



STAFFORDSHIRE  
POLICE

# Chief Constable Annual Governance Statement 2016/17.

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## SCOPE OF RESPONSIBILITY

The Chief Constable is accountable not only for how much is spent across the organisation, but also for the stewardship of how resources are used. This includes accountability for outputs, both positive and negative, and for the outcomes that have been achieved. In addition, the Chief Constable has an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, appropriateness of all actions can be demonstrated and mechanisms are in place to encourage and enforce adherence to ethical values and to respect the rule of law.

In discharging this overall responsibility the Chief Constable is required to put in place proper arrangements for the governance of the Force's affairs, facilitating the effective exercise of its functions including arrangements for the management of risk.

The Chief Constable has adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLCAE framework Delivering Good Governance in Local Government. The Framework which was originally published by CIPFA in conjunction with SOLACE in 2007, sets the standard for local authority governance in the UK. The Framework was reviewed in 2015, and an updated edition published in spring 2016. A copy of the Joint (with the Office of the Police and Crime Commissioner – OPCC) code can be accessed via the force website [www.staffordshire.police.uk](http://www.staffordshire.police.uk)

## REVIEW OF THE EFFECTIVENESS OF THE GOVERNANCE ARRANGEMENTS

### *1. Developing, communicating and embedding codes of conduct which define standards of behaviour for leadership and staff, and policies dealing with whistleblowing and conflicts of interest*

There is strong leadership from the Chief Constable with the tone and culture of the Force clearly set out and demonstrated by the Executive Officer Team. Staff are aware of the standards expected of them and the importance of the national Code of Ethics (introduced nationally across the service in July 2014). The Code of Ethics is built on the Nolan principles of public life. The People Services Department has brought together the Human Resources (HR) department, the Performance and Standards Unit (PSU) and the training department to co-ordinate activity and work together to oversee people activity effectively. The Anti-Corruption Unit (ACU) remains separate.

The Force actively examines information and intelligence from a broad range of sources in an innovative and productive way; triggering timely interventions and early identification of staff who may be at risk of wrongdoing or vulnerable to corruption. A quarterly PSU newsletter is circulated to all staff outlining clearly standards of behaviour along with highlighting outstanding standards of performance and communicating where individuals have fallen below the standards which are expected of them which have resulted in misconduct hearings and in some cases dismissal.

The Force has a whistleblowing policy which is supported by a whistle blowing system (Bad Apple). A review of the whistle blowing has been undertaken by the Ethics, Transparency and Audit Panel (ETAP) which has made a number of recommendations to support the force to improve the processes around this. Clearly defined policies and processes are in place for dealing with complaints. Complaints and investigations are undertaken by the PSU and ACU. The Force has an effective, ongoing dialogue with the Independent Police Complaints Commission (IPCC) who also have a confidential hotline.

The force requires that all gifts and gratuities are logged for transparency, even where declined. Executive officers expenses are available publicly and are reviewed by ETAP and PSU undertake regular dip samples of expenses and other systems. Any agreed secondary employment is recorded and a process for authorisation of new business interests is in place.

HMIC judged the force overall as 'Good' in terms of legitimacy for 2016.

## *2. Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful*

The Force has a Section 151 Officer (S151 of the Local Government Finance Act 1972) in the form of Head of Financial Services, who has responsibility for finance and to ensure the dispersal of funds is appropriate and lawful.

The Force has direct links to the College of Policing and reviews all Authorised Professional Practice in the context of its own policies and procedures. All policies and procedures are subject to an Equality Impact Assessment (EIA) and are reviewed in the context of the Code of Ethics and signed off at Executive Officer level. The Force has a Policy Development Officer to oversee this process. Governance for this area sits with the Policy Steering Group to ensure the Force is compliant and lawful. In addition there is a dedicated Policy Review and Development Team for the area of Public Protection which ensures that all local and national lessons learned and recommendations around serious case and safeguarding reviews for both adults and children are used to enhance service provision to those most vulnerable in our communities. There is an annual programme of inspections by Her Majesty's Inspectorate of Constabulary (HMIC) and internal and external audit give assurance or raise issues to ensure that laws, regulations, policy and expenditure are complied with lawfully.

During 2016/17 a number of areas for improvement were highlighted by the internal audit process, with a number of individual reports receiving 'limited' assurance. A majority of areas requiring improvement have been identified across the 'core financial systems' at the early part of the audit programme. In response to this the force has put a comprehensive improvement plan in place led by the Chief Constable's Chief Finance Officer (CCCFO) which has resulted in notable (by ETAP and the Internal Auditors) improvements. There are however recommendations that are reliant on a key systems upgrade which forms part of the delivery plan set for completion in autumn of 2017. Additional limited assurances were given around transport collaboration (the Force is aware of the weaknesses and these are being addressed through an IT solution) and the management of property stores (where weaknesses are being addressed through an Estates solution). The force has already put measures in place to address a number of 'other system review' recommendations.

For the 2016 the HMIC Police Efficiency, Effectiveness and Legitimacy (PEEL) force inspections have not highlighted any causes for concern. A number of areas for improvement were given which are being addressed locally and overseen at senior manager level. ETAP regularly review progress made against external recommendations and this forms part of the quarterly Chief Constable's Governance report tabled at each meeting.

The force has a robust action planning system that tracks the implementation of external recommendations including internal audit and HMIC. However a weakness has been identified in the governance arrangements surrounding the monitoring of these recommendations. The force's revised governance structure, through a new Service Improvement Board, will address this.

Support around legal matters is given as appropriate to the CC via the Head of Legal Services.

***Action 1: Recommendations from the action planning system will be reviewed on a monthly basis through the service improvement board to enable prompt action to address internal control weaknesses.***

### ***3. Documenting a commitment to openness and acting in the public interest***

The Code of Ethics is embedded across the force and is a key strand in training and policy development. The Chief Constable has made clear expectations of standards of behaviour in line with the code and has publically signed a pledge to meet these at all times. The code requires all those in the policing family to act with openness, fairness and respect. The standards within the code are accessible to the public and staff and are those by which the public assess the level of professionalism in how services are provided. The Chief Constable makes clear the message that staff and officers are here to keep communities safe and reassured and to protect those who are most vulnerable.

Staffordshire Police publishes a number of key documents in line with the force publication scheme, this includes Executive Officer expenses, responses to inspection activity, and minutes from strategic level meetings. With the implementation of a new Force website there is an opportunity to assess what we publish to make information accessible to the public.

***Action 2: The force will review the scope of the documents it makes available to the public and ensure that where appropriate information is made as accessible as possible to the public.***

### ***4. Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation***

The Police and Crime Commissioner (PCC) has a programme of consultation with the public, partners and other stakeholders. The force conducts specific consultation with victims of crime which will influence how services are delivered going forward. In addition Safer Neighbourhood Panels have been established as an extension of ETAP to hold local policing commanders to account for service delivery in the communities for which they are responsible. The Force has a well-established citizen's panel and also records face to face interviews with residents on its bespoke citizen focus toolkit which enables the Force to understand crime and disorder issues being faced by residents. There have been over 1,300 local community meetings open to the public during the course of 2015/16 and there is a commissioned policing, public safety and quality of life survey which tracks trends and issues over time by locality. The Force uses social media to communicate and consult quickly and effectively with large groups of the community via Twitter and Facebook.

Work is ongoing to enhance and develop the force's engagement strategy to build on current methods and broaden reach across communities.

During 2016 HMIC judged the force as 'Good' overall in terms of treating people with fairness and respect. There was one area of improvement noted around seeking feedback and identifying issues that impact of the perception of fairness which the force has responded to by implementing a number of additional measures to improve community awareness and develop an Engagement Strategy delivered through the Force's newly appointed Engagement Board at a senior management level.

The Force endeavours to meet compliancy with the Freedom of Information (FOI) Act and responds to FOI requests in line with the required timeframe to ensure that the public has access to the information that legislation entitles them to.

### *5. Developing and communicating a vision which specifies intended outcomes for citizens and service users and is used as a basis for planning*

The Chief Constable's policing plan 2013-18 sets out the vision, mission and strategic objectives, and core values for Staffordshire Police.

#### ***Our Vision***

We'll work even more closely with partners to deliver excellent policing services for the county's residents, businesses and visitors. At all times, we'll strive to keep them safe, prevent, them from becoming victims and reduce their fear of crime and anti-social behaviour.

#### ***Our Mission***

Keeping our communities safe and reassured.

#### ***Our Strategic Objectives***

Deal with what matters to communities  
Provide outstanding service  
Prevent crime and disorder.

#### ***Our Core Values***

Honest, Impartiality, Fairness, and Respect in all we do

The policing plan supports the Police and Crime Commissioners broader Safer, Fairer United Communities strategy, which looks to bring public agencies, the voluntary sector, businesses and the community together to reduce crime and anti-social behaviour and improve community safety.

The joint (with the OPCC) 'Our vision for transforming policing in Staffordshire by 2020' document clearly outlines the need for change recognising that the Force is operating in some of the most challenging of times in the history of the service. The challenges are financial as well as requiring the organisation to adapt to changing public expectations and deal with current and emerging threats and risks to public safety.

The Force has undertaken a significant amount of analysis and review of how it will meet ongoing and emerging demands. This work has been supported by external consultants (KPMG) and 'gateway' review undertaken to ensure the validity of the approach taken to date. During 2016/17 the force has identified a new operating model that will see the restructure and redesign of service delivery. Public confidence and outcomes will be at the heart of the changes that are implemented which will focus on dealing with what matters to people supported by engagement with the community and other partners.

As part of this work, the force will develop a revised policing plan working with the OPCC to support delivery of the Police and Crime Plan. Increased robustness in the annual business planning cycle will result in a force management statement that will enable the force to have the best fit to match resources to current and predicted demand.

***Action 3: The force will produce a revised policing plan and 'force management statement' to support sound decision making and public accountability against the delivery of priorities.***

## *6. Translating the vision into courses of action for the organisations and their partnerships*

The 'Our vision for transforming policing in Staffordshire by 2020' document outlines how the force will change for the better of communities, those with which it works and for the officers, staff and volunteers across the organisation.

The Strategic IT Partnership between Staffordshire Police and Boeing Defence UK represents a unique and innovative opportunity to develop new systems and new ways of working that will help police officers and police staff work more effectively and provide a more streamlined service for the communities of Staffordshire. A significant amount of work to address legacy issues has been undertaken during 2016/17 to ensure that the force has a stable platform on which to affect the changes that the partnership will bring. Facilities management continues to be delivered by Keir on behalf of the force. Additional collaborative partnerships are successfully in place with other blue light services and local authorities to deliver around areas such as safeguarding, regional organised crime and motorways policing. The force has forged further partnerships with academic establishments to help understand and develop culture and is leading the national agenda around forensics in partnership with Staffordshire University to develop upstream solutions to digital forensics which assist around safeguarding issues and increase capability and capacity.

During 2016/17 the force has worked closely with KPMG to understand the changes that must be made to current operating model to deliver for the communities of Staffordshire. Approval of an outline business case for a new operating model will be implemented under the direction of a newly appointed Chief Constable.

## *7. Reviewing the effectiveness of the decision making framework, including delegation arrangements, decision making in partnerships, information provided to decision makers and robustness of data quality*

There is a clear decision making framework within the organisation with all key strategic decisions being taken at the Chief Officer Management Meeting (COMM). This is supported by a number of DCC and ACC chaired boards ensuring transformational change (transformation governance was reviewed during 2016/17 and awarded a 'substantial' assurance), operational priorities, threat and risk and service improvements are coordinated. A number of key decision making forums exist with partners such as Staffordshire Fire and Rescue to oversee the collaborative arrangements in place. There has also been a refresh of the governance and decision making of the partnership with Boeing.

There has been a review of key force meetings and decision making and delegations which will see further revision to the current process. This will look to streamline and enhance scrutiny, oversight and accountability further. There is a joint (with the OPCC) decision making mechanism through Strategic Executive Group (SEG) which is held monthly and has all Force and OPCC executive level officers and staff in attendance. The Chief Constable attends the Safer Staffordshire Strategic Board which was established in 2013/14 as the overarching governance body for community safety and crime and disorder across Stoke-on-Trent and Staffordshire.

Data quality is audited both internally and externally by Her Majesty's Inspectorate of Constabulary (HMIC). The Deputy Chief Constable is the named officer responsible for data quality. The force seeks reassurance via its Information Assurance Board that data is being used and shared appropriately and in line with data protection and information assurance requirements. In the event of any potential data breaches, the force has a record of early self-referral to the Information Commissioners Office for independent review and to ensure openness and transparency

HMIC recognised in their 2016 Force inspection report that the Staffordshire was 'Good' in terms of crime data integrity.

#### *8. Measuring the performance of services and projects and ensuring they are delivered in accordance with defined outcomes and that they represent the best use of resources and value for money*

Force performance and outcomes are scrutinised at a quarterly public performance meeting, chaired by the PCC to hold the Chief Constable to account. There are a series of thematic inquiry sessions where the OPCC also scrutinises the Force's performance. For 2017/18 a more formal approach is being developed by the OPCC as part of a performance framework to hold the Chief Constable to account.

Strategic level partnership meetings with Local Authorities, Health and other blue light services form part of the wider governance arrangements and set the direction for broader County and City wide issues.

The force has a Benefits Realisation Team which is intrinsically linked to the transformational change activity by monitoring outcomes, aligning finance, human resources and demand to deliver value for money.

A centralised Service Development Unit, monitors operational performance and reports directly to the Deputy Chief Constable. A monthly scrutiny session around performance is



led by the Chief Constable and COMM, with local performance support meetings at each LPT chaired at ACC level.

The financial performance of the Force and OPCC is monitored through monthly budget out turn reports and refreshed Medium Term Financial Strategy (MTFS) where variances and longer term gaps are identified and discussed at senior level meetings. Where there is movement away from budgeted income and expenditure, then there is a focus on understanding where potential and actual differences in spend and income have arisen from. Good financial control arrangements allow implications on budgets and value for money to be understood and corrective plans put in place where appropriate to either maximise or minimise the financial impact.

During 2016/17 the force also took the decision to create a small unit to support and challenge performance and outcome delivery. The Scrutiny and Support Unit (SSU) has already reviewed areas around quality of investigation, Rape and Serious Sexual Offences, and will also link across where appropriate to support operational areas where internal audit have not felt able to offer satisfactory assurance levels.

The force was given an overall judgement of 'good' from HMIC in 2016 for 'how efficient the force is at keeping people safe and reducing crime'. This looked at demand management, sustainability and affordability, and the financial position for the short and long term. However this position will not be sustainable for the long term without further extensive transformation activity.

#### *9. Defining and documenting the roles and responsibilities of leadership and management, with clear protocols for effective communication in respect of the organisations and partnership arrangements*

The force has a Leadership and Culture strategy in place which is underpinned by the core values of the force and the Code of Ethics. A number of workshops with managers have taken place to ensure awareness of the expectations of leaders within Staffordshire Police.

Role profiles are used as part of the ongoing continuous development of staff and for conducting the force's internal performance review process of 'i-matter' to ensure that supervisors and leaders are having regular appropriate and relevant conversations with staff in terms of performance and development within their current and future role.

Communication is a core capability for leaders and managers and all are required to:

- Put victims and communities at the heart of everything you do
- Deliver positive outcomes for them
- See policing as a vocation - public service before self service
- Coach, motivate and inspire your teams to achieve and improve
- Lead with enthusiasm and optimism – even when it's hard to
- Be available and accessible to your staff – engage with them
- Consult and involve staff – especially over change
- Innovate. Think outside the box rather than just ticking it

- Be an effective negotiator

Where appropriate, the force has standard operating procedures and information sharing agreements to enhance partnership working especially in order to identify vulnerability. The Multi Agency Safeguarding Hub is a good example where together with other agencies, the force is jointly located and sharing information effectively.

Partnerships with external providers such as Boeing and Keir have governance arrangements in place. These are reviewed and revised to ensure effective decision making and clarity of roles and responsibilities.

*10. Ensuring that financial management arrangements conform with the governance requirements of the CIPFA Statement of the Roles of the Chief Financial Officers in Policing and, where they do not, explain why and how they deliver the same impact*

The organisation's financial governance and management arrangements are all based on the CIPFA Financial Management Code of Practice for the Police Service of England and Wales as presented to Parliament pursuant to Section 39A(5) of the Police Act 1996 and Section 17(6) of the Police Reform and Social Responsibility Act 2011. This identifies the roles and responsibilities of the Chief Constable and the Chief Constable's Chief Finance Officer separately from those of the Police and Crime Commissioner and the Police and Crime Commissioner's Chief Finance Officer.

During 2016/17 the Force in collaboration with the OPCC has reviewed and refreshed the Financial Regulations and Scheme of Delegation to ensure the organisation remains up to date with its strategic financial control environment. Weakness around the monitoring arrangements at the strategic level has been identified and further work will be undertaken by the CCCFO to ensure systems and processes are in place so the organisation can evidence compliance with the financial management frameworks. For 2017/18 ETAP and the Audit Sub Group will continue closely to monitor progress in the area.

**Action 4: The CCCFO will review financial management activity throughout the year and ensure there are systems and processes in place to evidence compliance.**

*11. Providing induction and identifying the development needs of leadership and senior officers in relation to their strategic roles, supported by appropriate training*

Executive Officers at Assistant Chief Constable level and above (including police staff equivalent) must successfully complete a national standard of Strategic Command. Business heads for HR, Finance and Legal services are all professionally trained and qualified. The Force holds a quarterly Strategic Leadership Group to develop skills internally and consult with colleagues.

The Leadership and Culture strategy overseen by the Leadership and Culture Board is driving forward a co-ordinated approach to continuous professional development, behavioural competency framework, training needs, talent enablement, and leadership passport. Promotion and selection will be underpinned by the demonstration of evidence from individuals which will also demonstrate clearly fairness and transparency.

The force has developed a recruitment and promotion prediction product that details the time line from 2016/17 to 2019/20 with respect to officers retiring across all ranks. The report details specifically officer within the next 12 months and an accompanying booklet details those officers with specific skills and capabilities that may retire in each year to 2019/20. The products are reviewed regularly through the force's Establishment Panel to ensure that recruitment and promotion plans are in line with succession planning needs.

All officers and staff have a formal induction process which is supported by HR professionals.

### *12. Reviewing the effectiveness of the framework for identifying and managing risks and for performance, demonstrating clear accountability*

The Force manages risk in a variety of ways to ensure that both operational and business risks are identified, controlled / mitigated and managed as appropriate and in accordance with Force policy. The following measures are in place to ensure effectiveness in this area:

- Quarterly Joint Strategic Risk Management Group chaired by the Deputy Chief Constable
- Joint Governance Working Group meetings are held monthly to co-ordinate an annual review plan around governance including the management of risk
- Individual risk registers for each key areas of the Force including the transformation programme
- Regular internal audit reports which identify the risks in those areas examined
- The Section 151 Officer ensuring the propriety and legality of financial transactions and recognising risk when setting the budget
- Financial regulations and contract standing orders supported by appropriately qualified finance and procurement staff
- Professionally qualified staff and business area leads in all key areas across the organisation
- HR procedures supporting terms and conditions of employment for staff supported by qualified HR specialists
- Reporting mechanisms and trained staff reviewing and taking action to address Health and Safety risks
- Risks from complaints and internal conduct issues investigated by the PSU or the Anti-Corruption Unit and appropriate action taken.

How the Force identifies and manages risk is regularly monitored by both the Police and Crime Commissioner along with external insurers and internal auditors upon their request for additional assurances. Additionally ETAP have appointed a 'risk champion' to work closely with the force and the OPCC to offer specific scrutiny and support to this area.

In 2016 a controls assurance review was undertaken by internal audit with a number of recommendations. Via the Joint Governance Working Group, these areas have been reviewed and actions agreed. For 2017/18 the force and OPCC have launched a revised risk management procedure based on good governance principles and best practice shared by external consultants.

The Force and the OPCC 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 the senior management teams within the Force and OPCC who have responsibility for the development and maintenance of the governance environment.

***Action 5: The force will ensure that all senior officers and staff receive training and support to ensure that risk identification and control is evident across all departments and is reflected fully in strategic decision making.***

### *13. Ensuring effective counter fraud and anti-corruption arrangements are developed and maintained*

The PSU directs investigations on a day-to-day basis. The ACU team has successfully identified and brought proceedings against officers and staff during 2015/16 where they have fallen below the standards that are expected of them. Counter-fraud arrangements are independently reviewed by ETAP.

The Force uses the National Crime Agency (NCA) threat assessment process to consider any risks around the three nationally identified areas; information management; abuse of powers or police authority; and organised crime groups.

The closed session of the monthly PSU co-ordination meeting provides an opportunity to identify harm reduction strategies and to develop preventive or proactive methods to investigate and identify corrupt practice.

### *14. Ensuring an effective scrutiny function is in place*

The force has its own internal decision making and scrutiny arrangements with COMM being the force's equivalent to a board meeting. At the strategic level matters are escalated up by exception via the force's DCC and ACC lead oversight meetings.

There has been a review of key force meetings and decision making and delegations which will see further revision to the current process. This will deliver streamlined and enhanced scrutiny, oversight and accountability.

Beyond the force's own scrutiny arrangements, independent assessments are made via HMIC, Internal and external auditors, ETAP and Safer Neighbourhood Panels. Any recommendations resulting from external reporting are recorded onto the force's action planning system and are monitored via internal scrutiny mechanisms and assurance provided to ETAP and other independent reviewers where appropriate.

Peer inspections are also undertaken where appropriate (for example a peer to peer review around stop and search took place during 2016 with Cheshire Police) to provide additional scrutiny outside of the formal inspection framework along with academic partnerships to provide a more robust evidence base around decision making.

The Chief Constable is held to account by the PCC formally via a number of scrutiny meetings including confidential inquiry sessions where the matter may be of operational sensitivity and a public quarterly performance meeting. The CCCFO also meets regularly with the Director of Finance and Performance of the OPCC.

*15. Ensuring that assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit and, where they do not, explain why and how they deliver the same impact*

The organisation's financial governance and management arrangements are all based on the CIPFA Financial Management Code of Practice for the Police Service of England and Wales as presented to Parliament pursuant to Section 39A(5) of the Police Act 1996 and Section 17(6) of the Police Reform and Social Responsibility Act 2011. This identifies the roles and responsibilities of the Chief Constable and the Chief Constable's Chief Finance Officer separately from those of the Police and Crime Commissioner and the Police and Crime Commissioner's Chief Finance Officer. The role of internal audit is provided to the Force via contracted arrangement with the Head of Internal Audit ensuring that there is a strategy and plan developed on a risk basis with appropriate levels of involvement from the Force and the OPCC.

*16. Undertaking the core functions of an audit committee, as identified in the CIPFA statement: Audit Committees: Practical Guidance for Local Authorities and Police Bodies*

There is a joint Audit Committee (ETAP) for the Chief Constable and the Police and Crime Commissioner. The remit of the committee is to provide "overall independent assurance of the adequacy of the corporate governance and risk management framework and the associated control environment and independent scrutiny of the Police and Crime Commissioner's and Chief Constable's financial and non-financial performance" The remit of the committee was extended in 2013 to include:

- Ethics and Professional Standards
- Governance and Irregularity
- Transparency.

The panel undertook a self-assessment supported by the internal audit function during the early part of 2016/17 to identify areas where any additional training needs and good practice may need to be developed. The results of the review were used to create an action plan that has driven a significant amount of activity to address where gaps were identified (including risk management training) to ensure that the panel is undertaking all of the requirements of an audit committee, as identified in CIPFA's Audit Committee – Practical Guidance for Local Authorities and Police (2013). A key result from the review was the creation of an Audit Sub Group to provide specific scrutiny over the financial elements of the panels remit.

For 2017/18 ETAP will look to increase membership to ensure that any capacity issues and skills gaps are addressed.

*17. Ensuring that the organisations provide timely support, information, and responses to external auditors, and properly considers audit findings and recommendations*

Staffordshire Police's external auditors, (Ernst and Young), provide regular reports at ETAP. At these meetings panel members are given the opportunity to consider audit findings, challenge and ask for further clarification, and also make recommendations.

The external auditor management letter for 2015/2016 identified a number of recommendations for improvement in the internal control environment and improvements in the provision of information to external audit for preparation and completion of the external audit process. All of these recommendations were accepted by the organisations and significant improvements have been made in this area. Ernst and Young have during 2016/2017 been present at ETAP meetings and reported positively on the improvements that have been made.

The force has reviewed the finance team structure which will be fully implemented as the force-wide transformation programme is developed. Structural gaps are currently being filled with interim management.

*18. Incorporating good governance arrangements in respect of partnerships and other joint working, and ensuring they are reflected across the overall governance structures of the PCC and the Force.*

The governance framework which was reviewed and revised during 2016/17 comprises the systems and processes, culture and values by which the Force is directed and controlled and its activities, through which it accounts to, engages with and leads its communities. It enables the Chief Constable to monitor the achievements of the Force 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 and can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Staffordshire Police's policies, aims and objectives, including partnership and other joint working arrangements to evaluate the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.

During 2016/17 the force and OPCC have developed a Joint Governance Working Group whose terms of reference include a continual review of governance arrangements to ensure best practice.

## **OVERALL LEVEL OF ASSURANCE**

The Chief Constable can provide a positive level of assurance that appropriate stewardship is being applied to the use of resources by Staffordshire Police in order to serve the public interest and to adhere to legislation and policy, and ethical values and respect of the law.

This opinion is given based upon the proactive work that has been undertaken by the Force during 2016/17 that has been highlighted in this document. Alongside this there has been

positive timely action to address weaknesses that has been brought to the Forces attention by Internal Audit, External Audit, HMIC, ETAP and other scrutiny bodies.

The Chief Constable recognises that further improvements need to be made and these are highlighted in the identified actions.

## ACTIONS

The force identified 5 issues for actions from 2015/16 – the update is given below including if this will be carried forward. Below this are the agreed actions identified for 2016/17.

### 2015/16

#### Issue 1:

The OPCC and the Force both have a track record of achieving a balanced budget through effective change management. The MTFS identifies a budget gap of around £6 million up until 2019/2020 and although this is significantly less than in previous years, to continue to be efficient and to achieve the budget gap, efficiency savings will be needed through transforming services.

#### Action

The transformation programme is moving into new governance arrangements. In order to achieve the budget gap and to continuously improve and achieve efficiencies, the transformation programmes will need to release sufficient savings.

#### Update:

During the year an outline business case was developed and a new target operating model was designed. This work continues during 2017/2018 working towards implementing the operating model. Progress around the Transformation Change Plan (TCP) is monitored via the Transformation Board which is chaired by the DCC with executive level representation from the OPCC. Internal Audit have reviewed the governance arrangements in place around the TCP and given a 'substantial assurance' judgement.

#### Issue 2:

Resilience and capacity of the finance team were recommended for review in the annual audit letter from 2014/15

#### Action:

As part of the ongoing transformation work, a specific work stream will focus on the financial function across the force, including any capacity issues.

#### Update:

This work commenced during the year and is embedded as one of the first work packages in transformation. A review was commissioned by KPMG detailing 29 recommendations for change. The implementation of these has commenced and work on a systems reconfiguration is underway. This work will be concluded during 2017/2018.

#### Issue 3:

A recent review has taken place on the internal audit service to Staffordshire Police and the OPCC. The review highlighted areas for improvement and these are being implemented alongside the effectiveness review of ETAP.

#### Action



It was agreed that Staffordshire County Council will continue to provide an internal audit service with a further review in 12 months. Both the internal audit service and the improvement work on ETAP will be subject to further review later in 2016/17.

**Update:**

This review was completed during the year and internal audit have provided a robust service during 2016/17 which has supported developments in the internal control framework.

**Issue 4:**

A number of recommendations have been raised for the force to consider from the internal audit process.

**Action:**

Robust monitoring and reporting against audit recommendations will ensure continual progress against the internal audit process.

**Update:**

The force's action planning system has been utilised to log all internal audit recommendations. Further work is being undertaken in 2017/2018 to embed this further and provide greater management oversight of recommendations being implemented through the revised governance framework.

**Issue 5:**

The governance arrangements of the force come into sharp focus each year in order to produce the Annual Governance Statement. It is intended for 2016/17 that the document will be used broadly across the force to evaluate how the organisation is achieving against its objectives.

**Action**

The Annual Governance Statement will be elevated in status across the force and be used as a 'living document' to highlight throughout the year what is working effectively and where there may be need for improvement.

**Update:**

The need for improved Governance across the Force has resulted in a revision to the overall governance structure. The Annual Governance Statement provides the bedrock for ensuring the Force's Governance is constantly reviewed to ensure it remains "fit-for-purpose".

## 2016/17

**Issue 1:**

The force has a robust action planning system that tracks the implementation of external recommendations including internal audit and HMIC. However a weakness exists in the governance surrounding the robust implementation of these recommendations. The force's revised governance structure, through a new Service Improvement Board, will address this.

**Action**

Recommendations from the action planning system will be reviewed on a monthly basis through the service improvement board to enable prompt action to address internal control weaknesses.

**Issue 2:**

With the implementation of a new Force website there is an opportunity to assess what we publish to make information accessible to the public.

**Action**

The force will review the scope of the documents it makes available to the public and ensure that where appropriate information is made as accessible as possible to the public.



#### Issue 3:

Increased robustness in the annual business planning cycle will result in a force management statement that will enable the force to have the best fit to match resources to current and predicted demand.

#### Action

The force will produce a 'force management statement' to support sound decision making and public accountability.

#### Issue 4:

Work will be undertaken by the CCCFO to ensure systems and processes are in place so the organisation can evidence compliance with the financial management frameworks.

#### Action

The CCCFO will review financial management activity throughout the year and ensure there are systems and processes in place to evidence compliance.

#### Issue 5:

For 2017/18 the force and OPCC have launched a revised risk management procedures based on good governance principles and best practice shared by external consultants.

#### Action

The force will ensure that all senior officers and staff receive training and support to ensure that risk identification and control is evident across all departments and is reflected fully in strategic decision making.

## CONCLUSION

The detail given within this statement represents a clear approach to ensuring that appropriate governance arrangements are in place for Staffordshire Police. The Force is commencing a challenging change programme, the delivery of which will require robust governance. The revised framework will ensure comprehensive monitoring and review of recommendations which will be part of ongoing continuous improvement and transformational change. The force values the independent views of others, and where a need to improve is identified the force will act quickly to address these.

*Signed:*

Gareth Morgan  
Chief Constable

Nick Baker  
Deputy Chief Constable

Steve Cutler  
Chief Constable's Chief Finance  
Officer