**JOINT**

**ann****ual governance statement**

**2023/2024**

**THE POLICE AND CRIME COMMISSIONER for GWENT**

**AND**

**THE CHIEF CONSTABLE OF GWENT POLICE**

**INTRODUCTION**

The purpose of this Annual Governance Statement is to explain how the Police and Crime Commissioner and the Chief Constable of Gwent have complied with their joint Manual of Corporate Governance and to identify any significant governance issues facing the Office of the Police and Crime Commissioner and the Force.

To this end, the Annual Governance Statement is written in two parts:

* Part One describes the governance arrangements in place during 2023/24.
* Part Two reports on the review of the effectiveness and the outcomes of these arrangements.

**PART 1: GOVERNANCE ARRANGEMENTS**

The Police and Crime Commissioner (the Commissioner) and the Chief Constable are responsible for ensuring all business is conducted in accordance with the law and proper standards, and that public money allocated to it is safeguarded, properly accounted for, and used economically, efficiently, and effectively. To discharge this responsibility, they must put in place proper arrangements for governance, including arrangements for managing risk. Their legal duties and responsibilities are clearly defined within the following:

* [Police Reform and Social Responsibility Act 2011](https://www.legislation.gov.uk/ukpga/2011/13/contents)
* The Policing Protocol Order 2023
* [Financial Management Code of Practice for the Police and Fire & Rescue Services 2018](https://www.gov.uk/government/publications/financial-management-code-of-practice)

To support the delivery of their legal responsibilities, the Commissioner and the Chief Constable established a Governance Framework that includes a Code of Corporate Governance consistent with the Chartered Institute of Public Finance and Accountancy (CIPFA) *Statement on the Role of the Chief Financial Officer of the Police and Crime Commissioner and Chief Financial Officer of the Chief Constable;* the Home Office *Financial Management Code of Practice for the Police Service of England and Wales (2018); and the CIPFA and Society of Local Authority Chief Executives (SOLACE)* [Framework for Delivering Good Governance Guidance Notes for Policing Bodies 2016](https://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-guidance-notes-for-policing-bodies-in-england-and-wales-2016-edition) (as supplemented by CIPFA guidance (February 2021) on the ‘Application of the Good Governance).

CIPFA’s Financial Management Code (FM Code) provides guidance for good and sustainable financial management in local authorities (including the police); and this Statement explains how the Commissioner and the Chief Constable have complied with the FM Code and met the requirements of the Accounts and Audit (Wales) Regulations 2014.

**PURPOSE OF THE GOVERNANCE FRAMEWORK:**

The Policing Protocol Order contains an expectation that the relationship between a Commissioner and Chief Constable is built on the principles of goodwill, professionalism, openness, and trust. The Manual of Corporate Governance (MOCG) and wider governance arrangements in Gwent Police set out the systems and processes, culture and values by which the Commissioner and Chief Constable manage their roles and responsibilities. It details arrangements for decision making designed to ensure an effective and constructive working relationship between the Commissioner and the Chief Constable, and it is published on the Commissioner’s website. The Commissioner and the Chief Constable approve any changes to the MOCG as part of the ongoing governance review. This is undertaken to ensure that these key documents continue to reflect and meet the needs of the organisation. The system of internal control is a significant part of the framework and whilst it cannot eliminate risk, it does seek to provide reasonable (rather than absolute) assurance of effectiveness.

**PRINCIPLES OF GOOD GOVERNANCE**

The Policing Protocol Order requires the Commissioner and the Chief Constable to adopt and abide by the Nolan Principles for conduct in public life. These principles are reflected in the Principles of Relationship document agreed by the Commissioner and the Chief Constable; and they are also explicitly committed to providing a robust, timely and caring response to events affecting the public and communities within Gwent. This is reflected in the Police and Crime Plan for 2021 - 2025 “Making Gwent a Safer Place to Live and Work”, with priority being given to keeping neighbourhoods safe; combatting serious crime; supporting victims and protecting the vulnerable; increasing community confidence in policing; and driving sustainable policing.

Selflessness: Decisions 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.

The MOCG is also consistent with the seven core principles of good governance set out in the International Framework for Good Governance in the Public Sector (2014): -

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

Appendix 1 illustrates how these Standards were applied in the work of the Commissioner and Chief Constable during 2023/24.

**GOVERNANCE ARRANGEMENTS**

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

**Manual of Corporate Governance**: The Commissioner and the Chief Constable have a joint MOCG which includes a scheme of delegation, financial regulations, Principles of Relationship, and Standing Orders relating to Contracts. It also includes a decision-making framework which ensures that, where possible, all the Commissioner’s decisions are published and available for public scrutiny.

**Principles of Relationships:** This document recognises the Chief Constable’s operational responsibilities, within the policy and accountability framework set by the Commissioner. Notwithstanding their ‘corporations sole’ status, the relationship between the Commissioner and the Chief Constable is based on working together for the benefit of the people of Gwent under the joint banner of ‘Gwent Police’. The Principles specify that the relationship between the Commissioner and Chief Constable will be built on trust, confidence, and transparency. The governance arrangements are consistent with the need to ensure accountability both between the parties and to the public. This transparent and auditable approach remained valid in 2023/24.

**Governance Framework**: The development of a Board Assurance Framework (BAF) followed research across other public bodies and findings from Internal Audit reviews. The BAF originally considered the statutory functions of both the Commissioner and Chief Constable contained within the MOCG’s Scheme of Delegation (which highlights areas of responsibilities for senior officers of both organisations and also areas from the forward work plan for both the Strategy and Performance Board (SPB)[[1]](#footnote-1) and Joint Audit Committee). It maps Gwent Police’s governance arrangements (using the ‘three lines of defence’ model against six key enablers and outcomes (including the statutory functions above) to demonstrate the delivery of corporate objectives. Once mapped, the effectiveness of each level of governance for each enabler/success factor is rated and an action plan developed.

The BAF’s current and future action plan continues to be monitored annually by the JAC, to provide reassurance that any material gaps and risks identified in respect of a failure to discharge statutory duties are being addressed. The action plan is also monitored on a quarterly basis at the Strategic Planning Group meetings.

A Single Point of Contact (SPOC) is also designated for both the OPCC’s and the Force’s actions, ensuring that the BAF is updated and that progress is made between meetings. The overarching BAF document is reviewed every four years (and will be reviewed following the May 2024 election of a new Commissioner), with such review enabling the identification of any new areas of risk. This review will be undertaken in 2024/25.

**Meeting Structure:** The meeting and reporting structures for both the Chief Constable and OPCC are aligned to the delivery of the Police and Crime Plan; meeting statutory duties; and improving the capacity and capability of the respective organisations, with and aim of addressing both performance and delivery issues.

The Chief Constable’s governance meeting structure has since been reviewed annually and the diagram below sets out the meeting structure introduced within the Force in 2023/24. The reference to the OPCC meetings (Green box) are only those OPCC chaired meetings which directly interact with the Force’s Governance arrangements.

The second diagram confirms the internal meeting structure of the OPCC, which was last reviewed in 2022.



**OPCC Internal Governance Structure**

**Executive Team Meeting**

**Informal**

**(Weekly)**

**Box Day Process
Formal**

**(As required)**

**Planning and Performance Meeting
Formal
(Monthly)**

**Strategic Management Board
Formal
(Quarterly)**

**Project Working Groups
Informal
(As required)**

**Away Days (Quarterly)
Informal**

**Managers Meeting
Informal
(Fortnightly)**

**Team Meetings
Informal
(Various)**

**NB: It must be noted that there are alternative arrangements/processes in place to cover the Strategy and Performance Board, Joint Audit Committee, Volunteers Schemes, Commissioning arrangements, Estates Strategy Board and Estates Implementation Groups.**

**Part two: Review of effectiveness and outcomes**

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

* Chief Officers and senior managers who have responsibility for the development and maintenance of the governance environment;
* the Board Assurance Framework;
* 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
* reports from other review inspectorates.

This Joint Annual Governance Statement [AGS] (and the work undertaken in its preparation) is itself a tool in the self-evaluation by the Commissioner and the Chief Constable of their governance arrangements. The AGS is submitted to the Joint Strategic Planning Group and Joint Audit Committee before being approved at the Commissioner’s SPB. Audit Wales also review the AGS and will report (by exception) if it does not comply with requirements.

***Effective Review of internal Governance Arrangements***

The preceding pages highlight the meeting structures of both the OPCC and Chief Constable. The following paragraphs confirm the most recent reviews of the effectiveness of the respective governance meeting arrangements.

**OPCC**

The Head of Assurance and Compliance within the OPCC is responsible for undertaking periodic reviews as to the effectiveness of OPCC governance. These reviews are two-fold, encompassing a review of the OPCC internal meeting governance arrangements as well as a review of how the Commissioner (and in part the OPCC) hold the Chief Constable account through meeting’s governance.

The last review concluded in 2022 and suggested improvements in accountability and transparency with regard to:

Internal OPCC

* Strategic Management Board;
* Planning and Performance Meeting; and
* Estate Strategy Board.

OPCC Holding to Account

* Commissioner and Chief Constable’s 1:1s; and
* OPCC Executive team meeting with Force Chief Officers.

To date, these changes have been embedded successfully with tangible improvements in accountability and transparency seen. Peer reviews of Governance arrangements within the OPCC are conducted periodically across both Welsh and English OPCCs. Gwent’s model consistently proves to be a robust and effective approach, with aspects adopted by other OPCCs.

Following the election of the new Commissioner in May 2024, a further review has been commissioned into the effectiveness on how the Commissioner (and OPCC in part) hold the Chief Constable to account in an open and transparent way. The findings and suggested improvements will be implemented in late 2024/25.

**Chief Constable**

The Governance and Assurance team are responsible for the processes that underpin the oversight of the Force, both internally and externally. They manage the structure, format, and functioning of the Force’s meetings and boards to ensure that the Force is able to scrutinise and discharge matters of risk, policy, and audit properly. They are also the Force’s main link to Her Majesty’s Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) and are responsible for ensuring the smooth discharge of the Inspectorate’s function in Gwent.

The Department also has a team of Police Sergeants who assist in internal reviews and reality testing to understand Force performance and drive forward improvements. Governance and Assurance are also responsible for managing the Force Strategic Risk register, coordinating Force policies and procedures as well as the Futures Team, who are responsible for horizon scanning and adaptation of the Force to meet emerging threats, risks, and trends.

Each of the governance meetings noted above has standing agenda items relating to actions, risk management, and matters for escalation. These are considered by Chief Officers within the Force governance framework and ultimately jointly with the OPCC. The governance structure itself is reviewed annually to ensure it remains fit for purpose.

In addition, the Force Management Statement produced annually summarises the future demand, capacity and capability, as well as the risks and issues that affect performance. This Statement also sets out the arrangements that monitor performance to provide the most effective and efficient service to the public, and the process to complete it adds a further layer of scrutiny to the effectiveness of Force process, procedures and arrangements.

***The roles of the various bodies are detailed below:***

**Joint Audit Committee (JAC)**

The jointly appointed independent audit committee provides assurance to enhance public trust and confidence in the governance of the Commissioner and the Chief Constable. The Financial Management Code of Practice states that such a body should consider the internal and external audit reports of both the Commissioner and the Chief Constable. The JAC also considers reports from HMICFRS; 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 Audit Committees Practical Guidance (as amended in 2022).

The JAC also provides comments, advice and assurance on matters relating to the internal control environment and has specific responsibility to provide independent assurance on the arrangements for governance.

The JAC has formal terms of reference (TORs), which are set out in the MOCG and these accord with the 2022 CIPFA Guidance for audit committees of local authorities and police. The TORs were subject to an annual review in 2023/24 (presented and agreed at the March 2024 JAC meeting). The independent JAC members assess the JAC annually against the Self-Assessment Checklist issued by CIPFA. The self-assessment exercise conducted at the end of the 2023/24 financial year highlighted the following key areas of improvement:

* There is an opportunity with the election of the new PCC to revisit the role and purpose of the JAC by the leadership of the Force and OPCC. There is a continued opportunity to promote the role more widely across both organisations;
* Monitoring progress of risk management assurance from reasonable to substantive;
* There could be more emphasis on VfM and efficiency and opportunities for some of this to be drawn out of future internal audit reviews in line with Public Sector Internal Audit Standards;
* As some audits orientated around controls which consistently demonstrated good controls in place, particularly finance, there was a suggestion to review the process of establishing the audit plan against the risk register; and
* As there is a high volume of short pieces of internal audit work it was suggested there may be more value in longer strategic pieces of audit work

These areas for improvement are monitored on a quarterly basis by JAC, with resolution of the actions robustly undertaken.

The JAC reports directly to the Commissioner and the Chief Constable who are both represented at all meetings of the JAC. Four quarterly committee meetings are held each year in addition to an exceptional meeting to consider the Statement of Accounts. There are also two All-Wales Training Days for JAC members – one to receive formal training input and one informal to discuss related matters amongst the four Welsh JACs. During 2023/24 however, only the formal training day took place in April 2023. Six meetings were held in 2023/24 (one being an additional meeting in November 2023 relating to the signature of the 2022/23 financial accounts). The JAC is composed of five independent members and there were no new members appointed in 2023/24.

The Chair of the Committee formally reports annually to the Commissioner and Chief Constable regarding the performance of JAC during the year, with an overview of the core work delivered during the year against JAC’s ToRs. The Annual Report also outlines the priorities for JAC for the forthcoming year and also provides a conclusion. The 2023/24 JAC Annual Report provided the following conclusion:

**2023/24 Overall Governance Assurance Statement by the Joint Audit Committee. The JAC Annual Report for 2023/24 confirmed that the JAC remains satisfied that the Commissioner and the Chief Constable can be assured that the control, risk and governance position for 2023/24 remained appropriate.**

**Independent Ethics Committee (IEC) and Internal Ethics Group (IEG):**

The Independent Ethics Committee (IEC) was jointly established by the Commissioner and the Chief Constable. It has a minimum of five independent members as well a representative of the OPCC, Force’s Chief Officer Team, police officers and police staff. The IEC provide advice, support and assistance concerning ethical challenges arising from operational, administrative or organisational matters facing Gwent Police.

The IEC aims to meet bi-monthly to discuss ethical dilemmas from across the organisation and feed back to the People and Culture Board. The IEC is led by the Superintendent Lead for Ethics.

During 2023/24, a total of 8 dilemmas were discussed over 4 meetings, all held online. The IEC covered a range of topics including, but not exclusive to, the use of specialist skills in business interest applications and the use of religious buildings for policing events.

In November 2021 the inaugural Internal Ethics Group (IEG) meeting took place, chaired by the Assistant Chief Constable. It was recognised that the IEC itself had limited ability to impact the extent to which the wider workforce complies with and adheres to the Code of Ethics. The internal group therefore aims to bridge this gap.

The additional focus on ethics through the IEG has further reinforced the discussions around ethics across the organisation and generated additional submissions to the IEC. A highlight report is submitted to the People and Culture Board following each meeting.

The IEG has sat on three occasions during 2023/24. The IEG has seen some positive indicators that the work of the IEG is having an impact, including the embedding of amended agenda templates for all force meetings and boards – prompting any ethical considerations to be flagged; changes to the National Decision Making (NDM) template in the Force’s Niche Records Management System to promote reference to the Code of Ethics in all decision making; and the roll out of Ethics Awareness Training to officers and staff.

Between February and June 2023, 600+ frontline officers received a half day training input on ethics. They were presented with ethical dilemmas on a variety of topics including overclaiming expenses and offensive content shared on WhatsApp groups.

**Internal audit**

The role and standards of Internal Audit are defined in the Public Sector Internal Audit Standards (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 auditors complete an annual programme of audits throughout the year. The plan is risk-based in compliance with the PSIAS and can be changed to cover emergent risks. The plan includes key financial systems with recommendations for improvement provided to the relevant managers and the JAC. 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 the Commissioner and Chief Constable.

The review of corporate governance and risk management arrangements (captured in the risk registers maintained by both the Commissioner and Chief Constable) periodically feature in the annual audit plan. Corporate governance and risk management issues also arise through other reviews. Internal Audit present their reports on the adequacy of controls in the systems to the JAC, setting out any areas of concern.

The incumbent internal audit service for the Commissioner and Chief Constable are TIAA, following their reappointment from 1st April 2019. In 2022, TIAA commissioned an External Quality Assessment (EQA) of its internal audit service. The independent EQA assessor was able to conclude that TIAA ‘generally conforms to the requirements of the Public Sector Internal Audit Standards and the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF).’ ‘Generally conforms’ is the highest rating that can be achieved using the IIA’s EQA assessment model. Ongoing quality assurance work was carried out throughout the year and we continue to comply with ISO 9001:2015 standards.

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

During 2023/24 TIAA carried out **twenty-one** reviews designed to ascertain the extent to which the internal controls in the system are adequate, to ensure that activities and procedures are operating to achieve the Commissioner and Chief Constable’s objectives. One planned review for 2023/24 was deferred into 2024/25. Additionally, two Follow-up reviews were undertaken to check progress against all Priority 1 and 2 recommendations. These reports were discussed at JAC. Further details of the internal audits undertaken in 2023/24 are set out in **Appendix 3** to this Statement.

For each audit an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided. Details of these are:

|  |  |  |
| --- | --- | --- |
| **Assurance Assessments** | **Number of Reviews** | **Previous Year** |
| **Substantial Assurance** | **12** | **12** |
| **Reasonable Assurance** | **7** | **1** |
| **Limited Assurance** | **2** | **1** |
| **No Assurance** | **0** | **0** |

**TIAA’s Annual Audit Opinion 2023/24:**

**I am satisfied that, for the areas reviewed during the year, the Police and Crime Commissioner for Gwent and the Chief Constable of Gwent Police have reasonable and effective risk management, control and governance processes in place.**

For the SRS, Torfaen County Borough Council also provided an annual opinion that they were satisfied that sufficient audit work had been undertaken to provide an overall opinion that the governance, risk management and control of the collaborative Shared Resource Services (SRS) is satisfactory.

The agreed audit plan contained 12 areas for review, generating 3 ‘substantial’ and 9 ‘full’ audit opinions.

|  |  |
| --- | --- |
| Active Directory | Substantial |
| Application Integration Service | Full |
| CCTV Control Centre | Full |
| Change Management | Full |
| EdTech | Full |
| Firewall | Full |
| Identity and Access Management  | Full |
| IT Governance  | Substantial |
| O365 | Full |
| HALO | Full |
| SolarWinds | Substantial |
| Telephony (VOIP) | Full |

These resulted in the identification of 18 findings (0 high, 15 medium, and 3 low).

**External Audit**

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

Audit Wales (AW), on behalf of the Auditor General for Wales, audit the financial statements of the Commissioner and Chief Constable, as well as the Group accounts and report (by exception) on the AGS if it does not comply with requirements. AW in their annual audit report also comment on the financial aspects of corporate governance. This includes the legality of financial transactions, financial standing, systems of internal financial control and the standards of financial conduct, fraud and corruption. Such external audit plans and reports, including the annual audit letter, are considered by JAC at appropriate times in its annual cycle of meetings.

Importantly, the AW meet collectively and also individually with the four Welsh Finance teams responsible for the production of financial statements (via Post-Project Learning (PPL) sessions) to drive improvement and consistency in the production of financial statements.

**Other Bodies**

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

**Her Majesty’s Inspectorate of Constabulary (HMICFRS)**

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

HMICFRS is independent of the Commissioner, the Chief Constable and the United Kingdom and Welsh Governments. Its remit is to assess the work of police forces in different areas of business, including neighbourhood policing, serious and organised crime, anti-social behaviour and tackling major threats such as terrorism. HMICFRS actively monitors the performance of the Force in relation to their plans for ensuring the sustainability of an efficient and effective police service. Reports are published on: <https://www.justiceinspectorates.gov.uk/hmicfrs/>. HMICFRS reports are sent to the Chief Constable and the Commissioner for consideration and appropriate action. The Commissioner has a duty in law to respond to any Inspectorate report (with any response forwarded to the Home Secretary and HMICFRS). Responses should include an update on any actions the Force is/is not taking in relation to any recommendations made within the report.

**INSPECTION WORK DURING 2023/24**

The PEEL Inspection on Gwent Police published in April 2023 contained the following graded judgements:

|  |  |  |  |
| --- | --- | --- | --- |
| **GOOD** | **ADEQUATE** | **REQUIRES IMPROVEMENT** | **INADEQUATE** |
| Preventing crime and anti-social behaviour | Engaging with and treating the public with fairness and respect | Investigating Crime | Responding to the public |
| Managing offenders and suspects | Tackling workforce corruption  | Protecting Vulnerable People |
| Strategic Planning, Organisational Management and Value for Money |
| Building, Supporting and Protecting the workforce  |

In 2023/24 Gwent Police’s performance improvement forum continued with a series of ‘fast change improvement plans’ to ensure an efficient and effective service to the public at their time of need. This work being primarily focussed on dealing with areas identified both internally and by HMICFRS in its PEEL inspection report.

**Police and Crime Panel**

The Police and Crime Panel is responsible for reviewing or scrutinising decisions or other action taken in the discharge of the Commissioner’s functions. The Panel does not scrutinise the performance of the Chief Constable and the Force directly (as that is the role of the Commissioner). The 2022 Guidance for Panels provided that ‘the scrutiny focus of the panel should be pitched at a strategic level and focused on outcomes, informed by details of performance throughout the previous year.’ The Panel is made up of twelve local Councillors, representing the local authorities in Gwent, along with two independent members. The responsibilities and powers of the panel include:

* Making reports/recommendations re actions and decisions of the PCC;
* Scrutinising the Police and Crime Plan;
* Summoning the PCC, 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;
* Hold confirmation hearings for the Commissioner’s senior staff (including the Deputy Commissioner, the Chief Executive and the CFO);
* Deal with lower-level complaints against the Commissioner.

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

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

***During 2023/24 there were 6 meetings and the work of the Panel included consideration of the following:***

The 2022/23 OPCC Annual Report;

Overview of PCC’s achievements;

Scrutiny of OPCC evidence for monitoring Force Performance;

Medium Term Financial Projections and the budget setting timetable;

Operational Context & Financial Strategy of the Chief Constable’s budget bid

Precept proposal 2024/25;

Progress on the Estates Strategy;

Treasury Management Strategy

Victims Support Review update

Presentation on the PCC’s Police Community Fund.

Confirmation of appointment of A/PCC on 12th January 2024 (special meeting)

**CONCLUSION AND OPINION**

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

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

The Commissioner and Chief Constable propose over the coming year to ensure governance arrangements within the Police and Crime Commissioner team and the Force continue to be reviewed with a view to ensuring continuing compliance with the provisions of updated legislation and guidance.

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Police and Crime Commissioner Chief Constable

……………………………………………… ……………………………………………..

Chief Finance Officer (Commissioner) Chief Finance Officer (CC)

……………………………………………

Chief Executive

**APPENDIX 1**

**Seven Core Principles of Good Governance**

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

An annual assessment of effectiveness is undertaken by both Chief Finance Officers considering a range of evidence: internal and externally published material, professional independent opinion, views of senior management, feedback from the Police and Crime panel and views of professional leads. A summary of the 2023/24 assessment is as follows:

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

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



There were no significant weaknesses identified for 2023/24 (as was the case for the previous year) and no further actions were identified. All actions previously identified are detailed in the table below:

|  |  |  |
| --- | --- | --- |
| **Category** | **Risk Area.Weakness** | **Actions to be delivered 2024/25 and Beyonb** |
| Risks and Performance: Data Breaches | During 2022/23, the OPCC experienced no data breaches.From January to December 2023, 31 incidents were reported in the Force. 18 were actual personal data breaches which did not meet the threshold for reporting to the Information Commissioner’s Office (ICO). 8 incidents were found not to be actual breaches and 4 were near misses. 1 personal data breach was self -reported to the ICO with no further action. From January 2024 to June 2024, 29 incidents have been reported to the Force. 1 personal data breach was self-reported to the Information Commissioner’s Office which resulted in no further action. 2 incidents were determined not to have resulted in an actual data breach and 4 were near misses. 2 were third party breaches involving GWP data and 17 were determined to have resulted in an actual personal data breach which did not meet the threshold for reporting to the ICO. At present 4 are being assessed.  | Officers and staff will continue to be reminded of the importance of security of data and the wider requirements and implications of the Data Protection Act18 and UK General Data Protection Regulation (UKGDPR). There are mandatory National Centre for Applied Learning Technologies (NCALT) packages, the completion of which is monitored and promoted through the Information Assurance Board, including Management of Police Information and Data Protection Foundation (including assessment).Details of breaches, impact, mitigation and outcome are recorded and kept by the Record Review Officer (OPCC) and Data Protection Officer (Force) in line with Management of Police Information (MOPI) and Data Protection legislation.Appropriate advice and recommendations are given to individuals or departments where applicable and escalated to the Information Assurance Board and Professional Standards Department if necessary. The Data Incident report is monitored through the Information Assurance Board that details all data incidents reported to the Information Governance department per quarter.A data incident is recorded when reported in force and prior to investigation as to whether an actual personal data breach has occurred and an assessment of the severity of that breach. |

Key Governance Principles

* A new Code of Ethics was introduced in 2024 with a Code of Practice for Ethical Policing in December 2023. These revised documents outline the professional behaviours required of officers, staff and volunteers in policing.
* The Code of Ethics and Code of Practice is embedded through the work of the Ethics Committee
* Training on ethical behaviour and integrity has been provided, as have arrangements to ensure that staff understand and adhere to the Code of Ethics. *During 2024 guidance was issued to all officers and staff in relation to their conduct during the elections process. Between February and June 2023 – over 600 officers received a ½ day training input on ethics.*
* Staff awareness of ethical issues is also monitored and assessed by the use of internal surveys.
* 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.
* *Within the most recent PEEL inspection, HMICFRS found evidence that “The force leadership promotes positive ethical and professional standards, and its wellbeing support is comprehensive”.*
* The force utilises a variety of media channels to raise awareness of integrity issues for staff.
* The central register of gifts and hospitality is well used and includes details of offers made to staff that are declined.
* The Force’s business interest policy has been reviewed and is clear with requests being well documented.
* It is ensured that related parties’ disclosure is made in the Statement of Accounts.
* There are confidential mechanisms and a clear policy to support staff reporting wrongdoing with officers and staff encouraged to be ‘upstanders’.
* The Force’s Leadership Framework is now well established with the Introduction to Management Course, First Line Leaders Programme and follow up modules now available. The Mid-Line Leaders Programme was introduced in 2023/24 (with Gwent Police using College of Policing products for senior leaders).

**For 2024/25:**

* The new Police (Conduct) (Amendment) Regulations come into force on 7th May 2024 (with consultation on tranche 2 due to take place nationally in the summer of 2024).
* These legislative changes necessitate changes in internal force policies and practices as well as engagement with external stakeholders (the primary amendment being the composition of misconduct panels - giving responsibility for chairing proceedings for non-senior officers to chief officers (removing Legally Qualified Chairs) and the appointed of Legally Qualified Advisors).

Behaving with Integrity, demonstrating strong commitment to ethical values and respecting the rule of law

* The force and OPCC websites are updated to provide access to strategic information including key corporate documents.
* Public consultation is undertaken on the Police and Crime Plan and Medium-Term Financial Plan
* Widespread use is made of social media and of the ‘Gwent Community Link’ (a police messaging system launched in September 2023).
* In compliance with the Elected Local Policing Bodies (Specified Information) Orders (and guidance provided by the Information Commissioner) information has been made publicly 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).
* Survey work undertaken in 2023/24 included consultation in relation to the precept in which the Commissioner sought views both on the proposed level of increase and how this should be spent.
* Neighbourhood ward managers and community support officers remain an important visible frontline presence in local communities.
* The HMICFRS PEEL (police effectiveness, efficiency, and legitimacy) assessments provide assurance on how the force has performed in several important areas.
* HMICFRS recommendations are designed to improve service delivery.
* The results published in 2023/24 are detailed in this Statement.
* Regular meetings are held with the Leaders and Chief Executives of the force’s local authorities as well as frequent meetings with other key partners, including the Welsh Government.
* Two key commitments in the Police and Crime Plan are to keep neighbourhoods safe and to increase community confidence in policing. Bespoke engagement plans are in place for each local authority area and local teams will help facilitate this work.
* Dedicated Design Out Crime Officers (DOCOs) provide a dual role, offering tactical advice on security as well as providing expertise in Secure by Design standards, influencing a variety of partners such as local authority planning departments, social landlords and developers. This in turn results in well-designed communities that deter and reduce crime.
* The Police and Crime Commissioner provides a Positive Impact Fund which is available for officers to fund proactive community-based initiatives that support localised problem-solving and help build community confidence and trust.

Determining the interventions necessary to optimise the achievement on intended outcomes.

Ensuring openness and comprehensive stakeholder engagement

Defining outcomes in terms of the sustainable economic, social, and environmental benefits

* Both the Commissioning Framework and Procurement Strategy consider the wider social elements and provide commitment to social value.
* Gwent Police has signed up to the Welsh Government Code of Practice on ethical supply chains. Social Value is now built into the Commissioning Framework and Tender evaluation scoring. The force and OPCC published a refreshed Modern Slavery Statement in 2023/24.
* The Police and Crime Plan 2021/25 has as one of its five priorities: ‘Drive sustainable policing to ensure a more environmentally friendly and efficient police service fit for the 21st Century’.
* Sustainability will remain a key strand of work re fleet management which has seen an increase in electric vehicles and charging facilities and the development of new facilities with minimal environmental impact. Gwent Police continues to contribute to the commitments in the UK Climate Change Act 2008, the Well-being of Future Generations (Wales) Act 2015 and the 2022 WG Net Zero Plan.

Gwent Police recognise the need to build a more focused organisational approach to reducing environmental impacts.

Short/medium term plans include a Sustainability Strategy that seeks to achieve key targets by 2030 (including solar panels at five sites and electric charging points at police stations to meet the expansion of the electric vehicles).

The new Abergavenny Police Station is carbon neutral.

The Force has adopted a ‘Greener Gwent’ agenda to drive forward environmentally friendly approaches that also deliver cost savings (including the achievement of the target to send zero waste to landfill, solar energy approach and use of electric vehicles for pool cars).

* The Commissioner and Chief Constable will continue to be part of the strategic attendance at Public Services Boards and will work with Regional Partnership Boards on the development and delivery of sustainable public services that make our communities safer and improve our well-being.
* **2024/25** will see the force further roll-out the national ‘Right Care Right Person’ approach aimed at ensuring that the public are directed to the public body most suitable to meeting their needs, and Gwent Police continues to work with public sector partners in relation to the same.
* The Force Management Statement contains an assessment of demand and the resources/capacity required to meet the same.
* Roles of leadership and management have clearly defined responsibilities, with the College of Policing publishing national Authorised Professional Practices by way of reference.
* The Commissioner and Chief Constable have shown leadership in developing partnership working at both a local and All-Wales level and this is expected to develop significantly in 2024/25.
* In terms of capacity, the Uplift programme provided funding to increase the Gwent establishment.
* A new leadership development programme is now in place for frontline supervisors – officers and staff. The programme covers topics such as performance management, decision making and the supervisor’s role in the use of key IT systems.

**For 2024/25**:

* PERFORM enables the setting of corporate, team and personal targets and the identification of training opportunities. During 2024/25 the force will further embed the PERFORM system to ensure the professional development of staff, supporting the HMICFRS recommendations in terms of using such process effectively to identify leadership potential.
* During 2024/25 the force will embed the new safety training for officers (PPST – public and personal safety training programme – which forces are to deliver by April 2024).
* The ‘Talent manager’ will continue to work with the People Services team to ensure Gwent Police have the necessary data to inform the Strategic Workforce Planning meeting. This individual is also responsible for PERFORM use and compliance across the service (over 85% at the end of March 2023).

Developing the entity’s capacity including the capability of the leadership and the individuals within it

Part of the approach to risk management involves the purchasing of insurance cover to protect assets and liabilities where it is either required or cost effective to do so.

The organisation is proactive in self-insuring some elements of the overall insurance package.

A new joint insurance tender exercise was undertaken in 2023/24 with the new policies taking effect on 1st April 2024. The provisions of the same will be kept under review in 2024/25.

* Risk is a standing agenda item on strategic meetings within the Force and all decision-making meetings of the Commissioner. The risk management framework adopted establishes how risk is embedded throughout the various elements of corporate governance of the corporation(s) sole.
* Chief Officers and members of the Commissioner’s Executive Group continue to own and manage the issues relevant to their remit and ensure that risks are formally captured and reviewed.
* 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.

Managing risk and performance through robust internal control and strong public financial management

* The Commissioner provides the Police and Crime Panel with any information which it may reasonably require (in compliance with section 13 of the 2011 Act), and seeks to keep them informed of significant developments.
* The Commissioner produces an annual report in accordance with section 12 of the Police Reform and Social Responsibility Act 2011.
* Whilst the Panel do not scrutinise the performance of the Chief Constable or those responsible to him as this is the responsibility of the Commissioner, both the Commissioner and the Chief Constable seek to ensure that Panel Members are well informed on operational issues.
* The force and OPCC have fraud and counter corruption policies and mechanisms in place with arrangements being monitored throughout the year. Internal audit also provides independent objective scrutiny providing assurance on the controls in place to prevent error, fraud, or corruption.
* The Chief Constable and Commissioner provide adequate resources and open access to information required by the auditors.
* The Joint Audit Committee is a key component of the force’s corporate governance providing assurance on the adequacy of internal controls, risk management and financial arrangements throughout 2023/24.
* Any business interests are disclosed and maintained in a Register (which is accessible to the public).
* Chief Officer pay, expenses and hospitality are posted on the force’s website.

Implementing good practices in transparency, reporting and audit to deliver effective accountability.

A Register is maintained of the Police and Crime Commissioner’s disclosable interests in accordance with Schedule 1, Paragraph 1(e) of the Elected Local Policing Bodies (Specified Information) Order 2011 (as amended).

The emerging issues identified as impacting within the next four years include:

* Financial vulnerability of officers and staff (increasing potential corruption risk).
* Inappropriate social media usage.
* Skills, knowledge, and experience of resources on frontline policing: the impact of the Police Uplift Programme (PUP) and the maintenance of current police establishment numbers will continue to place significant demand on the Vetting Unit
* A new ‘engagement prevent’ officer role will develop capability for early intervention strategies re counter corruption and police misconduct. This individual will give briefings to management, Learning and Development, HR as well as partner and third sector agencies.

**APPENDIX 2: CIPFA FM CODE. ANNUAL ASSESSMENT/ACTION PLANS:**

The expectation of the CIPFA Financial Management Code (FM Code) is that relevant public bodies will have to comply with all the financial management standards if they are to demonstrate compliance with the FM Code. It is important to note however, that whilst compliance with the CIPFA financial management standards is obligatory, the FM Code is not prescriptive about how this is achieved. CIPFA recognises that policing has in some respects different practices to other public bodies such as local authorities.

The six principles of the FM Code are: Organisational Leadership, Accountability, Transparency, Professional Standards, Assurance and Long-Term Sustainability (and these are translated into 17 financial management standards across seven sections of the FM Code – see below).

The Gwent Police’s 2023/24 assessment against the FM Code’s financial management standards (and any actions identified) is detailed in this Appendix 2 below. Please note that throughout the assessment ‘Force’ is used to represent both Corporate Soles for ease of reference.

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| **Assurance Definitions** |
| **Substantial** | **All areas reviewed of the organisation’s financial management arrangements were found to comply with the FM Code.** |
| **Reasonable** | **Most areas reviewed of the organisation’s financial management arrangements were found to comply with the FM Code.** |
| **Partial** | **Most areas reviewed of the organisation’s financial management arrangements were found not to comply with the FM Code.** |
| **None** | **All areas reviewed of the organisation’s financial management arrangements were found not to comply with the FM Code.** |

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|  | **Question** | **Answer** | **Assurance** | **Areas for improvement** |
| **Section 1 - The Responsibilities of the Chief Finance Officer and Leadership Team** |
| **A** | **The leadership team is able to demonstrate that the services provided by the Force provide value for money** |
| 1 | Does the Force have a clear and consistent understanding of what value for money means to it and to its leadership team? | There is clear reference to VFM in the Medium-Term Financial Plan (MTFP), the Chief Constable’s Delivery Plan and the Procurement Strategy. Audit Wales consider annually the arrangements for securing economy, efficiency and effectiveness to underpin their value for money conclusion. | Substantial |   |
| 2 | Does the Force have suitable mechanisms in place to promote value for money at a corporate level and at the level of individual services? | VFM is embedded in all procurement documentation and all procurement staff understand the need to demonstrate VFM through tenders and contracts. A corporate framework of management procedures and rules for securing value for money is incorporated in the PCC/Force ‘Joint Corporate Governance Framework’ and ‘Financial Regulations’. The Chief Constable chairs a monthly Formal COT meeting where issues from the Force governance meetings are escalated. The Commissioner also chairs a quarterly Strategy and Performance Board which considers organisational and financial performance at each meeting.  | Substantial |  |
| 3 | Is the Force able to demonstrate the action that it has taken to promote value for money and what it has achieved? | The approach to savings and change adopted by the Force is evidenced by the savings delivery record in place since 2010. The on-going need to make savings will remain and the Force is well placed to deliver these albeit that it is important that the Force maintains its focus on efficiency and productivity. The Medium-Term Financial Strategy sets out Gwent Police’s comparative performance with its most similar family of forces and exemplifies the relative Value for Money through crime prevention and experience.Procurement savings are reported to Blue Light Commercial on a quarterly basis.Contract management is undertaken by service stakeholders, with strategic oversight from the Procurement department. | Substantial |  |
| **B** | **The Force complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government as applicable to Policing** |
| 1 | Is the CFO a key member of the leadership team, involved in, and able to bring influence to bear on, all material business decisions? | Both CFOs (Force and PCC) are members of their respective leadership teams and report directly to the Chief Constable and Commissioner respectively. This is consistent with CIPFA’s (revised 2021) document ‘The Role of the CFO in Policing.’ | Substantial |  |
| 2 | Does the CFO lead and champion the promotion and delivery of good financial management across the Force? | Yes, both CFOs champion and lead the promotion and delivery of good financial management in the Force and PCC. | Substantial |  |
| 3 | Is the CFO suitably qualified and experienced? | Yes, both CFOs are suitably qualified and experienced. | Substantial |  |
| 4 | Is the finance team suitably resourced and fit for purpose? | Yes. Ideally more resources would be beneficial, but the Force finance team is properly resourced in terms of capacity and capability, and the annual internal and external audit opinions over many years demonstrate that the finance team performs to a high standard. | Substantial |  |
| **Section 2 - Governance and Financial Management Style** |
| **C** | **The leadership team demonstrates in its actions and behavior responsibility for governance and internal control** |
| 1 | Does the leadership team espouse the Nolan principles? | The Manual of Corporate Governance explicitly sets out the commitment of the leadership teams for both the Commissioner and the Chief Constable to abide by the seven principles set out in the Standards of Public Life (known as the Nolan Principles) as later extended by the Code of Ethics. Yes, the code of ethics is a key feature for all police officers and staff and is promoted during induction training and courses. Regular online training is also provided and followed up to ensure compliance. The Commissioner and Chief Constable have established a joint Ethics Committee and are represented on both.All Force policies and procedures embed the key principles from the Code of Ethics. | Substantial |  |
| 2 | Does the Force have in place a clear framework for governance and internal control?] | Yes, the PCC and Chief Constable review and update their joint Manual of Corporate Governance on a regular basis. The most recent review took place in 2022. The Annual Governance Statement clearly documents the arrangements, and these are evidenced as part of this process of review. | Substantial |  |
| 3 | Has the leadership put in place effective arrangements for assurance, internal audit and internal accountability? | The Joint Audit Committee (JAC) considers both the annual internal audit plan and all internal audit reports and management actions. The shaping of the internal audit plan also seeks to give assurance of key internal controls. Internal Audit also provides reports to each JAC as well as providing an annual audit opinion (as set out in this Annual Governance Statement). Good behaviour and accountability are discussed during all staff and officer perform reviews annually (performance development process)There is a whistleblowing policy which is managed, and reports of any breaches investigated by the Professional Standards Department (PSD)The PCC and Chief Constable have jointly procured through an open tender process and externally provided internal audit service that reports to both CFOs. This Internal Audit service attends and provides regular reports to each meeting of the JAC.There is a Force policy on gifts and hospitality, which is managed and promoted by PSD, and which also applies to the Commissioner’s Team. | Substantial |  |
| 4 | Does the leadership team espouse high standards of governance and internal control? | Please see the response to C2 above. Much work has been undertaken over recent years to fundamentally review and strengthen the joint governance arrangements (as evidenced in this AGS for 2023/24) and such arrangements continue to evolve to ensure that they are fit for purpose and meet organisational needs. The Manual of Corporate Governance sets out clear responsibilities for decision making.All key PCC decisions of significant public interest are published on his website including full supporting documentation. Code of Conduct & business interests – see C1 and C3 above. | Substantial |  |
| 5 | Does the leadership team nurture a culture of effective governance and robust internal control across the Force? | The Manual of Corporate Governance includes Financial Regulations. These are regularly reviewed and updated.  | Substantial |  |
| **D** | **The Force applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)** |
| 1 | Has the Force sought to apply the principles, behaviour and actions set out in the Framework to its own governance arrangements? | Yes, as evidenced through the Annual Governance Statement. | Substantial |  |
| 2 | Does the Force have in place a suitable local code of governance? | Yes, the PCC and Chief Constable publish a joint Manual of Corporate Governance, which includes sets out local governance arrangements, including a scheme of consent and delegation, financial regulations, principles of relationship and standing orders relating to contracts. This is updated regularly and reviewed by JAC. | Substantial |  |
| 3 | Does the Force have a robust assurance process to support its AGS? | The AGS is prepared in conjunction with both CFOs, the Head of Finance, the Commissioner’s CEO and relevant stakeholders. A draft version of the AGS is provided to Audit Wales and presented to JAC before publication for comments. | Substantial |  |
| **E** | **The Financial Management Style of the Force supports financial sustainability** |
| 1 | Does the Force have in place an effective framework of financial accountability? | Yes, through the Manual of Corporate Governance, including Financial Regulations and contract regulations.  | Substantial |  |
| 2 | Is the Force committed to continuous improvement in terms of the economy, efficiency, effectiveness and equity of its services? | The Force maintains a record of specific efficiency and effectiveness reviews and has a Productivity and Efficiency Meeting to capture efficiencies and benefits. Please see the previous responses in Section A above. | Substantial |  |
| 3 | Does the Force finance team have appropriate input into the development of strategic and operational plans? | The Chief Constable’s CFO is a member of the Chief Officer Team and integral to the development of all strategic plans. Finance Business Partners are engaged at an operational level. The Commissioner’s CFO is a member of the PCC’s senior Executive Team and sits on a number of strategic boards to provide appropriate input, challenge and scrutiny.Senior finance representatives sit on all key decision making and informative boards.  | Substantial |  |
| 4 | Do managers across the Force possess sufficient financial literacy to deliver services cost effectively and to be held accountable for doing so? | The Corporate Finance Department has specific finance business partners for each area of business, which strengthens the link between business and finance.The Business Partnering approach continues to be developed with presentations to SMT on medium term finances and the new business planning cycle as well as participation on the Productivity and Efficiency Meeting. | Substantial |  |
| 5 | Has the Force sought an external view on its financial style, for example through a process of peer review? | The Force continues to subscribe to the CIPFA Achieving Financial Excellence in Policing programme which includes a peer review of Financial Management. | Substantial |  |
| 6 | Do individuals with governance and financial management responsibilities have suitable delegated powers and appropriate skills and training to fulfil these responsibilities?  | Yes, as set out in the Manual of Corporate Governance including the Financial Regulations therein.  | Substantial |  |
| **Section 3 - Long to Medium Term Financial Management** |
| **F** | **The Force has carried out a credible and transparent Financial Resilience Assessment** |
| 1 | Has the Force undertaken a Financial Resilience Assessment? | The Medium-Term Financial Strategy is a comprehensive assessment of the financial resilience and the resource requirements, it has proven its worth by informing funding and savings decisions, it is underpinned by the Force Management Statement, the Estate strategy, 5-year procurement and fleet strategies as well a digital services and ICT strategy. The forward projections are based on sound evidence and professional judgement on the national economic assessment. There is firm commitment to the prudential code and an effective Reserve Strategy. The Chief Financial Officers are adequately represented on National Forums to better anticipate demand and resource implications. | Reasonable | The National Police Chiefs’ Council (NPCC) along with Association of Police and Crime Commissioners (APCC) have jointly sponsored a financial survey of forces, in order to understand the financial resilience across forces and for UK policing as a whole. In addition, CIPFA has also developed a financial resilience dashboard. These two sources of information, whilst complementary and highly refined, are still relatively early in their utilisation and understanding by forces. As both sources become embedded and developed, a more refined picture of individual and holistic financial resilience will emerge.  |
| 2 | Has the Assessment tested the resilience of the Force’s financial plans to a broad range of alternative scenarios? | As above. | Substantial |  |
| 3 | Has the Force taken appropriate action to address any risks identified as part of the assessment  | As above. | Substantial |  |
| **G** | **The Force understands its prospects for financial sustainability in the longer term and has reported this clearly to Members** |
| 1 | Does the Force have a sufficiently robust understanding of the risks to its financial sustainability? | The key risks are highlighted in the MTFP and annual budget and there are risk registers maintained by the Force to manage organisational and strategic risk. | Substantial |  |
| 2 | Does the Force have a strategic plan and long-term financial strategy that address adequately these risks? | Yes, the MTFP is reviewed and updated annually. This also links to the annual work undertaken in terms of the Force Management Statement. We also publish a separate report on reserves, balances and provisions. | Substantial |  |
| 3 | Has the Force sought to understand the impact on its future financial sustainability of the strategic, operational and financial challenges that it might face (e.g., using a technique such as scenario planning)? | Scenario planning is used internally to formulate the medium-term financial plans.Published budget reports include a risk assessment which highlights the financial risk to key budget assumptions e.g., changes in future pay awards, precept levels etc.The risk assessment priorities detailed in the Force Management Statement are reflected within the MTFP. The MTFP fully documents the key budgetary assumptions in terms of future pay awards, inflationary increases, changes in grant funding and potential precept levels etc.  | Substantial |  |
| 4 | Has the Force reported effectively to the leadership team and to members its prospects for long-term financial sustainability, the associated risks and the impact of these for short- and medium-term decision making? | Regular reports to the respective Leadership Teams, the Commissioner’s Strategy and Performance Board and the Police & Crime Panel during the budget preparation process highlight the various risks and possible scenarios. During the year revenue and capital monitoring reports are prepared and exception items reported upwards to the Commissioner’s Strategy and Performance Board, highlighting changes in significant risks and issues, and suggesting appropriate action. There is regular discussion of financial considerations and risks at key strategic and executive boards, and these are reported and escalated accordingly.  | Substantial |  |
| **H** | **The Force complies with the CIPFA Prudential Code for Capital Finance in Local Authorities** |
| 1 | Has the Force prepared a suitable capital strategy? | The current Capital Strategy until 2026/27 was endorsed by JAC and approved by the Commissioner in March 2022. The respective Capital Programme for 2024/25 was approved as part of the Budget and Precept deliberations by the Police & Crime Panel on 26th January 2024. | Substantial |  |
| 2 | Has the Force set prudential indicators in line with the Prudential Code? | Yes, these are included in the Annual Treasury Management Strategy Statement and Capital Strategy; both of which have been endorsed by JAC and approved by the Commissioner for 2024/25. | Substantial |  |
| 3 | Does the Force have in place suitable mechanisms for monitoring its performance against the prudential indicators that it has set? | Yes, these are monitored by the by the Joint Audit Committee and approved by the Commissioner twice a year. | Substantial |  |
| **I** | **The Force has a rolling multi-year Medium Term Financial Plan consistent with sustainable service plans** |
| 1 | Does the Force have in place an agreed medium-term financial plan? | Yes, we published our MTFP in February 2024 and this covers the period 2024/25 to 2028/29, alongside the annual revenue budget for 2024/25. | Substantial |  |
| 2 | Is the medium-term financial plan consistent with and integrated into relevant service plans and its capital strategy? | Yes. Considerable work is undertaken to align the MTFP to such plans.  | Substantial |  |
| 3 | Has the medium-term financial plan been prepared on the basis of a robust assessment of relevant drivers of cost and demand? | The MTFP has been prepared to reflect the current review of demand undertaken by the Force alongside the prioritised risks identified as part of the FMS. The MTFP includes both capital and revenue implications of transformation and technological programmes and projects together with a range of local, regional and national initiatives. COT and the Commissioner’s Strategy and Performance Management Board (as appropriate) also consider information on current and future operational demand pressures (as currently known) including the implications for new technology and equipment. The Force also considers relevant NPCC guidance and best practice e.g., stop & search, body worn video.Across the Chief Constable’s Leadership Team, members are engaged in national forums which enables the potential financial implications of new national systems and changes to national guidelines and procedures to be identified early. | Substantial |  |
| 4 | Has the medium-term financial plan been tested for resilience against realistic potential variations in key drivers of cost and demand? | Yes, changing contractual and service delivery requirements are all factored into the MTFP as are inflationary assumptions. | Substantial |  |
| 5 | Does the Force have in place a suitable asset management plan that seeks to ensure that its property, plant and equipment including infrastructure assets contribute effectively to the delivery of services and to the achievement of the Force’s strategic aims? | Yes, the Asset Management Strategy is reviewed regularly and updated accordingly.  | Substantial |  |
| **Section 4 - The Annual Budget** |
| **J** | **The Force complies with its statutory obligations in respect of the budget setting process** |
| 1 | Is the Force aware of its statutory obligations in respect of the budget-setting process? | Yes, the budget setting process is well embedded in the governance of the Force with formal budget reports presented to the Chief Constable’s COT meeting, the Commissioner’s Executive Team and Commissioner’s Strategy and Performance Board, Joint Audit Committee and then to the Police and Crime Panel. | Substantial |  |
| 2 | Has the Force set a balanced budget for the current year? | Yes, as endorsed by the Police and Crime Panel and approved by the Commissioner. | Substantial |  |
| 3 | Is the Force aware of the circumstances under which it should issue a Section 114 notice and how it would go about doing so? | Yes, both CFOs are fully aware of the s114 requirements. | Substantial |  |
| **K** | **The budget report includes a statement by the Chief Finance Officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves** |
| 1 | Does the Force’s most recent budget report include a statement by the CFO on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves? | Yes.  | Substantial |  |
| 2 | Does this report accurately identify and consider the most significant estimates used to prepare the budget, the potential for these estimates being incorrect and the impact should this be the case? | Given that pay related costs accounts for 75% of the net budget, pay award assumptions, inflations assumptions and grant income are the most significant elements of variability within the budget. The zero-based budgeting processes and year-on-year refinement on variances ensures effective budget assumptions. The grant and precept income assumptions are necessarily cautious and assumptions on pay, and prices are benchmarked nationally. This has ensured a highly accurate budget to actual out-turn year on year. | Substantial |  |
| 3 | Does the Force have sufficient reserves to ensure its financial sustainability for the foreseeable future? | Yes, a separate report on the Reserves Strategy, including balances and provisions is produced to accompany the annual MTFP. | Substantial |  |
| 4 | Does the report set out the current level of the Force’s reserves, whether these are sufficient to ensure the Force’s ongoing financial sustainability and the action that the Force is to take to address any shortfall? | Yes, the report provides a forecast for the next 5 years which is fully compatible with the MTFP. | Substantial |  |
| **Section 5 - Stakeholder Engagement and Business Plans** |
| **L** | **The Force has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium term financial plan and annual budget** |
| 1 | How has the Force sought to engage with key stakeholders in developing its long-term financial strategy, its medium-term financial plan and its annual budget? | The PCC undertakes public consultation on the proposed council tax precept increase as and when required. The PCC’s annual budget and precept proposals are subject to scrutiny by the independent Police and Crime Panel, on behalf of the public, the Councillor members of which represent all local authorities across the Gwent area. | Substantial |  |
| 2 | How effective has this engagement been? | In recent years the PCC has consulted the public regarding the proposed increase in council tax precept, amongst a number of other issues including the Estate Strategy. The Police and Crime Panel has approved the PCCs proposed increase in council tax precept on the vast majority of occasions since the inception of Police and Crime Commissioners.  | Substantial |  |
| 3 | What action does the Force plan to take to improve its engagement with key stakeholders? | Both the Commissioner and the Chief Constable actively undertake a range of engagement activities both separately and collectively. Social media platforms are actively used to extend engagement opportunities. There are comprehensive structures of partnership/ collaboration/ national meetings with an array of key stakeholders at the same.  | Substantial |  |
| **M** | **The Force uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions** |
| 1 | Does the Force have a documented option appraisal methodology that is consistent with the guidance set out in IFAC/PAIB publication ‘Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal’?  | Arrangements for assessing significant programmes are well developed with projects being managed using Prince2, UK Government Green Book and other relevant guidance and processes. Large Change Programmes are supported by a documented assessment of impact, with regular reporting during the project and post implementation reviews reporting to governance boards, including Chief Constable’ COT and the Commissioner’s Strategy and Performance Board (as appropriate). Business Cases are scrutinised by the Productivity and Efficiency Meeting/Service Improvement Board (SIB) and compared against other business cases prior to approval, so that only those making the best use of scarce resources are approved for inclusion in the annual budget.The Benefits approach is outlined in Project Initiation Documents and this follows through to the development of benefits strategy templates which are included in Business Cases. At this stage, benefits are baselined then during implementation data is captured on benefits performance, which leads to the Post Implementation Review process. The Benefits Officer keeps a central repository of programme benefits. The Head of Change Management also supports the Finance Department in the identification and progression of financial benefits, which are recorded within the Force’s savings tracker.The degree of option appraisal undertaken reflects the level of investment required and the identified risks with the proposal/project. The level of option appraisal used for Estate and ICT schemes are different and reflect the number of realistic options available.Most significant technology schemes are led nationally either by the Policing Service or Home Office, and the Force is not directly involved in the development and implementation of those schemes e.g., Emergency Services Network, National Monitoring Centre, etc. | Substantial |  |
| 2 | Does the Force offer guidance to officers as to when an option appraisal should be undertaken? | Relevant staff within Service Improvement, Finance, Procurement, ICT and Estate understand the need to produce an appropriate level of option appraisal to support new growth bids.All new bids include some consideration of options. | Substantial |  |
| 3 | Does the Force’s approach to option appraisal include appropriate techniques for the qualitative and quantitative assessment of options? | Where appropriate, qualitative and quantitative measures are included. | Substantial |  |
| 4 | Does the Force’s approach to option appraisal include suitable mechanisms to address risk and uncertainty? | Risks are considered and there are more formal mechanisms in some cases i.e., depending on the value of the investment required and the associated risk e.g., selection of a new supplier and operational delivery for technology infrastructure.  | Substantial |  |
| 5 | Does the Force report the results of option appraisals in a clear, robust and informative manner that gives clear recommendations and outlines the risk associated with any preferred option(s)? | Yes, when relevant e.g., selection of new mobile phones - the options are presented as part of the assessment process. | Substantial |  |
| **Section 6 -Monitoring Financial Performance** |
| **N** | **The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability** |
| 1 | Does the Force provide the leadership team with an appropriate suite of reports that allows it to identify and to correct emerging risks to its budget strategy and financial sustainability? | There is regular reporting that contains financial information and narrative on both revenue and capital as well as emerging risks and issues. These are considered widely within the governance structure e.g., Chief Constable’s COT meetings are provided with financial reports which highlight emerging risk and issues, and these are acted upon as necessary. Financial reports are also provided to individual budget holders who also have regular engagement with their Finance Business partners. | Substantial | Changes to the Force operating model mean the wider reporting requirements of senior officers and staff on performance, people, and finance are being adapted across the Force. Specifically, in relation to finance, work continues to develop internal Force reporting on finance and overtime figures, including the Qlikview platform for accessing the data. Finance reports on the in-year financial position to governance boards and chief officers remain fit for purpose however. |
| 2 | Do the reports cover both forward- and backward-looking information in respect of financial and operational performance? | Yes. | Substantial |  |
| 3 | Are there mechanisms in place to report the performance of the Force’s significant delivery partnerships such as contract monitoring data? | The CFO (PCC) as portfolio lead for Commissioned Services, ensures robust contract and grant management is undertaken through receiving regular performance reports from partners confirming pre-approved financial and non-financial metrics.The CFO(CC) financial report to Chief Officers includes any emerging issues with contracts or delivery of services from outsourced partners and these issues are escalated to COT and to the Commissioner’s Strategy and Performance Board as appropriate.  | Substantial |  |
| 4 | Are the reports provided to the leadership team in a timely manner and in a suitable format? | Yes, produced monthly and acted upon. | Substantial |  |
| 5 | Is the leadership team happy with the reports that it receives and with its ability to use these reports to take appropriate action? | Yes. | Substantial |  |
| **O** | **The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability** |
| 1 | Has the Force identified the elements of its balance sheet that are most critical to its financial sustainability? | Yes, trade debtors and creditors are monitored closely by Finance.Cashflow, short and long-term borrowing, investments and the use of reserves and balances are monitored by the CFOs, JAC and COT. These are reported to the Commissioner’s Strategy and Performance Board as part of periodic updates on TM activity. Furthermore, the Police and Crime Panel receive Treasury Management reports and the Reserves and Committed Funds Strategy for information. | Substantial |  |
| 2 | Has the Force put in place suitable mechanisms to monitor the risk associated with these critical elements of its balance sheet? | Yes. Regular reviews are carried out by the Finance Department along with the CFOs. | Substantial |  |
| 3 | Is the Force taking action to mitigate any risks identified? | Yes, as risks are identified action is taken e.g., supplier information including credit checks is undertaken regularly. | Substantial |  |
| 4 | Does the Force report unplanned use of its reserves to the leadership team in a timely manner? | Revenue and capital monitoring reports are reported through the governance structure and to the Commissioner’s Strategy and Performance Board. Any variation to the planned use of reserves is reported, with a formal recommendation to the Commissioner’s Strategy and Performance Board should additional monies be required to fund unplanned overspends. | Substantial |  |
| 5 | Is the monitoring of balance sheet risks integrated into the Force’s management accounts reporting processes? | Yes, and reported through the governance structure.  | Substantial |  |
| **Section 7 - External Financial Reporting** |
| **P** | **The Chief Finance Officer has personal responsibility for ensuring that the statutory accounts provided to the local Force comply with the Code of Practice on Local Force Accounting in the United Kingdom** |
| 1 | Is the Force’s CFO aware of their responsibilities in terms of the preparation of the annual financial statements? | Yes, both CFOs are fully aware of their responsibilities. | Substantial |  |
| 2 | Are these responsibilities included in the CFO’s role description, personal objectives, and other relevant performance management mechanisms? | They are included in both CFO job descriptions/role profiles.  | Substantial |  |
| 3 | Have the Force’s financial statements hitherto been prepared on time and in accordance with the requirements of the Code of Practice on Local Force Accounting in the United Kingdom? | Yes, Gwent Police has a good track record of early closedown and external audit sign-off. Where extended closedown timescales have been necessary however, these have still been delivered within legislative requirements. | Substantial |  |
| **Q** | **The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions** |
| 1 | Is the Force’s leadership team provided with a suitable suite of reports on the Force’s financial outturn and on significant variations from budget? | An outturn report is presented to Chief Constable’s COT and the Commissioner’s Strategy and Performance Board with clear explanations provided for each variation against budget. | Substantial |  |
| 2 | Is the information in these reports presented effectively? | Yes. This information matches that provided in the formal Statement of Accounts. | Substantial |  |
| 3 | Are these reports focused on information that is of interest and relevance to the leadership team? | Yes, it provides information on the full revenue and capital budgets and highlights variances which are both one-off and those that have an ongoing financial implication.  | Substantial |  |
| 4 | Does the leadership team feel that the reports support it in making strategic financial decisions? | Yes. | Substantial |  |

**Appendix 3:**

**INTERNAL AUDIT WORK DURING 2023/24:** The internal auditors, TIAA, undertook 21 audits (with a further two audits which were advisory only). Of these twleve were assessed as providing substantial assurance, seven with reasonable assurance and in two the assessment was limited.

The table below summarises the audit findings.

|  |  |  |
| --- | --- | --- |
| **AUDIT** | **Assurance Rating**  | **Recommendations** |
| **Priority 1 Urgent** | **Priority 2 Important** | **Priority 3 Routine**  | **Total** |
| 1. Finance: Payroll
 | Substantial | 0 | 0 | 0 | 0 |
| 1. Finance: Treasury Management
 | Substantial | 0 | 0 | 4 | 4 |
| 1. Finance: Budgetary Control
 | Substantial | 0 | 0 | 0 | 0 |
| 1. Finance: Creditors
 | Substantial | 0 | 0 | 0 | 0 |
| 1. Finance: Debtors
 | Substantial | 0 | 0 | 0 | 0 |
| 1. Finance: Pension
 | Substantial | 0 | 0 | 0 | 0 |
| 1. Finance: Expenses and Additional Payments
 | Substantial | 0 | 0 | 1 | 1 |
| 1. Counter Fraud
 | Substantial | 0 | 0 | 0 | 0 |
| 1. Strategic Planning
 | Substantial | 0 | 0 | 2 | 2 |
| 1. Firearms Licencing
 | Substantial  | 0 | 0 | 2 | 2 |
| 1. Contract Management
 | Substantial | 0 | 0 | 0 | 0 |
| 1. Service Improvement Board
 | Substantial | 0 | 0 | 0 | 0 |
| 1. Telematics
 | Reasonable | 0 | 1 | 3 | 4 |
| 1. Data Protection Act
 | Reasonable | 0 | 2 | 2 | 4 |
| 1. Joint Scientific Investigation Unit: Management (Collaborative)
 | Reasonable | 0 | 3 | 3 | 6 |
| 1. OPCC: Complaints Handling
 | Reasonable | 0 | 1 | 0 | 1 |
| 1. OPCC: Commissioning
 | Reasonable | 0 | 1 | 2 | 3 |
| 1. Risk Management
 | Reasonable | 0 | 5 | 2 | 7 |
| 1. Estate Management - Delivery
 | Reasonable | 0 | 2 | 5 | 7 |
| 1. Proceeds of Crime Act (POCAs)
 | Limited | 0 | 3 | 3 | 6 |
| 1. Information Management: Information Disclosures
 | Limited | 1 | 1 | 2 | 4 |
| **TOTAL RECOMMENDATIONS** |  | 1 | 19 | 31 | 51 |

* In relation to the areas assessed as ‘limited’, the JAC have requested that an action plan is presented as a standing agenda item to each JAC meeting until the relevant issues have improved.
* The Force is also providing ongoing updates against the progress of all recommendations to the JAC.
1. SPB is the decision-making forum for the Commissioner and is the primary forum at which the Commissioner will hold the Chief Constable to account. [↑](#footnote-ref-1)