

# Annual Governance Statement 2013/14

This annual governance statement explains how the PCC and Chief Constable for Thames Valley have complied with their published corporate governance framework for the year ended 31 March 2014, including plans for the financial year 2014/15.

## SCOPE OF RESPONSIBILITY

The PCC and Chief Constable were established on 22<sup>nd</sup> November 2012 as separate legal entities ('corporations' sole') which means they are both entitled to own assets and employ staff. Both the PCC and Chief Constable have appointed Chief Financial Officers who have a fiduciary duty to the local taxpayer for securing the efficient use of public funds

The PCC is responsible for ensuring his business is conducted in accordance with the law and proper standards and, consequently, that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. He also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the PCC is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the exercise of its functions, which includes ensuring a sound system of internal control is maintained through the year and that arrangements are in place for the management of risk. In exercising this responsibility, the PCC places reliance on the Chief Constable to support the governance and risk management processes.

The Chief Constable is accountable to the law for the exercise of police powers and to the PCC for the delivery of efficient and effective policing, management of resources and expenditure by the police force. At all times the Chief Constable, her constables and staff remain operationally independent in the service of the public. In discharging her overall responsibilities the Chief Constable is responsible for establishing and maintaining appropriate risk management processes, governance arrangements and ensuring that there is a sound system of internal control which facilitates the effective exercise of these functions.

The PCC has approved and adopted a code of corporate governance which is consistent with the principles of the CIPFA guidance 'Delivering Good Governance in Local Government'.

This Annual Governance Statement explains how the PCC and Chief Constable have complied with the code and the requirements of Regulations 4(2) and 4(3) of the Accounts and Audit Regulations 2011 in relation to the publication of a Statement on Internal Control.

## THE PURPOSE OF THE GOVERNANCE FRAMEWORK

Governance is about how organisations ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open and accountable manner. The governance framework comprises the systems and processes, and culture and values by which the PCC and Chief Constable discharge their responsibilities and through which it accounts to and engages with the community. It enables the PCC to monitor the achievement of his strategic objectives and to consider whether these objectives have led to the delivery of appropriate, cost effective services, including achieving value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable and foreseeable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of policies, aims and objectives, to evaluate the likelihood of those risks

being realised and the impact should they be realised, and to manage them effectively, efficiently and economically.

## **THE GOVERNANCE FRAMEWORK**

The key elements of the systems and processes that comprise the governance arrangements that have been put in place for the PCC and TVP include:

### **A. Focussing on the purpose of the PCC and the Force, and on outcomes for local people and creating a vision for the local area**

The PCC made his commitments for policing clear in his manifesto and his four year Police and Crime Plan (2013-2017) explains how this will be taken forward. This Plan is supported by the Force Annual Delivery Plan, the OPCC Development Programme and the medium term financial strategy.

Policing service delivery is managed by the Force through performance group meetings, crime meetings and Chief Constable's Management Team Meetings. Delivery and performance is overseen by the PCC through regular meetings between the PCC and Chief Constable in accordance with an agreed business model.

The Police and Crime Panel meets six times a year to consider the PCC's annual budget and precept increase and to scrutinise the decisions and actions of the PCC.

### **B. Leaders, Officers and Partners working together to achieve a common purpose with clearly defined functions and roles**

The PCC has approved a framework for corporate governance which clarifies the working relationship between the PCC, Chief Constable and their respective staff. This includes the code of corporate governance, the scheme of delegation and financial regulations.

The Police and Crime Plan, which has due regard to the Strategic Policing Requirement as issued by the Home Secretary, has been developed in consultation with the Chief Constable, the local community and other key stakeholders. The annual targets and measures have been clearly articulated and disseminated.

Major partnerships and consortia involving the Force and the PCC are governed by formal Section 22A collaboration agreements or Memoranda of Understanding, as appropriate. Joint collaboration oversight boards provide strategic oversight and an approval process for governance arrangements for most collaboration activity. These collaboration boards comprise Chief Officers and the PCC from each force.

### **C. Promoting the values for the PCC and Force and demonstrating the values of good governance through upholding high standards of conduct and behaviour**

The PCC's first formal decision in November 2012 was to issue a 'framework for corporate governance' which is consistent with the seven Nolan principles of standards in public life. This has recently [April 2014] been updated to reflect the Stage 2 transfer of staff, assets and liabilities from the PCC to the Chief Constable.

Measures are in place to ensure that the PCC, Deputy PCC and employees of TVP are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders. This includes the anti-fraud and corruption policy and guidance on the acceptance of gifts, loans and hospitality. The Force has a Professional Standards Department (PSD) whose role is to uphold the ethical and professional standards of TVP by managing the application of Police Misconduct Regulations and the administration of complaints by members of the public.

The Police and Crime Panel investigate formal complaints against the PCC.

Complaints against the Chief Constable are dealt with by the PCC

A reciprocal arrangement has been agreed with Hampshire Police to investigate complaints against chief police officers (excluding the Chief Constable).

A new national Code of Ethics has been produced by the College of Policing in its role as the professional body for policing. It sets and defines the exemplary standards of behaviour for everyone who works in policing. It will be implemented during summer 2014.

An independent Complaints, Integrity and Ethics Panel has been established to satisfy the PCC's statutory requirements around monitoring of police complaints and also to ensure that integrity and ethical issues are considered in order to maintain public confidence in policing.

#### **D. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk**

Since November 2012 arrangements have been agreed and implemented for the PCC to hold the Chief Constable to account for Force performance and compliance with other requirements, including a schedule of formal public and private meetings i.e. regular private meetings between the PCC and Chief Constable (minutes are taken but not published); regular public meetings with the reports and agendas published on the PCC's website and internal (private) meetings whereby notes from the meeting are published on the PCC's website. The framework of corporate governance defines the parameters for decision making, including delegations, financial regulations and standing orders relating to contracts. The PCC has published his decision making protocol. All formal PCC decisions taken in accordance with this protocol are published on the website.

The Force Risk Management Group oversees risk management within the Force and is chaired by the Chief Constable. The Group focuses on strategic risks but also monitors risk management processes across the Force. The Office of the PCC maintains its own risk register.

A joint independent audit committee has been established in accordance with CIPFA guidance and the Financial Management Code of Practice. The Committee's main role is to provide assurance to the PCC and Chief Constable that the internal control and governance framework is operating effectively. The Committee meets in public and reports and minutes are placed on the PCC website

Both the PCC and Force are subject to external independent review through the external audit of their financial statements. In addition HMIC is charged with promoting the effectiveness and efficiency of policing, improving performance and sharing best practice nationally.

The PCC has complied with the Elected Local Policing Bodies (Specified Information) Order 2011 and publishes all relevant information on his website.

The independent Thames Valley Police and Crime Panel reviews and scrutinises the decisions and actions of the PCC.

#### **E. Developing the capacity and capability of the PCC, Officers of the PCC and the Force to be effective in their roles**

The PCC has appointed a deputy to assist him discharge his statutory functions. He has also reviewed his staffing structure to ensure that it is fit for purpose and has the necessary capability and capacity to deliver his new statutory functions such as commissioning services for victims' and witnesses.

Both the PCC and Deputy PCC have received appropriate induction training. Ongoing training will include attendance at appropriate national conferences and seminars.

The PCC and Chief Constable ensure that their statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the organisation. Specialist advice, in areas such as taxation, legal and treasury management, is sourced externally, as this is more practical and cost-effective.

The PCC and Chief Constable use the annual appraisal process to focus individual employee contributions towards corporate objectives and measures, and to facilitate self development.

The PCC is a member of the national Association of Police and Crime Commissioners. The Chief Constable and her fellow chief officers are members of ACPO.

## **F. Engaging with local people and other stakeholders to ensure robust public accountability**

Force engagement with the public takes place on many levels, from daily street contact and phone calls through to attendance at public meetings and formal surveys in relation to service priorities, levels and quality. Neighbourhood Action Groups have been established across the force area and are active partnerships between the public, statutory and voluntary agency partners and local policing teams. "Have your say" is a consultation and priority setting process which aims to increase public consultation and ensure that the Force tackles issues which most concern communities

The PCC has a statutory responsibility to obtain the views of the community and victims of crime about the policing of the Force area and he must have regard to the views of responsible authorities. The communication and engagement strategies explain how local people can interact with the PCC and the chief constable to ensure that their views inform decision making, accountability and future direction. This is achieved through being part of the yearly planning arrangements and becoming involved in issues of interest to local people as they emerge. The Chief Constable also has a statutory duty to make arrangements for obtaining the views of persons within each neighbourhood about crime and disorder in that neighbourhood

The PCC has developed his Police and Crime Plan in consultation with the Chief Constable, the public and partners. This Plan sets out his strategic policing and crime objectives and priorities, and how these will be delivered.

In so doing, the PCC is helping to ensure that local policing services address the priorities of local communities and that the Force is being held to account for the way services are delivered to the public and at what cost. The PCC and Chief Constable have effective, transparent and accessible arrangements for dealing with complaints received from the public. Furthermore, the decisions and actions of the PCC are subject to review and scrutiny by the independent Police and Crime Panel.

The PCC published his inaugural annual report last summer (2013). This explained his main achievements during his first six months in office and also provided information on operational and financial performance during 2012/13.

This overall combined process will facilitate his personal accountability to the public.

## **Financial Management Arrangements**

The PCC and Chief Constable's joint system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability.

The Chief Constable produces a medium term financial plan (MTFP) which is refreshed throughout the financial year to provide an effective framework for decision making. This MTFP covers both revenue and capital and is closely aligned to the PCC's Police and Crime Plan. The Police and Crime Panel must review the PCC's proposed council tax precept and, if necessary, make recommendations to the PCC before he formally sets the annual budget in February. Formal budget monitoring is undertaken on a regular basis throughout the year i.e. it is presented to the

regular level 1 public meeting between the PCC and Chief Constable (with agendas and minutes placed on the PCC's website).

Value for money is achieved through the Chief Constable's Productivity Strategy, which ensured that £13.1m of cash savings were identified and removed from the revenue budget during 2013/14, whilst frontline police officer numbers were maintained and operational performance targets were largely achieved.

Internal audit is provided through a managed service contract with Oxfordshire County Council, although one senior internal auditor is employed by the PCC. The chief internal auditor reports jointly to the PCC's Chief Finance Officer and the Chief Constable's Director of Finance. The chief internal auditor provides a regular update to the Joint Independent Audit Committee and also provides an independent opinion on the adequacy and effectiveness of the system of internal financial control.

The financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer (CFO) of the PCC and the CFO of the Chief Constable (March 2014).

## REVIEW OF EFFECTIVENESS

The PCC and Chief Constable are responsible for reviewing the effectiveness of the governance framework on at least an annual basis. This includes:

### a) Internal audit

The effectiveness of internal audit has been assessed against how well it measures up to the Public Sector Internal Audit Standards. A review was undertaken by four staff from the OPCC and Police Force for 2013/14, which assessed the evidence produced by the Chief Internal Auditor.

The outcome of the review was reported to both the Governance Advisory Group on 22<sup>nd</sup> May 2014 and the Joint Independent Audit Committee on 24<sup>th</sup> June 2014. The review concluded that *the internal audit system in Thames Valley is effective and that the annual report and opinion from the Chief Internal Auditor is reliable evidence to support this Annual Governance Statement.*

### b) The system of internal control

The PCC and Chief Constable are jointly responsible for conducting, at least annually, a review of the effectiveness of the system of internal control. The review has been informed by the work of the internal audit service and the executive managers within TVP, responsible for the development and maintenance of the internal control environment. Comments from the independent external auditors, other review agencies and inspectorates have also been taken in to account.

The overall review of the system of internal control has been undertaken as part of the wider review of corporate governance. The processes used in maintaining and reviewing the effectiveness of the system of corporate governance are described below.

#### Governance Advisory Group

A joint OPCC/TVP group has been set up with the following terms of reference:

- To provide advice to the PCC and Chief Constable on the application of statutory requirements and guidance relating to issues of corporate governance
- To review and provide feedback on the effectiveness of the corporate governance systems determined by the PCC and Chief Constable
- To oversee the production of the draft annual governance statements.

The Group reviewed all existing corporate governance arrangements and documents and considered how best to adapt and update them in light of the proposed Stage 2 transfer of staff, assets and liabilities from the PCC to the Chief Constable on 1<sup>st</sup> April 2014. Having been scrutinised by the Joint

Independent Audit Committee the updated framework of corporate governance was approved by the PCC and Chief Constable at their Level 1 Policy, Planning & Performance meeting on 1<sup>st</sup> April 2014.

The Home Secretary gave formal approval to the definitive stage 2 staff transfer scheme on 28<sup>th</sup> March 2014.

The Governance Advisory Group also developed this joint Annual Governance Statement for 2013/14.

### PCC

The PCC has a statutory duty to 'maintain an efficient and effective police force'. The following paragraphs explain how the PCC has discharged these powers and duties:

The PCC, Anthony Stansfeld, was elected on 15<sup>th</sup> November 2012 and took up office on the 22<sup>nd</sup>. The following key governance activities took place during 2013/14:

- The initial framework for corporate governance was agreed and signed on 29th November 2012. As explained above the updated framework of corporate governance to reflect the "stage 2" transfer was approved, and became effective on 1<sup>st</sup> April 2014
- At its meeting on 1<sup>st</sup> February 2013 the Police and Crime Panel endorsed the PCC's proposed 2% increase in council tax precept for 2013/14. The PCC subsequently approved his annual revenue budget for 2013/14 on 8<sup>th</sup> February 2013.
- The PCC allocated £3.5m from his Community Safety Fund (CSF) in 2013/14 to help improve community safety and crime prevention across the Thames Valley. Following extensive consultation with individual local authorities and collectively through the Police and Crime Panel a new 'needs based' funding formula to allocate the CSF in 2014/15 and later years was agreed in November 2013.
- Following consultation with the Chief Constable, the public, partners and other stakeholders the PCC issued his Police & Crime Plan 2013-2017 on 2<sup>nd</sup> April 2013. The Plan is being to reflect updated PCC responsibilities and priorities and will be published in July 2014.
- The PCC published his inaugural Annual Report on 30 June 2013 to highlight major achievements during his first six months in office and to report on operational and financial performance during 2012/13
- On 1<sup>st</sup> April 2013 the Office of the PCC published its *development programme* for 2013/14 to demonstrate how it will deliver the non-policing elements of the Police and Crime Plan. Progress reports were provided to the PCC on a regular basis throughout the year.
- Work is ongoing to improve and enhance the governance and accountability arrangements for partnership work.
- The PCC is actively engaged in the oversight and scrutiny of key collaboration activities (e.g. South East region; Bilateral with Hampshire, Chiltern Transport Consortium, National Police Air Service).
- The PCC has been elected to the Executive Board of the Association of Police and Crime Commissioners (APCC) and represents South East and Eastern region PCC colleagues on the National Police Air Service Board.
- During the autumn the PCC worked closely with the Chief Constable to update the medium term financial plan (2014/15 to 2016/17).
- On 31<sup>st</sup> January 2014 the Police and Crime Panel approved, in principle, the PCC's proposed council precept proposal for 2014/15. This was confirmed in writing on 7<sup>th</sup> February.
- On 14<sup>th</sup> February the PCC published his annual revenue budget for 2014/15, as well as the three year capital programme (2014/15 to 2016/17) and the annual treasury management strategy statement for 2014/15.
- The PCC worked closely with the Chief Constable to establish the new Complaints, Integrity and Ethics Panel – see section C (external scrutiny for further detail).

### The Force

The Chief Constable's Chief Officer Management Team met formally on 13 occasions during 2013/14 to determine and monitor Force Strategy, Policies and Performance. Minutes of those meetings are published on the Force Internet – see Strategic Management Meetings at:

<http://www.thamesvalley.police.uk/aboutus/aboutus-ccmt/aboutus-ccmt-stratgrp/aboutus-ccmt-stratgrp-exdecmeet/aboutus-ccmt-stratgrp-exdecmeet-stratmgmt.htm>

Among the key discussions during the year was a review of the Medium Term Financial Plan (MTFP) as part of the annual budget cycle. The updated MTFP was considered several times leading up to formal approval of the Revenue Estimates 2014/15 by the PCC at the level 1 'Policy, Planning and Performance' meeting on 22<sup>nd</sup> January 2014.

Chief Officers also reviewed the Productivity Strategy which continues to play an important role in identifying options to address the budget shortfall arising from significant reductions in Government grant levels and restrictions on the amount the PCC can raise from council tax.

#### Risk Management & Business Continuity

The Force Risk Management Group (FRMG) met four times during 2013/14. High level strategic risk management and business continuity issues were reported to the Joint Independent Audit Committee on a timely basis. As at 31st March 2014 there were seven issues on the Strategic Risk Register with mitigating actions. Annual Reports were submitted to the June meetings of the Joint Independent Audit Committee in both 2013 and 2014.

#### Health & Safety and Environmental Management

The Force Health Safety & Environment (HS&E) Committee met four times. Annual reports on H&S and environmental management were presented to the June meetings of the Joint Independent Audit Committee.

#### Ethics and Integrity

A protocol between the PCC and Chief Constable has been agreed which provides the PCC with overview and scrutiny of complaints and professional standards. In accordance with this protocol the Deputy PCC met formally with the Deputy Chief Constable and Head of PSD 4 times during 2013/14 to review complaints and matters related to integrity and public confidence. PSD presents details of complaint categories numbers and trends. A new Complaints, Integrity and Ethics Panel has been created and this Panel will replace the current protocol and report directly to the PCC and Chief Constable. – see Section C (external scrutiny) for more detail.

In the light of the publication of a Code of Ethics by the College of Policing, which is due to be laid before Parliament in the summer of 2014, the Chief Constable has sought to reinforce the fundamental importance of integrity issues which are highlighted in the Force Values and to highlight the importance of the Code to all staff. All staff have been required to complete an on-line training package prior to attendance at a dedicated Code of Ethics training session. In addition a Superintendent, reporting directly to the Chief Constable, has been assigned to lead on issues relating to the Code of Ethics.

#### Collaboration and Partnership Working

The joint TVP & Hampshire Bi-lateral Collaboration Governance Board met 3 times during 2013/14. In January 2013 the formal governance framework and performance accountability of the collaborated Operations, ICT and Information Management units were agreed by both PCCs, as well as the collaboration business plan 2014-16. This Board oversees the development of the Contact Management programme, Criminal Justice, Crime & Intelligence, Non-Collaborated Operations Units and Learning & Development.

Governance of collaboration between forces across the South East region is undertaken at the Regional Governance Board. Four meetings were held during 2013/14.

The South East Regional Organised Crime Unit (SEROCU), which is hosted by Thames Valley Police with effect from 1<sup>st</sup> April 2014, brings together the current regional organised crime units under one structure with additional capabilities included. It is aligned with the South East Counter Terrorism Unit. There is a joint ACC who works directly to Chief Constable of Thames Valley Police to exercise overall command of the regional crime and counter terrorism functions. He also represents serious organised crime at the Regional Governance Board and nationally with the National Crime Agency and other key stakeholders.

The Chiltern Transport Consortium was formed in 2003 and is governed currently through a memorandum of Understanding rather than a formal section 22A collaboration agreement. The CTC Board held its Annual Board Meeting in July 2013. A new governance framework for the consortium will be developed in 2014/15 under a Section 22A Framework

#### Internal audit

The annual report of the Chief Internal Auditor for 2013/14 was presented to the Independent Audit Committee on 24th June 2014. It contained the following assurance statement on the overall adequacy and effectiveness of the internal control environment:

*“Based on the reviews completed during the year, the opinion on the organisation’s System of Internal Control is that the key controls in place are adequate and effective such that **majority assurance** can be placed on the operation of the organisation’s functions. The opinion demonstrates a good awareness and application of effective internal controls necessary to facilitate the achievement of objectives and outcomes. There is an effective system of risk management, control and governance to address the risk that objectives are not fully achieved”.*

#### **c) External scrutiny**

##### Joint Independent Audit Committee

The Committee comprises three former independent members of the former Police Authority’s Audit, Governance and Risk Committee. During 2013/14 it met 4 times to consider the external audit and internal audit plans for 2014/15, as well as receiving timely updates in terms of risk management and business continuity.

The Committee presented its Annual Assurance Report for 2013 to the PCC and Chief Constable at their Level 1 “Policy, Planning and Performance” meeting on 22<sup>nd</sup> January 2014. The one area of governance where the Committee had a concern was PCC oversight of Force complaints, integrity and ethics issues. This issue is being addressed through the new Complaints, Integrity and ethics Panel – see below for more detail.

##### External Audit

In September 2013 Ernst & Young issued unqualified audit opinions in respect of the 2012/13 accounts to both the PCC and Chief Constable, as well as giving an unqualified value for money conclusion. The Auditor was satisfied that the system of internal control put in place by the PCC and Chief Constable was adequate and effective in practice.

##### HMIC

In July 2013 HMIC published their report in relation to the Force’s response to the funding challenge which forms part of the HMIC Valuing the Police programme. The report stated ‘Thames Valley Police has made a very strong response to meeting its financial challenge over the last two years. It has limited the impact of the cuts on its frontline workforce in a way very few other forces have been able to achieve; protecting its crime fighting capability by driving out inefficiencies in other areas. It is one of only four forces in England and Wales where the number of police officers in frontline roles is planned to increase. In addition, the force has demonstrated excellent performance in reducing crime over the spending review period.’

In February 2014 HMIC, together with HM Inspectorate of Prisons, published their joint report in relation to the Force’s custody suites. They reported that ‘Overall, the care of detainees in the Thames Valley force was good, the professional attitude of custody staff and the positive culture towards detainee care was some of the best we have seen.’ This report provided a small number of recommendations to assist the Force and the PCC to improve provisions further. Work is in progress to implement these recommendations.

Both reports are available on the HMIC website.

The Chief Constable provides the PCC with a full briefing note following each HMIC inspection.

The PCC is required to respond and publish on his website, within 30 working days, his response to each relevant HMIC inspection report. Apart from the joint inspection report on custody suites, this requirement has been complied with.

#### Police and Crime Panel

During 2013/14 the Police and Crime Panel met on seven occasions. As well as reviewing the budget proposed by the PCC, the Panel also received regular reports on the delivery of the Police and Crime Plan including the contribution made by other partner agencies. In July 2013 the Panel held a conference to mark its first year of operation reflecting on how the Panel had developed, its work to-date and lessons for the future. It also published its inaugural annual report.

#### Complaints, Integrity & Ethics Panel

Due to national concerns over police integrity there is an accepted need to develop a robust, independent and transparent system of oversight of the way complaints and misconduct allegations made against the police are handled and investigated by the forces themselves. To this end the PCC, in close liaison with the Chief Constable, decided to establish a Complaints, Integrity and Ethics Panel to provide enhanced, independent, oversight and scrutiny of the Force's handling of police complaints and misconduct investigations, as well as broader integrity and ethics issues facing the police in general and Thames Valley in particular.

The new Panel is intended to satisfy the statutory requirements around monitoring of police complaints and also ensure that integrity and ethical issues are considered in order to maintain public confidence in policing. The Panel will report directly to the PCC and the Chief Constable.

Following interview 9 independent members were appointed to the Panel. The first meeting was held on 24<sup>th</sup> April 2014. Meetings of the Panel will be held bi-monthly.

#### **d) Conclusion**

The work carried out by the Governance Advisory Group in the light of the Stage Two Transition in particular provided an opportunity both to validate and update the scheme of governance during 2013/14. Consequently the PCC and the Chief Constable were able to satisfy themselves that key significant governance issues affecting the discharge of their responsibilities were receiving effective scrutiny

## **SIGNIFICANT GOVERNANCE ISSUES**

It should be noted that governance issues facing the organisation are not necessarily always a result of weaknesses within the internal control framework.

There were no governance issues identified in respect on 2012/13 however progress against the two issues identified which might potentially impact on 2013/14 and beyond was as follows:

- **'Stage 2' transfer of staff, assets and liabilities from the PCC to Chief Constable**
  - a) Not finalising an agreed submission before 16<sup>th</sup> September
  - b) Home Secretary does not agree TVP proposal
  - c) Failure to implement the new arrangements before 1<sup>st</sup> April 2014
  - d) TVP transfer is not compatible with collaboration partners

Submission deadlines were met and approval to the definitive Staff Transfer was given on 28 March 2014. The joint internal Stage 2 Transition Board met for the final time on 28 February 2014 and was satisfied that there were no outstanding issues to be addressed under the Project and therefore formally closed the Project Board. There were no known incompatibilities with collaboration partners. The Home Secretary gave formal approval to the Stage 2 staff transfer scheme on 28<sup>th</sup> March 2014.

- **Inconsistent governance arrangements for current collaborations with other forces –** South East region governance arrangements are now in line with those established for the

bi-lateral collaboration between TVP and Hampshire Constabulary and their respective PCCs. The governance arrangements for the Chiltern Transport Consortium are in the process of being reviewed and amended as appropriate.

There are currently **NO** significant governance issues for 2013/14. However, the following three issues have been identified which may, potentially, impact on the internal control environment during 2014/15 and beyond. These issues will be closely monitored by the Governance Advisory Group and regular updates will be reported to the Joint Independent Audit Committee:

No.	Issue	Action
1	That the identified funding gap in 2015/16 and later years cannot be addressed without impacting adversely on the effective governance and internal control arrangements currently in place	This will reviewed as part of the normal budget development process for the medium term financial plan (i.e. 2015/16 and later years). Regular updates will be provided to both CCMT and PCC at appropriate times during the year.
2	That the PCC does not implement compliant and effective commissioning arrangements for victims and witness services in accordance with external deadlines and requirements	Commissioning is a key element of the PCC's refreshed Police and Crime Plan 2014. Progress will be monitored via the OPCC workplan for 2014/15.
3	<p>That the issues identified by the Joint Independent Audit Committee in their Annual Assurance Report regarding effective PCC oversight of Force complaints, integrity and ethics issues are not adequately addressed.</p> <p>The ToR for the panel have been agreed although it has yet to establish an effective monitoring and reporting system</p>	The Panel has met twice so far to receive initial training and briefings. A regular programme of meetings will commence in June 2014

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review



**Anthony Stansfeld**  
Police & Crime Commissioner



**Paul Hammond**  
Chief Executive  
(Monitoring Officer)



**Ian Thompson**  
Chief Finance Officer and  
Deputy Chief Executive