

Police and Crime Commissioner for Gloucestershire

Chief Constable of Gloucestershire Constabulary

Joint Annual Governance Statement

1 April 2019 to 31 March 2020

Police and Crime Commissioner for Gloucestershire Chief Constable of Gloucestershire Constabulary

Joint Annual Governance Statement

There is a statutory requirement to prepare an Annual Governance Statement which sets out the internal controls in place to ensure proper practices and good governance arrangements in accordance with the CIPFA/SOLACE Delivering Good Practice in Local Government: Framework (2016). 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.

The CIPFA Code of Practice on Local Authority Accounting in the United Kingdom (CIPFA/LASAAC 2017) states that:

The preparation and publication of an Annual Governance Statement in accordance with Delivering Good Governance in Local Government: Framework (2016) would fulfil the statutory requirement in England, Scotland, Northern Ireland and Wales for a local authority to conduct a review at least once in each financial year of the effectiveness of its system of internal control and to include a statement reporting on the review with its Statement of Accounts.

Therefore local authorities in England shall provide this statement in accordance with Delivering Good Governance in Local Government: Framework (2016) and this section of the Code

This Governance Statement is based on the seven principles of the framework. 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.

The seven principles are:

1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
2. Ensuring openness and comprehensive stakeholder engagement
3. Defining outcomes in terms of sustainable economic, social and environmental benefits
4. Determining the interventions necessary to optimise the achievement of the intended outcomes
5. Developing the entity's capacity, including the capability of its leadership and the individuals within it
6. Managing risks and performance through robust internal control and strong public financial management
7. Implementing good practices in transparency, reporting and audit to deliver effective accountability.

Scope of Responsibilities

This statement is written on behalf of both the Police and Crime Commissioner for Gloucestershire (PCC) and the Chief Constable of Gloucestershire Constabulary, and is included with the accounts for both the PCC and the Chief Constable.

The PCC is elected locally and is required to hold the Chief Constable to account for the exercise of their function. The Chief Constable provides overall direction and control of police personnel and operational matters. The Chief Constable is responsible for delivering policy in line with the PCC's Police and Crime Plan.

The PCC is responsible for ensuring that his office ("the OPCC") and the Constabulary operate in accordance with the law and proper standards. The Chief Constable is responsible for ensuring that policing in Gloucestershire is conducted in accordance with the law and proper standards. Both the PCC and the Chief Constable must ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The PCC and Chief Constable must put in place proper arrangements for the governance of their affairs and for facilitating the exercise of their function. In exercising his responsibility the PCC places reliance on the Chief Constable to support the governance risk management processes.

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. Both the PCC and the Chief Constable must ensure that a sound system of control is maintained within the organisation through the year and that arrangements are in place for the management of risk.

In order to do this the PCC and the Chief Constable operate within a joint Corporate Governance Framework which provides clarity on the way the two bodies will be governed. The Corporate Governance Framework incorporates the principles of the CIPFA / SOLACE Framework: Delivering Good Governance in Local Government. The Framework was last reviewed and approved at PCC's Governance Board in June 2019. A copy of the current version of the Corporate Governance Framework is available on the website for the OPCC.

Since August 2016 the Chief Finance Officer for the Chief Constable (Peter Skelton) has also taken on the role of the Chief Finance Officer for the PCC. The Chief Finance Officer has responsibility for providing advice on all financial matters, maintaining financial records and accounts and ensuring an effective system of financial control is in place.

The Purpose of the Governance Framework

The governance framework in place throughout the financial year covers the period from 1st April 2019 to 31st March 2020, and up to the date of approval of the annual Statement of Accounts.

The 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.

Covid-19 has significantly impacted on the organisational operations during 2020 and in some areas changes were required to the standard systems of internal controls, but in all cases a robust approach to managing the individual risks is considered to have been maintained.

Organisation Changes

Within the Constabulary the following significant changes took place during 2019/20, and in the period since 31st March 2020:

- Craig Holden was appointed Assistant Chief Constable in January 2020
- Rhianon Kirk was appointed Assistant Chief Constable in April 2020
- Robert Campbell was appointed head of Digital and Data Services in January 2020
- Paul Trott, Chief Executive ,left the OPCC in August 2019
- Richard Bradley was appointed Temporary Chief Executive to the OPCC in August 2019 and to the role permanently in June 2020
- Debbie Shaw was made Temporary Head of Contact Management in March 2020 and to the role permanently in June
- Robert Campbell was appointed Head of ICT in January 2020

Principle One: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

- The PCC and the Chief Constable have jointly developed and approved a Corporate Governance Framework which clarifies the working relationship between the PCC, the Chief Constable and their staff. This includes the scheme of delegation and financial regulations. The Framework is informed by the requirements of the Good Governance Statement for Public Services and is consistent with the seven Nolan principles for standards in public life.
- The Constabulary has adopted the College of Policing's Code of Ethics which is applicable to all officers and staff. The Code includes the nine policing principles and the ten standards of professional behaviour. It includes the national decision making tool for use by officers and staff to enable them to make decisions which are consistent with these principles and expected behaviours.

The 2018 HMICFRS Legitimacy inspection stated that the Force was rated 'Good' at ethical and lawful workforce behaviour, stating in their summary that "Gloucestershire Constabulary's leaders act as positive ethical role models.

Officers and staff understand the force's values. Leaders use these values when they make decisions".

- The PCC has established an Ethics Panel to support and challenge the implementation of ethical standards within the OPCC and to help the PCC hold the Chief Constable to account for the ethical standards of the Constabulary. The Panel consists of a number of independent members and its role includes reviewing the Constabulary and the OPCC against the Nolan Principles.
- The Constabulary has in place an independently chaired ethics committee, to consider ethical dilemmas which officers and staff have to take into account when making decisions. Staff contribute ethical dilemmas for discussion at the meeting, including financial matters. The committee links to the PCC's Ethics Panel.
- The PCC and Chief Constable have transparent and accessible arrangements for dealing with complaints received from the public. The Constabulary has a Professional Standards Department and an Anti-Corruption Unit which undertake investigations in relation to complaints made by members of the public and internal misconduct matters. Complaints against the Chief Constable are dealt with by the PCC. The Independent Police and Crime Panel handles complaints made against the PCC.
- A policy is in place for whistle-blowing. The Organisation has a Fraud and Anti-Corruption Policy and participates in the National Fraud Initiative.
- 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. Each member of staff has been issued with the Staff Code of Conduct, and staff who hold accreditation to professional bodies are also subject to the codes of conduct associated with those bodies.
- In house legal advice (supplemented by external solicitors and counsel) is used to ensure that the Organisation acts legally in discharging its functions and also provides advice on new legal developments.
- The Organisation is committed to open and accountable decision-making. To meet this commitment there are procedures to be followed for decision-making. These are designed to ensure that all decisions are made in accordance with the following principles:
 - Significant decisions will be publicly reported unless it is inappropriate to do so.
 - 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 attending boards, including the Constabulary's Governance Board. The ultimate decision making board within the Organisation is the PCC's Governance Board,

which is attended by the PCC and the Chief Constable, and their officers. Decisions made at this forum are publicly available on the OPCC's website.

- Members of the public can make complaints to the Chief Finance Officer regarding the proper administration of financial affairs. If the Chief Finance Officer considers there is a need to report this, he is required by legislation to prepare 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.

Principle Two: Ensuring openness and comprehensive stakeholder engagement

Police and Crime Plan

The Police and Crime Plan for 2017-2021 takes into account the views of local communities within Gloucestershire, partners and the Constabulary. The priorities of the plan are:

- Accessibility and accountability
- No one overlooked
- Young people becoming adults
- Safer days and nights
- Safe and social driving
- Safer cyber

A priority lead has been appointed for each priority who works with the police priority lead to ensure that delivery plans are developed for each priority.

Two additional strands have been added to the Police and Crime Plan:

- A green and pleasant county for now and in the future, ensuring that the Constabulary operates in as responsible and sustainable a way as possible.
- A compassionate approach, extended to animals and their ability to enjoy a life free of cruelty

Budget Consultation

The PCC, together with the Chief Constable, develops a Medium Term Financial Plan on an annual basis. This plan is informed by both internal discussions as well as external stakeholder engagement, including a budget consultation exercise.

The Provisional Police Grant Report is usually published by the Home Office in December. This provides information on grant funding and the precept referendum limit. Due to the General Election in December 2019 the grant announcement was delayed until 22nd January 2020. The Report proposed to empower PCCs to increase their Band D precept by up to £10 in 2020/21 without the need to call for a local referendum.

The Police and Crime Panel meeting to discuss the budget is on 3rd February 2020. There was therefore no time to carry out a formal budget consultation based on the funding options announced by the Home Office. The PCC felt

that he could not go out to full consultation, without knowing what his options were.

During the previous 12 months the PCC and his Deputy had met with the public on many occasions, both on a one to one basis and in public meetings. During the summer, the PCC and his Deputy undertook an extensive tour of the county utilising the Neighbourhood Engagement Vehicle (NEV) and the Community Engagement Vehicle (CEV). In the autumn and over the winter a series of 'Meet the Police' events have been held across the county. These are joint events between the Commissioner's and the Chief Constable's office. The PCC took the feedback from these consultations into account when setting the Budget for 2020/2021.

The response to the Covid-19 public health challenge will have wide reaching economic impact. This increases the risks created by funding uncertainty and also the pressure on costs (e.g. inflationary pressures, pension deficit recovery). We will closely monitor these financial challenges to ensure we maintain effective cost control whilst continuing to plan for an uncertain future.

Police and Crime Panel

The Police and Crime Panel maintains a regular check and balance on the performance of the PCC. The Panel is under a duty to support, as well as challenge, the PCC. The Panel meets regularly to review and scrutinise the decisions and actions of the PCC and his delivery of the priorities within the Police and Crime Plan. The Panel also meets specifically to consider the PCC's proposed annual precept and any proposed appointments to the roles of Chief Constable, Chief Executive and Chief Finance Officer.

The Constabulary also carries out the following surveys which ensure stakeholder engagement for the Organisation.

Local Policing Survey

Every year the Constabulary consults with members of the public 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.

The 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, trust and confidence
- Likelihood of reporting and providing information to the police
- Cohesion, wellbeing and life satisfaction of communities and groups they are involved in in their area
- Police activity they have seen in the area, if they have had contact with the police and any opinion changes

The survey is being used to gain a greater understanding of the public's perception of the police, to inform the Neighbourhood Policing plan, and gain a greater understanding of our communities. Results are distributed to senior officers and local Inspectors.

User Satisfaction Survey

Each month a sample of victims of volume crime and domestic burglary 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 respondents to suggest improvements, or to alert the Organisation to failures in service.

The results are presented in various ways within the Organisation in order to monitor performance. The survey is no longer mandated by the Home Office, but HMICFRS look into how the force gathers and proactively uses the feedback of victims to improve service delivery.

The Constabulary also conducts surveys of victims of vehicle crime, racist and hate crimes and incidents following their initial contact with the Force Control Room. The Home Office requires surveys of domestic abuse victims and these are carried out for the Constabulary by Leicestershire Police. On average 10 surveys are completed each month and the reports are distributed to the relevant members of the Constabulary.

Staff Survey

With assistance from Durham University, the Constabulary, has developed an on line staff survey. The survey was introduced in 2014 and is repeated periodically. The latest survey was run for five weeks in November/December 2018 and had a response rate of 47%.

The results feed into the supportive leadership and wellbeing programme of work within the Organisation and high level findings are disseminated across the Organisation. The results are also shared across forces so that best practice and learning can be shared.

At the end of 2019, the Constabulary took part in the first ever national police wellbeing and inclusion survey, which was the first survey to focus solely on these two issues, which lie at the very heart of policing.

The aim of the survey was to assess the current state of wellbeing and inclusion across all 43 police forces in England and Wales and to establish how people are truly feeling at work so we can start to build a really clear picture of what we need to work on.

Responses were collected over an eight-week period between November 2019 and January 2020. In total, the national survey received 34,529 responses (16.6% response rate).

The data has been analysed and two national reports created, one which details the findings specific to wellbeing, and the other specific to diversity, equality and inclusion.

Local force results of the survey had been due for release in the Spring of 2020, but due to the onset of the Coronavirus pandemic, the results were delayed. As a result, this also means that local force level reports are not be available. It is hoped to provide those results from future surveys.

Engagement has continued throughout our response to the COVID-19 public health crisis. Through the next financial year the OPCC will ensure this important stakeholder engagement can continue in a way compatible with the restrictions placed on us by COVID-19.

Principle Three: Defining outcomes in terms of sustainable economic, social and environmental benefits

The Police and Crime Plan is set by the PCC and the main responsibility for delivering the outcomes within the plan rests with the Chief Constable and the Constabulary. Police leads have been appointed for each of the six priorities, to work with the priority leads to develop delivery plans for their priority. Progress on each of the priorities is monitored through the PCC's Governance Board. The PCC has made funds available for priority leads to support delivery of their plans.

The Medium Term Financial Plan is developed jointly between the PCC and the Chief Constable and considers a four year planning horizon. This is reviewed regularly to ensure resources are available to progress the Police and Crime Plan and to ensure financial sustainability over the short and medium term. HMICFRS stated in 2019 that the Constabulary is good at planning for the future and its future plans are realistic, and that the Medium Term Financial Plan has a good balance between savings and investment in important areas.

Commissioner's Fund

The PCC introduced the Commissioner's Fund in 2012, to award community grants that will support safer communities and reduce crime. The fund is available to the wider communities of Gloucestershire to support projects or initiatives that will help deliver one or more of the six priorities within the Police and Crime Plan. The Commissioner's Fund is also available for the additional two commitments in the Police and Crime Plan for a green and pleasant county and for a compassionate approach.

Since 2012 around £11 million has been invested in over 470 projects across the county. An independent review of that work and the approach shows that the investment has generated over 72,000 hours of volunteering time and has probably resulted in an additional £1 million worth of extra investment in the local economy each year.

The Commissioner's Fund comprises the following funds:

- Community Fund
- Priority Leads Fund
- Ministry of Justice grant – to commission victims services in Gloucestershire.
- Speed Enforcement Camera System (SPECS) Fund

Covid-19

The pandemic has had a significant impact on operations and in particular, the uncertainty of the situation allowed some flexibility in how the Commissioner's Fund was able to react to the needs of local voluntary and community groups, one

example was awarding £5,000 to the Gloucestershire Bike Project to continue helping nurses and other key workers get to and from work safely. To support the county it joined together with other funding bodies to form the Gloucestershire Funders, a new collaboration to help keep charities, people and groups afloat amid cancelled fundraising events and similar challenges.

Environmental Standards

The PCC's Police and Crime Plan includes a section on "a green and pleasant county for now and in the future." This requires the Constabulary to seek opportunities to reduce waste and pollution, audit its environmental footprint, develop a plan to work towards a paperless environment and continue the electrification of the vehicle fleet. The main responsibility for delivering the outcomes of the plan rests with the Chief Constable and the Constabulary.

The Constabulary is fully committed to the protection of the environment and recognises the need for the principles of environmental management and sustainable development to become an integral part of day-to-day activities and future planning. In order to achieve this, the Constabulary has developed and implemented an environmental management system (EMS) externally audited against the ISO 14001 standard. The Constabulary first achieved ISO 14001 certification in 2006 and the most recent recertification was achieved in January 2019, which last for three years, making the next one due in January 2022.

The carbon management plan is used to quantify carbon emissions and to identify and integrate energy and fuel saving projects into a clear strategy. The carbon management plan has been reviewed, updated and relaunched using the baseline year 2016/17. The plan is to reduce the Constabulary's carbon footprint by a further 15% by 2021. By reducing carbon emissions through saving energy the Constabulary can potentially realise significant cost savings, support the government drive towards a low carbon economy and contribute to the need to avoid climate change.

Collaboration and Partnerships

The PCC and the Constabulary are committed to working collaboratively with others where this:

- Supports the delivery of the Police and Crime Plan
- Builds resilience, capability and capacity to provide the best possible overall service to our communities
- Enables longer-term operational effectiveness and economy through greater interoperability, integration and/or joint working of policing and public services
- Achieves value for money through economies of scale, increased efficiency, greater effectiveness or improved potential for sustainable delivery.

In developing its significant partnerships, the Organisation has ensured that it has in place a framework that enables it to maximise the benefits from partnership working and that its risks are mitigated to an acceptable level. Statutory partnerships are subject to either contractual agreements or are governed by legislation.

Both the PCC and the Chief Constable are members of the South West Police Collaboration Strategic Board, with the other PCCs and Chief Constables in the region.

Principle Four: Determining the interventions necessary to optimise the achievement of the intended outcomes

Performance monitoring is undertaken within the Constabulary through a series of boards and meetings which report into the Executive Board. The Chief Constable will report significant performance issues to the monthly PCC's Governance Board and the PCC may request information on perceived performance issues to come to that meeting.

The PCC and the Chief Executive have a weekly holding to account meeting with the Chief Constable and his Chief of Staff, and there are regular meetings between the OPCC and the Executive Board.

Regular financial monitoring reports are presented to the Finance Panel, attended by both the PCC and the Chief Constable. These reports monitor the progress of actual expenditure against budget and the projected outturn for the year. Regular reports are also presented on the budget setting for the following year and the preparation of the next Medium Term Financial Plan. The PCC and the Chief Constable share a Chief Finance Officer which ensures that consistent financial information and advice is presented to all meetings.

As part of the Corporate Strategy 2017-2021 the Constabulary has developed seven strategic objectives, based around the priorities in the Police and Crime Plan:

- To reduce the number of crimes which have the greatest harm and impact on our communities;
- To provide services that are valued and supported by our communities;
- To develop our capability to deliver consistently high standards of investigation;
- To develop collaborative problem solving with communities supported by integrated and sustainable relationships with private, public and voluntary sectors.
- To recruit, train and retain sufficient, capable and motivated people, with the right skills and capabilities to deliver our services.
- To deliver data and information which is accurate, available and accessible, enabling staff to perform their jobs effectively.
- To modernise our functions, processes and supporting technology to optimise the delivery of efficient and effective services.

The Constabulary's structure works to keep people in Gloucestershire safe from harm. Through these areas:

- Crime Command: Forensic Services, Intelligence, Covert Policing, Special Branch, Serious Organised Crime, Local Investigations, Serious Crime, Major Crime Investigation Team, Public Protection Unit and Multi-Agency Safeguarding Hub (MASH)

- Local Policing: Criminal Justice, Custody, Neighbourhood Policing, Force Control Room, Community Harm Reduction, Operations Planning and Specialist Operations, Force Response Unit, Police Staff Volunteers, Cadets and Special Constabulary
- Enabling Services: Change Team, Communications and Engagement, Analysis Research and Planning. Digital and Data Services, Estates and Support Services, Finance and Procurement, Fleet and Transport Services, Governance and Compliance, Legal Services, People Services (includes training, learning and development)
- Professional Standards

Principle Five: Developing the entity’s capacity, including the capability of its leadership and the individuals within it

The PCC and the Chief Constable recognise that the people within the Organisation deliver the service and to be effective in meeting the needs of the communities of Gloucestershire the Organisation must ensure that there are enough people with the right skills to meet changing demands. Officer recruitment took place during 2019/20 with an aim of improving on the 2018/19 position where the Constabulary was operating with significantly fewer officers and staff than in 2010.

The PCC has implemented a staffing structure within the OPCC to ensure that it has the necessary capability and capacity to provide support to deliver his statutory functions, which includes commissioning services for victims and witnesses. The Chief Executive manages the OPCC and reviews the workload and capacity of the office. The Deputy PCC was appointed in October 2016 to assist the PCC with his workload.

The Constabulary has developed ‘Our approach to people’ based upon five strands:

- Supportive Leadership and Wellbeing
- Better Together – ensuring the team is diverse, representative and inclusive
- Workforce Development
- Recognition and appreciation
- An employer of choice

The Organisation has made a commitment to all staff to make Supportive Leadership and Wellbeing central to everything that it does:

- A Supportive Leadership course has been developed
- The Constabulary has a Wellbeing Board that is chaired by the Chief Constable.
- An external assistance programme, including counselling services, is provided for all officers and staff.
- All officers and staff in the Constabulary and the OPCC have personal development reviews (PDRs). The process has been reviewed and PDRs are now used for internal candidates within the promotion process. The software

for PDRs has been upgraded to support better engagement between managers and staff and provide additional features to help users.

HMICFRS stated, in their report in May 2019, that Senior Leaders support the workforce and encourage a culture of continuous improvement and ethical behaviour.

The staff survey conducted in 2018 saw an improvement across nearly all measures. The results showed that levels of public service motivation are high, there is a strong sense of collective identity and that levels of organisation support have improved.

There was a significant improvement in fairness perceptions, so that individuals are more likely to consider that decisions made across the organisation are fair. Levels of emotional energy have declined and initiatives to improve emotional energy will feature heavily in future planning.

As reported earlier, force level results from the national wellbeing and inclusion survey, expected in early 2020 were delayed due to the Covid-19 pandemic.

Principle Six: Managing risks and performance through robust internal control and strong public financial management.

All strategic decision making is carried out in accordance with the Corporate Governance Framework.

- The main decision making meeting for the PCC is the PCC's Governance Board. All significant decisions by the PCC are made at this meeting, and are recorded and published. The Chief Constable, the Chief Executive, the Deputy PCC, the Deputy Chief Executive, the Deputy Chief Constable, the Chief Finance Officer and the Joint Head of Communications and Engagement attend the meeting. At each meeting an update is provided by the Constabulary on progress on one of the priorities in the Police and Crime Plan, and the PCC receives updates on performance in areas where issues have been identified.
- The main decision making meeting for the Constabulary is the Constabulary Governance Board which meets monthly and is chaired by the Chief Constable. The Board receives business cases for all projects initiating significant change and reports on the financial position of the organisation. These arrangements ensure that key decisions are taken at the appropriate level and are referred to the PCC when required.

The PCC and the Chief Executive hold a weekly holding to account meeting with the Chief Constable. Notes of one such meeting each month are published on the PCC's website.

The joint Finance Panel meets monthly and is attended by the PCC, the Chief Constable, the Deputy PCC, the Deputy Chief Constable, the Chief Finance Officer and the Chief Executive. The meeting is held to discuss and review financial matters and financial decisions are referred to the PCC's Governance Board.

There are a number of Constabulary Boards that have aspects of performance included within their terms of reference, including:

- Performance Improvement Meeting

- Operational Policing Board
- Information Governance Board
- Transformation Delivery Board
- Strategic Development Forum
- Workforce Delivery Board

Joint Audit Committee

The PCC and the Chief Constable have established a Joint Audit Committee. The purpose of the Committee is to provide independent assurance to the PCC and the Chief Constable of the adequacy of the risk management framework and the associated control environment and to provide independent scrutiny of the financial and non-financial performance to the extent that it affects exposure to risk and weakens the control environment. The Committee receives reports from the internal auditor and the external auditor, and other reports as required.

The Committee's terms of reference include the following:

- Consider the Corporate Governance Framework and make recommendations as appropriate.
- Keep under review the effectiveness of the internal control systems and seek assurances regarding the systems
- Consider the effectiveness of the risk management policy and arrangements and regularly review the corporate risk register
- Keep under review the effectiveness of internal audit, advise on the appointment of internal auditors and the annual plan and receive and review audit reports, and monitor the progress on high priority recommendations
- Keep under review the effectiveness of external audit, consider the external audit plan and receive and review reports from the external auditor
- Keep under review anti-fraud and anti-corruption arrangements.
- Review the annual statement of accounts
- Recommend approval of the Annual Governance Statement.

The members of the Audit Committee are Chris Marshall (Chair), Mike Nadin and Sally-Anne Barnes.

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 five principles in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010):

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.

From August 2016 the PCC and the Chief Constable have shared a Chief Finance Officer. To date no conflict has arisen as a result of a single officer reporting to two principals. Sharing the Chief Finance Officer has ensured that all relevant financial information held by the Force is available to the Chief Finance Officer for the PCC and all significant decisions and commitments, with financial implications, are reported to the OPCC.

Risk Management Processes

Mechanisms for the management of risk are embedded in the operational and organisational activities of the Organisation. 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.

The Strategic Risk Register is developed through the analysis of risks held on the Constabulary's, the PCC's, departmental, operational and functional delivery plans.

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.

The Risk Review Group, chaired by the Deputy Chief Constable regularly considers the Corporate Risk Register and high risks within the departmental risk registers.

There are four significant "red" risks on the Strategic Risk Register:

1. There is a risk relating to the disruption or loss of the Gloucestershire police network because of malware infection. This can lead to the loss or compromise of data or the denial of service (no network). There are controls in place to mitigate this risk but the risk is still scored high. The ICT team have implemented full

protective monitoring and increased security on the network, and all staff have been alerted to the issue and issued with security education.

2. ANPR infrastructure is coming to end of life, to help mitigate the risk a full business case is being prepared, to help reduce the risk in the meantime 10 new cameras were purchased in April 20, they are due to arrive in August 2020.
3. End of support for the Windows operating system in use on Force devices results in loss of support, security breach, inability to run Office 365 and associated applications. Mitigation has been the extension of support until November 2020. ICT project manager been appointed, window 10 is currently being tested, data being reviewed and action plan being developed.
4. Faults with the FCR telephone system and call recording mean 999 calls are not received and recording of calls are lost. Mitigation, ICT will be appointing a project manager to assess options of the replacing the NICE recording system with the voice recording that comes as part of the UCCE (the existing telephone system). This would require an upgrade of the UCCE, it is not clear that it would support radio recording and so may not be an acceptable alternative.

Risk Management processes are also embedded in the operational and organisational activities of the Organisation, including:

- 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.

Prior to COVID-19 the financial outlook, particularly for policing, was becoming more positive. COVID-19 however, has brought significant economic and operational uncertainty. It is not yet fully understood how this will impact grant funding and local council tax funding, nor how it will affect immediate and longer-term costs. As far as possible, our financial planning will take into account the expected medium and longer-term consequences of COVID-19.

Principle Seven: Implementing good practices in transparency, reporting and audit to deliver effective accountability

The PCC and the Constabulary are committed to ensuring they are open and transparent in the way that they conduct business, and have effective working relationships with the internal auditor, the external auditor and HMICFRS.

Internal Audit

The South West Audit Partnership (SWAP). Act as the Organisations internal auditors. SWAP's work complies with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. The work of the team is guided by the Internal Audit Charter which is reviewed annually.

The PCC and the Chief Constable commissioned the services of SWAP for 2019/20 and an annual plan was developed in conjunction with the Joint Audit Committee to audit a range of business areas during the year. The reports from these audits were scrutinised at the Joint Audit Committee.

SWAP are required to provide an opinion to support the Annual Governance Statement, which was reported to the Audit Committee in August 2020:

“On the basis of the majority of the assurance opinions provided as a result of Internal Audit work completed in 2019/20, and giving consideration to the adequacy and effectiveness of the wider governance and risk management arrangements at the Constabulary and OPCC, overall I am able to offer a **Reasonable** Annual Opinion. There are currently no significant issues that Internal Audit is aware of which would require inclusion within the Annual Governance Statement”.

COVID-19 has presented additional challenge, and in some cases our internal audit timetable has been delayed or deferred. We recognise the critical importance of this function, and the progress of internal audit in the coming year will be monitored closely to ensure the impacts of COVID-19 do not have a permanently adverse effect.

External Auditors

Grant Thornton are the independent external auditors for the PCC and the Chief Constable. 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 give an opinion on the accounts of the PCC and the Chief Constable and to issue a value for money conclusion.

For the audit of the 2018/19 accounts, signed off in July 2019, Grant Thornton provided an unqualified opinion in respect of the PCC's financial statements, including the group financial statements, and the Chief Constable's financial statements. They also reported that in all significant respects the PCC and the Chief Constable had proper arrangements in place to secure economy, efficiency and effectiveness in the use of their resources.

Following a tender process run by Public Sector Audit Appointments Limited (PSAA) nationally, Grant Thornton were re-appointed as the Organisation's external auditors

from 2018/19 for five years.

Due to Covid-19 the timetable for audit and approval of the 2019/20 financial statements has been extended. The financial statements are due for finalisation at the end of 2020 or early 2021.

HMICFRS

Before 2018, every force received a separate report for each inspection pillar. Reports were published by pillar, building up to an overall view of the force's performance at the end of the PEEL cycle.

From 2018/19 inspection year, the approach was changed to become more integrated. Each force receiving one report, providing a rounded assessment of its performance over the year. The reports are published in batches of 14 or 15 at a time. Therefore, the Constabulary was last subject to review by HMICFRS in October 2018 under the Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection and their report was published in May 2019. The following outcomes for 2018 were reported:

- **Effectiveness**
The Constabulary was assessed as good in respect of its effectiveness. The overall judgement for the previous year was requires improvement. The Constabulary was graded as good for preventing crime and tackling anti-social behaviour, investigating crime and protecting vulnerable people. The Constabulary has made good progress but must do more to increase its understanding of serious and organised crime and target its resources where harm is most likely. The Force was graded as requiring improvement in this area.
- **Efficiency**
The Constabulary was assessed as good in respect of how efficient it is in keeping people safe and reducing crime, the same as the previous year. The Constabulary was judged to be good at meeting current demand and using resources and at planning for the future.
- **Legitimacy**
The Constabulary was assessed as good in respect of legitimacy with which it keeps people safe and reduces crime. The Constabulary was inspected for ethical and lawful workforce behaviour and rated good. It was not inspected for the fair treatment of the public and the fair treatment of the workforce, and retains the good scores from 2017.

The Constabulary prepared its Force Management Statement (FMS) for HMICFRS, which was submitted in May 2019.

A FMS is a self-assessment that chief constables (and London equivalents) prepare and give to HMICFRS each year.

It is the chief constable's statement and explanation of:

- The demand the force expects to face in the foreseeable future;

- The current performance, condition, capacity, capability, serviceability and security of supply of its workforce and the extent to which current force assets will be able to meet expected future demand;
- How the force will change and improve its workforce, policies, practices and other assets to cope with future demand;
- The impact you expect those changes to have and the effect of any residual risk of service failure; and,
- The money the force expects to have to do all this.

The FMS helps to identify which areas of a force's activities present the greatest risks of harm to the public due to service failure or inadequacy. This will in turn inform the focus and depth of inspections undertaken by HMICFRS.

Police Pensions Board

A South West Police Pension Board has been set up which covers the five forces in the region. The Board is established by the Scheme Managers (Chief Constables) for the five forces under the powers of Section 5 of the Public Service Pensions Act 2013 and has an independent chair. Its purpose is to assist the Scheme Managers in their duty to ensure compliance with scheme regulations and the requirements of the Pensions Regulator. The Chief Finance Officer represents the Chief Constable and the PCC at the meeting.

Review of Effectiveness

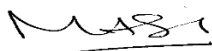
The PCC and the Chief Constable have responsibility for conducting, at least annually, a review of the effectiveness of the governance framework, including the system of internal control. The review of effectiveness is informed by the work of senior officers and staff who have responsibility for the development and maintenance of the governance environment, the annual report from the Internal Auditor, 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 the PCC, the Chief Constable, the Chief Executive and the Chief Finance Officer are satisfied that the arrangements for governance, risk management and control are adequate and effective.

Significant Governance Issues

There are no significant governance issues.

Signatories



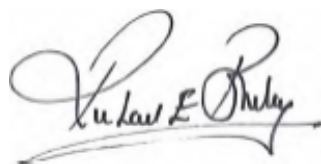
M SURL

Martin Surl
Police and Crime Commissioner



R HANSEN

Rod Hansen
Chief Constable



R BRADLEY

Richard Bradley
Chief Executive



P SKELTON

Peter Skelton
Chief Finance Officer for the PCC and CC

Date: 15 January 2021