



Annual Governance Statement 2020/21 – Draft

Contents

| | Page |
|--|---------------|
| 1. Introduction | 2 |
| 2. Scope of Responsibility | 3 |
| 3. Implementation | 3 - 18 |
| A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law | |
| B. Ensuring openness and comprehensive stakeholder engagement | |
| C. Defining outcomes in terms of sustainable economic, social and environmental benefits | |
| D. Determining the interventions necessary to optimise the achievement of the intended outcomes | |
| E. Developing the entity's capacity, including the capability of its leadership and the individuals within it | |
| F. Managing risks and performance through robust internal control and strong public financial management | |
| G. Implementing good practices in transparency, reporting and audit to deliver effective accountability. | |
| 4. Overall Level of Assurance | 19 |
| 5. Significant Governance Issues (Actions 2020/21) | 19 |
| Appendix A : Annual Governance Statement Action Plan 2019/20 | |
| Appendix B : Internal Control Structure | |
| Appendix C : Annual Governance Statement Action Plan 2020/21 | |

Glossary

| | | | |
|------------------|---|----------------|---|
| AA* | Appropriate Adults | Force | Staffordshire Police |
| AGS | Annual Governance Statement | HMICFRS | Her Majesty's Inspectorate of Constabularies and Fire and Rescue Services |
| APACE | Association of Police Authority Chief Executives | ICV* | Independent Custody Visitors |
| CC | Chief Constable of Staffordshire Police | PAB | Performance & Assurance Board |
| CFO | Chief Fire Officer of Staffordshire Fire and Rescue | PACCTS | Police & Crime Commissioners Treasurers Society |
| DSC | Deputy Staffordshire Commissioner | PFCP | Police, Fire and Crime Panel |
| DWV* | Dog Welfare Visitor | SC | Staffordshire Commissioner |
| ETAP* | Ethics Transparency & Audit Panel | SCO | Staffordshire Commissioners Office |
| ETAP ERP* | Ethics Review Panel for ETAP | SGB | Strategic Governance Board |
| ETAP FP* | Finance Panel for ETAP | SNP* | Safer Neighbourhood Panel |
| FARS | Staffordshire Fire & Rescue Services | | |

* These functions are made up of members of the public

1.Introduction



Matthew Ellis
Staffordshire Commissioner
Police, Fire & Rescue, Crime

As the Police, Fire & Rescue and Crime Commissioner for Staffordshire I have the duty to ensure that we have robust Corporate Governance arrangements in place.

To comply with this duty my office is delegated the responsibility for the preparation and delivery of two Corporate Governance Frameworks, one relating to Staffordshire Police and the other relating to Staffordshire Fire & Rescue.

This Annual Governance Statement (AGS) prepared by my office provides the public of Staffordshire and Stoke-on-Trent an overview of how I have ensured compliance with the published Corporate Governance Frameworks for the year ending 31st March 2021.

I am pleased that again despite a global Coronavirus pandemic in 2020/21, a strong commitment in obtaining the best value for money for Staffordshire and Stoke-on-Trent residents has been demonstrated across the two services and by my office. The Covid-19 pandemic showed robust office business continuity processes were in place and implemented successfully.

Although some functions in the office and in commissioned services were initially scaled back to comply with Government Covid-19 regulations, it is extremely pleasing that business as usual was restored very quickly through the assistance of partners, utilising new technology and implementing different ways of working.

My team attends policing Bronze, Silver and Gold Command Meetings and is also in attendance at Staffordshire Fire and Rescue Service Tactical Cell Meetings. We have assisted in the sharing of information across the services, played a key role in ensuring vital commissioned services continue to operate e.g. victim support, domestic abuse, and worked in a wider partnership, reducing duplication of effort in what has been a challenging time professionally and personally for many.

In June 2020 an addendum to my Police and Crime Plan and Fire and Rescue Plan was published, accessible via this link:

<https://staffordshire-pfcc.gov.uk/covid-19-response-2020-21/>

Annual Governance Statement 2020/21

This document contains further detail on how my office has adapted to these extraordinary times, with reference to the decision made by Government to extend my term as Commissioner until May 2021, ensuring stability in these unprecedented times.

My office has benefitted from additional funding provided by government during the pandemic, to have the police and fire and rescue services. This funding has been utilised in the way intended, with all reporting requirements met. The office has also successfully bid for additional monies during the year e.g. for domestic abuse, to ensure that support to those in need can be provided.

Outside of the direct impact of the pandemic, I am pleased to be able to say that the management of resources in policing has continued to be a strength and that we end 2020/21 in a robust financial position. Given the impact of the pandemic that is not a small achievement.

2. Scope of Responsibility

The Staffordshire Commissioner (SC) has the statutory responsibility to set the strategic direction and objectives of both Staffordshire Police (Force) and Staffordshire Fire & Rescue (FARS). In addition the SC will hold to account the Chief Constable (CC) and Chief Fire Officer (CFO) for the performance of their service against the set objectives.

The SC has wider responsibilities for ensuring that the Staffordshire Commissioners Office (SCO) business is conducted in accordance with the law and proper standards. A cross cutting objective through all of these responsibilities for the SC is that public money is safeguarded and used efficiently and effectively.

In discharging this overall responsibility, the SC is responsible for putting into place within the SCO proper arrangements for the governance of its affairs and facilitating the exercise of its functions, which includes ensuring that a sound system of internal control is maintained through the year and that arrangements are in place for the management of risk. In exercising this responsibility, the SC places reliance on both the CC and CFO to support the governance and risk management processes.

The SC has approved governance frameworks with the CC and CFO that are consistent with the principles of the Chartered Institute of Public Finance and Accountancy guidance 'Delivering Good Governance in Local Government and Police', a copy of which can be found on the CIPFA website.

This AGS explains how the SC has complied with the CIPFA code of practice for good governance and the legal requirements of Regulations 3, 4 and 5 of The Accounts and Audit Regulations (2015) in relation to internal control and internal audit.

3. Implementation

To provide assurance to the SC that appropriate management and reporting arrangements have been made and that these are adequate and effective, the key elements in place include the following:

- The Corporate Governance Frameworks;
- A Risk Management Strategy;
- An Annual Governance Statement produced by the SCO, the Force and FARS;
- The Police and Crime Plan (Force) and the Corporate Safety Plan (FARS) that seeks to focus activity on the issues of highest importance to the people of Staffordshire and Stoke-on-Trent;
- Ensuring that there is an effective Internal & External Audit function.

A key feature of the Governance Frameworks is the system of internal control, based on a framework of robust financial and contract procedure rules and processes, administrative procedures, management supervision and a system of delegation and accountability. Responsibility for delivery against the framework and development of the system is undertaken by managers within the SCO, the Force and FARS and specific elements are reviewed by internal or external auditors as detailed:

| 2020/21 | Internal Audit Provider | External Audit Provider |
|---------|-------------------------|-------------------------------|
| SCO | RSM (UK Group LLP) | EY (Ernst & Young LLP) |
| Force | RSM (UK Group LLP) | EY (Ernst & Young LLP) |
| FARS | RSM (UK Group LLP) | Grant Thornton (UK Group LLP) |

The Governance Frameworks are supported by:

- Performance management frameworks, which are focussed on monitoring and achieving the objectives set out in the Police and Crime Plan and the Corporate Safety Plan;
- Comprehensive budgeting systems that seek to align resources with priorities;
- Financial reporting, which routinely projects end of year outturn positions to allow early corrective action;
- A Commissioning Framework which details the approach to engagement with partners and to commissioning appropriate outcomes through third party providers;
- Engagement in value for money benchmarking such as is conducted by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS);
- Coherent Corporate Governance Frameworks which set out the rules and procedures for effective working within and between the SCO, the Force and FARS;
- An independent Ethics, Transparency and Audit Panel (ETAP) that is charged with seeking assurance over risk, governance and internal control for SCO, the Force and FARS;
- Independent Custody Visitors Scheme (ICVs) and the Safer Neighbourhood Panel's (SNPs);
- Risk Management Strategy, registers and action plans;
- Appropriate statutory officers within the SCO, the Force and FARS, who are key personnel in the respective leadership teams with relevant influence on strategic and tactical matters;
- Codes of Conduct and standards of behaviour clearly set out in governance documents and signed off by the SC.

Contained within the Governance Frameworks is the Code of Corporate Governance which sets out 7 principles of good governance which are taken from the international framework: Good

Annual Governance Statement 2020/21

Governance in the Public Sector (CIPFA/IFAC, 2014), with the aim of encouraging better service delivery, improved accountability ensuring that organisations achieve their intended outcomes whilst operating in the public interest at all times.

The 7 principles are as follows:

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

This AGS will address each one of the seven principles, demonstrating areas of consistent compliance and additional work undertaken in the last year by the SCO.

Please Note: Within this document you will find boxes like this where actions identified by reference number in the 2019/20 AGS have been addressed. All previous years have been actioned.

In summary these actions were:

1. The SCO is to undertake a review of the governance arrangements, specifically the Internal Control and Escalation structure as seen in Appendix B, to ensure fit for purpose and where possible create further efficiency across the organisations.
2. The SCO, with the two services will review the effectiveness of new collaborative arrangements during 2020/21, making recommendations for improvement as required.
3. A thorough review of the business contingency plans implemented in response to the Covid-19 pandemic, including also a review of the recovery plans for these eventualities. Learning to be taken and shared regionally and nationally where applicable.

The full Action Plan for 2019/20 can be seen in Appendix A.

For completeness actions identified against this 2020/21 AGS
are contained in Appendix C.

A

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

The SC and the SCO are committed to the Code of Corporate Governance and operate in a way to promote openness, integrity and compliance with relevant laws and regulations throughout the organisation. The SC has signed up to a published Code of Conduct which is underpinned by the Nolan Principles of public life.

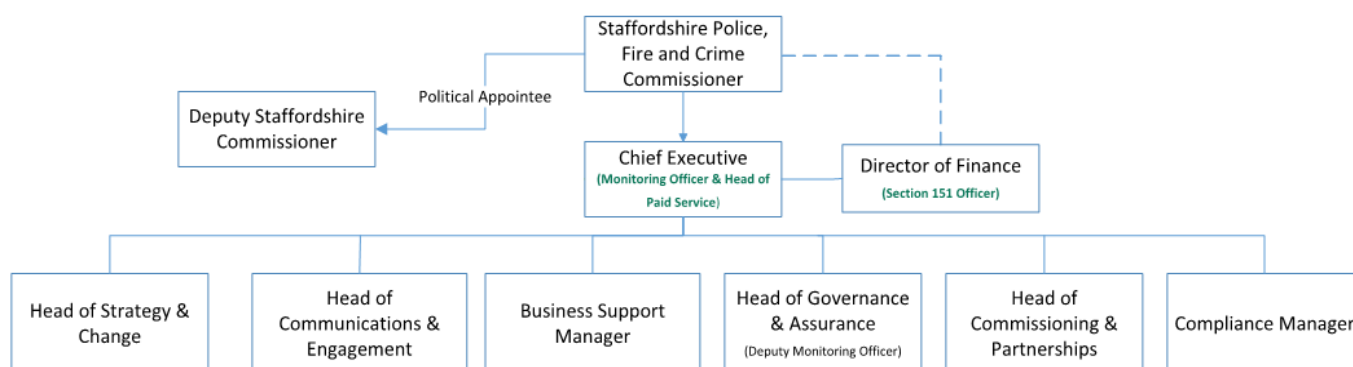
The SCO Chief Executive is the designated Monitoring Officer as well as the 'Head of Paid Service' for the purposes of the Local Government and Housing Act 1989, as amended by the Police Reform and Social Responsibility Act 2011. The 'Head of Paid Service' aspect of the Chief Executive means taking responsibility for the coordination and discharge of the SC's functions and managing the SCO and the staff within it.

The Monitoring Officer's remit is to draw to the SC's attention any actual or possible contravention of law, maladministration or injustice. Guidance from the Association of Police Authority Chief Executives (APACE) Group is utilised to provide clarity as the scope and extent of responsibilities and the detailed legal and statutory obligations that exist.¹

During 2020/21 the Head of Governance and Assurance in the SCO has been the Deputy Monitoring Officer and takes leadership on certain areas on behalf of the Monitoring Officer and acts as the Monitoring Officer in times of absence.

The SC is also required to have a Section 151 officer, (S151 of the Local Government Finance Act 1972) in this case, a Director of Finance, who has responsibility for finance and to ensure the dispersal of funds is appropriate and lawful. This post is supported by policies and procedures in place, including Financial Regulations and Contract Standing Orders; these have been reviewed and refreshed as part of the 2020/21 review of the Corporate Governance Framework's.

Key posts within the SCO include:



In total the SCO has a team of 30 staff equating to 28.22 full time equivalents, some of these roles although employed and managed by the SCO are temporary positions funded through projects with partners and central government.

¹ <http://www.legislation.gov.uk/ukpga/1989/42/section/5>

Annual Governance Statement 2020/21

Staff employed by the SCO are covered by the terms and conditions of the Police Staff Council. The SCO utilises the Force's People Services Function to act on their behalf on Human Resource and Organisational Development matters as well as ensuring compliance with policies for computer usage, system access, IT services including data protection, information assurance and health and safety, in addition the SCO also utilise IT and Financial Services provided by the Force.

Staff work within a structure with job descriptions & person specifications that ensure legal and statutory obligations are met and support the SC's strategy and priorities. All post holders have been recruited in line with the organisations policies and procedures and have the skills, experience and qualifications required to undertake their role. All staff have access to learning and development opportunities and attend seminars and other events to ensure that they are up to date and aware of changes to guidance, legislation and practice across all services.

SCO staff also comply with the Force standards for management of police information and have access to the Force 'Bad Apple' reporting portal for Whistle Blowing. Where there is a conflict of interest or a business interest this must be declared to the Chief Executive and recorded through the defined HR procedures. An ETAP Thematic Review was conducted in 2017 on Whistle Blowing, all reports are available on the following link: <https://staffordshire-pfcc.gov.uk/transparency/etap/>.

ETAP received a detailed presentation and supporting documents in 2020/21 from Staffordshire Police regarding the work being undertaken in Force to raise the profile of ethical duties. To support the broader remit of ETAP, an Ethics & Review Panel (ERP) has been setup to work in parallel with the Finance Panel. The ERP will focus on the promotion and maintenance of ethical standards and behaviour and on thematic reviews and other forms of scrutiny.

The SCO has a published Anti-Fraud and Corruption Policy available on the policy page of our website: <https://staffordshire-pfcc.gov.uk/transparency/policies-and-procedures/>. This applies to the SC, the Deputy Staffordshire Commissioner (DSC) and all staff that work within the SCO. The policy is designed to prevent, promote detection and identify a clear route for investigation. The approach set out in the policy also demands that organisations that the SCO work with act in the same manner.

In line with Force and FARS policy, through the one to one supervision sessions with senior officers of the SCO and senior Force or FARS officers, the Chief Executive and Director of Finance are made aware of any specific or potential risks of fraud.

The SCO and the Force receives and disseminates notices of potential and/or emerging fraud through a number of sources, including internal audit, other Police Forces and national bodies such as the Police and Crime Commissioners Treasurers' Society (PACCTS). Police and Fire both participate in the national Fraud Initiative programme and the outcome is reported and actioned where necessary by the SC's Director of Finance and the CC's Chief Finance Officer. Police and Fire Staff can report any matters of fraud either directly to the Director of Finance or through the Whistleblowing Policies that are in place.

The SC and the Chief Executive are supported by both the Director of Joint Legal Services for West Midlands and Staffordshire Police and Legal Services for Derbyshire Fire & Rescue Service on legal matters providing internal or external legal support as required. There are numerous examples of the legal services functions providing the support required, for example on major procurements, collaborations, or other complex matters.

The Equality Act 2010 has three aims to which the SCO must give due regard, meaning we consciously think about the three aims of the Equality Duty as part of the process of decision making:

Annual Governance Statement 2020/21

- eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;
- advance equality of opportunity between people who share a protected characteristic; and people who do not share it and;
- foster good relations between people who share a protected characteristic and people who do not share it.

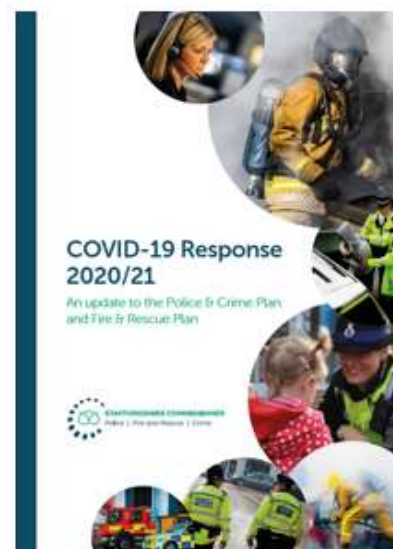
All decision forms reference the requirement or otherwise of an Equality Impact Assessment and where necessary these are then published with the decision form, follow this link for all published decision forms: <https://staffordshire-pfcc.gov.uk/transparency/decisions/>

B

Ensuring openness and comprehensive stakeholder engagement

As the elected representative of the public the SC has made a commitment for policing and crime clear in the election manifesto and embedded these with development and publication of the refreshed Police and Crime Plan, Safer Fairer United Communities 2017-2020. In addition the SC through responsibility for the governance of Staffordshire Fire & Rescue Service has developed and published an interim Fire and Rescue Plan 2019-20.

As a result of statutory public health restrictions implemented to slow the spread of Covid-19 some democratic processes were delayed. These included the elections for Police, Fire and Crime Commissioners, which were postponed until 6 May 2021. To continue to fulfil the statutory responsibilities during this extraordinary situation, the Commissioner and the office refocused efforts and resources. In June 2020 a plan, Covid-19 Response 2020/21 was issued to set out how this would happen during the interim period until the newly appointed Commissioner takes office.



There is a statutory responsibility for the SC to obtain community and stakeholder views on policing and Fire & Rescue services in the Staffordshire and Stoke-on-Trent area and the SC and the SCO

are committed to openness, transparency and acting in the public interest. In response to the Covid-19 pandemic, a vast majority of business as usual has been conducted with the assistance of technology, the use of virtual platforms and the flexibility and goodwill of SCO employees.

Our commitment to openness, transparency and accountability can be demonstrated by: -

- The SC and DSC have signed up to a published Code of Conduct which is underpinned by the Nolan Principles of public life;
- The SCO staff complying with the “Nolan Principles” and other policies and responsibilities e.g. information sharing protocols;
- The SC’s Police and Crime Plan (Force), Corporate Safety Plan (FARS) and other published documents, including the Annual Report, the budget report, the statement of accounts;
- Information provided through the SC website, social media and other routes that provide local people with relevant information on performance and outcomes and the SCs intentions;
- The live webcasts of the Public Performance Meetings and the Police, Fire and Crime Panel Meetings;
- Appropriate use of the press and media by the SC & DSC;
- Decision forms relating to significant public interest, made available online for public scrutiny;
- Publication of information on remuneration and expenses;
- The establishment of a number of forums independent of the SC, comprised of members of the public, in particular ETAP, SNPs, ICVs, AA’s and DWV. These panels scrutinise a number of areas within the SCO, the Force and FARS;
- ETAP hold regular public meetings, meeting papers and minutes are published on the SCO website;
- ETAP Thematic Reviews, SNP Scrutiny reports and ICV Visit Statistics are all published on the SCO website.

Our commitment to stakeholder involvement is demonstrated by: -

- Consultation and engagement activity through the SC and the SCO;
- Reports to the Police, Fire and Crime Panel and attendance at other democratically led forums;
- The establishment of a number of forums independent of the SC, comprised of members of the public, in particular the ETAP and the SNPs. These panels scrutinise a number of areas and publish their findings on the SCO website;
- Working closely with a wide range of partners; local authorities, Criminal Justice agencies, NHS bodies, private and voluntary sector organisations etc.;
- Utilising a number of channels of communications for the public and other stakeholders. The SC and the SCO engages with various groups, organisations and people throughout the year, updating them on the work of the office, hearing their questions and views and providing answers that meet their needs.

In addition the SCO both leads and attends multi-agency forums with its partners and stakeholders. In these instances, the SCO either develops or adheres to agreed terms of reference in terms of expectations. An example of SCO led governance structures are, Victim and Witness Commissioning and Development Board, the Domestic Abuse Commissioning and Development Board, the multi-agency Offender Management Commissioning and Development Board and examples of attended governance group are the Multi-Agency Safeguarding Hub (MASH) Strategic Group and MASH Leadership Group. These structures assist partnership working and provide opportunities for streamlined planning, commissioning and delivery whilst offering the opportunity for stakeholders to hold each other to account and challenge, plus address any deficits in actions and performance.

SC accountability is tested through a number of channels. These include the Police, Fire and Crime Panel, comprised of local elected members who meet on a quarterly basis and who hold the SC to account, scrutinise the SCO, Force and FARS performance and regularly review and scrutinise the financial health of the organisations, including the production of the Medium Term Financial Strategies.

The Police, Fire and Crime Panel meetings are open to the public and are also broadcast live through the Staffordshire County Council website and are highlighted by the SCO Communications and Public Engagement team through the SC website, social media, as well as through local and national media. Questions from members of the public directly to the SC are welcomed at panel meetings.



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

The strategic priorities are set out in the Police and Crime Plan: Safer, Fairer, United Communities Strategy 2017-2020 (Force) and the Corporate Safety Plan 2020 - 2024 (FARS). These documents underpin the SC's overarching ambitions for delivering positive and sustainable economic, social and environmental outcomes for Staffordshire and Stoke-on-Trent. The SC has an established office that works beyond governance and scrutiny to ensure that there is a longer term strategic direction around all aspects of policing, fire and community safety and that when put into practical terms enables or influences delivery against the priorities.

Each of the priorities are reflected within the SC's performance arrangements which inform how effectively the outcomes are being delivered. The SC can then hold to account Chief Officers for that performance. There are three levels of accountability which each include multiple functions for obtaining information on desired outcomes that are linked to the priorities, these being:

Public Accountability

Ensures that the SC demonstrates the primary role of holding the Chief Officers to account and ensuring value for money whilst meeting the priorities and needs of the people of Staffordshire and Stoke-on-Trent. Examples of this function would be the regular Public Performance Meetings, ETAP Meetings and Thematic Reviews, SNP Meetings and Scrutiny Reports and the performance information available on the SC's website.

SCO Level Accountability

Examination of key activity at a strategic level allowing the SC to take a detailed, searching approach with consideration of all relevant issues. Examples of this function would be the Performance and Assurance Boards, Confidential Inquiry Sessions, various joint management meetings, and SC & Chief Officer's informal and formal review meetings.

Operational Level Accountability

Generates a detailed understanding of operational areas where there are matters of concern affecting the effective and efficient operation of the Force, FARS or partner agencies. Examples of this function would be operational working groups, ETAP dip sampling and multi-agency workgroups.

All parties are committed to continuous improvement in managing performance as demonstrated by the commitment to have agreed Performance & Accountability Framework's for both the Force and FARS.

Annual Governance Statement 2020/21

The SC is committed to improving outcomes for the people of Staffordshire and Stoke-on-Trent through partnership working with other agencies who are responsible for economic, social and environmental benefits. To ensure this happens the SC has strategic overview and regular operational updates on the delivery plans owned by each team within the SCO.

Through the Local Business Case for Joint Governance of the Police Service and Fire and Rescue Service in Staffordshire and Stoke-on-Trent in the last year, there have been new collaborations between the fire and rescue service and police service which has seen buildings shared in Hanley as well as some support and administration services. The aim being to achieve economy, efficiency and effectiveness in both services for the people of Staffordshire and Stoke-on-Trent. This has helped to make sure that more of the money available can be spent by both services on the frontline keeping people and communities safer.

The SC's commitment to protecting frontline resources requires that budgets are managed effectively and are sustainable in the medium to long term. Financial reports including the Medium Term Financial Strategies are provided on a regular basis to both ETAP and the Police, Fire and Crime Panel. These link to the delivery of the Police and Crime Plan: Safer, Fairer, United Communities Strategy 2017-2020 (Force) and the Corporate Safety Plan 2020 - 2024 (FARS) for which progress is also reported to the panel.

The formal decision making process for expenditure and changes to programmes, policies and procedures requires that an Equality Impact Assessment is completed as part of the process. This assesses the impact of any changes that may affect staff, stakeholders and the public.

D

Determining the interventions necessary to optimise the achievement of the intended outcomes

Business plans aligned to strategic priorities are in use by each of the teams within the SCO to ensure that identified progress against priorities occurs. The teams produce a report for the Police, Fire and Crime Panel meetings detailing progress on delivery against the priorities. A statutory Annual Report is published and presented to the Police, Fire and Crime Panel about the work of the SC in the proceeding financial year. Budget proposals are presented to the Police, Fire and Crime Panel and the Medium Term Financial Strategy is available for review by the public and others. It is recognised that delivery of the SC priorities will require input from other agencies with responsibility for serving the community of Staffordshire and Stoke-on-Trent; for this reason the report references SC operational updates and where applicable wider work undertaken by the SCO, the Force, FARS and other agencies.

Priorities are highlighted through press releases, SC social media and other communications to the public. Key strategic documents are published in hard copy form and electronically and are available to the public in copy on request or via self-service from the SCO website, this is also the case for SC newsletters and public consultations. The website is continually updated with latest news and publications that provide further information on how the strategy is being delivered.



Independent Custody Visitors are a statutory function who are appointed by the SCO to check on the wellbeing of people being held in police custody. Their quarterly and annual reports are published on the SC website. The Independent Custody Visiting Scheme managed by the SCO has been awarded the Gold Standard after being independently peer assessed by the Independent Custody Visitor Association for compliance with their Quality Assurance Framework. The

Annual Governance Statement 2020/21

Home Office confirmed these volunteers were key workers and crucial to the operation of the custody environment. Our scheme delivered in Staffordshire and Stoke-on-Trent has evolved and adapted to ensure that those checks have continued, further information is available on the SCO website.

In March 2020 the SCO took on responsibility for providing Appropriate Adults for vulnerable adults who are either in custody or attending interviews at police stations. Prior to this the scheme was ran by Staffordshire Police. To enhance transparency, accountability and compliance with Home Office best practice in this area police volunteers transferred to the management of the SCO. Throughout the Covid-19 pandemic this service continued to be utilised to support individuals and police functions in already difficult times.

There are formal arrangements in place to monitor against outcomes associated with decision making, performance and financial management across the SCO, Police and Fire & Rescue services. Monitoring methods and frequencies are contained within the relevant Performance Management Frameworks. Performance Assurance Boards are held separately for each service to enable detailed scrutiny and challenge where exceptions occur. Where the response to agreed actions does not deliver expected outcomes, escalation to the Strategic Governance Board allows for robust challenge and necessary interventions by the Commissioner. A Strategic Governance Board for Collaboration oversees progress in developing collaborative arrangements between the two services to maximise efficiency and effectiveness.

Action 2: AGS 2019/20

As the collaborative working project for Shared Services moved into business as usual operational governance arrangements evolved and the Shared Service Operational Management Group was commenced in April 2020. The group has a direct feed to the Collaboration Board and concerns itself with monitoring the delivery of Shared Services against the Collaboration Agreement.



Developing the entity's capacity, including the capability of its leadership and the individuals within it

Officers within the SCO have access to continuous professional development through the support mechanisms that are available at a national level (APACE/PACCTS). In addition, regular seminars are available that provide for more specific development needs. All staff have access to learning and development opportunities supported by a norm of one to one supervision and team meetings.

The SCO shares knowledge, learning and best practice through the Regional Policy Officers and the formal collaborative approach on services across the region such as those delivered through the Regional Organised Crime Unit (ROCU), the Counter Terrorism Unit (CTU) and the Central Motorways Policing Group (CMPG). These areas of knowledge also support the SC in influencing the direction of key national programmes such as the Specialist Capabilities Programme.

The SC has promoted partnership working as a key facet of delivering the strategic objectives, the involvement of the SCO Commissioning Team in these arrangements ensure that the SCO has a voice. This involves the SCO working closely with a wide range of partners; local authorities, Criminal Justice System agencies, National Health Service bodies, private and voluntary sector organisations etc.

Annual Governance Statement 2020/21

The SCO, Force and FARS operate through adhering to their Corporate Governance Frameworks. They are interrelated systems that brings together an underlying set of legislative requirements, governance principles and management processes to deliver a set of goals. The frameworks have been aligned to the CIPFA Delivering Good Governance Guidance Notes for Policing 2016 and agreed by the SC. The Accountability and Internal Control Structures for delivery of governance arrangements by the SCO can be seen in Appendix B.

Within the SCO statutory officers carry out their functions and offer the appropriate advice and support on matters within their sphere of responsibility in line with legislation. In addition these officers with support from other senior managers deliver comprehensive business planning through individual service plans, service risk registers and service budget reporting which all ensure improved monitoring and continuous improvement of finances, performance and risk readiness.

Our Local Criminal Justice Partnership Board has continued to evolve during 2020/21 despite the Covid-19 pandemic and is proving more effective as a result. In particular, a new performance framework has been established that at Board and sub-group level, allows for a much better understanding of cross-system performance issues and taking of improvement action where appropriate. There is more to do in this area of work and it is hoped that Part 2 of the National PCC Review will reflect further on the role of the PCC in particular.

Part 1 of the National PCC Review was reported upon in March 2021. The Commissioner and the Office contributed to the review through a specific local response to the consultation document, contributing to the APCC response and attending relevant consultation forums with the Home Office e.g. on Fire and Rescue, given the Fire and Rescue Authority status locally.

Action 3: AGS 2019/20

The SCO Business Continuity Management Plan (BCM) was invoked in March 2020 as the office adopted a work from home approach as the pandemic worsened. To address limitations in the ability of some of our staff to fully carry out their roles due to access to IT, laptops were allocated to all staff. The BCM Plan was then revised to reflect this increased capability on the basis that SCO employees have demonstrated the ability to work effectively for an extended period without access to the office. This has been achieved using sub-optimal communications 'workarounds' including private accounts for MS Teams and WhatsApp. With the rollout of new IT under the police National Enabling Programme due to commence early summer 2021, all staff will be equipped with new laptops with the full Office 365 suite. This will provide staff with a greatly improved capability for remote working including video conferencing, team communication and file sharing.

The SCO BCM has been under constant review throughout 2020/21 as the office has adapted to suit its own operational needs and the needs of those that the office works closely with. The SCO has also upheld its commitment to the front line by supporting the operational needs of policing, the office space utilised by the SCO was given to operational policing functions such as the Contact Centre, to enhance their social distancing arrangements, allowing them to continue with front line duties.



Managing risks and performance through robust internal control and strong public financial management

The SCO recognises that robust risk management is a key function in the delivery of the Internal Control Structure for the SCO, Force and FARS and continues to closely monitor the registers and arrangements for recording risk. Annually, or in the event of a change that may affect them, the SCO reviews the governance frameworks and the internal control structure to ensure that they are effective in delivering the required outcomes.

Effective risk management is assured by the SCO in a number of different ways:

- A detailed SCO Risk Management Policy reflective of both the Force and FARS policies;
- Representation at the quarterly Strategic Risk Management Group chaired by the Deputy CC;
- Representation at the quarterly Strategic Risk Management Meeting chaired by the CFO;
- SCO led Performance and Assurance Boards monitoring strategic risk for Force and FARS;
- Strategic Risk Register demonstrating a clear risk appetite is reviewed at SCO Management Meetings which are attended regularly by an ETAP Risk Management Champion;
- A SCO Operational Risk Register and the use of risk management techniques in programmes and projects;
- Financial risks identified and monitored by the SCO and Force Section 151 officers as part of the budget setting exercise and the development of the medium-term financial plan;
- The Governance Frameworks, Financial Regulations, Standing Orders and the development of appropriate policy and procedure;
- The use of the Internal Audit function where the annual audit plan is directed towards risk and emerging issues, as well as auditing the risks around standard finance functions;
- The ETAP, whose primary function is that of the Statutory Audit Committee also provides independent review of risk management and internal control frameworks through identified champions at review meetings and through thematic reviews;
- External reviews and inspections including thematic reviews by HMICFRS which inform the SCO, the Force and FARS highlighting risks and learning points in addition to good practice.
- Information Assurance Board, providing assurance against the areas of Data Protection legislation.

The financial performance of the Force, SCO and FARS is monitored through monthly budget monitoring reports that are discussed and reviewed as follows:

- The Strategic Governance Boards for both the Force and FARS receive detailed financial reports, with both boards chaired by the SC;
- The Finance Panel and ETAP received updates during 2020/21 from the Police, SCO and FARS;
- The Performance and Assurance Board (PAB) contained standard agenda items reviewing financial performance throughout the year;
- In addition, the SC holds a separate monthly Management Meeting which also reviews the latest financial position and forecast outturn.

Any material budget variances are reviewed in detail and reported through this robust governance framework, with appropriate action taken to understand the implications of variances and to take corrective action where necessary to manage the financial impact to the organisations as part of this good financial management and control.

Annual Governance Statement 2020/21

This section is done in draft and will be reviewed on YE outturn.

A mid-year review of the Medium Term Financial Strategy (MTFS) was undertaken during 2020/21, this identified any significant issues arising and the impact upon the forecast outturn position and reserves. The update of MTFS for Police, SCO and FARS was reported and scrutinised by the Police, Fire and Crime Panel in addition to reporting to ETAP.

Overall there has been a positive financial position across the Force and SCO during the 2020/21 financial year with the reported year end revenue outturn position being favourable to budget, and whilst the pandemic has resulted in additional costs in year both Police and Fire have been supported by grant funding allocations provided during the year. This saving in year included a number of key areas with lower pay in year due to Police Officer and Police Staff Pay vacancies carried during the year. It should be noted however that this saving was due to the timing of recruitment with the required uplift in Police Officer numbers being achieved in full by the end of March 2021 in line with government requirements. Capital financing savings have also been possible resulting from a lower capital programme spend, driving a reduced borrowing requirement and an improvement in investment returns.

The impact of the positive revenue outturn position for 2020/21 has resulted in an improvement in Earmarked Reserves. Overall the General Reserve is in line with to the required 3% level set by the Staffordshire Commissioner. Total Reserves have improved during the last two years, and whilst they remain low by sector standards the level of reserves is a visible sign of improving financial health for the group. Additional Earmarked Reserves have been allocated in year to ensure that funds are available to respond to the impact of the pandemic beyond the current financial year.

The Commissioning & Partnerships Team leads on commissioning services to assist the SC in the delivery of the strategic priorities. This will include some services that are a statutory requirement, such as the delivery of support to victims and witnesses and others that are intrinsic to the delivery of operational policing such as health care in custody services. Commissioning is often carried out in collaboration with partner agencies to deliver more effective, joined-up and better value services. Performance frameworks are in place where appropriate to ensure delivery against the specified outcomes.

Regional arrangements are in place to ensure oversight of services delivered in collaboration. Such services include the Regional Organised Crime Unit and Counter Terrorism Unit (across Staffordshire, West Midlands, West Mercia and Warwickshire police force areas), the Central Motorway Police Group (a collaboration between Staffordshire and West Midlands forces) and Staffordshire/West Midlands Fire Control. The SC chairs the regional collaboration group for policing that provides strategic direction, performance and financial accountability.

In 2020 a thorough mapping process for decision forms presented to the SC in the period 2018/19 and 2019/20 was completed that tested the integrity of the process of decision making, specifically compliance with accurate completion of the decision form, routes of approval and Information shared as part of the briefing process for informed decision making. This review found that the decision forms approved by the SC all were completed correctly and where necessary redactions were required to be completed before publication these were approved by the officer responsible for the paper. The route prior to approval was tracked and in all cases this was found to be in line with the decision making policy and the governance arrangements in place at that point in time. In addition, information regarding the decision had been presented at each approval stage and in cases where further assurance and information was required for the SC to make a decision, specific briefing sessions had been put in place.

Action 1: AGS 2019/20

The Covid-19 pandemic meant that the term of the SC was extended by 12 months to May 2021. The review of the Escalation Structure in Appendix B will be reviewed as part of the commencement of the new PFCC in 2021.

To provide assurance of this structure in 2020/21, RSM Internal Audit undertook a review of Governance & Risk Management in relation to how the SCO governance structure and arrangements enables the SC to hold to account the Chief Constable for delivery of the Police and Crime Plan. This review found that there were no areas for improvement and there were no recommendations made.



Implementing good practices in transparency, reporting and audit to deliver effective accountability.

It is the ambition of the SC to have the most robust system of public accountability and transparency. The SCO is compliant with the Freedom of Information Act and the General Data Protection Regulations (GDPR) for Right of Access, and endeavours to respond to all requests in the required time frame. This ensures that the public are able to access the information that legislation entitles them to. The SC uses 'live' webcasts of the Public Performance meetings, and Police, Fire and Crime Panel meetings. ETAP Public meeting documents and minutes are all published on the website.

In February 2020 with the introduction of the Police Misconduct and Complaints Regulations the SCO took on the responsibility for the independent review of police and Chief Constable complaints. The SCO continues to and meet the obligations under the Police Appeals Tribunal Regulations, working with the relevant parties to ensure appropriate support to those processes is given.

In 2021 the SCO was again awarded the CoPaCC Transparency Mark. CoPaCC is an independent organisation, established in early 2013 to assess the work of Police and Crime Commissioners through objective, evidence-based analysis of delivery of the statutory obligations of document publication and access to information.



The SC has well established open and transparent lines of accountability through the use of the SNPs, ICVs, AA's, DWV and ETAP functions. SNPs review activity carried out within their Neighbourhood Policing Team area by scrutinising core topics such as Stop and Search, Use of Force and additional topics of interest to provide the public with reassurance in their local area. Significant recommendations which are tracked and monitored by the SCO, have been made by the SNP's and all reports are publically available on the SC website.

The SCO has a Partnerships and Commissioning Register to help to inform the public about commissioning activities of the SCO to achieve a greater level of transparency. The Register captures:

- the essential details of the partnership or commissioned activity,
- how it links to SC strategic priorities,

Annual Governance Statement 2020/21

- the importance and impact of the partnering/commissioned organisation is to the SCO objectives and;
- how performance is being managed through governance arrangements so that objectives and outcomes are realised, delivering the necessary value for money requirement.

The Police, Fire and Crime Panel monitor and challenge the SC in delivery of the priorities at regular quarterly meetings. They have a work programme that is aligned with the Police and Crime Plan: Safer, Fairer, United Communities Strategy 2017-2020 (Force) and the Corporate Safety Plan 2020 - 2024 (FARS) and have a statutory role in scrutinising the Annual Report and the proposed budget and precept. The Panel also hold the SC to account on specific matters, such as performance management and HMICFRS inspections.

ETAP undertakes the statutory functions of an Audit Committee and operates in accordance with the Financial Management Code of Practice for the Police Service and CIPFA's Practical Guidelines for Local Authorities. ETAP receive regular training to assist them in undertaking their role. In line with best practice, an annual self-assessment has been carried out by RSM for ETAP and found that 'in accordance with the CIPFA Guide, ETAP has a high degree of performance against the good practice questions which indicates ETAP is soundly based and has in place a knowledgeable membership.'

The ETAP Finance Panel provides particular focus on finance issues and is chaired by one of the two Deputy Chairs of ETAP, providing for a dual focus at different meetings. ETAP continues to make recommendations to the SC, CC and CFO according to good governance principles and ETAP monitor these recommendations for completion. Also conducted by ETAP is the monitoring of Strategic Risk, recommending for approval the AGS and the Statement of Accounts as well as putting decisions made by the SC, the Force and FARS through public scrutiny.

ETAP has had operational oversight of SCO business in 2020/21 through designated champions in the areas of Strategic Risk Management and also the Election 2021 working group. These champions act both as a critical friend and provide assurance to ETAP members on processes in place within the SCO, with the ability to make informal recommendations to the SCO as a result of their observations. ETAP has also strengthened its oversight of ethical standards and functions in 2020/21 with the development of the Ethics and Review Panel as described in section A.

The Internal and External Audit functions also provide scrutiny across the SCO, the Force and FARS. Their conclusions and recommendations will always form an important aspect of the organisations improvement plans.

Systems of internal control are key to managing the risk of fraud within the SCO, Force and FARS and these are annually audited and reported to ETAP and the Strategic Risk Management Meeting where risks are managed and monitored.

Internal Audit

The Internal Audit role is independent and used to provide support, assurance and evidence compliance for the organisations.

The Director of Internal Audit ensures assurance arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010).

The Head of Internal Audit plays a critical role in scrutinising the organisation's by:-

Annual Governance Statement 2020/21

- Championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on responses to emerging risks and proposed developments; and
- Providing an objective and evidence based opinion on all aspects of governance, risk management and internal control.

The Head of Internal Audit ensures that there is an annual strategy and audit plan and that these are developed on a risk assessed basis. Audit outcomes are presented to management and to ETAP, the latter in detail through the Finance Panel and in the full ETAP forum, which is open to the public. Areas for improvement identified in 2020/21 audits have been reviewed with action plans established to improve as necessary. Actions are monitored and managed through corporate governance arrangements and reported on through ETAP to review progress.

This work culminates in the annual audit opinion on the adequacy and effectiveness of the system of internal controls reviewed by the audit team. This annual opinion, set out in the Annual Report of the Head of Internal Audit, is one of the key sources of evidence in support of the AGS(s). The Annual Internal Audit Report (April 2021) concludes that for the 12 months ended 31 March 2021, the audit opinion for the Staffordshire Commissioners Office is as follows:

Insert opinion here May 2021

External Audit

External Audit discharge a statutory function because of the special accountabilities attached to public money and how public business is conducted. External Audit are appointed independently from the SCO, the audit team complete an annual Audit Plan covering the work to be undertaken, including:

- An audit opinion on whether the financial statements of the SCO gives a true and fair view of the financial position and of the income and expenditure for the financial year end;
- A conclusion on the SCO arrangements to secure economy, efficiency and effectiveness.

External Audit also review and report to the National Audit Office (NAO) on the SCO Whole of Government Accounts return and conduct mandatory procedures in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice and the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd. In completing this work External Audit take into account several key inputs:

- Strategic, operational and financial risks relevant to the financial statements;
- Developments in financial reporting and auditing standards;
- The quality of systems and processes;
- Changes in the business and regulatory environment; and,
- Management's views on all of the above.

The SCO and the Force external auditors, (Ernst and Young LLP), and FARS external auditors (Grant Thornton LLP) provide regular reports at ETAP's public meetings and meet as required in private. ETAP members due to their independence have the opportunity to consider the audit

findings, to challenge and ask for further clarification where necessary and also to make recommendations on their findings.

4. Overall Level of Assurance

Actions taken against the 2019/20 AGS actions, as reported in this AGS have strengthened and enhanced the governance arrangements for the SCO. In addition the significant preparation in 2020/21 for the commencement of the term of office for the newly elected Staffordshire Commissioner, will ensure an open and transparent process with effective handover in May 2021.

The SCO has a system of internal control which is a significant part of the governance 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. Internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Staffordshire Commissioners priorities.

The SC is satisfied that appropriate stewardship is being applied to the use of resources by the SCO in order to serve the public interest and to adhere to legislation and policy and ethical values and respect of the law.

5. Significant Governance Issues (Actions 2020/21)

The continuous monitoring of the Governance Framework has led to a strengthening of processes and allowed for areas of continuous improvement.

Issue 01

Carried Forward:

In 2018/19 effective amendments were made to the governance arrangements across the SCO, Force and FARS. A review of internal control and escalation would be timely due to further collaborative work having taken place, revised departmental and directorate restructures and a new SC taking post.

Recommendation:

The SCO is to undertake a review in 2021/22 of the governance arrangements, specifically the internal control and escalation structure as seen in Appendix B, to ensure fit for purpose and where possible create further efficiency across the organisations.

Issue 02

Part 1 of the PCC review by the Home Office has been published in March 2021. The outcomes from Part 1 of the review will significantly impact on the office and the police service during 2020/21. Part 2 of the review will also commence in 2020/21. The PFCC model is rare across England and as such the complexities with the model need to be included in the consultation.

Recommendation:

The SCO to implement Part 1 requirements in conjunction with both operational services and ensure appropriate feedback to the Home Office consultation on Part 2 of the PCC review.

Issue 03

The election for PFCC will take place on 6 May 2021. The role undertaken by the individual has statutory responsibilities relating to two public services in Staffordshire, with also significant local regional and national roles that need to be understood to ensure appropriate governance and oversight is applied.

Both the Chief Constable and the Chief Fire Officer announced their retirement during 2020/21, with the Chief Constable leaving in June 2021.

Recommendation:

The SCO is to develop and deliver a full induction package including a plan for the first 100 days in office of the new PFCC, ensuring that the new incumbent and any deputies are assisted in maintaining continuity, whilst also having the ability to bring their own strategic intent to the fore.

A recruitment process for a new Chief Constable and Chief Fire Officer will take place during 2021/22. The office will work with the College of Policing the National Fire Chiefs Council and other local partners to ensure a robust process that attracts good applicants and ultimately excellent appointments.

The details given within this statement represent a realistic view of the governance arrangements that are in place for the SCO and that for 2020/21 there is recognition that whilst there is strong evidence of good practice, there is also a need for further and continuous improvement to strengthen arrangements, to ensure that the organisation achieves its intended outcomes whilst acting in the public interest at all times.

The issues identified above and the planned action in 2021/22 will enable the SCO to ensure that the statutory obligation of setting the strategic direction is fulfilled, that the governance frameworks and internal control procedures are robust, supportive of that strategic direction and fully meet the requirements as set out by CIPFA's good governance guidance.

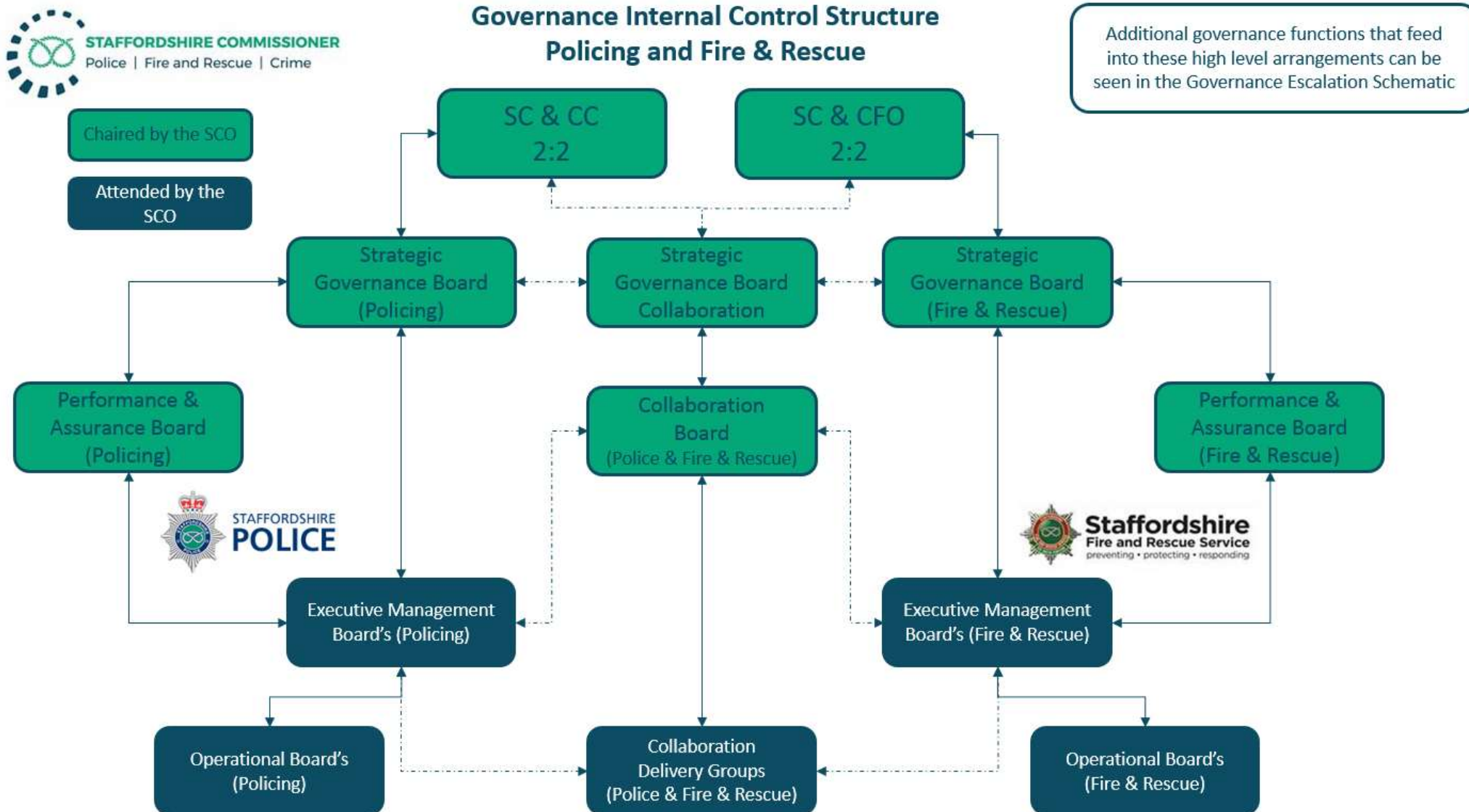
Staffordshire Commissioner
Matthew Ellis

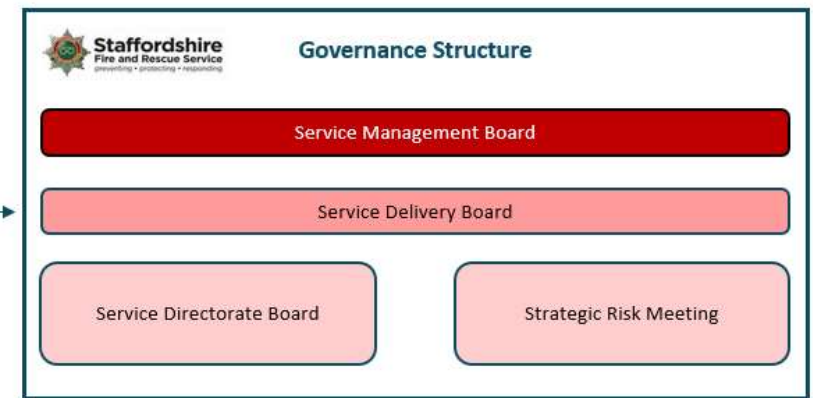
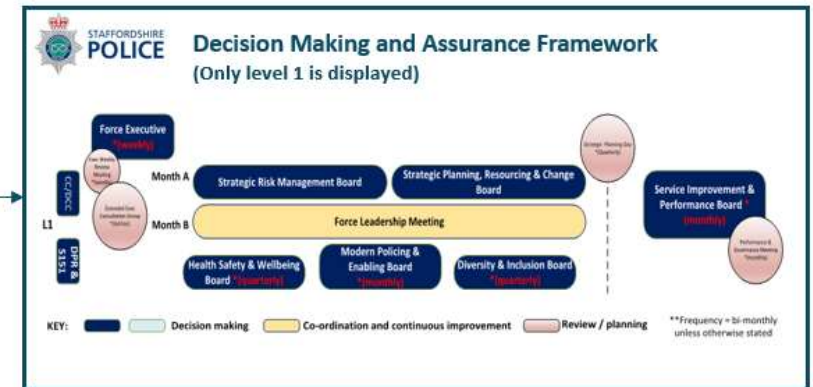
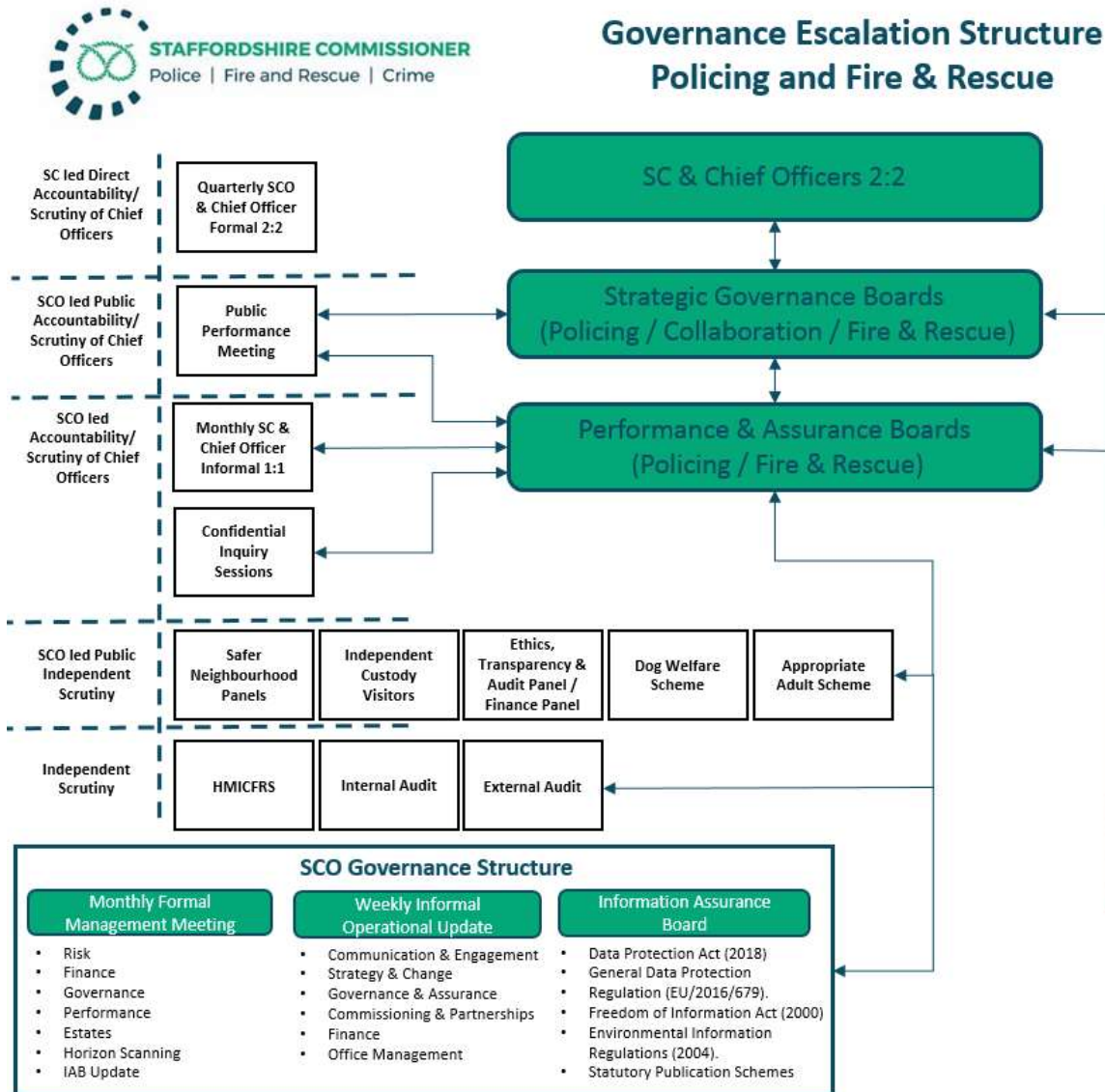
Chief Executive
Glynn Dixon

Director of Finance
David Greensmith

AGS Action Plan: 2019/2020

| Ref No | Issue | Action | Update given on Page |
|--------|---|--|----------------------|
| 1 | In 2018/19 effective amendments were made to the governance arrangements across the SCO, Force and FARS. A review of internal control and escalation would be timely due to further collaborative work having taken place, departmental and directorate restructures and a new SC taking post. | The SCO is to undertake a review of the governance arrangements, specifically the Internal Control and Escalation structure as seen in Appendix B, to ensure fit for purpose and where possible create further efficiency across the organisations. | 15 |
| 2 | In 2019/20, the SCO with Staffordshire Police and the Staffordshire Fire and Rescue Service have implemented new collaborative working arrangements in support services, estate and operational delivery. An internal audit report on the development of these arrangements is due and all partners will wish to assure themselves of the effectiveness of new ways of working. | The SCO, with the two services will review the effectiveness of new collaborative arrangements during 2020/21, making recommendations for improvement as required. | 12 |
| 3 | The Covid-19 pandemic has meant the implementation of the SCO business continuity plans on a scale not seen before. The actions taken have ensured that the effects of the pandemic have been mitigated wherever possible. However as the pandemic continues into 2020/21, full and lasting effects are yet to be seen. | A thorough review of the business contingency plans implemented in response to the Covid-19 pandemic, including also a review of the recovery plans for these eventualities. Learning to be taken and shared regionally and nationally where applicable. | 13 |





AGS Action Plan: 2020/2021

| Ref No | Issue | Action |
|--------|---|---|
| 1 | In 2018/19 effective amendments were made to the governance arrangements across the SCO, Force and FARS. A review of internal control and escalation would be timely due to further collaborative work having taken place, revised departmental and directorate restructures and a new SC taking post. | The SCO is to undertake a review in 2021/22 of the governance arrangements, specifically the internal control and escalation structure as seen in Appendix B, to ensure fit for purpose and where possible create further efficiency across the organisations. |
| 2 | Part 1 of the PCC review by the Home Office has been published in March 2021. The outcomes from Part 1 of the review will significantly impact on the office and the police service during 2020/21. Part 2 of the review will also commence in 2020/21. The PFCC model is rare across England and as such the complexities with the model need to be included in the consultation. | The SCO to implement Part 1 requirements in conjunction with both operational services and ensure appropriate feedback to the Home Office consultation on Part 2 of the PCC review. |
| 3 | <p>The election for PFCC will take place on 6 May 2021. The role undertaken by the individual has statutory responsibilities relating to two public services in Staffordshire, with also significant local regional and national roles that need to be understood to ensure appropriate governance and oversight is applied.</p> <p>Both the Chief Constable and the Chief Fire Officer announced their retirement during 2020/21, with the Chief Constable leaving in June 2021.</p> | <p>The SCO is to develop and deliver a full induction package including a plan for the first 100 days in office of the new PFCC, ensuring that the new incumbent and any deputies are assisted in maintaining continuity, whilst also having the ability to bring their own strategic intent to the fore.</p> <p>A recruitment process for a new Chief Constable & Chief Fire Officer will take place during 2021/22. The office will work with the College of Policing the National Fire Chiefs Council and other local partners to ensure a robust process that attracts good applicants and ultimately excellent appointments.</p> |

