

JOINT INDEPENDENT AUDIT COMMITTEE
1 FEBRUARY 2017

SUBJECT		Review of CIPFA Good Governance Guidance and PCC's Draft Annual Governance Statement.
REPORT BY	CHIEF FINANCE OFFICER	
CONTACT OFFICER	AUBREY WILLIAMS, RESEARCH AND PERFORMANCE OFFICER TEL: 01522 947230	
SUMMARY AND PURPOSE OF REPORT		
To review the CIPFA Good Governance Guidance 2016 and the PCC's Draft AGS		
RECOMMENDATION	That the Committee considers and notes the attached draft AGS.	

A. SUPPORTING INFORMATION

- 1.1 The Chartered Institute for Public Finance and Accountancy (CIPFA) in association with the Society of Local Authority Chief Executives (SOLACE) originally published the '*Delivering Good Governance in Local Government*' Framework in 2007. The framework was reviewed in 2015 and an updated version was published in 2016. This sets the standard for governance in local government in the UK. The Framework is intended to assist local government bodies develop and shape an informed approach to governance and to achieve the highest standards in a measured and proportionate way. The Framework was supplemented by police specific guidance which was also revised by CIPFA in 2016¹.
- 1.2 The 2016 Framework outlines seven core principles of good governance and the CIPFA guidance demonstrates how the principals can be applied. It also identifies the corporate processes and external requirements that underpin each principle.
- 1.3 The 2016 changes to the Framework and the principals it contains will require the PCC and the Chief Constable as separate corporations sole to revise each of their existing Codes of Corporate Governance to ensure that the core good governance principles are fully integrated into how they conduct their respective businesses. The new framework retains the need for each to undertake an annual review of governance and the production of an Annual Governance Statement (AGS).
- 1.4 A direct comparison between the 2007 Framework and the 2016 Framework principles is contained in the latest CIPFA guidance document¹. This comparison is attached at **Appendix B** to this report.
 - 1.4.1 In general terms direct links can be drawn between five of the new principles and those in the old 2007 framework i.e. the corporate processes and behaviours required of each set of

¹ CIPFA '*Delivering Good Governance in Local Government*' guidance notes for Policing Bodies in England and Wales (2016).

principles are largely the same. However two of the new principals do not have a direct correlation with the old 2007 principles.

- 1.4.2 A gap analysis is being undertaken to examine the extent to which the OPCC complies with the new 2016 principles and elements of good governance. The systems, processes and documents which provide evidence of compliance will be identified and a revised code of corporate governance produced (including an annotated copy containing the sources of evidence of compliance).
- 1.5 A draft Code of Corporate Governance aligned with the 2016 CIPFA framework and guidance will be presented to the April 2017 JIAC meeting.
- 1.6 The 2016 guidance¹ also describes the characteristics of a sound annual review and AGS. Attached to this document at **Appendix A** is a draft version of the PCC's AGS 2016/17.
- 1.6.1 This will be the first time that a draft AGS has been produced for the JIAC at such an early stage in the financial year, it therefore only covers the period from April to the end of December 2016 i.e. only $\frac{3}{4}$ of the year. Therefore this draft will contain some gaps in content as the conclusions reached and messages relayed in May 2017 could differ from those contained in this draft.
- 1.7 In order to maintain the PCC's implementation of good practices in transparency the revised governance documentation will need to be published on the PCC's website and the associated Web-links refreshed as these also feature in the AGS.

B. FINANCIAL CONSIDERATIONS

There are no direct financial implications.

C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS

There are no direct considerations.

D. PERSONNEL, EQUAL OPPORTUNITIES AND DIVERSITY ISSUES

There are no direct issues.

E. REVIEW ARRANGEMENTS

Arrangements for the review of governance are described within the code of corporate governance including an annual review of the Code itself.

F. RISK MANAGEMENT

The management of risk is an integral part of the code of governance and the annual governance statement.

G. PUBLIC ACCESS TO INFORMATION

Information in this report along with any supporting material is subject to the Freedom of Information Act 2000 and other legislation.