



Office of the Police & Crime Commissioner

REQUEST FOR POLICE & CRIME COMMISSIONER DECISION - (N° 024 / 2016)

TITLE: Effectiveness of Governance Arrangements 2015-16

Executive Summary: (Précis not more than 100 words)

The Commissioner to receive a report from the Chief Executive and Chief Finance Officer regarding the arrangements for governance and accompanied by the Commissioner's Annual Governance Statement for 2015-16.

Recommendation:

The Commissioner is asked to:

- i. Where applicable, consider the recommendations of the Joint Audit and Standards Committee, determining any actions and/or amendments to the Code of Corporate Governance 2016-17 and Annual Governance Statement 2015-16
- ii. Approve for signature, where applicable with amendments, the Annual Governance Statement for 2015-16 and to the date of this meeting, which will then accompany the Statement of Accounts for 2015-16

Police & Crime Commissioner

I confirm that I have considered whether or not I have any personal or prejudicial in this matter and take the proposed decision in compliance with the Code of Conduct for Cumbria Police & Crime Commissioner. Any such interests are recorded below.

I hereby approve/~~do not approve~~ the recommendation(s) above

Police & Crime Commissioner / ~~Chief Executive~~ (delete as appropriate)

Signature:

A handwritten signature in purple ink, appearing to read 'Robert Hughes'.

Date: 03 May 2016

PART 1 – NON CONFIDENTIAL FACTS AND ADVICE TO THE PCC

1. Introduction & Background

Each local government body operates through a governance framework which brings together an underlying set of legislative requirements, governance principles and management processes. The 2015 Accounts and Audit Regulations place a requirement on those bodies to conduct a review of the effectiveness of the system of internal control and prepare an Annual Governance Statement (AGS). The Commissioner is required to consider the findings of that review, approve the AGS and publish (which must include publication on the Commissioner's website) the Statements alongside the Statement of Accounts.

2. Issues for Consideration

The Commissioner is the body charged with governance and must satisfy himself that the arrangements for governance are robust and properly reflected within the Annual Governance Statement. The entirety of those arrangements include the arrangements for Internal Audit. A separate report reviewing the effectiveness of the arrangements for Audit is set out elsewhere on the agenda. The report is supported by the Annual Report of the Joint Audit and Standards Committee and includes an assessment of the effectiveness of the internal audit function. That report concludes that the arrangements for audit are effective. The annual governance statement and the arrangements for compiling the statement are subject to annual audit. The auditor has concluded that the arrangements for the AGS provide reasonable assurance. The auditor's report is included within this agenda.

3. Implications

(List and include views of all those consulted, whether they agree or disagree and why)

- 3.1. Financial: n/a
- 3.2. Legal: The review of governance and the publication of an Annual Governance Statement meet the legal requirements of the Accounts and Audit Regulations 2015.
- 3.3. Risk: The Annual Governance Statement documents the arrangements for managing risk
- 3.4. HR / Equality: n/a
- 3.5. I.T.: n/a
- 3.6. Procurement: n/a
- 3.7. Victims: n/a

4. Backgrounds / supporting papers

(List any relevant business case, EIA, PID, Media Strategy and append to this form; list persons consulted during the preparation of the report)

Report on the Effectiveness of Governance Arrangements 2015-16

Annual Governance Statement 2015-16

Public Access to Information

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the PCC website within 3 working days of approval. Any facts/advice/recommendations that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would not compromise the implementation of the decision being approved.

Is the publication of this form to be deferred? NO

If yes, for what reason:

Until what date (if known):

Is there a **Part 2** form - NO

(If Yes, please ensure Part 2 form is completed prior to submission)

ORIGINATING OFFICER DECLARATION:

I confirm that this report has been considered by the Chief Officer Group and that relevant financial, legal and equalities advice has been taken into account in the preparation of this report.

Signed: Date:

OFFICER APPROVAL

~~Chief Executive~~ / Deputy Chief Executive (delete as appropriate)

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner / Chief Executive (delete as appropriate).

Signature: Ruth Hunter

Date: 03 May 2016

Media Strategy

The decision taken by the Police & Crime Commissioner may require a press announcement or media strategy.

Will a press release be required following the decision being considered? NO

If yes, has a media strategy been formulated? YES / NO

Is the media strategy attached? YES / NO

What is the proposed date of the press release:

Cumbria Shared Internal Audit Service Internal Audit Report for COPCC



Review of Annual Governance Statement 2015/16

Draft Report Issued: **21 April 2016**

Final Report Issued: **25 April 2016**

Audit Resources

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Audit Report Distribution

For Action:	<i>Ruth Hunter, Commissioner's Chief Finance Officer/ Deputy Chief Executive.</i>
For Information:	
Audit Committee	The Joint Audit & Standards Committee, which is due to be held on 3 May, will receive the report

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Audit Manager.

Cumbria Shared Internal Audit Service

Images courtesy of Carlisle City Council except: Parks (Chinese Gardens), www.sjstudios.co.uk, Monument (Market Cross), Jason Friend, The Courts (Citadel), Jonathan Becker



1. Background

- 1.1. This report summarises the findings from the audit of the Cumbria Office of the Police and Crime Commissioner's Annual Governance Statement for 2015/16. This was a planned audit assignment which was undertaken in accordance with the 2016/17 Audit Plan.
- 1.2. The Accounts and Audit (England) Regulations 2015 require the Commissioner to produce an Annual Governance Statement (AGS) explaining how the Code of Corporate Governance has been complied with. The AGS must accompany the statement of accounts
- 1.3. The Code of Corporate Governance for the Commissioner has been in place for the 2015/16 financial year.

2. Audit Approach

2.1. Audit Scope and Limitations

2.1.1. The Audit Scope was as follows:

- *Confirm that the Annual Governance Statement has been prepared in accordance with statutory guidance as set out in "Delivering Good Governance in Local Government: guidance note for Police"*
- *Review evidence for any major new content in the Annual Governance Statement and ensure the Annual Governance Statement accurately reflects any issues identified by Internal Audit, in particular the existence of any significant governance issues;*
- *Confirm that there is a due process for the review and approval of the Annual Governance Statement.*
- There were no instances whereby the audit work undertaken was impaired by the availability of information.

3. Assurance Opinion

- 3.1. Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A**.
- 3.2. From the areas examined and tested as part of this audit review, we consider the current controls operating for the preparation of the Annual

Governance Statement provide **Reasonable** assurance. We are not aware of any matters that should be declared within the Statement as significant governance issues.

Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

4. Summary of Recommendations, Audit Findings and Report Distribution

4.1. There are three levels of audit recommendation; the definition for each level is explained in **Appendix B**.

4.2. There is one medium priority recommendation arising from this review which is detailed in Section 5.

4.3. **Strengths:** The following areas of good practice were identified during the course of the audit:

- The Annual Governance Statement has been drafted in accordance with the relevant guidance – Delivering Good Governance in Local Government: Guidance: Note for Police and incorporates the key elements identified in the December 2012 Addendum.
- Where changes or new content has been included in the AGS supporting information was readily available for Internal Audit review.
- The Internal Audit annual report summarised our work during 2015/16 and information provided in the Annual Governance Statement is consistent with our findings.
- The AGS contains an action plan arising from the 2015/16 statement and an update on the action plan arising from 2014/15.
- The Commissioner's AGS has been prepared by statutory and senior officers and a draft will be taken to the Joint Audit and Standards Committee on 3 May 2016. The AGS will be signed by the Commissioner and his Chief Executive and Chief Finance Officer. The Statement will then be considered by the Joint Audit and Standards Committee before it is published alongside the statutory accounts. A logical process of review and approval has been followed.

4.4. **Areas for development:** Improvements in the following areas are necessary in order to strengthen existing control arrangements:

4.4.1. *High priority issues: None identified.*

4.4.2. *Medium priority issues:*

- The number of Independent Custody Visiting Scheme visits reported in the AGS is inconsistent with figures reported in the Commissioner's Annual Report.

4.4.3. *Advisory issues: None identified*5. **Matters Arising / Agreed Action Plan**● **Medium priority**

Audit finding	Management response
<p>Independent Custody Visiting Scheme (page 8)</p> <p>The AGS refers to 191 visits made under the Independent Custody Visiting Scheme in the period 1 February 2015 to 31 January 2016. This is inconsistent with the 442 visits reported as being made in the Commissioner's Annual Report. We acknowledge that the number quoted in the annual report covers the period 1 January 2015 to 31 December 2015 but this seems a large discrepancy between the two public documents.</p>	<p>The figures quoted in the AGS and ICV annual report have been accurately recorded and are produced and recorded in those documents by the Governance Manager with responsibility for the ICV scheme. In all areas of the AGS the responsible manager directly manages and inputs their annual data to the report. The Annual Report is produced by the communications team and a transposition error resulted in a wrong figure being input in the draft Annual Report. Arrangements for producing the Annual Report from 2016-17 will include a check of the figures in the report for accuracy.</p>
<p>Recommendation 1:</p> <p>Management should ensure that the figure reported in the AGS can be supported and that any discrepancies with other published figures are clearly understood.</p>	
<p>Risk exposure if not addressed:</p> <ul style="list-style-type: none"> Confidence in reported information is undermined by inconsistency. 	<p>Responsible manager for implementing: Chief Executive</p> <p>Date to be implemented: From immediate effect.</p>

Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	<p>The controls tested are being consistently applied and no weaknesses were identified.</p> <p>Recommendations, if any, are of an advisory nature in context of the systems and operating controls & management of risks.</p>
Reasonable	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	<p>Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed.</p> <p>Recommendations are no greater than medium priority.</p>
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	<p>There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified.</p> <p>Recommendations may include high and medium priority matters for address.</p>
Limited / None	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	<p>Significant non-compliance with basic controls which leaves the system open to error and/or abuse.</p> <p>Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority matters may also be present.</p>

Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are three levels of audit recommendations used; high, medium and advisory, the definitions of which are explained below.

		Definition:
High	●	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	●	Some risk exposure identified from a weakness in the system of internal control
Advisory	●	Minor risk exposure / suggested improvement to enhance the system of control

Recommendation Follow Up Arrangements:

- High priority recommendations will be formally followed up by Internal Audit and reported within the defined follow up timescales. This follow up work may include additional audit verification and testing to ensure the agreed actions have been effectively implemented.
- Medium priority recommendations will be followed with the responsible officer within the defined timescales.
- Advisory issues are for management consideration.



Cumbria Office of the Police and Crime Commissioner

Effectiveness of Governance Arrangements 2015-16

Report of the Chief Executive and Chief Finance Officer

1. Introduction and background

1.1 Each local government body operates through a governance framework which brings together an underlying set of legislative requirements, governance principles and management processes. The 2015 Accounts and Audit Regulations place a requirement on those bodies to conduct a review of the effectiveness of the system of internal control and prepare an Annual Governance Statement (AGS). The Commissioner is required to consider the findings of that review, approve the AGS and publish (which must include publication on the Commissioner's website) the Statements alongside the Statement of Accounts. The AGS is prepared in accordance with The CIPFA/SOLACE Good Governance framework that defines 'proper practices' for discharging accountability for the proper conduct of public business through the publication of an Annual Governance Statement that makes those practices open and explicit.

1.2 The Police and Crime Commissioner approves a Code of Corporate Governance, 'The Code', setting out his corporate governance framework. The Code is subject to review and updated annually alongside the process to review the arrangements for governance and prepare an Annual Governance Statement. The 2015-16 Code was subject to review by the Joint Audit and Standards Committee prior to approval by the Commissioner. It is the compliance with this Code by the Commissioner, together with an assessment of its effectiveness, which is reflected in the 2015-16 Annual Governance Statement.

2. Governance Framework & Effectiveness

2.1 The Annual Governance Statement for the Police and Crime Commissioner has been prepared by the Commissioner's statutory and senior officers and in accordance with the CIPFA delivering good governance in local government guidance note for Police 2012. The guidance supports the application of the CIPFA/SOLACE Good Governance Framework to Policing, recognising the specific structure and governance responsibilities arising from the 2011 Police Reform and Social Responsibility Act. The review of the arrangements for governance and their effectiveness support the production of the Statement. The review provides assurance on governance arrangements and the controls in place to achieve the organisation's strategic objectives.

2.2 The approach to the production of the statement has been to use the CIPFA guidance, and particularly the guidance section on core governance principles. Those core principles and the arrangements that support them are set out in the 2015-16 Code of Corporate Governance approved by the Commissioner following review by the Joint Audit and Standards Committee in May 2015. The development of the Annual Governance Statement is an integral part of the review, setting out how the Code has been complied with over the course of the year. Where the review has identified areas where developments are planned or improvements can be made, the AGS sets out an action plan to deliver those changes. The statement also highlights areas where further assurance is gained, such as the work of internal audit and the reports of the external auditors. The Commissioner's Annual Governance Statement setting out the review of governance arrangements for 2015-16 and to the date of this meeting, supported by an independent report and opinion from the Head of Internal Audit, is presented to the Joint Audit and Standards Committee for review, prior to being received by the Commissioner for endorsement and publication alongside the Statement of Accounts.

2.3 During the process for the development and publication of the 2014-15 AGS Joint Audit and Standards Committee members made a recommendation that consideration was given the length and structure of the AGS to improve its accessibility. The external auditors commented that in their view the current structure was helpful in documenting activity and setting out the wider approach to continuous improvement through the action plan. This matter has been further considered by the Commissioner's Chief Finance Officer and it was decided that work would be undertaken to simplify the structure. This means that the structure would be less closely aligned to the CIPFA framework and this has been agreed as acceptable by the external auditors. Further to this, officers contributing to the statement would be asked to consider the volume of their narrative and the Chief Finance Officer has committed to producing a summary AGS. The intent was initially to introduce these changes for the 2015-16 AGS. During 2015-16 a decision was taken to delay the implementation of these changes as a result of the introduction of a new Good Governance Framework from 2016-17. The framework introduces seven principles for good governance, based on an international framework, and makes changes to the requirements in respect of demonstrating compliance with those principles. In view of this change, and the officer input required to restructure the AGS and produce a summary statement, the 2015-16 AGS is presented in its historic format, this being its final year of presentation on that basis. In completing the 2015-16 AGS, whilst the structure remains unchanged, staff have been asked to consider narrative length and this is reflected in the presented document which is 24 pages in length, 7 fewer than in 2014-15.

2.4 Whilst the above review of arrangements has been specific to the production of the Annual Governance Statement, this is supported by wider reviews of the arrangements for governance that take place during the financial year. This includes cyclical review and updates to core elements of the governance framework. During 2015-16 this has included a review and update of procurement regulations and financial rules and a significant amount of development work in respect of the arrangements for Risk Management. In addition, the Public Sector Internal Audit Standards and guidance from CIPFA in respect of Audit Committees forms the basis of further reviews of the overall arrangements for audit, with action plans being put in place where potential for improvement and development have

been identified. This is supplemented by specific assessments on compliance by the Chief Finance Office and Head of Internal Audit with the requirements of the CIPFA statement for these roles. The governance review is also supported by an annually developed comprehensive audit plan from internal and external audit and an opinion from the Head of Internal Audit on the arrangements for internal control and risk. These requirements, whilst challenging, has enabled an approach that has sought to ensure all arrangements take account of best practice, codes and guidance.

3. The Effectiveness of Internal Audit

3.1 A separate report reviewing the effectiveness of the arrangements for Audit is set out elsewhere on the agenda and includes a review of the effectiveness of the internal audit function and the effectiveness of the Joint Audit and Standards Committee. The report demonstrates the effectiveness of the arrangements for Audit against independent and objective criteria as a contribution to good governance. In doing so it concludes the process of providing the necessary assurances that the governance arrangements set out in the Code of Corporate Governance are working as intended and are effective.

4. The Code of Corporate Governance 2016-2017

4.1 On an annual basis a Code of Corporate Governance is reviewed and updated, setting out the framework for governance within the OPCC. For 2016-17 the Code of Corporate Governance is a new Code (rather than an update of the 2015-16 Code). The new Code applies the standards set out in the consultation by CIPFA during 2015-16 on a new Framework for Good Governance. The CIPFA good governance framework is the best practice standard for Public Sector governance. The new CIPFA framework is effective from April 2016 and for this reason a new Code of Corporate Governance has been developed and presented to the Commissioner for approval at the April meeting of the Executive Board. The new governance framework is based on seven principles, as set out in the proposed Code and has a much broader focus on delivering value for money, including outcomes and demonstrating effective performance, often working in partnership to achieve this.

4.2 Whilst the CIPFA good governance framework applies to the 2016-17 financial year, the Institute has yet to finalise the documents it will issue to publish the framework. In addition there will be specific guidance on application of that framework to Police. At the date of preparing this report there has not been any firm guidelines on the timing of that guidance. In the absence of these publications the Commissioner's Code of Corporate Governance has been prepared on the basis of the CIPFA consultation document in order that it can be put in place at the start of the 2016-17 financial year. Also, there is not expected to be any substantial differences between the governance framework that has been presented by CIPFA for consultation and the final governance standard. Once the CIPFA documents have been published they will be reviewed to ensure our arrangements remain compliant. On this basis, the Commissioner, in approving the Code, has delegated responsibility to the Chief Executive to undertake a high level review of the Code against the published Good Governance Framework as it becomes available. The Chief Executive is also delegated to make any minor amendments to the Code, should they be required, following that review. Where any changes are

considered to be necessary that are more than minor, an updated Code will be presented for formal approval by the Commissioner.

The Code is also presented for review by the Joint Audit and Standards Committee at their earliest available meeting in 2016-17, on May 3rd.

5. Recommendations

5.1 Members of the Joint Audit and Standards Committee are asked to:

- (i) Review the Code of Corporate Governance 2016-17
- (ii) Review the Annual Governance Statement 2015-16
- (iii) Make any recommendations with regard to the Code, Statement and arrangements for governance for consideration by the Commissioner prior to publication alongside the financial statements

5.2 The Commissioner is asked to:

- (i) Where applicable, consider the recommendations of the Joint Audit and Standards Committee, determining any actions and/or amendments to the Code of Corporate Governance 2016-17 and Annual Governance Statement 2015-16
- (ii) Approve for signature, where applicable with amendments, the Annual Governance Statement for 2015-16 and to the date of this meeting, which will then accompany the Statement of Accounts for 2015-16

Stuart Edwards

Chief Executive

Ruth Hunter

Chief Finance Officer/Deputy Chief Executive

Human Rights Implications: None Identified

Race Equality / Diversity Implications: None Identified

Personnel Implications: None Identified

Financial Implications: None Identified

Risk Management Implications: The Governance Statement and the underpinning reviews, including the Effectiveness of Internal Audit are designed and intended to provide assurance on and compliance with high standards of corporate governance, including effective control and mitigation of the risk environment in which the Commissioner discharges his respective responsibilities.

Contact points for additional information

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Police and Crime Commissioner for Cumbria
Annual Governance Statement 2015-16

The Police and Crime Commissioner for Cumbria Annual Governance Statement 2015-16

INTRODUCTION AND SCOPE OF RESPONSIBILITIES

The Police and Crime Commissioner for Cumbria (the Commissioner) is responsible for ensuring business is carried out in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

To meet this overall responsibility, the Commissioner has put in place proper arrangements for overseeing what we do. This is what we mean by governance. These arrangements are intended to make sure that we do the right things, in the right way and are fair, open, honest and accountable.

Our arrangements for governance are set out within a Code of Corporate Governance 'The Code'. The Code explains the way the Commissioner governs and the frameworks that are in place to support the overall arrangements for fulfilling his functions. The Code of Corporate Governance is available on the Commissioner's website and is published alongside the Annual Governance Statement.

This Annual Governance Statement (AGS) describes how the Commissioner has followed The Code. It also meets the requirements of regulation 6(1) and 10(1) of the Accounts and Audit Regulations 2015.

The regulations say that we must prepare and publish an Annual Governance Statement (AGS) to accompany the Commissioner's statement of accounts.

THE AIM OF THE GOVERNANCE FRAMEWORK

The governance framework consists of the systems, processes, culture and values by which the Commissioner is directed and controlled and the activities through which the Commissioner gets involved with and leads the community. The framework enables the Commissioner to monitor the achievement of our aims and objectives and to consider whether those aims have led to the delivery of appropriate efficient and effective police, community safety and victim services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot remove all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable assurance. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Commissioner's policies, aims and objectives, to assess the likelihood of those risks happening and what would take place if they did happen. This helps us to understand our risks and so we can manage them effectively, efficiently and economically.

The Commissioner is responsible for reviewing, at least annually, the effectiveness of his governance framework including the system of internal control.

REVIEW OF EFFECTIVENESS

The key systems and processes that comprise the Commissioner's governance arrangements for 2015-16 have been guided by the six core principles of Corporate Governance from the CIPFA/Solace Governance Framework applicable to the 2015-16 financial year. This is the standard against which all local government bodies, including police, should assess themselves.

The Commissioner has responsibility for conducting, at least annually, a review of the effectiveness of his governance framework including the system of internal control. The review of effectiveness is informed by the work of Chief Officers and senior managers who have responsibility for the development and maintenance of the governance environment. The review process comprises:

A cyclical detailed review of the key documents within the Commissioner's governance framework, e.g. Procurement Regulations, Scheme of Delegation, Code of Conduct. The review includes consideration of the documents by the Joint Audit and Standards Committee/Ethics and Integrity Panel, as appropriate, prior to their presentation to the Commissioner for approval.

An overarching review of the governance arrangements in place to support each core principle within the CIPFA Solace guidance. As part of this review the Commissioner's Code of Corporate Governance is updated to reflect changes in the governance framework and the implementation of the prior year AGS development plan. The review for 2015-16 has included the

Six Core Principles of Governance

1. *Focusing on the purpose of the Commissioner and the Force and on outcomes for the community, creating and implementing a vision for the local area*
2. *Leaders, officers and partners working together to achieve a common purpose with clearly defined functions and roles*
3. *Promoting values for the Commissioner and demonstrating the values of good governance through upholding high standards of conduct and behaviour*
4. *Taking informed and transparent decisions which are subject to effective scrutiny and managing risk*
5. *Developing the capacity and capability of the Commissioner and officers of the Commissioner to be effective*
6. *Engaging with local people and other stakeholders to ensure robust public accountability*

development of a new Code of Corporate Governance for 2016-17 reflecting the publication by CIPFA of a new framework for Good Governance.

A review of the effectiveness of the arrangements for Internal Audit, undertaken by the

Commissioner's Chief Finance Officer. The effectiveness of Internal Audit is considered against the Public Sector Internal Audit Standard (PSIAS). The review supports a judgement on the effectiveness of the overall arrangements for audit in contributing to internal control. The review is supported by consideration of the opinion of the Chief Internal Auditor on the Commissioner's control environment, as set out in her annual report.

A review of the effectiveness of the Joint Audit and Standards Committee is considered against CIPFA guidance on Audit Committees for Police. This is a self-assessment by the Committee and supported by the Commissioner's Deputy Chief Finance Officer. As part of the review consideration is given to assurance that can be provided by the Committee's annual work programme in evidencing the effectiveness of internal controls and as a contribution to the effectiveness of overall governance arrangements.

As part of the review process, the Annual Governance Statement is prepared by lead officers and presented in draft to the Commissioner's Internal Auditors and the Joint Audit and Standards Committee, alongside a report detailing the findings of the review. Whilst no significant governance issues have arisen as part of the review process, the Statement identifies areas for development and improvement. The AGS is approved by the Commissioner, the Chief Executive and the Chief Finance Officer prior to being issued alongside the draft unaudited Statement of Accounts.

The AGS remains under review during the audit of the financial statements. It is updated, where appropriate, following the audit, with consideration being given to the opinion of the External Auditor, expressed within her annual Audit Findings Report and the External Auditor's value for money conclusion.

The following paragraphs set out the Governance Framework and how the Commissioner has complied with each of the six governance principles within the Code of Corporate Governance. A wide range of staff have contributed narrative for each section of this statement. This provides a lengthier document but one which values the input from members of our team and provides the reader with greater insight into the governance activity that has been carried out over the past year. Each section of the statement includes a commentary on areas for development and improvement that have been identified as part of the review process and are collated into the action plan appended to The Statement. The AGS also includes an update on the implementation of planned actions from the 2014-15 review, and how these were addressed as shown in the 2015-16 development plan update.



Core principle 1: Focusing on the purpose of the Commissioner and the Force, and on outcomes for the community, and creating and implementing a vision for the local area

The Police and Crime Plan Vision is that "Cumbria remains a safe place to live, work and visit, where the public has a say in policing and organisations and community groups work together to address the causes of crime, as well as the consequences"

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

The Police Reform and Social Responsibility Act (PR&SRA) requires the Commissioner to produce a Police and Crime Plan setting the vision and strategic direction for policing, crime reduction and community safety. In March 2013 the Commissioner launched his first Plan, and set out his intention to review it annually. The Commissioner has continued to engage and listen to members of the public in numerous events across the county and receives a significant number of issues raised in correspondence and through social media which help to influence key decisions. As we are in an election year the Police and Crime Plan, 'Making Cumbria an Even Safer Place' will remain in place until a new plan has been approved by the incumbent PCC. The priorities within the plan are to:

- Ensure Cumbria remains a safe place to live, work and visit by keeping crime at low levels, particularly violent crime and thefts;
- Reduce the impact antisocial behaviour has on our communities;
- Reduce the impact of alcohol misuse on our communities;
- Tackle the problem of drug supply in the county;
- Reduce the impact irresponsible driving has on our communities;
- Keep our rural communities safe by tackling crime and disorder in rural areas;
- Provide justice for the victims by detecting crime and bringing criminals to justice;
- Address offender behaviour to reduce adult and youth offending and reoffending;
- Establish a collaborative approach to providing support and assistance to vulnerable veterans to assist them to remain clear of criminal activity;
- Reduce harm by targeting domestic abuse and sexual violence;
- Reduce the harm caused by hate crime;
- Give due consideration to public opinion in policing matters;
- Ensure victims of crime have access to support and redress;
- Tackle the increasing incidence of cyber-crime;
- Deliver a county wide CCTV initiative.

Key performance indicators were set with the Chief Constable at the start of the financial year in support of the objectives within the Police and Crime Plan. During the year crime levels, public satisfaction and police performance have been regularly monitored and publically challenged through the Commissioner's Executive Board, regular performance review meetings and alongside audits and visits to departments. To promote openness and transparency, all Executive Board meetings have been advertised to allow members of the press and public to attend with agendas and papers published on the Commissioner's website

During the course of 2015-16 the Commissioner's Executive Board received Constabulary reports covering a range of areas of performance including Her Majesty's Inspectorate of Constabulary (HMIC) performance measures to assess police effectiveness, efficiency and legitimacy (PEEL). The PEEL assessments for 2015 were assessed as 'good' for legitimacy and efficiency and 'requires improvement' for effectiveness. The reports enable the Commissioner to hold the Chief Constable to account. They help inform revisions to existing priorities and the setting of new priorities to meet emerging trends and better support the delivery of outcomes. The OPCC chairs a multi-agency panel which scrutinises police use of out-of-court disposals. This has provided an effective framework for identifying good practice and checking on the appropriateness of the use of out-of-court resolutions, which support the reduction of reoffending and take account of victims' views. It has supported the improvement of processes and policies within the Constabulary.

The Commissioner's activities, performance and achievements are published in an annual report which is presented to the Police and Crime Panel prior to publication. The Commissioner's fourth and final annual report, covers the 12 months from 1st April 2015 to 31st March 2016. As a result of it being an election year the draft Annual Report was presented to the Police and Crime Panel for approval on 10 March 2016. The Annual Report was published on 10th May following the completion of purdah by the outgoing Commissioner. The Annual Report can be found on the Commissioner's website at www.cumbria-pcc.gov.uk. It highlights a number of key achievements including:

- Launch of a multi-agency county-wide digital CCTV system, the first of its kind in the country
- Launch of The Bridgeway bringing together forensic-medical, counselling and Independent Sexual Violence Advisors (ISVAs) to provide coordinated services for victims of rape and serious sexual assault
- Providing funding and support to establish Calderwood House, a hostel to support homeless people
- Commissioning a programme aiming to change the behavior of perpetrators
- Opened a new state-of-the-art police station for the community in Barrow.

Financial performance is set out in the Commissioner's Financial Statements which includes a more accessible summary statement. The 2014-15 unaudited financial statements were approved by the Commissioner's Chief Finance Officer on 28 May 2015, resulting in the early

“Both the PCC and Chief Constable’s draft accounts were authorised for issue on 28 May 2015 which was a significant achievement”
Grant Thornton UK LLP Annual Audit Letter Oct 2015.

achievement of the future financial reporting requirements. This was noted in the External Auditor’s Annual Audit Letter as a significant achievement. The external auditors also noted the significant presentational changes made to the financial statements. In the opinion of the auditors this worked well

in providing a clearer and easier to read set of accounts. The auditors commented that the Commissioner continued to show strong financial resilience and good financial planning and management. The audit opinion confirmed that the Commissioner had proper arrangements in place for securing economy, efficiency and effectiveness in the use of resources.

During 2015-16 work was undertaken to develop a Medium Term Financial Strategy. The strategy consolidates the annual medium term financial forecast and arrangements for financial governance with work to model the impact of assumptions and trends in income and expenditure. Within the context of the review of police formula funding it aims to provide an accessible narrative on financial risks and estimates alongside an assessment on the potential impact on staff and officer numbers. At the Executive Board meeting of 24th February 2015 the Commissioner set the 2015-16 annual budget and precept in the context of that strategy. In line with his duty to maintain the police force and the Police and Crime Plan priority to deliver effective policing, detect crime and bring criminals to justice,

the Commissioner agreed funding of £112.5m for the Chief Constable for the 2015-16 financial year.

The budget included £2.7m funding for 2015-16 within a commissioned services budget for victims, community safety and crime reduction in partnership with the District and County Councils, Community Safety Partnerships and wider community and voluntary Sector groups. The arrangements for Commissioning and the issue of grants were codified within a Commissioning Strategy approved by the Commissioner at his Executive Board on 27 March 2014. The strategy is supported by a set of accompanying grant regulations.

During 2015-16 the Head of Partnerships and Commissioning has taken forward a range of partnership working initiatives to deliver the Commissioning Strategy and ensure arrangements are in place for victims support services in line with the Commissioner’s responsibilities. This work is supported by the Victims’ Advocate who has responsibility for the overall arrangements for victims including providing support for a Victims’ Charity. Wider victim referral services were relocated to Cumbria as from 01 April 2015.

During 2015-16 partnership and commissioning Funding was provided to support a range of sexual and domestic violence services and in excess of £100k of funding was awarded to community groups through the Commissioner’s community fund. The Commissioner’s funds and the process for allocation of grants within them has been developed to encourage and support the delivery of projects and services addressing issues identified in the Police and Crime Plan.

In line with the Commissioner's grant regulations, a funding or grant agreement is in place with all partners that have been supported through the commissioned services budget. Each agreement clearly defines the purpose of the funding and sets out information and monitoring requirements to ensure funding is targeted on the agreed activities that support the priorities and outcomes within the Police and Crime Plan.

Following the publication in 2014 of 'Care, Consideration and a Voice for Victims', and 'Taking the Next Steps', the recommendations identified provided a clear focus of activity for the PCC and partners' work in key areas of the Police and Crime Plan: support for victims, domestic abuse, sexual violence and youth justice. Working with a wide range of partners, these reports identified areas for improvement in services and developed an evidence base to support future commissioning activity. The resulting action plans have identified clear responsibilities for making improvements in identified areas and governance processes have been put in place through partnership groups alongside the OPCC, to ensure their delivery. They have already resulted, amongst other areas, to improvements in services for domestic abuse victims through changes in the service commissioned during 2015 and to the firm commitment of partners to the delivery of a holistic service to victims of sexual violence, which will have a significant impact on reducing the harm caused by such crimes.

The Commissioner receives correspondence from members of the public on a variety of issues including complaints or dissatisfaction. These are

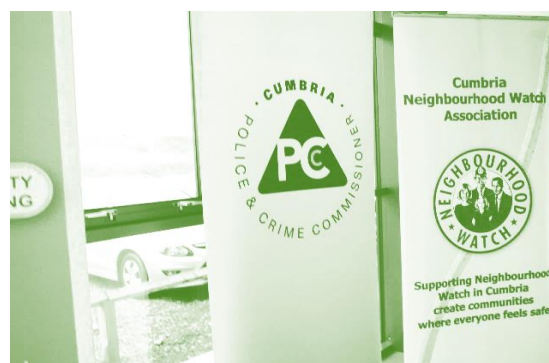
dealt with in accordance with statutory legislation and agreed policy and procedures. Where issues are identified they are raised with the Constabulary and where necessary steps are taken to ensure changes to services are made. During 2015-16 work has been undertaken to identify trends in complaints and these have been reported to the Commissioner's Executive Board. The trends are used to give feedback to the Constabulary to help to improve the standard of service received and influence future commissioning for areas which require additional support.

AREAS FOR FURTHER DEVELOPMENT AND IMPROVEMENT 2014/15

CP1/1: Achieve publication of the audited financial statements by end July 2016.

CP1/2: During 2016-17 The Head of Partnerships and Commissioning will be tasked with developing and implementing a Quality framework to support collaborative and partnership working in delivering improvements in services to victims and develop compliance with the Victims' Code of Practice.

CP1/3: Arrangements for scrutiny of Constabulary performance will be reviewed to ensure that robust arrangements are in place following the Police and Crime Commissioner Elections.



Core Principle 2: Leaders, officers and partners working together to achieve a common purpose with clearly defined functions and roles

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

The key functions and roles of the Commissioner and the Chief Constable are set out in the Police Reform and Social Responsibility Act 2011 (PRSRA). The PRASA also sets out the function and roles of statutory officers, namely the Monitoring Officer (Chief Executive) and the Chief Finance Officer (CFO). The monitoring officer has specific legal, financial and governance duties in addition to a statutory responsibility for the lawfulness of decision making. The functions and roles set out in legislation and guidance are codified in the Commissioner's scheme of delegation. The scheme was revised during 2015-16 to take into account changes to reflect arrangements for business continuity and to align responsibilities for procurement with the review and update of the Commissioner's procurement regulations. The scheme has been subject to review by the Joint Audit and Standards Committee as part of the arrangement for reviews of governance.

The review of procurement regulations as part of those arrangements has resulted in the rules and guidance within the regulations being updated to incorporate the new requirements of the Public Contracts Regulations 2015. There have also been changes to how the procurement team engage with the business to support procurement activity, including a reduction in the financial threshold over which a procurement business partner will lead and support the procurement activity. This follows a

restructuring of the team to consolidate procurement support and expertise and enhance its role within the business as category managers, improving value for money.

During the year a formal review has been undertaken of the role of the Commissioner's Chief Finance Officer and the Head of Internal Audit (HIA) against the respective CIPFA statements. The self-assessment were subject to further review by the Joint Audit and Standards Committee. The outcome from the process has concluded that the Chief Finance Officer and HIA is fully compliant with the CIPFA role. The role of the Joint Audit and Standards Committee has also been reviewed during 2015-16 against the CIPFA guidance for Police Audit Committees. The overall conclusions from the assessment is that the committee is highly effective in its operation, evidencing substantial support, influence and persuasion in carrying out its functions.

The Commissioner continues to operate his statutory Independent Custody Visiting Scheme. During the course of the year a number of volunteers have been recruited across the four panels to maintain an overall number as close to forty eight as is possible. In the period 1 February 2015 to 31 January 2016 they made 191 visits, spoke to 221 detainees and observed a further 151 detainees. No serious issues were raised during any of the visits. The Animal Welfare Scheme, which looks at the welfare of police dogs, is composed of

nine volunteers drawn from the ICV scheme who have been appointed to undertake this role. The Civil Nuclear Constabulary also utilise the nine volunteers from the Animal Welfare Scheme to carry out a similar function for them. This arrangement works well to the mutual benefit of both Cumbria Constabulary and the Civil Nuclear Constabulary.

During the last year, the Commissioner has continued to build on partnership working to address priorities in the Police and Crime Plan, in addition to supporting and funding local agencies and groups to help tackle some of the priority areas. These activities have included:

- Continuing the role of Chair of the Safer Cumbria Partnership Delivery Group, to tackle crime and disorder bringing together public services such as councils, health, probation and voluntary groups.
- Working with partners on an action plan to tackle hate crime.
- Working with leaders and chairs of the county's key public and voluntary sector agencies as a member of the Cumbria Leaders' Board
- Working to help address alcohol, drug and mental health issues, often contributing factors in crime, through working jointly with Health and wider partners.
- Providing funding for Cumbria's three Community Safety Partnerships to tackle local issues in relation to crime and disorder, focusing on domestic violence, local crime prevention, and antisocial behaviour.
- Supporting community groups to reduce crime and tackle antisocial behaviour through a Police

and Crime Property Fund, Community Fund and Innovation Fund.

The Commissioner's Executive Board continues to meet in public with meetings regularly attended by various representatives of the media and members of the public. There is a facility for members of the public to ask questions of the Commissioner, which has been used by a one person in the course of the year.

AREAS FOR FURTHER DEVELOPMENT AND IMPROVEMENT

CP2/1: Develop and introduce a new Code of Corporate Governance in response to the introduction of a new CIPFA Good Governance Framework and Guidance for Police expected in 2016-17.

CP2/2: The Commissioner is working with health and local government partners to improve services for victims with mental health issues. Supported by the PCC, the Office of the Police and Crime Commissioner has secured funding from the Home Office Innovation Fund for the development of a multi-agency assessment and crisis centre.

CP2/3: Building on the work of the OPCC and partners during 2015-16 to embed Victim led Restorative Services, the OPCC will work with partners to increase the use of quality Restorative Justice through the ongoing development of a multi-agency approach.

CP2/4: During 2016-17 the OPCC will work with the newly elected PCC to develop and deliver a new Police and Crime Plan.

Core Principle 3: Promoting values for the Commissioner and demonstrating the values of good governance through upholding high standards of conduct and behaviour

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

2015-16 was the first full year of operation for the Ethics and Integrity Panel. During the year the Panel have carried out a number of dip samples of different areas of business, including complaints, police misconduct and staff misconduct cases to support high standards of ethics and integrity. The findings of that work, including recommendations, have been reported on a quarterly basis to the Commissioner's Executive Board to improve transparency and support public scrutiny. The Joint Audit and Standards Committee received the 2015-16 annual report of the Ethics & Integrity Panel in May 2016 to support assurances in respect of arrangements for standards and ethical governance.

As part of their work the panel has made a number of recommendations adopted by the Constabulary that aim to improve the quality of communications and public satisfaction in the complaints process. The work of the Panel has also resulted in improvements to the standards of case files for complaints which now document organisational learning arising from the complaint and how this has been disseminated to individuals and across the organisation. Misconduct files have been improved to document full audit trails that include identified welfare issues, return to work process and details

of any Management Action. The Panel have also been asked to specifically review and provide feedback on

the Constabulary's Performance Discretion Framework which was introduced as part of the new Command and Control system. Following a HMIC review of Stop and Search the Panel were consulted regarding the data recorded for such searches and provided feedback to the Constabulary on their findings. They will review this area of business again in August 2016 following training being provide to all officers.

As part of the arrangements for complaints, the Commissioner receives letters directly from members of the public. In 2015 he received 12 complaints, 11 of which were passed to the Constabulary to respond to as they were regarding matters beyond his jurisdiction. Of the remaining complaint it was determined that the issues raised were not personal conduct matters.

During the same period the Commissioner received 291 letters of dissatisfaction raised by members of the public regarding the Constabulary and policing issues. These issues were raised with the Constabulary and monitored by OPCC staff to ensure a timely and appropriate solution was

During 2015-16 the Ethics and Integrity Panel was able to make a number of recommendations that aim to improve the quality of communications and public satisfaction in respect of complaints.

found. Only one issue remains to be completed at the end of 2015-16 and mediation is taking place to resolve the matter. Complaints made against the Police and Crime Commissioner are dealt with by the Police and Crime Panel. During 2015-16 the panel received one complaint which was dealt with by way of a letter of explanation. Letters of compliment were also received from members of the public for the assistance provided by the Police and Crime Commissioner and members of staff.

In respect of the arrangements for standards, ethics and integrity, the Chief Executive is able to confirm that since the inception of the Office of the Police and Crime Commissioner, no complaints have been received from any member of staff or secondee in relation to the Commissioner. Neither has any complaint been made by the Commissioner about any member of staff. In respect of the period from 1st April 2015 to the date of issuing this statement, no issues have been raised with the Joint Audit and Standards Committee in respect of the operation of the Commissioner's Codes of Conduct/Protocols and the Committee has not received any appeals in relation to these matters.

The Commissioner has in place arrangements for anti-fraud and corruption. The arrangements in place during 2015-16 have been subject to internal review by the Deputy Monitoring Officer, with the outcome of that review reported to the Joint Audit and Standards Committee in May 2016. The review has concluded that arrangements are effective. The prior year cyclical audit concluded that there is substantial assurance in respect of the arrangements for anti-fraud and corruption and noted as a strength the clear promotion of high

standards of integrity and ethical behaviour. Whilst fraud risk remains low within the OPCC office, matters of integrity have been re-enforced in support of the aim of ensuring a high degree of awareness amongst staff in respect of appropriate conduct and behaviours. The Deputy Monitoring Officer has issued a monthly reminder to staff in respect of recording gifts and hospitality and/or supplier contact. Completed registers have been published on the Commissioner's website on a monthly basis and the Deputy Monitoring Officer has undertaken dip sampling between the registers and contracting activity.

In support of the requirements for audit of the financial statements, the Commissioner has submitted to the External Auditor the 2015-16 fraud risk assessment providing further assurances in respect of the arrangements to protect against fraud and corruption. Management assurance was further supported through the completion by the Commissioner and all staff of a register of interests form and a declaration of related party transactions. These forms were reviewed by the Chief Executive and Chief Finance Officer and are published on the Commissioner's website for openness and transparency.

AREAS FOR FURTHER DEVELOPMENT AND IMPROVEMENT

CP3/1 During 2016-17 the scope and remit of the Ethics and Integrity Panel will be reviewed to maximise its on-going impact in improving arrangements for Ethics and Integrity.

Core Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

The Commissioner makes decisions in line with his decision making policy which adheres to the Good Governance Standard for Public Services and the Good Administrative Practice 2. During the 2015-16 financial year the Commissioner made 46 decisions that have all been recorded and published on the Commissioner's website. The range of decisions made included finance and budget, estate, policies, police and crime plan, annual report, policing services and commissioning. All methods of communication such as media, social media and newsletters are used to further inform the public of key decisions.

Quality of Service Issues and Complaints play a significant role in influencing future decisions. The Commissioner is directly involved in many of the engagement activities and is aware of the issues being raised by members of the public. The Office of Public Engagement on a regular basis formally reports to the Commissioner's Executive Board identifying trends and linking to the development of the Police and Crime Plan.

The Office of Public Engagement is instrumental in influencing key decision making within the OPCC. The Commissioner carried out a wide range of public engagement events over the year to provide as many opportunities as possible for the public to engage with him, through a diverse range of communication and engagement methods. In 2014, an extensive public consultation was carried out

regarding the setting of the police council tax precept. To give additional context, local residents were also surveyed about their knowledge of what local police do; their satisfaction with Cumbria police; and recent contact with the police. This significant consultation was undertaken with a view of giving peoples view over a two year period and was used to inform the Commissioner's decision for the 2015-16 council tax precept and on the decisions taken in February 2016 for the 2016-17 precept and budget.

The Police and Crime Panel have met five times during 2015-16. All meetings are held in public, providing an open and transparent process for scrutinising the decisions and work of the Commissioner. The work programme of the Panel during 2015-16 placed a significant focus on the commissioning elements of the Police and Crime Plan and the implications for Cumbria of the Home Office Police Formula Funding Consultation. On January 25th 2016 the Panel considered the matter of the Commissioner's proposed precept. As part of this process the panel held a seminar meeting to undertake detailed scrutiny of revenue and capital budget plans, plans for savings proposals and the Commissioner and Constabulary's performance in delivering efficient and effective policing during 2015-16. The Panel decision was that they support the proposed police precept without qualification or comment.

The Joint Audit and Standards Committee has conducted five public meetings during 2015-16 and undertaken a significant amount of work to scrutinise and make recommendations in respect of the Commissioner's arrangements for governance and the management of risk. This has included scrutiny of the Procurement Regulations, Code of Corporate Governance, Risk Management Strategy, Internal Audit Charter, Treasury Management Strategy, Statement of Accounts and Annual Governance Statement.

During 2015-16 work has been undertaken to develop the arrangements for risk management. This included making improvements to the arrangements for the Commissioner's risk registers, determining risk appetite, revising the methodology for scoring risks and developing the Risk Management Strategy in the context of this work. The process was supported by a CIPFA accredited trainer and the lead member for risk from the Joint Audit and Standards Committee. During the year, the Commissioner has received and scrutinised a quarterly report presented by the Chief Constable in respect of the Constabulary's management of strategic risks to enable the Commissioner to have oversight and scrutiny of the risks facing the Constabulary.

The Commissioner's arrangements for Risk Management include procedures for Business Continuity. During 2015-16 the Commissioner's business continuity arrangements were reviewed and a programme for updating and testing the business continuity plan was initiated. During the course of this review internal audit inspected the arrangements and made a number of

recommendations for improvement. The new, fully codified processes and procedures for business continuity were reported to the Commissioner's Executive Board in July 2015 and have been tested to ensure they are working effectively.

Arrangements for Risk Management have been further assured through the delivery of the 2015-16 Internal Audit Plan. The Plan was developed on a risk based approach and substantially increased the number of days of audit work during the year from 180 to 232 as a consequence of widening the areas of audit coverage in line with the public sector audit standard. Of the 17 audits conducted, all other than one have received either reasonable or substantial assurance. The Audit Plan provides the basis for the Chief Internal Auditor's overall opinion on the control environment. The internal audit annual report for 2015-16 concludes that the Commissioner's frameworks for governance, risk and internal control are reasonable and that audit testing has confirmed that controls are generally working effectively in practice. During 2015-16 the Joint Audit and Standards committee have received quarterly reports monitoring the implementation of all audit recommendations.

AREAS FOR FURTHER DEVELOPMENT AND IMPROVEMENT

CP4/1: To ensure the continued effectiveness of the Joint Audit and Standards Committee as a scrutiny body, the programme of training/development activity for 2016-17 will include the design and delivery of a session on the incoming Commissioner's Police and Crime Plan.

Core Principle 5: Developing the capacity and capability of the Commissioner and officers of the Commissioner to be effective.

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

A number of arrangements have been in place during 2015-16 to support the capacity and capability of the Commissioner and his Office. These include the receipt of regular APCC briefings in addition to guidance, codes of practice, regulations and legislation from a range of national bodies and organisations. Significant publications have included Grant Thornton's 'knowing the Ropes – Audit Committee Effectiveness Review 2015', CIPFA publications consulting on proposed changes to the Local Government Good Governance Framework and the new Accounts and Audit Regulations 2015.

The Chief Executive is further supported through the Association of Police and Crime Commissioner Chief Executives (APACCE). To provide peer support, APACCE members have developed a directory setting out the specialist subject matter areas of each member. At their regular meetings APACCE have also provided a forum to deliberate on key issues for the development and enhancement of the role of Police and Crime Commissioners. Advice and support is also available through the regional (North West and North Wales) Chief Executives Group, which meets on a quarterly basis. This Group has been chaired by Cumbria's Chief Executive during 2015-16. In addition the North West Joint Oversight Committee of Police and Crime Commissioners continues to

meet regularly to take forward collaboration between forces and OPCCs in the region.

The delivery of a Corporate Development Day was held for all staff within the COPCC as part of the development of the COPCC's Business Plan. A Development Day was also held for all staff as part of the process for reviewing the Commissioner's risk management processes and procedures, together with a separate session for the Executive Team on strategic risk. All of these sessions were facilitated by a CIPFA accredited trainer.

The Chief Finance Officer continues to receive support from the Police and Crime Commissioner's Treasurer's Society (PaCCTS) and the associated technical information service. During 2015-16 this has included significant briefing and analysis of the proposed changes to Police Formula Funding, the 2015 Comprehensive Spending Review and 2016-17 Police Grant settlements. Officers within the finance team have attended annual technical update and development events run by CIPFA. This has included CIPFA's 2015 Developments in Police Finance Forum's at which the CFO and Deputy CFO were invited to present on early financial closedown.

The Chief Finance Officer and finance staff with treasury management responsibilities have held quarterly briefing meetings with Arlingclose, the Commissioner's external treasury management advisors. This facilitates a high level of awareness within the team of the current economic climate

and regulatory changes, both of which impact on the risks and opportunities for counter-party investment. Arlingclose also delivered a seminar on 9th March 2016 for members of the Joint Audit and Standards Committee prior to their scrutiny of the Treasury Management Strategy. Further specialist advice has been received from the Commissioner's Insurance brokers in respect of the annual renewals on insurance. This advice has supported decision making during 2015-16 in respect of increasing the level of employee/public liability insurance cover and supported a more detailed review and decision making on insurances not currently taken on the basis of cost and risk.

The Office of Public Engagement has continued to develop its range of effective community engagement methods, to ensure all sections of the community are reached. The Commissioner worked with a number of Neighbourhood Forums run by the County Council to capitalise on their tried and tested format and ensure good attendance.

The Commissioner, through his Victim's Advocate, created a Victim's Consultation Group, who operate in a 'focus group' style to look in depth at certain policy issues at the time of policy formation. This year the Group contributed to the development of the Cumbria Together website, which is an information portal aimed at sign-posting victims to where they can get help, support and guidance. The Group also contributed to the development of the Bridgeway and emerging themes and priorities for the new Police and Crime Plan. The internal restructure that took place in 2014 placing more emphasis on partnerships, victims support and victim's advocacy has embedded well during 2015-

16. The capacity and skills are now in place to ensure that the Commissioner's wider responsibilities for community safety, enhancing criminal justice and supporting victims are met.

All staff within the office participate in a personal development review process to ensure they have the skills to be effective in their roles. Staff also have regular one-to-one sessions with their line manager. Specific training has been provided for staff in the areas of advanced Microsoft Word, Excel, Freedom of Information, media management, project management, risk management, coaching and fire safety.

The Joint Audit and Standards Committee has conducted a formal review of its effectiveness against the new CIPFA guidance for Audit Committees. **Against the self-assessment checklist the committee achieves a consistent grade of 4 or 5 (against a maximum of 5) across all areas.** For those functions not included within the checklist, incorporating the wider functions of the committee, there is evidence to demonstrate compliance with CIPFA guidance and elements constituting best practice. The review confirmed that the Committee has during 2015-16 implemented areas identified for development from the 2014-15 review. Further areas for development are identified for 2016-17 to provide for continuous improvement. The full report of the Committee can be found on the Commissioner's website at:

<http://www.cumbria-pcc.gov.uk/governance-transparency/audit-committee.aspx>.

There have been a significant number of changes of personnel on each of the Custody Visiting Panels

during this year and the Scheme Administrator has run a number of recruitment campaigns to attract new candidates for appointment. Induction training courses have been run for newly-appointed visitors in Workington, Barrow, Carlisle and Penrith throughout 2015-16. Membership of the four panels at the end of 2015-16 stood at Barrow 10; Kendal 8; North Cumbria 12 and West Cumbria 11.

The Cumbria ICV Annual Conference was held on Saturday 25th April 2015 with 31 Custody Visitors attending. The Commissioner opened the conference and held a question and answer session along with the Chief Constable. Among the topics this year was: Changes within Custody; Suicide Awareness Training and Healthcare in Custody. The delegates undertook a number of workshop exercises focusing on developing good practice in Custody Visiting and a series of scenario discussions aimed at improving practice in the Cumbria ICV scheme.

In addition to the Cumbria Conference, a number of ICV's attended the Regional Conference held on 24 October 2015. The event covered a range of issues including Vulnerable People in Custody; Learning Disabilities and Difficulties in Custody; the Liaison and Diversion programme for Mentally Disordered Offenders.

During 2015-16 the Ethics and Integrity Panel has developed and enhanced its role. This has included undertaking "deep dives" of specific areas of activity such as Stop and Search and contributing to reviews of ways of working within the Constabulary, such as the changes introduced within the Constabulary's Communication Centre. This work has led to recommendations being made to the Constabulary with a view to the enhancement and/or improvement of the service. Stop and Search will be reviewed in August 2016 to gauge progress. In undertaking these new activities the focus has been on the ethical implications of the proposals or the way in which the activity is undertaken.

AREAS FOR FURTHER DEVELOPMENT

CP5/1: Arrangements for induction of new Joint Audit and Standards Committee members will be developed and formalised. This will include an operational development day with the Constabulary to which all members will be invited.

CP5/2: Undertake a review of the arrangements for Independent Custody Visiting within Cumbria, fully engaging with the Independent Custody Visitors as part of that review.



Core Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

The Policing Protocol Order highlights the accountability of the Police and Crime Commissioner to local people. This responsibility is delivered through an Office of Public Engagement to ensure a wide range of engagement approaches so that the Commissioner actively listens, considers and effectively uses the views of the people of Cumbria and is accountable. During 2015-16, the Commissioner has:

- Spoken to the public at more than 100 public engagement events, ranging from public meetings, surgery style events, 'drop-ins' at supermarket cafés, walkabouts with Constabulary Neighbourhood Policing Teams;
- Attended a number of county council neighbourhood forums, community meetings, parish councils, meetings with various groups i.e. businesses, youth, and agricultural shows;
- Attended a significant number of meetings with local councillors, leaders and MPs;
- Sponsored and spoke at the Cumbria Neighbourhood Watch Association annual conference, where the theme was Local Resilience;
- Worked with the National Rural Crime Network (NRCN) to highlight national the issues with rural crime and contribute to the largest rural crime survey to ascertain the levels of rural crime and how the police can better serve rural communities;
- Sponsored and attended the 'Know Your Criminal Justice Day', run in collaboration with People First, the Crown Prosecution Service, Cumbria Constabulary and HM Courts Services, aimed at helping those with learning and physical disabilities understand how to report hate crime and what they can expect of the criminal justice system, with the aim of encouraging the reporting of hate crime incidents;
- Awarded a grant to Young Cumbria to consult with young people about how the police interact with them and what needs to be improved;
- Published online and circulated by email and community messaging, a regular newsletter, and contributed to other newsletters;
- Taken part in a wide range of media activities and interviews through a range of communication methods;
- Conducted surveys on rural crime, and policing priorities, through a mixture of both online and face-to-face methods during themed engagement events;
- Promoted events and activities and maintained a presence using social media i.e. Twitter and Facebook;
- Responded to over 291 'Quality of Service' complaints from members of the public.

During the course of the year the Commissioner has engaged with the Police and Crime Panel as part of the review processes for the Police and Crime Plan.

The Panel has developed jointly with the Commissioner a programme to support engagement and accountability in respect of priority areas from within the Plan. During 2015-16 the panel focused accountability on the two thematic areas, these being: 'Victims: Ensure victims of crime have access to support and redress'; Domestic Abuse, Sexual Violence and Hate Crime: reduce harm by targeting domestic abuse and sexual violence, reduce harm caused by hate crime. The panel has received regular reports on the work, activity and outcomes in respect of these themes and has provided scrutiny and support in respect of the on-going delivery of these priorities.

During 2015-16 the Commissioner has also prepared for publication the final annual report of his term of office. The annual report, entitled "Making Cumbria an Even Safer Place", includes information on how the Commissioner has responded to issues raised during community engagement activity and how engagement has informed future priorities.

As part of the arrangements for financial accountability, the Commissioner's audited accounts for the 2014-15 financial year were signed by the independent auditors and published on the Commissioner's website. The auditor's opinion was that the Statements provided a true and fair view of the financial position and that they have been properly prepared in accordance with the Code of Practice on Local Authority Accounting. The auditors further confirmed in their Audit Findings Report a positive conclusion with regards to securing value for money. Throughout the year the Commissioner has published financial monitoring

information that reports progress in respect of the capital and revenue budgets and treasury management activities for 2015-16.

To further support public accountability a range of information has been made available through the Commissioner's website over the course of the year. This has included agenda and reports for the public Executive Board meetings and the Joint Audit and Standards Committee, guidance and application packs for the Commissioner's three funds, Freedom of Information disclosure logs, financial information and strategies. In the latter part of 2015-16 a section of the website has been developed to provide information relevant to potential candidates for the Police and Crime Commissioner elections to be held in May 2016.

AREAS FOR FURTHER DEVELOPMENT AND IMPROVEMENT

CP6/1 Develop a new Office of Public Engagement strategy to ensure it embraces the new Commissioner's vision for engaging with local people and stakeholders.

CP6/2 Following the Police and Crime Commissioner elections in May 2016 wider engagement activity will take place with a range of partners/stakeholders as part of the process to develop and implement the new Police and Crime Plan and Partnership Strategy.

CP6/3 Following the Police and Crime Commissioner Elections in May 2016 and subsequent work to develop the new Police and Crime Plan the Commissioning strategy will be reviewed to ensure that commissioning intentions reflect manifesto priorities.

APPENDICES TO THE ANNUAL GOVERNANCE STATEMENT

- Appendix A: 2016-17 Development And Improvement Plan
- Appendix B: 2015-16 Development And Improvement Plan Update

FURTHER INFORMATION

Further information on the arrangements for Governance can be found on the Commissioner's website under the tab headed Governance and Transparency.

We welcome your views on the Commissioner's Annual Governance Statement. You can do this by using the contact information below:

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Chief Finance Officer/ Deputy Chief Executive

*Signatures are removed for the purposes of Publication on the website

APPENDIX A: 2016-17 DEVELOPMENT AND IMPROVEMENT PLAN

Ref	Action	Responsibility	Deadline
CP1	Focusing on the purpose of the PCC and the Force, and on outcomes for the community, and creating and implementing a vision for the local area.		
CP1/1	Achieve publication of the audited financial statements by end July 2016.	Chief Finance Officer	31 st July 2016
CP1/2	During 2016-17 The Head of Partnerships and Commissioning will be tasked with developing and implementing a Quality framework to support collaborative and partnership working in delivering improvements in services to victims and develop compliance with the Victims' Code of Practice.	Head of Partnerships and Commissioning	31 March 2017
CP1/3	Arrangements for scrutiny of Constabulary performance will be reviewed to ensure that robust arrangements are in place following the Police and Crime Commissioner Elections.	Head of Partnerships and Commissioning	31 July 2016
CP2	Leaders, officers and partners working together to achieve a common purpose with a clearly defined functions and roles.		
CP2/1	Develop and introduce a new Code of Corporate Governance in response to the introduction of a new CIPFA Good Governance Framework and Guidance for Police expected in 2016-17.	Chief Executive/Chief Finance Officer	30th June 2016
CP2/2	The Commissioner is working with health and local government partners to improve services for victims with mental health issues. Supported by the PCC, the Office of the Police and Crime Commissioner has secured funding from the Home Office Innovation Fund for the development of a multi-agency assessment and crisis centre.	Head of Partnerships and Commissioning	31 March 2018
CP2/3	Building on the work of the OPCC and partners during 2015-16 to embed Victim led Restorative Services, the OPCC will work with partners to increase the use of quality Restorative Justice through the ongoing development of a multi-agency approach.	Head of Partnerships and Commissioning	31 March 2017
CP2/4	During 2016-17 the OPCC will work to support the newly elected PCC to develop and implement a new Police and Crime Plan	Head of Partnerships and Commissioning	31 December 2016
CP3	Promoting values for the PCC and demonstrating the values of good governance through upholding high standards of conduct and behaviour.		

CP3/1	During 2016-17 the scope and remit of the Ethics and Integrity Panel will be reviewed to maximise its on-going impact in improving arrangements for Ethics and Integrity.	Chief Executive	30 March 2016
CP4	Taking informed and transparent decisions which are subject to effective scrutiny and managing risks.		
CP4/1	To ensure the continued effectiveness of the Joint Audit and Standards Committee as a scrutiny body, the programme of training/development activity for 2016-17 will include the design and delivery of a session on the incoming Commissioner's Police and Crime Plan.	Head of Partnerships & Commissioning/ Chief Finance Officer	30th September 2016
CP5	Developing the capacity and capability of the PCC, officers of the PCC and the Force to be effective.		
CP5/1	Arrangements for induction of new Joint Audit and Standards Committee members will be developed and formalised. This will include an operational development day with the Constabulary to which all members of JASC will be invited.	Chief Finance Officer	30th September 2016
CP5/2	Undertake a review of the arrangements for Independent Custody Visiting within Cumbria, fully engaging with the Independent Custody Visitors as part of that review.	Chief Executive	30 March 2017
CP6	Engaging with local people and other stakeholders to ensure robust public accountability.		
CP6/1	Develop a new Office of Public Engagement strategy to ensure it embraces the new Commissioner's vision for engaging with local people and stakeholders.	Head of Communications and Business Services	30 September 2016
CP6/2	Following the Police and Crime Commissioner elections in May 2016 wider engagement activity will take place with a range of partners/stakeholders as part of the ongoing process to develop and implement the new Police and Crime Plan and Partnership Strategy.	Head of Partnerships and Commissioning	31 December 2016
CP6/4	Following the Police and Crime Commissioner Elections in May 2016 and subsequent work to develop the new Police and Crime Plan the commissioners commissioning strategy will be reviewed to ensure that commissioning intentions reflect manifesto priorities.	Head of Partnerships and Commissioning	31 December 2016

APPENDIX B: 2015-16 DEVELOPMENT AND IMPROVEMENT PLAN UPDATE

Ref	Action	Action Update	Responsibility	Deadline
CP1	Focusing on the purpose of the PCC and the Force, and on outcomes for the community, and creating and implementing a vision for the local area.			
CP1/1	Preparation for earlier financial accounts deadlines: Achieve unaudited publication by 4 th June/audited publication by 10 th September.	Partially Achieved: Unaudited accounts published on 28 th May 2015. Audited accounts achieved a deadline of 23 rd September. This was as a result of national technical issues beyond the control of the Commissioner/Local Audit team.	Chief Finance Officer	Sept 2015
CP1/2	Work to develop financial models to respond to the funding announcements expected following the general election will continue during 2015-16 as further information is received on the new police funding formula and the 2015 comprehensive spending review	Achieved. A number of funding models were developed during the Summer in response to the Home Office Police Funding consultation. These have been incorporated within the 2016-2020 medium term financial strategy.	Chief Finance Officer	Dec 2015
CP1/3	During 2015-16 The Head of Partnerships and Commissioning will be tasked with developing and implementing a Strategy to support collaborative and partnership working.	Partially achieved. A draft strategy has been produced. As we are in an election year further work on the strategy will take place following the May 2016 election to ensure that the priorities of the incumbent PCC are reflected in any future partnership and collaborative working	Head of Partnerships and Commissioning	March 2016
CP1/4	Arrangements for scrutiny of Constabulary performance reports will be reviewed to facilitate OPCC officer input and review prior to presentation at the Executive Board.	Achieved. Arrangements have been reviewed and include support and dialogue with the Office of the Police and Crime Commissioner regarding the requirements and content of reports. Once completed reports are tabled at the Accountability Board for scrutiny by constabulary and Office of the Police and Crime Commissioner.	Head of Partnerships and Commissioning	March 2016
CP2	Leaders, officers and partners working together to achieve a common purpose with a clearly defined functions and roles.			
CP2/1	Work with partners to deliver a sexual assault referral centre and joined-up system of follow-up health and emotional support services.	Achieved. The Bridgeway Sexual Assault Referral Centre was formerly opened in December 2015. Support Services for ISVA and Counselling have been commissioned.	Head of Partnerships and Commissioning	March 2016

CP2/2	Building on the work of the OPCC and partners, develop Victim led Restorative Services	Achieved. The RJ HUB delivering Victim led restorative services is operational. A provider has been commissioned to take the RJ model forward.	Head of Partnerships and Commissioning	March 2016
CP2/3	Work with partners to develop and deliver a Victim and Witness Strategy to deliver improvements in services to victims and develop compliance with the Victims' Code of Practice.	Partially achieved. A Victims and Witnesses Needs Assessment has been completed. As we are in an election year further work will take place following the May 2016 election to ensure that the priorities of the incumbent PCC are reflected in any future work that supports services for victims and witnesses.	Head of Partnerships and Commissioning	March 2016
CP3	Promoting values for the PCC and demonstrating the values of good governance through upholding high standards of conduct and behaviour.			
CP3/1	Update and develop policy and guidance arrangements for complaints to ensure arrangements are accessible and to encourage a positive culture for receiving and addressing issues that have given rise to a complaint.	Achieved: During 2015 – 16 work has been undertaken to ensure the correct guidance and procedures are in place to ensure complaints are dealt with fairly and robustly.	Head of Communications and Business services	March 2016
CP3/2	Develop arrangements for complaints in respect of national proposals regarding changes to the police complaints system.	Achieved: The OPCC has taken part in the consultation, the recruitment process and will continue to monitor as this new process embeds.	Head of Communications and Business services	March 2016
CP4	Taking informed and transparent decisions which are subject to effective scrutiny and managing risks.			
CP4/1	Establish a training and development programme for Joint Audit and Standards Committee Members within the Committee's annual work programme.	Achieved: During 2015-16 members have undertaken training/development including treasury management, police crime recording, and the medium term financial strategy and change programme. JASC agenda's include a Corporate Update to ensure members are briefed on current/topical issues pertinent to Governance.	Chief Finance Officer	June 2015
CP4/2	Further develop arrangements for risk management including review of risk registers, scoring methodology, risk appetite and the risk management strategy	Achieved: During 2015-16 arrangements for risk management - including review of risk registers, scoring methodology, risk appetite and the risk management strategy – have been reviewed and re-written. This	Chief Executive	Sept 2015

		process was facilitated by a CIPFA accredited trainer and involved all the staff of the COPCC.		
CP4/3	Arrangements will be made to formally codify all elements of the Commissioners business continuity arrangements and initiate a programme for updating and testing the business continuity plan.	Achieved: The OPCC Business Continuity plan is now an embedded policy within the Office. The Business Continuity plans were approved at the March Executive Board.	Head of Communications and Business services	Sept 2015
CP5	Developing the capacity and capability of the PCC, officers of the PCC and the Force to be effective.			
CP5/1	Complete work supported by North West employers to implement a bespoke suite of Human Resource Policies appropriate to the management of the Commissioner's office.	Achieved: The HR policies are now completed and fully functional.	Head of Communications and Business services	March 2016
CP6	Engaging with local people and other stakeholders to ensure robust public accountability.			
CP6/1	During 2015-16 work will be undertaken to improve the quality of engagement with and reporting to the Police and Crime Panel, with a focus on member's contribution to the development of priorities for the new Police and Crime Plan.	Achieved: An annual programme of work has been developed and considered by the Police and Crime Panel. Implementation of the programme of work has included consultation with the panel on the development of the new Police and Crime Plan.	Head of Partnerships and Commissioning/ Head of Communications and Business services	May 2016
CP6/2	During 2015-16 wider engagement activity will take place with a range of partners/stakeholders as part of the process to develop the new Police and Crime Plan.	Achieved: A programme of engagement activity has taken place to develop themes and priorities as part of the process to develop the new Police and Crime Plan. This includes – focus groups, a stakeholder event and completion of a victims and witnesses needs assessment.	Head of Partnerships and Commissioning/ Head of Communications and Business services	May 2016