



POLICE AND CRIME COMMISSIONER FOR HUMBERSIDE ANNUAL GOVERNANCE STATEMENT 2021-2022

1. INTRODUCTION

This Annual Governance Statement (AGS) demonstrates the governance arrangements in place for the Police and Crime Commissioner (PCC) for Humberside, including how the effectiveness of the framework is evaluated and monitored. This statement also outlines significant governance issues and any planned changes.

2. SCOPE OF RESPONSIBILITIES

The PCC is responsible for ensuring business is conducted in accordance with the law and proper standards, and public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The PCC has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way his functions are exercised having regard to a combination of economy, efficiency and effectiveness.

In discharging his overall responsibility, the PCC is responsible for putting in place proper arrangements for the governance of his affairs and facilitating the exercise of his functions, which includes ensuring maintenance of a sound system of internal control and that arrangements are in place to support the management of risk.

The PCC has adopted a Code of Corporate Governance, consistent with the principles of the CIPFA/SOLACE Guidance: Delivering Good Governance in Local Government¹. This statement explains how the PCC has complied with the Code and met the requirements of the Accounts and Audit Regulations 2015, requiring all relevant bodies to prepare an Annual Governance Statement (AGS) and publication of a statement on internal control.

3. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems, processes, culture and values by which the PCC directs and controls his activities and through which he accounts to and engages with the community. It enables him to monitor the achievement of his objectives as set out in the Police and Crime Plan, and consider whether those objectives have led to the delivery of appropriate, cost-effective services, including achieving value for money.

The system of internal control is a significant part of the framework, designed to manage risk to reasonable and foreseeable levels. It cannot eliminate all risk of failure to achieve policies, aims and objectives, only providing reasonable not absolute assurance of effectiveness. The system of internal control is based on ongoing processes designed to identify and prioritise risks to achievement of the PCC's policies, aims and objectives, evaluate the likelihood of those risks being realised and the impact should they be realised, and manage them effectively, efficiently and economically.

The fundamental function of good governance in the public sector is to ensure intended outcomes are achieved whilst acting in the public interest at all times. Governance arrangements for the PCC and force follow the seven principles set out in the revised Delivering Good Governance: Guidance Notes for Policing Bodies in England and Wales (2016). These principles are:

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 controls and strong public financial management.

G: Implementing good practices in transparency, reporting and audit to delivery effective accountability.

¹ Delivering Good Governance in Local Government – Guidance Notes for Policing Bodies (revised 2016)
www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-guidance-notes-for-policing-bodies-in-england-and-wales-2016-edition

4. 4. THE CIPFA FINANCIAL MANAGEMENT CODE

The PCC is required to comply with the CIPFA Financial Management (FM) Code. The CIPFA FM Code introduces an over-arching framework of assurance, building on existing financial management good practice. The six key principles are explained below:

- Organisational **leadership** – clear strategic direction, financial management is embedded into organisational culture.
- **Accountability** – based on a Medium-Term Resource Strategy (MTRS) which drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
- **Transparency in Financial Management**, using consistent, meaningful, and understandable data, reported frequently with evidence of periodic action and decision making.
- Adherence to professional **standards** is promoted by the OPCC leadership team and is evidenced.
- Sources of **assurance** are recognised as an effective tool mainstreamed into financial management and includes the results of external audit, internal audit and inspection.
- The long-term **sustainability** is at the heart of all financial management process and is evidenced by prudent use of public resources.

The PCC demonstrates that it operates according to these principles by meeting the following standards:

- OPCC leadership team is able to demonstrate that the force provides value for money.
- PCC ensures compliance with the CIPFA Statement on the Role of the Chief Finance Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable (2014).
- OPCC leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.
- PCC complies with the CIPFA Delivering Good Governance, Guidance Notes for Policing Bodies in England and Wales (2016).
- Financial management style of the PCC supports financial sustainability.
- PCC ensures the force has carried out a credible and transparent Financial Resilience Assessment.
- PCC understands its prospects for financial sustainability in the longer term.
- PCC ensures compliance with the CIPFA Prudential Code for Capital Finance in Local Authorities.
- PCC ensures a rolling multi-year Medium Term Resource Strategy.

Full compliance against the code is mandatory from 1 April 2022. A full self-assessment has been undertaken against the criteria contained within the CIPFA Financial Management Code jointly with the force. The self-assessment shows both the PCC and force to be fully compliant.

5. THE GOVERNANCE FRAMEWORK

The Chief Constable is responsible for operational policing matters, direction and control of police personnel, and for putting in place proper arrangements for governance of the force. The PCC is required to hold him to account for the exercise of those functions and those of persons under his direction and control. It follows that the PCC must be assured that the force has appropriate mechanisms in place for maintenance of good governance, and that these operate in practice. The relationship between the PCC, Chief Constable, Police and Crime Panel and Home Secretary is guided by the Policing Protocol Order 2011².

For the appropriate mechanisms to operate in practice, the PCC and Chief Constable, as separate corporations sole, have separate but complimentary governance structures. These facilitate achievement of effective governance arrangements, including monitoring and assessment of performance in line with statutory responsibilities. This consists of a governance framework, collectively known as the Scheme of Corporate Governance.

The PCC has adopted a number of systems and processes which comprise the PCC's current governance arrangements, the key elements of which are outlined below.

Police and Crime Plan 2021-2025:

² Policing Protocol Order 2011 <http://www.legislation.gov.uk/ukxi/2011/2744/made>

On 8 October 2021, the newly elected PCC published his Police and Crime Plan 2021-2025. The three key aims are:

1. Engaged, Resilient and Inclusive Communities.
2. Safer Communities.
3. Effective Organisations.

The Police and Crime Plan sets out the PCC's objectives for policing/community safety, policing to be provided, financial and other resources available, how performance is measured, what grants are to be made and how the Chief Constable is to be held to account. The PCC works with the Chief Constable to ensure processes and systems are in place to deliver against the Police and Crime Plan. This allows the PCC to be satisfied the Chief Constable has regard to the Police and Crime Plan through operational plans of the force, including their Plan-on-a-Page and Strategic Delivery Plan.

Delivery Plan 2021-2022:

This translates the PCC's objectives into the OPCC Annual Delivery Plan³ and Activity Plan.

Accountability Board:

The Accountability Board⁴ ensures proper governance of the force and PCC, through open, constructive debate of their respective statutory duties and the efficiency and effectiveness of the force. The agenda covers delivery against the Police and Crime Plan, inspections/audits/reviews, people, finance, collaboration/partnerships, risks and current/significant issues.

Further Assurance Arrangements:

The PCC fulfils the duty to hold the Chief Constable to account in a number of other ways:

- **Daily Informal Interaction:** enabling and encouraging spontaneous face-to-face discussions between Chief Officers and the PCC on significant issues and critical incidents.
- **Joint PCC/Chief Constable Briefings:** weekly briefings enabling dialogue and discussion, with opportunities to cover Police and Crime Plan delivery and receive updates on topical issues/operational matters.
- **Joint Chief Executive/Deputy Chief Constable Briefings:** monthly briefings enabling dialogue and discussion, with opportunities to discuss organisational planning, risks and current/significant issues.
- **Assurance Conversations:** monthly/quarterly between the PCC and Chief Officers/Function Heads to complement and enhance force performance management and corporate governance arrangements, enhance understanding of the PCC around delivery against Plan-on-a-Page and Police and Crime Plan outcomes, and provide with access to information, officers and staff as required.
- **Joint Independent Audit Committee (JIAC):** quarterly to provide independent advice and recommendations to the PCC and Chief Constable on the adequacy of governance and risk management frameworks, internal controls and financial reporting, annual governance processes and internal and external audit, helping to ensure efficient and effective assurance arrangements.
- **Independent Ethics and Scrutiny Board:** these meetings commenced in October 2021. The meetings are independently chaired, along with representatives from the independent scrutiny groups, OPCC and force. The Board meets quarterly to objectively explore ethical issues and matters raised, in depth and from multiple perspectives, with the purpose of generating genuine and positive organisational learning, informing police and OPCC policy and priorities, challenging when appropriate and creating openness and transparency.
- **Complemented by:**
 - Bespoke briefings from Chief Officers on significant/sensitive issues.
 - Senior OPCC staff attending key force meetings (e.g. HMICFRS Governance Board).
 - Police Powers Scrutiny Group and Hate Crime Scrutiny Group (both with community representatives) meeting quarterly to scrutinise, recognise and promote good practice, and robustly challenge, reporting their findings back to the Independent Ethics and Scrutiny Board.

³ OPCC Humberside Delivery Plan <https://www.humberside-pcc.gov.uk/Our-Work/Delivery-Plan.aspx>

⁴ Humberside Police and Crime Commissioner – Accountability Board <https://www.humberside-pcc.gov.uk/Your-Police/Documents/Accountability-Board-Holding-to-Account.pdf>

- Routine liaison between senior OPCC staff/senior force staff and officers on matters including finance, estates, procurement, professional standards, legal and IT.
- Feedback from Independent Custody Visitors (ICVs) to the PCC and Force Custody Board as appropriate.
- Regular meetings with public bodies (e.g. local authorities) and Inspectorates (e.g. HMICFRS).
- Internal Audit plans (provided by West Yorkshire OPCC), with reports back to the JIAC and Force HMICFRS Governance Board.
- Oversight of HMICFRS Force Inspections through attendance at Force HMICFRS Governance Board and meetings between the PCC and Regional HMI.

It is worth noting that some of the above functions operated differently during 2021-2022 due to the Covid-19 pandemic.

Statutory Functions:

The PCC fulfils his statutory duties by ensuring:

- **Monitoring Officer:** effective arrangements are in place for the discharge of the Chief Executive (head of paid service) and Monitoring Officer functions.
- **Financial management:** arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Finance Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable (2014), and procedural rules, policies and internal management procedures are established for financial management.
- **Procedure Rules, Policies and Internal Management:** established processes for Financial Management, Procurement (via the Yorkshire and the Humber Regional Procurement Team), Health and Safety (via Humberside Fire and Rescue), Confidential Reporting ('whistleblowing'), Complaints Handling, Anti-Fraud, Bribery and Corruption and Records Management including security of information and information sharing.
- **Codes of Conduct:** defined standards of behaviour for the PCC, statutory officers, staff, members of our Joint Independent Audit Committee (JIAC) and volunteers.
- **Joint Scheme of Corporate Governance:** scheme in place setting out in detail the respective roles and functions of the PCC and Chief Constable, outlining significant decisions consented or delegated and which are of a statutory, financial or management nature.
- **Decision Making Process⁵:** established approaches and principles of decision-making. All decisions made by the PCC are recorded and published online for transparency.
- **Joint Independent Audit Committee (JIAC):** established and responsible for independent assurance on the adequacy of the risk management framework and associated control environment, independent scrutiny of the PCC's and Chief Constable's financial performance to the extent that it affects their exposure to risk and weakens the control environment. JIAC has an independent chair, as identified by the Home Office Code of Practice for Financial Management and the CIPFA Audit Committee: Practical Guidance for Local Authorities and Police Guidance.
- **Corporate Risk Strategy and Risk Register:** continued reviewed of the risk register by OPCC Senior Leadership Group. JIAC is responsible for independent assurance on the adequacy of the risk management framework.
- **External Audit:** function is in place which reports to those charged with governance in respect of the Annual Accounts, ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful. The PCC provides information to External Audit, enabling them to provide assurance. The PCC also ensures External Audit recommendations are implemented.
- **Partnerships/Stakeholders/Communities:** defined and documented roles and responsibilities, with clear arrangements for effective communication in respect of the PCC and partnership arrangements. Established and clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation. We have developed good governance arrangements in respect of partnership and other joint working arrangements, including clear working relationships with Community Safety Partnership (CSPs).
- **Other Statutory Responsibilities and Compliance:**

⁵ PCC Decision Making Process <https://www.humberside-pcc.gov.uk/Transparency/How-We-Make-Decisions/How-We-Make-Decisions.aspx>

- Setting the budget and precept.
- Issuing a Police and Crime Plan⁶.
- Publication of an Annual Report⁷.
- Publication of specified information, including the requirements of the Elected Local Policing Bodies (Specified Information) (Amendment) Order 2021.
- Duties to consult with victims of crime, the population as a whole and council-tax payers.
- Safeguarding of children and promotion of child welfare.
- Having regard to the Strategic Policing Requirement.
- Duties relating to equality and diversity.
- Attendance at and input to the Humberside Police and Crime Panel.

6. REVIEW OF EFFECTIVENESS

The PCC has responsibility for conducting a review of the effectiveness of the governance framework. The review of effectiveness is informed by the work of the OPCC Leadership Meeting, who have responsibility for development and maintenance of the governance environment and the Annual Report and Audit Opinion of the Head of Internal Audit (OPCC West Yorkshire), as well as comments by External Auditors and other review agencies and inspectorates.

Overall governance arrangements are fit for purpose.

In maintaining and reviewing the effectiveness of governance arrangements, the following roles are undertaken:

PCC:

The PCC changed on 6 May 2021. Owing to the Covid-19 pandemic, elections due to be held in May 2020 were delayed until 6 May 2021. The postponement was implemented by the Coronavirus Act 2020 which was enacted on 25 March 2020.

The PCC has overall responsibility for maintenance and review of governance arrangements and has asked his Statutory Officers, together with the Head of Internal Audit (OPCC West Yorkshire) to continue with the review of the corporate governance arrangements, designed to assess and monitor:

- Code of Corporate Governance.
- Review of the system of Internal Control.
- Assurance through development of the Accountability Board, to replace the Corporate Governance Group.
- Production of the Annual Governance Statement (AGS).

Joint Independent Audit Committee (JIAC):

The JIAC has continued to be responsible, on behalf of both corporations sole, for:

- Advising the PCC and Chief Constable according to good governance principles.
- Providing independent assurance on the adequacy and effectiveness of the PCC's and Chief Constable's internal control environment and risk management framework.
- Monitoring the effective development and operation of risk management including the adequacy of management action.
- Oversight of the effectiveness of the framework in place for ensuring compliance with statutory requirements.
- Independent scrutiny of financial and non-financial performance to the extent that it affects the PCC's and Chief Constable's exposure to risks and weakens the internal control environment.
- Oversight of the financial reporting process and consideration of the arrangements to secure value for money.

The Terms of Reference of the JIAC encompass and reflect these duties by defining that they:

- Be the conduit through which governance work is channelled.
- Provide assurance on risk management arrangements on behalf of the PCC.

⁶ Police and Crime Plan 2017-2021 <https://www.humberside-pcc.gov.uk/Our-Work/Police-and-Crime-Plan.aspx>

⁷ Annual Report 2018-2019 <https://www.humberside-pcc.gov.uk/Our-Work/Annual-Report-2018-19.aspx>

- Recommend approval of the Statutory Accounts of the PCC and Chief Constable.

To ensure that it is ably qualified, assessments of its abilities in line with best practice are undertaken confirming that the JIAC is well suited and equipped for such responsibilities. Members of the JIAC continue to undergo regular training to ensure the committee remains effective in advising the PCC and Chief Constable. Recruitment was successfully undertaken in 2021-22 to replace outgoing members.

Internal Audit:

The system of Internal Audit (provided via s.22 agreement with OPCC West Yorkshire) is a primary principle of corporate governance and joint responsibility of the PCC. Provision and maintenance of an effective joint internal audit service has been designated to the OPCC Chief Financial Officer. JIAC continues to oversee provision of this service. Internal audit standards are assessed against Public Sector Internal Audit Standards (PSIAS).

During 2021-2022, internal audit has continued the approach of concentrating on major risks faced by the PCC and force, allowing the PCC to have increased confidence in the governance, risk management and control processes.

Section 151 Officers:

The OPCC has in place a Chief Finance Officer covering the role of s.151 officer. The force has a Head of Finance and Business Services in place, covering the s.151 officer role.

Police and Crime Panel:

The Humberside Police and Crime Panel continues to scrutinise the work of the PCC, acting as critical friend to the PCC through independent challenge. The Panel has:

- Reviewed progress against the Police and Crime Plan 2021-2025.
- Scrutinised the PCC's Annual Report 2020-2021.
- Scrutinised the decisions and actions of the PCC.
- Reviewed and accepted the PCC's proposed policing precept.

The PCC remains compliant with all requests from the Panel, including information and attendance at meetings.

Collaborative Working:

The PCC has collaborative arrangements in place to deliver services in conjunction with both national and neighbouring PCCs. Details of the current collaborative agreements⁸ are published on our website. These include:

- Provision of policing services including Regional Organised Crime Unit (Yorkshire and the Humber).
- Joint ICT Service (Humberside and South Yorkshire).
- Procurement (Yorkshire and the Humber).
- Scientific Support Service (North East Region).
- Protected Personnel Carriers.
- National Police Air Service.
- Provision of Legal Services.
- Modern Slavery Police Transformation Programme.

The OPCC Delivery Plan 2021-22 commenced development of a template to ensure a fully transparent method for seeking assurance around regional collaborative working.

The PCC is involved as the North-East Regional Representative for the National Police Air Service (NPAS) Strategic Board. The PCC also continues to collaborate with other bodies including the Humberside Fire and Rescue Service (shared facilities including vehicle maintenance, estates, and health and safety). The PCC is an invited member of the Humberside Fire Authority (HFA), but has not at this time sought to attain a position as a voting member of the HFA. However, the PCC is in contact with the HFA Chair on a needs basis to facilitate the progress around collaborative working.

⁸ Publication of Collaborative Agreements: <https://www.humberside-pcc.gov.uk/Transparency/What-Our-Priorities-Are-and-How-We-Are-Doing/What-Our-Priorities-Are-and-How-We-Are-Doing.aspx>

7. SIGNIFICANT GOVERNANCE ISSUES

Significant governance issues are defined as those:

- Which prevent or seriously prejudice achievement of a principal objective.
- Where additional funding has had to be sought in order to resolve it.
- Which result in material impact on the accounts.
- Which the Head of Internal Audit (OPCC West Yorkshire) has specifically highlighted in the annual audit opinion.
- Which attracts significant public interest and damages the reputation of the PCC.
- Which result in formal action being taken by the OPCC Chief Financial Officer or the Monitoring Officer.

In the 2020-21 Annual Governance Statement (AGS), the OPCC identified four significant issues and included them in the Delivery Plan 2021-22. These were:

1. **Code of Corporate Governance:** a checklist was developed, and a Joint Code of Corporate Governance Review undertaken in May 2021 to ensure continuous improvement of governance and identify any areas for improvement. The review provided assurance that governance in both the OPCC and force was effective, with 95% of the Codes elements being easily evidenced. Several actions were highlighted that were formed into an action plan. This is currently being worked through and progress is regularly reported back through the Accountability Board.
2. **Covid-19:** the OPCC continued to adhere to Government advice and all staff remained able to work from home. Meetings were held virtually where possible and business as usual was maintained.
3. **Complaint Reviews:** the OPCC focused on ensuring public-facing information through publication of timeliness of complaint reviews. In addition, the OPCC is awaiting information from the Independent Office for Police Conduct (IOPC) to enable requirements in the Elected Local Policing Bodies (Specified Information) (Amendment) Order 2021 to be met in respect of complaints information.
4. **NETIC (North-East Transformation, Innovation and Collaboration) Team:** following the decision to disband the regional NETIC team towards the end of 2020-21, the OPCC Delivery Plan 2021-22 outlined development of a template to ensure a fully transparent method for seeking assurance around regional collaborative working. This has been reported back to the Accountability Board.

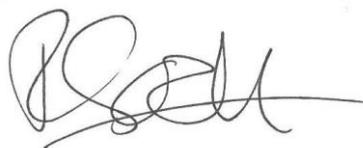
All significant issues from 2020-21 have been covered, with remaining elements transferred across to the Delivery Plan 2022-23 or incorporated into business as usual.

Using the criteria for significant issues for 2022-23, there are two for the OPCC. Both have actions in place through the OPCC Delivery Plan 2022-23 where relevant:

1. **National PCC Review:** there are several large-scale changes planned through the National PCC Review published on 8 March 2022. Developments will continue to be reported back through the OPCC governance arrangements as appropriate and the Delivery Plan 2022-23 will be updated when further details emerge from Government.
2. **Partnership Funding Arrangements:** there is an issue around a lack of accountability and transparency with how funds provided by the PCC to partnerships (Community Safety Partnerships (CSPs), Youth Offending Services (YOSs), and Statutory Safeguarding Adults Boards and Safeguarding Children Partnerships) are utilised and aligned to the Police and Crime Plan aims. The Delivery Plan 2022-23 will ensure a restructure of how partnerships are funded to ensure better accountability and transparency.



Jonathan Evison
Police and Crime Commissioner



Rachel Cook
OPCC Chief Executive



Kevin Wilson
OPCC Chief Finance Officer

Date: 21 March 2022

Date: 21 March 2022

Date: 21 March 2022