



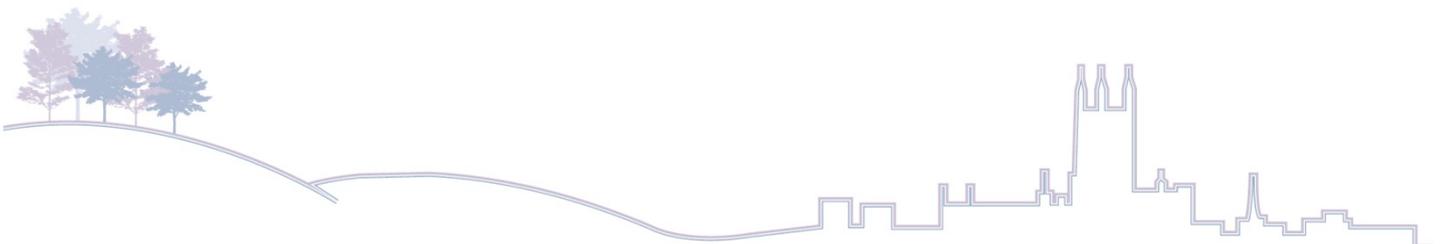
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# Annual Governance Statement

**1 April 2015 – 31 March 2016**

Gloucestershire Constabulary



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## **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 2015 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 2015, 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 31<sup>st</sup> March 2016 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 16 January 2012 and 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 Police and Crime Panel is a joint body of the local authorities in Gloucestershire (Cheltenham Borough Council, Cotswold District Council, Forest of Dean District Council, Gloucester City Council, Gloucestershire County Council, Stroud District Council, Tewkesbury Borough Council). The Panel supports the effective exercise of the functions of the PCC and maintains a regular check and balance on the performance of the PCC. The Panel has appointed thirteen councillors to be Panel members and has co-opted two independent members. Gloucestershire County Council is the host local authority for the Panel and provides administrative support.

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 2015/16 and not previously reported in the 2014/15 Annual Governance Statement include:

### **Changes in Chief Officer Group**

Temporary ACC Sally Crook retired on 22<sup>nd</sup> July 2015. The post was then removed from the establishment.

### **Changes in Senior Officers**

Superintendent Emma Ackland transferred to Gwent Police on 18<sup>th</sup> May 2015, on promotion to Chief Superintendent.

Superintendent Steven Gillett retired on 3<sup>rd</sup> March 2016.

### **Changes in Executive Staff**

Sara Armstrong was appointed as Head of Governance and Compliance on 4th January 2016.

Michael Griffiths was appointed as Force Solicitor on 1<sup>st</sup> April 2016.

Lucy Shirodkar was appointed as Head of Information Communications and Technology on 11<sup>th</sup> April 2016.

### **Changes in OPCC Staff**

Ruth Greenwood was appointed as the Policy Officer for the PCC on 18<sup>th</sup> August 2015.

## **Organisational Changes**

### **Background**

The Comprehensive Spending Review settlement for 2011/12 to 2014/15 included the need to make £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 and to allow for further expected reductions in funding. The new Operating Model structure was launched on 23<sup>rd</sup> July 2015.

### **Operational Structure**

To meet savings requirements the force establishment has been reduced from 2,233 full time equivalent(fte) officers and staff at March 2010 to 1,789(fte) officers and staff at March 2015, a reduction of 19.9%. The launch of the New Operating Model also saw the introduction of new shift patterns, providing a better balance to meet the needs of the public.

The structure launched on the 23 July 2015 was arranged as:

Local Policing:

- Neighbourhood Policing
- Local Investigations
- Incident Management and Resolution
- Community Harm Reduction
- Criminal Justice
- Special Constabulary
- Tri Force Specialist Operations

Specialist Crime Operations:

- Intelligence
- Public Protection
- Specialist Investigations
- Forensics
- Tri-Force Major Crime Investigations

Enabling Services

- Finance and Support Services
- HR
- ICT
- Legal Services
- Governance and Compliance
- Continuous Improvement
- Strategic Change Services

Professional Standards

Communications and Engagement

**Mobile Frontline Working**

A new project was approved during 2015/16, with capital funding for £2.3m, to provide mobile functionality to frontline officers. During 2015 the mobile frontline working project saw the issue of 800 devices to front line police officers and PCSOs. Phase one provided access to a number of forms and systems that would have previously have been handwritten or would have required staff to return to a station. These include statements, cannabis warnings and applications including PNC, incident management (STORM) and other Force data systems (GCIS).

Phase two will continue throughout 2016 and will give officers more forms including access to the Compact missing persons system, traffic forms, ability to print and better access to Constabulary information. Officers now spend less time in the police station and more time with the public.

**Brunel Major Crime Collaboration**

The business case for Gloucestershire Constabulary to join the major crime "Brunel" collaboration already running between Wiltshire Police and Avon and Somerset Police was approved by the South West Regional Programme Board in May 2015 and the collaboration was launched on the 1 December 2015.

The Major Crime teams within the force areas operate under a Joint Service Agreement. When collaborative support is required by one of the forces expert resilience is immediately available. The Brunel collaboration is made up of approximately 170 officers and staff. The team will take on all categories of murder, as well as corporate manslaughter, gross negligence manslaughter and deaths abroad and also, where capacity allows, any major crime case where there is a significant risk to public confidence.

### **Improvement and Efficiency Programme**

This programme of work gathers together a number of activities, considered and governed collectively to ensure that the Constabulary is as efficient and cost effective as possible. The aims within this new programme are the same as those of the new Operating Model, to:

- put the public at the heart of what we do,
- police the county as one, and
- be sustainable and affordable

To ensure the new programme is focused on this, work is being undertaken to determine where the public most value and need our services. We will continue to revise our structures and processes to place resources where they are most needed.

### **Estate Changes**

The joint Estate Strategy has continued to be delivered throughout the year. Key developments include:

#### **Gloucester Police Station (Bearland)**

In exchange for surrendering the 230 year lease on the building, Gloucestershire County Council paid £400,000 and signed a new agreement covering part of the ground and second floors, and providing additional parking at Quedgeley.

#### **Cheltenham Police Station (Holland House, Talbot House & Wilton House)**

The main police reception desk for the public in Cheltenham moved from Lansdown Road to Hester's Way Police Station in Princess Elizabeth Way.

Following the purchase of Prism House and Phoenix House and the opening of the new custody facility on the Waterwells Campus the Lansdown Road site was put up for sale.

A presence will be retained in Lansdown Road with Wilton House (close to the old headquarters building) being renamed Holland House and becoming the base for PCSOs, neighbourhood and local investigation officers.

#### **Data Centre**

As a consequence of the vacation of the Lansdown Road estate, the Constabulary Data Centre is being relocated within existing estate.

#### **Coleford Court Purchased**

The purchase of Coleford Courthouse in December 2015 was the beginning of the long term plan to make Coleford a hub for police and criminal justice services in the Forest of Dean. Refurbishment will be completed by the summer of 2016.

## **Phoenix House**

The purchase of Phoenix House was completed on the 21st August 2015. The purchase of the building will allow for the centralisation of property and paper archives, and the relocation of the print room, central equipment store and uniform stores.

## **Decision Making**

The organisation is committed to open and accountable decision-making. To meet this commitment there are procedures to be followed for decision-making which 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 intent and values, principles and strategic objectives 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, 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 Chief Finance Officers and the Chief Executive 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.

### **Her Majesty's Inspectorate of Constabulary (HMIC)**

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.

The Constabulary has been subject to HMIC review in 2015/16 under the Police Effectiveness, Efficiency and Legitimacy (PEEL) Inspection. The outcome reported on the HMIC website is:

#### **Effectiveness** (How effective is the force at keeping people safe and reducing crime)

Overall Gloucestershire Constabulary is judged to require improvement at keeping people safe and reducing crime. Working closely with partner organisations, the constabulary is good at preventing crime and anti-social behaviour. However, standards of investigation require improvement; expectations of staff are not clear, supervision is poor for some crime types and the service to victims is inconsistent. Improvements are also needed to protect the vulnerable properly, including domestic abuse victims and missing children. Additionally, more needs to be done to understand and respond effectively to serious and organised crime.

This is the first year HMIC has graded forces on their overall effectiveness so a year-on-year comparison is not possible.

#### **Efficiency** (How efficient is the force at keeping people safe and reducing crime)

HMIC found that Gloucestershire Constabulary is very well prepared to face its future financial challenges. The constabulary has a strong understanding and management of its current demand and its finances. It is developing new methods of working to improve services and manage demand efficiently. For this reason it is graded as good. It is in the process of introducing a new structure (operating model) to deliver policing services within its budget. In last year's value for money inspection, which considered how forces had met the challenge of the first spending review period, Gloucestershire was judged to be good.

## **Legitimacy** (How legitimate is the force at keeping people safe and reducing crime)

Gloucestershire Constabulary's chief officer team has put a significant amount of work into developing and maintaining an ethical culture across the organisation. The constabulary values and promotes positive engagement as a way of improving legitimacy. The constabulary does not comply with the Best Use of Stop and Search scheme, and we had concerns that a high proportion of the records we checked did not sufficiently demonstrate that reasonable grounds existed to undertake a lawful stop and search. Taser is used fairly and appropriately.

This is the first time HMIC has graded forces on their legitimacy, so no year-on-year comparison is possible.

## **Other Inspections**

In addition to the three core PEEL pillars, HMIC carries out inspections of a wide range of policing activity throughout the year. Some of these are conducted alongside the PEEL inspections (for instance, our 2015 leadership assessment); others are joint inspections.

Findings from these inspections are published separately to the main PEEL reports, but are taken into account when producing the rounded assessment of each force's performance.

## **Leadership**

As part of HMIC's annual all-force inspections into police effectiveness, efficiency and legitimacy (PEEL) in 2015, HMIC assessed how well led forces are at every rank and grade of the organisation and across all areas inspected in PEEL. We reviewed how well a force understands and is developing its leaders; whether it has set a clear and compelling future direction; and how well it motivates and engages the workforce.

Gloucestershire Constabulary has elements of strong leadership, though it could make improvements in some areas. Through leaders' events, the constabulary expends considerable time ensuring that its leaders understand what is expected of them. Members of the workforce we spoke to during our inspection confirmed that the constabulary's messages about its future priorities are clear and easily understood.

The recent staff survey suggested high levels of workforce satisfaction, though some we spoke to during our inspection expressed concern about the effectiveness of the constabulary's performance and development processes. HMIC found evidence that the workforce's knowledge of the mentoring scheme is inconsistent, and we found no evidence that the Constabulary identifies talented individuals in a structured way.

## **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 the public's trust and confidence in the police.

The survey is carried out randomly 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.

In April 2015 a review of this survey was completed and this incorporated new research that was available from avenues such as reviewing existing data, visiting other forces, using academic research as well as consulting with the public in Gloucestershire. The new survey went live from April 2015.

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 trust the police and co-operate with them (police legitimacy)
- Whether the public feel they are informed about policing in their area, and
- Any local community issues and/or harms

At the moment telephone interviews are carried out monthly with a random sample of households (determined by random-digit dialling). Around 190 interviews are obtained each month with equal numbers of respondents from each Local Policing Area. This yields a large enough sample to be representative of the population of Gloucestershire.

Although, the telephone interviews are still currently ongoing, Gloucestershire Constabulary are also in the process of moving to a new methodology to collect this data. SNAP Mobile Anywhere is an app that allows surveys to be filled out on a mobile device. This application has been given to all PCSO's to carry out the survey face to face with members of the public. This will allow for more quality interaction opportunities as well as increasing visibility with the community which should contribute to better serving the community of Gloucestershire.

### **User Satisfaction Survey**

Each month victims of volume crime (vehicle, violent, burglary and hate) are sampled and then 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. There are five areas of service delivery that are measured through the survey and these include; initial contact, actions taken, being kept informed of progress and the treatment received. It also invites respondents to suggest improvements, or to alert the organisation to failures in service.

The results are presented in various ways within the organisation both locally and strategically 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.

## **Staff Survey**

Durham University have assisted Gloucestershire Constabulary in launching an online Staff Survey. The survey began in November 2014 and ran for four weeks and a full report was received from Durham University Business School in April 2015. The 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.

This is an ongoing measurement that is repeated periodically. The results feed into the Leadership programme of work that is being developed within the organisation. The results are also shared regionally across forces so that best practice and learning can be shared across organisations. This will be particularly useful as an ongoing measure at a period where all police forces are going through large change processes.

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 Behaviors

High level findings were discussed with Chief Officers and disseminated across the organisation.

## **Public Consultation**

### **Budget Consultation**

A budget consultation exercise was carried out for the 2016/17 budget which included public and staff surveys and informal face to face engagement around the county with the public (involving police staff and PCSOs and the Neighbourhood Engagement Vehicle).

In light of the potential financial cuts that the police service was expecting to receive as part of the new budget settlement from the government, the PCC wanted to consult with the public with regard to their views on a potential 2% council tax increase. In the main the public were in favour of this increase. The funding reductions were not as far reaching as expected, but the PCC decided to increase council tax by 1.2% to fund an increase in the number of frontline officers.

## 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 the 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 PCCs, 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 PCC and the Chief Constable commission 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. The reports are scrutinised at the Joint Audit Committee

The Chair of the Audit Committee has sought assurance that the Internal Auditors ensure service level agreements are in place, that they comply with professional standards and that processes are sufficiently robust to avoid any conflict of interest where other services are provided by the County Council to the Constabulary. He has also requested that the Audit Committee meeting minutes should record whenever any conflict of interest has been discussed and the manner in which it is resolved.

Reports produced by Internal Audit 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.

Internal Audit has given the following opinion on the Internal Control Environment for the year:

*“We are satisfied that, based on the internal audit activity undertaken during 2015/16 and management’s actions taken in response to that activity, enhanced by the work of other external review agencies, sufficient evidence is available to allow us to draw a reasonable conclusion as to the adequacy and effectiveness of the overall internal control environment for the Police and Crime Commissioner and the Chief Constable.*

*In our opinion, for the 12 months ended 31<sup>st</sup> March 2016, each had maintained a **satisfactory** control environment, to enable the achievement of the key outcomes and objectives.”*

The findings from the audit activity resulted in a less than satisfactory opinion for only one audit during the year. The audit of the vetting procedures concluded that senior management is fully aware of the current position and is actively developing a strategy to reduce the backlog within the department and manage existing and future workloads. However, the increasing nature of the backlog and future planned recruitment (which will further impact on workloads) continues to represent a significant risk to the Constabulary. Internal audit provided the opinion that only limited assurance can be provided that the risks which are considered material to the achievement of the services objectives for this area are adequately managed and controlled. Regular updates on vetting activity were provided during the year to both the Audit Committee and to the PCC Governance Board.

Grant Thornton are the Organisation’s independent external auditors. Their work programme is set in accordance with the Code of Audit Practice 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. The Code formalises a set of standards for all officers and staff and provides a framework to support decisions made 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 Police Staff Disciplinary Policy 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, and staff who hold accreditation to professional bodies are subject to the codes of conduct associated with those bodies.

## Communication Channels

- Policies and procedures are published on the internal 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 control of the PCC and the Chief Constable. The system of internal financial control provides 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 to 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 Chief Finance Officers.

In March 2014, CIPFA issued a revised statement on the Role of the Chief Finance Officer 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 Chief Finance Officers 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 Chief Finance Officer 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 to 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 2015/16 internal audit reports were prepared on:

- Bank Reconciliation – Substantial Assurance.
- Debtors – Substantial Assurance.
- Imprest Accounts – Substantial Assurance.
- Expenses and Allowances – Satisfactory Assurance
- Procurement Cards – Substantial Assurance (Satisfactory on control).

During 2014/15 the audits included the Main Accounting Systems (substantial assurance) and Creditors (substantial assurance)

## **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 Human Resources Department, 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 advise on policy interpretation and highlight areas of change.
- The Constabulary Legal Services Department can provide 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 the Organisation has a Fraud and Anti-Corruption Policy. This 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 Chief Finance Officers 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 Chief Finance Officer 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 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.

## 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. Examples are:

- National Police Air Service (NPAS).
- Sexual Assault Referral Centre with the Gloucestershire Care Services NHS Trust.
- Public Protection Bureau with six partnership agencies.
- Tri-Service arrangements with the Fire and Ambulance Services.
- Regional Serious and Organised Crime capabilities which contain Intelligence, Asset Recovery and Crime teams.
- Tri Force Major Crime Collaboration
- 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 for Road Policing, Firearms and Dogs Units.
- South West Police Procurement Department (SWPPD)

## **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**

There are no significant governance issues.

In the previous Annual Governance Statement for the period from 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015 there was a significant governance issue concerning the Medium Term Financial Strategy. There was a significant risk on the Corporate Risk Register that there would be a large cut to government funding and that the savings required would lead to a reduction in performance that could reduce public confidence and workforce morale. Forces had been told to plan for 25% to 40% cuts in Home Office funding and savings of between £16m and £20m were projected for the period to 2019/20.

In November 2015 the Chancellor in his Spending Review announced that there would be no cuts to police funding and that funding would remain constant taking into account the local precept. Based on information known at present there is now only a low risk that the savings requirement will affect performance. Although the Medium Term Financial Strategy shows that £5m savings are required for the three years to 2019/20 these are mainly due to growth to increase the numbers of officers and Special Constables. It is therefore considered that this is no longer a significant governance issue.

## Signatories

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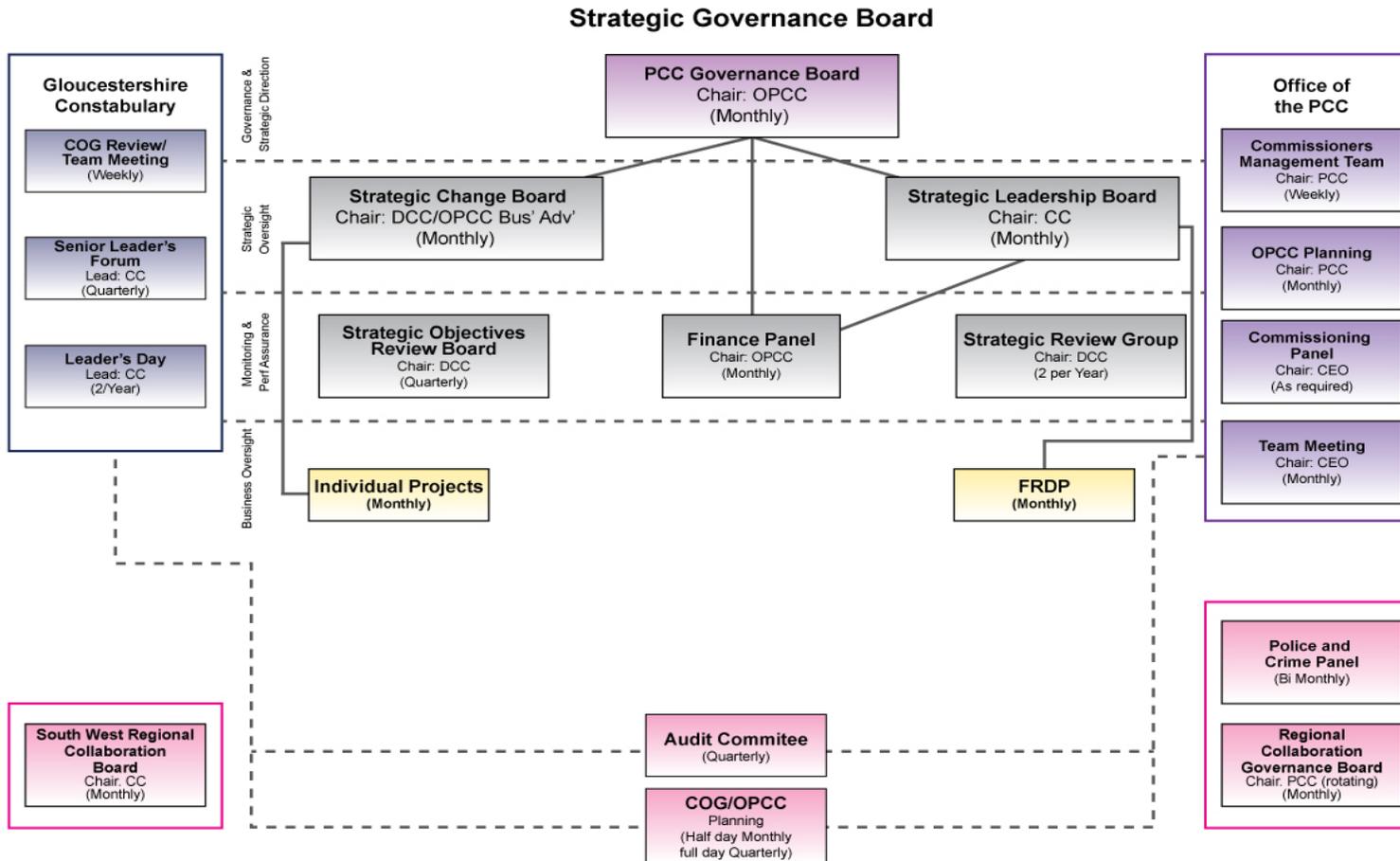
Suzette Davenport  
Chief Constable, Gloucestershire Constabulary  
9<sup>th</sup> September 2016

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Peter Skelton  
Chief Finance Officer, Gloucestershire Constabulary  
9<sup>th</sup> September 2016

# Appendix A

## Meeting Governance Structure during 2015/16



(As at 10/06/2015)

# Appendix B

## Tasking & Co-Ordinating Process

