

**JOINT
ANNUAL GOVERNANCE STATEMENT
2018/2019**

**THE POLICE AND CRIME COMMISSIONER FOR GWENT
AND
THE CHIEF CONSTABLE OF GWENT POLICE**

INTRODUCTION

The purpose of this Annual Governance Statement is to explain how the Police and Crime Commissioner (Commissioner) and the Chief Constable of Gwent have complied with their joint Manual of Corporate Governance (MoCG) during 2018/19 and in particular, the Code of Corporate Governance therein.

To this end, the Annual Governance Statement is written in two parts. Part one describes the governance arrangements in place during 2018/19. Part two reports on the review of the effectiveness and the outcomes of these arrangements.

PART ONE

SCOPE OF RESPONSIBILITIES

The Commissioner and Chief Constable's governance arrangements are designed to ensure appropriate accountability and to assist effective leadership. The Police Reform and Social Responsibility Act 2011 created two separate 'corporations sole' within each police force: the Commissioner and the Chief Constable. They each have clear and separate roles and responsibilities set out in statute.

The core statutory functions of the Commissioner are to secure the maintenance of the police force; ensure that the force is efficient and effective; and hold the Chief Constable to account for the exercise of his functions and the functions of persons under his direction and control. The Commissioner also has:

- Responsibility for the delivery of community safety and crime reduction;
- The ability to make crime and disorder reduction grants within the force area;
- A duty to ensure that all collaboration agreements with other Commissioners and forces deliver better value for money or enhance the effectiveness of policing capabilities and resilience; and
- A wider responsibility for the enhancement of the delivery of criminal justice locally.

Overarching these functions is a responsibility for ensuring business is conducted in accordance with the law and proper standards; that public money is safeguarded and properly accounted for; and that it is used economically, efficiently and effectively.

The operational independence of the Chief Constable is protected in legislation. He has a statutory responsibility for the control, direction and delivery of operational policing services provided by the Force. The Chief Constable is responsible for ensuring that police powers are exercised in accordance with the law and proper standards and is accountable to the Commissioner for the delivery of efficient and effective policing; management of resources; and expenditure by the police force.

In discharging their overall responsibility, the Commissioner and Chief Constable are also responsible for putting in place proper arrangements for the governance of affairs and facilitating the exercise of their functions. This includes ensuring a sound system of internal control is maintained throughout the year and that arrangements are in place for the management of risk.

The financial management arrangements conform principally with the governance requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) *Statement on the Role of the Chief Financial Officer of the Police and Crime Commissioner and Chief Financial Officer of the Chief Constable* and the Home Office *Financial Management Code of Practice for the Police Service of England and Wales (new version issued in July 2018)*. Revised guidance for 'Delivering Good Governance' for Policing Bodies was also published by CIPFA in July 2016 and these have been taken into account both in reviewing our governance arrangements and in preparing this Annual Governance Statement.

This Annual Governance Statement meets the requirements of the Accounts and Audit (Wales) Regulations 2014 in relation to the

publication of a Joint Annual Governance Statement which must accompany the Statement of Accounts.

This is the second time that the Commissioner and Chief Constable have jointly produced a single Annual Governance Statement. Much of the governance framework is shared but this Statement highlights the few areas where governance arrangements differ.

PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems, processes, culture and values that the Commissioner and Chief Constable use to direct and control their activities, and to engage with and be accountable to the community. The framework enables them to influence and monitor the achievement of strategic Policing and Crime Reduction objectives and to consider whether those objectives have delivered the Police and Crime Plan in an efficient and effective manner.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable and foreseeable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to:

- Identify and prioritise the risks to the achievement of policies, aims and objectives;
- Evaluate the likelihood of those risks being realised and the impact should they be realised; and
- Manage risks effectively, efficiently and economically.

The findings of the review of the system of internal control are reviewed by the Commissioner and the Chief Constable and independently reviewed by the Joint Audit Committee.

The Commissioner and the Chief Constable will formally approve any changes to the MoCG and framework on an annual basis as part of the governance review.

PRINCIPLES OF GOOD GOVERNANCE

The Policing Protocol Order 2011 requires the Commissioner and the Chief Constable to adopt and abide by the Nolan Principles for Conduct in Public Life. It also highlights the expectation that the relationship between all parties will be based upon the principles of goodwill, professionalism, openness and trust.

This is reflected in the Principles of Relationship document agreed by the Commissioner and the Chief Constable which forms part of their MoCG.

The MoCG is also consistent with the seven core principles of good governance set out in the International Framework for Good Governance in the Public Sector¹: -

1. *Behave with integrity, demonstrating strong commitment to ethical values and respecting the rule of law;*
2. *Ensure openness and comprehensive stakeholder engagement;*
3. *Define outcomes in terms of sustainable economic, social and environmental benefits;*
4. *Determine the interventions necessary to optimise the achievement of the intended outcomes;*
5. *Develop the entity's capacity, including the capability of its leadership and the individuals within it;*
6. *Manage risks and performance through robust internal control and strong public financial management; and*
7. *Implement good practices in transparency, reporting and audit to deliver effective accountability.*

The Code of Ethics issued by the College of Policing introduced two additional principles to the seven Nolan principles: Fairness and Respect (see the 'extended' Nolan Principles as set out below).

The Nolan Principles refer to Leadership in terms of promoting and supporting the principles of Conduct in Public Life but the Commissioner and the Chief Constable are explicitly committed to providing a robust, timely and caring response to events that affect the public and our communities. This is reflected in a clear statement in the Police and Crime Plan for 2017 - 2021 "Delivering a Safer Gwent", the priority given to preventing harm and protecting victims (particularly vulnerable people); to addressing the threats to community safety; and to working with local partner agencies in the public interest.

Selflessness: Decisions will be taken solely in terms of the public interest, and not for personal financial or other gain, whether for such person, their family or their friends.

Integrity: The Commissioner, the Chief Constable, their officers and staff will not place themselves under any financial or other obligation to outside individuals or organisations that may seek to influence them in the performance of their official duties.

Objectivity: In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, the Commissioner, the Chief Constable, their officers and staff will make choices on merit.

Accountability: The Commissioner, the Chief Constable, their officers and staff will be accountable for their decisions and actions to the public and will submit themselves to whatever scrutiny is appropriate.

Openness: The Commissioner, the Chief Constable, their officers and staff will be as open as possible about all decisions and action they take. Reasons for decisions will be made available and information will be restricted only when so required by the wider public interest.

Honesty: The Commissioner, the Chief Constable, their officers and staff will have a duty to declare any private interests relating to public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership: The Commissioner, the Chief Constable, their officers and staff will promote and

¹ International Framework: Good Governance in the Public Sector (CIPFA/IFAC 2014)

support these principles through leadership and by example.

Fairness: The Commissioner, Chief Constable, their officers and staff will act with fairness and impartiality.

Respect: The Commissioner, Chief Constable, their officers and staff will act with self-control and tolerance, treating members of the public and colleagues with respect and courtesy.

The table at Appendix 1 illustrates how these Standards have been applied in the work of the Commissioner and the Chief Constable during the 2018/19 financial year, as well as identifying measures that will be undertaken in 2019/20.

GOVERNANCE ARRANGEMENTS

This governance framework aims to provide a strong focus on the drivers for policing within Gwent Police, and to ensure that there is a clear 'line of sight' between decisions taken and the Police and Crime Plan. The key elements of the framework are:

Manual of Corporate Governance

The Commissioner and the Chief Constable have in place a joint MoCG. The MoCG includes a Scheme of Delegation, Financial Regulations, the Principles of Relationships and Standing Orders relating to contracts. It also includes a decision making framework which ensures that, where possible, all the Commissioner's decisions are published and available for public scrutiny.

Principles of Relationships

This document recognises the Chief Constable's operational responsibilities, within the policy and accountability framework set by the Commissioner. The Principles enable the Commissioner to pursue his policy intentions that are reflected in operational plans for the Force and the accountability of the Chief Constable for their delivery. Notwithstanding their formal 'corporations sole' status, the relationship between the Commissioner and the Chief Constable is based on working together for the benefit of the people of Gwent under the joint banner of 'Gwent Police'.

The Principles also specify that the relationship between the Commissioner and Chief Constable will be built on trust, confidence and transparency. The governance arrangements adopted are consistent with the need to ensure accountability both between the parties and also accountability to the public. A transparent and auditable approach has been adopted which remained valid in 2018/19.

Governance Framework

As reported in the 2017/18 Annual Governance Statement, a review was undertaken in 2018 and this concluded that the principles of collaboration (as set out in

the Principles and in the MoCG) would be best reflected through the establishment of a new meeting and reporting structure for the Chief Constable, aligned to the delivery of the Police and Crime Plan, addressing both performance and delivery issues.

The Scrutiny and Performance Executive Board (chaired by the Deputy Chief Constable) feeds into the monthly Chief Officer Executive Board meeting and ultimately into the quarterly Strategy and Performance Board.

In addition, issues from the Joint Strategic Planning Group continue to be reported to both Chief Officer Executive Board and to the Commissioner's Strategy and Performance Board. These two Boards also collate recommendations from other internal meetings such as the Joint Audit Committee, Independent Ethics Committee and Estate Strategy Board.

This governance meeting structure was further reviewed in 2018/19, to make some minor changes to the same and the diagram below sets out the revised meeting structure within the Force and between the Office of the Police and Crime Commissioner for Gwent (OPCC).

The colour key to the diagram is as follows:

Green	Executive Boards;
Orange	Scrutiny Meeting;
Dark Blue	Governance Boards;
Light Blue	Thematic of the Boards and their cycle;
Yellow	Departmental Meetings and sources of update that feed into Governance Boards; and
Grey	Boards/Meetings outside the Force's own Governance Structure, but impact upon it.

PART TWO

REVIEW OF EFFECTIVENESS

The Commissioner and Chief Constable have responsibility for conducting, at least annually, a review of the effectiveness of their governance framework including the system of internal control. The review of effectiveness is informed by:

- The work of Chief Officers and senior managers who have responsibility for the development and maintenance of the governance environment;
- The Internal Audit annual reports;
- The annual report of the Joint Audit Committee;
- The view of the external auditor through the annual audit letter; and
- Reports from other review inspectorates.

There are, accordingly, three principal lines of assurance methodology:



It is important to note that this Joint Annual Governance Statement and the work undertaken in its preparation is a tool in the self-evaluation by the Commissioner and the

Chief Constable of their governance arrangements.

The Annual Governance Statement is submitted for consideration to the Joint Strategic Planning Group and the Joint Audit Committee, before being approved at the Commissioner's Strategy and Performance Board. The Wales Audit Office (WAO) also reviews the Annual Governance Statement during its development and reports (by exception), if the Annual Governance Statement does not comply with requirements, as part of their Annual Audit Report.

The roles of the various bodies are detailed below:

Joint Audit Committee

In conjunction with the Chief Constable, the Commissioner established an independent Joint Audit Committee which provides assurance to enhance public trust and confidence in the governance of the Commissioner and the Chief Constable.

This approach is consistent with the Financial Management Code of Practice which states that such a combined body should consider the internal and external audit reports of both the Commissioner and the Chief Constable. The Joint Audit Committee also considers reports from Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) in relation to the annual Value for Money Profiles and other relevant reports of a non-operational nature. The Joint Audit Committee advises the Commissioner and the Chief Constable according to good governance principles and provides:

- Independent assurance to the Commissioner and the Chief Constable regarding the adequacy of the risk management framework and the associated control environment;
- Independent scrutiny of the Chief Constable's and the Commissioner's financial performance; and
- Oversight in relation to the financial reporting process adopted from the CIPFA

Audit Committees Practical Guidance for Local Authorities.

The Joint Audit Committee provides comments, advice and assurance on matters relating to the internal control environment of the Force and the OPCC. It also has oversight of general governance matters. The Joint Audit Committee has specific responsibility to provide independent assurance on the arrangements for governance, including risk management and the internal control environment. During 2018/19, the Joint Audit Committee was composed of five individuals appointed by the Commissioner and the Chief Constable to act as independent advisers.

The Joint Audit Committee reports directly to the Commissioner and the Chief Constable. Four formal quarterly committee meetings are held each year in addition to an exceptional meeting to consider the Statement of Accounts and also an All-Wales Training Day for Joint Audit Committee members.

The Joint Audit Committee has formal terms of reference, covering its core functions, and these are also set out in the joint MoCG. These include reference to the Joint Audit Committee's role in respect of the corporate governance arrangements and in maintaining an overview of the regulatory framework. The Commissioner and Chief Constable are both represented at all meetings of the Joint Audit Committee.

The Joint Audit Committee Annual Report for 2018/19 confirmed that the Joint Audit Committee remains satisfied that the Commissioner and the Chief Constable can be reasonably assured that the control, risk and governance position for 2018/19 was appropriate.

Independent Ethics Committee:

This was jointly established by the Commissioner and the Chief Constable in April 2015. It is comprised of ten independent

members as well as police officers and police staff. The Independent Ethics Committee provides advice, support and assistance concerning ethical challenges arising from operational, administrative or organisational matters facing Gwent Police.

Internal audit

Internal audit perform a range of reviews based on an agreed audit plan and in compliance with Public Sector Internal Audit Standards (PSIAS). The audit plan has regard to risks and recognises that key financial systems and other areas of wider business risk need to be reviewed on a cyclical basis to provide assurance with regard to internal controls and systems for governance. The plan is agreed by the Chief Finance Officers of both corporations sole, and is presented to the Joint Audit Committee for comment.

Regulation 5 of the Accounts and Audit (Wales) Regulations 2014 makes provision in respect of the internal control system that should be maintained in accordance with proper internal audit practices. The responsibility for the maintenance of an efficient internal audit function rests with both corporations sole (the Commissioner and Chief Constable). The role and standards of Internal Audit are defined in the PSIAS. The PSIAS encompasses the definition of Internal Auditing, a Code of Ethics and the International Standards for the Professional Practice of Internal Auditing. Internal Audit is required to provide an assurance opinion on the adequacy and effectiveness of systems of internal control. They also provide assurance in relation to the management of financial and operational business risks, corporate governance and the entire control framework.

The review of both the corporate governance and risk management arrangements (which are captured in the joint Risk Register maintained by the Chief Constable and the Commissioner) periodically feature in the annual audit plan. Corporate governance and risk management issues may also arise through other reviews carried out by Internal

Audit. In these cases the issues will be dealt with initially in the relevant audit report.

Internal Audit then present their reports on the adequacy of controls in the systems audited to the Joint Audit Committee, setting out any areas of concern.

Internal Audit Work During 2018/19

The internal audit work for the last year was risk based and focused on significant financial and operational risks. The incumbent internal audit service for the Commissioner and Chief Constable are TIAA, following their appointment from 1st April 2015.

However, by virtue of the Commissioner and Chief Constable being members of the Shared Resource Services (SRS), for the delivery of Information Communication Technology (ICT) services in collaboration with Torfaen County Borough Council (TCBC), Monmouthshire County Council (MCC), Blaenau Gwent County Borough Council (BGCBC) and Newport City Council (NCC), from May 2016, the TCBC internal audit service was selected to undertake the audit plan for the SRS. This was to ensure that a consistent audit approach was adopted across all constituent SRS partners and therefore TIAA were formally advised that they would no longer be expected to provide assurance to the Joint Audit Committee for the ICT services operated by Gwent Police. Progress on the delivery of the internal audit plan for ICT services is reported to the Joint Audit Committee alongside the audit plan delivered by TIAA. Such assurance will be provided by TCBC internal audit function, for which the WAO will refer in considering the control framework for the ICT functions.

During 2018/19 TIAA undertook 23 audits of which 2 were assessed as providing substantial assurance, 15 with reasonable assurance, 5 with limited assurance and 1 was advisory with no assessment given.

Fixed Assets	Substantial
Expenses and Additional Payments	Substantial

Contract Management – Visit 1	Reasonable
GDPR Compliance – Visit 1	Reasonable
Vetting	Reasonable
Payroll	Reasonable
Debtors	Reasonable
General Ledger	Reasonable
Estate Management – Governance Arrangements	Reasonable
Business Continuity Planning	Reasonable
GDPR Compliance – Visit 2	Reasonable
Budgetary Control	Reasonable
Pensions	Reasonable
FIRMS System Implementation	Reasonable
Collaborative Project – ROCU	Reasonable
Staying Ahead 8 – Corporate Communications	Reasonable
Governance Assurance Framework	Reasonable
HR Management Training and Development	Limited
Fleet Management – Single System	Limited
Local Policing – Property and Cash	Limited
Creditors	Limited
Counter Fraud – Payments Health Check	Limited
Data Breach FOI Request	Advisory

These reports generated 109 recommendations, of which only 5 were urgent, 59 were considered important and 45 were categorised as routine.

Of the 5 Limited Assurance internal audits the actions either have been addressed or actions taken to mitigate the risk. The Limited Assurance audit reports for Creditors was as a direct result of the implementation during 2017/18, of a Fully Integrated Resource Management System (FIRMS) – a project under the collaborative Fusion Programme with South Wales Police. FIRMS brought together the core business systems (Human Resources (HR), Learning and Development, Payroll, Finance, Procurement and Rostering) into one system, on an integrated platform between the two Forces. Although Phase 1 successfully went live on the 31st July 2017,

with the transition to a new integrated HR, Payroll, Finance and Procurement System, the implementation of such a significant change to systems, processes and user knowledge created challenges in the timely payment and issue of invoices.

As part of the audit programme, the internal auditors also carried out 2 follow up audits to check progress against all Priority 1 and 2 Recommendations. These reports were discussed at the Joint Audit Committee.

One audit (Contract Management - Visit 2) from the original 2018/19 Internal Audit Plan was deferred into 2019/20 at the request of management.

TIAA’s Annual Opinion was that the Police and Crime Commissioner and the Chief Constable have adequate and effective management, control and governance processes in place to manage the achievement of their objectives. Management representation was provided that priority recommendations arising from the five reviews assessed as providing limited assurance have been addressed or are in progress.

During 2018/19 TCBC undertook 8 audits of which the assessment is below.

Cyber Security	Moderate
Identity and Access Management	Moderate
Virtualisation	Moderate
Mobile Computing	Limited
Supplier Management	Limited
Performance Management	Limited
Application Support/Management – Follow up	Substantial
Information Technology Governance – Follow up	Substantial

These reports generated 98 recommendations, of which none were high, 86 were medium and 12 were categorised as low.

Of the 3 Limited Assurance internal audits the actions either have been addressed or actions taken to mitigate the risk.

A further three audits have been delayed into 2019/20, that were originally planned to be delivered in 2018/19. This has been a matter of concern and requires management to address this governance risk.

TCBC’s Annual Opinion was generally satisfactory, with some improvement required in relation to the adequacy and effectiveness of governance, risk management and control.

This opinion is defined as:

- Medium risk rated weaknesses identified in individual assignments that are not significant in aggregate to the system of internal control; and/or
- High risk rated weaknesses identified in individual assignments that are isolated to specific systems or processes; and
- None of the individual assignment reports have an overall classification of critical risk.

External Audit

The Public Audit (Wales) Act appoints the Auditor General for Wales to audit the financial statements of the Commissioner and the Chief Constable. The Act also requires the Auditor General for Wales to assess whether the Commissioner and the Chief Constable have made proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

The WAO, on behalf of the Auditor General for Wales, audit the financial statements of the Commissioner and Chief Constable, as well as the Group accounts and also report (by exception) on the Joint Annual Governance Statement if it does not comply with requirements.

The WAO in their annual audit report also comment on the financial aspects of corporate governance. This includes the

legality of financial transactions, financial standing, systems of internal financial control and the standards of financial conduct, fraud and corruption.

Such external audit plans and reports, including the annual audit letter, are considered by the Joint Audit Committee at appropriate times in its annual cycle of meetings.

Both the Commissioner and the Chief Constable have a duty to respond to reports by the external auditor.

Other Bodies

The Welsh Government, Home Office and a number of other bodies require financial returns to monitor expenditure on revenue and capital. Strict terms and conditions are in place to govern additional external funding received from these bodies.

Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS/the Inspectorate)

The role of the HMICFRS (which also has Fire Service responsibilities for England only) is to promote the economy, efficiency and effectiveness of policing in England, Wales and Northern Ireland, through inspection of police organisations and functions to ensure agreed standards are achieved and maintained; good practice is spread; and performance is improved. HMICFRS inspects the functions of the Chief Constable, not the Commissioner. It also provides advice and support to the tripartite partners (Home Secretary, Commissioners and Chief Constables).

HMICFRS is independent of the Commissioner, the Chief Constable and the United Kingdom and Welsh Governments. Its remit is to assess the work of police forces in different areas of business, including neighbourhood policing, serious and organised crime, anti-social behaviour and tackling major threats such as terrorism.

HMICFRS also actively monitors the performance of the Force in relation to their plans for ensuring the sustainability of an efficient and effective police service in light of the significant grant reductions from recent Comprehensive Spending Reviews. To date, reports in this area of inspection have been positive and encouraging. Reports are published on the following website:

<https://www.justiceinspectorates.gov.uk/hmicfrs/>

HMICFRS reports are sent to the Chief Constable and the Commissioner for consideration and appropriate action. HMICFRS plays a key role in informing the Commissioner and the public on the efficiency and effectiveness of their forces and, in so doing, facilitate the accountability of the Commissioner to the public.

The Commissioner has a duty in law to respond to any HMICFRS report within 56 days of its publication with any response forwarded to the Home Secretary and the HMICFRS. Responses should include an update on any actions the Force is/is not taking in relation to any recommendations made within the report.

Inspection Work During 2018/19

HMICFRS's reports during 2018/19 supported the monitoring and development of many Force priorities. They also produced a suite of value for money indicators to challenge areas of exceptional spend, demand and performance in comparison with Gwent Police's most similar forces. The results of the benchmarks inform the Force's change programme.

PEEL Assessment by HMICFRS

During 2018/19, HMICFRS published its assessments of police forces which would allow members of the public to see how well its local force is performing. These are known as PEEL assessments (and examine Police Effectiveness, Efficiency and Legitimacy):

- **Effectiveness:** how well the force carries out its responsibilities, including cutting

crime, protecting vulnerable people, tackling anti-social behaviour and dealing with emergencies and other calls for service;

- **Efficiency:** how well the force provides value for money; and
- **Legitimacy:** how well the force provides a service that is fair and treats people properly and within the law.

Gwent Police last had a PEEL inspection during the 2017/18 financial year, its next PEEL inspection is scheduled for early on in the 2019/20 financial year.

HMICFRS also undertook the following national/thematic reviews in 2018/19:

- **Hate Crime** – Not Graded²;
- **Crime Data Integrity** – Requires Improvement;
- **Counter Terrorism (Prevent)** – Not Graded³;
- **Child Protection** – Awaiting formal Inspection report
- **Joint Inspection of Domestic Abuse Evidence led prosecutions** – Awaiting formal Inspection Report

In relation to the Crime Data Integrity (CDI) assessment, HMICFRS acknowledged that Gwent Police had made significant progress since the previous CDI inspection completed in 2014, saying:

“the force has improved its crime-recording processes since our 2014 report.”

Gwent Police has developed an action plan to address the areas for improvement identified

² Certain randomised thematic inspections across a small number of forces are not graded, but are designed to identify and monitor best practice.

³ As above.

within the report and this is overseen at Chief Officer level by the Assistant Chief Constable.

Police and Crime Panel

The Police and Crime Panel (the Panel) is responsible for supporting the effective exercise of the functions of the Commissioner through reviewing or scrutinising decisions made, or other action taken, by the Commissioner in connection with the discharge of his functions

The Panel is not there to scrutinise the performance of the Chief Constable and his Force directly – that is the role of the Commissioner.

The Panel is made up of twelve local Councillors, representing the local councils in Gwent, along with two independent members.

The responsibilities and powers of the panel include:

- Making reports and recommendations about actions and/or decisions of the Commissioner;
- Scrutinising the draft Police and Crime Plan;
- Summoning the Commissioner, and his staff, for public questioning;
- Scrutinising and potentially, by two-thirds majority, vetoing the police budget and council tax precept;
- Scrutinising and potentially, by two-thirds majority, vetoing the appointment of the Chief Constable;
- Holding confirmation hearings for the Commissioner’s senior staff (including the Deputy Police and Crime Commissioner, the Chief Executive and the Chief Finance Officer); and
- Dealing with lower level complaints against the Commissioner.

The Panel’s agendas and minutes are published on the following website:

<http://www.gwentpcp.org.uk/>

During 2018/19 the work of the Panel included consideration of the following:

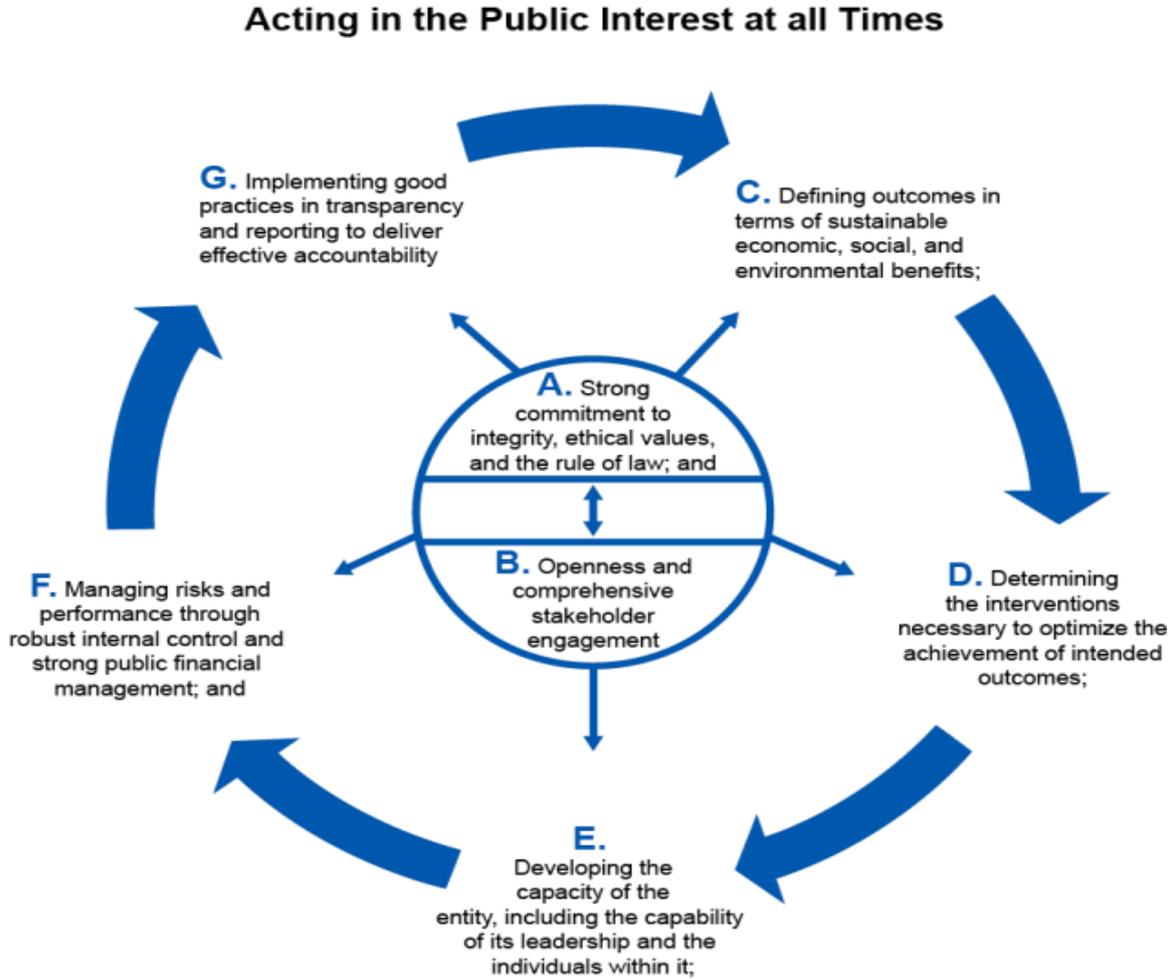
- The Police and Crime Plan;
- Scrutiny of OPCC evidence for monitoring Force Performance;
- Medium Term Financial Projections;
- Precept proposal 2019/20;
- Strategic Equality Plan;
- Implementation of Welsh Language Standards across Gwent Police;
- Treasury Management Strategy;

- Joint Engagement and Communications Strategy;
- Modern Day Slavery and Human Trafficking; and
- OPCC Activity on delivering the Police and Crime Plan.

There were 5 meetings of the Police and Crime Panel in 2018/19

ANNUAL ASSESSMENT AND ACTION PLANS

The diagram below shows the relationship between the seven core principles of good governance. The central two principles underpin the whole framework and relate to ‘acting in the public interest’. These two principles are implicit in the remaining five which concern ‘achieving good governance’.



The assessment of effectiveness considered the range of evidence available: Internal and externally published material; professional independent opinion; and the views of senior management, the Police and Crime Panel and professional leads. A summary of the evidence in support of the assessment can be found at Appendix 1.

A summary of the 2018/19 assessment is shown below:

Good Governance Category	Assurance
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Acting in the Public Interest	Behaving with Integrity & Ethics	Reasonable
	Openness & Engagement	Reasonable
Achieving Good Governance	Sustainable Outcomes	Reasonable
	Determine Interventions	Reasonable
	Capacity & Leadership	Reasonable
	Risks & Performance	Reasonable
	Transparency & Accountability	Substantial

Assurance Definitions	
Substantial	All areas reviewed were found to have effective corporate processes and external requirements in place. Behaviours and outcomes were well evidenced and the risks against the achievement of objectives are well managed.
Reasonable	Most areas reviewed were found to have effective corporate processes and external requirements in place. Most behaviours and outcomes were well evidenced and in general, the risks against the achievement of objectives are well managed.
Partial	A number of areas reviewed were found not to have effective corporate processes and external requirements in place. Some behaviours and outcomes were well evidenced, but key risks against the achievement of objectives were not well managed.
None	A significant number of areas reviewed were found not to have effective corporate processes and external requirements in place. Behaviours and outcomes were not well evidenced and risks against the achievement of objectives were not well managed.

2018/19 Action Plan

No significant governance issues were identified for 2018/19; however, the following action plan addresses the issues identified:

Category	Risk Area/Weakness	Action to be Delivered in 2019/20 and Beyond
Behaving with Integrity and Ethics; and Capacity and Leadership.	Behaving with integrity and Ethics not formally built into induction programmes for staff. (OPCC)	Formal induction programme for OPCC to be established, including the standards of behaviour expected.
Behaving with Integrity and Ethics; Sustainable Outcomes; and Capacity and Leadership.	Staff Performance Framework to be established. (OPCC)	OPCC Business Plan to finalised and associated Staff Performance Framework to be created.
Behaving with Integrity and Ethics; Openness and	Clarity required over 'decision making' framework and	Decision Making framework and procedures to be

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Engagement; and Determine Interventions.	procedures, including how evidence is collected that shared values guide decision making. (OPCC and Force)	considered.
Behaving with Integrity and Ethics; Openness and Engagement; and Determine Interventions.	Protocols for Partnership working to be established; to include how values are embedded and evidenced. (OPCC and Force)	Partnership working protocols to be developed.
Behaving with Integrity and Ethics.	Job Description and Portfolios to be established for PCC, Deputy PCC and Chief Officers. (OPCC)	Job Description to be finalised for Deputy PCC and Portfolios confirmed across the entire Executive Team.
Openness and Engagement; Risks and Performance; and Transparency and Accountability.	Chief Officer Level Management Group Minutes are not published (OPCC and Force).	Review the degree of publication of Chief Officer Level Management Group minutes across policing.
Determine Interventions; and Risks and Performance.	Performance Management Framework and Measures for the Police and Crime Plan yet to be finalised. (OPCC and Force)	Performance Management Framework and Measures to be finalised for the Police and Crime Plan and evidence of corrective action (where necessary) provided.
Determine Interventions.	Business Plans do not demonstrate consideration of 'Social Value'. (OPCC and Force)	Consideration should be given to embedding the concept of 'social value' across the OPCC and Force.
Risks and Performance	In November 2018, a threshold within the 2018/19 Treasury Management Strategy was breached, by virtue of the monetary limit to be placed with one counterparty being exceeded. The investment overlap was discovered on the same day the investment was made and the Commissioner's Chief Finance Officer was contacted immediately for a decision on how to rectify. One option was to unwind the one investment early losing £2,000 of interest so there was no breach, or breaching the limit for six weeks until the planned repayment date.	Staff undertaking the Treasury Management Function have been reminded of the need to strictly adhere to the relevant Treasury Management Strategy.

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	Due to the low risk of the counter party (a Local Authority) it was decided to breach the limit for 6 weeks. The Commissioner had no liquidity difficulties during this period.	
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Progress against 2017/18 Action Plan

The 2018/19 Annual Governance Statement is the first in this format of reporting an action plan to address weaknesses in the principles of good governance. Therefore, the 2019/20 Annual Governance Statement will be the first in reporting previous year's progress (2018/19), against its approved action plan.

CONCLUSION AND OPINION

The Commissioner and Chief Constable are responsible for ensuring that their business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. In discharging this overall responsibility, they are responsible for putting in place proper arrangements for the governance of their affairs, facilitating the effective exercise of their functions, which includes arrangements for the management of risk.

This Annual Governance Statement is designed to manage rather than eliminate the risk of failure to achieve these objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

However, based upon the above review of the sources and effectiveness of assurance set out in this Annual Governance Statement, the Commissioner and Chief Constable are satisfied that they have in place 'Reasonable' governance arrangements, including appropriate systems of internal control and risk management, which facilitate the effective exercise of their functions.

The Commissioner and Chief Constable propose over the coming year to take steps to address the Governance actions as outlined in the action plan, to ensure governance arrangements within the OPCC and the Force continue to be enhanced and improved as identified in their review of effectiveness. The monitoring of their implementation and operation will form part of the next annual review.

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Police and Crime Commissioner for Gwent

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Chief Finance Officer (Commissioner)

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Chief Executive (Commissioner)

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Chief Constable of Gwent

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Chief Finance Officer (CC)

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APPENDIX 1

The following tables details how the Commissioner and Chief Constable have complied with the governance framework to meet of each of the Nolan principles (as extended) and the seven international good governance principles. Each section of the statement includes a commentary on work undertaken during the last year, areas identified for development and improvement as part of the review process which forms an action plan for the forthcoming year.

Nolan Principles

<u>Principle:</u>	<u>What we do:</u>	<u>Specific action taken in 2018/19 and plan(s) for 2019/20:</u>
<p>Selflessness:</p> <p>Decisions will be taken solely in terms of the public interest, and not for personal financial or other gain, whether for such person, their family or their friends.</p>	<p>Commissioner:</p> <ul style="list-style-type: none"> • Compliance with the Elected Local Policing Bodies (Specified Information) Order 2011 and the Elected Local Policing Bodies (Specified Information) (Amendment) Order 2012 which requires the publication of information in relation to various matters including, the names of the Commissioner and Deputy Commissioner, correspondence address for each, salaries, expenses, register of interests and the number of complaints about them which are brought by the Panel; • Specific reference to interests on the decision form; • The Commissioner’s, Deputy Commissioner’s and senior officers’ salaries and expenses are disclosed in Statement of Accounts; and • Details of key decisions taken by the Commissioner are published on the website. <p>Chief Constable:</p> <ul style="list-style-type: none"> • The Force’s external website contains details of declared business interests and of gifts and hospitality accepted and declined by Chief Officers; and • Senior officers’ salaries and expenses are disclosed in the Statement of Accounts. 	<ul style="list-style-type: none"> • Monitoring any changes to the 2011 and 2012 Orders and continuously seeking to ensure all relevant information is captured and disclosed as required; • Updated details in relation to the ‘Related Parties Disclosure’ in the Force accounts to accord with the current guidance and the list of affected staff was extended to ensure transparency; and • Ensure that decision logs are maintained and updated regularly and that these are accessible on external websites.
<p>Integrity:</p>	<p>Commissioner and Chief Constable:</p> <ul style="list-style-type: none"> • Compliance with the MoCG and Principles of Relationships agreed between 	<ul style="list-style-type: none"> • Review and reinforce the procedures set out in the MoCG to ensure

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<p>The Commissioner, the Chief Constable, their officers and staff will not place themselves under any financial or other obligation to outside individuals or organisations that may seek to influence them in the performance of their official duties.</p> <p><i>IFGG Standard 1: Behave with integrity, demonstrating strong commitment to ethical values and respecting the rule of law</i></p>	<p>the Chief Constable and the Commissioner;</p> <ul style="list-style-type: none"> • Ensuring that the register of gifts and hospitality is updated as and when offers are received; • Ensuring related parties' disclosure in the Statement of Accounts; • The Chief Officer Team creates a climate of ethical behaviour and encourages others to challenge unprofessional behaviour, leading by example. Officers and staff are aware of the boundaries of professional behaviour, and more serious unprofessional behaviour is investigated by the Professional Standards Department; • The Force has utilised a variety of media to raise awareness of integrity issues for staff, including extending the membership of the Ethics Committee to include representation from both officers and staff (in addition to independent members) thus providing further emphasis on the importance of ethical behaviour and integrity. Arrangements are in place to ensure that staff understand and adhere to the Code of Ethics; • All requests for authorisation of a business interest are recorded in a central electronic register; • There are confidential mechanisms and a clear policy to support staff reporting wrongdoing; and • 2018/19 continued to see public Police Misconduct Hearings chaired by independent Legally Qualified Chairs. 	<p>understanding and compliance;</p> <ul style="list-style-type: none"> • Durham University was contracted to undertake a corporate health/staff survey to support the wider wellbeing agenda in 2018 and this will be repeated to monitor progress made. The results were very positive in terms of staff integrity and public service ethos; • In 2018/19 Chief Officers introduced a new register in which they disclosed any media contacts in accordance with the recommendation (no 76) made by Leveson, and this will be maintained and monitored in 2019/20; and • The Ethics Committee will report to the Chief Constable and the Commissioner on any recommendations they have made in 2018/19.
<p>Objectivity: In carrying out public business, including making public appointments, awarding contracts,</p>	<p>Commissioner:</p> <ul style="list-style-type: none"> • All posts are made on merit in compliance with section 7 of the Local Government and Housing Act 1989; • All posts within the Commissioner's staff are politically restricted, with the exception of the Commissioner and Deputy Commissioner; • The Chief Executive/Monitoring Officer and Chief Finance Officer have 	<ul style="list-style-type: none"> • Any further appointments will be made in compliance with the requirements of the Act and Regulations; and • Adoption of new Southern Wales procurement strategy - which will continue to be monitored during

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<p>or recommending individuals for rewards and benefits, the Commissioner, the Chief Constable, their officers and staff will make choices on merit.</p>	<p>specific legal responsibilities to advise on the lawfulness and budget implications of transactions; and</p> <ul style="list-style-type: none"> • Where relevant, details of posts are included within the annual Statement of Accounts. <p>Commissioner and Chief Constable:</p> <ul style="list-style-type: none"> • The MoCG (including the Financial Regulations and the Standing Orders Relating to Contracts) expressly provide for the processes to be applied in relation to contracts. Such processes are transparent and auditable with full use being made of the etenderwales and Sell2Wales systems; • Contract documentation is published on the Blue Light Police Database, which is a national system accessible by the public; • Contracts are also published in accordance with the requirements of the 2011 Order (as amended); and • All force appointments (both into operational and support roles) are made in accordance with force recruitment policies and in accordance with the requirements of current legislation. 	<p>2019/20.</p>
<p>Accountability:</p> <p>The Commissioner, the Chief Constable, their officers and staff will be accountable for their decisions and actions to the public and will submit themselves to whatever scrutiny is appropriate.</p> <p><i>IFGG Standard 6: Manage risks and</i></p>	<p>Commissioner and Chief Constable:</p> <ul style="list-style-type: none"> • Informed and Transparent Decisions: All decision making operates within the specific legislative and regulatory frameworks that confer on both the Commissioner and the Chief Constable duties, powers and responsibility; • As set out above, the Commissioner holds the Chief Constable to account for the maintenance of an efficient and effective force. The Commissioner and the Chief Constable ensure that information relating to decisions is made readily available to local people; • Scrutiny: The independent Joint Audit Committee appointed jointly by the Commissioner and the Chief Constable has held 5 formal meetings during the course of the year. The Joint Audit Committee has attended a national training event with CIPFA. As an advisory body, the Joint Audit Committee has undertaken a significant amount of work to review and make recommendations in respect of the arrangements adopted by the Commissioner and the Chief Constable for governance and management of 	<ul style="list-style-type: none"> • The Joint Audit Committee has held 5 formal meetings during the course of the year. As an advisory body, the Committee has undertaken a significant amount of work to review and make recommendations in respect of the arrangements adopted by the Commissioner and the Chief Constable for governance and management of risk; • During 2018/19 the matters identified through the Joint Risk Register have been managed through the governance infrastructure set out in the MoCG. Boards within the structure continue to

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<p><i>performance through robust internal control and strong public financial management.</i></p> <p><i>IFGG Standard 4: Determine the interventions necessary to optimise the achievement of the intended outcomes.</i></p>	<p>risk;</p> <ul style="list-style-type: none">• Risk remains a standing agenda item on all strategic meetings within the Force and all decision making meetings of the Commissioner. The joint risk management adopted by the Commissioner and the Chief Constable establishes how risk is embedded throughout the various elements of corporate governance of the corporation(s) sole;• The Chief Finance Officers for the Commissioner and for the Chief Constable advise their respective corporation sole on the safeguarding of assets, risk management and insurance. They ensure that in relation to any strategic business decisions of the Commissioner and the Chief Constable, that consideration is given to immediate and longer term implications, opportunities and risks. They will follow the new CIPFA Guidance for the role of the Chief Finance Officer and the new Financial Management Code of Practice issued in July 2018;• Part of the approach to risk management involves the purchasing of insurance cover to protect assets and liabilities where it is either required or cost effective to do so. The organisation is proactive in self-insuring some elements of the overall insurance package. The Commissioner and Chief Constable maintain an insurance provision which is reviewed annually to help meet claims. Gwent Police will re-tender for its insurance provision in 2019/2020;• Decision records are published on public website in compliance with the 2011 and 2012 Orders and with the requirements of section 11 of the Police Reform and Social Responsibility Act 2011;• The Commissioner provides the Panel with any information which it may reasonably require (in compliance with section 13 of the Police Reform and Social Responsibility Act 2011) and also seeks to keep them informed of significant developments. The Commissioner produces an annual report in accordance with section 12 of the Police Reform and Social Responsibility Act	<p>own and manage the issues relevant to their remit and the risks are updated in the Joint Risk Register and escalated as appropriate;</p> <ul style="list-style-type: none">• 2019 will see both corporations sole tender for its insurance provision as the current contract ends on 31st March 2019;• 2019 will see further engagement with the Panel to create a development and briefing programme of work to support them in undertaking their functions; and• Repeat of annual update training to the members of the Joint Audit Committee, with external providers such as CIPFA and the WAO.
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	<p>2011. The Panel do not scrutinise the performance of the Chief Constable or those responsible to him as this is the responsibility of the Commissioner, but both the Commissioner and the Chief Constable seek to ensure that Panel Members are well informed on operational issues. The meetings of the Panel are held in public and it met 5 times during 2018/19;</p> <ul style="list-style-type: none"> • Statements of Account are produced annually and subject to public inspection and audit by WAO. WAO report by exception on the Joint Annual Governance Statement. WAO assess the arrangements for securing economy, efficiency and effectiveness in the use of resources; • The Commissioner and Chief Constable jointly commission an Internal Audit service and have agreed the audit plan; and • The HMICFRS conducts its own comprehensive inspection of Force performance and the Commissioner comments on the findings. HMICFRS reports are published on their website and are publicly accessible. 	
<p>Openness:</p> <p>The Commissioner, the Chief Constable, their officers and staff will be as open as possible about all decisions and action they take. Reasons for decisions will be made available and information will be restricted only when so required by the wider public interest.</p> <p><i>IFGG Standard 2:</i></p>	<p>Commissioner and Chief Constable:</p> <ul style="list-style-type: none"> • The Commissioner and Chief Constable have adopted arrangements for effective engagement with key stakeholders, ensuring that where appropriate such stakeholders remain closely involved in decision making, accountability and the future direction of the service; and • In compliance with the Elected Local Policing Bodies (Specified Information) Orders 2011 and 2012 (and the guidance provided by the Information Commissioner) a range of information has been made publically available through the force and Commissioner’s websites over the course of the last year. The Commissioner’s decisions, which are of significant public interest, are publicised on his website (unless there are specific reasons why a decision should be exempt). 	<ul style="list-style-type: none"> • Public consultation and/or engagement will continue to be undertaken by way of a comprehensive strategy which includes: <ul style="list-style-type: none"> ○ Regular meetings with the local authorities in Gwent; ○ Frequent meetings with other key partners, including the Welsh Government; ○ Public consultation on the Police and Crime Plan and Precept; ○ Widespread use of social media and the Commissioner’s website. ○ Press, TV and radio articles and interviews; ○ Responding to complaints; and

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<p><i>Ensure openness and comprehensive stakeholder engagement</i></p> <p><i>IFGG Standard 3: Define outcomes in terms of sustainable economic social and environmental benefits.</i></p>		<ul style="list-style-type: none"> ○ Surveys. ● Alignment with Local Government wellbeing plans and continuing adoption of the principles of the Wellbeing of Future Generations (Wales) Act 2015; and ● Gwent Police remain committed to sustainable environmental initiatives and this will be reflected in its proposals for the development of a new Gwent Police Headquarters and its wider Estate Strategy.
<p>Honesty: <i>The Commissioner, the Chief Constable, their officers and staff will have a duty to declare any private interests relating to public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.</i></p> <p><i>IFGG Standard 7: Implement good practices in transparency, reporting and audit to</i></p>	<p>Commissioner:</p> <ul style="list-style-type: none"> ● A Register is maintained of the Commissioner’s disclosable interests in accordance with Schedule 1, Paragraph 1(e) of the Elected Local Policing Bodies (Specified Information) Order 2011 (as amended). <p>Chief Constable:</p> <ul style="list-style-type: none"> ● Any business interests are disclosed and maintained in a Register (which is accessible to the public). 	<ul style="list-style-type: none"> ● The Professional Standards Department (Chief Constable) and the Chief Executive (Commissioner) will continue to monitor compliance by police officers and police staff with these requirements.

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<p><i>deliver effective accountability</i></p>		
<p>Leadership:</p> <p><i>The Commissioner, the Chief Constable, their officers and staff will promote and support these principles through leadership and by example.</i></p> <p><i>IFGG Standard 5: Develop the entity's capacity, including the capability of its leadership and the individuals within it.</i></p>	<p>Commissioner and Chief Constable:</p> <ul style="list-style-type: none"> • Adoption of Nolan Principles in the MoCG; • Adoption and embedding of the Code of Ethics (including the establishment of a joint Independent Ethics Committee); • Clear Leadership Team; • The Police and Crime Plan outlines the police and crime objectives (outcomes) and the strategic direction for policing. The Commissioner and the Chief Constable both have regard to the Plan; and • Key departments e.g. Legal Services have acquired Investors in People status. <p>Chief Constable:</p> <ul style="list-style-type: none"> • A medium term financial strategy has been jointly developed and is reviewed quarterly to support delivery of these plans; • Information is provided by the Chief Constable's Professional Standards Department – this outlines major areas of organisational and the behavioural expectations for all staff; and • The Force maintains an internal website which contains information and guidance on ethics and behaviour. 	<ul style="list-style-type: none"> • Implementation of a new PDR system for the development of staff which supports the HMICFRS recommendations in terms of using such process effectively to identify leadership potential; and • Repeat of the staff survey by Durham University to support the wider wellbeing agenda.
<p>Fairness:</p> <p>The Commissioner, the Chief Constable, their officers and staff will act with fairness and impartiality.</p>	<p>Commissioner and Chief Constable:</p> <ul style="list-style-type: none"> • The Commissioner and Chief Constable strive to treat each other fairly, with dignity and with respect, and this is reflected in their agreed Decision Making and Accountability Framework within the MoCG; • Duties are undertaken in accordance with the laws relating to human rights and equality; • It is recognised that some individuals who come into contact with the police are vulnerable and that many require additional support and assistance; and • A proactive approach is taken to opposing discrimination and this is reflected 	<ul style="list-style-type: none"> • The Commissioner has continued to drive efforts to achieve a more representative workforce - through recruitment, retention and progression of officers and staff members; • Review and reinforce the procedures set out in the MoCG to ensure understanding and

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	<p>in the learning strategies of the force.</p>	<p>compliance; and</p> <ul style="list-style-type: none"> Continuing to deliver and comply with the Joint Strategic Equality Plan.
<p>Respect:</p> <p>The Commissioner, the Chief Constable, their officers and staff will act with self-control and tolerance, treating members of the public and colleagues with respect and courtesy.</p>	<p>Commissioner:</p> <ul style="list-style-type: none"> The Commissioner is responsible for handling any complaints and conduct matters in relation to the Chief Constable, monitoring complaints against his staff, and monitoring the way in which Gwent Police complies with the requirements of the Independent Office of Police Conduct. <p>Chief Constable:</p> <ul style="list-style-type: none"> The Chief Constable manages all complaints against the Force, its officers and staff and ensures that the Commissioner is kept informed; Serious complaints and matters to do with conduct are referred to the Independent Office of Police Conduct in line with the requirements of legislation; The Police Staff Council has adopted standards of professional behaviour that reflect relevant principles enshrined in the European Convention on Human Rights and the Council of Europe Code of Police Ethics. These apply to all police staff; The values of ‘protecting and reassuring’ are guiding principles for all staff and officers; and In support of this standard, the Chief Constable requires all officers to remain composed and respectful (even in the face of provocation) and this is reflected in the force training undertaken. <p>Commissioner and Chief Constable:</p> <ul style="list-style-type: none"> Authority is only exercised in a way which is proportionate, lawful, 	<ul style="list-style-type: none"> Implementation and embedding of the changes to the complaints and discipline system introduced by the Policing and Crime Act 2017; and An amended performance development review process to be undertaken in 2019.

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	<p>accountable, necessary and ethical;</p> <ul style="list-style-type: none">• Implementation of the Code of Ethics and the oversight and recommendations provided by the Independent Ethics Committee; and• A system of Performance Development Reviews is in place for Police Officers and police staff. This process allows for focused performance review, and for the cascading and targeting of key objectives which are directly linked to the Police and Crime Plan and the Force Delivery Plan.	
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