



Gloucestershire Constabulary

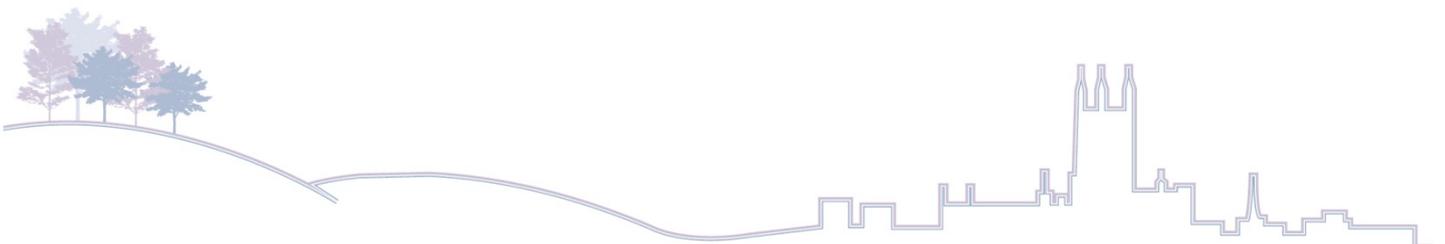
County Police Headquarters,
No. 1 Waterwells, Waterwells Drive,
Quedgeley, Gloucester, GL2 2AN

Tel: 101 www.gloucestershire.police.uk

Annual Governance Statement

1 April 2014 – 31 March 2015

Gloucestershire Constabulary



BACKGROUND.....	3
ANNUAL GOVERNANCE STATEMENT	3
<i>Scope of Responsibility</i>	3
THE PURPOSE OF THE GOVERNANCE FRAMEWORK.....	4
THE GOVERNANCE FRAMEWORK	4
<i>The Policing Protocol</i>	4
STAFFING CHANGES.....	5
<i>Changes in Chief Officer Group</i>	5
<i>Changes in Senior Officers</i>	5
<i>Changes in Executive Staff</i>	5
ORGANISATIONAL CHANGES	6
BACKGROUND.....	6
<i>Enabling Services Review - Structure</i>	7
<i>Mobile Frontline Working</i>	7
<i>Windows 7 Upgrade</i>	8
<i>New Custody Facility, Compass House</i>	8
<i>Prism House</i>	8
DECISION MAKING.....	8
PERFORMANCE MONITORING	9
MEASURING THE QUALITY OF SERVICE FOR USERS	10
RISK MANAGEMENT PROCESSES	13
CODES OF CONDUCT AND STANDARDS OF BEHAVIOUR	15
COMMUNICATION CHANNELS	15
FINANCIAL MANAGEMENT AND CONTROL.....	16
<i>The Role of the Chief Financial Officers</i>	16
LEGAL COMPLIANCE	17
INVESTIGATING COMPLAINTS	18
CONDITIONS OF EMPLOYMENT AND REMUNERATION	19
REVIEW OF EFFECTIVENESS	20
SIGNIFICANT GOVERNANCE ISSUES.....	20
SIGNATORIES.....	21

Background

The Annual Governance Statement is one way in which public sector bodies can assess and demonstrate that they are taking a responsible and informed approach to governance arrangements.

Good governance arrangements aim to achieve the highest standards in a measured and proportionate way, and demonstrate that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision making and that there is clear accountability for the use of these resources in order to achieve desired outcomes for communities.

Both the Chief Constable and the Police and Crime Commissioner (PCC) 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 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 Chief Constable. Both the Chief Constable and the PCC are also required to produce an Annual Governance Statement.

Annual Governance Statement

Scope of Responsibility

The Chief Constable is responsible for ensuring that policing in Gloucestershire 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. The processes relating to those standards and governance arrangements have been applied across all areas of the organisation, including within the Office of the Police and Crime Commissioner (OPCC). Therefore, for the purposes of this document reference is made to 'The Organisation' which includes the Constabulary (under the direction and control of the Chief Constable) and the OPCC under the leadership of the PCC's Chief Executive.

There is also a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility there is a requirement to ensure proper arrangements relating to the governance of affairs, and that the governance arrangements ensure a sound system for the management of risk has been put in place.

The Organisation has approved and adopted a Code of Governance, which incorporates the principles of the CIPFA / SOLACE Framework: Delivering Good Governance in Local Government.

This statement explains how the Code has been complied with and how the requirements of regulation 4(3) of the Accounts and Audit Regulations 2011, which requires all relevant bodies to prepare an Annual Governance Statement, have been met.

The Purpose of the Governance Framework

The governance framework sets out the systems and processes and the culture and values by which the organisation is directed and controlled, and the activities through which it engages with its communities. It enables the organisation to monitor the achievement of its 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 the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide a reasonable and not an 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 policies, aims and objectives, to evaluate the likelihood and the potential impact of those risks being realised, and to manage them effectively, efficiently and economically.

The governance framework has been in place for the year ended 31st March 2015 and up to the date of approval of the statement of accounts.

The Governance Framework

The Policing Protocol

The Policing Protocol Order 2011 (SI 2011/2744) came into force on 16th January 2012 and extends to England and Wales. The Protocol sets out how policing governance arrangements between the Chief Constable and the PCC work. It clarifies their roles and responsibilities and those of the Police and Crime Panel by outlining what those bodies are expected to do and how they should work together to fight crime and improve policing.

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 for demonstrating 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 PCC is required to hold the Chief Constable to account for the exercise of those functions and those of the persons under her direction and control. It therefore follows that the PCC must satisfy himself that there are appropriate mechanisms in place for the maintenance of good governance and that these operate in practice.

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

It also reflects some of the major changes that have taken place during the period of this statement.

Staffing Changes

Changes at the strategic management level of the Organisation implemented during 2014/15 and the period following include:

Changes in Chief Officer Group

There have been no changes in the Chief Officer Group during the reporting period.

Changes in Senior Officers

Superintendent Steven Gillett was appointed on the 21 July 2014.

Chief Superintendent Nigel Avron retired on the 30 November 2014.

Temporary Superintendent Charles Laporte was appointed on the 12 January 2015.

Chief Superintendent Neil Mantle retired on the 15 April 2015.

Superintendent James McCarthy retired on the 15 April 2015.

Detective Superintendent Katherine Davies joined the force on the 29th June 2015 on promotion from her post in the West Midlands Police as a Chief Inspector.

Changes in Executive Staff

Dr Hannah Young was appointed as the Strategic Head of Corporate Services on the 18 August 2014, moving from her previous post of Transformational Programme Lead.

Mr Paul Trott was appointed Chief Executive of the OPCC on the 1 September 2014, combining this role with his previous position of Head of Legal Services.

Mr Michael Griffiths was appointed as Locum Principal Legal Advisor on the 27 October 2014.

Ms Rachel Slevin was appointed as the Head of Human Resources on the 3 November 2014.

Mr Jonathan Healy, concluded as the Interim Head of Information Communications Technology when his contract ended on the 31 December 2014.

Mr Jed Stone was appointed as the Interim Head of Information Communications Technology on the 6 January 2015.

Changes in OPCC Staff

Mr John Beevor concluded in the post of interim Chief Executive, OPCC on the 31 August 2014, following the appointment of Mr Paul Trott as the permanent post holder.

Mr Pierre Gillett concluded in the post of Corporate Business Advisor to the PCC when his contract expired on 31 January 2015.

Organisational Changes

Background

The Comprehensive Spending Review (CSR) settlement 2011/12 to 2014/15 included the need for £19.4m savings. Organisational and Operational Reviews were undertaken and £20m savings were identified during this period.

In 2013/14 a two year programme of work, known as the New Operating Model, was instigated to ensure a sustainable operating model for the future, including an ability to meet a financial situation which is expected to reduce further.

The project has had several associated strands, with major progress during 2014/15 in each area outlined below:

Operational Structure

Meeting the savings requirement has resulted in the force establishment reducing from 2,233 officers and staff at March 2010 to 1,851 officers and staff at March 2015, a reduction of 17%. Existing operational structures and estate were based on the higher establishment figure.

An early part of the Operating Model programme was to review the operational structure in line with new establishment figures. Consultation across the force, including business leads, provided an opportunity to update the operational design, with the proposed new structure being based on two main areas; Specialist Crime Operations and Local Policing, which will contain the following portfolio areas:

Local Policing

- Incident Management
- Neighbourhood
- Community Harm Reduction
- Criminal Justice
- Special Constabulary
- Tri-Force

Specialist Crime Operations

- Intelligence
- Public Protection
- Investigation and Authorising officer
- Forensics

The Heads of these functions and their deputies have been appointed and are in post. The postings for Inspectors, Sergeants, Constable and PCSOs were announced in March 2015 with an implementation date of the 23rd July 2015.

Process Evolution and Operation Snapshot

Use of force incident and crime data, response times and the location of police stations was analysed by external consultants, Process Evolution, to establish the demand profile of the Force. Their analysis was also used to plot estate locations.

In conjunction with the quantitative analysis of data, Operation Snapshot was conducted during a seven day period in March 2014, to ensure that there was a qualitative understanding of what additional resources, skills and knowledge are needed for incident resolution.

The Operation Snapshot team listened to calls to the Force Control Room from seven full days, accounting for each day of the week and including dates from August 2013 and March and April 2014 to allow for some form of seasonal representation. All demand that entered the organisation via the Control Room was categorised according to the needs of the caller. The Operation Snapshot team were asked to consider why the caller was contacting the police.

This was supported by force researchers and staff in various departments across the force who volunteered to monitor how demand was processed in operational areas and departments.

Shift Review

Process Evolution were also asked to undertake some detailed shift modelling to ascertain how several different working patterns might fit in with the new model, and to help examine the benefits and disadvantages of those patterns, including a better balance that would meet the needs of the public compared to the patterns currently in use around the Force. The new shift pattern will come into effect on the 23rd July when Officers move to their new postings.

Enabling Services Review - Structure

The aim of the enabling services review undertaken in 2013/14 was to deliver a resilient and sustainable way of working that does not require regular redesign of the operating model, but provides sufficient flexibility to respond effectively and efficiently to service and operational requirements now and in the future.

The structure was implemented incrementally throughout 2014/15, with the following functions being brought within the oversight of Dr Hannah Young, Head of Corporate Services:

- Human Resources
- Finance
- Information Communications Technology (ICT)
- Legal Services

Mobile Frontline Working

A new project was approved, with capital funding for £2.319m, to provide mobile functionality to frontline officers during 2015/16. The contract has been awarded for airtime and devices and the rollout plan is being developed.

Windows 7 Upgrade

Between February and July 2014 the Force undertook a major system upgrade to all of its desktop computers. The upgrade to Windows 7 and Microsoft 2010 was the largest upgrade completed by the force in recent years and involved replacing not only the software, but also many of the base units.

Estate Changes

A further part of the implementation of the operating model has seen changes in the way in which the estate is structured.

New Custody Facility, Compass House

February 2015 saw the completion and opening of the new single custody facility, which allowed the Constabulary to decommission the existing custody cells in Gloucester, Cheltenham and Stroud that were considered by both the Commissioner and Chief Constable as barely fit for purpose. The new 50 cell facility meets Home Office specifications, contains state of the art equipment and provides a safe and secure environment for detainees from across the County.

Prism House

Prism House, located on the Waterwells Business Park was purchased in 2014 to enable the relocation of functions and staff from the Lansdown Road location in Cheltenham. The three storey building, located close to the custody facility and headquarters building will be used by specialist investigation, crime scene and safeguarding staff, who moved there between April and June 2015.

Decision Making

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

- Significant decisions will be made in public or will be publicly reported wherever appropriate.
- Decisions must be lawful.
- Decisions should take account of consultation with the public and advice from officers and staff.
- Decisions will respect human rights.
- The desired outcomes should be clear.
- Decisions should be properly reasoned and where appropriate the reasons for rejecting alternatives should be explained.

The governance structure is based around a joint decision making approach wherever possible, with attendees from both the Constabulary and the OPCC at several boards, including the Strategic Change Board and the Senior Leaders' Board. Where necessary, issues are considered by the Governance Board, which is attended by both the PCC and the

Chief Constable, and their officers. Decisions made at this forum are publically available on the PCC's website.

Performance Monitoring

Performance monitoring is undertaken through a series of boards and meetings, and culminates in reporting to the strategic management team, which includes representation from the OPCC. They have 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.

Strategic performance monitoring is reported to the Performance Operations Meeting, chaired by the Assistant Chief Constable (Operations), with reports containing a broad set of quantitative and qualitative data. These reports are also submitted to the PCC.

The Strategic Leaders' Board receives financial monitoring reports and the Strategic Change Board receives financial project management reports.

Other forums that also monitor performance, operationally, organisationally, and financially, include:

- The monthly Finance Panel, including the PCC, the Chief Constable, the two CFOs, the Chief Executive and the PCC's Business Advisor meets to review financial matters.
- The Chief Officers Group (COG) meets weekly and reviews performance.
- Senior Leaders' Board is made up of Senior Officers and Managers and the PCC's Chief Executive and considers the strategic activities within the Constabulary.
- 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 quickly to respond to any performance issues. The morning meetings are then aggregated upwards (See Appendix B):
 - Daily Tasking Meeting
 - Weekly Local Tactical meeting
 - Fortnightly Force Tactical meeting
 - Monthly Performance Operations Meeting
 - Quarterly Strategic Priorities Review Board
- The Risk Review Group monitors the Organisation's Strategic Risk Register and the high risks on departmental risk registers.

- As a publicly funded service, the police are subject to inspection and scrutiny by various government agencies and departments principally Her Majesty's Inspectorate of Constabulary (HMIC), who are responsible for carrying out regular inspections of police forces, including assessment, of specific policing areas.

Measuring the Quality of Service for Users

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

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 anti-social behaviour.
- Perceptions of the police, i.e. are they doing a good job and tackling local issues?
- 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 each year 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 the organisation 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 performance with other Forces and to monitor progress.

Other Research

Staff Survey

Durham University have assisted Gloucestershire Constabulary in launching an online Staff Survey; the survey went live on the 24th November 2014 and ran for four weeks. The survey was designed to gain valuable insights into staff beliefs, views and attitudes, into factors affecting our service to the public and the ways in which we work and relate to one another. The survey was circulated to all those who work for Gloucestershire Constabulary, receiving an overall response rate of 44% which is representative and very high.

Measures that were included in the survey included the following:

- Empowerment
- Ethical Leadership
- Commitment
- Job Satisfaction
- Uncertainty
- Perceived Organisational Support
- Work Family Commitments
- Procedural Justice
- Vision Clarity
- Emotional Energy
- Public Service Motivation
- Extra Mile Behaviours

High level findings were discussed with Chief Officers and disseminated across the organisation and a full report was received from Durham University Business School in April 2015. High level results suggest that the workforce as a whole is relatively happy in their role and most report that they are highly motivated to serve the public, with a number of measures recommended for focus for improvements.

A much shorter survey containing some similar questions will also run every quarter, which will allow the organisation to track progress over time. This will be particularly useful in identifying how the organisation and the people which form the organisation are responding to change.

Domestic Abuse Evaluation

The findings from the HMIC report into an inspection on the police response to reports of domestic abuse, found that the overall police response to victims of domestic abuse was not good enough. They recommended that police forces must take urgent action to improve the effectiveness of the service they offer to victims of domestic abuse.

In order to make improvements and to gain a greater understanding of the experiences of domestic abuse victims, Gloucestershire Constabulary carried out a victim satisfaction survey between June and October 2014. The survey measured the experiences of victims of domestic abuse from the first point of contact, through to outcome, resolution and / or closure, focusing on satisfaction with:

- Initial contact
- Actions taken
- Being kept informed of progress
- Treatment
- Outcomes and expectations

Victims were contacted by Gloucestershire Domestic Abuse Support Service, with 191 completed surveys.

The research highlighted areas for focus in order to make improvements to the services provided to domestic abuse victims, with a number of recommendations being suggested.

Public Consultation

Police Uniform Review

During November and December 2014, Gloucestershire Constabulary reviewed the present force uniform worn by members of the Constabulary to provide an overview of public opinion regarding police uniform and how it should look going forward. The consultation looked at:

- Public perceptions regarding the importance of police uniform to policing.
- Public perceptions regarding the importance of police uniform to them, personally.
- Public opinion regarding what it is about police uniform that makes an officer identifiable.
- Public preference regarding the different uniform options being considered by the Constabulary, i.e. black or white shirts.

Results from this consultation will be used to inform the Constabulary how the public and officers feel police officers should look going forward.

Gloucester and Cheltenham Review

Gloucestershire Constabulary is in a period of change, which is being delivered through the Operating Model programme of work. Part of the emphasis of this programme is to build a new operating model that improves our service to the public, to increase their satisfaction and trust in us. In order to do this, it is important that the Constabulary gathers the views and opinions of the public, so that we can make decisions about future ways of working that where possible, represent and meet the needs and expectations of the public.

A strand of this programme of work is “town centre accessibility”, which outlines the need to research the public’s needs for a police presence in Cheltenham and Gloucester Town Centres, as an alternative to the current services delivered and any existing Police Points or mobile police stations in these areas.

The objective of the public consultations was to create an evidence-based set of requirements for delivering police presence in Cheltenham and Gloucester, with question topics on the following:

- Suitable buildings and facilities.
- What police staff and officer roles would be needed.
- Suitable opening times which meet public demand.
- Services required by the public.

A short bespoke survey was designed and conducted on a face-to-face basis, while in various locations around the Cheltenham and Gloucester, again, making use of the Neighbourhood Engagement Vehicle. The surveys included questions related to the services required by the public and the associated police buildings and/or facilities from which these services could be delivered.

The results of each consultation indicated that roughly half of respondents would access a dedicated police station in the centre of each town, with the majority of respondents explaining that each building would need to be in a central location in each of the two towns. The results will be used to create an evidence-based set of requirements for delivery police presence in Cheltenham and Gloucester.

Budget Consultation

A budget consultation exercise was carried out for the 2014/15 budget through various means including public and staff surveys, facilitated focus groups and more informal face to face engagement around the county with the public using police staff and PCSOs and the Neighbourhood Engagement Vehicle.

The PCC proposed to freeze the Council Tax for 2015/16, and it was therefore decided not to undertake a further consultation for the 2015/16 budget.

Risk Management Processes

Risk Management processes are embedded in the operational and organisational activities of the Organisation, 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 which receive risk registers and highlight reports throughout the duration of the projects.

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.

Risk Management is a process that establishes through identification, analysis and prioritisation the *key risk themes* that could affect the Organisation's ability to meet objectives and the development of the Strategic Risk Register. The Strategic Risk Register is developed through the analysis of risks held on the Constabulary's, the PCC's, and departmental, operational and functional risk registers.

The Strategic Risk Register is presented for scrutiny at the joint Audit Committee.

As part of the process:

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

Internal & External Audit and the Audit Committee

Internal and external audits are undertaken to assess performance and provide recommendations for areas of improvement.

The Organisation commissions the services of the Gloucestershire County Council Internal Audit Unit, and an annual plan is developed to audit a range of business areas and functions during the year.

During the December 2014 meeting Committee members discussed the need for assurance that the Internal Auditors comply with professional standards and that processes are sufficiently robust to avoid any conflict of interest where other services (e.g. payroll) are provided by the County Council to the Constabulary.

The Chair of the Audit Committee requested that the meeting minutes should record whenever any conflict of interest has been discussed and the manner in which it is resolved.

Reports produced are subject to scrutiny by the joint Audit Committee, whose function is to advise the PCC and Chief Constable according to good governance principles, advise them to adopt appropriate risk management arrangements and, where necessary, make recommendations for improvements.

Progress against the implementation of any recommendation is reported to the Audit Committee until such time as all parties are satisfied that they have been met.

Grant Thornton are the Organisation's independent external auditors. Their work programme is set in accordance with the Code of Audit Practice issued by the Audit Commission and includes nationally prescribed and locally determined work.

The Code requires the external auditor to issue conclusions on whether the PCC and the Chief Constable have each put in place proper arrangements for securing economy, efficiency and effectiveness in their use of resources and to give an opinion on the accounts of the PCC and the Chief Constable.

Codes of Conduct and Standards of Behaviour

There are a variety of methods used to establish expectations in relation to conduct and standards of behaviour. Some of the main ones are outlined below:

- The Code of Ethics was laid before Parliament and became a statutory Code of Practice as of 15 July 2014. It is applicable to all officers and staff and formalises a set of standards for all officers and staff. It also provides a framework to support decisions made by officers and staff in their daily work.
- The Police (Conduct) Regulations 2012 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.
- Policies and procedures provide a framework that sets out expectations and working practices for the conduct and behaviour of all officers and staff. The Discipline Policy and Procedure 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

- Policies and procedures are on the Organisation's intranet. Weekly publications of Constabulary Bulletins include articles on policy implementation and policy guidance and describe how compliance will be monitored.
- Operational Plans and Orders include sections on policy compliance.
- The Corporate Communications Department enhances internal communication channels, including web forums and additional newsletters.
- The Chief Constable and senior officers have undertaken a series of briefings to staff throughout the organisation on their expectations and standards of behaviour.
- The Senior Leaders' Forum, held quarterly with all senior managers in the organisation is used by the Chief Constable, the PCC and senior officers to disseminate key messages. Managers are required to brief their staff following the meeting. Presentations given are available to all staff on the intranet.

Financial Management and Control

Financial control has been maintained and operated in respect of the resources under the PCC's and Chief Constable's control. The system of internal financial control provides reasonable 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 Organisation's financial management arrangements conform with the principles in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

The Role of the Chief Financial Officers

The Home Office 'Financial Management Code of Practice for the Police Service of England and Wales' (FMCP) outlines the responsibilities of the Chief Finance Officer for the Chief Constable and the Chief Finance Officer for the PCC and emphasises the importance of effective co-operative and constructive relationships between the two CFOs.

In March 2014, CIPFA issued a revised statement on the Role of the Chief Finance Officer (CFO) of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable that sets out how the requirements of legislation and professional standards should be fulfilled by the CFOs in carrying out their role. The Statement sets out five principles that define the core activities and behaviours that are attributable to the role of the CFO and the organisational arrangements needed to support them.

These five principles are:

1. The Chief Finance Officers of the PCC and of the Chief Constable are key members of the Leadership Team helping the organisation to develop and implement strategy and to resource and deliver the PCC's strategic objectives sustainably and in the public interest.
2. The Chief Finance Officers must be actively involved in, and able to bring influence to bear on, all material business decisions (subject to the operational responsibilities of the Chief Constable) to ensure immediate and longer term implications, opportunities and risks are fully considered, and align with the overall financial strategy.
3. The Chief Finance Officers must lead and encourage the promotion and delivery of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.
4. The Chief Finance Officers must lead and direct a finance function that is resourced to be fit for purpose.
5. The Chief Finance Officers must be professionally qualified and suitably experienced.

The Organisation's financial management arrangements conform with these principles.

Financial Control

The system of internal financial control is based upon a framework of regular reviews of management information, financial regulations, 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 financial reports which indicate financial performance against 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 Gloucestershire County Council's Internal Audit Unit. Full assistance in the provision of documents, records, information and explanation is provided by the Organisation 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 Organisation's policies, procedures, rules and regulations.

During 2014/15 internal audit reports were prepared on:

- Main Accounting Systems – Substantial Assurance.
- Creditors – Substantial Assurance.
- Government Pension Scheme – Substantial Assurance.
- Payroll (BACS) – Substantial Assurance (Satisfactory on control).
- Procurement Cards – Satisfactory Assurance (Limited on control).

Whenever possible controls are 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.

Legal Compliance

In house legal advice is used to ensure that the Organisation acts legally in discharging its functions and also provides advice on new legal developments. The Head of Legal Services (the Force Solicitor) reports directly to the Deputy Chief Constable and is a member of various decision making forums. The Force Solicitor also acts as the Organisation's legal representative where required.

All procurements with a contract value over £40,000 are undertaken by the regional procurement unit (the South West Police Procurement Department – SWPPD) on behalf of the PCC. This ensures that all contractual matters are complied with including European Union procurement requirements relating to the issue of contracts and the provision of goods, supplies or services.

Assurance in relation to personnel and employment law is provided by the People Services Unit, supported by the Legal Services Department.

Policy Compliance

Policies may be locally defined or nationally defined and locally adopted. 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, or 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 far 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.
- Professionally qualified staff provide advice on policy interpretation and highlight areas of change.
- The Constabulary Legal Services Department provides guidance on policy interpretation.
- The supervisory structures and processes within the Constabulary 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 Anti-Corruption Unit undertake investigations in relation to complaints made or identified misconduct matters, including breaches of policy by staff.
- The Organisation operates an anonymous online reporting system for whistle-blowing.

Investigating Complaints

The Professional Standards Department and the Anti-Corruption Unit undertake 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.

Policies are in place for whistle-blowing, and are supported by the Fraud and Anti-Corruption Policy. The policy is supported with internal procedures for Fraud, Corruption, Unethical Behaviour and Wrongdoing.

Members of the public can make complaints to the Chief Finance Officers regarding the proper administration of financial affairs. If either of the CFOs considers there is a need to report this, they are required by legislation to make a report and send a copy to the PCC, the Chief Constable and the external auditor. The CFO should also inform members of the Audit Committee, the Police and Crime Panel and the internal auditor.

Conditions of Employment and Remuneration

All staff have conditions of employment and remuneration which are 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). The Official Side of the PNB represents central government, PCCs and chief officers while the Staff Side comprises representatives of the Police Federation, the Superintendents' Association and the Chief Police Officers' Staff Association.

The PNB exists to negotiate agreements, which it recommends to the Home Secretary. If accepted by the Home Secretary, they are given legal effect either in the form of statutory instruments (e.g. The Police Regulations) and laid before Parliament for approval or as Home Secretary's Determinations. PNB agreements are legally binding.

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. In some instances pay and conditions may be subject to local variation, which will be undertaken in consultation with recognised trade unions.

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

Partnership Governance

In developing its significant partnerships, the Organisation 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:

- National Police Air Service (NPAS).
- The Sexual Assault Referral Centre with the Gloucestershire Care Services NHS Trust.
- Public Protection Bureau with eight partnership agencies.
- Tri-Service arrangements with the Fire and Ambulance Services.
- Regional Serious and Organised Crime capabilities (known as Zephyr), which contain Intelligence, Asset Recovery and Crime teams.
- Collaboration between the South West and North West Force on the Forensic Science Service Consortium Contract.
- Tri Force Firearms Training facility.
- Tri Force Specialist Operations of Road Policing, Firearms and Dogs Units.
- South West Police Procurement Department

Review of Effectiveness

The Organisation 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.

In compiling this statement the current governance arrangements have been reviewed and 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 organisation has already identified significant annual savings – over £30 million in the six years from 2010/11 to 2015/16, including £20m for the four year spending review period from 2011/12 to 2014/15. The annual budget for 2015/16 is £105 million. These savings have been planned and risk assessed to minimise the effect on frontline policing.

It is expected that financial austerity will continue until at least 2018/19 and that further cuts will be made to government funding. No figures have been provided for grant reductions from 2016/17 onwards and no indications have been given regarding pay restraint after 2015.

The two CFOs have made assumptions based upon the last few years and have calculated a number of scenarios. The current medium term financial strategy assumes that further annual savings of £16m will be required up to 2018/19. This scenario is being used by the Transformation team in developing the Operating Model and further business improvement work. This level of savings will have a significant effect upon the organisation and will require further reductions in the numbers of police officers and staff.

Signatories



Rod Hansen

Deputy Chief Constable, Gloucestershire Constabulary (on behalf of the Chief Constable)

Date 22nd September 2015



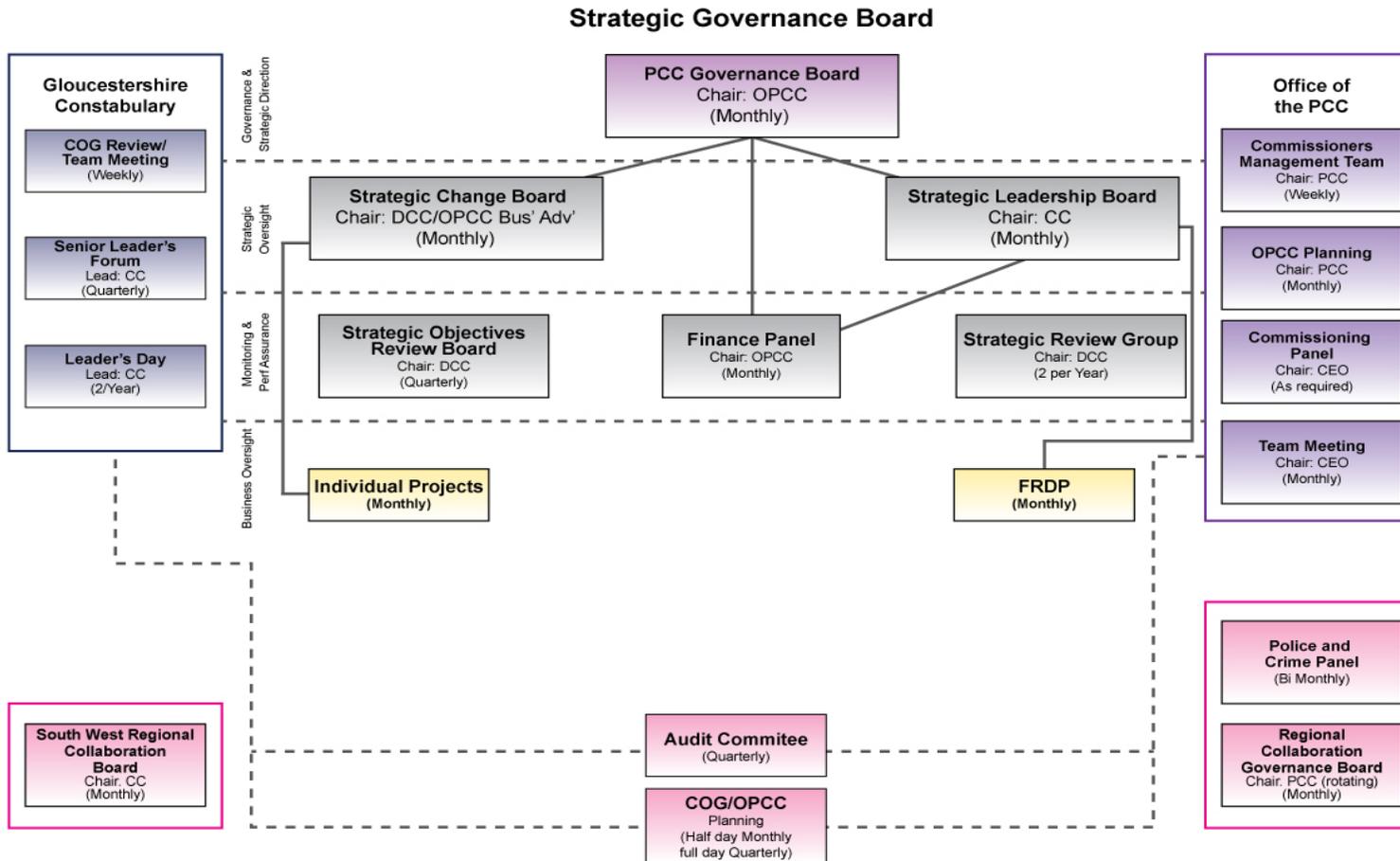
Peter Skelton

Chief Finance Officer, Gloucestershire Constabulary

Date 22nd September 2015

Appendix A

Meeting Governance Structure



(As at 10/06/2015)

Appendix B

Tasking & Co-Ordinating Process

