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## Sussex Police & Crime Commissioner's Annual Governance Statement 2018-19

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## 1 Introduction

- 1.1 This annual governance statement sets out how the Sussex Police & Crime Commissioner (PCC) has complied with the corporate governance framework set out in the Code of Corporate Governance for the Sussex Police and Crime Commissioner and the Chief Constable<sup>1</sup> in place for the year ended 31 March 2019. It also details areas of improvement to further enhance governance arrangements that the PCC plans to progress during 2019-20.
- 1.2 It is designed to complement the annual governance statement of the Chief Constable, to give the full picture of governance within the Office of the Sussex Police & Crime Commissioner (OSPCC) and Sussex Police.
- 1.3 This statement is informed by an annual review of governance arrangements with assurance on compliance with the seven principles of the Code of Corporate Governance, by on-going audit inspection and external review.
- 1.4 Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 require an authority to conduct a review at least once in a year of the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts (England). This term 'authority' includes the Chief Constable and the Police and Crime Commissioner legal entities. This requirement is reflected in the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 published by the Chartered Institute of Public Finance & Accountancy (CIPFA).

## 2 Scope of Responsibilities

- 2.1 The Chief Constable and the Police and Crime Commissioner (PCC) are responsible for ensuring business is conducted in accordance with the law and proper standards, and that public money is safeguarded and is properly accounted for.
- 2.2 Under the Policing Protocol 2011 the PCC has responsibility for the delivery of efficient and effective police force for the police area. The PCC has a statutory responsibility to obtain views of the community and victims of crime about the policing of the Force area and must have regard to the views of responsible authorities. These views inform the PCC's Police and Crime Plan which sets the strategic direction and priorities for the Force.
- 2.3 The PCC has responsibility for the delivery of effective and efficient policing, management of resources and expenditure by the police force. The Chief Constable has a statutory responsibility for the control, direction and delivery of operational policing services provided by Sussex Police, (hereafter referred to as the Force) having regard to the strategic direction and priorities set by the PCC in the Police and Crime Plan. In discharging this overall responsibility, the Chief Constable is responsible for establishing and maintaining appropriate risk management processes, governance arrangements and ensuring that there is a sound system of internal control, which facilitates the effective exercise of these functions.
- 2.4 The PCC continues to follow the principles of the CIPFA Framework: 'Delivering Good Governance in Local Government'<sup>2</sup> and the guidance notes for policing bodies (revised 2016)<sup>3</sup>.

<sup>1</sup> Code of Corporate Governance) <https://www.sussex-pcc.gov.uk/media/4079/code-of-corporate-governance-v6-2019.pdf>

<sup>2</sup> "Delivering Good Governance in Local Government" <http://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition>

<sup>3</sup> "Delivering Good Governance in Local Government" and the guidance notes for policing bodies (revised 2016) <http://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-guidance-notes-for-policing-bodies-in-england-and-wales-2016-edition>

## Appendix A

- 2.5 This statement explains how the PCC has complied with the principles and also meets the requirements of regulation 6 of the Accounts and Audit Regulations 2015 in relation to the publication of a statement on internal control.
- 2.6 The Force's financial management arrangements conform to the governance requirements of CIPFA's Statement on 'The role of the Chief Finance Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable (July 2012)'<sup>4</sup>.

### 3 The Purpose of the Governance Framework

- 3.1 The governance framework comprises the systems, processes, culture and values by which the PCC is directed and controlled, together with its activities through which it accounts to and engages with the community.
- 3.2 It enables the PCC to monitor the achievement of strategic objectives, as set out in her Police and Crime Plan<sup>5</sup> and in the Strategic Policing Requirement<sup>6</sup>, and to consider whether those objectives have led to the delivery of appropriate, cost-effective services, including achieving value for money.
- 3.3 The fundamental function of good governance in the public sector is to ensure that intended outcomes are achieved whilst acting in the public interest at all times.

### 4 The Governance Framework

- 4.1 The Chief Constable of Sussex Police 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 PCC is required to hold him to account for the exercise of those functions and those of the persons under his direction and control. It therefore follows that the PCC must be assured that the Force has appropriate mechanisms in place for the maintenance of good governance, and that these operate in practice.
- 4.2 A governance framework, collectively known as the Scheme of Corporate Governance, has been in place for the year ended 31 March 2019 and includes the Code of Corporate Governance, Memorandum of Understanding, Decision-making Framework, Scheme of Delegation, Financial Regulations and Contract Standing Orders. The Force system of internal control, based on a framework of policies and procedures, is a significant part of the Force governance framework and is designed to manage risk to a reasonable and foreseeable level. The Force cannot eliminate all risk of failure to achieve policies, aims and objectives; it can only provide reasonable but not absolute assurance of effectiveness.
- 4.3 The Code of Corporate Governance for the Sussex Police and Crime Commissioner and Chief Constable for Sussex Police and all strategic governance documents that comprise the Scheme of Corporate Governance were reviewed in 2018-19 as part of the annual review of governance documentation and are available on the PCC's website<sup>7</sup>. The joint Code provides a summary of governance arrangements setting out responsibilities. The Code also details a diarised programme for the regular review of policies. A key element of this is the identification and management of risk.

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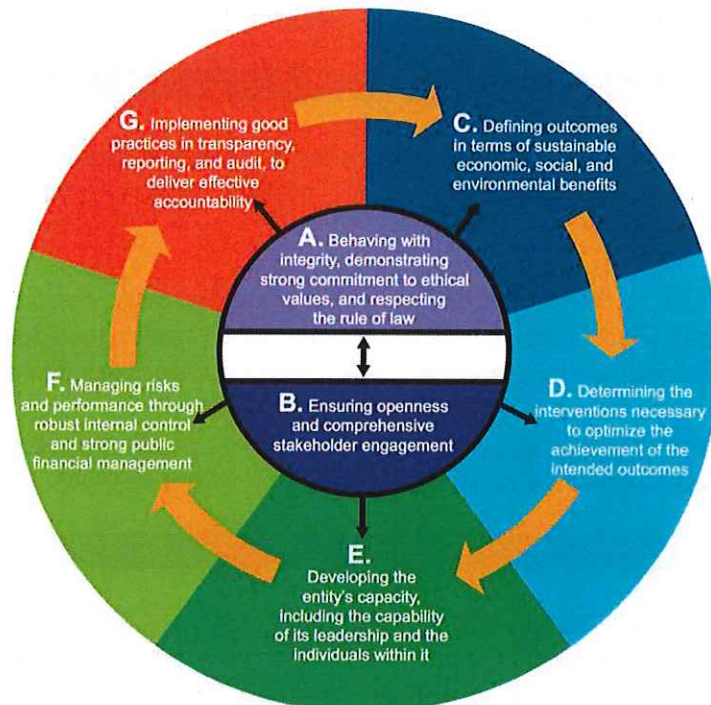
<sup>4</sup> The role of the Chief Finance Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable (July 2012) <http://www.cipfa.org/policy-and-guidance/reports/cipfa-statement-on-the-role-of-the-chief-financial-officer-of-the-police-and-crime-commissioner-and-the-chief-finance-officer-of-the-chief-constable>

<sup>5</sup> Police and Crime Plan: <https://www.sussex-pcc.gov.uk/media/3215/spcc-crime-plan-2018-2.pdf>

<sup>6</sup> Strategic Policing Requirement: <https://www.gov.uk/government/publications/strategic-policing-requirement>

<sup>7</sup> Governance Documents: <https://www.sussex-pcc.gov.uk/about/transparency/how-we-work/>

4.4 Governance arrangements for both the Force and the PCC follow the seven principles as set out in the revised Delivering Good Governance: Guidance Notes for Policing Bodies in England and Wales (2016 Edition). The diagram below illustrates the various principles of good governance in the public sector and how they relate to each other. A summary of how the PCC complies with these principles is detailed below.



4.5 **Principle of Good Governance: A Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.**

To achieve this, the PCC has:

- signed up to a voluntary Code of Conduct;
- ensured that officers and staff carry out their respective roles in a climate of openness, support and respect;
- continued to monitor standards of conduct and personal behaviour which are defined and communicated through appropriate codes of conduct and protocols;
- ensured that counter fraud and corruption policies are in place and monitored accordingly by the Joint Audit Committee (23 March 2019), including briefings for OSPCC staff;
- ensured accessible, appropriate and long established confidential reporting arrangements and processes in place and that these are regularly reviewed by the Joint Audit Committee;
- ensured that the OSPCC has an up to date Freedom of Information Act Publication Scheme and is compliant with the General Data Protection Regulations (GDPR) since inception in May 2018;
- ensured that staff have easy reference to key information that relates to integrity easily accessible through the Force intranet;
- ensured that staff have been provided with an understand training in unconscious bias;
- has continued to hold the Chief Constable to account through the governance and integrity accountability meeting and by undertaking dip-check sampling of complaint files, seeking assurance that conduct and standards matters are well communicated across the OSPCC and Sussex Police and are effectively managed;
- published procedures and policies for dealing with and investigating complaints both against the Chief Constable and staff within the OSPCC which are in line with national guidelines;
- provided responses to all HMICFRS reports which make a recommendation for Sussex or the police service nationally;

- continued to make arrangements for the handling of complaints in lights of PCCs new responsibilities in the Police & Crime Act 2017;
- continued to work with the Police & Crime Panel to support them in their role;
- continued to review the governance and transparency areas of the website to ensure that it meet the requirements of the Elected Local Policing Bodies (Specified Information) Order 2011 (as amended) and to make sure all conduct and integrity matters are published in an open manner;
- continued to manage joint commissioning arrangements with statutory partners to make best use of public funds whilst creating a consistent offer of support to victims across Sussex;
- regularly published PCC and chief officer expenses, gifts and hospitality<sup>8</sup> (received and declined) and outside business interests of officers and staff<sup>9</sup>;
- run an effective Independent Custody Visiting Scheme to monitor the rights and treatment of detainees;
- employed a Chief Executive who undertakes the role of Monitoring Officer.

**4.6 Principle of Good Governance: B Ensuring openness and comprehensive stakeholder engagement.**

To achieve this, the PCC has:

- Continued to participate and engage with partners at national, regional and local level, together with supporting and contributing to community safety partnerships;
- provided weekly information about activities and decisions through the on-line newsletter and actively sought feedback on the issues raised within it;
- webcast monthly performance and accountability meetings with the Chief Constable;
- provided a telephone surgery opportunity for members of the public to speak with the PCC;
- continued to run a #talksussex programme of public consultation events across Sussex throughout the year;
- organised three meetings chaired by the PCC, in addition to the many public meetings and talks attended by the PCC each month;
- developed an annual plan to embrace the many different strands of public/customer/stakeholder facing activity to increase the PCC profile and to maximise public engagement;
- increased the level of published positive news and ensured that the PCC priorities have been featured or debated media and increased social media coverage;
- continued to run online polls on the website covering the key elements of the PCC's second term priorities;
- undertaken a survey prior to setting the council tax precept and published results online;
- facilitated a series of 12 focus groups with members of the public across Sussex covering a variety of themes with the results available online;
- held the Chief Constable to account in his delivery of the Force Equality and Diversity Strategy where it relates to engagement with the public;
- continued to manage the nationally accredited Sussex Restorative Justice Partnership in partnership with the Sussex Criminal Justice Board.

<sup>8</sup> Gifts and hospitality register: <https://www.sussex-pcc.gov.uk/about/transparency/lists-and-registers/>

<sup>9</sup> Business interests register: <https://www.sussex-pcc.gov.uk/about/transparency/lists-and-registers/>

**4.7 Principle of Good Governance: C Defining outcomes in terms of sustainable economic, social and environmental benefits.**

To achieve this, the PCC has:

- refreshed and published the Police and Crime Plan setting out her priorities;
- provided an annual report to the Police and Crime Panel setting out her achievements against the plan;
- reviewed the Medium Term Financial Plan supported by robust, sustainable multi-year budgets to deliver the vision set out in the Police and Crime Plan;
- challenged the Chief Constable at weekly performance and accountability meetings on Sussex Police's performance against the priorities and objectives set out in the Police & Crime Plan. Once a month the meetings are webcast and made available to the public on the PCCs website;
- held regular meetings with the public and representative groups to determine public priority and need;
- actively pursued joint working opportunities at a local, regional and national level, which has resulted in a number of policing services being delivered in collaboration arrangements particularly with the Surrey PCC and Surrey Police and other force areas for the delivery of specific services;
- successfully applied to the Home Office Early Intervention Youth Fund which resulted from the Serious Violence Strategy and secured £891,000;
- invested in key initiatives in support of national strategy issued by the Home Office, an example of this is Modern Slavery with a specific fund post now in place in the Specialist Crime Directorate.

**4.8 Principle of Good Governance D: Determining the interventions necessary to optimise the achievement of the intended outcomes.**

To achieve this, the PCC has:

- undertaken an annual review of the corporate governance framework and key high level governance documents, including the Code of Corporate Governance, revising the Code to align with the new CIPFA guidance published in 2016;
- ensured that there is a risk management strategy and policy, reviewed by the Joint Audit Committee, in place to ensure that threats to the achievement of the PCC's organisational objectives and regional and national responsibilities are identified and managed effectively (reviewed in September 2018);
- subjected key strategic projects, for example EQUIP (formerly Enterprise Resource Planning), to specific oversight arrangements, including frequent review of the level of intervention required by the PCC and CC;
- carried out regular stakeholder engagement events and needs assessments for commissioned services to establish priority areas of demand for support services;
- engaged in the HMICFRS Police inspections debriefs, board and relevant gold group meetings;
- worked with key partners to achieve the priorities as set out in the Police & Crime Plan;
- been represented on Pan-Sussex multi-agency management boards, delivering a joint strategy to support victims of sexual violence, domestic violence and vulnerable or exploited children;
- met the statutory responsibility of commissioning services to support victims of crime through an effective tender process;
- managed a competed fund scheme to provide funding to specialist victim support services;
- ensured that the OPCC has a business continuity plan in place.

4.9 ***Principle of Good Governance E: Developing the entity's capacity, including the capability of its leadership and the individuals within it.***

To achieve this, the PCC has:

- continued to support a programme of collaboration between Sussex and Surrey Police to increase capacity, share expertise and provide the most efficient and cost effective service;
- ensured that a personal development programme is in place for the all OSPCC staff to make sure they have the knowledge and skills to undertake their roles through regular one-to-one meetings and individual development review meetings;
- continued to ensure that all staff are briefed at OSPCC monthly 'themed team meetings' which enables all staff to receive updates on key areas work and development;
- held performance reviews with the Chief Constable;
- continued to provide scrutiny of equalities and diversity policies;
- continued to ensure that regional and research activity takes place with examples of collaboration with Surrey and Kent forces and PCC offices on emerging issues.

4.10 ***Principle of Good Governance F: Managing risks and performance through robust internal control and strong public financial management.***

To achieve this, the PCC has:

- ensured that data protection and information policies are in place and reflect changes as set out in the General Data Protection Regulation 2018;
- put in place a Risk Management Strategy that allows the Force and OSPCC to identify and manage operational, strategy and project risks;
- ensured that all decision making is carried out in accordance with the governance framework as set out in the Scheme of Corporate Governance;
- ensured transparency through the publication of significant decisions and activities through the Sussex PCC website;
- developed and maintained effective arrangements to challenge and scrutinise the Chief Constable's performance and compliance with other requirements including Health & Safety, Estates and Equality & Diversity to make sure that appropriate decisions are taken in these areas;
- considered risks and continuously updated and managed the corporate risk register;
- fully cooperated with the Police & Crime Panel request for working groups to consult them on the budget, Annual Plan, PCC priorities and Victims Commissioning;
- improved systems for the allocation of grant funding through the Community Safety Fund and achieved substantial assurance that the system is fair and effective;
- undertaken a quarterly review of the whole group financial position;
- provided scrutiny of resource transfers through the scheme of consent, key financial information including financial regulations;
- published the precept decision, Medium Term Financial Statement and budget;
- published a reserves strategy, setting out the use of reserves by the PCC.

4.11 ***Principle of Good Governance: G Implementing good practices in transparency, reporting and audit to deliver effective accountability.***

To achieve this, the PCC has:

- ensured that the Force undergoes extensive internal and external inspection and that the results of these inspections are available via the Sussex Police website;<sup>10</sup>
- continued to comment on reports published by HMICFRS about Sussex Police in accordance with the statutory requirement;
- worked with the procured internal audit service provider, Southern Internal Audit Partnership, to maximise the effectiveness of regular updates to the Joint Audit Committee;
- undertaken regular engagement with external audit service whose reports are scrutinised by the Joint Audit Committee;
- ensured that information is published to allow appropriate scrutiny of decision making<sup>11</sup>;
- ensured that the Force and OSPCC publish their respective Statement of Accounts and Annual Governance Statements;
- key decisions published with clear explanations as to how decisions are made;
- published payments over £500, contracts, senior officers pay awards and other disclosures made;
- continued to support the work of the Joint Audit Committee in its role of monitoring of governance and internal control.

## 5 Review of Effectiveness

- 5.1 The PCC has responsibility for conducting a regular review of the effectiveness of the governance framework, including the system of internal audit and control. This annual governance statement provides a summary of activities undertaken and areas for continuous improvement identified through the PCC's review of the governance arrangements; these have been included in the action plan for 2019-20.
- 5.2 The OSPCC Senior Management Team meets weekly with the PCC to review activity and decisions. Senior officers also meet once a month to consider finance, governance and human resources matters.
- 5.3 Assessments and recommendations made by the internal and external auditors and other review agencies and inspectorates have also informed this review.
- 5.4 The Joint Audit Committee has been consulted on the development of the annual governance statement. The review of evidence was considered by the Committee at the March 2019 meeting and the Committee have been consulted in the drafting of the statement. The final statement is considered at its meeting in July for recommendation for approval by the PCC. The Committee aims to ensure there is continuous improvement in the process and endorses the resulting annual action plan. Regular updates on progress to address the areas for improvement are provided to the Committee.
- 5.5 A process is established to ensure the PCC and the Chief Constable, approve and sign off the annual governance statement, in accordance with the CIPFA guidance.

## 6 Governance Issues

- 6.1 No significant concerns were raised during the internal review of the effectiveness of governance arrangements however, a number of areas for improvement were identified. These improvements, to further enhance the PCC's governance arrangements, are detailed in Appendix A together with

<sup>10</sup> Sussex Police website: <https://sussex.police.uk/freedom-of-information/external-audit-and-review/>

<sup>11</sup> Sussex Police & Crime Commissioner website: <https://www.sussex-pcc.gov.uk/about/transparency/pcc-decisions/>

## Appendix A

the two on-going areas for improvement continued from the 2017-18 action plan. The actions to achieve these improvements will be monitored through Senior Management Team meetings and reported to the Joint Audit Committee.

- 6.2 The internal audit function is carried out by Southern Internal Audit Partnership for both the PCC and the Chief Constable. Audit reviews are undertaken in line with an annual internal audit plan, which is recommended for approval by the Joint Audit Committee.
- 6.3 In 2018-19 no reports relating to the OSPCC received an opinion of no assurance.
- 6.4 Internal audit reviews for Governance (June 2017) and Risk Management (September 2018) both received overall assessments of substantial assurance on the effectiveness of the overall control environment. These same arrangements remain in place
- 6.5 The CIPFA code requires Internal Audit to provide an opinion on the overall adequacy and effectiveness of the governance framework. That opinion is provided below:

### **Internal Audit Opinion:**

For the 12 months ended 31 March 2019, the Chief Internal Auditor's opinion for the Office of the Sussex Police & Crime Commissioner is as follows:


"I am satisfied that sufficient assurance work has been carried out to allow me to form a reasonable conclusion on the adequacy and effectiveness of the internal control environment.

In my opinion frameworks of governance, risk management and management control are adequate and audit testing has demonstrated controls to be working in practice.

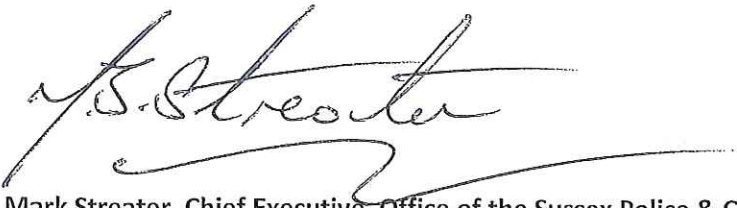
Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement."

## 7. Certification

- 7.1 This statement has been prepared on the basis of the review of effectiveness of governance arrangements. Advice and recommendations on the annual governance statement have been received from internal and external auditors and the JAC. It represents a fair and reasonable assessment of current arrangements and plans for improvement by the PCC.
- 7.2 The arrangements continue to be regarded as fit for purpose in accordance with the governance framework.



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## Appendix A: Areas for Improvement - Action Plan 2019-20

| <i>Ref</i>   | <i>Area for improvement</i>   | <i>Owner</i>                               | <i>Key milestones/completion dates</i>   |
|--|---|--|--|
| <b>Issues carried over from 2017-18 AGS</b>                                      |   |  |  |
| 1  | <p>1) Consider the requirements of the Policing and Crime Bill where it relates to the role of the Police &amp; Crime Commissioner.</p> <p>The Policing and Crime Act 2017 has introduced new responsibilities for the PCC.</p> <p>Complaints - All PCCs will take on the appellate function and will increase the level of oversight of complaint handling and scrutiny. The PCC has taken the decision to opt for Option 1 which is the determination of local resolution appeals. The implementation date has been delayed until later in 2019, however the date has yet to be confirmed.</p>  | Chief Executive                            | <p>Continuing throughout 2019-20</p> <p>Police integrity reforms still due for delivery – the Home Office have not yet confirmed the date.</p> |
| 2  | <p>Continue oversight of all resources allocated under the Medium Term Financial Strategy including ICT Strategy, Fleet Strategy and the 2018-22 Transformation Strategy.</p> <p>Oversight to include progress of officer recruitment through the monthly Transformation Strategy meeting, attended by the Chief Finance Officer, PCC and Deputy Chief Constable. Further improvements to financial reporting have been identified by the Chief Finance Officer and the Executive Director of Finance &amp; Commercial Services at Sussex Police which includes the '2018/22 Performance Accountability Meeting'. It is the ambition to meet every six weeks to monitor progress against the Sussex Police 2018/22 Transformation Strategy with key decisions published after each quarter and revenue and capital monitoring. This monitoring takes place in the form of meetings between the PCC and Deputy Chief Constable, and the PCC, Chief Finance Officer and Executive Director for Commercial and Finance Services.</p> | Chief Finance Officer                      | Continuing throughout 2019-20  |
| <b>Proposed new Areas of improvement identified by the OSPCC for 2019-20 AGS</b> |   |  |  |
| 3.   | To further enhance public scrutiny and transparency, gifts & hospitality registers for both the Force and OPCC to be reported to the Joint Audit Committee on an annual basis.  | Head of Performance                        | Update September 2019  |
| 4.   | <u>Qualitative Consultation</u><br>To continue to hold themed focus groups, for example on diversity and disability issues and rural crime.   | Chief Communications and Oversight Officer | Continuing throughout 2019-20  |
| 5  | <u>Quantitative Consultation</u><br>To continue to improve the reach and effectiveness of the PCC's digital engagement  | Chief Communications and Oversight Officer | Continuing throughout 2019-20  |
| 6.   | To continue to review the level of intervention required by the PCC and CC of implementation of the Equip/ERP programme and resulting benefit realisation of the programme in light of internal audits reports and Assurance Updates reports received.  | Chief Finance Officer                      | Continuing throughout 2019-20  |
| 7.   | To increase the governance around partnership funding specifically improving the monitoring of how funds are committed by partner agencies.   | Head of Partnerships                       | By March 2020  |
| 8.   | To continue to develop the monitoring return process for the Safer in Sussex Community Fund, administered by the OPCC.  | Head of Partnerships                       | By March 2020  |
| 9.   | To review the impact of the Capital Strategy and implement any relevant changes required  | Chief Finance Officer                      | By March 2020  |
| 10.  | To review the provision of the effective internal audit service to ensure that the level of assurance is sufficiently resourced.  | Chief Finance Officer                      | By December 2019   |

