



Annual Governance Statement 2020/2021

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

July 2021

Introduction



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Welcome to the Annual Governance Statement (AGS) for 2020/2021. The AGS outlines what the key governance structures and processes were during the financial year and captures the main findings arising from the annual review of those arrangements.

Welcome from the Commissioner and Chief Constable

Welcome from the Commissioner and Chief Constable

Our people deliver high quality services to our communities. We rely on our governance arrangements as the framework to make sure that service delivery is done properly. We each have a responsibility for ensuring that our governance arrangements remain fit for purpose and undertake a review on an annual basis.

A live consideration during the review process was the whether the coronavirus pandemic had impacted on the governance environment. Whilst it was necessary to change a largely virtual environment this did not require changes to the related systems and processes and did not adversely effect their effectiveness.

Where notable changes have been necessary these will be captured in the relevant sections of this AGS.

Looking ahead this AGS also contains consideration on the preparation for the introduction of the new Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Management Code of Practice.

The review undertaken to inform this AGS indicated that the key structures and processes that were in place during 2020/2021 continued to provide a high level of confidence in the governance arrangements and 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 2021 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 2020/21. 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 the 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.

An internal audit assignment was conducted in this area during the reporting period. The positive opinion received provided assurance around the effectiveness of the arrangements that are in place.

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 Recognition

A change in legislation in February 2020 made it possible for to transfer the handling of complaints and recognition to Police and Crime Commissioners. Since 2 March 2020, complaints and recognition have been primarily handled by the new Complaints and Recognition Team at the Office of the Police Fire and Crime Commissioner for North Yorkshire.

The aims and key principles of this new process are:

- To learn and develop by improving from mistakes, poor judgement and low-level misconduct via early and supportive intervention
- To provide a fair, open and proportionate process to deal with such matters
- To focus upon self-reflection, learning from mistakes and development of actions to put issues right and prevent reoccurrence
- To build an inclusive, reflective and participative process for the officer involved, and the identification of individual and organisational learning
- To ensure that disciplinary proceedings are focused and applied only to serious breaches of the Standards of Professional Behaviour, where it is considered that a formal disciplinary sanction is justified

During the period of this AGS the internal audit plan included a review of the new arrangements for Complaints and Recognition. The opinion of the auditors was that the arrangements in place were suitably designed and consistently applied.

Ensuring Compliance

Code of Corporate Governance

The Code of Corporate Governance is a key governance instrument which acts as a reference point for the expectations and rules about, for example, who in the organisation can make decisions and on what issues. A separate Code of Governance 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.

The systems of control that were in place for “Procurement” and “Overtime, Bonus and Honorarium Payments” have been subject to internal audit activity during the course of the year. Positive opinions were allocated by the auditors in both assignments.

Sources of Assurance

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

Internal Audit

Internal Audit Services were provided by RSM. The internal audit plan for the year and regular progress reports detailing the outcome of the 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.

As a result of the pandemic and associated government guidance the vast majority of work was undertaken remotely to complete the 2020/2021 audit plan.

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.

Further information

-  Financial Regulations
-  Annual Internal Audit Report 2019-2020

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.

The positive opinion of the internal auditors for the year ended March 2021 was used to inform the judgement on the level of assurance provided by the governance arrangements.

Areas of Partial Assurance

Three internal audit reports concluded with negative opinions indicating “Partial Assurance”.

- Vulnerability and Incident Response
- HR: Training
- Project Expenditure

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 sixth PEEL (police effectiveness, efficiency and legitimacy) assessment of North Yorkshire Police is delayed as a consequence of the pandemic.

This will be informed to a great extent by the latest Force Management Statement (FMS). This is a self assessment that the Chief Constable must prepare and submit to HMICFRS each year.

HMICFRS use the FMS and information from their other inspection activity to inform their assessment.

Assessment of the outcomes of HMICFRS inspection activity is overseen and monitored by the Risk and Assurance Board.

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.

Due to social distancing requirements the Committee continued to convene through "virtual" meetings during the 2020/2021 term. There was active engagement throughout these sessions and all the meetings held during the reporting period were conducted with the necessary quorum.

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. A live example is the publication of the Force Management Statement.

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 were even more pivotal during 2020/2021 as the pandemic limited the opportunity for more traditional engagement events throughout the year.

The communities of North Yorkshire were regularly invited to have their say during 2020/2021. Participation was encouraged in surveys relating to a number of topics.



How the business was managed in 2020/2021

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.

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.

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.

During the reporting period the Commissioner's Chief Finance Officer reported 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.

Executive Board

The forum for oversight of corporate health during 2020/2021 was the Executive Board. During the year the Board operated on a joint basis with senior colleagues from North Yorkshire Fire and Rescue Service as attendees.

Monitoring Officer Protocol

During 2020/2021 the Monitoring Officer role was provided by way of a collaboration agreement with the Police and Crime Commissioner for Cleveland. This arrangement has been reviewed and the decision made to appoint a substantive Chief Executive and Monitoring Officer for the Commissioner.

As a consequence the provisions of the Monitoring Officer Protocol will be re-considered during the forthcoming period.

Risk & Assurance Board

The terms of reference of the Risk Performance Meeting were reviewed during the year and reconfigured to the Risk & Assurance Board. The meeting continues to oversee the development of risk management across Policing functions. Chaired by the Deputy Chief Constable with membership including Assistant Chief Constables and the Managing Director of enableNY the agenda include matters such as risk register activity, policies and procedures and assurance activity.

Where appropriate the meeting may refer matters to Executive Board or the Joint Independent Audit Committee



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; 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 were subject to an internal audit assignment during the year which resulted in a positive opinion.

A key development in collaboration governance was the agreement and publication of a schedule of attendant protocols that support service delivery through the Enable North Yorkshire (enableNY) collaboration.



What we said we would develop in 2020/21

Areas for Development from the 2019/2020 AGS

Area for Development	Owner	Progress
<p>1. Addressing the deficiencies that resulted in the HMICFRS legitimacy rating of "requires improvement".</p>	<p>Deputy Chief Constable</p>	<p>NYP received a "require improvement" grade for the legitimacy pillar of the PEEL inspection (conducted in 2019). In doing so HMICFRS highlighted the following areas for improvement:</p> <ol style="list-style-type: none"> 1. In respect of the use of force, North Yorkshire Police should: ensure there is effective supervision and proper external scrutiny. 2. In respect of the use of stop and search powers, the force should: <ul style="list-style-type: none"> • ensure officers who use stop and search powers understand what constitutes reasonable grounds and supervisors understand their responsibilities to supervise the use of these powers; • ensure effective internal monitoring of a comprehensive dataset on stop and search; and • ensure effective external scrutiny of stop and search. 3. The force should take steps to make sure that officers and staff are aware of how to raise ethical issues. 4. The force should ensure that its counter-corruption unit: <ul style="list-style-type: none"> • can fully monitor all of its computer systems, including mobile data, to proactively identify data breaches, protect the force's data and identify computer misuse; and • builds effective relationships with individuals and organisations that support and work with vulnerable people. 5. The force should improve its workforce's knowledge and understanding of the abuse of position for a sexual purpose. <p>In common with all HMICFRS findings, progress is reported to the DCC monthly with oversight at each Risk & Assurance Board session.</p> <p>In response to 1 and 2: The force has developed a robust quality assurance process in relation to Stop and Search (S&S) and it is planned to mirror this process for Use of Force (UoF). An external scrutiny structure has been established and comprises of four Community Review Groups (CRGs) which feed into an annual independent scrutiny panel. Findings from</p>

What we said we would develop in 2020/21

Area for Development	Owner	Progress
		<p>these CRG form part of the standing agenda for the internal S&S and UoF monitoring groups to ensure that a continuous improvement cycle is in place. To support force wide oversight there are S&S and UoF dashboards enabling officers and staff to analyse performance based upon a range of parameters e.g. area, rank or role, reasons. Learning from both the internal quality assurance process and HMICFRS findings have been included in updated training packages.</p> <p>In relation to 3: NYP has built an Ethics Strategy with a three tier approach. These being the vision groups (1 per command plus HQ, plus enableNY), these report into the Internal Ethics Committee and with overall oversight will be the Independent Ethics Committee which has representations from outside NYP including health, education and academia.</p> <p>In relation to 4: The force has procured, tested and is to roll out (beginning of March 2021) its monitoring software. Force wide messages have been distributed highlighting the systems deployment and appropriate privacy notices and DPIA are in place. A Standard Operating Procedure has been drawn up and an authorisation process put in place.</p> <p>In relation of 5: A communication plan has been put in place which has included force wide messages, inputs by PSD at student officers training and supervisor CPD events and also the development of an iLearn package. The force has conducted some internal testing to evaluate the success of these various inputs and to identify if the desired improvements in knowledge and understanding have been realised.</p>
<p>2. Developing the governance and internal control processes for services that are delivered as part of the Enable Collaboration.</p>	<p>Managing Director Enable NY</p>	<p>Significant progress was made in this area throughout the year. The enable NY collaboration agreement approved in February 2020 was supplemented in June 2020 with the schedule of protocols that support the collaboration. This includes a Governance Schedule which makes provision for how enableNY will interact with the arrangements previously in place for Police and Fire.</p> <p>The practical application of the governance schedule facilitates consistency in approach and alignment of planning cycles. For example our quarterly planning sessions are attended by both operational leads and enableNY heads of function in order to enable early</p>

What we said we would develop in 2020/21

Area for Development	Owner	Progress
<p>2. Developing the governance and internal control processes for services that are delivered as part of the Enable Collaboration.</p>	<p>Managing Director Enable NY</p>	<p>consideration of how emerging initiatives align to the decisions of the Joint Change Board.</p> <p>Central to the progress of our enableNY collaboration has been the amplification of the objective set out in the PFCC's business case. An enableNY vision and supporting values (Collaborative, Out-come focused, Ambitious, Compassionate and Agile) have been developed, communicated and used as touch stones as the collaboration develops the detail of its demand led delivery models.</p>
<p>3. Monitoring the potential implications for governance and service delivery following the decision of the Commissioner not to stand for reelection.</p>	<p>Interim Chief Executive and Monitoring Officer</p>	<p>National guidance informed the local approach in preparing for the election. All information and material relevant to the election was made available.</p> <p>Potential implications for governance and service delivery were considered as a matter of routine.</p>
<p>4. Embedding the Programme Management Office (PMO) function within the Business Design and Assurance team to increase the focus on improving business benefits identification and delivery.</p>	<p>Head of Business Design and Assurance</p>	<p>A new role of Benefits Manager has been created within the PMO function and a successful candidate appointed during 2020/2021. A benefits management framework and supporting guidance material has been developed and implemented. The framework and guidance clearly set out how benefits are defined and the circumstances in which the benefits management approach is relevant. The roles with responsibility and accountability for managing benefits are set out and it is recognised that learning from our experience will shape the next iterations of the framework and guidance. As a result we will be able to demonstrate benefit realisation (or otherwise) as a means of measuring the return on investment.</p>

Governance Arrangements

The review of governance arrangements in place during 2020/2021

The review of effectiveness of the joint governance arrangements in place during 2020/2021 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

The coronavirus pandemic had an extensive impact on operational matters during 2020/2021. Having said that there is no evidence to indicate that changes to ways of working did not have a detrimental effect on the efficiency or effectiveness on key governance arrangements.

It has been identified that some of the governance mechanisms and protocols purpose that have been in place for some time require review in light of changes in the governance environment. For example changes in respect of statutory officer arrangements, the embedding of the new enableNY structures and revised working practices introduced during pandemic recovery and response. This will include arrangements in place for ensuring that the governance arrangements continue to operate effectively.

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 2021/2022.



Summary

Areas for Development for 2021/22

The key areas for development during 2021/22 are summarised below:-

Area for Development	Owner	Target date
1. Review the Devolved Resource Management Manual and the arrangements for ensuring it remains current.	Chief Constable's Chief Finance Officer	31 December 2021
2. Consider the provisions of the Monitoring Officer protocol in respect of changes in that role.	Chief Executive and Monitoring Officer.	31 December 2021



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.

Philip Allott
Police, Fire and Crime
Commissioner for
North Yorkshire

Lisa Winward
Chief Constable
North Yorkshire Police

Mike Clements
Chief Constable's
Chief Finance Officer

Michael Porter
Commissioner's
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Simon Dennis
Chief Executive
and Monitoring Officer

July 2021

 **North Yorkshire
Police, Fire & Crime
Commissioner**

Working to keep your community safe

