

ANNUAL GOVERNANCE STATEMENT OF THE CHIEF CONSTABLE OF HAMPSHIRE CONSTABULARY

1. SCOPE OF RESPONSIBILITIES

- 1.1 The Chief Constable is responsible for ensuring that that his 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 Chief Constable also has a duty 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. In discharging this overall responsibility, the Chief Constable is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.
- 1.2 The Chief Constable has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework: *Delivering Good Governance in Local Government*. A copy of the Code can be obtained from the Chief Finance Officer
- 1.3 This statement explains how the Chief Constable has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2011, regulation 4(3), which requires all relevant bodies to prepare an annual governance statement.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 2.1 The governance framework comprises the systems and processes, and culture and values by which the Constabulary is directed and controlled and its activities through which it accounts to and engages with the public. It enables the Constabulary to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable and foreseeable 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 risk to the achievement of the Constabulary's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

- 2.3 The governance framework has been in place at the Hampshire Constabulary for the year ended 31 March 2014 and up to the date of approval of the statement of accounts.

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3. THE GOVERNANCE FRAMEWORK

- 3.1 The annual governance statement should include a brief description of the key elements of the governance framework the Constabulary has in place. In November 2012, as a result of the Police Reform and Social Responsibility Act 2011, the police authority was replaced with two separate legal entities of the Constabulary and the Police and Crime Commissioner for Hampshire. The Act and Financial Code of Management set out the statutory posts and their respective responsibilities. The Police and Crime Commissioner is responsible for holding the Chief Constable to account for performance and value for money.

- 3.2 It has been established that the Police and Crime Commissioner and Chief Constable are those charged with governance, but they are assisted by advice received from the Joint Audit Committee. The Joint Audit Committee reviewed the Code of Corporate Governance, compliance with it and the review of effectiveness.

- 3.3 Regular one to one meetings are held between the Chief Constable and Police and Crime Commissioner. The Force has a Chief Officers Group that meets fortnightly and an Executive that meets fortnightly so that one of these meetings occurs each week. The Executive includes a wider number of leaders, including Chief Superintendent level officers and staff. The Force Change Board is the governance board for all major change projects and is charged with identifying savings required to balance the reducing budget. The Police and Crime Commissioner, or a representative, attends the Force Change Board. There are also governance boards for the four major programmes of work underway that will transform the Constabulary; Operational Change Programme, Estate Change Programme, Joint Working and Collaboration. The joint Thames Valley Police & Hampshire Bi-lateral Collaboration Governance Board met 3 times during 2013/14. In January 2013 the formal governance framework and performance accountability of the collaborated Operations, ICT and Information Management units were agreed by both PCCs, as well as the collaboration business plan 2014-16. This Board oversees the development of the Contact Management programme, Criminal Justice, Crime & Intelligence, Non-Collaborated Operations Units and Learning & Development. Governance of collaboration between forces across the South East Region is undertaken at the regular Regional Governance Board. Four meetings were held during 2013/14. The South East Regional Organised Crime Unit (SEROUCU), hosted by Thames Valley Police, brings together the current regional organised crime units under one structure with additional capabilities included. It is aligned with the South East Counter Terrorism Unit. There is a joint ACC who works directly to Chief

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Constable of Thames Valley Police to exercise overall command of the regional crime and counter terrorism functions. He also represents serious organised crime at the Regional Governance Board and nationally with the National Crime Agency and other key stakeholders

3.4 The performance of the Constabulary is reviewed at monthly Force Performance Group meetings, which includes a representative from the Office of the Police and Crime Commissioner (OPCC). Performance is also reviewed by inspection agencies including Her Majesty's Inspectorate of Constabulary (HMIC), external audit, internal audit, the Health & Safety Executive, other statutory agencies and volunteer schemes such as custody visitors. HMIC, external audit and internal audit all specifically report on value for money. Outcomes from these inspections are summarised for the independent Joint Audit Committee. The annual review of effectiveness required under Regulation 4 of the Accounts and Audit (England) Regulations 2011 is reported to the Joint Audit Committee.

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3.5 The key elements of the Constabulary's arrangements for governance are:

a. the Constabulary's vision of its purpose and intended outcomes for people and service users has been reviewed in consultation with key stakeholders. It has been published on the Constabulary website and promoted by the Chief Constable at the Senior Leaders Conference and at various events and roadshows

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b. the arrangements for governance have been reviewed and updated to reflect the changes in structure and guidance such as the Code of Ethics

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c. the mission, vision and Police and Crime Plan translate into service objectives for the Constabulary and its partnerships. The objectives are turned into performance targets which are set out in the Performance Profile and agreed at Force Performance

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d. the Performance Profile is reviewed at the monthly Force Performance Group. It measures the quality of service for users, including use of resources. Performance is published on the Constabulary website. The HMIC publishes on its website a value for money study that the Constabulary uses to assess to identify any potential improvements

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e. roles and responsibilities are documented in law (e.g. Police Reform and Social Responsibility Act 2011), the Financial Management Code of Practice, the Code of Corporate Governance and in role profiles for executive, non-executive and officer functions. The Scheme of Delegation and decision log sets out delegated powers

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f. codes of conduct are in place for all officers and staff as set out in the Code of Corporate Governance. Personnel sign up to the codes of conduct on commencement of their role

g. all decisions made by the Police and Crime Commissioner are logged and published on the website. Decisions made by the Constabulary at key meetings are recorded as notes for reference and communication

h. the Risk Manager has designed a revised framework for risk management. The review of risk management during 2013/14 has highlighted a need for stronger processes which have begun to be implemented towards the end of 2013/14

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i. counter fraud and anti-corruption strategies are developed and maintained by the Professional Standards Development and Corporate Finance. This gives the Constabulary in house capability to undertake proactive and reactive reviews of police operational and business transactions. Returns are submitted for national anti fraud and corruption work as well

j. the Force Change Board oversees a number of programmes and boards who are delivering change and transformation.

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k. the Chief Finance Officer ensures that the financial management arrangements conform to the *CIPFA Statement on the Role of the Chief Financial Officer in Local Government* (2010). The Chief Finance Officer discharges the s151 responsibilities and is a member of the Chief Officer Group, Executive, Force Change Board, Force Performance Group and Estate Change Programme. Financial Regulations, Standing Orders on Contracts and a Scheme of Delegation are in place.

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l. the Chief Internal Auditor ensures the Chief Constable's assurance arrangements conform to the governance requirements of the *CIPFA Statement on the Role of the Head of Internal Audit* (2010). Oversight was provided by the Joint Audit Committee from May 2013. Oversight was provided by the Chief Finance Officers in the interim

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m. the monitoring officer responsibilities are required, by law, to be discharged by the Chief Executive of the Police and Crime Commissioner

n. the Chief Constable is the head of paid service. The discharge of his functions is monitored by the Police and Crime Commissioner

o. the core functions of an audit committee, as identified in CIPFA's *Audit Committees: Practical Guidance for Local Authorities* were discharged by the Joint Audit Committee from May 2013. The core functions were covered directly by those charged with governance in the interim. A robust process was put in place to attract the appropriate calibre of individuals to the Joint Audit Committee; therefore the first meeting was held in May 2013. The terms of reference for the Joint Audit Committee were agreed by the Police

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and Crime Commissioner, but will be reviewed to reflect recent guidance from CIPFA specifically tailored for Police Joint Audit Committees

p. management ensure that relevant laws and regulations, internal policies and procedures are complied with and that expenditure is lawful. The Constabulary's Compliance Unit and internal and external audit assist in the review of the controls and compliance with the control framework

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q. a whistleblowing/confidential online reporting facility is in place. This is owned by the Professional Standards Department for both internal and external complaints against all personnel. Complaints are reviewed and acted upon. Complaints about the Chief Constable are considered by the Police and Crime Commissioner and can be made online on the Police and Crime Commissioner's website

r. a Professional Development Review process is in place. The process appraises performance but also identifies training and development needs for all officers and staff

s. the Constabulary has a Performance and Consultation team which uses a variety of consultation survey methods to communicate with all sections of the community. Corporate Communications also lead communication through public meetings, leaflets, media statements, website and social media. However, there is an open communication policy which mean that all officers and staff are able to communicate directly with their stakeholders, for example, Safer Neighbourhood Teams can communicate directly with their community through their Twitter accounts. The communication strategy takes into account target markets so additional effort is made to communicate with hard to reach groups. The website has been upgraded to offer more information and facilitate more online communication from stakeholders such as online crime reporting

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t. the Chief Constable is held to account by the Police and Crime Commissioner. Particular focus is given on performance against the priorities and measures set out in the Police and Crime Plan. In addition, a series of public meetings have taken place where the Police and Crime Commissioner and Chief Constable are held to account in public for service delivery and effectiveness

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u. delivery leads on partnerships are reminded of the need for good governance arrangements

4. REVIEW OF EFFECTIVENESS

4.1 Hampshire Constabulary has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Constabulary

who have responsibility for the development and maintenance of the governance environment, the head of internal audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

- 4.2 The Constabulary completes a matrix produced by CIPFA in order to review detailed aspects of governance arrangements in order to identify potential weaknesses. This takes into account findings from inspection agencies but in particular annual opinions from auditors.

- 4.3 The Joint Audit Committee gives independent advice to the Commissioner on audit, risk and governance issues throughout the financial year. The Joint Audit Committee also ensures that the review of effectiveness is a review of group activities of both the OPCC and the Constabulary due to the significant level of group.

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- 4.4 I have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Joint Audit Committee. 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.

5 SIGNIFICANT GOVERNANCE ISSUES

- 5.1 The review of effectiveness has identified a need to update processes for risk management and business continuity across the OPCC and Constabulary. Work has taken place during 2013/14 to improve risk management arrangements across the OPCC and Constabulary. An internal audit review at the end of 2013/14 has found that the arrangements are now adequate, but this will be subject to further consideration by the Joint Audit Committee.

Deleted: The Force has restructured and created a new post of Risk Manager. The Risk Manager is reviewing the current arrangements and during 2013/14 will set out a revised process for risk management.

- 5.2 The Police and Crime Commissioner received a letter from the Health and Safety Executive in 2012/13 requiring a plan of work to be put in place in relation to maintenance of buildings. An action plan is being implemented from 2013/14 by the new joint working estates team with a budget of £2.7m. A programme of work agreed with the Fire and Rescue Service has been undertaken at Police Headquarters to ensure that the building complies with Fire Regulations.

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Deleted: is available specifically to address this issue. The Constabulary will assist to ensure that the plan is delivered

- 5.3 The Joint Audit Committee met for the first time in May 2013. Terms of reference were set out at that meeting but will be reviewed in line with recent CIPFA guidance specifically aimed at Police Joint Audit Committees. The Code of Corporate Governance inherited from the police authority was updated to reflect changes to titles and roles as there are now separate codes for the Police and Crime Commissioner and the Constabulary. Both codes were reviewed for comments by the Joint Audit Committee. The Joint Audit Committee members were selected because of the relevant skills and experience they have,

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amongst other things, in relation to governance, accounting, risk management, working on other audit committees. A programme of training is in place to give the members of the Joint Audit Committee a greater insight into the general responsibilities to be discharged within policing and the specific workings of the OPCC and Constabulary in Hampshire and the Isle of Wight.

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5.4 I 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.

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Chief Constable of Hampshire Constabulary

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