

# Annual Governance Statement 2018/2019

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

July 2019

## Introduction



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Welcome to the Annual Governance Statement (AGS) for 2018 / 2019. The AGS provides an overview of the governance structures and processes that were in place during the year and outlines the findings of the annual review of those arrangements.

## Welcome from the Commissioner and Chief Constable

We rely on our people to deliver our services to the public. We rely on our governance arrangements to make sure that this is done properly. We each have a responsibility for ensuring that our governance arrangements remain fit for purpose.

Based on the review undertaken to inform this AGS the key structures and processes that were in place during 2018 /2019 continued to provide a high level of confidence in the governance arrangements.

This latest review of the structures and processes that are relied on to ensure that things are done properly marks a change in the way that some support services are delivered. A number of functions and staff transferred to the Chief Constable on 1 April 2019. As a result the review has highlighted the need to ensure that the revised arrangements for governance continue to provide a high level of assurance as new ways of working are introduced throughout 2019/2020. These changes will come from the transformation programme and closer working with North Yorkshire Fire and Rescue Service



They can be relied on to make sure that:

- Decisions are ethical, open, honest, and evidence based
- Public money is safeguarded
- Risk is effectively managed
- Transparency comes as a matter of course
- Processes are continually improved

## Pillars of good corporate governance



# Corporate Governance

## What is Corporate Governance

Corporate governance refers to the process by which organisations are directed, controlled, led and held to account. In other words, corporate governance is how we make sure we do things properly.

Each year we, the Commissioner and Chief Constable, are required to produce an AGS. The AGS is the formal mechanism we use to report on the effectiveness of our internal control and decision making systems. Our AGS complies with the reporting requirements contained in the CIPFA – Code of Practice on Local Authority Accounting and accompanies our accounts for the financial year. This is a document that describes how well our governance system has functioned during the year ended 31 March 2019 and sets out areas for development for the year ahead.

*Good corporate governance helps to put people first in everything we do. This gives us confidence that we are doing the right thing in the right way for those who we deliver services to, for and with.*



In April 2016 CIPFA published an updated version of their “Delivering Good Governance in Local Government: Framework” which was followed by specific guidance notes for Policing Bodies. The 2016 Framework sets out seven principles of good governance which are taken from the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) ('the International Framework') and interprets them for local government. The seven 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 control and strong public financial management
- G** – implementing good practices in transparency, reporting and audit to deliver effective accountability.

The principles and guidance have again informed the review of governance arrangements for 2018/19. More specifically, the structure of this AGS has been prepared with reference to themes from key elements of the structures and processes referred to in the CIPFA guidance.

## Codes of conduct and standards of professional behaviour

### Ethics and Standards are core to Corporate Governance Arrangements

The organisation aspires to the highest ethical standards in all of our activities. The policing Code of Ethics sets out the principles and standards of behaviour that promote, reinforce and support the highest standards from everyone who works within the police service.

The Code is founded upon nine policing principles which were built on the Nolan principles for public life, and these principles should underpin every decision and action across policing. In accepting to abide by the Code of Ethics, everyone is committed to the principles and standards of behaviour, and these will assist everyone in doing the right thing when faced with difficult and complex decisions.

Consideration is given to the standards of professional behaviour and the nine policing principles whilst carrying out all our activities. This helps us ensure that everything we do is supported by our values and behaviours.

There is active monitoring of standards and behaviours and our learning bulletin regularly highlights expressions of appreciation from stakeholders recognising the service provided by our officers and staff.

As with any organisation there are times where individual conduct can fall short of the standards of behaviour expected of them. There is however confidence in the management arrangements that were in place for this area during the last year.

The policing principles are:

- Accountability
- Fairness
- Honesty
- Integrity
- Leadership
- Objectivity
- Openness
- Respect
- Selflessness

#### Further information

- Commissioner's Ethical Framework
- NYP Ethics and Standards

### Complaints and Compliments

There are new powers within the Policing and Crime Act 2017 in relation to complaints, these changes were due to come in from January 2019 and will allow Commissioners to take on certain responsibilities which include:

- Receiving and recording a complaint
- Assessing and allocating a complaint
- Fact checking and resolving complaints that are appropriate for service recovery
- Acting as a single point of contact and communication for the customer, explaining the process to the customer and acting as the main link between the customer and the complaints system, including where a complaint requires an investigation by the police
- Act as the appeal body in place of the Chief Constable (to be known as 'reviews'). This is the only mandatory responsibility within the Act for the Commissioner

The legislative changes that were expected have been subject to delay. As a consequence no changes in responsibility were introduced in the complaints handling arrangements in North Yorkshire during 2018/2019.

The Commissioner and Chief Constable are committed to improving the service North Yorkshire Police (NYP) delivers to its diverse communities, and continue to view the complaints and compliments received as an essential barometer in understanding how well policing is being delivered, and most importantly, in improving service both individually and collectively.

The arrangements that are in place for making complaints are accessible and published. During the year these have been actively engaged with and an appropriate level of information about the outcomes has been made available. This demonstrates a strength in the arrangements that are in place for complaints.

# Ensuring Compliance

## Code of Corporate Governance

Our Code of Corporate Governance was refreshed and the updated version published during 2018. As a key governance instrument this acts as a reference point for the expectations and rules about, for example, who in the organisation can make decisions and on what issues.

There is provision in the code for an annual review. When this was undertaken at the end of 2018/2019 it was necessary to make changes to reflect the transfer of some staff roles that were employed by the Commissioner to the Chief Constable.

A separate Code of Corporate Governance has been developed and is in place for the Commissioner in the role of the Fire and Rescue Authority.

## Finance Regulations

Aligned to the Code of Corporate Governance are the Finance Regulations. These translate into practical guidelines and the framework for decision making on financial matters.

## Sources of Assurance

Various sources of assurance are relied on to test and ensure compliance with laws and regulations, the governance and that expenditure is in line with the Finance Regulations.

## Internal Audit

Internal Audit Services for the year were provided by RSM. The internal audit plan for the year and regular progress reports detailing the outcome of those assignments in the plan were prepared and reported to the Joint Independent Audit Committee.

The plan is risk based and targeted at areas where Internal Audit is the appropriate assurance provider. It is designed with a large degree of flexibility so that changes can be made in order to test emerging areas of concern.

Based on the internal audit assignments completed throughout the year an audit opinion is formed by RSM for both the Commissioner and Chief Constable. Both the Commissioner and Chief Constable received positive opinions in the Annual Report for the year 2018/2019. The auditors also reported that "Good Progress" and "Reasonable Progress" had been made in implementing the actions arising from internal audit findings.

The organisation has an adequate and effective framework for risk management, governance and control.

However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

## Areas of Partial Assurance

There were five internal audit assignments that resulted in an opinion of partial assurance. Those were "Crime Data Integrity Action Plan", "Bail Management", "Transport Utilisation", "GDPR: Subject Access Requests" and "Open Investigations and Crimes".

Ensuring implementation of the agreed action plans arising from the Open Investigations and Crimes assignments by their planned completion date of September 2019 will be of particular focus in the first half of this year. The remaining live action from the GDPR: Subject Access Requests relating to resourcing of that area will be regularly reviewed.

The opinions of the Crime Data Integrity Action Plan and the Open Investigations and Crimes assignments highlighted once again the need for continued management focus on these areas. As recognised in the commentary that follows later in this AGS, some progress on Crime Data Integrity arrangements has been made during 2018/2019.

The Internal Auditors issued positive year end opinions on the risk management, governance and internal control arrangements for both the Force and OPFCC.

The positive opinion of the internal auditors for the year ended March 2019 was used to inform the judgement on the level of assurance provided in the governance arrangements.

### Further information

- Financial Regulations
- Annual Internal Audit Report 2018-2019

# Ensuring Compliance

## HMICFRS

Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) independently assesses police forces and policing activity in the public interest, ranging from neighbourhood teams through to serious crime and the fight against terrorism.

In preparing their reports, they ask the questions which the public would ask and publish the answers in an accessible form.

HMICFRS provide the information to allow the public to compare the performance of their force against others and their evidence is used to drive improvements in the service to the public.

As an additional source of assurance HMICFRS outcomes were considered in the review of governance arrangements.

The fourth PEEL (police effectiveness, efficiency and legitimacy) assessments resulted in maintenance of "good" gradings in effectiveness and legitimacy. The outcome of the fifth PEEL assessment is anticipated later in the year.



## External Audit

External Auditors work independently of the organisation. They examine records, operating systems and financial accounts and provide assurance around compliance. Our external audit service is provided by Mazars. The appointment is made independently by Public Sector Audit Appointments (PSAA) who manage the arrangements for appointing auditors as set out in the Local Audit and Accountability Act 2014.

## Joint Independent Audit Committee

The Commissioner and Chief Constable operate a Joint Independent Audit Committee (JIAC).

With an independent Chair, the role of the Committee is to provide independent assurance on the adequacy of corporate governance and risk management arrangements that the Commissioner and Chief Constable rely on.

The Committee continued to develop during the 2018/2019 term with active engagement throughout the formal sessions. All sessions in the reporting period were conducted with the necessary quorum.

In addition lead members have been allocated for the thematic areas of Information Management and separately Risk Management. The lead members have actively engaged with the appropriate teams during the year.

### Further information

- HMICFRS
- Joint Independent Audit Committee

## Transparency & Engagement

The view of the organisations is that transparency is one of the pillars of good corporate governance. The stated aspiration is that statutory requirements are not only complied with, but exceeded.

During 2018/2019 a positive "reasonable assurance" opinion was provided following the internal audit assignment on "Transparency: Specified Information Order". This has helped to reinforce the level of corporate confidence in the arrangements that are in place around transparency.

Active engagement with those communities that we serve helps to create a positive working relationship with them and a more detailed understanding of their needs and issues.

A range of tools are used to help us be aware of and understand the experiences of our communities. For example social media channels are actively used on a daily basis and a range of more traditional engagement events have occurred throughout the year.

The communities of North Yorkshire were regularly invited to have their say during 2018/2019. Participation was encouraged in surveys relating to

a number of topics. For example; revenge porn, fear of crime and Neighbourhood Policing.

In addition a survey provided communities with the opportunity to influence the decision in relation to increases in policing precept.



## How the business was managed in 2018/2019

### Police and Crime Plan

The plan sets out the vision and priorities for policing and community safety, as well as the objectives and ambitions that the Chief Constable is held to account against.

An internal audit assignment on the arrangements in place for delivering the plan was carried out during the year. This resulted in an opinion of reasonable assurance with the auditor concluding that "the governance functions that monitor the delivery of the Police and Crime Plan were well established and operating effectively including the Executive Board and the Public Accountability Meeting".

### Code of Corporate Governance

Crucially this contains the scheme of delegation and consent which sets out the parameters for who can make decisions across the business.

### Managing performance of services and projects

Overall performance monitoring continued through the Executive Board during 2018/2019. The processes and structures that inform Executive Board oversight have been under review during the year as part of the Transform 2020 programme. Management of this area is essential as the change programme progresses throughout the year and so this will be an area for development throughout 2019 / 2020.

### Chief Finance Officer Protocol

The 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 and Wales. The Chief Finance Officer arrangements have also considered the CIPFA Code of Practice recommendation that the Commissioner's Chief Finance Officer reports directly to the Commissioner. If different arrangements are adopted the reasons should be publicly reported in the Annual Governance Statement. Due to the nature of the arrangements in North Yorkshire the arrangements are considered annually.





The Commissioner's Chief Finance Officer reports via the Chief Executive Officer to the Commissioner. This provides an effective solution for him to engage on all material matters via a dedicated line manager. The Commissioner's Chief Finance Officer has direct access to the Commissioner as well as to the Chair of the Joint Independent Audit Committee. The Commissioner's Chief Finance Officer remains satisfied that these arrangements enable him to effectively deliver the statutory functions of his role.

The role of Commissioner's Chief Finance Officer continues to be provided by way of a collaborative arrangement with the Police and Crime Commissioner for Cleveland.

### Monitoring Officer Protocol

A Monitoring Officer Protocol explained how the function of statutory Monitoring Officer was discharged within the working arrangements that were in place during 2018/2019. Interim Chief Executive and Monitoring Officer arrangements were in place through a collaboration agreement with the Police and Crime Commissioner (PCC) for West Yorkshire. This arrangement came to an end on 31 March 2019. From 1 April 2019 a new structure was introduced including the role of Chief of Staff for the Office of Police, Fire and Crime Commissioner for North Yorkshire to undertake the statutory Head of Paid Staff (CEO) and Monitoring Officer responsibilities.

#### Further information

-  Police and Crime Plan
-  Executive Board
-  Chief Finance Officer Protocol
-  Monitoring Officer Protocol



# Scrutiny Arrangements

## Holding the Chief Constable to Account

This is the statutory role of a Police, Fire and Crime Commissioner and can be done in a number of ways. Locally the Commissioner uses a mix of public meetings, reports and research; partnering organisations such as Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services; and formal complaints to assess the Chief Constable against expectations.

In North Yorkshire the philosophy is to focus on the following five areas:

- Performance
- Quality of work
- Value for money
- Using feedback and evidence to improve services
- Examining performance

The Commissioner actively seeks the input of the public in order to effectively carry out the scrutiny function. Whether formal or informal, scrutiny is informed by public views, needs and feedback.

## Public Accountability Meeting

The formal meeting that performs this important role is the monthly Public Accountability Meeting. This meeting is live streamed and the public can participate.

The meeting is made up from members of the Executive Board, other Chief Officers and Heads of Department. It is supported by performance and change management / planning staff.

The Commissioner, Chief Constable and Chief Fire Officer chair the meeting jointly because both expect the police service to be performing at its best and both have a role in ensuring actions are delivered by the teams reporting into them. Performance reports are published after these meetings.

There are various scrutiny arrangements in place for the organisations which reflect the respective statutory roles.

## Police, Fire and Crime Panel

The Panel has the statutory responsibility for scrutinising the performance of the Commissioner and is a joint committee of the local authorities in the area. The Panel undertakes its scrutiny function through a range of mechanisms and considers such matters as:

- Reviewing the Commissioner's proposals for the amount of council tax local people pay towards policing. It has the power to veto these proposals if it considers the amount is inappropriate.
- Considering the Commissioner's Police, Fire and Crime Plan and Annual Report.
- Considering the Commissioner's proposals for the appointment of new Chief Constables and Chief Fire Officers, with the power to veto.
- Investigating non-criminal complaints about the Police, Fire and Crime Commissioner
- Investigating non-criminal complaints about the Deputy Police and Crime commissioner

'The Commissioner also uses independent scrutiny panels, which she has specifically set up to help scrutinise specific parts of policing, chaired by independent members of the public. You can see more about those boards in her Annual Report'

### Further information

- Police, Fire and Crime Panel
- Public Accountability Meeting
- Annual Report

## Working with others

### Collaboration Governance

The Commissioner has a statutory duty to collaborate and so it is important that good governance arrangements are incorporated for oversight of collaboration activity.

The agreements that underpin collaboration activity are published as a matter of routine. In addition the notes from the formal meetings that oversee collaboration activity are also published in the spirit of transparency.

The oversight arrangements for functions that are delivered on a collaborative basis are designed in such a way as to build in the principles and behaviours of good governance.

Notably during November 2018 following the Home Secretary's approval of proposals the North Yorkshire Police, Fire and Crime Commissioner. North Yorkshire Police retains operational and financial independence from North Yorkshire Fire and Rescue Service.

This presents opportunities for collaboration between the services that will be mutually beneficial. A new Corporate Governance Framework which includes a joint Executive Board that considers decisions across both North Yorkshire Police and North Yorkshire Fire and Rescue Service has been developed. This is in addition to the previously mentioned joint Public Accountability Meeting where the performance of both services is scrutinised by the Commissioner.

From April 2019 "Enable North Yorkshire" a formal collaboration was launched to bring together the business support functions for North Yorkshire Police and North Yorkshire Fire & Rescue Service. As this collaboration progresses the implications it has on the governance arrangements will be closely monitored.



## What we said we would develop in 2018/19

### Areas for Development from the 2017/2018 AGS

Area for Development	Owner	Progress
<p>1. Undertake a review of the Financial Regulations, Contract Regulations and Property Procedure rules and attendant protocols. Adjust where necessary to ensure proportionate levels of empowerment and responsibility and enhance decision making and budget management in relation to areas such as overtime.</p>	<p>PCC CFO</p>	<p>The Financial Regulations were reviewed and no substantive revisions were required. The Contract regulations were subject to some refinement following some internal audit activity. These shall be subject to further review over time to closer align the provisions of the PFCC arrangements and those of NY Fire and Rescue Service</p>
<p>2. Monitor the implications for the governance framework arising from changes to both police sector collaboration and collaboration with the fire and rescue service.</p>	<p>CEO</p>	<p>Appropriate provisions have been made with a discrete Code of Corporate Governance prepared for the s.4 Fire Authority.</p> <p>Since the transfer of governance of North Yorkshire Fire and Rescue Service (NYFRS) to the Commissioner, work has been completed to include the public scrutiny and accountability of North Yorkshire Fire and Rescue Service within the Public Accountability Meeting (PAM).</p> <p>The new ways of working for PAM have been implemented.</p>
<p>3. Refine the process for reporting on benefits realisation to ensure an appropriate level of oversight and awareness.</p>	<p>CEO</p>	<p>Development of local benefits realisation and management practices is being undertaken in two main strands.</p> <p>Firstly the National Police Chiefs Council (NPCC) has a Business Change Council a group of which has a “benefits realisation” sub group that senior North Yorkshire Police colleagues attend. As part of that work there is a “Benefits Realisation Practitioner Group” which we are actively engaged with. The aim of the national benefits realisation work is to develop a common set of agreed principles and approach.</p> <p>Secondly benefits realisation is one of the areas of work that has been considered within the Transformation work.</p>

## What we said we would develop in 2018/19

Area for Development	Owner	Progress
<p>4. Monitor the implementation of management action arising from audit and inspection outcomes on Data Quality and Crime Data Integrity to ensure improvement in those areas.</p>	<p>DCC</p>	<p>Oversight of both Crime Data Integrity and Data Quality has been monitored through the Crime Data Integrity Improvement Group.</p> <p>Good progress has been made in relation to the action plan. In late January the Force publicised the fact that the crime data integrity improvement had contributed to a 13% rise in recorded crime in North Yorkshire following the publication of the Office of National Statistics' (ONS) bulletin "Crime in England in Wales, year ending September 2018".</p> <p>An upward adjustment in the crime figures was expected on the back of the extensive program of work that has been undertaken to improve crime recording processes.</p> <p>This included a dedicated team that was put together to drive the necessary changes, which has seen a roll-out of additional guidance for officers and staff and within the Force Control Room.</p> <p>This will continue to be an area for development in 2019/2020.</p>

## Governance Arrangements

### The review of our governance arrangements Annual Governance Statement 2018/2019

The review of effectiveness of the joint governance arrangements in place during 2018 / 2019 indicated that the framework that was in place provided a high level of assurance. Based on reflection of the key structures and processes which comprise those arrangements it can be judged that appropriate mechanisms existed to:

- promote and monitor codes of conduct and professional behaviour
- ensure compliance with internal and external requirements
- promote transparency and acting in the public interest
- develop channels of communication with all sections of the community
- manage the business to deliver the organisational vision of being synonymous with exemplary service
- apply good governance arrangements to collaboration activity and partnerships
- appropriately scrutinise performance

Looking ahead there is a need to reflect on whether the governance processes and systems required refinement as the organisations change as a consequence of both the transformation programme and closer collaboration with the fire service.

The areas for development detailed overleaf have been identified from the review process. The implementation of these will be monitored and reported in our AGS for 2019/2020.



# Summary

## Areas for Development for 2019/20

The key areas for development during 2019/20 are summarised below:-

Area for Development	Owner	Target date
1. Improving the processes and mechanisms in place for measuring the performance of services and projects in line with the Transformation Programme.	Managing Director	31 October 2019
2. Ensuring that the development of leaders progresses in line with the organisational aspiration for intent based leadership.	DCC	31 December 2019
3. Developing the governance and internal control processes for services that are delivered as part of the Enable Collaboration.	Managing Director	31 March 2020
4. Monitoring the potential implications for governance and service delivery following the decision of the Commissioner not to stand for re-election.	Interim Chief Executive and Monitoring Officer	31 March 2020
5. Act on the outcome of the latest HMICFRS Crime Data Integrity Inspection to ensure improvements continue to be made in that area.	DCC	31 December 2019



We hope that this document provides you with some helpful insight into how we decided to lead North Yorkshire Police, the systems we have put in place to ensure our decisions are open and accountable, and that your money is safeguarded.

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North Yorkshire

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Chief Constable  
North Yorkshire Police

**Simon Dennis**  
Interim Chief Executive  
and Monitoring Officer

**Michael Porter**  
Commissioner's  
Chief Finance Officer

**Jane Palmer**  
Chief Constable's  
Chief Finance Officer

30 July 2019



 North Yorkshire  
Police, Fire & Crime  
Commissioner

