Annual Governance Statement

Position as at 31st March 2017 including plans for the financial year 2017/18.

1. Scope of Responsibility

1.1 Following the introduction of the Police Reform and Social Responsibility Act (2011) the position of Chief Constable has been established as a Corporation Sole. For the purposes of this document the terms Chief Constable, the Force and Cleveland Police should be read as one and the same.

1.2 The Chief Constable is responsible for ensuring Force business is conducted in accordance with the financial governance arrangements outlined in The Financial Management Code of Practice for the Police Service of England and Wales (2013). The Chief Constable also has a statutory duty to secure value for money in the use of public funds.

1.3 In discharging this overall responsibility, the Chief Constable is responsible for putting in place proper arrangements for the governance of the organisation, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

1.4 Cleveland Police has an established Corporate Governance Framework through which the Chief Constable can be assured that the Force's systems, policies and people are focused in a way that is driving the delivery of agreed priorities. Along with focus on key risks to the delivery of those priorities the governance framework also provides assurance that the Force operates in an efficient and effective manner.

1.5 This statement meets the requirements of Accounts and Audit Regulations 2015, regulation 6(1)b, which requires all relevant bodies to prepare an annual governance statement.

2. The Purpose of the Governance Framework

2.1 The governance framework comprises the culture, values systems, processes and assurance framework by which the Force is directed and controlled and the activities through which it accounts to, engages with and leads its community. It enables the Force to monitor the achievement of its priorities and to consider whether they have led to the delivery of efficient and effective services.

2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not

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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 the Cleveland Police's priorities, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively, and economically.

2.3 This governance framework has been in place at Cleveland Police for the year ended 31st March 2017, and up to the date of the approval of the accounts.

3. The Governance Framework

3.1 The Force has a joint corporate governance framework with the Police and Crime Commissioner (PCC) for Cleveland. The framework sets out the way that the two organisations, the Police and Crime Commissioner and the Chief Constable, govern, both jointly and separately. The framework also details the delegations and consents from the PCC to the Force, and outlines the specific roles and responsibilities of officers.

3.2 The Chief Constable is responsible for the delivery of operational policing, the direction and control of police personnel, and for putting in place proper arrangements for the governance of the Force. The Chief Constable also has a statutory duty under section 35 of Police Reform and Social Responsibility Act (2011) to secure that they and the persons under their direction and control secure good value for money in exercising their functions.

3.3 The Police and Crime Commissioner (PCC) for Cleveland is responsible for ensuring that the Chief Constable delivers an efficient and effective police force and holds the Chief Constable to account for the operational delivery of policing.

3.4 In addition to the Annual Governance Statement (AGS) for Cleveland Police, the PCC is also required to produce an AGS. The two AGS's complement each other by:

- outlining the key methods of assurance which operate in each body to ensure that, overall effective control is exercised;
- showing which key documents/reports of Cleveland Police are scrutinised by the PCC as part of wider accountability;
- demonstrating how the policing elements of the Police & Crime Plan are delivered by Cleveland Police and are underpinned by public consultation on the part of the PCC as part of wider accountability.

Both the PCC and Cleveland Police must produce separate accounts which are then consolidated into group accounts. This ensures that both individual and collective financial stewardship of public money is effective and is underpinned by annual external audit. In addition, the PCC is required to approve the Force's budget each year in consultation with the Chief Constable.

3.5 This Annual Governance Statement provides a summary of the extent to which the Force meets the seven principles of good governance as identified in the revised *Delivering Good Governance: Guidance Notes for Policing Bodies in England and Wales (2016)*.

3.6 The seven principles of good governance are:

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

3.7 While the concepts of good governance are acknowledged and understood, the appropriate day-to-day processes must be in place to allow this to happen. These are detailed in the following sections.

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

4.1 The Force has three values: integrity, benevolence and service which are in line with the nine policing principles identified in the Code of Ethics, and the Competency and Values Framework (CVF). The values are used, along with the Code of Ethics, to underpin our working practices and decision making.

4.2 Police officers and police staff are subject to a Code of Conduct and the Code of Ethics, and are required to abide by the seven principles of public life.

4.3 The Code of Ethics produced by the College of Policing, sets out the values and standards of professional behaviour for the police service of England and Wales. As part of the on-going process to embed the Code of Ethics every officer and member of staff from within Cleveland Police, and its strategic partners, were given an 'aide memoire' card showing the Code of Ethics and the National Decision Model (NDM). Each supervisor across the Force was also given a full copy of the Code of Ethics handbook. Code of Ethics elements are weaved into all training delivered, and supervisors received briefing sessions to enable them to cascade delivery to their teams. All new pocket notebooks have the Code of Ethics principles at the front of the book to provide a constant reminder throughout the daily work. In addition, the principles of the Code of Ethics are celebrated at awards and commendation events.

4.4 In the 2016 PEEL Legitimacy report HMIC reported that "*Cleveland Police has shown improvement since our 2015 PEEL inspections in respect of the workforce's awareness and understanding of the Code of Ethics, including the importance of treating all of the people it serves with fairness and respect.*"[1]

4.5 The Force has rolled out the use of the NDM across the Force. The Model is used to support the use of greater discretion and encourages decision makers to follow

[1] HMIC PEEL: Police Legitimacy 2016 Report: http://www.justiceinspectorates.gov.uk/hmic/wp-content/uploads/peel-police-legitimacy-2016-cleveland.pdf

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an easy to use, consistent and robust process which has the vision and values of the Force, and the Code of Ethics, at its heart. The Model can be used to support both operational and non-operational decisions, no matter how complex and it can be used by both police officers and staff alike in their professional roles. Training for all staff on the NDM incorporates the Code of Ethics as running through the decision-making process.

4.6 Initial induction training for police officers and staff covers professional conduct, the Code of Ethics, the NDM, and the CVF. The Code of Ethics and the NDM is revisited regularly over the course of the Initial Police Learning & Development Programme (IPLDP) for all probationer constables.

4.7 All supervisors are invited to attend a 'moving forward with leadership' workshop which aims to discuss and disseminate the CVF through leaders. The CVF is now included in the performance and development review (PDR) process.

4.8 The Force has continued to hold organisational briefing and development sessions for all supervisors, led by the Chief Constable, on a quarterly basis. The aim of these sessions is to help foster a climate of openness, support and respect.

4.9 The Internal Ethics Committee is now well established and meets on a quarterly basis, chaired by the Chief Constable. In addition, the group can be convened at short notice to consider time critical issues. The Committee considers specific ethical issues as well as scrutinising chief officer expenses, gifts, gratuities and hospitality. The Committee has a dedicated Intranet site which promotes the work of the group and identifies the members, so that officers and staff can easily access advice and guidance on ethical issues. All submissions to the Committee, and the corresponding advice, is published on the Intranet site.

4.10 The Joint External Ethics Committee with Durham Constabulary continues to meet on a quarterly basis, increasing the transparency and accountability of decision makers, and enriching the decision-making process. The Committee is made up of members from ever increasing and diverse backgrounds across the communities the Force serves. The Committee discusses specific questions that have been sent for their consideration, with the outcomes posted on the Force's website. Where issues are forwarded by the Internal Ethics Committee for further review, the outcome of the Internal Committee is removed so eliminating any potential basis. The External Committee will also discuss items, and give recommendations, on issues that they see as appropriate for their consideration.

4.11 The People Intelligence Board is well established and continues to meet on a monthly basis, chaired by the Deputy Chief Constable. It brings together issues that would otherwise be looked at in isolation, including corporate and people issues, to ensure high standards of conduct and behaviour across the Force. This will cover a range of information including: sickness; grievances; disciplines; misconducts; complaints; business interests; notifiable associations; Employment Tribunal cases; civil claims and vetting concerns.

4.12 In the 2016 PEEL Legitimacy Report, HMIC found that "…*Cleveland Police continues to clarify and reinforce acceptable and unacceptable standards of behaviour. The workforce, including volunteers, are aware of the standards*

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expected of them, including the Code of Ethics and policies relating to the workforce declaring their business interests and any notifiable associations".[2]

4.13 The Force has a Counter Fraud and Corruption Policy which provides a standardised approach to minimising fraud and corruption. This policy is currently being reviewed and updated in line with identified best practice in other forces. The Fraud Response plan is also being updated.

4.14 The Force co-operates with the National Fraud Initiative (NFI) and submits the required data every two years. The NFI is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud.

4.15 The Force has reviewed and updated its processes for so called 'whistle-blowing' with the introduction of a new Protected Disclosure Policy. The Protected Disclosure Policy provides a mechanism that complies with legislative requirements and enables staff to raise issues of concern regarding wrongdoing and inappropriate conduct and behaviour within the workplace. The policy is considered integral to creating a safe environment in which staff at all levels feel a genuine obligation to maintain the integrity of the police service, and have the confidence to support the Force in maintaining the Standards of Professional Behaviour and the Code of Ethics.

4.16 Now in its second year, the 'Everyone Matters' programme continues to look at how the organisation delivers services to our different communities, develops and supports our staff, and ensures that the organisations processes are the best that they can be. The 'Everyone Matters' programme was established to provide a living approach to inclusion, equality, diversity and human rights ensuring it is fully embraced in both our service delivery and employment. It is about moving us forward as a service built upon firm foundations of values, ethics, transparency, inclusion and fairness and an internal maturity to challenge behaviours or attitudes that don't support that.

4.17 Unconscious bias training has been rolled out across the Force to all supervisory level staff. The aim of these sessions was to enable managers to understand what unconscious bias is and how it can impact on behaviour and decision making, and how to apply the principles of unconscious bias mitigation in their own work context.

4.18 The Force has a Chief Finance Officer (CFO) in post who is the statutory 'Section 151' Officer for the Force. The Force's CFO works closely with the Chief Finance Officer of the PCC ensuring an effective, cooperative and constructive relationship, and complies with the CIPFA statement on *The Role of the CFO for the Police and Crime Commissioner and the CFO of the Chief Constable (2012)*.

4.19 The Force strategic partner, Sopra Steria (UK), embrace the Code of Ethics and there are contractually committed to comply with Force policies.

4.20 The Chief Constable has taken swift action to address historic breaches of legal and regulatory provisions, and has instigated a full peer review of the Professional Standards Department - Transforming Professional Standards. One of the overarching principles of this work is to embed a culture of integrity, fairness and

[2] HMIC PEEL: Police Legitimacy 2016 Report: http://www.justiceinspectorates.gov.uk/hmic/wp-content/uploads/peel-police-legitimacy-2016-cleveland.pdf

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impartiality. To enhance the organisation's reputation as evidenced by a strict adherence to the regulatory and legislative framework with demonstrable, auditable transparency in decision making and procedures together with effective internal and external mechanisms to provide challenge and accountability. This work is continuing through 2017.

4.21 The Force has a complaints process which is detailed on the Force website. The review of Professional Standards will determine the future, longer term structure and remit of Professional Standards; progressing from a department solely or predominantly focussing on complaint management and enforcing discipline, to taking a more holistic approach to professional standards.

4.22 The Joint Independent Audit Committee receives reports on complaints against police on a six-monthly basis, along with examples of 'lessons learnt' that have been circulated across the Force.

5. Principle B – Ensuring openness and comprehensive stakeholder engagement

5.1 Following the introduction of the new model of Neighbourhood Policing, the Force redeveloped its Community Engagement Strategy. The strategy aims to provide accessible, multiple opportunities for communities to engage with Cleveland Police in shaping policing policy, practice and priorities.

5.2 It is recognised that the traditional formal means of community engagement are not the best ways of engaging with our ever increasingly diverse communities, and a more creative approach is being developed. Some of these new approaches include 'pop up shops' in local cafes, and in Mima, when members of the Muslim community provide free meals for the homeless once a week. In addition, the Force is participating in the 'Adopt a Post Office' initiative that pairs a police officer or PCSO with a local Post Office branch providing a visible presence in areas frequently visited by local communities.

5.3 The Everyone Matters Programme focuses on how we deliver services to our different communities, how we develop and support our staff, and how we ensure that our processes are the best that they can be. The Everyone Matters Communication Strategy has been developed to open up two way effective communication channels to allow our communities and staff to have a voice and get involved.

5.4 In partnership with the PCC, and with representatives from our communities, Cleveland Police established a rolling programme of workshops to enhance the knowledge and understanding of all officers and staff in support of a culturally sensitive and effective service and working environment. The interactive workshops provide opportunity for guest speakers to provide an insight into their culture and explore issues such as barriers to engagement and service delivery needs. In 2016 guest speakers included representatives from the transgender community, Guide Dogs, MIND and the refugees and asylum seekers forum.

5.5 The Force recognised that specialist resources were required to tackle hate crime, with specific attention to community engagement and investigation. Through the

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provision of extra funding from the PCC, the Force has appointed two key roles. A Community Cohesion Co-ordinator who will engage with communities affected by hate crime and hate incidents, as well as providing feedback from communities to inform the organisational response. A Refugee and Asylum Seeker (RAS) Co-ordinator who will work with and support local authorities in integrating new and current members of the RAS communities, engaging with both statutory and third sector partners to provide support to this vulnerable group, and enable a consistent standard of response for individuals from RAS communities. They will also provide a key link into communities, working closely with the wider Communities and Partnerships Team to enable an appropriate organisational response.

5.6 Within Cleveland there are 4 geographic Independent Advisory Groups (IAG) covering each local authority area, and a Strategic IAG (SIAG) bringing together representatives from the geographic IAGs, including senior police officers and staff and the PCC to discuss strategic issues that affect the whole of the Cleveland policing area.

5.7 Due to diminishing representation at the SIAG, consultation with the community was undertaken to establish what areas the SIAG should focus on, and this led to a Communities Conference covering the key themes identified during the consultation. As a result of discussions at the Communities Conference, work has been undertaken to increase the diversity of SIAG members, specifically in the area of LGB&T as well as others. Volunteers have also been recruited to assist in the administration of local IAGs.

5.8 The Transforming Professional Standards programme has been established to undertake a formal review of the Professional Standards Department. One of the overarching principles of this work is to have constructive and positive stakeholder engagement, by maintaining and enhancing relationships with stakeholders, especially those who have least confidence in the police complaints and misconduct system; and a willingness to respond to constructive commentary and to influence improvements in policing standards. This work will continue through 2017.

5.9 The review team has engaged widely with internal and external stakeholders, including national bodies and representatives from other public sector organisations to identify and develop good practice. To support this work an External Reference Group has been established to provide external critique, challenge and support to the transformational process. Group members are drawn from independent external bodies as well as internal staff.

5.10 The Local Public Confidence Survey continues to be conducted on a monthly basis, by an independent company. This telephone survey assesses public confidence levels in the local community, providing statistically significant results for each Local Policing Area (LPA) giving a local context. The survey also includes a range of diagnostic questions highlighting any concerns respondents have about policing in their neighbourhood. The results are reported quarterly to the Tactical Performance Group.

5.11 The Victim Satisfaction Survey is a national telephone survey across a random sample of victims from the Force area on a rolling monthly basis. Results are reported on a monthly basis to the Tactical Performance Group. The survey provides the Force with information about the experiences of victims, including

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examining how well victims feel they are treated, which allows us to continually improve the service we deliver.

5.12 The Performance Quality & Review Team analyses the results of the victim satisfaction survey and the Local Public Confidence Survey. Police officers and staff issue business cards which contain a quick response (QR) code linking the use to the 'victim's code' pages on the Force website. This allows recipients of the card to provide feedback on their encounter with the police.

5.13 In the 2016 PEEL Legitimacy report HMIC noted "*Cleveland Police uses the feedback it receives to improve its services to the public, including the extent to which it treats all the people it serves with fairness and respect*".[3]

5.14 There is regular communication between the Office of the Police and Crime Commissioner and Cleveland Police, with the Chief Constable meeting the PCC on a weekly basis to update on current issues. A summary of the topics and actions discussed in these meetings is published on the PCC's website.

5.15 In addition, the Deputy Chief Constable has regular meetings with the PCC's Chief of Staff, and the two Chief Finance Officers also meet on a weekly basis.

5.16 The Chief Constable has regular meetings with each of the Chief Executives of the local councils, and the Chief Fire Officer. In addition, the Force works in partnership with the local authorities, and other stakeholders, e.g. health, education and social care on a range of issues, for example; multi-agency children's hub; community safety partnerships, local safeguarding boards, health and wellbeing boards, youth offending boards and the strategic contest delivery group. This is not an exhaustive list.

6. Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits

6.1 The Force has a clear vision: '*making our communities safer; helping them to be stronger*'.

6.2 The 'Towards 2020' strategic position paper outlined the approach being taken to develop the organisation. A key priority for the Force has been the development of a sustainable service model that can effectively respond to threat, harm and risk. 'Towards 2020' identifies the future shape of the organisation as being: Local Policing; Operational Collaboration, and Enabling Services. This reshaping is aligned to our Strategic Threat & Risk Analysis (STRA) and demand profile (including alternative approaches to dealing with or reducing demand) which directs focus into those areas of policing that require emphasis.

6.3 In the 2016 PEEL Efficiency report HMIC noted that "*Cleveland Police is good at planning for the future. It has demonstrated its ability to both achieve savings and plan its investments for the future. The force has developed a comprehensive policing plan, Towards 2020, which sets out its strategic intent in relation to planning*

[3] HMIC PEEL: Police Legitimacy 2016 Report: http://www.justiceinspectorates.gov.uk/hmic/wp-content/uploads/peel-police-legitimacy-2016-cleveland.pdf

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service provision and reshaping services along with partner organisations to make them more efficient and effective".[4]

6.4 The Long Term Financial Plan (LTFP) 2016/17 to 2019/20 and Capital Plan 2016/17 to 2019/20 were agreed with the PCC in February 2016. The Force produces monthly reports on progress against the plan which are reviewed by the Force's Management Board, and discussed with the PCC's Chief Finance Officer. In addition, the Force reports directly to the PCC on progress on a quarterly basis.

6.5 A significant effort has been put into ensuring the completeness of both revenue and capital rolling equipment replacement programmes to: ensure funding is available when necessary; avoid spikes in expenditure by smoothing the replacement profile; inform the procurement plan to ensure timely ordering and receipt of equipment, and inform prioritisation and decision making.

6.6 In partnership with Sopra Steria, the Force has respecified, redesigned and reconfigured the contract to deliver the minimum level of service required to support operational policing and provide savings to protect front line services and reduce cost through a piece of work known as Strategic Intent. The redesigned contract has moved contract compliance from a series of numeric key performance indicators (KPI) to quality based outcomes and indicators centred on a 'balanced scorecard' approach to managing contractual performance.

6.7 The initial implementation of the amended structure and processes agreed under Strategic Intent went live in August 2016 and work has continued to embed and improve these through monthly performance meetings with the Force's client side team. A suite of management information has been developed to assist in the management of the partnership along with an innovation plan developed by Sopra Steria to continue to improve service provision.

6.8 The Towards 2020 Change Board continues to meet on a regular basis. Chaired by the Deputy Chief Constable, the Board assess all change proposals to ensure they are in line with the Force vision and deliverable within the resources available.

6.9 The Force has been instrumental in bringing together the strategic leaders across the public and voluntary sectors, business communities and academia to consider how much more effective each of the organisations could be if they coalesced behind a clear strategic determination to be better together; driven by a shared goal of making the communities they serve stronger and more prosperous. This collegiate approach will continue through 2017, and beyond, in a drive to generate positive outcomes in relation to health, education, crime prevention and reduction, vulnerability and economic stability; creating tangible and sustainable benefits for those communities who need them most.

6.10 The Force is party to a number of collaborative agreements to increase resilience and effectiveness and reduce costs, with Section 22A agreements in place defining the governance arrangements and funding formulas.

6.11 Cleveland Police and Durham Constabulary have an established Specialist Operations Unit incorporating: armed response; road policing; collision

[4] HMIC Report – PEEL: Police Efficiency (2016) - http://www.justiceinspectorates.gov.uk/hmic/wp-content/uploads/peel-police-efficiency-2016-cleveland.pdf

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investigation; motorcycles; camera enforcement; traffic management and dogs support. During the year, North Yorkshire Police joined the collaboration for the provision of dogs support. Cleveland Police and Durham Constabulary also work closely on their public order teams, training, and chemical, biological, radioactive and nuclear (CBRN) capacity. The joint unit is overseen by a governance structure with the collective Force Executives and Police and Crime Commissioners sitting on a Strategic Board. A bi-monthly meeting sits to give direction to the head of unit and this is chaired by an ACC.

6.12 Cleveland Police is part of the North East Regional Special Operations Unit (NERSOU) which provides additional specialist capacity to deliver an increased response to tackling serious organised crime that transcends force borders. The mission of the unit is to tackle those organised crime groups causing the greatest levels of harm to communities in the North East.

6.13 During the year, the Force entered into a collaborated Major Investigation Team with North Yorkshire Police, significantly increasing the level of resources available to tackle some of the most complex and serious incidents.

6.14 Progress continues to be made on the Evolve collaboration programme between Cleveland Police, Durham Constabulary and North Yorkshire Police; looking at where working together can improve services to communities and reduce operating costs. As part of the Evolve programme, the forces are developing the proposals for fully collaborated Legal Services.

6.15 The Force is also part of a national collaboration for the provision of air support, the National Police Air Service (NPAS).

6.16 A complaints protocol has been agreed to provide clarity over the arrangements to respond to the breadth of concerns raised by local people, whether they be allegations of organisational or individual failures/concerns.

7. Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes

7.1 There is an established meeting framework in place that is headed by the Management Board as the key driver of the organisation.

7.2 Due to the significant amount of change being delivered across the Force, the Towards 2020 Change Board was established in 2015 and continues regularly. This sub-group of the Management Board supports the operational delivery of the Towards 2020 plan by ensuring effective prioritisation of resources and communication, alignment and transparency of change initiatives.

7.3 In response to the 2013 Comprehensive Spending Reviews (CSR) the Force developed plans, in conjunction with the PCC, to deliver financial and operational sustainability and to enable plans to be developed and enacted to deal with the severe funding challenges of 2016/17 and beyond. Following CSR 2015 the Force has worked with the PCC to agree a level of funding that will sustain the ‘Towards 2020’ operating model over the lifetime of the plan. Consequently, the Force is projecting a break-even position for each year of the plan. However, financial

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balance is dependent upon the delivery of a programme of reviews and cost reduction initiatives.

7.4 The Force has maintained a consistent approach to its financial strategy; maintaining financial stability and protecting service provision through identifying sufficient savings to provide time and space to work up well considered savings plans for, what may be, more challenging future years. In the 2016 PEEL Efficiency report HMIC noted that "*The force has made realistic and prudent assumptions about future income and costs, and has considered risks and contingencies*".[5]

7.5 To support the delivery of the Long Term Financial Plan (LTFP) the Force has agreed a Financial Sustainability Plan which examines some of the key assumptions and outlines the corporate development work streams that will deliver further savings. Collectively these plans provide a stable financial position for the Force over the next four years and therefore provides assurance that the strategic plan 'Towards 2020' and our core priorities of prevention, protection and intervention are both affordable and achievable.

7.6 The LTFP 2016/17 to 2019/20 and Capital Plan 2016/17 to 2019/20 was agreed with the PCC in February 2016, and regular updates are provided to the Management Board and the PCC.

7.7 The Statement of Accounts 2016/17 was produced in line with statutory requirements, was reviewed by the Joint Independent Audit Committee, and approved by the PCC and the Chief Constable. (NOTE To be confirmed in final version)

7.8 When issuing their value for money conclusion, External Audit noted that the Chief Constable had adequate arrangements in place for: informed decision making; sustainable resource deployment, and working with partners and third parties.[6] . (NOTE To be confirmed in final version)

7.9 ICT Strategy is reviewed by the ICT Strategy Board, chaired by the Deputy Chief Constable, which meets three times a year. The Board provides an overarching view of ICT issues and an insight into future issues and challenges including highlighting issues which are at the margins of current thinking. The Force works with neighbouring forces in the identification and assessment of new technology, and opportunities for collaborative procurement.

7.10 The Force has an agreed Workforce Plan for 2016/20 with the strategic aim to attract and retain the best staff locally and nationally by being an employer of choice. The plan identifies the numbers of officers and staff required over the next four years, the need for workforce modernisation, talent management and recruitment plans. Periodic updates on the plan are reported to the Management Board. In the 2016 PEEL Efficiency report HMIC noted that "*The force's workforce*

[5] HMIC Report – PEEL: Police Efficiency (2016) - http://www.justiceinspectorates.gov.uk/hmic/wp-content/uploads/peel-police-efficiency-2016-cleveland.pdf

[6] Audit Completion Report - Chief Constable for Cleveland – year ended 31 March 2016 - https://www.cleveland.police.uk/downloads/Publications-FOI-Expenses/Cleveland_Chief_Constable_ACR_FINAL_v8-9-16.pdf

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plan for 2016–20 is comprehensive and aligned with the force's vision, values and Towards 2020 plan".[7]

7.11 A key element of the Workforce Plan is the Recruitment Plan, ensuring the Force has sufficient officers and staff with the requisite skills to deliver the Force's priorities. Delivery against the Recruitment Plan is monitored at the monthly recruitment planning meeting which feeds into the workforce planning monthly highlight report. The Recruitment Plan is also reported on at the quarterly Workforce Planning Meetings.

7.12 The Estates Blueprint outlines the estates required to meet future demand and design of service. This is to be achieved by maximising the use of the main LPA stations, the modernisation of the existing premises, the rationalisation of surplus property and co-location opportunity's with public sector partners alongside the creation of the new Community Safety Hub.

7.13 The Force has developed a performance 'dashboard' to take a holistic view to assessing performance and outcomes. The 'dashboard' takes a balanced scorecard approach and links directly to the areas of HMIC inspection activity: organisational effectiveness; organisational efficiency; leadership & people, and legitimacy & integrity. Performance against these areas is assessed on a quarterly basis as part of the Strategic Performance Group, and at the PCC's Scrutiny, Delivery & Performance meetings.

7.14 During 2015/16, the Force undertook detailed reviews of the three areas that form part of 'Local Policing'; Neighbourhood Policing, Protecting Vulnerable People, and Incident Resolution Teams, to enable Cleveland Police to deliver the right balance of protect, intervene and prevent. Throughout 2016/17 the Force has continued to embed the changes made from these reviews and have put in place arrangements for post implementation reviews to ensure the intended outcomes are being delivered. This review work will continue through 2017.

7.15 As part of the Transforming Professional Standards work the Force is seeking to ensure consistent and appropriate outcomes as evidenced by robust processes and procedures to resolve complaints, conduct, and death and serious injury (DSI) following police contact matters; with clear accountability, responsibility and authority for decision-making within a defined Scheme of Delegation and Governance supported by robust performance scrutiny and internal challenge that ensures high quality investigations and casework leading to the ability to operate in a timely and consistent fashion across all aspects of assessments and casework. This work will continue through 2017.

8. Principle E – Developing the entity's capacity, including the capability of its leadership and the individuals within it

8.1 The Force structure is designed to manage service delivery whilst ensuring that effective governance is applied throughout the Force. There are three operational delivery commands: Neighbourhood & Partnership Policing; Crime & Justice, and Tasking, Coordinating and Operations. These are supported by: People &

[7] HMIC Report – PEEL: Police Efficiency (2016) - http://www.justiceinspectorates.gov.uk/hmic/wp-content/uploads/peel-police-efficiency-2016-cleveland.pdf

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Development, including HR and training; Legal Services; Finance and Corporate Services including the Business Transformation Unit (BTU) which has direct responsibility for corporate planning, transformational change, risk management and service continuity, the Performance Quality and Review Team and Corporate Communications.

8.2 The Force's People Strategy provides the overarching framework, and sets the strategic direction, for all people services; to ensure that that the various aspects of people management work together to develop the performance and behaviours necessary, for the delivery of an effective policing service. The strategy defines the six broad strategic aims that will achieve the Force's 'people vision': *As an employer of choice we create an environment that attracts the right people, develops them to deliver high performance and retains and enables them to contribute meaningfully to the future of the organisation*.

8.3 The People Strategy identifies the need for a more inclusive leadership style to achieve the Everyone Matters objectives and better support the wellbeing of our staff. In support of the People Strategy, the Leadership Development Strategy outlines how the Force will promote and develop excellent leadership and management. The strategy identifies the 'Cleveland Leadership Behaviours' that are key to us achieving the Force's Towards 2020 plan, and the people and business skills the organisation needs to develop. This strategy is led by the Organisational Development Manager with monthly project meetings to review delivery.

8.4 The Force has a Performance and Development Review (PDR) process for officers and staff. During 2016 there has been an increased emphasis on the use, and benefits, of PDRs across the Force, with briefings and training being given to supervisors. This has resulted in a significant improvement in the numbers of officers and staff participating in the process. Work is continuing to ensure it is fully embedded across the organisation. As part of the PDR process, leaders at all levels are expected to create and manage their own personal development plan based on their performance not just of leading tasks, but leading people and the behaviours they display doing that.

8.5 The Learning & Professional Development Delivery Plan is reviewed on an annual basis to ensure it is aligned to the Learning & Professional Development Strategy. This is now monitored on a quarterly basis via the Leadership & Professional Development Board, chaired by the Deputy Chief Constable.

8.6 The Force has a centralised process for approving requests for external training. All requests are reviewed against the organisational and individual needs by the Head of Learning & Development on a monthly basis. Quarterly updates are provided to the Leadership & Professional Development Board.

8.7 The Workforce Planning meeting considers skills and capability alignment along with talent Management and the succession planning of key roles within commands and departments.

8.8 During 2016 the Force commissioned a Staff Survey, following on from the previous survey undertaken in 2014. Answers were scored to show how officers and staff felt about a range of issues, including motivation to serve the public and fairness in

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the workplace. Compared the results from the 2014 survey, significant improvements had been made. The results show that officers and staff are highly motivated to serve the public, and that the levels of public service motivation have increased; officers and staff also feel more supported, have greater job satisfaction and reported greater perceptions of procedural justice (fairness). Officers and staff reported feeling less uncertainty and less conflict between work and home life. This has led to increases in the levels of emotional and mental energy officers and staff have to deal with the demands of their roles. The levels of ethical leadership continue to be high. Ethical leadership is key to ensuring people feel supported by the organisation and that fairness is a priority.

8.9 The Leadership Development Programmes are being redesigned to dovetail with the work based assessment element of the National Police Promotion Framework (NPPF) and incorporate more soft skills in line with the College of Policing leadership review. A range of leadership continuous professional development (CPD) activities are offered to line managers including courses on people management, 360 feedback, action learning sets and mentoring. The College of Policing run senior programmes which are accessed by chief inspector rank, police staff equivalents, and above.

8.10 The Force identifies suitable candidates to apply for the College of Policing fast track programme, giving active support and development for talented PCs to gain rapid promotion to inspector level.

8.11 Additional support and development has been provided to sergeants who were unsuccessful in their application for promotion to the rank of inspector. Whilst this is not directly designed to help them pass a subsequent promotion process, it is anticipated that this may put them in a stronger position.

8.12 Constable recruits undertake a two year probationary period. This consists of an initial 18 week classroom based learning phase followed by an on-the-job tutoring phase of 10 weeks. The remainder of the two year period features work based assessment which leads to the achievement of a level 3 diploma awarded by City & Guilds. The PCSO programme previously consisted of 10 weeks classroom based learning. This has now been amended to include 8 weeks in the classroom followed by on-the-job learning and tutoring, and will be delivered to forthcoming intakes.

8.13 The Force has established a Wellbeing Board to take a strategic approach to improving the wellbeing of its officers and staff. The Board is now chaired by the Assistant Chief Officer and meets on a quarterly basis. An assessment against Public Health England's Wellbeing Workplace Charter has been undertaken, identifying areas for improvement that will be taken forward in individual business areas. The Force has an agreed Wellbeing Strategy to promote and maintain a healthy, engaged and motivated workforce.

8.14 Wellbeing has been discussed at the supervisors' briefing days to help so that supervisors can identify issues early, with specific contributions from the mental health charity MIND on identifying signs of concern.

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9. Principle F – Managing risks and performance through robust internal control and strong public financial management

9.1 The Risk, Audit and Inspection Monitoring Board (RAIMB) is well established and continues to meet on a regular basis. This Board monitors and oversees the implementation of agreed recommendations arising from internal audit and HMIC reports and reviews the Force's risk registers, ensuring that risk, audit and inspection issues are considered at a strategic level. Health and safety and business continuity issues are also discussed in these meetings. This board is now chaired by the Assistant Chief Officer and includes a representative from Sopra Steria (UK). Updates are presented to the Joint Independent Audit Committee on a six monthly basis.

9.2 Cleveland Police has taken an integrated approach to embedding risk management and service continuity planning within the Force via an agreed programme. The programme is progressing on a systematic basis with the intention of developing and testing robust service continuity plans and further embedding a risk management culture.

9.3 The Force maintains Strategic and Corporate Risk Registers along with operational risk registers for each service unit. The risk management process is managed by the Head of the BTU and risk management updates are presented to the Joint Independent Audit Committee on a six monthly basis. Strategic risks are reviewed on a quarterly basis at the Risk, Audit & Inspection Monitoring Board (RAIMB).

9.4 The Force has quarterly Partnership Risk Governance Meetings with our Strategic Partner, Sopra Steria (UK), to ensure that risks continue to be reviewed and mitigated, in areas where the delivery of services has been outsourced.

9.5 Each service unit within the Force has a risk 'champion' who has received additional risk management training and meets with the Risk and Insurance Manager on a regular basis to review the department's risk register. All new and emerging risks that are identified during these meetings that score as a primary risk, are remitted to the RAIMB for moderation and agreement before being included on the strategic risk register.

9.6 The Force has an agreed Performance & Accountability Framework with the PCC which includes a timetable of Scrutiny Meetings chaired by the Police and Crime Commissioner. The reports and minutes from these meetings are available on the PCC's website. Terms of reference and a programme of work have been agreed for these meetings to minimise bureaucracy and duplication.

9.7 The Force Performance Management Framework is well established through the monthly Tactical Performance Group, and the quarterly Strategic Performance Group. The PCC has a standing invitation to attend these meetings to see first-hand the Force's scrutiny of performance. The performance of the Police Operational Services provided by Sopra Steria (UK) are also discussed at the Tactical Performance Group.

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9.8 The Sopra Steria (UK) Partnership Director for the Cleveland Police contract attends the Chief Officer Group Meetings and is held to account for the overall delivery of the outsourced services.

9.9 Following the respecification, redesign and reconfiguration of the outsourcing contract with Sopra Steria (UK) new governance arrangements and performance management framework were introduced which are written into the contract. These comprise of quarterly and annual reports to the OPCC, monthly reporting to the Partnership Performance Board, and monthly reporting to the Partnership Performance Review meetings within each operational area. There is a suite of Contract Quality Indicators and Quality Indicators that must be supplied on a monthly basis, along with management information designed for each area. The critical shift is a focus on quality rather than just numbers. The areas of issue around service delivery are scored using a performance framework escalating were necessary.

9.10 There is a governance schedule for all of the strategic contracts, which include the regular contract and performance meetings with Tascor FM for PFI Action Stations; Carillion for the PFI Tactical Training Centre at Urlay Nook, and Tascor Limited for the Custody Contract, along with Mitie Care & Custody for the subcontracted Medical Services element.

9.11 The Force works closely with the team in the OPCC responsible for overseeing the management of the Sopra Steria (UK) outsourcing contract and adherence to the Governance Schedule.

9.12 The Force has taken a strategic approach to audit and inspection activity, prioritising resources towards preparation for Police Effectiveness Efficiency & Legitimacy (PEEL) Inspections. This approach has been led by the Performance Quality & Review (PQR) Team and is focussed on self-assessment against the HMIC question sets, providing evidence of compliance, or taking remedial action, and integrating into business as usual where appropriate. The team also ensure that any ‘areas of improvement’ that are issued as a result of an inspection are implemented as agreed.

9.13 The Force and the Office of the Police & Crime Commissioner for Cleveland have a shared internal audit service, and agree a programme of internal audit work at the start of each financial year. During the financial year 2016/17, Internal Audit have completed audits in the following areas:

- Complaints
- Annual governance assurance assessment
- Seized cash spot checks
- Victim referral services
- HR management: overtime, TOIL & RDIL
- Health and safety
- Stockholding
- Data quality (including elements of data security & MoPI)
- Firearms / Taser records
- Collaborations – CDSOU & Fingerprint Bureau
- IT mobile data
- Grants
- Estates – lockers

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- Key financial systems: creditors, debtors & fixed assets
- Follow up of previous internal audit recommendations

These reports were presented to, and scrutinised by, the Joint Independent Audit Panel. The reports were made available on the Police & Crime Commissioner's website.

9.16 The Police and Crime Commissioner for Cleveland and Cleveland Police Joint Corporate Governance Framework includes the Contract Standing Orders, Financial Regulations and Scheme of Delegation, along with the roles and responsibilities of chief officers. The Framework is reviewed on annual basis, and the outcome of the review is reported to the Joint Independent Audit Committee.

9.17 In line with the Contract Standing Orders, the Force reports to the Joint Independent Audit Committee all instances of exemptions to these standing orders, on a six monthly basis.

9.18 Regular budget monitoring reports, including an analytical review, are produced for all budget holders and are underpinned by monthly 'budget clinics' between the budget holder and Finance Business Partner.

9.19 On an annual basis, heads of service are required to complete an annual governance assurance assessment against 18 areas of assurance for their service unit. Sample testing by Internal Audit found those interviewed had sufficient knowledge of each assurance area and appropriate evidence to support their conclusions and comments.[8]

9.20 As part of the approved Audit Plan for 2016/17, Internal Audit undertook an assessment of the Force's key financial systems to evaluate the adequacy of the controls to ensure the systems and processes were operating effectively. Internal Audit reported that "*Taking account of the issues identified, the Police and Crime Commissioner for Cleveland and Chief Constable of Cleveland can take substantial assurance that the controls upon which the organisation relies to manage the identified area(s) are suitably designed, consistently applied and operating effectively*".[9]

9.21 Cleveland Police adopted the Government Security Classification (GSC) in April 2016, which describes the required technical, physical, personnel and procedural security control measures that are commensurate with different classifications of data. All staff were instructed to complete the mandatory GSC e-learning package, so a basic level of GSC understanding is in place. The GSC is compliant with the Principle 7 security requirements of the Data Protection Act (DPA) (1998).

9.22 Police forces are expected to implement the baseline security controls as described in the NPIRMT Governance & Information Risk Return, which is managed by the Information Security Manager working closely with the ICT Department. In addition, the Information Security Manager conducts security reviews both internally and

[8] Annual Governance Assurance Assessment: Internal Audit Report: 14.16/17 – Agenda Item 19 at the March 2017 Joint Independent Audit Committee - http://www.cleveland.pcc.police.uk/News-and-Events/Public-Meetings.aspx

[9] Key Financial Systems: Creditors, Debtors and Fixed Assets: Internal Audit Report: 11.16/17 – Agenda Item 13 at the December 2016 Joint Independent Audit Committee – website as above

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externally to ensure that police data is appropriately secured. These reviews culminate in the issue of recommendations for improvement where needed.

9.23 The Force has designated the Deputy Chief Constable as the Senior Information Risk Owner (SIRO), with responsibility for information assurance governance and risk ownership in the organisation; including shared risks with other organisations, partnerships and third party suppliers. Specifically, the function of the SIRO is to understand how the strategic business goals of the organisation may be affected by failures in the secure use of the organisation's information systems, to ensure that information risks are managed and to accept or decline to accept any residual risk.

9.24 The Force Information Security Manager meets with the SIRO on a fortnightly basis, and has direct access to discuss urgent issues outside of these meetings when necessary.

9.25 An information security questionnaire is issued by Cleveland Police to information sharing partners to support all information sharing agreements. This is intended to provide the Force with an adequate level of assurance that information provided will be appropriately handled, stored, disseminated and disposed of when no longer needed.

9.26 Annual reports on information security are presented to the Joint Independent Audit Committee to provide assurances that Cleveland Police has implemented the necessary technical, physical, personnel and procedural security controls to protect its information and satisfy national information assurance requirements that are pertinent to the government and policing. These reports are available on the PCC's website.

9.27 Cleveland Police has adopted the College of Policing's Authorised Professional Practice (APP) for data protection and information sharing. APP is the official source of professional practice on policing.

9.28 The Force has continued to make improvements to the integrity of the data held in Force systems. The Data Quality Gold Group continues to meet on a quarterly basis, chaired by the Deputy Chief Constable, providing strategic level oversight and governance to the improvements being made. The innovative work with Experian is still progressing and will continue through 2017, while upgrades are made to key force systems. Internal audit provided a substantial assurance grading to the data quality audit they completed.[10]

9.29 The Force conducts regular thematic audits on compliance with National Standard for Incident Recording (NSIR) and National Crime Recording Standards (NCRS). Headline figures are reported to the Force's Tactical Performance Group, and the detailed results are reviewed at the NCRS Board. A detailed action plan is in place to monitor and improve compliance. Delivery against this plan is reviewed by the NCRS Board.

9.30 External Audit issued an unqualified opinion on the 2016/17 Statement of accounts and reported that the "*Chief Constable for Cleveland put in place proper arrangements to secure economy, efficiency and effectiveness in the use of*

[10] Data Quality (including elements of Data Security and MoPI): Internal Audit Report: 5.16/17 – Agenda Item 16 at the September 2016 Joint Independent Audit Committee – website as above

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resources for the year ended 31 March 2016".[11] (NOTE to be confirmed in final version)

10. Principle G – Implementing good practices in transparency, reporting and audit to deliver effective accountability

10.1 The National Decision Model uses the Code of Ethics and Force's values as the core of the decision-making process, ensuring they are at the heart of every decision made.

10.2 All decision making is carried out in accordance with the Police and Crime Commissioner for Cleveland and Cleveland Police Corporate Governance Framework including Contract Standing Orders, Financial Regulations and Schemes of Delegation.

10.3 The governance arrangements ensure that key decisions made by the Force ensure that the appropriate legal, financial, human resources and other professional advice is considered as part of the decision-making process.

10.4 The Force Management Board continues to meet on a regular basis to provide a delivery focussed, cohesive, holistic and supportive approach to developing and delivering services. The meeting records and decisions, including the decision rationale, from the 'open' sessions of the meeting are published on the Management Board Intranet site which is available to all officers and staff. The Management Board and the Towards 2020 Change Board are the main forums where organisational decisions are made.

10.5 To minimise duplication, the Force now hold the quarterly Strategic Performance Group meeting as part the Management Board, as the attendees were the same.

10.6 The PCC maintains appropriate oversight and scrutiny of the Force decision making through weekly meetings with the Chief Constable, the receipt of update reports to the scrutiny meetings and by attending the Strategic Performance Group. All reports presented to the PCC are available on the PCC's website.

10.7 The Annual Governance Statement (AGS) is prepared in consultation with the PCC's Chief Finance Officer to ensure any areas of overlap are consistent. The AGS is published on the Force website along with the Statement of Accounts. Updates on the action taken to address the significant governance issues identified in the AGS is reported to the Joint Independent Audit Committee. This report is publicly available on the PCC's website.

10.8 There is an established Joint Independent Audit Committee for Cleveland Police and the Police and Crime Commissioner, with agreed Terms of Reference and a programme of work for the year. During 2016/17 the Committee met formally on 4 occasions to conduct its business. The meetings are held in public, and the agenda, papers and minutes of meetings are available on the PCC's website.

[11] Audit Completion Report - Chief Constable for Cleveland – year ended 31 March 2016 - https://www.cleveland.police.uk/downloads/Publications-FOI-Expenses/Cleveland_Chief_Constable_ACR_FINAL_v8-9-16.pdf

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10.9 The Audit Committee members have scheduled meetings with the Internal and External Auditors in private at the start of each Audit Committee meeting, in line with good practice.

10.10 Internal Audit report to the Chief Finance Officers for the Force and the PCC, and the Audit Committee. Internal audit work is planned using a risk-based approach that aims to ensure that the Chief Finance Officers' responsibilities under Section 151 are fulfilled and that an effective internal audit service is provided.

10.11 The Force is subject to an extensive inspection regime by Her Majesty's Inspectorate of Constabulary (HMIC) and the results of these are published on their website to ensure appropriate scrutiny of decision making. The Force has a process for reviewing and assessing the recommendations arising from HMIC reports, coordinated by the Performance, Quality & Review Team. The implementation of these recommendations continues to be monitored via the Risk Audit & Inspection Monitoring Board (RAIMB).

10.12 The Force presents six monthly updates to the Audit Committee on the progress of implementing recommendations arising from internal audit reports and HMIC inspections. This is supplemented by the annual follow up audits that form part of the agreed Internal Audit Plan. These reports are available on the PCC's website as part of the papers for the Audit Committee.

10.13 The Joint Independent Audit Committee prepare an Annual Report to provide assurance to the PCC and Chief Constable that the Committee is satisfactorily undertaking its role and responsibilities. The report provides the PCC and Chief Constable with assurance that the Committee has fulfilled it terms of reference and demonstrates the added value that has been delivered by the Independent Committee to both the PCC and Chief Constable.

10.14 Quarterly briefing sessions are held to update all supervisors on the future direction of the organisation and enable supervisors to cascade the key messages to officers and staff.

10.15 The outcomes from misconduct hearings are published on the Force website, including occasions where officers have resigned prior to a hearing. Misconduct meetings are held in public and details of how to apply to attend hearing are displayed on the website.

11. Review of Effectiveness

11.1 Public sector organisations have a responsibility for conducting, at least annually, a review of the effectiveness of the governance framework, including the system of internal control. This review of effectiveness is informed by the work of the Chief Officers of the Force who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's Annual Report, and also by comments made by the external auditors and other review agencies and inspectorates.

11.2 Police forces are subject to a stringent inspection regime by HMIC. Cleveland Police as taken a strategic approach to inspection activity, prioritising resources

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towards preparation for Police Effectiveness Efficiency & Legitimacy (PEEL) Inspections. This approach focuses on self-assessment against the question sets, providing evidence of compliance, or taking remedial action, and integrating into business as usual where appropriate. The success of this approach has been demonstrated by the Force moving from 'requires improvement' to 'good' for both the Efficiency and Effectiveness inspections.

11.3 As part of the annual review is the completion of annual governance assurance assessments by each Head of Service across the Force. The completion of these assessments was tested by Internal Audit as part of the approved Audit Plan for 2016/17. Internal Audit reported that "Taking account of the issues identified, the Chief Constable can take substantial assurance that the controls upon which the organisation relies to manage the identified area are suitably designed, consistently applied and operating effectively".[12]

11.4 In line with the Financial Management Code of Practice for the Police Service of England and Wales, the Force and the Office of the Police & Crime Commissioner for Cleveland have agreed to a shared internal audit service. This service was provided by RSM during 2016/17. As a result of the recent tendering exercise, the internal audit service will be provided by TIAA Ltd in 2017/18.

11.5 Internal auditors in the public sector are required to work to the *Public Sector Internal Audit Standards (PSIAS)*, which are based on the *International Standards for the Professional Practice of Internal Auditing* published by the Institute of Internal Auditors and which also adopt the institute's definition of internal auditing and code of ethics.

11.6 The Head of Internal Audit is required to include in the annual internal audit report an opinion on the internal control environment; providing any details of weaknesses that qualify this opinion and bringing to the attention of the Audit Committee any issues particularly relevant to the preparation of this Annual Governance Statement. The Audit Committee formally received the Internal Audit Annual Report for 2016/17 at their meeting in June 2017.

11.7 The Internal Audit Annual Report 2016/17 states that the organisation has an adequate and effective framework for risk management, governance and internal control. (NOTE to be confirmed in final version)

11.8 External Audit Services to Cleveland Police and the Office of the Police & Crime Commissioner for Cleveland is provided by Mazars. In their annual audit letter they report on the Forces' accounts; and whether the Force has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. For 2015/16 the External Auditors gave an unqualified opinion on the Chief Constable's financial statements, and concluded that the Chief Constable had proper arrangements to ensure economy, efficiency and effectiveness in the use of resources.

[12] Key Financial Systems: Creditors, Debtors and Fixed Assets: Internal Audit Report: 11.16/17 – Agenda Item 13 at the December 2016 Joint Independent Audit Committee – http://www.cleveland.pcc.police.uk/News-and-Events/Public-Meetings.aspx

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11.9 In line with the Joint Independent Audit Committee's Terms of Reference, the draft Annual Governance Statement is shared with Members for consideration, prior to publication alongside the Statement of Accounts.

12. Significant Governance Issues

12.1 Progress on addressing those issues raised in the 2015/16 Annual Governance Statement is detailed in Appendix 1.

12.2 No matters which are classified as significant are raised in this statement.

12.3 In addition to the significant governance issues there are also some specific issues which require further/continued focus:

- The Force is in the early stages of delivering the 'Everyone Matters Equality Diversity and Human Rights Strategy 2017 – 2020'; ensuring inclusion, equality, diversity and human rights are fully embraced in both our service delivery and employment, and is a key priority for the Force.

- The integrity of data held by the Force needs to be improved to ensure operational effectiveness and efficiency, and legislative and regulatory compliance.

- Following CSR 2015 and the 'protection' of police service funding, the Force has worked with the PCC to agree a level of funding that will sustain the Towards 2020 operating model over the lifetime of the plan. Consequently, the Force is projecting a break-even position for each year of the plan. However, financial balance is dependent upon the delivery of a programme of reviews and cost reduction initiatives. It should be noted that the police settlement was for one year only pending introduction of a new funding allocation formula. Until there is clarity in relation to this issue, the current forecast assumes that there is neither a positive nor negative financial impact on the funding received by Cleveland in terms of Government funding. Based on what is currently known of the proposals this is a prudent assumption, however, it does present a potential risk.

12.4 An action plan of how we will address the issues raised is attached at Appendix 2.

12.5 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 the next annual review.

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Iain Spittal Chief Constable Cleveland Police	Jo Gleeson Chief Finance Officer Cleveland Police	Brian Thomas Assistant Chief Officer Cleveland Police

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Appendix 1

Progress on actions from the Annual Governance Statement 2015/16

Significant Governance Issues	
Following the 2015 HMIC PEEL (Police Effectiveness, Efficiency & Legitimacy) assessment, the Force was assessed as requiring improvement, with 17 areas for improvement and one cause for concern. The Force has taken immediate steps to address the areas identified by HMIC, but work will continue into 2016/17.	The 2016 HMIC PEEL assessment noted that Cleveland Police had made considerable progress since last year, but that there are still some areas that the Force needs to improve to provide a consistently good service. The Force as graded as 'good' for the efficiency and effectiveness assessments, and 'requires improvement' for the legitimacy inspection.
The Force is in the early stages of delivering 'Everyone Matters'; ensuring inclusion, equality, diversity and human rights are fully embraced in both our service delivery and employment. This work will continue into 2016/17 and beyond.	The Everyone Matters programme has established a governance structure to provide a robust system of measurement and evaluation to provide assurance that our work in this area is effective. There are 3 strategic themes each led by a chief officer: serving our communities; supporting our people and organisational processes. A detailed Annual Report[13] was published by the Force outlining the significant work achieved in this area. This work is continuing in 2017/18.
Specific issues which require further/continued focus	
The integrity of data held by the Force needs to be improved to ensure operational effectiveness and efficiency, and legislative and regulatory compliance.	The Experian Data Quality solution has now been implemented and is being evaluated. Statistics show a reduction in the creation of new records and duplicate nominals. This will be monitored on an on-going basis. The Data Protection Manager is currently working with the Control Room Superintendent to identify data quality standards for new records. Once completed the monitoring of new records will be reviewed against the benchmark agreed with a feedback mechanism implemented.

[13] Everyone Matters Equality and Diversity Annual Report 2016 - Agenda Item 8 at the March 2017 Joint Independent Audit Committee - http://www.cleveland.pcc.police.uk/News-and-Events/Public-Meetings.aspx

The Force is reviewing and updating the Effective Management of Property in Police Possession Guidance, to ensure that the controls to manage this area are suitably designed and understood. Further work will continue to be taken to ensure that it is fully embedded across the force and consistently applied.	The work was completed during Spring 2016 and is now circulated via Force Intranet. A PDF version controlled document is maintained so it can be amended based on improvements in practice that are identified through the Force Property Management Group. During the course of the last 18-24 months, the Force has seen its administrative processes streamlined and improved significantly.
Following CSR 2015 and the 'protection' of police service funding, the Force has worked with the PCC to agree a level of funding that will sustain the Towards 2020 operating model over the lifetime of the plan. Consequently, the Force is projecting a break-even position for each year of the plan without the need to further reduce the establishment subject to delivery of the other strands of the savings programme. It should be noted that the police settlement was for one year only pending introduction of a new funding allocation formula. Until there is clarity in relation to this issue, the current forecast assumes that there is neither a positive nor negative financial impact on the funding received by Cleveland in terms of Government funding. Based on what is currently known of the proposals this is a prudent assumption, however, it does present a potential risk.	The Minister of State for Policing and the Fire Service has indicated that the flat real settlement for policing would continue over the spending review period. The savings programme has been delivered, however, significant cost pressures, many of which are outside the Force's control are emerging. Financial balance will be retained over the lifetime of the plan through continuing the programme of deep dive reviews focussing on effective practice and cash release. The Minister wrote to all Police and Crime Commissioners on 14 September setting out plans for continuing work to review the Police Core Grant Distribution Formula. The Review is underway and will comprise a period of detailed engagement with the policing sector and relevant independent experts, which will make recommendations to the Home Office on a new formula for distributing Police Core Grant funding to PCCs (and their London equivalents) in England and Wales. The indicative date for implementation is April 2018.

Appendix 2

Action Plan for 2017/18 to address issues raised

Issue / Area for concern	Action	Owner	Target Implementation Date
Specific issues which require further/continued focus			
The Force is in the early stages of delivering the 'Everyone Matters Equality Diversity and Human Rights Strategy 2017 – 2020'; ensuring inclusion, equality, diversity and human rights are fully embraced in both our service delivery and employment, and is a key priority for the Force.	The Everyone Matters Strategy is underpinned by three strategic delivery plans: 1. Serving Our Communities - Ensuring that we deliver policing services that are accessible, responsive and meet the needs of all our communities. 2. Supporting Our People - Ensuring our working environment is supportive and inclusive of all, enabling officers and staff to develop and flourish. 3. Organisational Processes - Ensuring that our organisational processes demonstrate equality for all and are applied in a manner which demonstrates organisational justice. Delivery of these plans is overseen by the monthly Everyone Matters Strategic Board, chaired by the Chief Constable.	Everyone Matters Team	2020
The integrity of data held by the Force needs to be improved to ensure operational effectiveness and efficiency, and legislative and regulatory compliance	Upgrades to key force systems will allow for greater auto-deletion of old records in line with the Management of Police Information (MoPI) guidance. The innovative work with Experian will continue to develop to enable greater matching of duplicate records. An audit of the Forces data quality is included in the 2017/18 Audit Plan	Data Quality Gold Group	Ongoing

Appendix 2

Issue / Area for concern	Action	Owner	Target Implementation Date
Following CSR 2015 and the 'protection' of police service funding, the Force has worked with the PCC to agree a level of funding that will sustain the Towards 2020 operating model over the lifetime of the plan. Consequently, the Force is projecting a break-even position for each year of the plan. However, financial balance is dependent upon the delivery of a programme of reviews and cost reduction initiatives. It should be noted that the police settlement was for one year only pending introduction of a new funding allocation formula. Until there is clarity in relation to this issue, the current forecast assumes that there is neither a positive nor negative financial impact on the funding received by Cleveland in terms of Government funding. Based on what is currently known of the proposals this is a prudent assumption, however, it does present a potential risk.	The agreed Financial Sustainability Plan outlines the corporate development work streams that will deliver further savings, which are the critical enablers to maintaining the integrity of the LTFP. Risks to the delivery of the plan will continue to be reviewed on a monthly basis as part of the Corporate Financial Monitoring Report. Close working with the PCC's CFO will continue.	Chief Constable's Chief Finance Officer	31st March 2018