

## POLICE AND CRIME COMMISSIONER FOR HUMBERSIDE ANNUAL GOVERNANCE STATEMENT 2023-24

### 1. INTRODUCTION

This Annual Governance Statement (AGS) demonstrates the governance arrangements in place for the Police and Crime Commissioner (PCC) for Humberside, including how the effectiveness of the framework is evaluated and monitored. This statement also outlines significant governance issues and any planned changes.

### 2. SCOPE OF RESPONSIBILITIES

The PCC is responsible for ensuring business is conducted in accordance with the law and proper standards, and public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The PCC has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way his functions are exercised having regard to a combination of economy, efficiency and effectiveness.

In discharging his overall responsibility, the PCC is responsible for putting in place proper arrangements for the governance of his affairs and facilitating the exercise of his functions, which includes ensuring maintenance of a sound system of internal control and that arrangements are in place to support the management of risk.

The PCC has adopted a Code of Corporate Governance consistent with the International Framework for Good Governance in the Public Sector (IFAC and CIPFA 2014) outlining the systems, processes, culture and values to achieve compliance. It shows the commitment of the PCC and Chief Constable to their statutory requirements and how they discharge their responsibilities. This statement explains how the PCC has complied with the Code and met the requirements of the Accounts and Audit Regulations 2015, requiring all relevant bodies to prepare an Annual Governance Statement (AGS) and publication of a statement on internal control.

### 3. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems, processes, culture and values by which the PCC directs and controls his activities and through which he accounts to and engages with the community. It enables them to monitor the achievement of their objectives as set out in the Police and Crime Plan and consider whether those objectives have led to the delivery of appropriate, cost-effective services, including achieving value for money.

The system of internal control is a significant part of the framework, designed to manage risk to reasonable and foreseeable levels. It cannot eliminate all risk of failure to achieve policies, aims and objectives, only providing reasonable not absolute assurance of effectiveness. The system of internal control is based on ongoing processes designed to identify and prioritise risks to achievement of the PCC's policies, aims and objectives, evaluate the likelihood of those risks being realised and the impact should they be realised, and manage them effectively, efficiently and economically.

The fundamental function of good governance in the public sector is to ensure intended outcomes are achieved whilst acting in the public interest at all times. Governance arrangements for the PCC and force follow the seven principles set out in the revised Delivering Good Governance: Guidance Notes for Policing Bodies in England and Wales (2016). These 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 controls and strong public financial management.*
- G: Implementing good practices in transparency, reporting and audit to delivery effective accountability.*

#### 4. THE CIPFA FINANCIAL MANAGEMENT CODE

The PCC is required to comply with the CIPFA Financial Management (FM) Code. The CIPFA FM Code introduces an over-arching framework of assurance, building on existing financial management good practice. The six key principles are explained below:

1. Organisational **leadership** – clear strategic direction, financial management is embedded into organisational culture.
2. **Accountability** – based on a Medium-Term Resource Strategy (MTRS) which drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
3. **Transparency in Financial Management**, using consistent, meaningful, and understandable data, reported frequently with evidence of periodic action and decision making.
4. Adherence to professional **standards** is promoted by the OPCC leadership team and is evidenced.
5. Sources of **assurance** are recognised as an effective tool mainstreamed into financial management and includes the results of external audit, internal audit and inspection.
6. The long-term **sustainability** is at the heart of all financial management process and is evidenced by prudent use of public resources.

The PCC demonstrates that it operates according to these principles by meeting the following standards:

- OPCC leadership team is able to demonstrate that the force provides value for money.
- PCC ensures compliance with the CIPFA Statement on the Role of the Chief Finance Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable (2014).
- OPCC leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.
- PCC complies with the CIPFA Delivering Good Governance, Guidance Notes for Policing Bodies in England and Wales (2016).
- Financial management style of the PCC supports financial sustainability.
- PCC ensures the force has carried out a credible and transparent Financial Resilience Assessment.
- PCC understands its prospects for financial sustainability in the longer term.
- PCC ensures compliance with the CIPFA Prudential Code for Capital Finance in Local Authorities.
- PCC ensures a rolling multi-year Medium Term Resource Strategy.

A full self-assessment has been undertaken against the criteria contained within the CIPFA Financial Management Code jointly with the force. The self-assessment shows both the PCC and force to be fully compliant.

#### 5. THE GOVERNANCE FRAMEWORK

The Chief Constable is responsible for operational policing matters, direction and control of police personnel, and for putting in place proper arrangements for governance of the force. The PCC is required to hold him to account for the exercise of those functions and those of persons under his direction and control. It follows that the PCC must be assured that the force has appropriate mechanisms in place for maintenance of good governance, and that these operate in practice. The relationship between the PCC, Chief Constable, Police and Crime Panel and Home Secretary is guided by the Policing Protocol Order 2023<sup>1</sup>. This was amended from the 2011 order and outlines the expected relationship between them.

For the appropriate mechanisms to operate in practice, the PCC and Chief Constable, as separate corporations sole, have separate but complimentary governance structures. These facilitate achievement of effective governance arrangements, including monitoring and assessment of performance in line with statutory responsibilities. This consists of a governance framework, collectively known as the Scheme of Corporate Governance.

The PCC has adopted a number of systems and processes which comprise the PCC's current governance arrangements, the key elements of which are outlined below.

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<sup>1</sup> The Policing Protocol Order 2023 <https://www.legislation.gov.uk/uksi/2023/649/contents>

## Police and Crime Plan 2021-25:

The three key aims are:

1. Engaged, Resilient and Inclusive Communities.
2. Safer Communities.
3. Effective Organisations.

The Police and Crime Plan sets out the PCC's objectives for policing/community safety, policing to be provided, financial and other resources available, how performance is measured, what grants are to be made and how the Chief Constable is to be held to account. The PCC works with the Chief Constable to ensure processes and systems are in place to deliver against the Police and Crime Plan. This allows the PCC to be satisfied the Chief Constable has regard to the Police and Crime Plan through operational plans of the force, including their Plan-on-a-Page and Strategic Delivery Plan.

## Delivery Plan 2023-24:

This translates the PCC's objectives into the OPCC Annual Delivery Plan<sup>2</sup>.

## Accountability Board:

The Accountability Board<sup>3</sup> ensures proper governance of the force and PCC, through open, constructive debate of their respective statutory duties and the efficiency and effectiveness of the force. The agenda covers delivery against the Police and Crime Plan, inspections/audits/reviews, people, finance, collaboration/partnerships, risks and current/significant issues.

## Further Assurance Arrangements:

The PCC fulfils the duty to hold the Chief Constable to account in a number of other ways:

- **Daily Informal Interaction:** enabling and encouraging spontaneous face-to-face discussions between Chief Officers and the PCC on significant issues and critical incidents.
- **Joint PCC/Chief Constable Briefings:** weekly briefings enabling dialogue and discussion, with opportunities to cover Police and Crime Plan delivery and receive updates on topical issues/operational matters.
- **Joint Chief Executive/Deputy Chief Constable Briefings:** monthly briefings enabling dialogue and discussion, with opportunities to discuss organisational planning, risks and current/significant issues.
- **Assurance Conversations:** monthly/quarterly between the PCC and Chief Officers/Function Heads to complement and enhance force performance management and corporate governance arrangements, enhance understanding of the PCC around delivery against Plan-on-a-Page and Police and Crime Plan outcomes, and provide with access to information, officers and staff as required.
- **Joint Independent Audit Committee (JIAC):** at least four times per year to provide independent advice and recommendations to the PCC and Chief Constable on the adequacy of governance and risk management frameworks, internal controls and financial reporting, annual governance processes and internal and external audit, helping to ensure efficient and effective assurance arrangements.
- **Independent Ethics and Scrutiny Board:** meetings are independently chaired, along with representatives from the independent scrutiny groups, OPCC and force. The Board meets quarterly to objectively explore ethical issues and matters raised, in depth and from multiple perspectives, with the purpose of generating genuine and positive organisational learning, informing police and OPCC policy and priorities, challenging when appropriate and creating openness and transparency.
- **Complemented by:**
  - Bespoke briefings from Chief Officers on significant/sensitive issues.
  - Senior OPCC staff attending key force meetings (e.g. HMICFRS Governance Board).
  - Police Powers Scrutiny Group and Hate Crime Scrutiny Group (both with community representatives) meeting quarterly to scrutinise, recognise and promote good practice, and robustly challenge, reporting their findings back to the Independent Ethics and Scrutiny Board.

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<sup>2</sup> OPCC Humberside Delivery Plan <https://www.humberside-pcc.gov.uk/Document-Library/Humberside-OPCC-Delivery-Plan-2023-24.pdf>

<sup>3</sup> Humberside Police and Crime Commissioner – Accountability Board <https://www.humberside-pcc.gov.uk/Your-Police/Documents/Accountability-Board-Holding-to-Account.pdf>

- Out Of Court Disposals (OOC) Scrutiny Group meeting quarterly to scrutinise and robustly challenge through criminal justice partners, reporting their findings back through the Independent Ethics and Scrutiny Board.
- Routine liaison between senior OPCC staff/senior force staff and officers on matters including finance, estates, procurement, professional standards, legal and IT.
- Feedback from Independent Custody Visitors (ICVs) to the PCC and Force Custody Board as appropriate.
- Independent Custody Scrutiny Panel (ICSP) consisting of Independent Custody Visitors (ICVs) meeting quarterly to scrutinise, recognise and promote good practice, and robustly challenge, reporting their findings back to the Independent Ethics and Scrutiny Board. The Panel met for the first time in November 2023.
- Regular meetings with public bodies (e.g. local authorities) and Inspectorates (e.g. HMICFRS).
- Internal Audit plans (provided by West Yorkshire OPCC), with reports back to the JIAC and force.
- Oversight of HMICFRS Force Inspections through attendance at Force HMICFRS Governance Board and regular reporting to the Accountability Board.

### Statutory Functions:

The PCC fulfils their statutory duties by ensuring:

- **Monitoring Officer:** effective arrangements are in place for the discharge of the Chief Executive (head of paid service) and Monitoring Officer functions.
- **Financial management:** arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Finance Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable (2014), and procedural rules, policies and internal management procedures are established for financial management.
- **Procedure Rules, Policies and Internal Management:** established processes for Financial Management, Procurement (via the Yorkshire and the Humber Regional Procurement Team), Health and Safety (via Humberside Fire and Rescue), Confidential Reporting ('whistleblowing'), Complaints Handling, Anti-Fraud, Bribery and Corruption and Records Management including security of information and information sharing.
- **Codes of Conduct:** defined standards of behaviour for the PCC, statutory officers, staff, members of our Joint Independent Audit Committee (JIAC) and scrutiny volunteers.
- **Joint Scheme of Corporate Governance:** scheme in place setting out in detail the respective roles and functions of the PCC and Chief Constable, outlining significant decisions consented or delegated and which are of a statutory, financial or management nature.
- **Decision Making Process<sup>4</sup>:** established approaches and principles of decision-making. All decisions made by the PCC are recorded and published online for transparency.
- **Joint Independent Audit Committee (JIAC):** established and responsible for independent assurance on the adequacy of the risk management framework and associated control environment, independent scrutiny of the PCC's and Chief Constable's financial performance to the extent that it affects their exposure to risk and weakens the control environment. JIAC has an independent chair and members, as identified by the Home Office Code of Practice for Financial Management and the CIPFA Audit Committee: Practical Guidance for Local Authorities and Police Guidance.
- **Corporate Risk Strategy and Risk Register:** continued review of the risk register by OPCC Senior Leadership Group. JIAC is responsible for independent assurance on the adequacy of the risk management framework.
- **External Audit:** function is in place which reports to those charged with governance in respect of the Annual Accounts, ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful. The PCC provides information to External Audit, enabling them to provide assurance. The PCC also ensures External Audit recommendations are implemented.
- **Partnerships/Stakeholders/Communities:** defined and documented roles and responsibilities, with clear arrangements for effective communication in respect of the PCC and partnership arrangements. Established and clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation. We have developed good governance arrangements in

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<sup>4</sup> PCC Decision Making Process <https://www.humberside-pcc.gov.uk/Transparency/How-We-Make-Decisions/How-We-Make-Decisions.aspx>

respect of partnership and other joint working arrangements, including clear working relationships with Community Safety Partnership (CSPs).

• **Other Statutory Responsibilities and Compliance:**

- Setting the budget and precept.
- Issuing a Police and Crime Plan<sup>5</sup>.
- Publication of an Annual Report<sup>6</sup>.
- Publication of specified information, including the requirements of the Elected Local Policing Bodies (Specified Information) (Amendment) Order 2021.
- Duties to consult with victims of crime, the population as a whole and council-tax payers.
- Safeguarding of children and promotion of child welfare.
- Having regard to the Strategic Policing Requirement.
- Duties relating to equality and diversity.
- Attendance at and input to the Humberside Police and Crime Panel.

## 6. REVIEW OF EFFECTIVENESS

The PCC has responsibility for conducting a review of the effectiveness of the governance framework. The review of effectiveness is informed by the work of the OPCC Leadership Meeting, who have responsibility for development and maintenance of the governance environment and the Annual Report and Audit Opinion of the Head of Internal Audit (OPCC West Yorkshire), as well as comments by External Auditors and other review agencies and inspectorates.

Overall governance arrangements are fit for purpose.

In maintaining and reviewing the effectiveness of governance arrangements, the following roles are undertaken:

**PCC:**

The PCC has overall responsibility for maintenance and review of governance arrangements and has asked his Statutory Officers, together with the Head of Internal Audit (OPCC West Yorkshire) to continue with the review of the corporate governance arrangements, designed to assess and monitor:

- Code of Corporate Governance.
- Review of the system of Internal Control.
- Assurance through development of the Accountability Board.
- Production of the Annual Governance Statement (AGS).

**Joint Independent Audit Committee (JIAC):**

The JIAC has continued to be responsible, on behalf of both corporations sole, for:

- Advising the PCC and Chief Constable according to good governance principles.
- Providing independent assurance on the adequacy and effectiveness of the PCC's and Chief Constable's internal control environment and risk management framework.
- Monitoring the effective development and operation of risk management including the adequacy of management action.
- Oversight of the effectiveness of the framework in place for ensuring compliance with statutory requirements.
- Independent scrutiny of financial and non-financial performance to the extent that it affects the PCC's and Chief Constable's exposure to risks and weakens the internal control environment.
- Oversight of the financial reporting process and consideration of the arrangements to secure value for money.

The Terms of Reference of the JIAC encompass and reflect these duties by defining that they:

- Be the conduit through which governance work is channelled.
- Provide assurance on risk management arrangements on behalf of the PCC.

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<sup>5</sup> Police and Crime Plan 2021-25 <https://www.humberside-pcc.gov.uk/Our-Work/Police-and-Crime-Plan.aspx>

<sup>6</sup> Annual Report 2021-22 [Humberside OPCC Annual Report 2022-23 final \(humberside-pcc.gov.uk\)](https://www.humberside-pcc.gov.uk/Our-Work/Annual-Report-2021-22-final)

- Recommend approval of the Statutory Accounts of the PCC and Chief Constable.

To ensure that it is ably qualified, assessments of its abilities in line with best practice are undertaken confirming that the JIAC is well suited and equipped for such responsibilities. Members of the JIAC undergo annual training to ensure the committee remains effective in advising the PCC and Chief Constable.

#### **Internal Audit:**

The system of Internal Audit (provided via s.22 agreement with OPCC West Yorkshire) is a primary principle of corporate governance and joint responsibility of the PCC. Provision and maintenance of an effective joint internal audit service has been designated to the OPCC Chief Financial Officer. JIAC continues to oversee provision of this service. Internal audit standards are assessed against Public Sector Internal Audit Standards (PSIAS).

During 2023-24, internal audit has continued the approach of concentrating on major risks faced by the PCC and force, allowing the PCC to have increased confidence in the governance, risk management and control processes.

#### **Section 151 Officers:**

The OPCC has in place a Chief Finance Officer covering the role of s.151 officer – successful recruitment for this post was undertaken in the year following the departure of the previous holder. The force has a Head of Finance and Business Services in place, covering the s.151 officer role.

#### **Police and Crime Panel:**

The Humberside Police and Crime Panel continues to scrutinise the work of the PCC, acting as critical friend to the PCC through independent challenge. The Panel has:

- Reviewed progress against the Police and Crime Plan 2021-25.
- Scrutinised the PCC's Annual Report 2022-23.
- Scrutinised the decisions and actions of the PCC.
- Reviewed and accepted the PCC's proposed policing precept.

The PCC remains compliant with all requests from the Panel, including information and attendance at meetings.

#### **Collaborative Working:**

The PCC has collaborative arrangements in place to deliver a number of services in conjunction with both national and neighbouring PCCs. Details of the current collaborative agreements<sup>7</sup> are published on our website.

These services are delivered under a Section 22a Collaboration agreement and work was undertaken with the Force to identify all the relevant agreements.

The collaboration reporting template continued to be used during 2023-24 to ensure a fully transparent method for seeking assurance around regional collaborative working.

The PCC was involved as the North-East Regional Representative for the National Police Air Service (NPAS) Strategic Board. The PCC also continued to collaborate with other bodies including the Humberside Fire and Rescue Service (shared facilities including vehicle maintenance, estates, and health and safety). The PCC is a voting member of the Humberside Fire Authority (HFA) and is in contact with the HFA Chair on a needs basis to facilitate the progress around collaborative working.

## **7. SIGNIFICANT GOVERNANCE ISSUES**

Significant governance issues are defined as those:

- Which prevent or seriously prejudice achievement of a principal objective.
- Where additional funding has had to be sought in order to resolve it.
- Which result in material impact on the accounts.
- Which the Head of Internal Audit (OPCC West Yorkshire) has specifically highlighted in the annual audit opinion.

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<sup>7</sup> Publication of Collaborative Agreements: <https://www.humberside-pcc.gov.uk/Transparency/What-Our-Priorities-Are-and-How-We-Are-Doing/What-Our-Priorities-Are-and-How-We-Are-Doing.aspx>

- Which attracts significant public interest and damages the reputation of the PCC.
- Which result in formal action being taken by the OPCC Chief Financial Officer or the Monitoring Officer.

In the 2022-23 Annual Governance Statement (AGS), the OPCC identified two significant issues and included them in the Delivery Plan 2023-24. These were:

1. **Scrutiny:** there is currently no independent scrutiny of complaint outcomes. The level of review outcomes has increased in 2022-23 and the OPCC needs to ensure consistency in approach and force response. The Delivery Plan 2023-24 will ensure the independent scrutiny arrangements will better enable the PCC to undertake their statutory role in holding the force to account.

Response - the force introduced a review process and the OPCC will feed into this rather than create a new process.

2. **Pentana:** the OPCC has been developing the Pentana system to monitor the efficiency and effectiveness of the team. The OPCC has developed reporting around the Delivery Plan and now needs to further develop around business as usual in 2023-24.

Response – the OPCC has further developed the use of the Pentana system and more comprehensive reporting is now undertaken. Some aspects have not been put onto Pentana, but other options have been utilised in such cases including Microsoft 365.

All other issues from the 2022-23 AGS have been covered and incorporated into business as usual where relevant.

Using the criteria for significant issues for 2023-24, there are specific actions in place through the OPCC Delivery Plan 2024-25 where relevant.



**Jonathan Evison**  
Police and Crime Commissioner

**Date: 31 March 2024**



**Rachel Cook**  
OPCC Chief Executive

**Date: 31 March 2024**

**Martyn Ransom**  
OPCC Chief Finance Officer

**Date: 31 March 2024**