



# Annual Governance Statement 2022/2023

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

May 2023

## Introduction



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Police, Fire and Crime  
Commissioner for North Yorkshire



**Lisa Winward**  
Chief Constable  
North Yorkshire Police

Welcome to the Annual Governance Statement (AGS) for 2022/2023. 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

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.

Where our review has identified positive practice or areas for improvement we will reflect those in the relevant section of this AGS.

Our review of the arrangements in place during 2022/2023 recognises the findings of the HMICFRS PEEL report. This report highlighted that there are areas to improve within our governance structures and processes so that we can be satisfied that:

### Pillars of good corporate governance



- 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 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 2023 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 2022/2023. More specifically, the structure of this AGS has been prepared with reference to themes from key elements of the structures and processes outlined 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.

During 2022/2023 the College of Policing revised the policing Code of Ethics and issued a revised version for consultation. Officers and staff were actively encouraged to contribute to the consultation exercise.

Implementation of the Ethics Strategy and supporting framework which is designed to support alignment to the Code of Ethics has continued throughout the reporting period. For the forthcoming period bedding in the Independent Ethics Advisory Board will be a priority.

#### The policing principles are:

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

#### Further information

- Commissioner's Ethical Declaration
- NYP Ethics and Standards

### Complaints and Recognition

Complaints and recognition about the police are handled by the Commissioner's independent team, to ensure fairness, for the public and the police.

#### The aims and key principles of the 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

#### Further information

- Complaints and Recognition

## 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.

An internal audit assignment on “Payroll” and a separate assignment on “Key Financial Controls – Accounts Payable” both resulted in a negative opinion from the auditors and identified actions to enhance the controls in those areas. In addition, the internal audit assignment on “Fleet Management” identified a high priority action in relation to the currency of the Force financial governance documents. Ensuring that these documents and processes are brought up to date will be an area of focus during 2023/2024.

### 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.

Based on the internal audit assignments completed throughout the year an audit opinion is formed by RSM for both the Commissioner and Chief Constable.

The opinion of the internal auditors for the year ended March 2023 will be used to inform the judgement on the level of assurance provided by the governance arrangements.

#### Further information

- Financial Regulations
- Annual Internal Audit Report 2021-2022



## Ensuring Compliance

**At the time of preparing this draft of the AGS three “Final” internal audit reports concluded with negative opinions.**

The actions identified in those reports will be of particular focus for the Risk & Assurance Board.

Payroll

Fleet Management

Key Financial Controls – Accounts Payable

## Joint Independent Audit Committee

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

All the JIAC sessions in the reporting period were quorate and there was active engagement from members and officers.

### Further information

Joint Independent Audit Committee

## 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.

Resource pressures experienced within Mazars in previous years persisted and resulted in significant delay in discharging External Audit activity on the 2021/2022 Statement of Accounts.

All parties have been active in planning to ensure that delay and the resultant disruption are kept to a minimum.



# 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 forces 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 2021/2022 PEEL (police effectiveness, efficiency and legitimacy) assessment of North Yorkshire Police was published in March 2023. The judgements set out in the report are relevant to this Annual Governance Statement and include the need for improvement in relation to strategic planning, organisational management and value for money.

Since the hot debrief from HMICFRS work has commenced across the Force to address the issues that were raised so that the very best service can be delivered to communities. Significant investment has been agreed to support in key areas within the Improvement Plan. The plan is well underway and has Chief Officer Team oversight on a regular basis.

The Improvement plan activity will inform the next iteration of the 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. The frequency of Risk & Assurance Board increased to monthly from December 2022 in order to allow oversight of progress on the identified areas for improvement.

### Further information

■ HMICFRS

## 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.

Active engagement with the 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.

The communities of North Yorkshire were regularly invited to have their say during 2022/2023. Participation was encouraged in surveys relating to a number of topics.





# How the business was managed in 2022/2023

## 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.

The Code of Corporate Governance sets out that 'The Chief Constable shall report to the Commissioner, and inform the Commissioner's Chief Finance Officer, if it appears that expenditure is likely to exceed those resources allocated to them by the Commissioner'

There was an unexpected Force overspend during the 2022/2023 financial year of £1.7m, in contrast to the forecast £1m underspend that the Force planned to deliver, and yet no communication / indication to the Commissioner that this was happening.

This is viewed as a Significant Governance Issue and is reflected in the Areas for Development section of this AGS.

## 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 AGS. Due to the nature of the arrangements in North Yorkshire they 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 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 effectively deliver the statutory functions of the 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 2022/2023 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

The Area for Development to review this protocol has been carried forward to this AGS.

It has been identified that there is a requirement for the Monitoring Officer Protocol to reflect the implementation of revised executive management arrangements within the Commissioner's Office.

## Risk & Assurance Board

During the reporting period the Risk and Assurance Board continued to promote and 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 includes matters such as risk register activity, policies and procedures and assurance activity.

In the latter part of the reporting period the frequency of Board sessions increased from quarterly to monthly to provide an oversight forum as part of Improvement arrangements.

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 HMICFRS; and formal complaints to assess the Chief Constable against expectations.

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

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

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 performed this important role during 2022/2023 was the monthly Public Accountability Meeting. Following review this arrangement has been superseded from April 2023 by the Online Public Meeting.

Through the work of the Online Public Meeting, the Commissioner ensures that:

- The Chief Constable is held to account in their delivery of the Police and Crime Plan through monitoring key performance indicators.
- Specific areas of service are evaluated and reported on.
- Resources and budgets are focused on the implementation of the plan and are delivering value for money for the taxpayer.
- Third party performance tables and reports, for example those produced by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS), are closely scrutinised and necessary actions identified and delivered.

- Agreed outcomes stated in the plan are monitored through a performance management framework.
- Police complaints are monitored and lessons learnt.
- Qualitative feedback from key partners, stakeholders and service users is sought and acted upon.
- Formal and informal feedback is given from the workforce including the staff associations such as the Police Federation and UNISON.
- Partnership structures and delivery are effective, especially within the context of the wider criminal justice landscape.
- Internal and external communications are delivering effectively against the agreed strategy.

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:

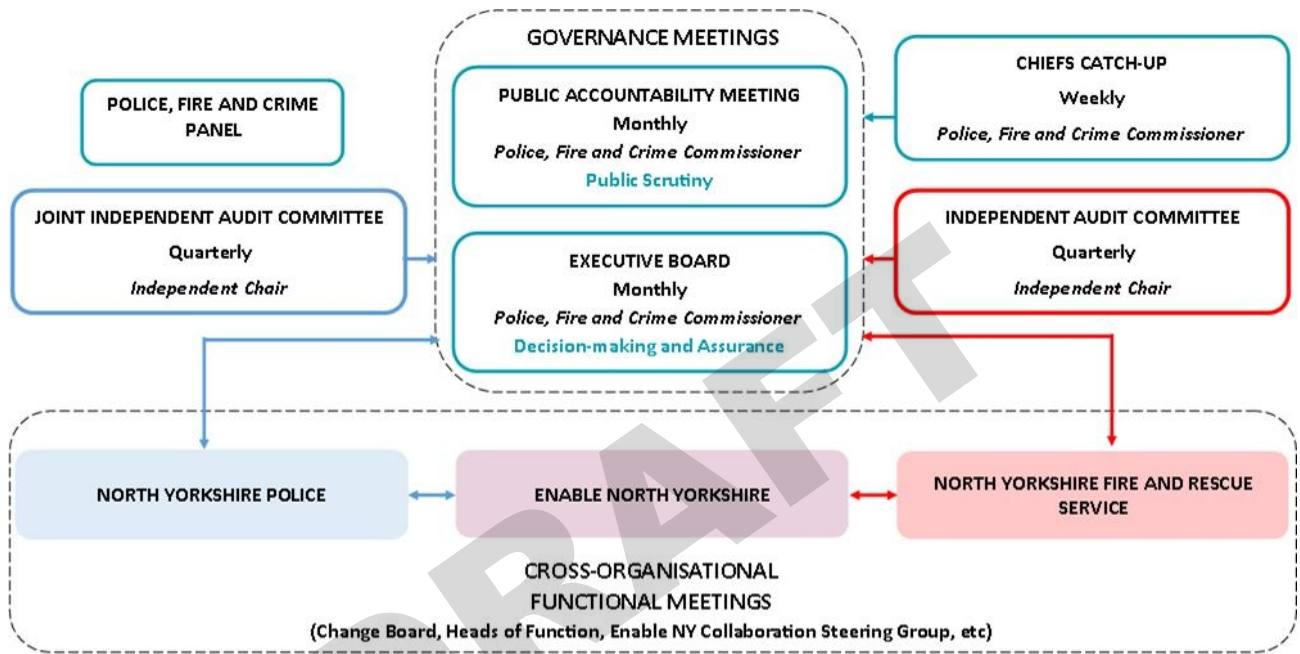
- Reviewing the Commissioner's proposals for the amount of council tax local people pay towards policing. It has the power to veto these proposals if it considers the amount is inappropriate
- Considering the Commissioner's Police, Fire and Crime Plan and Annual Report
- Considering the Commissioner's 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, Fire and Crime Commissioner.

#### Further information

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

# High Level Governance Model

The diagram below provides an overview of the high level arrangements that operated during 2022/2023



## 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 Area for Development identified for 2022/2023 has been discharged and enhanced arrangements for Commissioner oversight of police-to-police collaboration.

The report following an internal audit assignment on collaborations remains in draft at the time of preparing this draft of the Annual Governance Statement. The findings of that assignment will inform additional commentary on this area in future iterations.

### Enable Collaboration Governance

HMICFRS PEEL inspection identified that improvements were required in the oversight and governance of the collaborated enabling services. As a result, a review was instigated which made recommendations including indications of an imbalance in use of resources between police and fire and a need for both services to improve the setting of business requirements for the collaboration. Governance and performance management of Enable is being strengthened through a refreshed Collaboration Steering Board, Collaboration Agreement and performance framework and there are plans to commission business cases to assess the most efficient and effective structure and governance for the collaboration to succeed.



## What we said we would develop in 2022/23

### Areas for Development from the 2021/2022 AGS

Area for Development	Owner	Progress
1. Consider the provisions of the Monitoring Officer protocol in respect of changes in that role.	Chief Executive and Monitoring Officer	This Area for Development will be carried forward in order for the review to consider executive management team changes within the Commissioner's Office and emerging requirements identified in the Mayoral Combined Authority (MCA) Transition program.
2. Monitor Freedom of Information compliance rates to determine if the increased resource generates satisfactory improvement.	Deputy Chief Constable	Considerable improvement has been made in relation to Freedom of Information (FOI) compliance rates. Increased resource has facilitated an increase in compliance from 31% in January 2022 to 88% in January 2023.
3. Take action to re-energise the arrangements for Collaborative Governance in respect of Commissioner oversight of police-to-police collaborative arrangements.	Chief Executive and Monitoring Officer	There is now a bi-annual Yorkshire and the Humber Regional Organised Crime Unit Governance Board, the agenda for which will be developed over time to encompass other coterminous collaborations (Scientific Support is the main one). Evolve Legal Services has its own governance group, which is currently chaired by the NYPFCC Chief Executive and Monitoring Officer, and which meets periodically.
4. Review and refresh the Chief Constable / Commissioner memorandum of understanding.	Chief Executive and Monitoring Officer	This will be completed during the MCA Transition Programme and has been carried forward as an Area for Development during 2023/2024. This will be prioritised with other governance transition work packages.



## Governance Arrangements

### The Review of Governance Arrangements in place during 2022/2023

The review of effectiveness of the joint governance arrangements in place during 2022/2023 indicated that the framework requires some adjustment in order to provide a comfortable level of assurance. This is particularly true of those areas identified by HMICFRS as requiring improvement. We will work to address those areas during 2023/2024 and ensure that appropriate mechanisms are in place 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.

It has been identified that some of the governance mechanisms and protocols that have been in place for some time require review in light of changes in the governance environment.

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 2023/2024.





# Summary

## Areas for Development for 2023/24

The key areas for development during 2023/24 are summarised below;

Area for Development	Owner	Target date
1. The overspend as outlined on page 9 of this AGS is considered to be a Significant Governance Issue. The Chief Constable has been formally asked by the Commissioner to report back to the Commissioner in writing, to the June Executive Board, across a range of issues in relation to financial controls, approvals and management, to provide assurances and understanding about how this happened, and to ensure that it does not happen again.	Chief Constable	30 June 2023
2. Respond positively to the findings of the HMICFRS PEEL 2021/2022 report to ensure that progress is made towards the necessary improvements. With specific focus on addressing the Cause of Concern raised by HMICFRS which requires that within 3 months North Yorkshire Police should: <ul style="list-style-type: none"> <li>• make sure that senior leaders have effective oversight of the force's enabling services and the current challenges associated with capability;</li> <li>• develop an effective workforce plan so it can provide a service that meets the policing needs of the community, now and in the future; and</li> <li>• develop and align departmental operational and strategic plans that are informed by accurate information and a detailed performance framework.</li> </ul> This is considered to be a Significant Governance Issue for the organisation.	Deputy Chief Constable	31 March 2024
3. Ensure that the Fire and Police Enabling services collaboration governance, resources and performance deliver an efficient and effective service through undertaking a review and acting on the findings.	Chief Constable	31 March 2024
4. Ensure that the force financial governance documents reflect current practice and that regular review arrangements are introduced.	Chief Constables Chief Finance Officer	31 December 2023
5. Consider the provisions of the Monitoring Officer protocol and refresh to reflect the revised executive management arrangements in the OPFCC.	Chief Executive and Monitoring Officer	31 December 2023
6. Review and refresh the Chief Constable / Commissioner memorandum of understanding.	Chief Executive and Monitoring Officer	31 March 2024

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

May 2023

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 North Yorkshire  
Police, Fire & Crime  
Commissioner

Working to keep your community safe

