

ANNUAL GOVERNANCE STATEMENT OF THE POLICE AND CRIME COMMISSIONER FOR SOUTH WALES

Corporate Governance Statement

The Accounts and Audit (Wales) Regulations 2010 require that the Annual Governance Statement (the “Statement”) accompanies the Statement of Accounts. As permitted, the Police and Crime Commissioner for South Wales (the “Commissioner”) has elected to publish the Statement with the Statement of Accounts in a single document. The statement is a statutory document which explains the governance processes and procedures in place to enable the Commissioner to carry out his functions effectively. The Statement highlights the Commissioner’s (and the Chief Constable’s) internal control environment, comments on its effectiveness and identifies future priorities.

On 22nd November 2012, the South Wales Police Authority (the “Authority”) was abolished and replaced by the Commissioner. This Statement reflects both the governance framework in place up until 22nd November when the Authority was abolished, and the new governance framework put in place for the Commissioner (and the Chief Constable) for the year ended 31 March 2013 including plans for the financial year 2013-14

Good governance arrangements are the foundations on which the Commissioner (and formerly the Authority) establishes his policies and the services he delivers to the community. At the same time, however, governance itself must adapt to changes in circumstances. Public bodies must be responsive to developments in services, expectations and the actions of other stakeholders. The Statement is the opportunity to ensure that the fundamentals of good governance remain in place and that they are responding to internal and external changes.

1. SCOPE OF RESPONSIBILITIES

1.1 Prior to 22nd November 2012

Prior to 22nd of November 2012, the Authority was responsible for ensuring business was conducted in accordance with the law and proper standards and that public money was safeguarded. The Authority also had a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions were exercised, having regard to a combination of economy, efficiency and effectiveness.

Until November 2012 the Authority was responsible for putting in place proper arrangements for the governance of its affairs and facilitating its functions. This included ensuring that a sound system of internal control was maintained until its abolition, and that arrangements were in place for the ongoing management of risk. In exercising this responsibility the Authority placed reliance on the Chief Constable of South Wales Police to support the governance and risk management processes.

The Authority approved and adopted a code of corporate governance, which was consistent with the principles of the CIPFA/SOLACE Framework: *Delivering Good Governance in Local Government*. A copy of the code is on the Authority website at www.southwalespoliceauthority.org.uk or can be obtained from the Chief of Staff,

South Wales Police & Crime Commissioner, Tŷ Morgannwg, Police Headquarters, Bridgend, CF31 3SU. This statement explained how the Authority complied with the code and also met the requirements of regulation 4(2) of the Accounts and Audit (Wales) Regulations 2010 in relation to the publication of a statement of internal control.

1.2 Post 22nd November 2012

On 22nd November 2012, Mr Alun Michael took office as the directly elected Police and Crime Commissioner for South Wales. Both the Commissioner and the Chief Constable became corporations sole and the Policing Protocol Order 2011 (statutory instrument) set out the new policing governance arrangements, clarifying the role and responsibilities of the Commissioner, the Chief Constable and the Police and Crime Panel and how they should work together to address crime and improve policing.

The Commissioner is responsible for performing his functions as set out in the Police Reform and Social Responsibility Act 2011 (the 2011 Act) and must hold the Chief Constable to account for the exercise of his functions and the functions of such persons as are under his direction and control. The Commissioner must secure the maintenance of the police force for the South Wales Police area and must secure that the police force is efficient and effective. Its business must be conducted in accordance with the law and proper standards

In discharging their respective responsibilities, both the Commissioner and the Chief Constable must put in place proper arrangements for the governance of their affairs and facilitating the exercise of their functions, which includes ensuring a sound system of internal control is maintained through the year and that arrangements are in place for the management of risk. In this respect, the Commissioner and the Chief Constable have developed a joint Manual of Corporate Governance.

On taking his oath of office, the Commissioner pledged to place the strongest possible emphasis on the importance of values in the governance of the police. In addition to the principles of honesty, integrity and transparency, he emphasised the following principles for action:

- a) to be tough on crime and on the causes of crime
- b) to put cooperative values into practice, not least in encouraging a partnership approach to crime reduction – engaging with local authorities and other agencies as well as voluntary and community organisations and the public at large
- c) to pursue social justice as well as justice, and
- d) to hold the police to account and protect the police from political interference.

In drafting this Statement reliance has, therefore, also been placed on the governance processes within South Wales Police ('the Force'), as reflected in the Chief Constable's Annual Governance Statement which is published alongside the accounts of the Commissioner.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and culture and values in relation to which the Commissioner and Chief Constable are held accountable, and the activities through which they account to and engage with the community. It enables the Commissioner and Chief Constable to monitor the achievement of strategic objectives with a clear focus on performance and outcomes,

whilst also ensuring that those objectives have led to the delivery of appropriate, cost effective services, including achieving value for money.

The system of internal control is a significant part of 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 therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise 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 efficiently, effectively and economically; or to tolerate the risk if it falls within the risk appetite.

The Commissioner and the Chief Constable must have a strong governance process to ensure that decisions are taken at the correct level within the organisation with the appropriate audit trails.

3. THE GOVERNANCE FRAMEWORK

3.1 Background to the Framework

The CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*, and its subsequent *Addendum* published in 2012, sets the standard for governance in local government in the UK. Furthermore, the fully revised CIPFA *Guidance Note for Police* assists the policing sector in reviewing the effectiveness of their governance arrangements by reference to best practice and using self-assessment in relation to the CIPFA Framework.

Under the previous statutory arrangements, Authority members were responsible for the vision, strategic direction and priorities of the Authority, and were advised by the senior management team who also advised and supported members in influencing and shaping the strategic direction and priorities for the policing of South Wales. In addition relevant committees met regularly to consider the strategic direction, plans and progress, and review specific policy areas of the Authority and the Force. The Authority's governance reporting structure consisted of six primary groups: Audit and Scrutiny, Community Engagement, Equalities and Human Rights, Performance Monitoring, Protective Services and Quality of Service. The terms of reference of each of these groups were set out on the Authority's website. The frequency of meetings was reduced by one meeting per primary group to allow the Authority's secretariat to prepare for the smooth transition to the Commissioner whilst maintaining business as usual until 21 November 2012.

Environmental scanning formed (and continues to form) an important part of the identification of local and national expectations.

The Commissioner has made his commitments for policing clear in his manifesto, and his Police and Crime Reduction Plan (the "Plan") indicates how the Commissioner will take this forward. The Plan also pays due regard to the Strategic Policing Requirement¹.

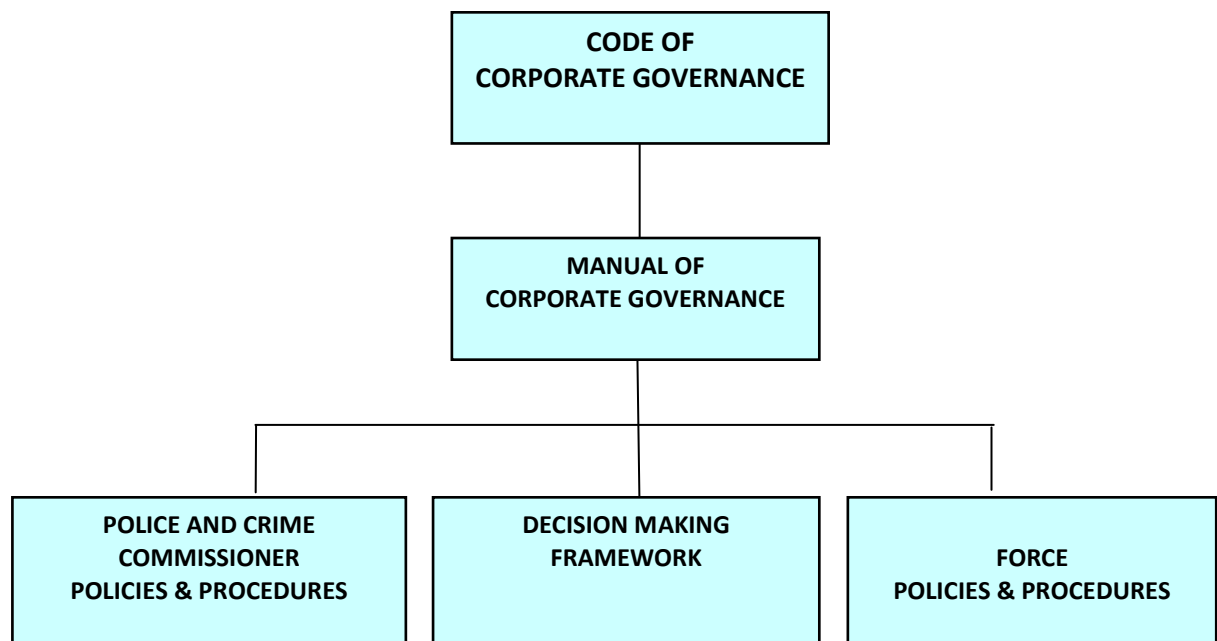
¹ The Strategic Policing Requirement was issued in July 2012 in execution of the Home Secretary's statutory duty to set out what are, in her view, the national threats at the time of writing and the appropriate national policing capabilities required to counter those threats

The Police and Crime Panel which held its inaugural meeting on 21st November 2012, and which meets in public, will hold the Commissioner to account; ensure statutory duties are complied with; and ensure the maintenance of an efficient and effective police service in South Wales.

Although the Chief Constable is responsible for operational policing matters, the direction and control of police personnel and for putting in place proper arrangements for the governance of the Force; the Commissioner is required to hold him to account for the exercise of those functions and those of the persons under his direction and control. It therefore follows that the Commissioner must satisfy himself that the Force has appropriate mechanisms in place for the maintenance of good governance, and that these operate in practice.

The corporate governance framework within which both corporations sole will govern, both jointly and separately consists of:

- Code of corporate governance – statutory framework which sets out how the core principles will be implemented,
- Manual of Corporate Governance – defines the parameters within which the corporations soles will conduct their business,
- Separate policy and procedures for each corporation sole, with protocols where they operate jointly.



The Governance Framework is detailed within the Manual of Corporate Governance for the Commissioner and the Chief Constable of South Wales Police, which can be found on the Commissioner's website at: <http://www.southwalescommissioner.org.uk/en/Transparency/Decision-Making/Manual-of-Governance.aspx>.

The governance arrangements for the Commissioner and the Chief Constable have therefore been developed in line with the 2011 Act, the Statutory Policing Protocol², the Home Office Financial Management Code of Practice³ and existing guidance on financial and governance matters which continue to apply and in support of the Plan.

3.2 Core Principles and their Application

The core principles, adopted by both corporations sole, abide by the Nolan principles for conduct in public life⁴, and are as follows:

1. **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.
2. **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.
3. **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.
4. **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 to their office.
5. **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.
6. **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.
7. **Leadership:** The Commissioner, the Chief Constable, their officers and staff will promote and support these principles through leadership and by example.

This statement is also informed by the application of the Good Governance Standards for Public Services⁵ in a policing context, and by audit and inspection opinions, as follows:

² The Policing Protocol Order 2011

³ This was issued pursuant to section 17 of the 2011 Act and section 39A of the Police Act 1996.

⁴ The Policing Protocol also requires all parties to abide by the seven Nolan principles of conduct for those in public life.

⁵ Taken from The Good Governance Standard for Public Services [2004] developed by the Independent Commission on Good Governance in Public Services with support from the Office for Public Management and CIPFA (as adapted for local government purposes). To assist in developing the approach to good governance CIPFA/SOLACE issued Delivering Good Governance in Local Government: Framework in 2007, with a subsequent Addendum in 2012 which reflects Regulation 4(3) of the Accounts and Audit Regulations.

i) Focusing upon the purpose of the Commissioner and the Chief Constable, and on outcomes for local people, and creating a vision for the local area:

The 2011 Act requires the Commissioner to issue a ***Police and Crime Plan*** for one year beyond his term of office, outlining the police and crime objectives (outcomes) and the strategic direction for policing. The Commissioner and the Chief Constable must have regard to the Plan.

Policing plays a key role in the lives of people who live, work and visit our area. Its prime purpose is 'Keeping South Wales Safe' and to have a positive impact on the communities it serves. To do this, the Force wants to be **'the best at understanding and responding to its communities' needs**, which has been set as the vision for the Force.

To support this vision, focus is targeted on five priority areas which are:

- Making Every Contact Count
- Equality, Diversity and Human Rights
- Quality of Service
- Leadership
- Value for Money

These priority areas are in turn measured against the three enablers of 'people, policing, partnership to deliver performance' outcomes.

The Commissioner supports the Chief Constable's mission and vision. The Commissioner's priorities are based on the fundamental principle 'To be tough on crime and the causes of crime, tackling and preventing crime by promoting an evidence based partnership approach to identify what works' and how value can be added.

Collaboration agreements;

The three southern Wales police forces have established a Southern Wales Collaboration Board (which replaces the All Wales Collaboration Board). This will develop strategic policing capabilities in Wales in support of the requirements of the 2011 Act and the Strategic Policing Requirement, with a view to increasing efficiency and effectiveness through collaboration, whilst also ensuring that suitable administrative, management and governance arrangements are in place to support the same.

A ***medium term financial strategy*** will be jointly developed and thereafter reviewed quarterly to support delivery of these plans.

ii) Working together to achieve a common purpose with clearly defined functions and roles:

As referenced above, prior to 22nd November 2012, the roles and responsibilities of each of the Authority's Committees were clearly defined in their individual terms of reference. The roles and responsibilities of members and officers of the

Authority and senior officers with the Force were set out in clear delegation arrangements contained within the Police Authority's constitution, Procedural Standing Orders, Scheme of Delegation, Standing Orders relating to contracts and Financial Regulations. A statement of the statutory duties and responsibilities of the Authority, its members and officers, was published on its website. The arrangements for challenging and scrutinising Force activity was inherent in the work of the full Authority and was predominantly discharged through its six primary committees who had responsibility for challenging and reviewing the forces activities: -

- The Audit & Scrutiny Group was responsible for the monitoring and review of all Audit activities, considering and monitoring risk control and the risk management arrangements for both the Force and Authority Strategic Risk Register, undertaking an approved programme of scrutiny to ensure the Force was providing value for money and effective and efficient services to the communities served.
- The Community Engagement Group considered the work and any issues arising from the Local Authority Community Safety Partnerships, Safer South Wales, Local Service Boards, Local Criminal Justice Board, All Wales Community Safety Forum, Local Authority Crime and Disorder Scrutiny Panels affecting the Authority. It also considered and monitored the role of neighbourhood policing and Partnerships and Communities Together (PACT) meetings and monitored the Authority's and Force's Community Engagement Strategies.
- The Equalities & HR Group monitored issues relating to staffing, diversity and equality, the Force and Authority Equality Schemes and impact assessments, and monitored progress of strategic HR projects.
- The Protective Services Group considered protective services issues, oversaw the regional collaboration programme and monitored the performance of the Force in relation to protective services
- The Quality of Service Group monitored complaints made against police officers, up to the rank of Chief Superintendents; monitored complaints made against police staff, investigated public complaints made against the Chief Constable, Deputy Chief Constable and Assistant Chief Constables and monitored issues complained about by members of the public and intervened where it appeared that the response of the Force was unsatisfactory.
- The Performance Monitoring Group monitored Force performance against the Annual and Strategic Policing Plan targets and objectives, financial performance, and emerging risks to the Authority's vision and objectives.

The Authority's Standing Orders provided for the delegation of Authority functions and decision making to senior officers and included a scheme of delegation that set out those decisions that the Authority had delegated to its officers and the Chief Constable.

From 22nd November 2012, the governance arrangements for the Commissioner have been developed in accordance with the 2011 Act, the Statutory Policing Protocol, Home Office Financial Management Code of Practice (the 'Code') and existing guidance on financial and governance matters which continue to apply.

A Manual of Corporate Governance comprising of a scheme of delegation, financial regulations and standing orders relating to contracts has been developed in accordance with the Code to enable effective accountability and to govern the relationship between the Commissioner and the Chief Constable.

There is a decision making framework which ensures that all the Commissioner's decisions are published and available for public scrutiny.

The Commissioner's Leadership Team (the 'Board') chaired by the Commissioner, (and attended by the Deputy Commissioner and Assistant Commissioner) will hold the Chief Constable to account in securing the maintenance of an efficient and effective police service for South Wales. The terms of reference for the Board are incorporated in the Manual of Corporate Governance. The Commissioner will hold the Chief Constable to account on delivering the Commissioner's objectives effectively and efficiently, through scrutiny of monthly financial and performance reports from the Chief Constable and one off reports on specific areas of interest or concern. The work of the Board, and the role of the Commissioner in holding the Chief Constable to account, will be supported and informed by ongoing work undertaken by officers of the Commissioner (both with colleagues from the Force and external stakeholders such as the Home Office and the Welsh Government). The Chief Constable, in turn, holds his Chief Officers to account for their performance in the monthly Gold meetings (referred to in paragraph 3.3 below).

There are job descriptions for the Deputy Commissioner, Assistant Commissioner and Chair of the Joint Audit Committee.

The Commissioner (and the Authority prior to that) has in place a Monitoring Officer and a section 151 Officer to ensure compliance with relevant laws and regulations, internal policies and procedures, and to ensure that expenditure is lawful. The role of Monitoring Officer, formally the responsibility of the Authority's Chief Executive, is now the responsibility of the Commissioner's Chief of Staff.

The 2011 Act⁶ sets out ***the functions of the Police and Crime Commissioner and Chief Constable*** and the protocol⁷ sets out how these functions will be undertaken to achieve the outcomes of the Plan.

The Commissioner has appointed a ***Deputy Commissioner*** (as provided for in the Act⁸) ***and an Assistant Police and Crime Commissioner***, both of whom will be members of his staff. The role description for the Deputy Commissioner (approved by the Commissioner) incorporates functions delegated to the Deputy.

The Commissioner has also appointed a ***Chief Executive***⁹ (Chief of Staff) ***and Chief Financial Officer***. The Chief of Staff is the head of paid service and undertakes the responsibilities of monitoring officer¹⁰.

⁶ Police Reform and Social Responsibility Act 2011 (PRSR Act), section 5 – 8,

⁷ Policing Protocol Order 2011

⁸ PRSR Act 2011, section 18 (1)

⁹ PRSR Act, sch 1, 6 (1) a,

The ***Financial Management Code of Practice and Statement of Roles***¹¹ sets out the responsibilities of the Chief Financial Officers for both the Commissioner and Chief Constable.

The ***Manual of Corporate Governance*** highlights the parameters for the key roles in both the corporations sole including delegations from the Commissioner, financial regulations and standing orders relating to contracts.

An independent ***Joint Audit Committee*** will operate in line with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Financial Management Code of Practice¹².

iii) Promoting the values for the Police and Crime Commissioner and Force and demonstrating the values of good governance through upholding high standards of conduct and behaviour:

The values of being 'professional, proud and positive' are guiding principles for all staff and officers.

In the period up to 22nd November 2012, the Authority had a Code of Conduct which each Member signed on appointment and abided by thereafter. The Code set out requirements to be observed whilst performing their role as a Police Authority Member, requiring all members to abide by the general principles of public life: and this Code of Conduct was also compliant with the General Principles of Public Life defined in the Relevant Authorities (General Principles) Order 2001.

The Authority had a legal duty to investigate complaints against senior Police Officers, with any complaints made against other Police Officers, or police staff being investigated by the Force Professional Standards Department, or the Independent Police Complaints Commission (IPCC). The Authority's Quality of Service Group monitored all complaints made against South Wales Police. Since November 2012, and with the exception of complaints made about the Chief Constable (responsibility for which remains with the Commissioner), responsibility for dealing with complaints in relation to all police officers now rests with the Chief Constable.

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. They apply to all police staff.

The Policing Protocol 2011 requires all parties to abide by the seven ***Nolan Principles***¹³ and these will be central to the conduct and behaviour of all. It also highlights the expectation that the relationship between all parties will be based upon the principles of goodwill, professionalism, openness and trust.

¹⁰ Local Government and Housing Act, section 5,

¹¹ Financial Management Code of Practice for the Police, section 4, & CIPFA statement on role of chief finance officers, 2011

¹² Financial Management Code of Practice for the Police, section 11.1.3

¹³ Standards in public life, 2005

In accordance with the Financial Management Code of Practice the Commissioner and Chief Constable will ensure that the **good governance principles** are embedded within the way the organisations operate.

iv) Taking informed and transparent decisions, which are subject to scrutiny and managing risk:

In respect of the Authority – significant decisions affecting its roles and responsibilities and the performance of its functions were taken with the full involvement of members of the Authority through:

- Attendance and participation in meetings of the Authority, its Committees or Sub-Committees
- Participation as lead members in roles requiring specialist knowledge or focus
- Participation at the Authority AGM, Planning and Finance Seminars

An Authority process set out the standards required for the production and submission of Force reports to the Authority. This ensured that Authority members and officers received all information necessary for them to make balanced and informed decisions about the matters under consideration. Appropriate legal, financial, human resources and other professional advice was considered as part of the decision making process. The meetings, decisions, and minutes of the Authority and its Committees and Sub Committees were available for public scrutiny on the Authority's website.

From November 2012, the Commissioner became responsible for holding the Chief Constable to account for the maintenance of an efficient and effective force. A Police and Crime Panel (Panel), consisting of local councillors from the Force Area, as well as independent members, are responsible for holding the Commissioner to account for his actions and decision making. The Panel do not scrutinise the performance of the Force as this is the responsibility of the Commissioner.

The Decision Making Framework sets out the way in which decisions will be taken by the Commissioner and Chief Constable. The Commissioner and the Chief Constable will ensure that information relating to decisions will be made readily available to local people.

The **Manual of Corporate Governance** sets out the parameters for decision making, including the delegations, consents, financial limits for specific matters and standing orders for contracts.

The **risk management strategies** of the Commissioner and the Chief Constable establish how risk is embedded throughout the various elements of corporate governance of the corporation(s) sole. The Chief Finance Officer for the Commissioner also advises the Commissioner, in consultation with the Chief of Staff, on the safeguarding of assets, risk management and insurance. He will ensure that in relation to any strategic business decisions of the Commissioner, consideration is given to the immediate and longer term implications, opportunities and risks¹⁴.

¹⁴ This is set out in paragraph 4.1 of the 2012 Financial Management Code of Practice for the Police Service of England and Wales.

The Commissioner and Chief Constable's Risk Register(s) are reviewed and updated on a quarterly basis at their respective management meetings to review the current risk environment. The Force Risk Manager and the Commissioner's Planning & Performance Manager ensure any links between their respective risk registers are identified. The design of the Register is being continually improved to provide information in a clearer, more straightforward format and to better align with the format of the Force. Both the Commissioner's and Chief Constable's risk registers will also be put before the Joint Audit Committee.

Risks are identified throughout the organisation and recorded on a strategic risk register. These are then scored for likelihood and impact and allocated an owner. Monitoring and mitigation of risk is assured through the Force's Gold/Silver/Bronze governance structure.

Risk is a standing agenda item on all strategic meetings within the Force and all decision making meetings of the Commissioner.

v) Developing the capacity and capability of all to be effective in their roles:

Prior to 22nd November 2012, Police Authority members received a variety of training to ensure that they had the skills and knowledge to allow them to challenge, scrutinise and govern effectively. Members also received training on relevant areas of their responsibility during the course of any given year and were subject to an annual personal development appraisal.

Since 22nd November, both corporation sole's ***learning and development strategies*** will set the climate for continued development of individuals and support the delivery of the Commissioner and Chief Constable's vision through a programme of statutory, corporate, and personal development training. This will in turn link with the Plan and the Force Delivery Plan.

A mandatory system of Performance Development Reviews exists for each Police Officer and member of 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.

vi) Engaging with local people and other stakeholders to ensure robust public accountability:

The Authority had a statutory duty to consult with the public in relation to policing issues in general and specific issues, such as the level of council tax precept. The force also has a fundamental need to engage with local communities on policing issues.

In relation to the Authority, this was achieved through a variety of formal and informal mechanisms, such as: the use of surveys; commissioning specific research and consultative events; public interaction at Authority meetings; regular dialogue with partner agencies; and consultation with the Business Community.

The Authority also offered the public a variety of different ways to become involved, and contribute to policing matters through roadshows, questionnaires, meetings, and the Citizens Panel. The outputs from these events were fed directly into the Police Authority and the Force's decision making process. Additionally, the Authority maintained a list of members of the public who wished

to be consulted on different issues. The results of public consultations were posted on the Authority's website.

The Authority's Community Engagement Group developed a Community Engagement Strategy to ensure effective engagement with all sections of the community and stakeholders. The strategy also aimed to promote visible awareness and create a positive, informed and recognizable profile for the Authority.

The Policing Protocol¹⁵ highlights that the Commissioner is **accountable to local people** and that he draws on this mandate to set and shape the strategic objectives for the force area in consultation with the Chief Constable. The Commissioner has set out in his **Plan** his strategic direction and priorities and how these will be delivered.

Under the 2011 Act, the Commissioner is now a cooperating body, rather than a responsible authority on community safety partnerships. The community safety duty, specifies that the Commissioner must "in exercising its functions, have regard to the relevant priorities of each responsible authority", referring to the authorities named in the Crime and Disorder Act 1998 and its amendments. It further specifies that the Commissioner and the responsible authorities "must act in co-operation with each other" in exercising functions conferred by the 1998 Act.

In preparing his Plan, the Commissioner has taken account of the views and priorities of communities, victims of crime, community safety and criminal justice partners. He has met with representatives of local authorities and voluntary and business groups across South Wales. He has also set out in his Plan his plans for consultation and engagement with the public during his term of office.

The Commissioner and Chief Constable are continuing to develop 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.

3.3 Decision Making and Accountability

The Commissioner will be held to account and scrutinised by the Police and Crime Panel, a body consisting of ten local councillors representing the seven local authorities in South Wales and two co-opted independent members. The Police and Crime Panel will meet on a quarterly basis with the remit to hold the Commissioner to account for:

- The implementation of the priorities contained within the Plan
- The relevance and content of the Plan

These meetings will be held in public and may therefore be subject to the requirements of the Local Government Act regarding confidential information.

Meetings between the Commissioner and the Chief Constable are a key element of the governance framework, where the Commissioner holds the Chief Constable to account for performance against the Plan as outlined within the Force Delivery Plan,

¹⁵ Policing Protocol Order 2011, section 14

and ensures that the Chief Constable is effectively managing the budget allocated to him for the running of the Force.

These meetings are scheduled to occur on a monthly basis (in addition to other meetings) and reflect the commitment from both the Commissioner and the Chief Constable to the principles of openness, transparency and accountability in decision-making. Further details of this Board are set out in section 3.2 above.

The governance control within the Force itself is based on a Gold, Silver and Bronze framework which ensures that performance against the Force Delivery Plan is monitored and all cross cutting issues and risks are identified.

Chief Officer Gold meetings are held on a monthly basis and are attended by all Chief Officers. At this meeting the Chief Constable holds his Chief Officers to account, and allows Chief Officers to agree the strategic direction of the Force in line with its Mission, Vision and Values; to monitor and facilitate performance against the Plan and the Force Delivery Plan; and to monitor/expedite business with the Commissioner.

At Silver level, Chief Officers meet regularly with their respective senior managers holding them to account for the management of the business within their portfolio as outlined in their local delivery plans supporting the Force Delivery Plan.

Each department and Basic Command Unit also holds their own management or Bronze meetings to discuss overall performance against their respective delivery plans.

4. REVIEW OF EFFECTIVENESS

In conjunction with the Chief Constable, the Commissioner has established an independent Joint Audit Committee which is responsible for enhancing public trust and confidence in the governance of the Commissioner and the Chief Constable. It is made up of 5 members who meet on a regular basis to approve and monitor the annual audit programme, consider this Governance Statement, monitor governance and internal control, review the annual statement of accounts, and consider reports from other agencies that provide assurance on governance arrangements. This will provide a report to both corporation soles on the effectiveness of the internal control environment. Its inaugural meeting was held on 28th March 2013. The audit responsibilities of the Joint Audit Committee include:

- approval of the terms of reference within which internal audit operates
- approval of the internal audit strategy, which sets out:
 - Internal audit objectives and outcomes
 - How the head of the internal audit function (whether internal or external) will form and evidence his opinion on the control environment to support this Statement
 - How Internal Audit's work will identify and address significant local and national issues and risks
 - How the internal audit service will be provided and
 - The resources and skills required to deliver the strategy.

The review of the effectiveness of the system of internal governance and its operation is also informed by the work of the internal auditors (Deloitte), the Wales Audit Office, other review agencies and executive managers within Office of the

Commissioner and the Force who have responsibility for the development and maintenance of the internal control environment.

This Governance Statement will, if appropriate, include an action plan to rectify any significant areas of weakness in corporate governance, and will be signed by the Commissioner, the Chief Financial Officer and the Chief of Staff (as the Chief Executive Officer for the purposes of the Act).

The audit work for the year is risk based and focuses on significant financial and operational risks. During 2012/13 Deloitte carried out a total of 24 audits, covering core financial systems, business and operational systems and governance processes. For the period ended 31 March 2013, Deloitte gave an adequate¹⁶ level of assurance in relation to the adequacy and effectiveness of South Wales Police's arrangements for governance, risk management and control.

South Wales Police is inspected periodically by Her Majesty's Inspectorate of Constabulary (HMIC). The HMIC is independent of the Commissioner, the Force and the Government, 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. The Inspectorate also produces thematic reports. Their reports support the monitoring and development of many Force priorities and during 2012/13 these included:

- 'Police and Crime Commissioner Transition' arrangements making an interim assessment of whether prudent preparations were being made for the transition to the Commissioner and if transition planning was having a detrimental effect on 'business as usual';
- 'Children and Young People Who Sexually Offend' Thematic Inspection, reviewing Youth Offending Team (YOT) arrangements;
- 'PER Forms', reviewing Person Escort Record Forms;
- 'Olympic Capability Assessment', informing planning for the Olympic Games;
- 'Integrity Review', revisiting police relationships to inform a progress report;
- 'Street to Strategic' reviewing the tackling of serious crime;
- 'Private Sector/Partnership Review', measuring the provision of services and contracts between the Force and G4S;
- 'Stop the Drift', focusing on the delivery of the criminal justice system through visits to the hubs and Bridewell Suite in Cardiff Bay;
- 'NABIS (National Ballistics Intelligence Service)', making an interim assessment of policy/guidance, processes and management systems within this area of business and undertaking an assessment of how the Force records all firearms and ammunition coming into their possession including the volume of entries;
- 'Offenders with learning disabilities' which involved a joint inspection between HMIC, HMI Probation and HMI CPS conducted within Cardiff Bay Police Station and including a case study analysis and interviews of custody staff;
- 'Review of South Wales Police Custody Joint Inspection Action Plan' revisiting the Force following the 'Unannounced visit to Custody' inspection

¹⁶ This confirms that there is basically a sound system of internal control in place although some non-compliance with the controls may put some of the system objectives at risk. The only category higher than this is 'substantial' in which such controls are consistently applied.

conducted by HMIC in 2010 to identify actions taken following recognised areas of improvement;

- 'Stop/Search' reviewing arrangements in relation to the use of Stop and Search policing powers.

The HMIC has also produced a suite of Value for Money indicators to challenge areas of exceptional spend in comparison with the most similar forces and the results of the benchmarks are incorporated within the Value for Money plan.

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.

5 SIGNIFICANT GOVERNANCE ISSUES

- Changes arising as a result of the Stage 2 transfer of staff (and other assets) between the Commissioner and the Chief Constable as required by the 2011 Act and the direction from the Home Secretary. Such Stage 2 Transfer is to be completed by 31st March 2014. This may necessitate further changes in the governance frameworks of the two corporations sole.
- The Force's Change Programme which is identifying organisational, structural and process options to address funding reductions and the continued and increased challenges of achieving required efficiencies to meet existing and planned grant reductions whilst maintaining and indeed improving performance.
- Estates Strategy, in particular, meeting the requirements of condition surveys, the challenges faced by legislative changes for custody arrangements and meeting the strategy for operational hubs to deliver step change in performance.
- Continued review of collaboration opportunities both within policing and within the public sector generally.
- Management of Police Information¹⁷/Police National Database¹⁸ - the ability to successfully implement a number of essential mandatory developments through effective resource realignment and management.
- The implementation of a Fully Integrated Resource Management (FIRM) System to streamline Financial and Human Resource Management and improve Value for Money by replacing HR, Duty Management and the Financial and Payroll systems.

Signed by the Police and Crime Commissioner for South Wales:

Signed by the Chief of Staff (Chief Executive Officer):

¹⁷ The Guidance for the Management of Police Information was produced by the National Policing Improvement Agency on behalf of the Association of Chief Police Officers, and it is updated according to legislative and policy changes

¹⁸ The Police National Database is the project to develop a single view of data held in police intelligence, custody, crime, child and domestic abuse systems utilised by the police service across the UK

NOT PROTECTIVELY MARKED

Signed by the Chief Financial Officer:

Dated: _____

NOT PROTECTIVELY MARKED