



## Office of the Cambridgeshire Police and Crime Commissioner (OPCC)

### ANNUAL GOVERNANCE STATEMENT – 2019/20

#### 1. SCOPE OF RESPONSIBILITIES

A Police and Crime Commissioner (PCC) is responsible for ensuring that the business of their office is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

In discharging this overall responsibility, the PCC is responsible for putting in place proper arrangements for the governance of his affairs and facilitating the effective exercise of functions, which includes ensuring 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 PCC also relies on the Chief Constable (CC) to support the governance and risk management processes.

The Commissioner ensures community needs are met as effectively as possible and improves local relationships by working in partnership across a range of agencies at local and national level to ensure there is a unified approach to preventing and reducing crime.

Under the terms of the Police Reform and Social Responsibility Act 2011, The Commissioner must:

- secure an efficient and effective Police Force for their area;
- appoint the Chief Constable, hold them to account for, and if necessary, dismiss them;
- set the police and crime objectives through a police and crime plan;
- set the force budget and determine the precept; and
- bring together community safety and criminal justice partners, to make sure local priorities are joined up.

It is noted that during the reporting period covered by this Annual Governance Statement, that the sitting PCC tendered his resignation from office on the 11<sup>th</sup> November 2019. On the 27<sup>th</sup> November 2019, the Police and Crime Panel exercised their power under section 62 of the Police Reform and Social Responsibility Act 2011 and appointed an Acting Police and Crime Commissioner. The legislation provides that all the functions of a PCC are exercisable by an Acting Commissioner, apart from issuing or varying a Police and Crime Plan. Therefore, for the purposes of clarity for this Annual Governance Statement, any reference to the 'PCC' is taken to include that of the Acting Commissioner.

In considering this Annual Governance Statement, in addition to considering his own arrangements, the PCC has also relied upon the governance processes within Cambridgeshire Constabulary as reflected in the CC's Annual Governance Statement.

## **2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

The governance framework comprises the systems and processes, and culture and values, by which the PCC and his office are directed and controlled, and the activities through which he and his office are accountable to and engage with the community. It enables the PCC to monitor the achievement of his strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services, including value for money.

At a strategic level the framework forms part of the three forces Scheme of Governance, jointly agreed with Bedfordshire and Hertfordshire, and which includes Financial Regulations and Contract Standing Orders, which were most recently reviewed and updated in 2017. Both the Scheme of Governance and Financial Regulations are available on the PCC's website.

The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable and foreseeable level. It cannot eliminate all risk of failure to achievement of policies, aims and objectives and can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the PCC's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

## **3. THE GOVERNANCE FRAMEWORK**

The CC is accountable to the PCC. Both the CC and PCC must have due regard to the Strategic Policing Requirement set by the Home Secretary.

The Chief Constable is responsible for operational policing matters, the direction and control of police personnel, and for putting in place proper arrangements for the governance of the Force. The Commissioner is required to hold him to account for the exercise of those functions and of persons under his direction and control. It therefore follows that the PCC must satisfy himself that the Force has appropriate mechanisms in place for the maintenance of good governance, and that these operate in practice.

The Scheme of Governance includes details of the various duties delegated to senior officers. Financial Regulations (including Contract Standing Orders) have been developed to ensure that the financial responsibilities of both the OPCC and the Commissioner are clear.

The Business Coordination Board is a joint governance forum of the Police and Crime Commissioner for Cambridgeshire and the Chief Constable for Cambridgeshire Constabulary and their respective Officers. This meeting is one of the means whereby the Commissioner holds the Chief Constable to account for the performance of the Constabulary. Meetings scrutinise, support and challenge the overall performance of the Force including against the priorities agreed within the Plan.

The key elements of the systems and processes that comprise the governance arrangements that have been put in place for the PCC and the CC include:

- A definition of the roles of the PCC and the CC;
- Delegations from the PCC;
- Financial Regulations;
- Risk Management and Business Continuity arrangements;
- A Treasury Management Policy;
- A Gifts Loans and Sponsorship Policy;
- Contract Standing Orders; and
- Anti-Fraud and Anti-Bribery policy.

CIPFA published their "Delivering Good Governance in Local Government: Framework" followed by specific guidance notes for Policing Bodies. The key elements of the systems and

processes which the Commissioner has in place are aligned to the seven principles are set out below:

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

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

The OPCC has an approved policy on anti-fraud and anti-bribery which is included within the Financial Regulations. The policy is designed to encourage prevention, promote detection and identify a clear pathway for investigation of fraudulent and/or corrupt activities or behaviour.

The Commissioner has made a policy statement on decision making which is shared with Bedfordshire and Hertfordshire. This explains the statutory framework for decision making by police and crime commissioners, aligned to the Nolan principles of public life, it sets out the decision-making process including the recording, transparency and publication of those decisions. Under the policy the Chief Executive, Chief of Staff and Chief Finance Officer are part of the legal framework to report contraventions of the law, financial requirements or maladministration.

The Acting Commissioner has taken an Oath of office following his appointment by the Police and Crime Panel. The Oath sets out his commitment to undertaking his role with integrity whilst recognising the importance of the operational independence of the Chief Constable, . The Police and Crime Panel have made a recommendation that a newly elected Commissioner should sign a Code of Conduct. The Acting Commissioner has agreed to sign this Code. The register of interests of the Acting Commissioner and of the Chief Executive Officer are published on the PCC's website.

<https://www.cambridgeshire-pcc.gov.uk/about-us/your-commissioner/disclosure-of-business-interests/>

The OPCC and Constabulary have defined key elements of the whistleblowing process within the Financial Regulations to deal with disclosures of inappropriate behaviour or malpractice, including fraud and misappropriation.

The Police and Crime Commissioner has a duty to be open, transparent and accountable. He also has a legal responsibility to monitor all complaints made against all Cambridgeshire Constabulary officers and staff, whilst also having responsibility for complaints made against the Chief Constable. From the 1<sup>st</sup> February 2020, the Commissioner became the relevant review body for conducting independent reviews of police complaints where the Independent Office of Police Conduct is not the relevant review body. The Police and Crime Panel has responsibility for handling complaints against the Commissioner or the Deputy Police and Crime Commissioner. The complaints process is described on the Commissioner's website.

<https://www.cambridgeshire-pcc.gov.uk/accessing-information/complaints/>

As a public body, the Commissioner is subject to the general equality duty. Under the Police Reform and Social Responsibility Act 2011, the Commissioner must hold the Chief Constable to account for the exercise of his duties relating to equality and diversity.

<https://www.cambridgeshire-pcc.gov.uk/transparency/staff-equality-and-diversity/>

The Police and Crime Plan considers the needs of the diverse population he serves. OPCC staff comply with and ensure that those who we support adhere to guidelines set out in the equality duty. The OPCC staff equality and diversity breakdown has been published on the website. <https://www.cambridgeshire-pcc.gov.uk/police-crime-plan/>.

The Police and Crime Commissioner has a statutory duty under the Police Reform and Social Responsibility Act 2011 to hold the Chief Constable to account for the exercise of duties relating to equality and diversity. The Constabulary reports achievement against its six core equality and diversity objectives to the Business Coordination Board.

### **3.2 Ensuring openness and comprehensive stakeholder engagement**

The OPCC has a Communications and Engagement Strategy which sets out the Acting Police and Crime Commissioner's communications objectives, with expected outputs linked to those objectives and the objectives of the Police and Crime Plan. It also identifies key stakeholders and communication channels.

<https://www.cambridgeshire-pcc.gov.uk/whats-new/>.

A key role of the Police and Crime Commissioner is to listen to the views of local people. He does this in a number of ways, including meeting people at public meetings and through regular surgeries. The OPCC has published a protocol for contacting or meeting the Police and Crime Commissioner which explains how to book a surgery appointment. The Commissioner's tactical engagement plan records engagement key events including surgeries and consultations.

The Commissioner has also undertaken surveys which have included matters such as the new southern police station and the precept.

Partnership arrangements are in place with local authorities and criminal justice partners, including an overarching Countywide Community Safety Board and Criminal Justice Board.

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

The Commissioner continued to endorse Section 22 (of the Police Act 1996) collaboration agreements with Strategic Alliance partners in 2019/20 and mechanisms are in place to hold these collaborative services to account.

The strategic direction of the Strategic Alliance is managed via the Strategic Alliance Summit (SAS), which is made up of the six corporation soles representing the Forces and OPCCs' of Bedfordshire, Cambridgeshire and Hertfordshire. The operational implementation of the collaboration units is managed via the Joint Chief Officers Board (JCOB) which is made up of the three Chief Constables.

The Chief Constable has ultimate responsibility for his/her officers and staff in a collaborated unit and is ultimately vicariously liable for their actions. Officers and Staff are subject to the command structure for daily Shared Service delivery. Each Police and Crime Commissioner retains their individual responsibility for the maintenance of efficient and effective policing in their county and each Chief Constable retains their operational independence. Each PCC retains responsibility for holding their Chief Constable to account for operational police services delivered through collaboration.

Collaborated units have been established in three work streams each led by one force with a governance board and a supporting structure to allow each CC and PCC to have oversight and fulfil their responsibilities. This means that shared collaborated services are provided to the parties with shared resources being instructed through a single line management structure and those resources remaining under the legal direction and control of their respective Chief Constable.

#### **Joint Protective Services (Bedfordshire).**

- Armed Policing Unit;

- Cameras Tickets & Collisions;
- Civil Contingencies Unit;
- Dog Unit;
- Major Crime Unit;
- National Police Air Service (NPAS);
- Operational Planning Support Unit;
- Roads Policing Unit;
- Forensic Collision Investigation Unit;
- Scientific Services Unit.

#### **Organisational support (Cambridgeshire).**

- HR;
- Information Management;
- Professional Standards Department;
- Tri-Force Communications;
- Uplift;
- Uniform Stores;
- Payroll.

#### **Operational Support (Hertfordshire).**

- Criminal Justice;
- Firearms and Explosive Licensing;
- Information and Communication Technology and,
- Mobile, Digital and Emergency Services Mobile Communication Programme.

In addition, collaboration across Bedfordshire, Cambridgeshire, Hertfordshire, Norfolk and Suffolk, Essex and Kent known as 7Force has established a programme to progress consideration of joint working across the region and to collaborate on specific business cases as agreed. A collaborated Procurement services across the 7Forces has been established with other projects in place and under development.

<https://www.cambridgeshire-pcc.gov.uk/accessing-information/collaboration/>

### **3.4 Determining the interventions necessary to optimise the achievement of the intended outcomes**

A Medium Term Financial Strategy is in place. For 2019/20 this was presented to the Police and Crime Panel in January 2019. In February 2020 the Police and Crime Panel received the plan covering the period 2020/21 to 2023/24.

The Financial Plan supports the achievement of the objectives within the Police and Crime Plan and the Constabulary Corporate Plan.

The Police and Crime Plan 2017 – 2020 was refreshed in August 2019 with the strategic themes, specific aims and outcomes, these are:

- Victims;
- Offenders;
- Communities;
- Transformation.

The operational requirements were identified using an innovative planning process known as the Strategic Threat and Risk Assessment (STRA) which examined the operational requirements against current and future demand. This also supported the development of the Constabulary's Corporate Plan and the Medium Term Financial Strategy.

The Business Coordination Board is a joint governance forum of the Police and Crime Commissioner for Cambridgeshire and the Chief Constable for Cambridgeshire Constabulary and their respective Officers. Its role includes:

- Setting the strategic direction and objectives of the force through the Police and Crime Plan
- Issuing a Police and Crime Plan and monitoring progress.
- Calculating a budget requirement, allocating assets and funds and setting the precept for the Constabulary
- Holding the Chief Constable to account for the performance of the Constabulary's officers and staff and for an efficient and effective police force, including: Scrutinise, support and challenge the overall performance of the force including against the priorities agreed within the Plan.

<https://www.cambridgeshire-pcc.gov.uk/accessing-information/decision-making/business-coordination-board/>

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

The OPCC takes a pro-active approach to staff development. OPCC staff complete a regular Personal Development Review (PDR) process with their named line manager. This process will continue to identify training requirements for individuals.

Each member of staff has a job description which sets out their individual roles and responsibilities. The Commissioner has published a list of staff with their roles and a staff structure chart on his website. <https://www.cambridgeshire-pcc.gov.uk/about-us/staff/>

The Commissioner has responsibility for conducting at least annually, a review of the effectiveness of the governance framework, including the system of internal control. The review is informed by the work of the Chief Executive, the CFOs, internal auditors, the Head of Internal Audit report and also managers within the OPCC and Constabulary who have the responsibility for the development and maintenance of the governance environment.

The OPCC has adopted the Human Resources policies established by the Bedfordshire, Cambridgeshire and Hertfordshire collaborated HR department. This includes 'My Conversation' which is a performance review (PDR) process. Regular conversations take place between individuals and managers to ensure oversight of wellbeing, to guide and support in the achievement of work-based objectives and to support personal and professional development.

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

The Commissioner makes his commitments and objectives for policing clear in his Police and Crime Plan which was informed by the views of the electorate. It is against this plan that the PCC is measured, and monitoring of outcomes against this plan is undertaken by both the Business Co-ordination Board and the Police and Crime Panel. The outcomes are made visible to the public through the Annual Report.

Risk management is embedded into the work of the OPCC on an ongoing and continuous basis. A joint strategic risk register is in place with the Constabulary and endorsed by the Joint Audit Committee.

The OPCC has a Risk Management Strategy, endorsed by the Joint Audit Committee, its purpose is to ensure that risk management is embedded into the governance structure and that it effectively underpins and enables the business. The risk strategy sets out the Commissioner's controls assurance mechanisms, responsibilities within the OPCC and the relationship with the Constabulary risk management processes. The Joint Audit Committee oversees the risk management arrangements of the OPCC and the Constabulary and ensures that the processes are aligned.

Internal Audit issued a report from their review of Risk Management during 2019/20 which concluded that the Board could take substantial assurance.

Financial control involves the existence of a structure which ensures that all resources are used as efficiently and effectively as possible to attain the overall objectives and targets. Internal financial control systems are in place to minimise the risk of loss, unlawful expenditure or poor value for money, and to maximise the use of the assets and limited resources.

The financial management framework follows national and/or professional good practice and its key elements are set out below:

- The organisations fully comply with the CIPFA Statement on the Role of the Chief Financial Officer of the Police and Crime Commissioner and the Chief Financial Officer of the Chief Constable.
  - The finance function is governed by the Financial Regulations which are framed under the Home Office Code of Financial Management. The Chief Constable is responsible for adherence to Police Regulations and the Constabulary is monitored for additional compliance by HMICFRS and HM Revenue and Customs.
  - Responsibility and accountability for resources rests with managers who are responsible for service provision.
  - The Commissioner has adopted the CIPFA Code of Practice on Treasury Management requiring approval of an annual treasury management strategy including an annual investment strategy.
  - In accordance with the CIPFA Prudential Code and good accounting practice a four-year medium-term financial strategy (MTFS) and a four-year capital programme are produced.
  - The revenue budget provides an estimate of the annual income and expenditure requirements for the police service (Commissioner and Constabulary) and sets out the financial implications of the Police and Crime Plan. It provides chief officers with the authority to incur expenditure and the basis through which to monitor the financial performance.
  - Capital expenditure is an important element in the development of the policing business since it represents major investment in new and improved assets. The Commissioner approves the capital programme each year and monitors its implementation and funding closely.

### **3.7 Implementing good practices in transparency, reporting and audit to deliver effective accountability**

All decision making is carried out in accordance with the Governance framework. The governance arrangements ensure that the key decisions taken by the Commissioner are made in the light of all necessary information and analysis and made public (unless exempt under the Provision of Access to Information rules). Appropriate legal, financial, human resources and other professional advice is considered as part of the decision-making process. The Commissioner signs a notice for each decision taken and any decision can be 'called in' by the Police and Crime Panel for further consideration.

The Commissioner has appropriate oversight and scrutiny of Constabulary decision-making through the scrutiny of reports at the Business Coordination Board and other meetings, review of Force Executive Board minutes and formal and informal meetings with the Chief Constable and Constabulary officers. A specific objective and risk-based performance approach is in place. The Commissioner and Constabulary are subject to an extensive internal and external inspection regime and the results of these inspections are published to ensure appropriate scrutiny of decision-making.

The Commissioner publishes his decisions and the minutes and papers of the Business Coordination Board. <https://www.cambridgeshire-pcc.gov.uk/accessing-information/decision-making/>

The Commissioner also published the minutes and papers of the Police and Crime Panel and the Joint Audit Committee.

## 4. REVIEW OF EFFECTIVENESS

### The Joint Audit Committee (JAC)

The JAC undertakes the core functions of an audit committee in accordance with the guidance set out in the CIPFA publication 'Audit Committees – Practical Guidance for Local Authorities and Police'.

The Joint Audit Committee plays a pivotal role in the system of internal control through its oversight of audit arrangements. The Committee approves the external audit plan and receives the annual audit letter from the external auditor. The Committee also considers the annual internal audit plan, receives regular internal audit reports and monitors management performance against agreed action plans to address any areas for improvement identified. In addition, the Committee oversees progress on Risk Management and related issues.

<https://www.cambridgeshire-pcc.gov.uk/accessing-information/decision-making/joint-audit-committee/>

### The Police and Crime Panel (PCP)

The PCP provides checks and balances on the work of the Police and Crime Commissioner (PCC). The Panel does not scrutinise Cambridgeshire Constabulary; it scrutinises how the PCC carries out his statutory responsibilities. While the Panel is there to constructively challenge the PCC, it also has a key role in supporting the Commissioner in his role in enhancing public accountability of the police force. The Commissioner reports to the PCP to enable it to fulfil its responsibilities which include:

- Review and make recommendations on the draft Police and Crime Plan
- Scrutinise the PCC, inviting the Chief Constable to attend the PCP where appropriate
- Review the PCC's appointment of Chief Executive, Chief Financial Officer and Deputy PCC where one is appointed
- Make reports and recommendations on matters relating to the PCC
- Monitor all complaints against the PCC and the informal resolution of such complaints where necessary
- Question the PCC on the annual report in a public meeting
- Veto powers on the PCC's proposed annual council tax precept and appointment of Chief Constable.

<https://www.cambridgeshire-pcc.gov.uk/accessing-information/decision-making/police-crime-panel/>

### Internal Audit

Internal audit provided an independent opinion on the adequacy and effectiveness of the system of internal control, stating that the organisation has an adequate and effective framework for risk management, governance and internal control. However their work identified further enhancements to the framework of risk management, governance and internal control to ensure it remains adequate and effective going forward,

Internal audit issued three reasonable assurance and four substantial assurance reports for the OPCC and the Constabulary during the year.

Internal audit also undertook audits in relation to collaboration activity across Bedfordshire, Cambridgeshire and Hertfordshire Constabularies (BCH), and issued one partial assurance report covering Procurement in draft, one reasonable assurance report and one advisory report. Internal Audit also issued a no assurance report covering Health and Safety, this was followed by Internal Audit in February 2020 and good progress was reported on the completion of actions. Internal audit also performs an annual follow up of agreed management actions, and the Constabulary also track the completion of management actions.

Internal Audit has co-ordinated the new draft of this Annual Governance Statement, with assistance from senior officers and staff in the OPCC and Constabulary.

### External Audit

The external auditors issued the following reports during the year:

- Opinion on financial statements;
- Annual audit letter.



The key matters that the Joint Audit Committee reported were that Cambridgeshire Constabulary had:

- An unqualified opinion on their accounts and had prepared its financial statements well;
- Had an adequate internal control environment;
- Had an unqualified value for money conclusion.

## 5. SIGNIFICANT GOVERNANCE ISSUES

### A summary of how the significant issues identified in the 2018/19 Annual Governance Statement have been managed

As stated in 2018/19

Current position

At a time of such major organisation change and downward pressure on finances, it is inevitable that risk appetite will need to be reviewed and controls will come under pressure. As a result audit resources and management effort will need to be directed at areas of higher risk. In order to help us manage this risk appetite we are developing a board assurance framework.

The notification received from the Government was that there was a £10.9m increase in funding for Cambridgeshire. This included both the central grant funding element of £6.8m and assumed that the Acting Commissioner would increase the precept by £10 on Band D properties, which combined with the expected growth in housing subject to council tax, would raise £4.1m.

The Office of the Police and Crime Commissioner will continue to identify enhancements to its arrangements for corporate governance, in particular the governance of collaborated activities.

This will continue into 2020/21 specifically in respect to following up on the outcomes from the review noted below.

Looking ahead, the OPCC considers that in light of the major organisation change and downward pressure on finances there is a clear need for a robust medium term financial planning process and the work in this area in previous years is to be built upon. The future strategic arrangements will include closer linking of the MTFs and FMS increasing the ability of the Commissioner and Chief Constable to base resourcing decisions on an understanding of demand.

During the summer and early autumn of 2019, the Chief Constable undertook an innovative Strategic Threat and Risk Assessment (STRA) process to determine the future operational requirements of the Constabulary. The STRA process identified 999 calls, domestic abuse cases, mental health incidents, concerns for safety of the vulnerable and sexual offence reporting are all likely to increase. It also identified the priorities for 2020/21. Timing of the STRA process will be changed in 2020/21 to improve the link to the MTFs and FMS.

The BCH Chief Executives have commenced a strategic review of BCH Collaboration and the recommendations from this review will be implemented during 2019/20.

The strategic review of BCH Collaboration is in progress and the recommendations will now be implemented in 2020/21.

## A summary of significant issues identified in 2019/20

### Health and Safety

Internal Audit issued a no assurance report following their review, although a follow of the actions agreed in that report was performed in February 2020 showed good progress towards implementation. This area will be subject to another audit in 2020/21 to ensure actions have been embedded within processes.

### Procurement

Internal Audit issued a partial assurance following their review (draft). This covered the tri-force collaborated service and was in transition to a new 7force arrangement, this transition has since been completed. Internal Audit will follow up the issues identified within their 2020/21 plan with reviews of the new service.

### Coronavirus

Business Continuity Plans are in place which are updated and kept under review, anticipating the effects on staff resilience (both officers and civilian staff), with the need to have flexible operational arrangements to deal with peak periods of demand, and adapt to a changing local and national situation.

## 6. CONCLUSION

Based on the opinion of the Head of Internal Audit and our own ongoing work, we are satisfied that our arrangements for governance, risk management and control are adequate and effective.

I propose to address the above matters to further enhance my governance arrangements and will monitor the implementation and operation of these improvements.

Signed

Ray Bisby  
Acting Police and Crime Commissioner  
Date:

Dr Dorothy Gregson  
Chief Executive

