

Section 2

**Office of the Police and Crime
Commissioner for Staffordshire**

**2013/14 Annual Governance
Statement**

The Police & Crime Commissioner (PCC) has the legal power and duty to set the strategic direction and objectives of the Force and hold the Chief Constable to account for its performance **Annual Governance Statement 2013/14**

Scope of Responsibility

1. The Police & Crime Commissioner (PCC) has the legal power and duty to set the strategic direction and objectives of the Force and hold the Chief Constable to account for its performance. He also has wider responsibilities for ensuring that the Office of the PCC's (OPCC) business is conducted in accordance with the law and proper standards, that public money is safeguarded, properly accounted for, and used efficiently and effectively.
2. The PCC has agreed a Governance Framework that provides for open and transparent decision making and scrutiny that accords to the principles of good governance. A copy can be obtained from the Office of the PCC (OPCC), PO Box 3167, Stafford ST16 9JZ or its website www.staffordshire-pcc.gov.uk.
3. This Framework was agreed on 22 November 2012. It is subject to review by the PCC, at least annually, in the light of its operation and to ensure it remains fit for purpose. The Framework ensures a sound system of internal control which facilitates the effective exercise of the PCC's functions, including the management of risk.
4. The preparation of an Annual Governance Statement (AGS) is required under the Accounts and Audit (England) Regulations 2011, Regulation 4(3). Both the PCC and the Chief Constable are required to report publicly on the effectiveness of governance and control and the Ethics, Transparency and Audit Group are responsible for reviewing these Statements prior to approval.
5. The above Regulations require the AGS to be approved by 30 September in a given financial year. CIPFA recommends that police audit committees review it at an earlier stage to give time for comments and contributions to be made for the meeting of the ETA Group on 24th September. .
6. This is the second Statement produced on behalf of the PCC for Staffordshire and, together with the Chief Constable's AGS, will accompany the Statement of Accounts 2013/14 when published.

The purpose of the Governance Framework

7. The Governance Framework was adopted in November 2012, being in place at the time of the date of approval of the Police and Crime Plan 'Safer, Fairer, United Communities 2013-2018' in October 2013 and the Statement of Accounts. It directs and controls the OPCC's activities including: decision and scrutiny models; rules relating to business proceedings; a Scheme of Consent; Financial Regulations; and Contract Standing Orders.
8. The Joint Corporate Governance Framework, for both the PCC and the Chief Constable, has been refreshed. It has been in operation since April 2014, incorporating Stage 2 Transfer and the PCC's Strategy to improve policing, criminal justice services and, more broadly, the day-to-day safety of communities in Staffordshire.

The Governance Framework – adopting the Core Principles of Good Governance

9. The CIPFA/SOLACE Framework "Delivering Good Governance in Local Government" <http://www.solace.org.uk/knowledge/reports-guides/goodgovernance-England-2007-02> sets out six core principles on which effective governance should be built and these have been adapted for the PCC as set out below:-
- Focusing on the purpose of the PCC and the Chief Constable and on outcomes for the community and creating and implementing a vision for Staffordshire;
 - Leaders, officers and partners working together to achieve a common purpose with clearly defined functions and roles;
 - Promoting values for the PCC and demonstrating the values of good governance through upholding standards of conduct and behaviour;
 - Taking informed decisions which are subject to effective scrutiny and managing risk;
 - Developing the capacity and capability of the PCC, the Deputy PCC and staff within the Office of the PCC to be effective; and
 - Engaging with local people and other stakeholders to ensure robust public accountability.
10. The above principles are fully integrated in the conduct of the PCCs business and provide a means of compliance.

Putting the core principles of good governance into practice

11. The core principles of good governance are being put into practice by the PCC through the following evolving arrangements.
12. ***Focusing on common and clear outcomes for the communities of Staffordshire and implementing a vision for the local area.*** The PCC's priorities detailed in the Police & Crime Plan are delivered through joint working with partners, underpinned by a common vision that is understood by all. Methods to measure quality of service are regularly reviewed, always ensuring the necessary information for scrutiny and challenge are at hand.

Utilising the priorities identified within the Police and Crime Plan, the performance of the Force is constantly scrutinised and challenged. A move to joint outcomes, both between the Force and the OPCC, and with external partners benefits policing and community safety. It also improves the well-being of all communities in Staffordshire and Stoke-on-Trent.

13. **Leaders, officers and partners working together to achieve a common purpose with clearly defined roles.** Statutory officers carry out their stated functions and offer the appropriate advice and support on matters within their sphere of responsibility. The roles and responsibilities of the PCC, the Deputy PCC and the OPCC are clearly understood and are regularly reviewed for the effectiveness. The Governance Framework includes an agreed Scheme of Consent that details those matters specifically reserved for the decision by the PCC. This Framework is updated to take account of relevant legislation and reviewed at least annually.
14. Joint working with the Force, partners and local communities to deliver against the priorities identified in the Police & Crime Plan, is ongoing to drive improvements in both policing services and criminal justice services. The commissioning of services through partnership working is based on clear and understood arrangements for accountability, financial administration and performance.
15. **Promoting the PCC's values and demonstrating good governance through upholding good standards of conduct and behaviour.** The PCC, the Deputy PCC and the Chief of Staff set the tone of the organisation by creating a climate of openness, support and respect. Standards of conduct and personal behaviour between the PCC, the Deputy PCC, staff of the Office of the PCC and the Force are based on mutual respect and professionalism. It is the responsibility of the Chief of Staff to ensure that the PCC, the Deputy PCC and staff within the OPCC are not influenced by prejudice, bias or conflicts of interest when dealing with the Force, partners and other stakeholders. The PCC has produced protocols to establish relations with his staff and with the staff administering the Police and Crime Panel.
16. The PCC and the Deputy PCC have agreed to abide by the 'Seven Principles of Public Life' (the Nolan Principles). In addition, his Anti-Corruption Policy encourages the prevention of corruption and promotes its detection. The Policy applies to the PCC, Deputy PCC and all staff employed by the OPCC. The PCC is also responsible for the recording and investigation of complaints against the Chief Constable and those against any member of OPCC staff.

Taking informed decisions which are subject to effective scrutiny and managing risk

17. The Governance Framework details a 'Policy Statement on Decision Making' to ensure that decision making is informed and transparent. It is subject to effective scrutiny and risk management arrangements. Single points of contact within the OPCC and the Force have been established to ensure that timely and accurate information is available to the PCC to make informed decisions.
18. Mechanisms for documenting and testing decisions against the evidence and rationale have been developed. They remain subject to ongoing review, not only to ensure they are fit for purpose, but also to further the PCC's commitment to the greatest openness and transparency. .
19. Arrangements for the scrutiny of Force performance at public governance meetings are an integral part of the PCC's scrutiny arrangements. The OPCC operates a Risk Register, which is updated on a regular basis. Decisions are taken against the criteria set in part by the Risk Register.

20. Likewise Staffordshire Police operates a risk register, which is also updated on a regular basis. Any outstanding issues from either Risk Register are brought to a monthly Joint Strategic Risk Management Meeting, chaired by the Deputy Chief Constable.
21. Clearly defined processes for the dealing of complaints, both by the OPCC and the Force, are in place. In acting as a commissioner of services, the PCC will ensure that priorities and outcomes to be delivered through a contract or grant agreement are clearly articulated and agreed by all parties before the commencement of the contract/grant. Arrangements are in place to make complaints processes and procedures more visible and transparent to the general public.
22. The OPCC's Chief Financial Officer (the Section 151 Officer) has responsibility for the propriety and legality of financial transactions and managing risk. Financial Regulations and Contract Standing Orders are in place and are supported by appropriately qualified finance and procurement staff. HR procedures supporting the terms and conditions of OPCC staff are managed by qualified HR professionals. Regular internal and external reports are produced that identify risks in specific areas and a management response is given, together with mitigating actions.
23. ***Developing the capacity and capability of the PCC, the Deputy PCC and staff within the Office of the PCC to be effective in their roles.*** Under the leadership of the PCC, the OPCC has introduced policies and procedures to ensure effective planning and processes. Moreover, he has allocated sufficient resources to support staff to perform their roles effectively. Performance is regularly assessed and there is a clear commitment to develop individual's skills to assist the PCC to drive forward his ambitious reforms..
24. ***The PCC aims to engage with all sectors of the community and stakeholders to ensure robust public accountability.*** It is the ambition of the PCC in Staffordshire to have the most robust system of public accountability. To this end, he is establishing open and transparent lines of accountability. Consequently, he is committed to the most effective methods of community engagement. Scrutiny will always be undertaken in public unless there are good reasons for confidentiality. Arrangements are in place to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the PCC including the innovative use of the website and social media.

The Chief Constable

25. The Police Reform and Social Responsibility Act (2011) established The Chief Constable as a separate corporation sole. S/he is responsible for corporate governance issues affecting the Force and for ensuring that appropriate service reviews are undertaken in key areas of service delivery, including: operational performance; professional standards matters; and the management of information. The Chief Constable is also required to appoint a person to be responsible for the proper administration of the Force's financial affairs.

The PCC

26. Likewise, the PCC is a corporation sole, responsible for corporate governance of the OPCC. However, as stated earlier "The Police & Crime Commissioner (PCC) has the legal power and duty to set the strategic direction and objectives of the Force and hold the Chief Constable to account for its performance." Consequently, he receives and approves the Annual Governance Statement and the Annual Statement of Accounts.
27. The relationship between the PCC and the Chief Constable is one that is set in legislation. In reality, however, a working relationship cannot be established and maintained without mutual respect. There must be, on both sides, a commitment to work together and with other partners, to make policing in Staffordshire the best and to have the safest Staffordshire.

The Police and Crime Panel

28. The Police and Crime Panel is responsible for reviewing and scrutinising the PCC's exercise of his statutory functions. The Panel have developed a work-plan that includes planned updates on the four priority areas set out in the Police & Crime Plan (Early Intervention; Supporting Victims and Witnesses; Managing Offenders; and Public Confidence

The Ethics, Transparency & Audit Group

29. An Ethics, Transparency & Audit Group was launched in January 2014 by the PCC and the Chief Constable. This Committee has wider powers than the Audit Committee it replaced, although still operating in accordance with the Financial Management Code of Practice for the Police Service and CIPFA's Practical Guidelines for Local Authorities.
30. This Committee continues to advise the PCC and the Chief Constable according to good governance principles, including the monitoring of the strategic risk framework, the approval of the A GS and the Statement of Accounts as well as putting decisions made by the PCC and Staffordshire Police under the spotlight.

Internal Audit

31. The primary role of the internal audit is to give assurance to the PCC and the Chief Constable on the effectiveness of the controls in place to mitigate risks. Following consideration of internal audit reports by the PCC and the Chief Constable, the Internal Auditor will report to the Ethics, Transparency & Audit Group on a quarterly basis, highlighting any major weaknesses identified.
32. The review of both corporate governance and risk management arrangements periodically feature in the annual audit plan which is subject to review by the Committee. Corporate governance and risk management issues may arise through other reviews carried out by Internal Audit. In this case the issues will be raised through the relevant audit report.

External Audit

33. The External Auditor audits the PCC's and the Chief Constable's financial statements, AGS and performance management arrangements, as well as undertaking a number of thematic based reviews. The external Auditor's plans and reports, including the annual audit letter, will be considered by the PCC and the Chief Constable and reviewed by the Ethics, Transparency & Audit Committee at appropriate times in the annual cycle of meetings.

Her Majesty's Inspectorate of Constabulary (HMIC)

34. The role of the HMIC is to promote the efficiency and effectiveness of policing in England, Wales and Northern Ireland through the inspection of police organisations and functions to ensure that agreed standards are achieved and maintained and that best practice is shared. HMIC also provide advice and support to the Home Secretary, PCC's and forces. The PCC can commission the conduct of inspections from HMIC if required.
35. HMIC reports are sent to the Chief Constable and the PCC for consideration and appropriate action.

Review of Effectiveness

36. The PCC has responsibility for conducting a review of the effectiveness of the Governance Framework, including
- the review of internal audit; and
 - the review of the operation of internal control.
37. The Governance Framework has been refreshed to reflect evolving governance arrangements in place since November 2012, resulting in the production of a joint Code of Corporate Governance document for both the PCC and the Chief Constable in April 2014. This reflects the Stage 2 Transfer and the PCC's developing Strategy to improve policing, criminal justice services and, more broadly, the day-to-day safety of communities in Staffordshire.

Significant Governance Issues

38. Significant governance issues will be continuously monitored and steps taken to address them in-year. Any lessons learnt and subsequent improvements will be built into the work mentioned above.

Approved by:

Glynn Dixon, Chief Of Staff.

Date: 24 SEPTEMBER 2014