



# Annual Governance Statement 2013/14

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For the Police and Crime Commissioner  
for North Yorkshire and the  
Chief Constable of North Yorkshire Police

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30 June 2014

## Corporate Governance

### Introduction

The Commissioner and Chief Constable recognise the importance of having good rules, systems and information available to guide the organisation when managing and delivering services to the communities of North Yorkshire. This is known as good corporate governance.

Each year the Commissioner and Chief Constable are required to produce an Annual Governance Statement (AGS). This is a document that describes how good our governance arrangements have been for both the Office of the PCC and North Yorkshire Police over the last 12 months and sets out areas for development.

North Yorkshire Police and its **partners** work in a complex **environment** with prescribed roles and responsibilities. We have a clear set of **values and ethics** that guide how we operate and make decisions in this environment.

We understand the need to ensure we run the organisation in the right way. Our commitment to this is demonstrated in how we **take action** and make decisions. We aim to ensure we have a set of rules and systems that are designed to facilitate service delivery. We recognise we have to look after public money and resources appropriately and **transparently** and acknowledge our responsibility to have in place a sound system of governance.

Our arrangements ensure we are accountable to the people of North Yorkshire. We have a Police and Crime Plan which reflects the priorities and themes you have told us about and that need addressing in your local areas. We recognise that we need to continuously engage and consult with you to ensure that you **have your say** in how key decisions are made. We feel this strengthens our systems and processes and provides additional accountability for our actions.

We hope that this document provides you with some insight into how we run the organisation, how we are ensuring that public funds are managed in the right way and how we intend to develop our arrangements going forward.



**Julia Mulligan**  
Police and Crime Commissioner  
for North Yorkshire



**Dave Jones**  
Chief Constable  
North Yorkshire



Good Corporate Governance helps us to put people first in everything we do. We apply our governance principles to the delivery of all services including those services we deliver with our partners. These give us confidence that we are doing the right thing at the right time for those who we deliver services to, for and with. Our governance principles are:

1. **Putting the Public First**
2. **Working in Partnership**
3. **Minimising bureaucracy and encouraging innovation**
4. **A risk based approach to scrutiny and performance**
5. **Transparency**

## Corporate Governance

### Supporting service delivery and organisational development

How we intend to improve services is set out in the Police and Crime Plan. This is kept under review and in 2014 we are refreshing the plan by actively seeking the views of the public to inform our priorities going forwards. In doing so we ensure the public have a say in how services are delivered in order that we can shape our delivery to community priorities.

**Transparency, integrity and accountability are at the heart of our corporate governance framework.**

These principles have supported the development of our joint vision, mission and values. These are intended to enhance our checks and balances. This should enable us to go beyond what is required of us by the law and recognise and develop best practice. All this supports continuous development of North Yorkshire Police.



#### **Committed to transparency and openness**

Police and Crime Commissioners are subject to a strict regime surrounding their expenses and expenditure. The Police and Crime Commissioner takes her responsibilities in this respect extremely seriously and is committed to providing as much information as possible. For example, the Commissioner publishes all office expenses, even though the statutory minimum is £500. For **each journey taken**, she also provides information on where she was going and who she was meeting.

### Our Corporate Governance Arrangements in practice

Our decision making and scrutiny arrangements have developed throughout 2013/14. This statement is a review of the arrangements in place up to the year ending March 2014 and captures areas for development identified up to the approval of the Statement of Accounts. This satisfies our reporting requirement that arises from the Accounts & Audit (England) Regulations 2011.

In line with our ambitious transparency aims this AGS provides an overview of our internal controls. These ensure we do the right things properly at the right time.



Both the Commissioner and the Chief Constable are committed to ensuring that chief officer remuneration terms are clear, lawful and that public policy standards are met. We commissioned a review and legal advice in relation to historical payments and published the report in the interests of transparency and openness.

Our Decision Making and Scrutiny Arrangements are available in full, [link to document](#)



## Governance Framework

What we do	Where it happens	What we look at
Executive Decision Making	Executive Board	Published Decision Notices
Operational and Support Function Delivery	Delivery Board Command Team Meeting Operations Board Performance Steering Group Force Tasking Partnership Steering Group	Exception reports Update reports
Governance and Assurance	Joint Corporate Risk Group Information Assurance Board Capital and Revenue Development Programme Group Annual Financial Cycle Board Joint Independent Audit Committee	Risk Registers Internal Audit Reports Risk and Assurance Unit Inspection Reports Her Majesty's Inspectorate of Constabulary (HMIC) Inspection Reports Onward reports to Joint Independent Audit Committee Joint Corporate Reports to the Independent Audit Committee External Audit Reports to the Independent Audit Committee
Scrutiny	Commissioner and Chief Constable weekly briefings Corporate Performance and Scrutiny Group Police and Crime Panel	Monthly Performance Reports Commissioner's reports to the Police and Crime Panel

## Areas for Development

1

Developing the understanding of our systems. Increasing understanding of how we work.

2

Enhancing what is delivered through partnerships. Improve the understanding and evidence of services delivered through partnerships.

3

Demonstrating clearly how we use our assets and resources.

4

Developing ways to show what difference our services make.

5

Improve our communications capability.

## How we manage our business

### The Executive Board

At Executive Board we set strategic direction to support the delivery of the Police and Crime Plan. The Commissioner chairs this meeting. The Executive Board is also responsible for considering strategic decisions or those decisions required by our Scheme of Delegation, or the law or our internal regulations. The minutes and decisions of this meeting are published in line with our commitment to openness and transparency.

### Joint Corporate Risk Group

Our Joint Corporate Risk Group is one of our key Corporate Governance tools. This Group maintains our Strategic Risk Register. The register is derived from content sponsored by Senior Managers as escalated from local risk registers. It allows us to target resources (such as internal audit, risk & assurance inspection) to areas with the potential for most impact on delivery.

**Our aspiration is that colleagues feel supported in capturing and managing risks and opportunities that present themselves in relation to the achievement of our objectives.**

This group is also the forum which monitors our progress against other reports that identify risk to service delivery. This includes external inspection activity such as Her Majesty's Inspectorate of Constabulary (HMIC) and inspections undertaken by Internal Audit or the Risk & Assurance Unit. The group also oversees the development of the joint policy and procedure framework which sets out how things should be done. Our aim is for the group to create a shared awareness of risks or issues arising from such activity. It then makes informed decisions in relation to whether or not to progress with recommendations that arise.

### External Audit

Our external audit service is provided by Mazars. The appointment is made under the provisions of the Audit Commission Act 1998.

### Internal Audit

Internal Audit provides an independent view on the checks and balances we have in place. During 2013/14 our Internal Audit Service was provided through a collaboration agreement with the Office of the Police and Crime Commissioner for West Yorkshire.

The reports from internal audit activity are aligned to our risk management infrastructure and scoring scheme. This allows us to record the findings and prioritise activity in relation to the significance of the risk.

The final reports from internal audit activity are reported to our Joint Independent Audit Committee and can be viewed here.

Joint Independent Audit Committee  
Available in full, link to document:



During 2013/14, 231 audit days were utilised and 16 audits were undertaken.

Overall based on its audit work, Internal Audit considered that risk is continuing to be satisfactorily controlled, with the majority of audit work identifying that **reasonable assurance** can be derived from systems in place.

The concerns captured by Internal Audit from the activity during 2013/14, and the management response to those concerns continue to be monitored by the Joint Corporate Risk Group and the Joint Independent Audit Committee.

The Internal Audit Opinion report can be available when published



## Monitoring Officer Protocol

Our Monitoring Officer Protocol explains how the function of statutory Monitoring Officer operates within the working arrangements we have put in place.

The Protocol has been subject to periodic review throughout 2013/14 and was revised in preparation for the implementation of the Stage 2 transfer arrangements.

The revised version recognises the need to fulfil this statutory role during Monitoring Officer absence or other circumstances that may mean that she is unable to act in certain cases. We have prepared for such circumstances by making arrangements for a Deputy Monitoring Officer.

Further work is required to promote the understanding of the role of the Monitoring Officer within the organisation. This will be progressed during 2014/15.

Monitoring Officer Protocol  
Link to document:



### The Monitoring Officer

The law determines that the Chief Executive Officer is the Commissioner's Monitoring Officer under s5 of the Local Government and Housing Act 1989. The main role of the Monitoring Officer is to draw to the attention of the Commissioner to any proposal, decision or omission which has, could or would give rise to the Commissioner acting:

- Unlawfully; and /or
- In a way that contravenes a statutory code of practice; and/or
- In a way which amounts to maladministration in the meaning of the law.

## CFO Protocol

Our Chief Finance Officer protocol is designed to recognise our commitment to the Home Office Financial Management Code of Practice for the Police Service in England & Wales. The CFO arrangements for the CC conform with the requirements of the CIPFA Statement on the Role of the CFO of the PCC and CC. If different arrangements are adopted the reasons should be publicly reported in the AGS.

The Commissioner's arrangements also conform with the exception that the CFO reports via the CEO to the Commissioner. This provides a more effective solution for the CFO to engage on all material matters via a dedicated line manager. The CFO also has direct access to the Commissioner where required and with direct access to the Chair of the Joint Independent Audit Committee. The CFO does not believe that this impacts on his ability to deliver the statutory functions of the role.

The Commissioner's CFO who was in post during the period of this AGS left post in July 2014. An interim arrangement to ensure continuity of CFO provision to the Commissioner has been made through a collaboration agreement with the Police and Crime Commissioner for Cleveland. The new arrangement will be monitored throughout 2014/15.

Chief Finance Officer Protocol  
Link to document:



### Joint testimonial from CFOs

The taxpayer has always been entitled to expect that public funds are spent wisely and that what they are spent on represents value for money. The CFO roles and their supporting teams are no exception to this and therefore value for money has underpinned the arrangement within the CFO protocol. The two CFO roles share one Finance team and have created a protocol that enables them to cover for each other where possible as part of day to day management of financial arrangements.

- Gary Macdonald and Jane Palmer, Police and Crime Commissioners CFO and Chief Constables CFO

## Protocol

### Joint Scheme of Delegation and Consent

The Police Reform and Social Responsibility Act 2011 (the Act) sets out the functions of a Police and Crime Commissioner. The Act also allows for the Commissioner to make arrangements for other people to exercise those functions, in other words to delegate functions.

Together we have agreed and adopted a Joint Corporate Scheme of Delegation and Consent. This brings to life the arrangements we have designed for the exercise of our respective statutory functions within the parameters of the Act.

The arrangements we have agreed are designed to work hand in hand with the core instruments that were explained previously as well as the other rules we have designed and put in place through our Financial Regulations, our Contract regulations and our Property Procedure Rules.

Joint Scheme of Delegation & Consent  
Link to document:



## Governance Arrangements

### Recognising the working relationship between the Commissioner and Chief Constable

We have designed and published a suite of supporting key documentation to recognise and respect our statutory roles.

#### Memorandum of Understanding

Our memorandum of understanding sets out the key working arrangements between the Commissioner and the Chief Constable.

This revised and refreshed version builds on the foundations of the original MOU and continues to underpin our vision of a shared approach to decision making and scrutiny.

#### We have prepared our latest version to set out:

- Our approach to certain services operating on a joint corporate basis
- Our refreshed definition of 'Significant Public Interest' recognising the importance we place on innovation, investment and income
- Our high level information sharing arrangement
- Our recognition of the importance of the functions of statutory officers (our Monitoring Officer Protocol and our Chief Finance Officer Protocol)
- Our shared commitment to transparency.

Memorandum of understanding  
Link to document:



The Commissioner and the Chief Constable consider that the tenor of their relationship should be one of goodwill, professionalism, openness and trust.

In line with the spirit of our Memorandum of Understanding, the Commissioner and the Chief Constable declare their intent to work in close cooperation. They consider that in so doing their ability to discharge their respective remits is likely to be enhanced.



## Governance Arrangements

### Anti-Fraud and Anti-Corruption Arrangements

Our joint Anti-Fraud, Anti-Corruption and Confidential Reporting arrangements are set out in our procedure.

The procedure highlights various routes in which our people can report concerns relating to internal fraud or corruption.

We recognise the importance of these mechanisms and take the opportunity to raise awareness where possible.

On an annual basis we each submit a return to the Audit Commission Fraud & Corruption Survey. There were no significant matters reported in the response to this survey by the Commissioner or the Chief Constable.

Joint Anti-Fraud, Anti-Corruption  
Link to website:



Anonymous messenger



### The review of our governance arrangements

The review of the governance arrangements in place during 2013/2014 has been a staged process.

Firstly the preparatory activity relating to the preparation and submission of our Stage 2 transfer proposal and, following the approval of the Home Secretary, the implementation activity necessitated a review of the core governance documents referred to on page 5 & 6. These were reviewed and refined in order to reflect the revised organisational structures.

Secondly a more traditional review of effectiveness of the governance arrangements has been conducted. This has been undertaken by an assessment of progress with key business leads against the areas for development identified during the previous review of effectiveness. By exception any outstanding areas have been considered by the Joint Corporate Risk Group in order to ensure a shared understanding of any residual risk. Any significant governance issues arising from this review are recorded in this AGS as an area for development. These appear alongside any newly identified areas for development relating to significant governance issues referred to throughout this document.

We have considered the findings of our review of effectiveness at Executive Board in the

development of this AGS. The resulting product has been / will be presented to the Joint Independent Audit Committee and the arrangements continue to be considered fit for purpose in accordance with the requirements of good governance.



The Joint Independent Audit Committee comprises up to 5 members. As the name implies, we are independent of the Commissioner and the Chief Constable - we are not employees of the organisation. Our role is to provide independent assurance on the adequacy of corporate governance and risk management arrangements which the Commissioner and Chief Constable have put in place. We are satisfied that during the year ended March 2014 adequate arrangements were in place. Issues we have raised have been addressed by management. In line with best practice, after completion of the 2013/14 Statements of Account we will undertake a review of our own effectiveness and where necessary take steps to address any matters coming out of this review.

- David Portlock, Chair of The Joint Independent Audit Committee

## Significant Governance Issues and Areas for development

### Key Areas for Development

Developing the understanding of our systems.  
Increasing understanding of how we work.

**Lead Officer: Chief Executive Officer**

Enhancing what is delivered through partnerships.  
Improve the understanding and evidence of services delivered through partnerships.

**Lead Officers: Deputy Chief Constable and Chief Executive Officer**

Demonstrating clearly how we use our assets and resources.

**Lead Officer: Head of Workforce Support Services**

Developing ways to show what difference our services make.

**Lead Officers: Police and Crime Commissioner and Chief Constable**

Improve our communications capability.

**Lead Officer: Head of Communications**

It is our intention to monitor the implementation of our targeted activity in relation to identified areas for development through the Joint Corporate Risk Group. Onward progress reports will be submitted to the Joint Independent Audit Committee throughout the year.



Openness is a key ingredient of our Corporate Governance environment. As such we have set ambitious transparency aims. Our commitment is evidenced by decision to publish our report into historical payments to Chief Officers. This demonstrates the openness in our approach to the management of risk.

We are satisfied with the level of effectiveness and reliability of our systems. These provide us with a high level of assurance that we are doing the right things in the right way. We have received positive feedback from our Internal Audit providers but recognise the need for improvement and development in some areas.

We recognise that there is no room for complacency and as such have recorded additional areas for development in this document. These reflect the significant challenges ahead in the current economic climate. This means we have to get the best value for money from the money we are given. The rules, procedures and systems we have help us to do this the proper way.

**Julia Mulligan**  
Police and Crime Commissioner  
for North Yorkshire

**Dave Jones**  
Chief Constable  
North Yorkshire Police

**Joanna Carter**  
Commissioner's  
Chief Executive Officer

**Gary Macdonald**  
Commissioner's  
Chief Finance Officer

**Jane Palmer**  
Chief Constables  
Chief Finance Officer

Dated 30 June 2014