

Annual Governance Statement

1 April 2012 – 21 November 2012

Gloucestershire Police Authority & Gloucestershire Constabulary

22 November 2012 – 31 March 2013

Office of the Police & Crime Commissioner

22 November 2012 – 31 March 2013

Gloucestershire Constabulary

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Changes in Governance Arrangements

Background

The regulations, structures, policies and overall practices in place for the scrutiny and governance of forces was built up and refined over the numerous years that Police Authorities operated, the intricacies and legalities of which were substantial.

In 2010, the Coalition Government set in motion the most wide-ranging police reforms in over fifty years. The key policy document, Policing in the 21st Century (2010) was followed by the Police and Social Responsibility Act 2011. Under the terms of the legislation, the existing 43 Police Authorities were replaced by Police Commissioners, each of whom will be elected every 4 years by the local community.

Police and Crime Commissioners will be primarily responsible for most of the statutory responsibilities of the former Police Authorities. Policing in England and Wales has for many years been characterised in terms of a tripartite structure, the three partners being the Home Secretary, the Police Authority, and the Chief Constable. The changes restate some of the most fundamental governance relationships within the Police Service.

Three important changes to the governance arrangements resulting from the 2011 Act are:

1. Abolition of the Police Authority and the transfer of its functions to the elected Police and Crime Commissioner (PCC)
2. Establishment of both the PCC and the Chief Constable (CC) as corporations sole
3. Creation of an additional body, the Police and Crime Panel (PCP), whose role is to scrutinise the decisions and actions of the PCC

Therefore, for this transitional year, the Annual Governance Statement for 2012/13 has been divided into three parts:

- Statement for the Gloucestershire Police Authority 01/04/2012 to 21/11/2012
- Statement for the Office of the Police & Crime Commissioner (PCC) 22/11/2012 to 31/03/2013
- Statement of the Chief Constable 22/11/2012 to 31/03/2013

Part One

Gloucestershire Police Authority Annual Governance Statement

Scope of Responsibility

The Police Authority (The Authority) had been responsible for ensuring its business was conducted in accordance with the law and proper standards, and that public money was safeguarded, properly accounted for, and used economically, efficiently and effectively. The Authority also had a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Authority was responsible for putting in place proper arrangements for the governance of its affairs and facilitating the exercise of its functions, which included ensuring a sound system for the management of risk.

The Authority approved and adopted a Code of Corporate Governance, which was consistent with the principles of the CIPFA / SOLACE Framework: Delivering Good Governance in Local Government.

This statement explains how the Authority has complied with the Code and how it met the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) England Regulations 2006, in relation to the publication of a statement on internal control.

The Purpose of the Governance Framework

The governance framework consists of the systems, processes, the culture and values by which the Authority was directed and controlled and through which it accounted to and engaged with the community. It enabled the Constabulary and Authority to monitor the achievement of its strategic objectives and to consider whether those objectives led to the delivery of appropriate, cost-effective services, achieving value for money.

The system of internal control was a significant part of the framework and was designed to manage risk to a reasonable and foreseeable level. It could not 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 was based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and assess the impact should they be realised, and to manage them effectively, efficiently and economically.

The governance framework was in place at the Authority between the 1 April 2012 until the point at which the Office of the Police and Crime Commissioner (OPCC) took over on the 22 November 2012.

The Governance Framework

The CC was responsible for operational policing matters, the direction and control of police personnel and for putting in place proper arrangements for the governance of the Constabulary. The Authority was required to hold the CC to account for the exercise of those functions and those of the persons under his direction and control. It therefore follows that the Authority must have satisfied itself that the Constabulary had appropriate mechanisms in place for the maintenance of good governance and that these operated in practice. The governance framework was set out in the Authority's Code of Corporate Governance.

The content of this document provides some detail on the systems, processes, culture and values throughout the Constabulary. The content reflects major areas and is not an exhaustive list of all control issues in place.

It concentrates on the major changes that have taken place during the period of this statement.

Organisational Changes

Notable changes implemented during 2012/13 period include:

Changes in Chief Officer Group

Assistant Chief Constable Twydell retired on the 31st May 2012.

Chief Constable Melville resigned on the 31st May 2012. Deputy Chief Constable Matthews was appointed as temporary Chief Constable until the post was recruited to in November 2012, with Chief Constable Davenport starting on the 4th February 2013.

ACC Lambert was appointed to temporary Deputy Chief Constable to cover the position.

Chief Superintendents Crook and Berry were appointed as temporary Assistant Chief Constable to cover the backfilling required by the above moves.

Temporary Chief Constable Matthews retired on the 31st January 2013, and temporary Deputy Chief Constable Lambert has been seconded away from the Force in support of international policing duties. Deputy Chief Constable Hansen started on the 13th May 2013.

Operational Blueprint 2

As a consequence of the cessation of funding from Gloucestershire County Council of £2.0m for 63 Police Officer posts, Operational Blueprint 2 was implemented during 2012, reducing the Police Officer establishment from 1,247 to 1,184.

A risk based approach to reduce Officer posts was undertaken with heads of departments to understand what problems they were facing. Operational Blueprint 2 proposals ensured limited resources are effectively deployed to maximise operational capability, whilst at the same time saving £2million.

Operational Blueprint 2 included an element of workforce modernisation in roles such as Firearms Enquiry Officers and Crime Reduction roles. Officers were posted to the new blueprint during 2012, to meet the cessation of funding from the 31 March 2013.

Organisational Support Services Review 2 (OSSR2)

The second part of the Comprehensive Savings Review requirement, to find £18m over the period 2010 to 2014, saw the implementation of Phase 2 of the Organisational Support Structure Review project (OSSR-2) during 2012.

The terms of reference set for the project were:

To investigate and report on how the Constabulary can achieve a savings target of £7.8m from the Police Staff budget line over a 4 year period.

This was to be undertaken whilst minimising the consequent risks to the organisation.

OSSR2 included the realignment of 11 Support Departments into three Executive Management areas:

- Technology and Change
- Community and People
- Transactional Services

The three Executive Managers implemented their new structures throughout 2012/13. Implementation included the below options, known as the ~~four-step-process~~ to reduce the number of Police Staff posts, whilst giving both Police Staff employees and the organisation the best possible options, and to limit as much as possible the number of compulsory redundancies.

Transition to the Police and Crime Commissioner

The Authority and Constabulary recognised at an early stage the significance of the changes and the benefits in implementing a structured approach to the transition period.

The Police Authority jointly worked with the Constabulary to develop a strategy and plan to facilitate this transition; and established a joint project with the stated aim to ensure the most efficient and effective transition from Gloucestershire Police Authority to the Office of the Police and Crime Commissioner for Gloucestershire.+

This project had two main elements:

- **Transition:** Joint work between the Authority and Constabulary to prepare for transition to the Office of Police and Crime Commissioner, and,
- **Candidates & Election:** Engagement with candidates, responding to candidates requests for information, and the Operational response to the election itself.

The approach was put in place to ensure a smooth transition took place and included the development of key governance products, including:

- The Corporate Governance Framework
- The Decision Making Protocol
- The Complaints Protocol

The purpose of the documents is to give clarity to the way the two organisations, the PCC and the CC, will govern both jointly and separately, to do business in the right way, for the right reason at the right time. The governance documents also adopt the principles of the Good Governance Standard for public services.

Decision Making

The Authority were committed to open and accountable decision-making. To meet this commitment the Authority and Constabulary had procedures to be followed, which included responsibility and procedures for decision-making. These were designed to ensure that all decisions are made in accordance with the following principles:

- Significant decisions to be made in public or will be publicly reported wherever appropriate
- They must be lawful
- They should take account of consultation and officers advice
- They should respect human rights
- The desired outcomes should be clear
- They should be properly reasoned and where appropriate the reasons for rejecting alternatives should be explained
- Members acted in accordance with the Members Code of Conduct when taking decisions

In addition to the above, in order to allow the Constabulary to make the many decisions that were required on a daily basis, responsibilities for certain decisions were delegated to senior officers within the Constabulary and Authority, who acted within defined powers and financial reporting limits.

Performance Monitoring

The Local Policing Plan for 2012/13 contained a set of agreed activities supported by a broader performance-monitoring framework. This framework met the following aims:

- To scrutinise delivery in relation to the Constabulary's stated purpose of reducing harm and inspiring public confidence by monitoring performance on a range of relevant indicators
- To enable monitoring of external performance frameworks (e.g. HMIC) to identify any areas of potential concern
- To ensure a balance of service delivery across the full range of police business
- To make the performance indicators the beginning of a meaningful conversation about performance, rather than make the delivery of targets an end in itself (i.e. meeting the target but missing the point)

Performance reports to the Service Improvement Board and Police Authority Performance Working Group contained a broad set of quantitative and qualitative measures to enable the Police Authority to hold the Constabulary to account.

The Constabulary and the Police Authority used the same performance-monitoring information whenever possible, with the internal performance-monitoring product and performance meeting minutes shared with the Police Authority.

In addition the Authority also had the following boards:

- The Police Authority Resource and Planning Committee worked jointly with the CC to develop and recommend the strategy for the use of policing resources and the budget
- The Police Authority Audit Committee monitored audit recommendations, received reports on Risk Management, and which oversaw the Strategic Risk Register and financial monitoring reports
- The Authority's Equality Human Resources & Police Professional Standards Committee, monitored and reviewed the management of Human Resources complaints and diversity issues

The Constabulary continues to have various forums that also monitor the performance of the Constabulary, operationally, organisationally, and financially, which include:

- The Chief Officer Group (COG) meets weekly and reviews performance
- The Chief Constable Executive Board (CCEB) is made up of Senior Officers and Executive Managers and considers the strategic activities within the Constabulary, this board was amended after the appointment of the PCC to include the PCC's Chief Executive
- The Constabulary holds monthly Service Improvement Board. This Board monitors a range of performance information and oversees the delivery of activities
- The Constabulary Change Management Board considers organisational development
- The Constabulary Restructure Programme Board oversaw the implementation of the Operational and Organisational change programmes, and was signed off in February 2013
- Constabulary Boards in the three areas of strategic focus considered operational issues
- The Constabulary has systems in place that are used to co-ordinate and direct Constabulary resources; known as Tasking and Co-ordination. A morning conference call is used to assess any emerging operational requirements. This system means that the Constabulary is able to quickly respond to any performance issues.
- The Constabulary Risk Review Group co-ordinates the implementation of the Constabulary Strategic Risk Register
- As a publicly funded service, the police are subject to inspection and scrutiny by various government agencies and departments. The main agency being; Her Majesty's Inspectorate of Constabulary (HMIC) who are responsible for carrying out annual inspections of police forces, including assessment, of specific policing areas
- The Home Office requires the Constabulary to produce a large number of statistical returns on a monthly, quarterly, annual and ad hoc basis covering an extensive range of policing activity
- Each and every member of staff has personal objectives that link back to the Constabulary Objectives. Achievement of these is monitored via quarterly job chats with supervisors

Measuring the Quality of Service for Users

There have been various methods used in order to ensure the best use of resources:

Authority Committees and Groups

The Authority's Audit Committee and Human Resources & Professional Standards Committee monitored performance against objectives. The Authority also had an Equality and Engagement Committee to ensure service delivery met customer requirements, including through monitoring of survey results (see below), and a Resources & Planning Committee to ensure strategies were properly formulated prior to implementation. The Police Performance Working Group supported these activities.

Local Policing Survey

Every year the Constabulary consults with members of the public using a survey to gather opinions about local policing.

The survey is carried out with members of the public who live within the county; are policed by Gloucestershire Constabulary; and who may or may not have had direct contact with the Constabulary.

This survey assesses:

- Perceptions of levels of crime and antisocial behaviour
- Perceptions of the police, i.e. are they doing a good job?
- Whether the public feel they are informed about policing in their area, and
- Levels of public confidence in Gloucestershire Constabulary

Telephone interviews are carried out monthly with a random sample of households (determined by random-digit dialling). Approximately 300 interviews are obtained each month with equal numbers of respondents from each Local Policing Area. This will yield a large enough sample by the end of March 2013 for data to be analysed at Local Policing Area level.

User Satisfaction Survey

Each month, a sample selection of victims of crime are invited to take part in a user satisfaction survey. This is a survey conducted over the telephone, which asks victims to rate their satisfaction or dissatisfaction with various elements of the service they received. It also invites them to suggest improvements, or to alert us to failures in service. The results are presented in various ways, in order to monitor performance, highlight improvements and provide an early warning system if gaps in satisfaction appear to be emerging. The survey has a national format and range of questions. The data is used by the Home Office and HMIC in order to compare our performance with others and to monitor progress.

Other Research

Satisfaction surveys have identified that Black and Minority Ethnic (BME) victims are less satisfied with the service they receive from the police than White victims and in general, have a lower opinion of the police prior to contacting the Constabulary. Therefore aspiring to improve service delivery and strengthen relationships with the BME communities in the County. Meetings and focus groups are being held with BME community members to explore their perceptions of the police. It is envisaged that the results will be used to develop services and behaviours so that they more effectively meet the needs and expectations of the BME communities.

Risk Management Processes

Risk management processes are embedded in the operational and organisational activities of the Constabulary and Authority, including:

- Strategic Risk Register Processes
- Health and Safety Assessments
- Environmental ISO14001 Assessment
- Insurance Policies
- Major projects, which use the Prince 2 project management methodology, and the associated risk assessment and management disciplines. Major projects are supported by project and programme boards who receive risk registers and highlight reports throughout the duration of the projects
- The Change Programmes implemented to meet savings requirements used a series of ~~£~~Check and Risk~~q~~Meetings

In addition to this, the formal and informal inspection processes and internal and external audits undertaken not only concentrate on the assessment of performance, but also provide recommendations for areas of improvement. These provide a large body of information which is used in the identification and management of organisational risk.

The Authority's Committees and Working Groups provided assurance in relation to some of the key areas of risk:

The Audit Committee (via the Police Performance Working Group) and the Resources & Planning Committee covered performance risk, whilst the Equality and Engagement Committee covered delivery and effectiveness issues. The Authority's Audit Committee, Standards Committee, and HR & Professional Standards Committee ensured compliance with policies and procedures, including covering employment legislation, Health and Safety (H&S) and Equality and ethical and professional standards of Police Officers and Staff.

The key findings and minutes from those Committees were in turn presented to the full Police Authority and made available to the public.

The primary objective of the risk management process is to manage threats in a way that reduces the likelihood of them occurring and minimises their impact should they materialise. Associated objectives are to:

- Integrate risk management into planning and performance frameworks
- Ensure that activities are undertaken in conjunction with sound principles of corporate governance
- Improve strategic, operational and financial management
- Prevent or reduce events that could damage reputation and public confidence
- Improve service delivery and value for money

The Constabulary has a Risk Management process that establishes through identification, analysis and prioritisation the *key risk themes* that could affect the ability of the Constabulary to meet its objectives and the development of the Constabulary's Strategic Risk Register (SRR).

As part of the process:

- The Constabulary has a Standard Operating Procedure for Risk Management
- An embedded culture where everyone is aware of the Constabulary & Authority's approach to risk and their responsibilities in relation to it
- Police Officers and Staff are encouraged to raise potential risks that may concern them

This is done by:

- A formal initial and periodic evaluation of organisational risks using the standard corporate risk management methodology

The Roles and Responsibilities of the Constabulary and Authority

The overarching aim had been to ensure that the various responsibilities of The Authority and the CC were discharged with integrity, probity and in a manner that was publicly accountable.

The Chief Constable and Chief Officers roles and responsibilities are defined in the National Competency Framework

The Police Authority could delegate its powers through Standing Orders and Financial Regulations to authorised officers

Members of the Police Authority were appointed and were subject to the Competency Framework for Members of Police Authorities in England and Wales, 2005, which sets out the skills, abilities and personal qualities expected of a Police Authority member. Set out in Part 7 of the Authority's Constitution, it included information about the role of Police Authorities and the expectations of Police Authority members.

Police Authority Committees and Working Groups had delegated powers and their Terms of Reference was outlined in the Authority's Constitution. Procedural Standing Orders, Contract Standing Orders, Financial Regulations, and other policies and procedures document roles and responsibilities and delegation arrangements were all set out in the same Constitution.

Codes of Conduct and the Standards of Behaviour

Relevant Constabulary policies, procedures and programmes were monitored by the appropriate committees.

The Authority operated under a Constitution, where all Authority Members signed up to the Model Code of Conduct (issued under the Local Authority's Standards Committee (England) Regulations 2008) and guidance issued by the Standards for England. The Authority's Standards Committee ensured that Members of the Police Authority complied with the Code of Conduct as adopted by the Police Authority, and that the Authority demonstrated high standards of integrity and probity.

Additionally:

- The Police (Conduct) Regulations 2004 (as amended) reinforce the requirement for compliance with Constabulary policies and the law
- The Independent Police Complaints Commission ensure that complaints against the police are dealt with effectively and that statutory guidance is followed in the handling of complaints against both Police Officers and Police Staff
- The Professional Standards Department and the Anti Corruption Unit undertake investigations in relation to complaints made by members of the public and internal misconduct matters
- The local Disciplinary Procedures for Support Staff details arrangements for Police Staff
- The Constabulary has a clear set of Values
- Each member of staff has been issued with the Staff Code of Conduct
- Staff holding accreditation to professional bodies are subject to the codes of conduct associated with those bodies

Communication Channels

- The Constabulary has policies and procedures site on its intranet. Weekly publications of Constabulary Bulletins include articles on policy implementation, provide policy guidance and describe how compliance will be monitored
- Operational Plans and Orders include sections on policy compliance
- The Constabulary Corporate Communications Department enhance internal communication channels, including web forums and additional newsletters

Financial Control and Management

Financial control has been maintained and operated in respect of the resources under the Constabulary and Authority's control. However, the system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or should be detected within a timely period. The Authority's financial management arrangements conformed with the principles in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

The system of internal financial control is based upon a framework of regular reviews of management information, financial regulations and, administrative procedures (including segregation of duties), management supervision and a structure of delegation and accountability. In particular, the financial control system involves:

- Comprehensive budgeting systems
- Regular reviews of periodic and annual financial reports which indicate financial performance against the forecasts;
- A structured business planning process
- Clearly defined revenue and capital expenditure guidelines

The system of internal financial control is subject to regular review by the internal audit service. Gloucestershire County Council's Internal Audit Unit, provides this service. The Unit operates under the Accounts and Audit Regulations, which require:

- The maintenance of an adequate and effective system of internal audit of accounting records and control systems
- Full assistance in the provision of documents, records, information and explanation to enable the proper fulfilment of those audit responsibilities

The work of the Unit is guided by and reflects professional best practice, in particular the CIPFA Code of Practice on Local Government Internal Audit and locally by the policies, procedures, rules and regulations.

To ensure flexibility in relation to day to day matters there was an established series of delegated powers to key officers (Chief Executive, Treasurer), various committees, and to the CC.

The CC has in turn formally delegated part of his delegation to other Constabulary officers and staff in order to minimise bureaucracy around day to day decisions whilst maintaining key controls and assurance.

Whenever possible controls were built into systems (e.g. procurement regulations are embedded into the e-procurement system). This is in turn backed up with formal procedural notes and desk instructions for key processes and controls.

Further assurance is achieved by requiring all specialist post holders to be professionally qualified.

The Treasurer was the nominated Chief Financial Officer for the Police Authority in accordance with section 151 of the Local Government Act 1972, and the Head of Audit had direct access to the Treasurer and to the Chief Executive of the Authority. In addition, the Head of Audit had direct access to the Chairman of the Authority and the Chair of the Audit Committee. The Audit Committee has overall responsibility for internal and external audit and the Head of Audit produced quarterly reports for the Committee, summarising internal audit's key work and findings.

Policy and Legal Compliance

In house legal advice played a key role in ensuring that the Constabulary and Authority acted legally in discharging their functions. The Chief Executive of the Authority acted as the Monitoring Officer and is a qualified barrister. In addition the Legal Services Department of the Constabulary provided advice and updated relevant managers on new legal developments. The Head of the Legal Service Department (the Force Solicitor) reports directly to the Deputy Chief Constable and is a member of various Constabulary decision making forums so. The Force Solicitor also acts as the legal representative where required.

The Treasurer worked closely with the internal auditors and the Constabulary's Chief Finance Officer (CFO) to provide the financial governance assurance and advice required by the Constabulary and Authority.

European Union procurement requirements relating to the issue of contracts and the provision of goods, supplies or services and provides specific assurance in relation to contractual matters are complied with.

Assurance in relation to personnel and employment legislation is provided by the Constabulary's Human Resources Department.

The Authority were provided with assurance in respect of Constabulary compliance with policies through the annual internal audit programme with the audit reports and findings being presented to the Audit Committee, who monitor the Constabulary's progress in respect of the implementation of any corrective action required.

Policy Compliance

Policies may be locally defined or nationally defined and locally adopted. Gloucestershire Constabulary policies are intended to promote equality, eliminate unlawful discrimination and actively promote good relationships regardless of age, disability, gender, race or ethnicity, religion and belief, and sexual orientation.

Policies are impact assessed using an Equalities Impact Assessment. Building equality considerations into the policy-making process ensures the identification of any actual or potential inequalities and reduces them as much as possible, by applying the policy differently or looking for alternatives.

Dissemination

The dissemination and reinforcement of these policies is undertaken in various ways, including:

- Internal, external and national training courses will often have, as their basis, the relevant policy or legal requirement that informs the training
- Professionally qualified staff within the Constabulary provide advice on policy interpretation and highlight areas of change
- The Constabulary Legal Services Department also provide guidance on policy interpretation and legality
- The supervisory structures and processes within the Constabulary also provide support for dissemination and interpretation of Constabulary policies

Ensuring Compliance

- Internal inspections and audits have, within their programme an examination of compliance with policies
- The Professional Standards Department and the Internal Investigation Unit undertake investigations in relation to complaints made or identified misconduct matters, including breaches of policy by staff.
- The Constabulary operates an anonymous online reporting system for whistle-blowing
- The Authority's independent Standards Committee oversaw investigations in relation to complaints made or identified misconduct matters relating to Authority members

Investigating Complaints

The Constabulary's Professional Standards Department and the Internal Investigation Unit undertakes investigations in relation to complaints made by members of the public, or identified misconduct matters, including breaches of policy by staff.

They also undertake investigations into any Direction and Control Complaints in respect of organisational or operational decisions.

The Constabulary operates a system for whistle-blowing, supported by the Fraud and Anti-Corruption Policy. The policy is supported with internal procedures for Fraud, Corruption, Unethical Behaviour and Wrongdoing.

The public can also make complaints via internal and external auditors. The Statutory 151 Officer and Monitoring Officer have the power to call to account the Constabulary or Authority for illegal actions or financial transactions.

Conditions of Employment and Remuneration

All staff irrespective of their roles have conditions of employment and remuneration which is commensurate with their roles and responsibilities.

The pay and terms of conditions of all UK Police Officers are negotiated through the Police Negotiating Board (PNB). Local Government Employers provide the Employers' Side of the PNB while the Staff Side is represented by the Police Federation, the Superintendents' Association and the Chief Police Officers' Staff Association. Some of the issues negotiated through the PNB are: hours of duty, leave, pay and allowances, and pensions.

The PNB exists to negotiate agreements, which it recommends to the Home Secretary. If accepted by the Home Secretary, they are placed within a draft statutory instrument, called Police Regulations, and put to Parliament for approval. PNB agreements are legally binding once placed in Regulations.

The Police Staff Council (PSC) negotiates national agreements on pay and conditions of service for police staff, including Police Community Support Officers in England and Wales, excluding the Metropolitan Police.

Information is communicated by both employer and joint circulars. Joint circulars are issued by the PSC. Employer circulars are issued by the employers.

The national agreements of the PSC were only binding if Police Authorities and CCs agreed to incorporate them within the contracts of employment of their employees.

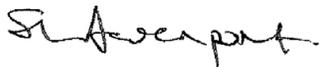
Partnership Governance

In developing its significant partnerships, the Constabulary has ensured that it has in place a framework that enables its risks to be mitigated to an acceptable level.

Statutory partnerships are subject to either contractual agreements or are governed by legislation. Significant partnerships are subject to initial project planning and are supported by contractual agreement for example:

- 63 Officers funded by the County Council
- Partnership with Avon and Somerset for the Air Support Unit
- The Sexual Assault Referral Centre with the Gloucestershire Primary Care Trust
- Public Protection Bureau with eight partnership agencies
- Tri-Service arrangements with the Fire and Ambulance Services
- Serious and Organised Crime capabilities known as Zephyr, which contains a Regional Intelligence, Asset Recover and Crime teams
- Collaboration between the South West and North West Force on the Forensic Science Service Consortium Contract

Signatories



Suzette Davenport
Chief Constable of the Gloucestershire Constabulary



Andy Champness
Chief Executive



David Bennett
Chief Finance Officer

28TH June 2013

Part Two

Office of the Gloucestershire Police and Crime Commissioner Annual Governance Statement

Background

Police and Crime Commissioners are primarily responsible for most of the statutory responsibilities of the former Police Authorities and also have a remit within the criminal justice and community safety arenas. Policing in England and Wales has many years been characterised in terms of a tripartite structure, the three partners being the Home Secretary, the Police Authority, and the Chief Constable. The changes restate some of the most fundamental governance relationships within the Police Service.

The reconfiguration of roles, and the ministerial intention to create a clearer distinction between the PCC and the CC, also redefined the allocation of day to day responsibilities in areas such as finance, for example the creation of two Corporations Sole.

Subsequent to the announcement of Police and Crime Commissioners CIPFA¹ and SOLACE² fully reviewed their 'Delivering Good Governance in Local Government, Guidance Notes for Police Framework in December 2012 to ensure it remained fit for purpose and to include the responsibilities of the PCC.

On compiling this statement a full gap analysis has been undertaken against the core principals within the framework, which acts both to review the effectiveness of the governance framework and as the baseline from which this statement is derived.

The following sections of the PCCs statement report only on those areas that have changed to reflect new governance arrangements following the appointment of the PCC on 22nd November 2012, and the creation of the Corporation Sole for the Chief Constable.

Changes in Governance Arrangements

Both the PCC and Constabulary are subject to the Accounts and Audit (England) Regulations 2011 and as such both have to prepare a set of accounts in accordance with the CIPFA / LASAAC Code of Practice on Local Authority Accounting and are subject to audit.

Group accounts must be completed by the PCC for the PCC and the CC. The PCC and the CC must complete individual accounts. Both are required to produce an Annual Governance Statement.

In recognition of those changes, the CCs Chief Financial officer has become a statutory Section 151 Officer in his own right, in addition to the PCCs Treasurer, now also known as a Chief Finance Officer. The relationships are codified in the local protocols listed below.

A financial management code of practice was issued by CIPFA in January 2012, setting out the relationships between the various parties.

¹ CIPFA, The Chartered Institute of Public Finance Accountants

² SOLACE, Society of Local Authority Chief Executives

The PCC and the CC are jointly responsible for internal audit, and for establishing the audit committee.

One of the aims of the new arrangement is that PCCs deliver their plans through commissioning services from a wider market than was traditionally the case. The PCCs will enter into partnerships, or client/contract arrangements, not only with the Constabulary but a wide range of other public services, the voluntary sector, and the private sector as the person with individual responsibility, however the PCC has a scheme of delegation that empowers the Commissioning Manager to participate directly in these discussions up to delegated limits.

The Policing Protocol

The Policing Protocol Order 2011 (statutory instrument) came into force on 16 January 2012 and extends to England and Wales. The Protocol sets out how the new policing governance arrangements will work. It clarifies the role and responsibilities of police and crime commissioners, the mayor's office for policing and crime, CCs, police and crime panels and the London assembly police and crime panel. It outlines what these bodies are expected to do and how they should work together to fight crime and improve policing.

The Role of the Chief Financial Officers

The Home Office Financial Management Code of Practice for the Police Service of England and Wales (FMCP) received statutory endorsement in January 2012. This outlines CFO responsibilities and emphasises the importance of effective co-operative and constructive relationships between the CFOs of the PCC and the CC.

In October 2012, CIPFA issued its statement on the role of the CFO of the PCC and the CFO of the CC which sets out how the requirements of legislation and professional standards should be fulfilled by the CFO in carrying out their role. The Statement sets out five principles that define the core activities and behaviours that belong to the role of the CFO and the organisational arrangements needed to support them. The governance requirements should be reflected in the organisation's local code (Local Protocols).

Local Protocol Development

The PCC Transition project included planning on how the Office of the PCC might function, including a preliminary infrastructure and operating model, allowing the PCC to operate from day one. This included agreeing draft protocols; agreeing OPCC start-up staffing and office location; agreeing protocols for sharing resources with the CC; and a comprehensive programme for local induction and briefings for the PCC on all areas of Constabulary business.

The draft protocols have now been fully ratified and are available on the PCCs website. They act to enable the statutory responsibilities of the PCC, and include:

- Corporate Governance Framework, incorporating Financial Regulations and Standing Orders
- Decision Making Protocol
- Complaints Protocol
- The PCCs Governance Board
- The Commissioning Framework
- A Risk Management Strategy and framework

Joint Audit Committee

A Joint Audit Committee for the Chief Constable and the PCC has been established, and the first meeting was on 9th April 2013. The main functions of the Committee are:

- Review the Annual Statement of Accounts
- Approve the Annual Governance Statement
- Keep under review anti-fraud and anti-corruption arrangements
- Keep under review the effectiveness of internal control systems
- Consider the effectiveness of risk management arrangements
- Keep under review the effectiveness of internal audit and of external audit.

Internal Audit

The Chief Constable and the PCC have joint responsibility for internal audit. An Internal Audit Plan for 2013/14 has been agreed and is monitored by the Joint Audit Committee, who check the progress on implementing fundamental recommendations from internal audit reports.

Professional Standards Department

The Professional Standards Department and the Anti Corruption Unit undertake investigations in relation to complaints made by members of the public and internal misconduct matters.

Review of Effectiveness

The Commissioner has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the head of internal audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the CFOs and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined below.

Significant Governance Issues

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for implementation that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next review.

Issues:

Update on the Medium Term Financial Strategy

The Medium Term Financial Strategy (MTFS) of 2011/12 identified the requirement to save £18m over the four year Comprehensive Spending Review period to 31st March 2015.

The identification and achievement of those savings was potentially a significant governance issue.

The required savings have been identified, and budgets have been reduced in many areas. A significant proportion of these savings came from redundancies in police staff and police officer numbers. Although these savings were risk assessed there may still be governance issues and operational issues as the new structure is implemented.

Recent Government announcements have also indicated that there will be further budget reductions and more savings will have to be identified. This may require enhanced governance arrangements

Update on the transition to Police and Crime Commissioner

The regulations, structures, policies and overall practices in place for the scrutiny and governance of forces was built up and refined over the numerous years that Police Authorities were operating.

The Constabulary and Authority recognised at an early stage the significance of the changes and the benefits in implementing a structured project approach to the transition period.

Joint work saw the development of a strategy and plan to facilitate the transition; and established a joint project with the stated aim to ensure the most efficient and effective transition from Gloucestershire Police Authority to the Office of the Police and Crime Commissioner for Gloucestershire.+

The Authority established a formal Transition Board comprising key partner agencies, charged with strategic oversight of the transition process, chaired by the Chief Executive. Police Authority and Constabulary members were represented this board, offering them a clear line of sight to plans and progress.

In addition a Transition Working Group of Authority and Constabulary personnel oversaw 11 joint transition work-streams. Membership of this group also included staff representation from the Federation and Unison. This group reviewed progress against the actions within the PCC transition plan and reported back to the Transition Board. Progress from the PCC Transition Board was reported back through to the Authority Resource and Planning Committee.

All transition work-streams and actions were documented in a transition plan, with ownership and timescales identified and effective accountability mechanisms in place. This included an arrangement whereby the Authority and Constabulary used identical processes for identifying and recording risks. As a number of elements could not be formalised until the PCC was elected, a number of Planning Assumptions were agreed through which the Authority and Constabulary could manage uncertainty during transition.

The benefits of the Authority working jointly with the Constabulary on transition planning were to ensure all views and aspects regarding transition were considered and dealt with, and avoidance of unnecessary duplication of effort.

Outcomes included establishing a preliminary infrastructure (operating model) to allow the PCC to operate from day one. This included planning on how the Office of the PCC might function; agreeing draft protocols on Decision Making, Complaints and a Scheme of Governance; agreeing OPCC start-up staffing and office location; agreeing protocols for sharing resources with the CC; and a comprehensive programme for local induction and briefings for the PCC on all areas of Constabulary business.

The enhanced governance arrangements minimised the risk of the transition to PCCs becoming a significant governance issue.

Future Issues:

Second Transfer

Whilst the Police and Social Responsibility Act 2011 introduced the PCC and CC as corporations sole, the Act and subsequent national protocols have yet to resolve some of the financial, legislative, social, organisational and cultural regulations previously in place in respect of Police Authorities.

The national resolution (or otherwise) of some of these aspects have a significant impact on the second transfer stage, where the PCC and CC will agree the future operational and organisational responsibilities and staffing for the Constabulary, as there is the potential for the two corporations to have disparate and potentially conflicting operating frameworks.

New Custody Build

The PCC approved on the 3rd June 2013 the Business Case for building a new Custody Suite, and a budget of £12.4m for this purpose. Internal audit reported on the project in June 2013 and recommended that the reporting lines and structures for managing projects and programmes are reviewed. The new DCC and the Chief Executive are currently reviewing governance structures, which will include those for managing projects and programmes, to ensure effective oversight and communication between the PCC and the Constabulary. Progress reports on the Custody Build will be forwarded to members of the Audit Committee so that they can monitor the progress of the project.

Signatories

A handwritten signature in black ink, appearing to read 'MAS', with a horizontal line underneath.

Martin Surl
Police and Crime Commissioner

A handwritten signature in black ink, appearing to read 'Andy Champness'.

Andy Champness
Chief Executive

A handwritten signature in black ink, appearing to read 'Bennett'.

David Bennett
Chief Finance Officer for PCC

28th June 2013

Part Three

Chief Constable for Gloucestershire Annual Governance Statement

Background

In 2010, the Coalition Government set in motion wide-ranging police reforms. Under the terms of the Police and Social Responsibility Act 2011 the existing 43 Police Authorities were replaced by Police and Crime Commissioners (PCCs).

PCCs will be responsible for most of the statutory responsibilities of the former Police Authorities. Policing in England and Wales was for many years characterised in terms of a tripartite structure, the three partners being the Home Secretary, the Police Authority, and the Chief Constable (CC). The ministerial intention was to create a clearer distinction between the PCC and the CC, which resulted in the creation of two Corporations Sole – the PCC and the Chief Constable.

Both the PCC and the Chief Constable are subject to the Accounts and Audit (England) Regulations 2011 and as such both entities have to prepare a set of accounts in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting and both are subject to audit. Group accounts must be completed by the PCC for the PCC and the CC. Both the PCC and the CC are required to produce an Annual Governance Statement.

Subsequent to the announcement of Police and Crime Commissioners CIPFA³ and SOLACE⁴ fully reviewed their 'Delivering Good Governance in Local Government, Guidance Notes for Police' Framework in December 2012 to ensure it remained fit for purpose.

On compiling this statement a full gap analysis has been undertaken against the core principals within the Framework, which acts both to review the effectiveness of the governance framework, and as the baseline evidence from which this statement is derived.

The Chief Constable has retained many of the internal governance arrangements that were in place prior to the introduction of the PCC. These have been reported on in the Annual Governance Statement for the PCC (Part 1 – Police Authority)

The following sections of the Constabulary statement report only on those areas that have changed to reflect new governance arrangements following the appointment of the PCC on 22nd November 2012, and the creation of the Corporation Sole for the Chief Constable.

³ CIPFA, The Chartered Institute of Public Finance Accountants

⁴ SOLACE, Society of Local Authority Chief Executives

Scope of Responsibility

The Chief Constable is responsible for maintaining the Queen's peace, has direction and control in respect of the police force and is operationally independent.

The Chief Constable is accountable in law for the exercise of policing powers and is accountable to the PCC for the delivery of efficient and effective policing and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. In discharging this overall responsibility, the Chief Constable is responsible for establishing and maintaining appropriate governance arrangements and risk management processes and ensuring that there is a sound system of internal control which facilitates the effective exercise of these functions.

The Chief Constable formally appointed a professionally qualified Chief Financial Officer (CCCFO) with effect from 22nd November 2012. Under the Police Reform and Social Responsibility Act 2011 the CCCFO has a personal fiduciary duty by virtue of their appointment as the person responsible for the proper financial administration of the Chief Constable. The CCCFO leads the promotion and delivery of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

The Chief Constable has approved and adopted a code of corporate governance (the Corporate Governance Framework), which is consistent with the principles of the CIPFA/SOLACE Framework, Delivering Good Governance in Local Government. A copy of the code is on the Gloucestershire Constabulary website. This statement explains how the Chief Constable has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2011, regulation 4(3), which requires all relevant bodies to prepare an annual governance statement.

The Purpose of The Governance Framework

The governance framework comprises the systems and processes, culture and values by which the Constabulary is directed and controlled and its activities through which it accounts to, engages with and lead its communities. It enables the Chief Constable to monitor the achievement of her strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Chief Constable's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place for the Chief Constable for the period from 22 November 2012 to 31 March 2013, and up to the date of approval of the statement of accounts.

Changes in Governance Arrangements

Both the PCC and the Chief Constable are subject to the Accounts and Audit (England) Regulations 2011 and both have to prepare a set of accounts in accordance with the CIPFA / LASAAC Code of Practice on Local Authority Accounting which are subject to audit. Group accounts must be completed by the PCC for the PCC and the CC.

The PCC and the CC have joint responsibility for internal audit, and for establishing the audit committee.

The Government's long term intention is that Chief Constables will eventually employ staff, and hold the budgets for the delivery of operational policing. The Chief Constable is now a Corporation Sole and a transfer of staff, assets and contracts has to take place from the PCC to the CC by 1st April 2014 (Stage 2 transfer).

From 22nd November 2012, the Chief Constable has responsibilities for governance. This means that there are now two freestanding processes within the police service for ensuring good governance. In most respects the principles and the implementation will be the same for the PCC and the CC. There are however, areas specific to each corporation sole which will need to be reflected.

The Policing Protocol

The Policing Protocol Order 2011 (statutory instrument) came into force on 16 January 2012 and extends to England and Wales. The Protocol sets out how the new policing governance arrangements will work. It clarifies the role and responsibilities of PCC, the Chief Constable and the Police and Crime Panel. It outlines what these bodies are expected to do and how they should work together to fight crime and improve policing. This has been reflected in the local protocols.

The role of the Chief Financial Officer(s)

The CCCFO is the statutory Section 151 officer for the Chief Constable. The PCC also has a Chief Finance Officer (PCCCFO) who is the section 151 officer for the PCC. The Home Office Financial Management Code of Practice for the Police Service of England and Wales (FMCP) received statutory endorsement in January 2012. This outlines CFO responsibilities and emphasises the importance of effective co-operative and constructive relationships between the CFOs of the PCC and the CC. This has been reflected in the local protocols.

Local Protocol Development

The PCC Transition project included planning on how the Office of the PCC might function, including a preliminary infrastructure and operating model, allowing the PCC to operate from day one. This included draft protocols. These draft protocols have now been fully ratified and enable the statutory responsibilities of the PCC and the Chief Constable. They include:

- Corporate Governance Framework, incorporating Financial Regulations and Standing Orders
- Decision Making Protocol
- Complaints Protocol
- Risk Management Strategy and Framework

Joint Audit Committee

A Joint Audit Committee for the Chief Constable and the PCC has been established, and the first meeting was on 9th April 2013. The main functions of the Committee are:

- Review the Annual Statement of Accounts
- Approve the Annual Governance Statement
- Keep under review anti-fraud and anti-corruption arrangements
- Keep under review the effectiveness of internal control systems
- Consider the effectiveness of risk management arrangements
- Keep under review the effectiveness of internal audit and of external audit.

Internal Audit

The Chief Constable and the PCC have joint responsibility for internal audit. An Internal Audit Plan for 2013/14 has been agreed and is monitored by the Joint Audit Committee, who check the progress on implementing fundamental recommendations from internal audit reports.

Professional Standards Department

The Professional Standards Department and the Anti Corruption Unit undertake investigations in relation to complaints made by members of the public and internal misconduct matters.

Review of Effectiveness

The Chief Constable has responsibility for conducting, at least annually, a review of the effectiveness of the governance framework including the system of internal control. The review of effectiveness is informed by the work of senior officers and staff who have responsibility for the development and maintenance of the governance environment, the annual report from the head of internal audit, and by comments made by the external auditors and other review agencies and inspectorates. The governance framework is reviewed jointly with the PCC and his officers.

The current governance arrangements are regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined below.

Significant Governance Issues

Issues:

Update on the Medium Term Financial Strategy

The Medium Term Financial Strategy (MTFS) of 2011/12 identified the requirement to save £18m over the four year Comprehensive Spending Review period to 31st March 2015. The identification and achievement of those savings was potentially a significant governance issue.

The £18m required savings have been identified, and the budgets have been reduced in many areas. A significant proportion of these savings came from reductions in police staff and police officer numbers. Although these savings were risk assessed there may still be governance issues and operational issues as the new structure is implemented. These issues will be reviewed throughout the year.

Recent Government announcements have also indicated that there will be further budget reductions and more savings will have to be identified. This may require enhanced governance arrangements.

Update on Transition to Police and Crime Commissioner

The Police Authority and Constabulary recognised at an early stage the significance of the changes from the Police and Social Responsibility Act 2011 and the benefits in implementing a structured project approach to the transition period.

A preliminary infrastructure was established to allow the PCC to operate from day one, and the following documents were drafted . Corporate Governance Framework, Decision Making Protocol and Complaints Protocol. These documents have now been approved by both the PCC and the CC and protocols have been agreed for sharing resources.

The CC will continue to work with the PCC to ensure that the new governance arrangements are further embedded into both organisations and that the necessary processes and procedures are put in place to support these changes.

Future Issues

Stage 2 Transfer

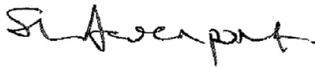
The Police and Social Responsibility Act 2011 sets out a Stage 2 transfer which refers to the movement of certain staff, property, rights and liabilities from the PCC to the Chief Constable. The Home Office has indicated that a Stage 2 transfer must be implemented no later than April 2014 and wishes to see proposals presented by all PCCs and Chief Constables ahead of this time, so they can be considered and approved to meet this deadline.

Discussions are currently taking place between the Chief Constable and the PCC regarding the Stage 2 transfer. When these have been resolved the governance arrangements for the new structure will have to be considered. These governance arrangements would come into effect for 2014/15.

New Custody Build

The PCC approved on the 3rd June 2013 the Business Case for building a new Custody Suite, and a budget of £12.4m for this purpose. Internal audit reported on the project in June 2013 and recommended that the reporting lines and structures for managing projects and programmes are reviewed. The new DCC and the Chief Executive are currently reviewing governance structures, which will include those for managing projects and programmes, to ensure effective oversight and communication between the PCC and the Constabulary. Progress reports on the Custody Build will be forwarded to members of the Audit Committee so that they can monitor the progress of the project.

Signatories



Suzette Davenport
Chief Constable for Gloucestershire



Peter Skelton
Chief Finance Officer

28th June 2013