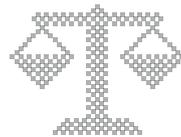


Police and Crime  
Commissioner  
North Yorkshire



# Annual Governance Statement 2015/2016

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

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27 September 2016

## Corporate Governance

### Introduction

Good decisions rely on good governance. A successful process to manage the way our organisation is led, directed and held to account has been developed over time and we are constantly refining our systems to make sure that decision making is appropriate and timely.

### Welcome from the Commissioner and Chief Constable

Both the Police and Crime Commissioner and North Yorkshire Police support people across the county to 'Be Safe, Feel Safe'.

Decisions need to be made using processes that are transparent and involve and engage the public. The Annual Governance Statement sets out the processes in place during 2015/16.

The statement lays down clearly the rules and standards by which the force operates and explains the processes and procedures that govern it. As such, it provides important reassurance that the force is run effectively and with the highest standards of accountability and integrity.

Engagement is a key feature of the force's governance model. The priorities for North Yorkshire Police have been set by the public and our partners following extensive consultation and formulate the priorities in the Police and Crime Plan. Having a clear plan helps to make decisions about the future of policing as accountable as possible.

We also aim to be as transparent as we possibly can. Upcoming decisions are published in advance to give the public and our stakeholders the chance to get in touch to make their own views known. Our process also means we publish any decision within certain financial thresholds for example information on contracts over £10,000, or that are in the public interest, along with the rationale for making each decision.



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



**Dave Jones**  
Chief Constable  
North Yorkshire Police

One reason transparency and accountability are central to our decision making is because of the sensitive and often difficult environment the police work in. We recognise this and have to plan our processes accordingly.

We hope you find this document a valuable expression of the values and ethics that we believe are at the heart of the force's decisions and actions.



As Commissioner and Chief Constable, we continuously look to improve and develop governance arrangements that 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

## 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 Annual Governance Statement. The Annual Governance Statement is the formal mechanism we use to report on the effectiveness of our internal control and decision making systems. Our Annual Governance Statement 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 over the last 12 months and sets out areas for development for the year ahead.



Good Corporate Governance helps us 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.

North Yorkshire Police and its partners work in a complicated environment with complex roles and responsibilities. We adopt clear sets of values and Code of Ethics that guide how we operate and make decisions in this environment.

### Implementing decisions and making sure we always strive to do better

The Commissioner set priorities for three years in the Police and Crime Plan which was refreshed and subsequently supported by the Police and Crime Panel during 2014/2015. Significant progress has been maintained against many of the original goals. North Yorkshire Police continue to deliver strong performance against the overall aim – which is to be one of the safest places in the country.

The refreshed plan identifies the challenges and provides a clear direction of travel for North Yorkshire Police.

The Commissioner continues to exercise scrutiny of the Chief Constable through a range of mechanisms including the Corporate Performance, Delivery and Scrutiny Board. Since May 2015 this monthly meeting has been live streamed and allows the public to interact with the meeting via live feeds and social media. This allows the Commissioner to act as a conduit between this meeting and the public.

The Commissioner is also accessible through a wide range of engagement events. This includes private one-to-one surgery appointments, casework, public meetings and online activity such as web chats and twitter. Feedback is central to the Commissioner's work and helps shape priorities and how these should be delivered. In doing so the Commissioner ensures the public have a say in how services are delivered in order to shape North Yorkshire Police to deliver to community priorities.

## Corporate Governance

### Business Planning

In April 2015 the new business planning cycle went live which changed how performance is measured. The approach is now aligned to twelve outcomes as follows:

#### Community

- Victims cope and recover better
- Individuals feel safer and more confident to report to the police, relevant agency or third sector
- Communities are safer due to reduction in demand

#### Operations

- People are safer due to fewer vulnerable and repeat victims of Crime
- People are safer due to fewer individuals committing Crime and/or antisocial behaviour
- Communities are safer through regional and national services protecting communities

#### People

- Communities are safer due to effective use of policing resources to reflect need
- Communities are safer by having a productive policing workforce
- Communities feel safer by having an accessible and engaged policing workforce

#### Organisation

- Communities feel confident that services are delivered in a robust and transparent manner
- Communities are safer because of an infrastructure that is stable and sustainable
- Effective commissioned and partner services

This outcomes based approach has widened the performance framework and understanding of the long term effects of the service. This positively supports how we measure the effectiveness of service to communities.



During 2015/16 the performance of the priorities and the outcomes set within the Business Plan have been scrutinised at the Corporate Performance, Delivery and Scrutiny Board.

There is a timetable for the year ahead which sets a thematic for each of the seven Business Plan priorities by month, with the eighth crosscutting priority of Affordability being a substantive item.

The outcomes are reviewed on a quarterly basis by one of the four outcome themes; Community, Operations, People and Organisation.

#### Code of Ethics

The Policing Code of Ethics is used on a day-to-day basis to guide behaviour and decision making. It sets out the principles that every member of the policing profession of England and Wales is expected to uphold and also defines the standards of behaviour they are expected to meet. As the framework to support policing professionals in making good decisions, it gives everyone the confidence to speak up when they feel decisions may not be made according to the principles.

The Policing Code of Ethics.  
Link to website:  
[www.college.police.uk/What-we-do/Ethics/Pages/Code-of-Ethics.aspx](http://www.college.police.uk/What-we-do/Ethics/Pages/Code-of-Ethics.aspx)



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

## Corporate Governance

### What we said we were going to improve during 2015/16

Significant progress has been made in each of the areas identified for development during 2015/16. Progress has been monitored through the Joint Corporate Risk Group and reported regular summaries to the Joint Independent Audit Committee. A summary of the progress made in each area follows.

#### Improve our Governance Structures to get better at planning and decision making

The Governance Master Class was delivered internally in summer 2015 and received positive feedback. Organisation Planning has developed and occurs as business as usual through the Business Planning process and is supported by the Risk Management process.

A review of the project management handbook has been undertaken incorporating feedback from stakeholders. This gives North Yorkshire Police confidence to measure whether benefits identified in business cases are realised in order to be satisfied that value for money is being provided.

An internal audit exercise was commissioned to gain some independent assurance in relation to the effectiveness of decision making structures. The recommendations arising from the audit work shall be implemented during 2016/17 with progress monitored through the Joint Corporate Risk Group.

Significant progress in this area has been made but it is recognised that the changing policing environment creates a need for even more agility in decision making and so there will be a related area for development in 2016/2017.

#### Continue to develop our Business Planning Model

As highlighted earlier in the document our Business Planning process has been re-energised over the last twelve months to ensure focus of activities against the Police and Crime Plan priorities. A number of processes have been established and embedded between business planning, risk management and governance arrangements. We

now have monthly Business Plan update meetings as part of business as usual.

We undertook a review of the structure of the Corporate Performance Delivery and Scrutiny Board (CPD&SB). The Terms of Reference (ToR) will be amended with any necessary refinements following the review. The revision of the ToR for CPD&SB will strengthen the links between the planning, risk and governance processes.

We have introduced a process so that monthly progress reports go to the Priority leads. This information is fed into the Affordability Group where appropriate following progress meetings. We have designed and implemented a template to capture new developments and initiatives that can be discussed at future meetings.

#### Increase the organisations understanding of financial processes.

Our shared Finance Department has worked throughout the year to improve the quality of interaction with budget holders. New processes introduced include monthly meetings where budget holders require them. Benefits of this process have seen an increase in understanding and a corresponding increase in the volume and quality of budget holder input.

To ensure wider awareness and accessibility of information the finance portal has been developed to include all finance reference material for budget holders. Management accounts are now published on the portal for users to view as required. Another example is the way that our Devolved Resource Manual (DRM) is published on the finance portal. This is improved by publishing a summary of recent changes to make it easier for users to find the relevant section.

Our Affordability Group structure worked well during 2015/16. This was an advisory group, which undertook financial planning and developed the funding scenarios in preparation for the anticipated funding settlements. The main product being our updated Medium Term Financial Plan (MTFP) and

## Corporate Governance

### What we said we were going to improve during 2015/16

the group also developed a wider understanding around financial processes.

Our shared finance function has been subject to a comprehensive review and it is intended to implement changes in 2016/17. It is hoped that the changes will maximise support to budget holders and further enhance reporting and monitoring corporately. This remains work in progress and will be carried forward as part of our new area for development to improve our change management processes.

### Ensure clarity of the governance environments that apply to collaborative working on a local, regional and national basis.

As a key area of focus during the year we have made steady progress in this area.

#### Evolve Collaboration

We have confirmed our commitment to the Evolve Programme. This is our collaboration with Cleveland and Durham. The statement of Intent has been revised and our commitment to the programme (and that of our counterparts in Cleveland and Durham) re-affirmed. Protocols supporting the collaboration agreement have been progressed to develop a shared awareness of how matters such as finance and audit will progress as the Evolve Programme develops.

#### Yorkshire and the Humber (YaTH) Collaboration

We now host the YaTH governance meetings for the next twelve months. We intend to use this as an opportunity to shape future collaboration activity and feed into the No 2 Region via the Police Transformation Board and Sub-Group. We will continue to ensure that robust governance mechanisms are maintained, for example, memorandum of understanding and decision making forums (Regional Collaboration Board and Chief Constables Operational Board).

#### North East Region Collaboration

We have commenced positive discussions with fellow Chief Constable's (CCs) and Police and Crime Commissioners (PCCs) within the North East region to consider how core specialist capabilities will be met through collaborative working.

An overarching collaboration agreement has been approved for the North East region. This is a key document that sets out the legal position of this collaboration. This will be supplemented by more detailed agreements for services that we agree to deliver on a regional basis.

#### National representation

We represent the region at national level with the Commissioner on the national Police Transformation Board and a Sub Group on which the Chief Constable sits along with representatives from all 7 forces (North Yorkshire, West Yorkshire, South Yorkshire, Humberside, Cleveland, Durham and Northumbria).

### Ensure clarity of responsibilities in areas where Commissioners have been given additional responsibilities.

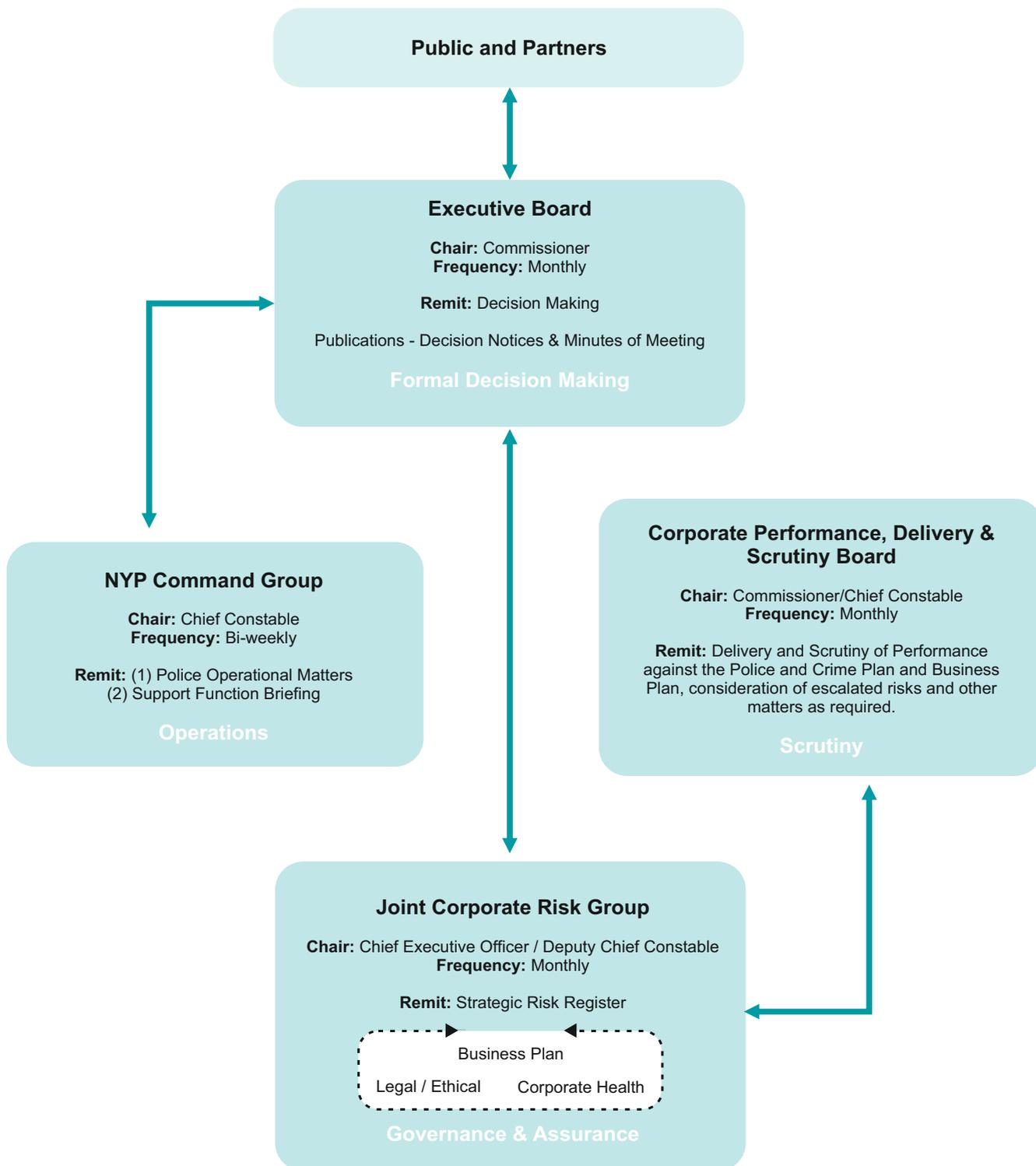
We have been monitoring developments in this area throughout the year and continue to do so. The most significant anticipated changes relate to responsibilities within the police complaints arena. This process is ongoing and proposed changes were included in the draft Policing and Crime Bill that was published on the 10 February 2016.

It is likely that these changes will form the basis to review the approach and to consider collaboration around Professional Standards and Police Complaints.

How we managed our business in 2015/16

Our Corporate Governance Arrangements in practice

Decision Making and Scrutiny Arrangements



## How we managed our business in 2015/16

### The Executive Board

The Executive Board is chaired by the Commissioner. This meeting is responsible for considering strategic decisions or those decisions required by our Scheme of Delegation, or the law, or our internal regulations i.e. anything that is in the public interest. The minutes and decisions of this meeting are published in line with our commitment to openness and transparency.

### NYP Command Group

The NYP Command Group is chaired by the Chief Constable. This meeting makes decisions of an operational nature, discusses items for the Executive Board, outlines and discusses key priorities and risks, making operational decisions as required.

### Joint Corporate Risk Group

The Joint Corporate Risk Group is jointly chaired by the Commissioner's Chief Executive Officer and the Deputy Chief Constable. This meeting oversees and considers the organisation's risk management activity. This includes:- strategic risk register; business continuity matters; organisational learning; annual governance statement; policies and procedures; final HMIC/Internal Audit reports and overall force assurance and compliance activity. Our new Internal Auditors (RSM) completed a Risk Maturity Audit of our Risk Management Arrangements (link to report). We were assured by their assessment of our risk management framework having described the status of the organisation in relation to Risk Maturity as "**Developing**" to "**Mature**" on the RSM Risk Maturity Scale.

### Corporate Performance, Delivery & Scrutiny Board

The Corporate Performance, Delivery and Scrutiny Board is jointly chaired by the Commissioner and Chief Constable. This meeting provides the mechanism by which the Commissioner holds the Chief Constable to account for delivery and performance.

However, it also adopts a collaborative approach and equally the Chief Executive Officer and senior managers are held to account for performance. In addition the Board scrutinises organisational performance, considers escalated risks, against the Police and Crime Plan and any emerging themes.

### Joint Independent Audit Committee

Chaired independently, the Commissioner and Chief Constable operate a Joint Independent Audit Committee. The role of the Committee is to provide independent assurance on the adequacy of corporate governance and risk management arrangements which the Commissioner and Chief Constable have put in place. A review of the terms of reference of this committee was commenced during 2015/16 with a view to finalising a revised version for sittings of the committee in 2016/17.

For further details please view the Terms of Reference here: <http://www.northyorkshirepcc.gov.uk/taking-action/governance-andaudit/joint-audit-committee/>.

### External Inspection Bodies

Her Majesty's Inspectorate of Constabulary (HMIC) 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. HMIC 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.

## How we managed our business in 2015/16



In 2015 and 2016 HMIC published its second assessment of the effectiveness, efficiency and legitimacy with which North Yorkshire Police keeps people safe and reduces crime. PEEL (police effectiveness, efficiency and legitimacy) provides information about how your local police force is performing in several important areas. It does this in a way that is comparable both across England and Wales, and year-on-year.

<http://www.justiceinspectorates.gov.uk/hmic/north-yorkshire/>



The outcome of the HMIC PEEL inspections was pleasing. To be rated as “good” across each area is testament to the time and effort of our workforce. It is relevant to mention the outcome of the PEEL assessment in our AGS as the HMIC Inspection process provides an additional source of assurance in relation to our governance arrangements.

bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.



During 2015/16 we approached the market for an Internal Audit Service as our arrangements had been in place for some time. From April until September 2015 we received an Internal Audit Service by way of our collaboration agreement with the Office of the Police and Crime Commissioner for West Yorkshire. RSM were appointed as our Internal Auditor and have provided our Internal Audit Service from October 2015.

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

<http://www.northyorkshire-pcc.gov.uk/taking-action/governance-andaudit/internal-audit/>



### Information Commissioner's Office

The Information Commissioner's Office is an independent body set up to promote access to official information and to protect personal information. The Information Commissioner's Office ensures compliance by helping us understand what the Data Protection Act, Freedom of Information Act and related issues mean and advises us on how to protect personal information.

### Internal Audit

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by

### 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 under the provisions of the Audit Commission Act 1998.

### Partnership Meetings

The organisation has a statutory remit to attend the City of York and County of North Yorkshire Safeguarding Meetings. The Chief Constable is the North Yorkshire Police Child Safeguarding Lead and the Deputy Chief Constable is the North Yorkshire Police Adult Safeguarding Lead. The meetings report annually to the Commissioner.

## Protocols that Strengthen Our Governance Arrangements

### Chief Finance Officer (CFO) Protocol

Our Chief Finance Officer protocol is designed to recognise our commitment to the Home Office Financial Management Code of Practice for the Police Service in England 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.

The Chief Finance Officer reports via the Chief Executive Officer to the Commissioner. This provides an effective solution for the Chief Finance Officer to engage on all material matters via a dedicated line manager. The Chief Finance Officer also has direct access to the Commissioner as well as 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 is provided by way of a collaborative arrangement with the Police and Crime Commissioner for Cleveland.

Chief Finance Officer Protocol  
Link to document: [www.northyorkshire-pcc.gov.uk/content/uploads/2013/03/CFO-Protocol-August-2014.pdf](http://www.northyorkshire-pcc.gov.uk/content/uploads/2013/03/CFO-Protocol-August-2014.pdf)



#### Joint testimonial from CFOs

Our roles exist to ensure that public funds are spent in a way that represents efficiency and value for money. The arrangements that we use to maximise value from our available resources are contained in the CFO protocol.

The opinion issued by each of the Internal Auditors in place during 2015/16 give us confidence in the effectiveness of the arrangements in place for risk management, governance and internal control.

- Michael Porter and Jane Palmer, Police and Crime Commissioner's CFO and Chief Constable's CFO

### Monitoring Officer Protocol

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

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

Monitoring Officer Protocol Link to document: <http://www.northyorkshire-pcc.gov.uk/content/uploads/2014/06/Appendix-Two-MO-Protocol.pdf>



## Protocols that Strengthen Our Governance Arrangements

### Joint Scheme of Delegation and Consent

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

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

We refreshed the arrangements during 2014/15 to recognise changes to the delegations to the Force Solicitor. The arrangements we have agreed are designed to work hand in hand with the other arrangements that have been explained previously, as well as the other rules we have designed and put in place through our Financial Regulations, our Contract regulations and our Property Procedure Rules.

Joint Scheme of Delegation and Consent  
Link to document: [www.northyorkshire-pcc.gov.uk/taking-action/making-decisions/joint-corporate-scheme-of-delegation-consent/](http://www.northyorkshire-pcc.gov.uk/taking-action/making-decisions/joint-corporate-scheme-of-delegation-consent/)



### PCC/CC Memorandum of Understanding (MOU)

We have adopted practical working approaches that enable a joint focus on delivery of the Police and Crime Plan and for the Commissioner to discharge the scrutiny role. Our arrangements are explained in key documentation which recognise and respect our statutory roles.

Our Memorandum of Understanding sets out the key working arrangements between the Commissioner and the Chief Constable. This builds on the foundations of the original MOU and continues to underpin our vision of a collegiate approach to decision making and scrutiny.

The MOU sets out:-

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

Memorandum of Understanding link to website: <http://www.northyorkshire-pcc.gov.uk/about/who-we-are/julia-mulligan/memorandum-of-understanding/>



## Governance Arrangements

### Anti-Fraud and Anti-Corruption Arrangements

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

The procedure highlights various routes through which officers, staff and volunteers can report concerns relating to internal fraud or corruption. We recognise the importance of these mechanisms and take the opportunity to raise awareness where possible.

Joint Anti-Fraud, Anti-Corruption  
Link to website: [www.northyorkshire-pcc.gov.uk/taking-action/whistleblowing/](http://www.northyorkshire-pcc.gov.uk/taking-action/whistleblowing/)



### The review of our governance arrangements

As part of the development of our Annual Governance Statement, we have conducted a review of our governance arrangements in consultation with senior colleagues. This was considered at our Joint Corporate Risk Group in February 2016.

The findings of this review concluded that our governance arrangements that were in place during 2015/16 were robust and it was the view of managers that the arrangements could be relied on to ensure that business was being done properly.

Key strengths in this effective internal control environment included the improvements made in the Decision Making process and our Corporate Meeting Structures although further progress could be made in those areas.

We have considered the findings of our review of effectiveness at the Executive Board as part of the development of this document. The results will be presented to the Joint Independent Audit Committee and the arrangements continue to be considered fit for purpose in accordance with the requirements of good governance



I am pleased that in the opinion of the Internal Auditors the Commissioner and the Chief Constable have maintained an adequate and effective framework for risk management, governance and internal control. This is particularly noteworthy given the organisation is operating in an environment of significant change and challenge. The Joint Independent Audit Committee is satisfied that during the year ended March 2016 the corporate governance and risk management arrangements which the Commissioner and Chief Constable had put in place were adequate and fit for purpose. Issues we have raised have been addressed by management. We have recently undertaken a review of our own effectiveness and we will take account of this review in planning our work.

*- David Portlock, Chair of The Joint Independent Audit Committee*

## Summary

### Significant Governance Issues and Areas for Development for 2016/17

The review of the governance arrangements in place during 2015/16 provided senior managers with a chance to express views about the effectiveness of current arrangements and highlight opportunities for developing the internal control environment.

One significant governance issue was identified. This was a need to improve the processes for management and implementation of change in respect of Information Technology in order to recognise the benefit of the investment in that area.

In addition the key areas for development highlighted below summarise the common themes captured during the review of governance arrangements.

Effort will also continue to ensure that processes around property handling are improved. In addition to acting on the recommendations arising from an Internal Audit of this area we have invested in reconfiguring the estate to help in that regard.

There will be careful monitoring to ensure that the investment in vulnerability realises the expected benefits.

#### The key areas for development during 2016/17 are summarised below:-

1. Streamline meeting processes to ensure an appropriate flow of information between corporate meetings and their supporting structures.
2. Increase awareness of the requirement for compliance checking of decision making material and the timescales for that process.
3. Design processes to provide assurance relating to the service and value for money from Partnerships, Commissioning and Collaboration in light of developments in national/regional capabilities and commissioning and grants processes.
4. Develop scanning processes to create common awareness of impacting factors including NPCC / APCC / HMIC / Internal Audit / Home Office / Legislation to ensure related risks and opportunities are incorporated into business plans.



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.

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

**Dave Jones**  
Chief Constable  
North Yorkshire Police

**Fraser Sampson**  
Acting Chief Executive Officer

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

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

27 September 2016