

PUBLIC

AGENDA ITEM 10

**Police and Crime
Commissioner
North Yorkshire**



JOINT INDEPENDENT AUDIT COMMITTEE

15 MARCH 2016

REPORT OF THE JOINT CORPORATE RISK GROUP

**QUARTERLY UPDATE ON PROGRESS ON KEY AREAS OF DEVELOPMENT FOR
THE ANNUAL GOVERNANCE STATEMENT 2014/15**

1. PURPOSE OF THE REPORT

- 1.1 To present to the Joint Independent Audit Committee the quarterly update on progress of the five key areas for development on the Annual Governance Statement 2014/15 of the Police and Crime Commissioner (PCC) for North Yorkshire and the Chief Constable (CC) of North Yorkshire Police (NYP).

2. KEY INFORMATION

- 2.1 The PCC for North Yorkshire and the CC of NYP are required to produce an Annual Governance Statement (AGS). The AGS is a document providing the overview of the internal control arrangements that were in place during 2014/15 and a record of the key areas of development identified during a review of those arrangements. The AGS describes how effective NYPs governance arrangements have been over the last 12 months and how they operated.
- 2.2 It also sets out key areas for development for the next 12 months. These are:
- Improve our Governance Structures to get better at planning future decision making, as well as making sure decisions are made at the right level of seniority. Each decision will also be looked at closely to make sure it aligns with the priorities in the Police and Crime Plan.
 - Continue to develop our Business Planning Model seeking to maximise efficiency, productivity and develop our outcomes to enable the organisation to manage future austerity measures.

- Increase the organisations understanding of financial processes ensuring we continue to improve our year-end predictions.
- Ensure clarity of the governance environments that apply to collaborative working on a local, regional and national basis. In particular the processes relating to Finance, People, Estates, Information Communication Technology (ICT) and Information Management requirements.
- Ensure clarity of responsibilities in areas where Commissioners have been given additional responsibilities, for example Complaints work.

3. UPDATE ON PROGRESS

3.1 Improve our Governance Structures.

- The Internal Audit of the Decision Making Process has commenced and is expected to be completed with a final report due by the end of March 2016. The findings will be reported to the Executive Board and will form the basis of improvements through 2016/17.
- The Project Management Handbook has been reviewed, re-drafted and subsequently updated following feedback from a stakeholder workshop. Work will continue on this into the coming financial year and therefore this area for improvement will be carried forward into the next AGS.
- Work continues on the review of the supporting meeting structures and therefore this area for improvement will be carried forward into the next AGS.

3.2 Continue to develop our Business Planning Model.

- The Business Planning process has been implemented 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 planning, risk and governance.
- A copy of the roles and responsibilities of the single point of contact (SPOC) business planning leads, has been sent to the Executive Group Sponsor to be updated.
- Monthly Business Plan update meetings are now embedded as business as usual.
- There is an ongoing review into the structure of the Corporate Performance Delivery and Scrutiny Board (CPD&SB). The Terms of Reference (ToR) will be amended following the review. The revision of the ToR for CPD&SB will strengthen the links between the planning, risk and governance processes.
- The organisation plan is updated as business as usual by the Business Planning Co-ordinator.
- The business benefit outcomes are captured in the monthly progress reports that go to the Priority leads. This information is fed into the Affordability Group where appropriate.

- The Priority 8 (from the Police and Crime Plan) progress meetings have taken place and a template has been designed to capture new developments and initiatives that can be discussed at future affordability meetings.

3.3 Increase the organisations understanding of financial processes.

- A complete review of the finance function is underway with the intention of completing by the end of the financial year and implementing changes in the first quarter of 2016/17.
- The Finance Department has worked throughout the year to improve the quality of interaction with budget holders including instigating monthly meetings where budget holders require them. Benefits of this process have seen increased volume and quantity of budget holder input.
- 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, rather than circulating via e-mail as previously.
- The Devolved Resource Manual (DRM) has undergone regular review. The way the DRM is published on the finance portal has been changed to include publishing a summary of recent changes to make it easier for users to find the relevant section.
- The Affordability Group structure works well. It is the advisory group, which undertook all planning and developed the funding scenarios for the savings going forward. The main product was the Medium Term Financial Plan (MTFP) and the group developed better conversation around money and fundability.
- The Affordability Group enabled quick changes to the plans when budgets were announced and the expected cuts were not felt.
- The review of the structure processes and internal systems for the finance department in order to maximise support to the budget holders and to further enhance reporting and monitoring corporately is still to be progressed and therefore this area for improvement will be carried forward into the next AGS.

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

Evolve Collaboration

- Protocols for the Section 22 have been agreed and are due to be finalised at the end of February 2016. The statement of Intent is to be revised and commitment to the programme re-affirmed.

No 2 Region Collaboration

- Direction discussions are taking place with Chief Constable's (CCs) and Police and Crime Commissioners (PCCs) within the No 2 region to

consider how core specialist capabilities will be met through collaborative working.

- Further detail will become available through the Police Transformation Board of which the NYP PCC sits and the Sub Group of which the NYP CC sits along with representatives from all 7 forces (NYP, West Yorkshire, South Yorkshire, Humberside, Cleveland, Durham and Northumbria).

YaTH Collaboration

- NYP is now hosting the YaTH meetings. YaTH meetings will help to shape future collaboration activity feeding into the No 2 Region and via the Police Transformation Board and Sub-Group.

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

- The government is reviewing and re writing the Complaints Legislation and this is not expected to be finalised until 2017 no firm date has been given.
- The Draft Policing and Crime Bill was published on the 10 February 2016. This will form the basis to review the Evolve process for collaboration around Professional Standards Departments.
- Work will start on the proposed bill and include any amendments once the legislation is finalised.
- Additionally the Chief Constable has directed that no changes or reviews in relation to the Professional Standards Directorate (PSD) take place at this current time.

4. MONITORING

- 4.1 Progress is monitored on a quarterly basis by the Risk and Assurance Manager, within the Risk and Assurance Unit. Monitoring reports are submitted to the Joint Corporate Risk Group and Joint Independent Audit Committee.

5. RECOMMENDATIONS

- 5.1 This report is provided to members of the Joint Independent Audit Committee for information on the update on progress of the five key areas for development on the Annual Governance Statement 2014/15 of the Police and Crime Commissioner (PCC) and the Chief Constable (CC) of North Yorkshire Police (NYP).

CEO Carter DCC Madgwick
Joint Chair
Joint Corporate Risk Group