

**JOINT  
ANNUAL GOVERNANCE STATEMENT  
2017/2018**

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

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## INTRODUCTION AND SCOPE OF RESPONSIBILITIES

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 Code of Corporate Governance and to identify any significant governance issues facing the Force.

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 area: 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; secure 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 has specific responsibilities for the delivery of community safety and crime reduction; and has the ability to make crime and disorder reduction grants within the force area. The Commissioner also has 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 accountable to the law for the exercise of police powers and 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, which includes ensuring that 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's (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 2013*. Revised guidance for 'Delivering Good Governance' for Policing Bodies was published by CIPFA in July 2016 and these have been taken into account 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 first time that the Commissioner and Chief Constable have jointly produced a single Annual Governance Statement. This is because they share much of the same governance framework. The Statement highlights the few areas where governance arrangements differ.

## AIM OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems, processes, culture and values by which the Commissioner and the Chief Constable direct and control the activities through which they account to and engage with the community. The framework enables them to influence and monitor the achievement of strategic Police and Crime objectives and to consider whether those objectives have led to the delivery of 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 review process designed to identify and prioritise the risks to the achievement of policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, efficiently and economically. The findings of the review of the system of internal control are considered 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 Code of Governance 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 Manual of Corporate Governance.

The Code of Ethics issued by the College of Policing introduced two additional principles: Fairness and Respect, thereby providing the following (extended) Nolan Principles:

**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 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 Code is also consistent with the seven core principles of good governance set out in the International Framework for Good Governance in the Public Sector<sup>1</sup> with which both the Commissioner and the Chief Constable comply:

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;*

<sup>1</sup> 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)

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 delivery effective accountability.*

The table at Appendix 1 to this Annual Governance Statement illustrates how these Good Governance Principles and the (extended) Nolan Principles have been applied in the work of the Commissioner and the Chief Constable during the 2017/18 financial year, as well as identifying measures that will be undertaken in 2018/19.

## GOVERNANCE ARRANGEMENTS

The governance architecture of both parties has been further reviewed during 2017/18. The aim of this governance framework is to provide the Commissioner and Chief Constable with a strong focus on the drivers for policing within Gwent Police, and the desire to ensure that there is a 'clear line of sight' between any decisions taken and the requirements of the Police and Crime Plan:

### Principles of Relationships

The Chief Constable and Commissioner developed 'Principles of Relationships', which recognise the operational responsibilities of the Chief Constable within a policy and accountability framework that enables the Commissioner to pursue his policy intentions; for those to be reflected in the operational plans of the Force; and for the Chief Constable to be held accountable for their delivery. These provide that, notwithstanding their formal 'corporation sole' status, the relationship between the Commissioner and the Chief Constable will be based on working together for the benefit of the people of Gwent, under the joint banner of 'Heddlu 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 2017/18.

### Manual of Corporate Governance

The Commissioner and the Chief Constable have in place a joint Manual of Corporate Governance. This Manual of Corporate Governance 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. This key document in the governance framework of both corporations is reviewed on an annual basis to ensure that it continues to reflect and meet the needs of the organisation. The notable changes made in 2017/18 are set out below.

### Governance Framework:

A review was undertaken in 2017/18 and this concluded that the principles of collaboration (as set out in the Principles and in the Manual) 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) will feed 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 will continue to be reported to both Chief Officer Executive Board and to the Commissioner's Strategy and Performance Board. These two Boards will also collate recommendations from other internal meetings such as the Joint Audit Committee, Independent Ethics Committee and Estate Strategy Board.

The diagram at Appendix 2 sets out the revised meeting structure within the Force.

## 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 report; the annual report of the Joint Audit Committee; the view of the external auditor through the annual audit letter; and other review inspectorates.

As noted above, work undertaken in 2017/18 has resulted in some changes to the governance arrangements which included:

- A change in the meeting structure that report to the Commissioner's Strategy and Performance Board and to the Chief Officer Executive Board to deal with performance delivery and change.
- The reinvigoration of the Estates Strategy Board chaired by the Commissioner with representatives from both the Commissioner's team and the Force to meet the challenges presented by the new Estates Strategy and the relocation of the Gwent Police Headquarters.
- [any other key changes to be inserted]

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 (and it sets out how the Commissioner and the Chief Constable have complied with the Code over the previous financial year and up to the date that the Statement of Accounts are published).

The Annual Governance Statement is submitted for consideration to the Joint Strategic Planning Group, Wales Audit Office (WAO) and the Joint Audit Committee before

being approved at the Commissioner's Strategy and Performance Board.

The roles of the various bodies in reviewing the effectiveness of the governance framework 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. The Joint Audit Committee plays an important role in the independent oversight of the Commissioner's and the Chief Constable's governance arrangements.

The Joint Audit Committee has specific responsibility for providing an independent assurance function in respect of the arrangements for Governance including risk management and the internal control environment. The work of the Joint Audit Committee over the period of the Annual Governance Statement contributes to the review process. A report of the work of the Joint Audit Committee is produced annually, as part of that review, and submitted to the Commissioner and 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). 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 CIPFA's 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 Office of the Commissioner. It has oversight of general governance matters. During 2017/18, the Committee was composed of five people independent of the Chief Constable and the Office of the Commissioner.

The Joint Audit Committee reports directly to the Commissioner and the Chief Constable. Four formal committee meetings are held each year in addition to 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 Manual of Corporate Governance. These include reference to the 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 2017/18 confirmed that:**

**TO BE INSERTED**

#### **Ethics Committee**

This was established by the Commissioner and the Chief Constable in April 2015. It is comprised of 10 independent members as well as police officers and police staff. The 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 work of internal audit contributes to the review of the effectiveness of governance by identifying the effectiveness of internal controls and providing an overall opinion annually on the control environment.

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 this case the issues will be dealt with initially in the relevant audit report.



The audit work for the year is, therefore, founded on a risk based approach and focuses on significant financial and operational risks. The plan is agreed by the Chief Finance Officers of both corporations sole, and is presented to the Joint Audit Committee for approval.

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

### INTERNAL AUDIT WORK DURING 2017/18

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 1<sup>st</sup> April 2015.

However, by virtue of the Commissioner and Force 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 2017/18 TIAA undertook [number] audits of which [ ] were assessed as providing

substantial assurance, [ ] with reasonable assurance and [ ] with limited assurance.

	Substantial
	Substantial
	Substantial
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	Reasonable
	Reasonable
	Limited
	Limited
	Limited
	Limited

These reports generated [number] recommendations, of which only [ ] were urgent, [ ] were considered important and [ ] were categorised as routine.

Of the [ ] Limited Assurance internal audits [state actions to address the weaknesses].

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

### TIAA's Annual Opinion was:

[please insert]

During 2017/18 TCBC undertook [number] audits of which [ ] were assessed as providing substantial assurance, [ ] with moderate assurance and [ ] with limited assurance.

Repeat table and narrative as per TIAA above

### External Audit

The WAO in their annual audit letter comment on the financial aspects of corporate governance, which includes the legality of financial transactions; financial standing; systems of internal financial control; and the standards of financial conduct, fraud and corruption.

The Public Audit (Wales) Act requires the WAO to assess whether the Commissioner and the Chief Constable have made proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

They audit the financial statements of the Commissioner and Chief Constable, as well as the Group and Pension accounts and also report (by exception) on the Joint Annual Governance Statement if it does not comply with requirements.

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.

It is noted that there were a number of changes to the Statement of Accounts for 2017/18, in response to the requirements of the CIPFA Code of Practice, which included....

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

The role of HMICFRS 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. The 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).

Gwent Police is inspected by HMICFRS. HMICFRS is independent of the Commissioner, the Chief Constable and the United Kingdom and Welsh Governments, with a remit 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. HMICFRS 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. The HMICFRS play a key role in informing the Commissioner and the public on the efficiency and effectiveness of their forces and, in so doing, will 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. Any responses should include an update on any actions the Force is/is not taking in relation to any recommendations made within the report.

### HMICFRS INSPECTION WORK DURING 2017/18

HMICFRS reports during 2017/18 supported the monitoring and development of many Force priorities. The HMICFRS also produces a

suite of value for money indicators to challenge areas of exceptional spend in comparison with Gwent Police's most similar forces. The results of the benchmarks are incorporated within the Force's change programme.

#### **PEEL Assessment by HMICFRS**

During 2017/18 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 provide value for money; and
- **Legitimacy:** how well the force provides a service that is fair and treats people properly and within the law.

**The HMICFRS Inspections undertaken during 2017/18 were as follows:**

#### **Effectiveness – Not Yet Graded**

##### **Efficiency (last updated 09/11/17)**

Gwent Police is judged to be good in the efficiency with which it keeps people safe and reduces crime. HMICFRS's overall judgment this year is the same as last year. The Force has maintained a good understanding of demand; its use of resources to manage demand is assessed to be good; but its planning for future demand is judged to require improvement.

Gwent Police demonstrates a good understanding of the demand for its services and makes good use of technology to achieve this. The Force understands how demand may be affected and demonstrates a good

commitment to managing and prioritising its response to that demand. However, it does not have in place a plan to recover non-emergency abandoned calls and needs to do more to ensure it has a clear understanding of potential future demand for its services. The Force encourages innovation and makes good use of technology to improve its services.

The Force has a good understanding of the skills and capabilities it needs in its workforce now and in the future; however, this could be improved further with a better understanding of wider or 'softer' skills. The Force manages its finances effectively and has the flexibility to meet any unforeseen demands for its services; however, it needs to do more to develop sustainable financial plans to guide future savings.

##### **Legitimacy (Last updated 12/12/17)**

Gwent Police is judged to be good at how legitimately it keeps people safe and reduces crime. For the areas of legitimacy HMICFRS looked at this year, its overall judgment is the same as last year. The Force is judged to be requiring improvement at treating all of the people it serves with fairness and respect but judged as good at ensuring its workforce behaves ethically and lawfully and treating its workforce with fairness and respect.

The Force prioritises the ethical behaviour of the workforce and supervisors play an active role in ensuring that standards are maintained. To reinforce this, the Force has put a programme in place to simulate incidents that test the principals of ethical decision making. Known as 'ethical dilemmas', front line staff talk through hypothetical scenarios with supervisors to discuss how best to ensure that the Force's reputation is not undermined.

Leaders in Gwent Police have a limited understanding of the importance of treating all the people they serve with fairness and respect. This is reflected in a lack of understanding of skills of Gwent Police's workforce and shortcomings in arrangements for external scrutiny. Its monitoring of the use

of coercive powers is too limited in scope to identify and respond effectively to individual and organisational concerns. These include uncertainty regarding the legal grounds necessary to stop and search members of the public.

The Force provides information to the public about how to make a complaint, and is good at keeping complainants updated on the progress of their complaints. The Force has effective knowledge and processes in place to identify, respond to and investigate allegations of discrimination.

Force leaders provide a range of channels to seek feedback and challenge from its workforce. The Force takes action in response to issues raised, and informs the workforce accordingly. The Force has a well-established and effective health and wellbeing strategy that is supported by a range of practical measures to promote physical and psychological wellbeing, and to take preventative and early action to address wellbeing concerns. The Force has provided training for supervisors and has a well-understood policy for providing wellbeing support. It has seen reductions in short and medium-term sickness as a result. The Force is beginning to improve how it manages and develops the individual performance of its officers and staff, but the process does not yet have credibility among much of the workforce. The Force has an established process for identifying high-potential candidates, based on line manager support, application forms and interviews, and is in the early stages of identifying high-potential members of the workforce.

**HMICFRS also undertook the following national/thematic reviews in 2017/18:**  
[PLEASE INSERT]

Her Majesty's Inspector of Constabulary noted the following in relation to the overall performance of Gwent Police in keeping people safe and reducing crime:

[please insert]

### Police and Crime Panel

The Police and Crime Panel (the Panel) is responsible for overseeing the Commissioner and scrutinising his decisions.

The Panel is not there to scrutinise the performance of Gwent Police directly – that is the role of the Commissioner.

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

The responsibilities 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 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.

Panel members have the power to make reports and recommendations about any actions and decisions taken by the Commissioner. They have a specific role in scrutinising the draft Police and Crime Plan, council tax precept, Chief Constable appointment(s), and the Annual Report. They also have the power to call in the

Commissioner and their staff for public questioning.

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

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

***During 2017/18 the work of the Panel included consideration of the following:***

- The Police and Crime Plan;
- Precept proposal 2018/19;
- Financial Reporting;
- Medium Term Financial Projections;
- Treasury Management;
- Annual Report ;
- Estate Strategy; and
- The appointment of a new Chief Constable in June 2017

There were 6 meetings of the Police and Crime Panel in 2017/18, including a specific induction day for new Panel members following the Local Council Elections in May 2017 and also a meeting to hold the confirmation hearing for the new Chief Constable in August 2017.

**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.

## SIGNIFICANT GOVERNANCE ISSUES

The following have been identified as significant governance issues that will need to be managed through 2018/19 (some of which have been carried forward from 2017/18). They are drawn from the ongoing Joint Strategic Risk process (and an assessment of external and internal opportunities and threats):

- **Technology:** In order to meet some of the continuing financial challenges, and their impact upon our ability to maintain and improve services, we need to realise the benefits of improved productivity through better use of technology, smarter ways of working and collaboration with partners. Project Fusion (a joint project with South Wales Police) will seek to improve the information technology and communications systems within the Force and this remains key to productivity improvement.
- **Financial:** The Commissioner and Chief Constable will continue to face real term reductions in the core grant from Central Government. The Commissioner and Chief Constable will also need to ensure that they are able to meet the consequences of any future Funding Formula Review, which could have a significant impact upon police and crime funding. In addition, the level of overall funding received which is sourced from the Council Tax Precept is steadily increasing, to the point that by early next decade Council Tax Precept will account for over half of the Net Revenue Funding of the Commissioner. The public of Gwent therefore become the majority direct financial 'shareholders'.
- **Partners:** The challenges facing Welsh local government may mean that partners continue to display reluctance in making long-term commitments and may withdraw from community safety initiatives which could adversely impact upon crime and

anti-social behaviour issues. Governance of our ongoing relationships with our partners to meet the needs of the vulnerable and issues of Child Sexual Exploitation and mental health services remain key, as does our participation on the Public Service Boards. It is also noted that the planning requirements upon local authorities will change and that the Force will need to further develop partnership working to deliver the Welsh Government/Future Generations Legislation's view of cohesive communities and to engage with the Welsh Government in the development of their Community Cohesion Plan.

- **Collaboration:** Appropriate governance of an expanding portfolio of collaborations both regionally (e.g. as a result of the review being undertaken on support functions within the four Welsh forces; regional crime; and integrated offender management) and nationally (e.g. the Police ICT Company) will be paramount. 2017/18 saw the appointment of an All-Wales Deputy Chief Constable (Collaboration) to take forward such work. 2018/19 will see the Commissioner and Chief Constable facing the continuing challenges associated with the continuing collaboration agenda.
- **Estate:** Development and implementation of the revised Estates Strategy, which will include the new Gwent Police Headquarters (in order to meet the changing nature of service delivery; the requirements of condition surveys; and to ensure our properties provide a safe working environment), will face unique governance issues. The work will need to take due account of the Future Generations legislation and support Standard 3 of the International Good Governance Standards.
- **Statement of Accounts:** Early closing of year end accounts for 2018/19: the Commissioner and the Chief Constable will have to prepare their accounts by 31<sup>st</sup> May



2019 and the audit opinion from our external auditors has to be provided by 31<sup>st</sup> July 2019 (this is two months earlier than the current deadline).

- **Major Policing Challenges:** It is noted that the M4 Relief Road project and the building of the International Convention Centre at the Celtic Manor Resort will present the Force with a substantial challenge in terms of policing. This is coupled with the ongoing challenges of policing whilst responding to and supporting critical events on a local and national level.
- **Welsh Language:** Implementation of the new Welsh Language Standards and the impact upon our business: Both the Chief Constable and Commissioner remain committed to attaining the Standards to the fullest extent possible without negatively impacting upon the policing service to our communities.
- **Developing our workforce:** The Force is required to implement the College of Policing's five year strategy to professionalise policing by 2020. The Policing Education Qualifications Framework (PEQF) is intended to support the development of policing as a profession through the provision of a national approach to raising educational standards in policing. This challenge is coupled with that faced by the Force in relation to its ability to access apprenticeship funding to support this work. A key issue for 2018/2019 will be the introduction of the new Police Degree Apprenticeship.
- **Agile Working:** There will also be internal governance challenges for the Commissioner and Chief Constable as the Force adopts the fixed, flexible and field principles of working. The challenge will include achieving a change in culture whilst maintaining the wellbeing of staff and ensuring that there is no impact upon service delivery/continuity.

- **Pension Regulations:** The Force may need to absorb the consequences of challenges to the Police Regulations (notably in relation to terms and conditions). The Pension Regulator is becoming more active in scrutinising the governance of public sector pension schemes, including the Police Pension Scheme.
- **Data Protection:** The General Data Protection Regulation (which repeals and updates the EU Data Protection Directive) will have direct effect in UK law from 25<sup>th</sup> May 2018; and both corporations sole will need to ensure that their internal processes are compliant with the same.
- **New Complaints Procedures Arising From the Policing and Crime Act 2017:** The new legislative provisions allow Commissioners to take on greater responsibility and play a key part in many aspects of the police complaints and disciplinary system.

#### • Other

These areas continue to be monitored through the existing governance and risk management structures within the Office of the Commissioner and the Force as outlined above, and as set out in Appendix 1 hereto. Where relevant, such issues are also reflected in the plan of future work to be undertaken by Internal Audit. Action plans to deliver these changes and to mitigate any risks are being or have been implemented.

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Police and Crime Commissioner for Gwent

.....  
Chief Finance Officer (PCC)



Chief Executive

.....  
Chief Constable of Gwent

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Chief Finance Officer (CC)

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## APPENDIX 1

The following tables detail how the Commissioner and Chief Constable have complied with the governance framework to meet each of the International Good Governance principles and the Nolan principles (as extended) as required by the Policing Protocol Order 2011. Each section of the table includes a commentary on work undertaken during the last year and areas identified for development and improvement as part of the review process which will form an action plan for the forthcoming year.

<b>Principle:</b>	<b>What we do:</b>	<b>Plan for 2018/19 :</b>
<b>Selflessness:</b>  <b>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.</b>	<b>Commissioner:</b> <ul style="list-style-type: none"> <li>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.</li> <li>Specific reference to interests on the decision form.</li> <li>The Commissioner's, Deputy Commissioner's and senior officers' salaries and expenses are disclosed in the Statement of Accounts.</li> <li>Details of key decisions taken by the Commissioner are published on the website.</li> </ul> <b>Chief Constable:</b> <ul style="list-style-type: none"> <li>The Force's external website contains details of declared business interests and of gifts and hospitality accepted and declined by Chief Officers.</li> <li>Senior officers' salaries and expenses are disclosed in the Statement of Accounts.</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring any changes to the 2011 and 2012 Orders and continuously seeking to ensure all relevant information is captured and disclosed as required.</li> </ul>
<b>Integrity:</b>  <b>The Commissioner, the Chief Constable, their officers and staff will not place</b>	<b>Commissioner and Chief Constable:</b> <ul style="list-style-type: none"> <li>Compliance with the Manual of Corporate Governance and Principles of Relationships agreed between the Chief Constable and the Commissioner.</li> <li>Ensuring that the register of gifts and hospitality is updated as and when offers are received.</li> </ul>	<ul style="list-style-type: none"> <li>Review and reinforce the procedures set out in the Manual of Governance to ensure understanding and compliance.</li> </ul>

<p><b>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.</b></p> <p><i>IFGG Standard 1: Behave with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.</i></p>	<ul style="list-style-type: none"> <li>• Ensuring related parties' disclosure in the Statement of Accounts.</li> <li>• 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.</li> <li>• 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.</li> <li>• All requests for authorisation of a business interest are recorded in a central electronic register.</li> <li>• There are confidential mechanisms and a clear policy to support staff reporting wrongdoing.</li> <li>• 2017/18 also saw public hearings in Gwent chaired by Legally Qualified Chairs, in accordance with the legislative requirements that independent Legally Qualified Chairs replace police chairs on Police Misconduct Panels (to preside over serious misconduct cases).</li> </ul>	<ul style="list-style-type: none"> <li>• The Ethics Committee will report to the Chief Constable and the Commissioner on any recommendations they have made in 2017/18.</li> <li>• Repeat of a further staff survey by Durham University in 2018/19.</li> <li>• The completion of a new register in 2018/19 in which Chief Officers will disclose any media contacts in accordance with the recommendation (no 76) made by Leveson.</li> </ul>
<p><b>Objectivity:</b></p> <p><b>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</b></p>	<p><b>Commissioner:</b></p> <ul style="list-style-type: none"> <li>• All posts are made on merit in compliance with section 7 of the Local Government and Housing Act 1989.</li> <li>• All posts within the Commissioner's staff are politically restricted, with the exception of the Commissioner and Deputy Commissioner.</li> <li>• The Chief Executive/Monitoring Officer and the Chief Finance Officer have specific legal responsibilities to advise on the lawfulness and budget implications of transactions.</li> <li>• Where relevant, details of posts are included within the annual Statement of Accounts.</li> </ul> <p><b>Commissioner and Chief Constable:</b></p> <ul style="list-style-type: none"> <li>• The Manual of Corporate Governance (including the Financial Regulations and the Standing Orders Relating to Contracts) expressly provide for the competitive processes</li> </ul>	<ul style="list-style-type: none"> <li>• Any further appointments will be made in compliance with the requirements of the Act and Regulations.</li> <li>• Adoption of new Southern Wales procurement strategy - which will continue to be monitored during 2018/19.</li> </ul>

<p><b>staff will make choices on merit.</b></p>	<p>to be applied in relation to contracts. Such processes are transparent and auditable with full use being made of the etenderwales and Sell2Wales systems.</p> <ul style="list-style-type: none"> <li>Contract documentation is published on the Blue Light Police Database, which is a national system accessible by the public.</li> <li>Contracts are also published in accordance with the requirements of the 2011 Order (as amended).</li> <li>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.</li> </ul>	
<p><b>Accountability:</b></p> <p><b>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.</b></p> <p><i>IFGG Standard 6: Manage risks and performance through robust internal control and strong public financial management.</i></p> <p><i>IFGG Standard 4: Determine the interventions</i></p>	<p><b>Commissioner and Chief Constable:</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>Scrutiny: The Joint Audit Committee has held 4 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 uncertainty/risk.</li> <li>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 strategy 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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Engagement with the Panel to create a development and briefing programme of work to support them in undertaking their functions.</li> <li>Repeat of annual update CIPFA training to the members of the Joint Audit Committee.</li> </ul>

<p><i>necessary to optimise the achievement of the intended outcomes.</i></p>	<ul style="list-style-type: none"> <li>• 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 Commissioner and Chief Constable maintain an insurance provision which is reviewed annually to help meet claims.</li> <li>• Decision records are published on public websites in compliance with the 2011 and 2012 Orders and with the requirements of section 11 of the Police Reform and Social Responsibility Act 2011.</li> <li>• The Commissioner is held to account and scrutinised by the Panel; a body consisting of local councillors representing the local authorities in Gwent and independent members. The Panel meets on a quarterly basis with the remit to: <ul style="list-style-type: none"> <li>○ Support the Commissioner to exercise their functions effectively;</li> <li>○ Review the Commissioner's annual draft Police and Crime Plan;</li> <li>○ Review the Commissioner's annual draft budget and precept proposal;</li> <li>○ Review and scrutinise decisions and actions taken by the Commissioner;</li> <li>○ If necessary, review the proposed appointment or removal of the Chief Constable;</li> <li>○ Make reports or recommendations to the Commissioner as needed; and</li> <li>○ Review the proposed appointment of the Deputy Commissioner and senior officer appointments.</li> </ul> </li> <li>• 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). The Commissioner produces an annual report in accordance with section 12 of the Police Reform and Social Responsibility Act 2011.</li> <li>• The Panel do not scrutinise the performance of the Force as this is the responsibility of the Commissioner. The meetings of the Panel are held in public and it met 6 times during 2017/18.</li> <li>• Statement of Accounts are produced annually and subject to public inspection and audit by the 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.</li> <li>• The Commissioner and Chief Constable jointly commission an Internal Audit service and have agreed the audit plan.</li> </ul>	
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	<ul style="list-style-type: none"> <li>An independent Joint Audit Committee appointed by the Commissioner in conjunction with the Chief Constable meets quarterly and this operates in line with guidance from CIPFA and the Financial Management Code of Practice.</li> </ul> <p><b>Chief Constable:</b></p> <ul style="list-style-type: none"> <li>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 publically accessible.</li> </ul>	
<p><b>Openness:</b></p> <p><b>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.</b></p> <p><i>IFGG Standard 2: Ensure openness and comprehensive stakeholder engagement</i></p> <p><i>IFGG Standard 3: Define outcomes in</i></p>	<p><b>Commissioner and Chief Constable:</b></p> <ul style="list-style-type: none"> <li>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. Public consultation and/or engagement has been undertaken in 2017/18 by way of a comprehensive strategy which includes: <ul style="list-style-type: none"> <li>Regular meetings with the local authorities in Gwent;</li> <li>Frequent meetings with other key partners, including the Welsh Government;</li> <li>Public consultation on the Police and Crime Plan and Precept;</li> <li>Widespread use of social media and the Commissioner's website;</li> <li>Press, TV and radio articles and interviews;</li> <li>Responding to complaints; and</li> <li>Surveys.</li> </ul> </li> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li>Alignment with Local Government wellbeing plans and adoption of the principles of the Wellbeing of Future Generations (Wales) Act 2015.</li> <li>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.</li> </ul>

<p><i>terms of sustainable economic social and environmental benefits.</i></p>		
<p><b>Honesty:</b></p> <p><b>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.</b></p> <p><i>IFGG Standard 7: Implement good practices in transparency, reporting and audit to deliver effective accountability.</i></p>	<p><b>Commissioner:</b></p> <ul style="list-style-type: none"> <li>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).</li> </ul> <p><b>Chief Constable:</b></p> <ul style="list-style-type: none"> <li>Any business interests are disclosed and maintained in a Register (which is accessible to the public).</li> </ul>	<ul style="list-style-type: none"> <li>The Professional Standards Department (Force) and the Chief Executive (Commissioner) will continue to monitor compliance by police staff with these requirements.</li> </ul>
<p><b>Leadership:</b></p> <p><b>The Commissioner, the Chief Constable, their officers and staff will promote</b></p>	<p><b>Commissioner and Chief Constable:</b></p> <ul style="list-style-type: none"> <li>Adoption of Nolan Principles in the Code of Governance.</li> <li>Adoption and embedding of the Code of Ethics (including the establishment of an Ethics Committee).</li> <li>Clear Leadership Team.</li> </ul>	<ul style="list-style-type: none"> <li>In 2018/19 the Force will repeat the Force-wide staff survey facilitated by Durham University which will also support the wider wellbeing agenda being promoted by</li> </ul>



<p><b>and support these principles through leadership and by example.</b></p> <p><i>IFGG Standard 5: Develop the entity's capacity, including the capability of its leadership and the individuals within it.</i></p>	<ul style="list-style-type: none"> <li>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.</li> </ul> <p><b>Chief Constable:</b></p> <ul style="list-style-type: none"> <li>A Medium Term Financial Plan (MTFP) has been jointly developed and is reviewed quarterly to support delivery of these plans.</li> <li>Information is provided by the Force Professional Standards Department – this outlines major areas of organisational risk and the behavioural expectations for all staff.</li> <li>The Force maintains an internal website which contains information and guidance on ethics and behaviour.</li> </ul>	<p>the Commissioner and the Chief Constable.</p>
<p><b>Fairness:</b></p> <p><b>The Commissioner, the Chief Constable, their officers and staff will act with fairness and impartiality.</b></p>	<p><b>Commissioner and Chief Constable:</b></p> <ul style="list-style-type: none"> <li>The Commissioner and Chief Constable strive to treat each other <b>fairly</b>, with <b>dignity</b> and with <b>respect</b>, and this is reflected in their agreed Decision Making and Accountability Framework within the Manual of Governance.</li> <li>Duties are undertaken in accordance with the laws relating to human rights and equality.</li> <li>It is recognised that some individuals who come into contact with the police are vulnerable and may require additional support and assistance and this is reflected in the Force's initiatives.</li> <li>A proactive approach is taken to opposing discrimination and this is reflected in the learning strategies of the Force.</li> </ul>	
<p><b>Respect:</b></p> <p><b>The Commissioner, the Chief Constable, their officers and staff will act with</b></p>	<p><b>Commissioner:</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Implementation and embedding of the changes to the complaints and discipline system introduced by the Policing and Crime Act 2017.</li> </ul>

<b>self-control and tolerance, treating members of the public and colleagues with respect and courtesy.</b>	<p><b>Chief Constable:</b></p> <ul style="list-style-type: none"><li>• The Chief Constable manages all complaints against the Force, its officers and staff and ensures that the Commissioner is kept informed.</li><li>• Serious complaints and matters to do with conduct are referred to the Independent Office for Police Conduct in line with the requirements of legislation.</li><li>• 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.</li><li>• In support of this, 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.</li><li>• The values of 'protecting and reassuring' are guiding principles for all officers and staff.</li></ul> <p><b>Commissioner and Chief Constable:</b></p> <ul style="list-style-type: none"><li>• Authority is only exercised in a way which is proportionate, lawful, accountable, necessary and ethical.</li><li>• Implementation of the Code of Ethics and the oversight and recommendations provided by the Independent Ethics Committee.</li><li>• 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 Plan and the Force Delivery Plan.</li></ul>	
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Appendix 2

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