accountability-Board-Holding-to-Account.pdf>

- **Joint Ethics Committee:** quarterly to enhance trust and confidence in ethical governance and actions of the PCC and force, monitoring each corporations sole alignment against values/code of ethics, analysing issues/providing advice on ethical considerations, promoting highest standards of ethical conduct, providing focus for education into ethical issues, and providing a source of support to senior leaders.
- **Complemented by:**
 - Bespoke briefings from Chief Officers on significant/sensitive issues.
 - Senior OPCC staff attending key force meetings (e.g. HMICFRS Governance Board).
 - OPCC staff, Diversity Panel (community representatives) and our Domestic Abuse Scrutiny Panel (senior representatives from a number of key support agencies) conducting further checks/audits as part of their assurance work (e.g. Stop & Search and Use of Force Scrutiny Panels).
 - Routine liaison between senior OPCC staff/senior force staff and officers on matters including finance, estates, procurement, professional standards, legal and IT.
 - Feedback from Independent Custody Visitors (ICVs) and Appropriate Adults (AAs).
 - Regular meetings with public bodies (e.g. local authorities) and Inspectorates (e.g. HMICFRS).
 - Internal Audit plans (provided by West Yorkshire OPCC), with reports back to the JIAC and Force HMICFRS Governance Board.
 - Oversight of HMICFRS Force Inspections through attendance at Force HMICFRS Governance Board and meetings between the PCC and Regional HMI.

Statutory Functions:

The PCC fulfils his statutory duties by ensuring:

- **Monitoring Officer:** effective arrangements are in place for the discharge of the Chief Executive (head of paid service) and Monitoring Officer functions.
- **Financial management:** arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Finance Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable (2014), and procedural rules, policies and internal management procedures are established for financial management.
- **Procedure Rules, Policies and Internal Management:** established processes for Financial Management, Procurement (via the Yorkshire and the Humber Regional Procurement Team), Health and Safety (via Humberside Fire and Rescue), Confidential Reporting ('whistleblowing'), Complaints Handling, Anti-Fraud, Bribery and Corruption and Records Management including security of information and information sharing.
- **Codes of Conduct:** defined standards of behaviour for the PCC, statutory officers, staff, members of our Joint Independent Audit Committee (JIAC) and volunteers.
- **Joint Scheme of Corporate Governance:** scheme in place setting out in detail the respective roles and functions of the PCC and Chief Constable, outlining significant decisions consented or delegated and which are of a statutory, financial or management nature.
- **Decision Making Process⁵:** established approaches and principles of decision-making. All decisions made by the PCC are recorded and published online for transparency.
- **Joint Independent Audit Committee (JIAC):** established and responsible for independent assurance on the adequacy of the risk management framework and associated control environment, independent scrutiny of the PCC's and Chief Constable's financial performance to the extent that it affects their exposure to risk and weakens the control environment. JIAC has an independent chair, as identified by the Home Office Code of Practice for Financial Management and the CIPFA Audit Committee: Practical Guidance for Local Authorities and Police Guidance.
- **Corporate Risk Strategy and Risk Register:** continued reviewed of the risk register by OPCC Senior Leadership Group. JIAC is responsible for independent assurance on the adequacy of the risk management framework.
- **External Audit:** function is in place which reports to those charged with governance in respect of the Annual Accounts, ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful. The PCC provides information to External Audit, enabling them to provide assurance. The PCC also ensures External Audit recommendations are implemented.

⁵ PCC Decision Making Process <https://www.humberside-pcc.gov.uk/Transparency/How-We-Make-Decisions/How-We-Make-Decisions.aspx>

- **Partnerships/Stakeholders/Communities:** defined and documented roles and responsibilities, with clear arrangements for effective communication in respect of the PCC and partnership arrangements. Established and clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation. An example of this is investment in and development of My Community Alert/Humbertalking and the PCC Engagement Officers situated within our four local authority areas. We have developed good governance arrangements in respect of partnership and other joint working arrangements, including clear working relationships with Community Safety Partnership (CSPs) and quarterly CSP Roundtable Meetings.
- **Other Statutory Responsibilities and Compliance:**
 - Setting the budget and precept.
 - Issuing a Police and Crime Plan⁶.
 - Publication of an Annual Report⁷.
 - Publication of specified information.
 - Duties to consult with victims of crime, the population as a whole and council-tax payers.
 - Safeguarding of children and promotion of child welfare.
 - Having regard to the Strategic Policing Requirement.
 - Duties relating to equality and diversity.
 - Attendance at and input to the Humberside Police and Crime Panel.

5. REVIEW OF EFFECTIVENESS

The PCC has responsibility for conducting a review of the effectiveness of the governance framework. The review of effectiveness is informed by the work of the OPCC Senior Leadership Group, who have responsibility for development and maintenance of the governance environment and the Annual Report and Audit Opinion of the Head of Internal Audit (OPCC West Yorkshire), as well as comments by External Auditors and other review agencies and inspectorates.

Overall governance arrangements are considered to be fit for purpose, with minor improvement opportunities in respect of collaborative working as outlined below.

In maintaining and reviewing the effectiveness of governance arrangements, the following roles are undertaken:

PCC:

The PCC has overall responsibility for maintenance and review of governance arrangements and has asked his Statutory Officers, together with the Head of Internal Audit (OPCC West Yorkshire) to continue with the review of the corporate governance arrangements, designed to assess and monitor:

- Code of Corporate Governance.
- Review of the system of Internal Control.
- Assurance through development of the Accountability Board, to replace the Corporate Governance Group.
- Production of the Annual Governance Statement (AGS).

Joint Independent Audit Committee (JIAC):

The JIAC has continued to be responsible, on behalf of both corporations sole, for:

- Advising the PCC and Chief Constable according to good governance principles.
- Providing independent assurance on the adequacy and effectiveness of the PCC's and Chief Constable's internal control environment and risk management framework.
- Monitoring the effective development and operation of risk management including the adequacy of management action.
- Oversight of the effectiveness of the framework in place for ensuring compliance with statutory requirements.
- Independent scrutiny of financial and non-financial performance to the extent that it affects the PCC's and Chief Constable's exposure to risks and weakens the internal control environment.

⁶ Police and Crime Plan 2017-2021 <https://www.humberside-pcc.gov.uk/Our-Work/Police-and-Crime-Plan.aspx>

⁷ Annual Report 2018-2019 <https://www.humberside-pcc.gov.uk/Our-Work/Annual-Report-2018-19.aspx>

- Oversight of the financial reporting process and consideration of the arrangements to secure value for money.

The Terms of Reference of the JIAC encompass and reflect these duties by defining that they:

- Be the conduit through which governance work is channelled.
- Provide assurance on risk management arrangements on behalf of the PCC.
- Recommend approval of the Statutory Accounts of the PCC and Chief Constable.

To ensure that it is ably qualified, assessments of its abilities in line with best practice are undertaken confirming that the JIAC is well suited and equipped for such responsibilities. Members of the JIAC continue to undergo regular training to ensure the committee remains effective in advising the PCC and Chief Constable.

Internal Audit:

The system of Internal Audit (provided via s.22 agreement with OPCC West Yorkshire) is a primary principle of corporate governance and joint responsibility of the PCC. Provision and maintenance of an effective joint internal audit service has been designated to the OPCC Chief Financial Officer. JIAC continues to oversee provision of this service. Internal audit standards are assessed against Public Sector Internal Audit Standards (PSIAS).

During 2019/20, internal audit has continued the approach of concentrating on major risks faced by the PCC and force, allowing the PCC to have increased confidence in the governance, risk management and control processes.

Section 151 Officers:

The OPCC has appointed a new s.151 officer through the appointment of a Chief Finance Officer, following the retirement of the Deputy Chief Executive and Treasurer. The force has appointed a Head of Finance and s.151 officer, replacing the previous joint OPCC/force arrangement.

Police and Crime Panel:

The Humberside Police and Crime Panel continues to scrutinise the work of the PCC, acting as critical friend to the PCC through independent challenge. The Panel has:

- Reviewed progress against the Police and Crime Plan 2017-2021.
- Scrutinised the PCC's Annual Report 2019-2020.
- Scrutinised the decisions and actions of the PCC.
- Reviewed and accepted to the PCC's proposed policing precepts.
- Held a confirmation hearing for the appointment of the OPCC s.151 Head of Finance.

The PCC remains compliant with all requests from the Panel, including information and attendance at meetings.

Collaborative Working:

The PCC has collaborative arrangements in place to deliver services in conjunction with both national and neighbouring PCCs. Details of the current collaborative agreements⁸ are published on our website. These include:

- Provision of policing services including Regional Organised Crime Unit (Yorkshire and the Humber).
- Joint ICT Service (Humberside and South Yorkshire).
- Procurement (Yorkshire and the Humber).
- Scientific Support Service (North East Region).
- Protected Personnel Carriers.
- National Police Air Service.
- Provision of Legal Services (from November 2019).
- Section 22a Modern Slavery Police Transformation Programme (from January 2020).

The PCC is involved nationally with the Association of Police and Crime Commissioners (APCC), as follows:

- Local Policing and Partnerships Portfolio (Current Lead).

⁸ Publication of Collaborative Agreements: <https://www.humberside-pcc.gov.uk/Transparency/What-Our-Priorities-Are-and-How-We-Are-Doing/What-Our-Priorities-Are-and-How-We-Are-Doing.aspx>

- Prevention Portfolio (Current Deputy Lead).
- Performance and Integrity Portfolio (Current Deputy Lead).

The PCC continues to collaborate with other bodies including the Humberside Fire and Rescue Service (shared facilities including vehicle maintenance, estates, and health and safety). The PCC is an invited member of the Humberside Fire Authority (HFA), but has not at this time sought to attain a position as a voting member of the HFA. However, the PCC is in contact with the HFA Chair on a needs basis to facilitate the progress around collaborative working. The PCC and OPCC Chief Executive also attend the Police/Fire Collaboration Board.

6. SIGNIFICANT GOVERNANCE ISSUES

Significant governance issues are defined as those:

- Which prevent or seriously prejudice achievement of a principal objective.
- Where additional funding has had to be sought in order to resolve it.
- Which result in material impact on the accounts.
- Which the Head of Internal Audit (OPCC West Yorkshire) has specifically highlighted in the annual audit opinion.
- Which attracts significant public interest and damages the reputation of the PCC.
- Which result in formal action being taken by the OPCC Chief Financial Officer or the Monitoring Officer.

Using the above criteria, there are two significant issues:

1. **IS Collaboration:** internal audit has undertaken an assessment of IS Governance and Financial Management and Control (October 2019). The audit identified that there are significant weaknesses and gaps in the governance and financial management arrangements in place within the current IS collaboration between Humberside Police and South Yorkshire Police. Internal audit stated that both organisations recognise and accept the need to enhance governance and control, and that it was now vital that both forces worked co-operatively to address the weaknesses discussed.
2. **Covid-19:** the OPCC is following government advice in respect of business continuity and governance. All staff are able to work from home. All meetings have been reviewed and held virtually via Skype, teleconference or cancelled where this is not possible. Business as usual is being maintained as much as possible. Agile working for staff is set out in the OPCC Staff Handbook and maintaining contact with staff is important, with scheduled calls at regular intervals. The OPCC has requirements in place for staff to work flexibly between roles and ensuring information security at home.

Keith Hunter
Police and Crime Commissioner

Date:14.04.2020

Rachel Cook
OPCC Chief Executive

Date:14.04.2020

Kevin Wilson
OPCC Chief Finance Officer

Date:14.04.2020