



**CHIEF CONSTABLE OF HUMBERSIDE POLICE**  
**ANNUAL GOVERNANCE STATEMENT 2020/21**

**1. Introduction**

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

**2. Scope of Responsibilities**

The Chief Constable ensures that Force business is conducted in accordance with the law and proper standards and that the use of public money is safeguarded and properly accounted for. The Chief Constable has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which the Force functions, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Chief Constable is responsible for putting in place proper management arrangements for the governance of the affairs of the Force and facilitating the exercise of functions including arrangements for ensuring that there is a sound system of internal control and for the management of risk. The Chief Constable recognises that reliance is placed by the Police and Crime Commissioner (PCC) on him to support the governance and risk management processes that enable the PCC to fulfil his responsibilities. The PCC has provided an AGS in connection with his and the Office of the Police and Crime Commissioner's (OPCC) activities. This AGS and the one produced by the PCC will be published alongside the financial statements for the year.

A Statement of Corporate Governance for the Police and Crime Commissioner and Chief Constable has been approved and adopted. The arrangements are consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) Delivering Good Governance, Guidance Notes for Policing Bodies in England and Wales 2016. This Statement explains how these principles have been complied with and meet the requirements of Regulation 6 of the Accounts and Audit Regulations 2015 in respect of the need to conduct a review of the effectiveness of the system of internal control and the preparation and approval of an AGS.

**3. The Purpose of the Governance Framework**

Governance comprises the arrangements introduced to ensure that the intended outcomes for stakeholders are defined and achieved. Governance is about how decisions are made, focusing on matters such as understanding and clarity of aims, the integrity, fairness and transparency of decisions made by individuals and teams, and the effectiveness of controls and accountability mechanisms.

The governance framework is comprised of the systems and processes, culture and values by which the Force's affairs have been directed and controlled and the activities through which the responsibilities of the Chief Constable have been discharged. It enables both the Chief Constable and the PCC to monitor the achievement of shared strategic objectives and to consider whether those objectives have led to the delivery of appropriate cost effective services, including achieving value for money and engaging with the community.

Good governance is not only about processes, rules and procedures but should also demonstrate the spirit and ethos of good governance. Shared values which are integrated into the culture of the organisation and are reflected in behaviour and policy are essential hallmarks of good governance.

The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives but can 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 policy aims and objectives. It is also designed to evaluate the likelihood of those risks being realised as well as seeking to manage them effectively, efficiently and economically.

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

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

*B: Ensuring openness and comprehensive stakeholder engagement.*

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

*D: Determining the interventions necessary to optimise the achievement of the intended outcomes.*

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

*F: Managing risks and performance through robust internal controls and strong public financial management.*

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

#### **4. The CIPFA Financial Management Code**

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

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

The Force demonstrates that it operates according to these principles by meeting the following standards –

- The Leadership Team is able to demonstrate that the Force provides value for money
- The Force complies with the CIPFA Statement on the Role of the Chief Finance Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable (2014)
- The Leadership Team demonstrates in its actions and behaviours responsibility for governance and internal control
- The Force complies with the CIPFA Delivering Good Governance, Guidance Notes for Policing Bodies in England and Wales (2016)

- The financial management style of the Force supports financial sustainability
- The Force has carried out a credible and transparent Financial Resilience Assessment
- The Force understands its prospects for financial sustainability in the longer term
- The Force complies with the CIPFA Prudential Code for Capital Finance in Local Authorities
- The Force has a rolling multi-year Medium Term Resource Strategy

A full self-assessment has been undertaken against the criteria contained within the CIPFA Financial Management Code jointly with the PCC. The self-assessment shows the Force to be almost fully compliant with five areas of partial compliance that will be developed in 2021/22.

These are:

1. The Chief Finance officer should regularly review the skillsets of the those with budget/financial management responsibility and finance staff with senior budget/financial management responsibility and ensure appropriate support is provided. The ratio of qualified staff as a proportion of total finance staff ensures that the finance function has the necessary financial competence.
2. The organisation has an effective framework of financial accountability that is clearly understood and applied throughout. Finance teams and the organisation are actively committed to continuous improvement and focused on efficient and effective delivery and organisational performance.
3. Financial resilience is tested against best and worst case scenarios which cover a wide range of financial, demographic and social challenges.
4. The organisation uses independent objective quantitative measures to assess the risks to financial sustainability.
5. The organisation uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.

Full compliance against the code is mandatory from 1 April 2022 with the coming year as a transition towards that compliance.

Action Plan for further work in 2021/22:

Review skillsets within commands and within Finance and further develop and embed finance skills in the organisation.

Embed the recently reviewed and published Code of Corporate Governance within the Force.

Whilst the Financial Resilience Assessment is not formalised (See 3 above), the key elements are met – the MTRS is risk based and provides the Force with the ability to remain viable, stable and effective in the medium to long term in the face of pressures from growing demand, tightening funding and an increasingly complex and unpredictable financial environment. The process should be documented in order to provide transparency and assurance.

Develop further objective measures to assess the risks to financial sustainability.

Review the option appraisal methodology.

## 5. The Governance Framework

The Chief Constable is responsible for operational policing matters, direction and control of police personnel, and for putting in place proper arrangements for governance of the Force. He is accountable to the PCC for the exercise of those functions and those of persons under his direction and control. He is required to provide assurance to the PCC that the Force has appropriate mechanisms in place for maintenance of good governance, and that these operate in practice. The corporate processes underpinning this commitment are set out in the Policing Protocol Order 2011, the Financial Management Code of Practice (Home Office, 2013) and the Code of Ethics (College of Policing, 2014).

The Chief Constable is accountable for how the resources are used. This includes accountability for outputs and for the outcomes achieved. In addition, he has an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that he can demonstrate the appropriateness of all actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

This core principle underlines that, above almost everything else, good governance depends on building a corporate environment where leaders and staff believe personally in acting in accordance with generally accepted values.

For the appropriate mechanisms to operate in practice, the PCC and Chief Constable, as separate corporations sole, have separate but complimentary governance structures. These facilitate achievement of effective governance arrangements, including monitoring and assessment of performance in line with statutory responsibilities. This consists of a governance framework, collectively known as the Scheme of Corporate Governance, aligned to the key elements of the Plan on a Page which drives ownership and accountability across the operational and organisational business.

The framework clearly articulates the governance mechanism and decision-making processes that are now in place across the Force, and with the OPCC, to manage and coordinate key areas of business including Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS), Continuous Improvement, Neighbourhood Policing, Health and Wellbeing and Staff Development and Leadership. The framework is regularly revisited and refreshed to reflect any changes required.

The framework was amended to reflect the enhancements to the OPCC's accountability processes with the introduction of the bi-monthly Accountability Board (formerly the Corporate Governance Group), which is the formal governance meeting between the PCC and Chief Constable to ensure proper governance of the Force and the OPCC, through open, constructive debate of their respective statutory duties and the efficiency and effectiveness of the Force. OPCC accountability of the Force is further supported by the Joint Independent Audit Committee (JIAC), External Ethics Committee and one-to-one Assurance meetings between the PCC and Chief Officers/Senior Leaders. The framework will be adapted to reflect the outcomes of the OPCC's ongoing review of their wider governance processes.

The Chief Constable is held to account through a number of systems and processes which comprise the PCC's current governance arrangements, the key elements of which are as follows.

## **Police and Crime Plan 2017-2021**

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

### **Plan on a Page**

The Plan on a Page is a key document in meeting the seven principles of good governance. It sets out that the Force will connect and engage with communities, will serve communities and build confidence and trust, that resources will be effectively and efficiently used and planned and that management of people and their development is key to success.

### **Delivery Plan 2020-2021**

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

### **Accountability Board**

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

### **Corporate Efficiency and Continuous Improvement Review Programme**

The Chief Constable has a robust Efficiency and Continuous Improvement Review Programme in place in order to ensure the delivery of required cashable and non-cashable savings across the Force and to maximise opportunities to improve efficiency and effectiveness through a programme of continuous improvement. The Programme has been prioritised through an assessment of performance, demands, threat, risk and harm and financial planning requirements and will be a key vehicle in the delivery of the Force Savings Plan.

### **Further Assurance Arrangements**

The Chief Constable is held to account in a number of other ways:

- **Daily Informal Interaction:** enabling and encouraging spontaneous face-to-face discussions between Chief Officers and the PCC on significant issues and critical incidents.
- **Joint PCC/Chief Constable Briefings:** weekly briefings enabling dialogue and discussion, with opportunities to cover Police and Crime Plan delivery and receive updates on topical issues/operational matters.
- **Joint Chief Executive/Deputy Chief Constable Briefings:** monthly briefings enabling dialogue and discussion, with opportunities to discuss organisational planning, risks and current/significant issues.
- **Assurance Conversations:** monthly/quarterly between the PCC and Chief Officers/Function Heads to complement and enhance Force performance management and corporate governance arrangements, enhance understanding of the PCC around delivery against Plan-

on-a-Page and Police and Crime Plan outcomes, and provide him with access to information, officers and staff as required.

- **Joint Independent Audit Committee (JIAC):** Five meetings a year to provide independent advice and recommendations to the PCC and Chief Constable on the adequacy of governance and risk management frameworks, internal controls and financial reporting, annual governance processes and internal and external audit, helping to ensure efficient and effective assurance arrangements.
- **Joint Ethics Committee:** quarterly to enhance trust and confidence in ethical governance and actions of the PCC and Force, monitoring each corporations sole alignment against values/code of ethics, analysing issues/providing advice on ethical considerations, promoting highest standards of ethical conduct, providing focus for education into ethical issues, and providing a source of support to senior leaders.
- **Complemented by:**
  - Bespoke briefings from Chief Officers on significant/sensitive issues.
  - Senior OPCC staff attending key Force meetings (e.g. HMICFRS Governance Board).
  - OPCC staff, Diversity Panel (community representatives) and Domestic Abuse Scrutiny Panel (senior representatives from a number of key support agencies) conducting further checks/audits as part of their assurance work (e.g. Stop & Search and Use of Force Scrutiny Panels).
  - Routine liaison between senior OPCC staff/senior Force staff and officers on matters including finance, estates, procurement, professional standards, legal and IT.
  - Feedback from Independent Custody Visitors (ICVs) and Appropriate Adults (AAs).
  - Regular meetings with public bodies (e.g. local authorities) and Inspectorates (e.g. HMICFRS).
  - Internal Audit plans (provided by West Yorkshire OPCC), with reports back to the JIAC and Force HMICFRS Governance Board.
  - Pro-actively supporting HMICFRS Force Inspections through the HMICFRS Efficiency Board including production of the draft Force Management Statement and Efficiency Review and actively encouraging HMICFRS inspectors to attend Force meetings and to visit the Force and maintaining a high level of transparency.

It is worth noting that some of the above functions may have operated differently during 2020-2021 due to Covid-19.

### **Statutory Functions:**

The Chief Constable fulfils his statutory duties by ensuring:

- **Financial management:** arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Finance Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable (2014), and procedural rules, policies and internal management procedures are established for financial management in accordance with the CIPFA Financial Management Code.
- **Procedure Rules, Policies and Internal Management:** established processes for Financial Management, Procurement (via the Yorkshire and the Humber Regional Procurement Team), Health and Safety (via Humberside Fire and Rescue), Confidential Reporting

(‘whistleblowing’), Complaints Handling, Anti-Fraud, Bribery and Corruption and Records Management including security of information and information sharing.

- **Codes of Conduct:** defined standards of behaviour for the Force
- **Joint Scheme of Corporate Governance:** scheme in place setting out in detail the respective roles and functions of the PCC and Chief Constable, outlining significant decisions consented or delegated and which are of a statutory, financial or management nature.
- **Decision Making Process:** decisions made by the Chief Constable are recorded at the Chief Officers Group and referred to the PCC in accordance with the Statement of Corporate Governance
- **Joint Independent Audit Committee (JIAC):** established and responsible for independent assurance on the adequacy of the risk management framework and associated control environment, independent scrutiny of the PCC’s and Chief Constable’s financial performance to the extent that it affects their exposure to risk and weakens the control environment. JIAC has an independent chair, as identified by the Revised Home Office Code of Practice for Financial Management 2018 and the CIPFA Audit Committees: Practical Guidance for Local Authorities and Police 2018.
- **Corporate Risk Strategy and Risk Register:** continued review of the risk register by OPCC Senior Leadership Group. JIAC is responsible for independent assurance on the adequacy of the risk management framework.
- **External Audit:** function is in place which reports to those charged with governance in respect of the Annual Accounts, ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.

## 6. Review of Effectiveness

The PCC has responsibility for conducting a review of the effectiveness of the governance framework including its system of internal control, at least annually. The review of the effectiveness is informed by the work of the statutory and senior officers within the Force and the OPCC who have the responsibility for the development and maintenance of the governance environment and the annual report of the Head of Audit (West Yorkshire OPCC) together with comments made by external auditors and other review agencies.

The Chief Constable supports the view of the PCC that the governance arrangements in place are fit for purpose.

### JIAC

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

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

- Oversight of the financial reporting process and consideration of the arrangements to secure value for money.

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

- Be the conduit through which governance work is channelled.
- Provide assurance on risk management arrangements on behalf of the PCC.
- Recommend approval of the Statutory Accounts of the PCC and Chief Constable.

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

#### **Internal Audit:**

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

During 2020/21, internal audit has continued the approach of concentrating on major risks faced by the PCC and Force, allowing the PCC to have increased confidence in the governance, risk management and control processes.

#### **Section 151 Officers:**

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

#### **Collaborative Working:**

The Chief Constable manages a number of collaborative arrangements to deliver services in conjunction with both national and neighbouring forces. These include:

- Provision of policing services including Regional Organised Crime Unit (Yorkshire and the Humber).
- Joint ICT Service (Humberside and South Yorkshire).
- Procurement (Yorkshire and the Humber).
- Scientific Support Service (North East Region).
- Protected Personnel Carriers.
- National Police Air Service.
- Provision of Legal Services (from November 2019).
- Section 22a Modern Slavery Police Transformation Programme (from January 2020).

The Chief Constable continues to collaborate with other bodies including the Humberside Fire and Rescue Service (shared facilities including vehicle maintenance, estates, and health and safety).

The Chief Constable also has a national role in flooding and records management and the Deputy Chief Constable on the National Burglary Task Force and also outcomes following the 20,000 officer uplift.

## **7. Performance**

The Chief Officers' Group receives regular monitoring reports based on detailed analysis and including comparator information in order to inform decision making. The Police Effectiveness, Efficiency and Legitimacy (PEEL) standing is good.

### **Corporate Assessment Framework**

The Force Corporate Assessment process is a robust performance management and review framework to monitor progress in the delivery of the Plan on a Page, the Force Strategic Delivery Plan and the PCC's Police and Crime Plan. The approach focussed on the development of Local Delivery Plans within Operational Commands and Support departments outlining the activities they would be undertaking over the year to support the delivery of the Plan on a Page and the Police and Crime Plan and the measures to monitor progress.

A formal performance review process to support the delivery of these plans is in place. This comprises the Deputy Chief Constable (DCC) Victim Focussed Monthly Performance Meeting, chaired by the DCC and attended by the relevant operational/organisational support Commanders/SLT's to monitor overall Force performance. This is supported by monthly Local Accountability Meetings (LAMs) chaired by the relevant ACC/ACO with operational command/support departments focussed on the delivery of their local plans and monitoring performance against their specific indicators.

This is a fully embedded process and, in line with the Force culture of continuous improvement, has been further refined for the 2020/2021 planning year with a revision of the planning templates, activities and supporting measures focussed on the Chief Constable's Strategic Delivery Plan, Plan on a Page and OPCC's Police and Crime Plan.

The process is further supported through local Team Accountability Meetings (TAMs) and Individual Accountability Meetings (IAMs) across every level of the organisation to not only assess the contribution to Force Performance, but to also consider continuous personal development and health and wellbeing requirements and opportunities for individuals.

## **8. Significant Governance Issues**

The Chief Constable and the OPCC identified a number of strategic risks in 2020/21. These included risks arising out of processes, systems, national influences such as policy and policing in general, health and safety and financial controls all of which the Chief Constable continues to manage. Each risk has Chief Officer functional ownership and a responsible risk manager who are accountable for the progress of the management of that risk.

All risks have controls or mitigations assigned to them, are assessed and reassessed on a dynamic basis, and receive regular updates which are subject to quality assurance by the DCC in his role as Force Risk Champion. All risks are reported to and scrutinised by Chief Officers, the Accountability Board, and the JIAC. There is a well understood process in place with local risk managers escalating to the strategic level as required. Local managers also manage operational risks in all of the high risk areas of Force business particularly where vulnerability in the community is a key factor for example, Missing Persons, Domestic Violence and Child Abuse.

Significant governance issues are defined as those:

- Which prevent or seriously prejudice achievement of a principal objective.
- Where additional funding has had to be sought in order to resolve it.
- Which result in material impact on the accounts.

- Which the Head of Internal Audit (OPCC West Yorkshire) has specifically highlighted in the annual audit opinion
- Which attracts significant public interest and damages the reputation of the PCC.
- Which result in formal action being taken by the OPCC Chief Financial Officer or the Monitoring Officer.

Using the above criteria, there are two significant issues for the Force:

1. **Code of Corporate Governance:** the OPCC and Force carried out a full-scale review of the Joint Code of Corporate Governance during 2020/21. This has created a much improved Code of Corporate Governance and clarity around Financial Regulations, further building clarity around the relationship between OPCC and Force. There is now the opportunity to ensure full compliance with the Code and provide assurances to the PCC and the public. The OPCC Delivery Plan 2021-22 includes a focus on development of a fully transparent self-assessment process, with work already progressing.
2. **Covid-19:** The Covid-19 pandemic has necessitated some changes to the Force's governance in order to respond to the crisis. On 9<sup>th</sup> March 2020 an operational order was put into effect, Operation Flame, in order to mitigate the impact of Covid-19 on local communities, and to work together with others to promote recovery to a state of normality. The operation has a Gold/Silver/Bronze command structure with the following responsibilities:

**Gold** – Has overall responsibility for the operation and maintaining an effective resource provision for the Force across critical business areas as within the Business Continuity Plan.

**Silver** – Has responsibility for delivery of all plans and daily activity connected to the operation, managing performance, and producing and maintaining all the required documentation. Also ensures Gold is updated through the operation and escalates any issues required under the command protocol.

**Bronze** – Divisional leads have responsibility for ensuring that all divisional responsibilities are delivered against the Business Impact Analysis, that there are adequate contingencies to deliver as much business as usual service delivery as possible, prioritising business against the critical functional areas.

Whilst the governance activities required to respond to the Covid-19 outbreak take place under this operation, the existing Force governance structure remains in place, with all meetings taking place as scheduled, but with the following adjustments:

- Wherever possible, meetings taking place through video-conferencing or conference calling making best use of current technology
- Where video conferencing is not possible, observing social distancing guidance in order to facilitate meetings with minimal risk

These arrangements have effectively allowed the Force to maintain business as usual governance activities whilst responding to the Covid-19 outbreak through a clear and accountable command structure



Jim Wright  
Head of Finance and Business Services

Date 24 May 2021



Lee Freeman  
Chief Constable

Date 24 May 2021