



OFFICE OF THE POLICE & CRIME  
COMMISSIONER FOR NORFOLK

**Corporate Governance Framework  
(Including the Code of Corporate  
Governance)**

**Chief Executive**

**June 2016**

## **Statement of Corporate Governance**

### **Police and Crime Commissioner and the Chief Constable**

#### **Introduction**

The purpose of this statement is to give clarity to the way the Police and Crime Commissioner (the PCC) and Chief Constable, will govern both jointly and separately, to do business in the right way, for the right reason at the right time.

The principle statutory framework within which the corporations sole will operate is:

- Police Reform and Social Responsibility Act 2011 (the Act),
- Policing Protocol Order 2011 (the Protocol),
- (Home Office) Financial Management Code of Practice,
- Strategic Policing Requirement.
- The Police and Crime Commissioner Elections (Declaration of Acceptance of Office) Order 2012

The above legislation creates a public sector relationship, based upon the commissioner provider arrangement but with unique elements such as the single elected PCC and operational independence of the police service. It is therefore not appropriate to import corporate governance arrangements into this new environment and the framework builds upon existing good governance principles and experience.

#### **Principles**

The seven core principles to be adopted by both corporations sole will be those highlighted by the good governance standard for local authorities (as applied to the PCC and Chief Constable):

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable economic, social and environmental benefits
- Determining the interventions necessary to optimise the achievement of the intended outcomes
- Developing the entity's capacity, including the capability of its leadership and the individuals within it
- Managing risks and performance through robust internal control and strong public financial management
- Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

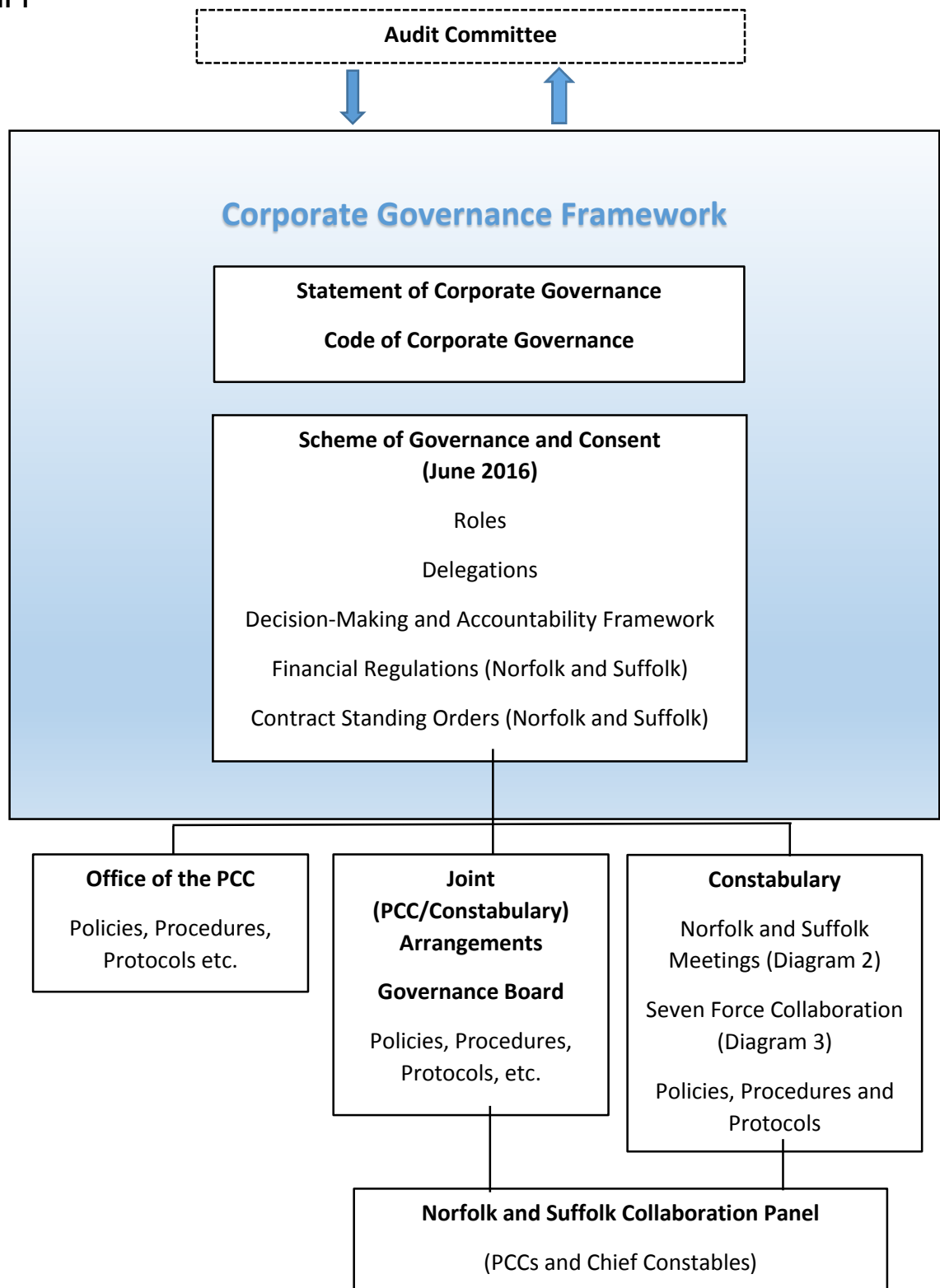
## **Framework / Instruments of governance**

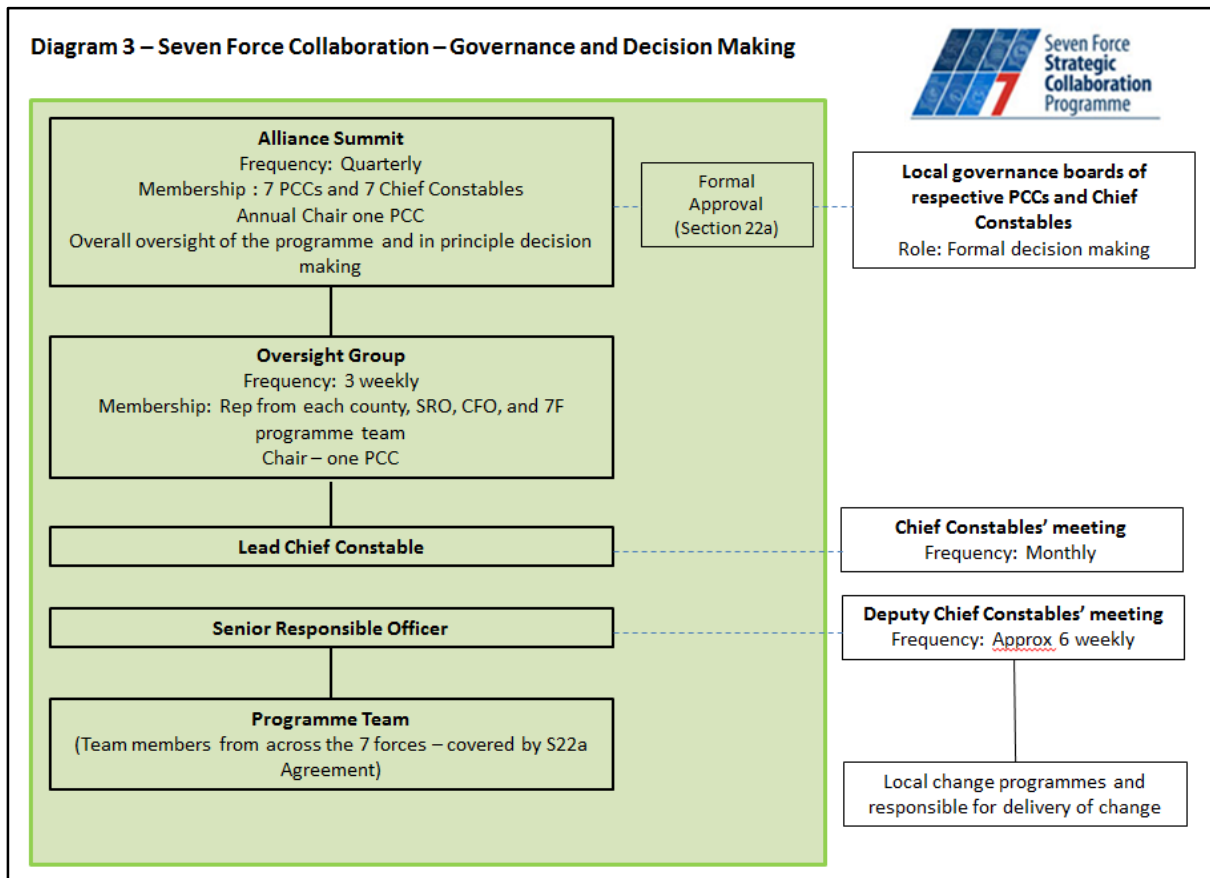
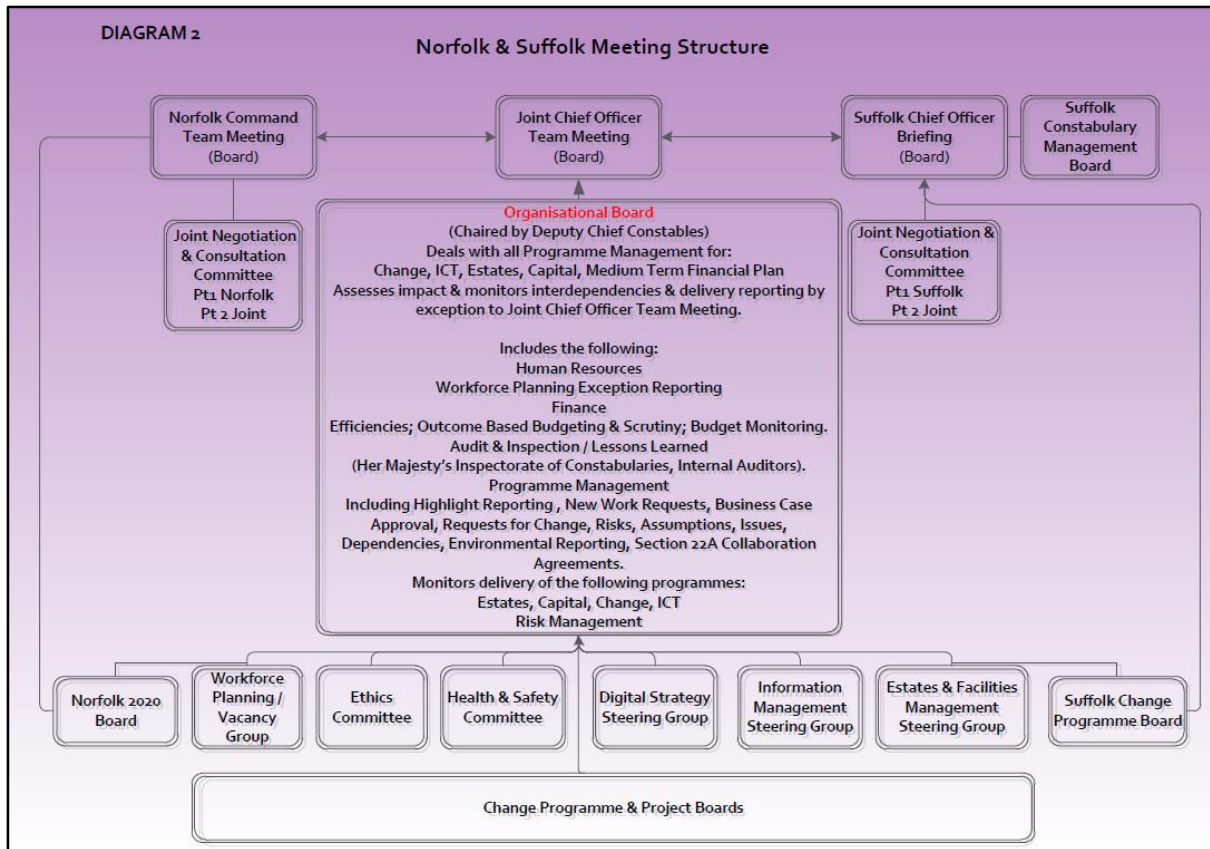
The Corporate Governance Framework within which both corporations sole will govern, both jointly and separately will comprise:

- Statement of Corporate Governance – statutory framework and local policy
- Code of Corporate Governance – setting out how the core principles will be implemented,
- Scheme of Governance and Consent – defining the parameters within which the corporations sole will conduct their business including the consents and delegations (published separately),
- Separate policy and procedures for each corporation sole, with protocols, memoranda of understanding etc., where they operate jointly.

The Framework...

Diagram 1





## **Code of Corporate Governance for the Norfolk Police and Crime Commissioner and the Chief Constable**

### **1. Introduction**

- 1.1 Governance is about ensuring that the right things are done in the right way, for the right people, in a timely, inclusive, open and accountable way. It comprises the systems, processes, culture and values by which organisations are directed and controlled, and through which they account to, engage with and, where appropriate, lead their communities.
- 1.2 The standard for good governance arrangements was set out in “The Framework: Delivering Good Governance in Local Government” originally published by CIPFA in conjunction with the Society of Local Authority Chief Executives (SOLACE) in 2007. The Framework was reviewed and an updated edition published in April 2016. A Guidance Note for the Police (2016 Edition) has been published by CIPFA and has been used to develop this Code of Corporate Governance (the Code).
- 1.3 The Code sets out how the Norfolk Police and Crime Commissioner (the PCC) and Chief Constable will govern their organisations both jointly and separately in accordance with the Corporate Governance Framework. It does this by highlighting the key enablers for ensuring good governance and using the seven good governance core principles as the structure for setting out the statutory framework and local arrangements.

### **2. The Code**

#### **Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.**

The PCC and the Chief Constable are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for the outcomes they have achieved. In addition, they have a responsibility to serve the public interest in adhering to the requirements of legislation and government policies. They must demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

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The Policing Protocol 2011 requires all parties to abide by the seven Nolan principles 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.

The 2014 Code of Ethics sets the standard of behaviour for all members of staff. The Code builds on the 7 Nolan principles with the addition of ‘Fairness’ and ‘Respect’. These principles will underpin every decision and action at whatever level they are taken.

The Financial Manage Code of Practice requires the PCC and Chief Constable to ensure that the good governance principles are embedded within the way the organisations operate.

The PCC and Chief Constable will set out their values in the respective corporate and strategic plans.

### **Principle B - Ensuring openness and comprehensive stakeholder engagement**

Local Government, including the Police, is run for the public good. Organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation will be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

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The Protocol highlights that the PCC 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 Police and Crime Plan will clearly set out what the strategic direction and priorities are to be and how they will be delivered.

To complement this the communication and engagement strategies will set out how local people will be involved with the PCC and the Chief Constable to ensure they are part of the decision making, accountability and future direction. This will be a mixture of being part of the yearly planning arrangements and becoming involved in issues of interest to local people as they emerge.

The PCC and Chief Constable will develop arrangements for effective engagement with key stakeholders, ensuring that where appropriate they remain closely involved in decision making, accountability and future direction.

The PCC will maintain a strong working relationship with the Police and Crime Panel, constituent local authorities and other relevant partners.

A preferred partnership collaboration strategy was signed by PCCs of Norfolk and Suffolk in 2013.

A business case for 7 Force collaboration (East of England forces and Kent) and a Section 22A agreement were endorsed in March 2016.

### **Principle C - Defining outcomes in terms of sustainable economic, social and environmental benefits**

The long term nature and impact of many of the PCC and Chief Constable's responsibilities mean that they will seek to define and plan outcomes that are sustainable. Decisions should contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to

the success of this process and in balancing competing demands when determining priorities for the finite resources available.

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The PCC will issue a Police and Crime Plan (the Plan) for one year beyond his term of office. It will outline the police and crime objectives (outcomes) and the strategic direction for policing. Both the PCC and the Chief Constable must have regard to the Plan and the PCC must have regard to the priorities of the responsible authorities (as set out in the Act) during its development.

The OPCC has developed a business plan consistent with the need to support the PCC in the delivery of his priorities. The Constabulary does not have a similar plan at this time but the Organisational Board (Diagram 2) quality assures the production of business cases and all business related matters. HMIC will shortly be requiring every force to produce a 'Force Management Statement'. These are expected to be business plans by another name.

Collaboration agreements will set out those areas of activity to be undertaken jointly with other forces and local policing bodies. These collaborations may reduce costs or increase capability to protect local people, or both.

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

A commissioning framework sets out the PCC's commissioning intentions and priorities, and will be kept under review.

A complaints protocol will be jointly agreed to provide clarity over the arrangements to respond to the breadth of concerns raised by local people, whether they be organisational or individual failures. This will complement other statutory arrangements.

#### **Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes**

Local Government, including the Police, achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

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The PCC and the Chief Constable will maintain a medium term financial strategy which will form the basis of the annual budgets, and provide a framework for evaluating future proposals.

There will be a comprehensive process of analysis and evaluation of plans, which will normally include option appraisal, techniques for assessing the impact of alternative approaches on the service's outcomes, and benefits realisation.



Processes will be in place to monitor efficiency and value for money, including benchmarking of performance and costs.

The PCC and the Chief Constable will maintain effective workforce development and asset management plans (e.g. Estates; Information Technology).

### **Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it**

The OPCC and the Constabulary need appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A public organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Both the individuals involved and the environment in which the Police operates will change over time, and there will be a continuous need to develop its capacity as well as the skills and experience of the leadership and individual staff members. Leadership in the Police service is strengthened by the participation of people with many different types of background, reflecting the structure and diversity of communities.

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The Leadership, 'People' and personal development strategies of the Office of the PCC and the Constabulary set the climate for continued development of individuals. The respective performance development review processes will ensure that these strategies are turned into reality for officers and members of staff.

### **Principle F - Managing risks and performance through robust internal control and strong public financial management**

Public bodies need to ensure that the organisations and governance structures that they oversee have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management, business continuity and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. They consist of an ongoing process designed to identify and address significant risks involved in achieving outcomes. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability.

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The Decision-making and Accountability Framework (in the Scheme of Governance and Consent) sets out the principles and processes underlying how decisions will be taken by the PCC and Chief Constable and the standards to be adopted.

It requires a combined forward plan of decisions, which brings together the business planning cycles for the Police and Crime Plan, and the OPCC/Constabulary integrated business management process. This will ensure proper governance by bringing

together the right information at the right time e.g. needs assessments, costs, and budgets.

The national decision making model will be applied to spontaneous incidents or planned operations, by officers or staff within the Constabulary as individuals or teams, and to both operational and non-operational situations.

The Scheme of Governance and Consent highlights the parameters for decision making, including the delegations, consents, financial limits for specific matters and standing orders for contracts.

The Risk Management Strategy (one for the PCC and one for the Constabulary) establish how risk is embedded throughout the various elements of corporate governance of the corporations sole, whether operating solely or jointly.

The Communication and Engagement Strategies demonstrate how the PCC and Chief Constable will ensure that local people are involved in decision making.

Furthermore the Publication Scheme (a requirement of the Freedom of Information Act 2000) will ensure that information relating to decisions will be made readily available to local people, with decisions of greater public interest receiving the highest level of transparency, except where operational and legal constraints exist.

The forward plan of decisions combined with an open and transparent Publication Scheme will enable the Police and Crime Panel to be properly sighted on the decisions of the PCC.

### **Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

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Legislation sets out the functions of the PCC and the Chief Constable. The Protocol describes how these functions will be undertaken to achieve the outcomes of the Police and Crime Plan.

The legislation also enables the PCC to appoint a deputy, whose role will be prescribed by the PCC and set out in the Schemes of Governance and Consent where appropriate.

The Act requires the PCC to appoint a Chief Executive and a Chief Financial Officer. It prescribes that the Chief Executive will act as Head of Paid Service and undertake the responsibilities of Monitoring Officer.

The Act requires the Chief Constable to appoint a Chief Financial Officer.

The Financial Management Code of Practice sets out the responsibilities of the CFOs for both the PCC and the Chief Constable.

Internal audit, reflecting published guidance on standards

The Scheme of Governance and Consent highlights the parameters for key roles in the OPCC and Constabulary including consents from the PCC or Chief Constable, financial regulations and standing orders.

Officers, Police support staff and staff of the OPCC will operate within:-

- OPCC or Constabulary policies and procedures
- The corporate governance framework
- Disciplinary regulations
- Codes of conduct
- Code of Ethics

A joint independent Audit Committee operates within the CIPFA guidance and in accordance with the Financial Management Code of Practice.

### **3. Governance Review Arrangements**

- 3.1 The PCC has overall responsibility for approving the Code of Corporate Governance and has put in place the following arrangements to review the effectiveness of the Code.

#### **The Office of the PCC for Norfolk**

- 3.2 The PCC has set up a Corporate Governance Working Group comprising senior managers from the OPCC and the Constabulary to review the governance arrangements and oversee the production of the Annual Governance Statement. This work is reported through to the Audit Committee.

#### **The Constabulary**

- 3.3 The Chief Constable is responsible jointly with the PCC for compliance with the corporate governance arrangements but particularly for ensuring that appropriate reviews are carried out within the Constabulary for key areas including:-
- optimisation of operational delivery, with adequate service, governance and financial controls
  - professional standards and performance
  - management of information, including security and data protection
  - strategic co-ordination of service and financial planning, including risk management
  - the process for evaluation and achievement of value for money.

#### **Audit Committee**

- 3.4 The terms of reference of the Joint Audit Committee of the PCC and Chief Constable include the following:-
- Review the corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.
  - Review the Annual Governance Statement[s] (AGS) prior to approval and consider whether [it] [they] properly [reflects] [reflect] the governance, risk and

control environment and supporting assurances and identify any actions required for improvement.

### **Internal Audit**

- 3.5 The role of internal audit is to give assurance to the PCC and the Chief Constable, through the Audit Committee, on the effectiveness of the controls in place to manage risks. To this end, The Head of Internal Audit reports on a quarterly basis, highlighting any major control weaknesses identified.
- 3.6 Corporate Governance and Risk Management arrangements feature in the audit strategy and annual plan both of which are received by the Committee.

### **External Audit**

- 3.7 The External Auditor audits the financial statement of the Chief Constable, the PCC and the Group. The auditor also reviews the Annual Governance Statement and gives an opinion on value for money. The auditor's plans, reports and annual letter are considered by the Committee at appropriate times in the annual cycle of meetings.

### **Her Majesty's Inspectorate of Constabulary**

- 3.8 Her Majesty's Inspectorate of Constabulary (HMIC) independently assesses police forces and policing across the whole range of their activities – in the public interest.
- 3.9 In preparing their reports, they provide authoritative information to allow the public to compare the performance of the local force against others, and their evidence is used to drive improvements in the service to the public.
- 3.10 HMIC is independent of Government and the police. HMIC decides on the depth, frequency and areas to inspect based on their judgments about what is in the public interest.
- 3.11 Inspection programmes are demanding and, as a minimum, the main outcomes will be reported to the PCC and any improvement actions required will be recorded in the AGS.