

**CHIEF CONSTABLE OF NORTHUMBRIA POLICE**

**ANNUAL GOVERNANCE STATEMENT 2012/13**

**Scope of Responsibility**

1. Northumbria Police Force (the Force) is responsible for ensuring that its business 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. The Force also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
2. In discharging this overall responsibility, the Chief Constable is responsible for putting in place proper arrangements for the governance of the Force's affairs facilitating the effective exercise of its 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.
3. The Force has carried out an annual review of its governance arrangements which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*.
4. This statement explains how the Force has complied with these principles and meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2011.

**The Purpose of the Governance Framework**

5. The governance framework comprises the systems and processes, and culture and values, by which the Force is directed and controlled and its activities through which it accounts to, engages with and responds to the needs of local communities. It enables the Force to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services, including achieving value for money.
6. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Northumbria Police's policies, aims and objectives, to evaluate the likelihood and

impact of those risks being realised and to manage them efficiently, effectively and economically.

7. The governance framework has been in place at the Force for the year ended 31 March 2013 and up to the date of approval of the statement of accounts.

### **The Governance Framework**

8. 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. Northumbria Police Authority was required to hold the Chief Constable to account for the exercise of those functions and those of the persons under their direction and control. Following the introduction of the Police Reform & Social Responsibility Act 2011, Northumbria Police Authority was replaced by the Police and Crime Commissioner for Northumbria on 22<sup>nd</sup> November 2012 and therefore this statement makes reference to governance arrangements under both the Northumbria Police Authority and the Police and Crime Commissioner (PCC) for Northumbria. Since November 2012 the Chief Constable has been a legal entity in her own right.
9. Public opinion, national priorities, force performance and information on crime and future trends are reviewed together as part of a Strategic Assessment, which identifies priority areas for Northumbria Police. The findings of the Strategic Assessment contributed directly to the development of the Force Objectives and Actions as set out in the Local Policing Plan 2012-2013 which was agreed by Members of the Authority on 14<sup>th</sup> March 2012.
10. The Scrutiny Committee then monitored performance against the Policing Plan on a quarterly basis and this was reported to the Authority on an annual basis.
11. Following the election of the PCC for Northumbria a Police and Crime Plan for 2013-18 was developed and agreed with the Police and Crime Panel. This includes the Chief Constable's Delivery Plan which sets out how the Force will achieve and measure performance against the PCC's five local Police and Crime Objectives, as well as supporting national priorities as outlined in the Strategic Policing Requirement. Performance is monitored through a robust framework and discussed at the Force's Strategic Management Board which is also attended by the PCC.
12. The behaviour of Police Officers is governed through a range of Human Resources policies including the Standards of Professional Behaviour for Police Staff.
13. In support of openness and transparency the Chief Constable operates a complaints policy in accordance with the provisions of the Police (Complaints and Misconduct) Regulations 2012. Northumbria Police also

provides a facility where police officers and police staff can confidentially report suspected wrongdoing through a Professional Standards Reporting Policy to ensure issues of integrity are fully investigated and to uphold public confidence in the Force.

14. The Force has a range of policies in place to mitigate against the risks of fraud and corruption. This includes guidance on Inappropriate Associations, Unmanageable Debt, Business Interests and Gifts and Hospitality.
15. Policy and decision making arrangements prior to November 2012 were facilitated by a framework of delegation as set out in the Standing Orders and the Financial Regulations of the Authority. Following the election of the PCC these were reviewed to reflect the new arrangements and an updated framework, including the Commissioner's Delegations to Officers, Financial and Contract Regulations, Consents and Governance Structures and Procedures was formally adopted by the Chief Constable.
16. Strategic risk management is being reviewed and addressed from the perspective of both the PCC and Force, with an emphasis on shared objectives, risks and an integrated approach across the Police Service. Operational risk management is embedded into the culture of the Force through a Corporate Risk Management Policy which aims to ensure foreseeable risks to the business of the force are identified, planned for and mitigated effectively
17. The Authority's Audit and Improvement Committee received quarterly reports on risk management and looking forward this responsibility is included within the terms of reference of the new Joint Independent Audit Committee of the PCC and Chief Constable.
18. The Director of Finance to the Chief Constable is designated as the responsible officer for the administration of the Authority's financial affairs under section 151 of the Local Government Act 1972. This includes ensuring the lawfulness and financial prudence of decision-making; providing advice, particularly on financial impropriety, publicity and budget issues and giving financial information. It also extends to ensuring the financial arrangements in place conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).
19. The Authority's Audit and Improvement Committee carried out the functions of an Audit Committee up to November 2012; its terms of reference included it to consider both the external and internal audit plan and activity with a specific brief to independently contribute to the overall process of ensuring that an effective internal control environment was in place in the Authority. The new Joint Independent Audit Committee of the PCC and Chief Constable was established during 2012/13 in line with the requirements of the Home Office's Financial Management Code of

Practice and monitors internal control, risk and governance issues relating to both the PCC and Force.

20. The Authority maintained an independent Internal Audit Service and the same provider was engaged to continue delivery of the 2012/13 Internal Audit Plan since November 2012. The Internal Audit Service is required to objectively examine, evaluate and report upon the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of the PCC and Chief Constable's resources. This is achieved through the delivery of a risk based annual audit plan which is monitored by the Joint Independent Audit Committee on a quarterly basis. The Chief Internal Auditor also prepares an annual report based on the work of the Internal Audit Service which provides an independent and objective opinion on the control environment of the Authority, PCC and Chief Constable based on the work undertaken by the Internal Audit Service throughout 2012/13.
21. The Force is pro-active in its approach to community engagement with all stakeholders. The aim is to ensure all local people are well informed, actively involved in influencing what happens in their local area and ensuring delivery of the policing services that meet the needs of local people. The Force continues to consult the public regularly through User Satisfaction Surveys, Neighbourhood Meetings and a residents' Safer Communities Survey. The Force are also one of the 'responsible authorities' on the six Community Safety Partnerships across Northumbria.

### **Review of Effectiveness**

22. The Chief Constable has responsibility for conducting, at least annually, a review of the effectiveness of the governance framework, including the system of internal control. The review for 2012/13 was undertaken by the Joint PCC and Chief Constable Monitoring Group meeting on 3<sup>rd</sup> June 2013.
23. The review has been primarily completed and informed by the work of Authority Members, the Chief Executive & Solicitor, the Chief Constable, the Director of Finance, the Head of Legal Services, the Chief Internal Auditor and senior managers within the Force who have the responsibility for the development and maintenance of the governance environment. In addition comments made by external auditors and other review agencies and inspectorates have informed this review.
24. The review of the effectiveness of governance arrangements will be informed by:
  - The work of Senior Managers;
  - The effectiveness and work of Internal Audit, incorporating the Internal Audit Provider and the Joint Independent Audit Committee.
  - Corporate Risk Management arrangements;
  - Performance Management and Data Quality information;

- The external auditors in their annual audit letter and other inspectorate reports;
- Assurance from the Head of Legal Services on the operation of the Force's Legal and Regulatory Framework;
- Assurance from the Director of Finance on the operation of the Force's financial controls, and
- Partnerships arrangements with third party organisations.

25. The Authority's Code of Governance set out the role of Northumbria Police Authority as follows:

- Listen to local people, and deal with issues that matter to them and their community;
- Make sure that performance improves each year and tell local people about it;
- Provide a police service that reflects the communities it serves and treats everyone fairly, regardless of who they are;
- Talk to local people, and deal with the issues that matter to them and their community; and
- Be open and honest in all that we do.

26. The Authority's Code of Governance is reviewed annually and was last approved by Members on 14th March 2012. The Chief Constable is currently reviewing the need for a Local Code of Governance to draw together all relevant policies and procedures and to reflect the new governance arrangements since November 2012.

27. The Chief Internal Auditor reports on an operational basis to the Chief Constable's Director of Finance, but in order to ensure independence has direct access to the Chief Constable, Chair of Joint Independent Committee and Head of Legal Services. A review of the effectiveness of Internal Audit, incorporating the Internal Audit provider and the Joint Independent Committee, has been undertaken and was reported to the Joint Independent Audit Committee of 10th June 2013. This review included ensuring compliance with the CIPFA Statement on the Role of the Head of Internal Audit. This concluded that the Force's system of internal audit is considered to be effective, which in turn allows the opinion of the Chief Internal Auditor to be relied upon.

28. The Chief Internal Auditor provides an independent opinion on the adequacy and effectiveness of the system of internal control and governance arrangements, which is incorporated in the Annual Internal Audit Report to the Joint Independent Audit Committee. The Annual Internal Audit Report for 2012/2013, which was presented to the Committee on 10th June 2013 concluded that, based on the work undertaken, the Force's internal control systems and governance arrangements are considered to have worked effectively in practice but with some actions for improvement as set out below.

29. The Annual Corporate Risk Management Report was presented to the Joint Committee on 10th June 2013, in which it was concluded that risk management arrangements are effective.
30. Area Commanders and Heads of Departments have carried out self-assessments of the processes and controls they have in place to allow them to achieve their service objectives. A report was submitted to the Joint Independent Audit Committee on 10th June 2013, which concluded that based on their self-assessments Area Commanders and Heads of Department, agreed that effective controls and governance arrangements were in place.
31. Regular reports on performance management information and data quality have been considered by the Scrutiny Committee over the course of the year and have been subsequently monitored by the Force's Strategic Management Board.
32. Assurance on the effectiveness of the former Authority's legal and regulatory framework has been provided by the Monitoring Officer who had a legal duty to ensure the lawfulness and fairness of decision-making within the Authority. Since 29th March 2013 this assurance role for the Force has been undertaken by the Head of Legal Services who has highlighted no areas of non-compliance.
33. Assurance on the effectiveness of the former Authority's financial controls has been provided by the Treasurer. Since November 2012 assurance on the effectiveness of the Force's financial controls has been provided by the Director of Finance who is designated as the responsible officer for the administration of financial affairs under section 151 of the Local Government Act 1972. Systems are in place to ensure the lawfulness and financial prudence of decision-making and to fully discharge the responsibilities of the role. The financial arrangements in place conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).
34. Area Commanders and Heads of Department have reviewed key partnerships following an exercise carried out by the Chief Constable. Area Commanders and Heads of Departments have also been required to provide assurance on partnership governance arrangements through self-assessments. All Community Safety Partnerships carry out regular self assessments against the Home Office 'Hallmarks of Effective Practice' guidance which includes governance, communications and strategic planning. From this work it was concluded that governance arrangements for partnerships were operating effectively.
35. The results of the review of the Force's governance arrangements, including the internal control environment, have concluded that arrangements operated effectively throughout 2012/13.

36. We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Joint Independent Audit Committee and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined below.

- A review of compliance by the Chief Constable of governance arrangements in place against the requirements as set out in CIPFA's "*Delivering Good Governance – A Guidance Note for Police Authorities*".
- Continue to review the current Financial and Contract Regulations to ensure they remain appropriate and fully reflective of the different governance regimes that are in place.
- Finalise the Joint Strategic Risk Register covering both the PCC and Chief Constable and arrangements for its reporting to both senior officers and the Joint Independent Audit Committee.
- Identify the training and development requirements of members of the Joint Independent Audit Committee and arrange an appropriate programme to be delivered during 2013/14.

37. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed

Signed

Chief Constable

Director of Finance

Dated

Dated