Agenda Item No

8

**JOINT INDEPENDENT AUDIT COMMITTEE**
**6th March 2024**

| SUBJECT | **REVIEW OF COMPLIANCE WITH GOVERNANCE ARRANGEMENTS** |
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| REPORT BY | **CHIEF EXECUTIVE & CHIEF FINANCE OFFICER (CFO)** |
| CONTACT OFFICER | **JULIE FLINT, CHIEF FINANCE OFFICER**<br>**TEL: 01522 947222** |
| **SUMMARY AND PURPOSE OF REPORT**<br><br>To enable the Committee to note compliance with the Police and Crime Commissioner's and the Force's governance arrangements. | |
| **RECOMMENDATION** | ***That the Committee review compliance with governance arrangements.*** |

## A. SUPPORTING INFORMATION

**1.0 Purpose**

1.1 The purpose of this report is to provide the Committee with a quarterly progress update on the Police and Crime Commissioner (PCC) and Force's compliance with governance arrangements.

**2.0 Introduction**

2.1 Good 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.

2.2 The PCC and the Chief Constable have in place structures, systems and internal controls by which the police service is directed and controlled. There are also processes and procedures in place that enable the Commissioner to hold the Chief Constable to account for policing in the county. The Commissioner engages with the local people and communities to ensure robust public accountability.

**3.0 Responsibilities**

3.1 The Commissioner is responsible for ensuring his business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Commissioner has a duty under the Policing Protocol Order 2011 to secure value for money on behalf of the public that he serves.

3.2 In discharging this overall responsibility, the Commissioner is required to put in place proper arrangements for the governance of his affairs and which facilitate the exercise of his 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 Commissioner places reliance on the Chief Constable of Lincolnshire Police to support the governance and risk management processes.

3.3 The Commissioner relies on an internal framework and structures supported by a number of key documents to achieve and demonstrate compliance with governance arrangements. The Annual Governance Statement (AGS) and the Code of Corporate Governance provide an overview of these mechanisms.

3.4 The **AGS** is written each year and forms part of the Financial Statements approved and published in accordance with the latest CIPFA / Solace framework and guidance[1]. The PCC's AGS is supported by the Chief Constable's AGS, which relates to the force as a separate corporation sole. The Assurance Map also feeds into the process.

3.5 As separate corporation soles, the PCC and Force have distinct responsibilities for internal governance. The respective ***Codes of Corporate Governance*** ensure that the core good governance principles are fully integrated in the business of the PCC and Chief Constable.

## 4.0 Compliance with Governance Arrangements – Significant Governance Issues.

4.1 The table below provides an overview of the significant governance issues in the period 21st June 2023 to 30th January 2024 Within the table are Web-links to the relevant decision notices published on the PCC's Website.

| Corporate Sole | Issue | Summary | Date | Web Link |
|---|---|---|---|---|
| PCC | Serious Violence | To approve the release of funding from the Serious Violence Duty Grant budget to deliver the activities. | 21/06/2023 | https://lincolnshire-pcc.gov.uk/media/3645/16-2023-serious-violence-ho-grant-decision-note.pdf |
| PCC/CC | Allocations of Reserves and Year End Capital Programme Carry Forward From 2022/23 to 2023/24 | This report proposes the final changes to the Capital Programme 2022/23 and year end Earmarked Reserve appropriation. | 30/06/2023 | https://lincolnshire-pcc.gov.uk/media/3646/017-2023-year-end-22-23-decision-report.pdf |
| PCC/CC | Revisions to the Revenue Budget 2023/24 and Revisions to | This report proposes changes to the Revenue Budget and Capital Programme for 2023/24 and requests authority to partially release certain Earmarked Reserves. | 30/06/2023 | https://lincolnshire-pcc.gov.uk/media/3644/18-2023-june-2023-revenue-and-capital-revisions-final.pdf |

[1] Based on the CIPFA / SOLACE - Delivering Good Governance in Local Government Framework and the Guidance Notes for Policing Bodies in England and Wales (2016).

| Corporate Sole | Issue | Summary | Date | Web Link |
|---|---|---|---|---|
| | The 2023/24 Approved Capital Programme | | | |
| CC | Financial Strategy, Reserves Strategy, Commercial Strategy and Supporting Plans | The PCC's Community Safety, Policing and Criminal Justice Plan is supported by the Estate Management Plan and a Fleet Management Plan, these have been updated, reviewed, and approved. This report seeks formal adoption of these plans. | 12/07/2023 | https://lincolnshire-pcc.gov.uk/media/3647/13-2023-pcc-decision-estates-fleet-management-plans.pdf |
| CC | Provision of Criminal Justice Service for Lincolnshire Police | Proposes to support the provision of criminal justice business support by Leicestershire to Lincolnshire, in the aftermath of the disaggregation of EMCJS. This report seeks to gain PCC support for that agreement. | 24/07/2023 | https://lincolnshire-pcc.gov.uk/media/3642/05-2023-decision-notice-cj-business-support-service-v1.pdf |
| PCC | Serious Violence | To approve activities funded from the Serious Violence Duty Grant which will contribute to serious violence reduction and harm reduction. | 25/07/2023 | https://lincolnshire-pcc.gov.uk/media/3643/20-2023-serious-violence-ho-grant-decision-note-number-2.pdf |
| CC | ERP System - Procurement Approval | The purpose of this report is to gain approval for undertaking a procurement activity for the ERP system as stated in the attached outline business case. | 08/08/2023 | https://lincolnshire-pcc.gov.uk/media/3673/019-2023-erpplus-procurement-approval-v2-web-version.pdf |
| CC | Decision Notice – RIPA IPA Collab Agreement – EM and SY 2023 | This agreement strengthens the region's position with respect to grant authorities in relation to the acquisition, retention and disclosure of communications data, grant authorisations to interfere with property, authorise the carrying out of directed surveillance and to grant targeted authorisations for obtaining data in operations concerning crime that would otherwise be unlawful. | 11/10/2023 | https://lincolnshire-pcc.gov.uk/media/3700/23-2023-pcc-decision-notice-ripa-ipa-collab-agreement-em-and-sy-2023-web-version.pdf |
| PCC/CC | Revisions to the Revenue Budget 2023/24, Allocations of reserves, and revisions to the 2023/24 Approved Capital Programme | This report proposes changes to the Revenue Budget and Capital Programme for 2023/24 and requests authority to partially release certain Earmarked Reserves. | 11/10/2023 | https://lincolnshire-pcc.gov.uk/media/3701/25-2023-revenue-and-capital-revisions-231006.pdf |
| PCC | Decision Note - Lincoln Street Pastors Stamford Street Pastors Initiative | To approve Grants and Contributions funding for the Lincoln Street Pastors and the Stamford Street Pastors Initiatives to provide services | 27/10/2023 | https://lincolnshire-pcc.gov.uk/media/3698/21-2023-decision-note-lincoln-street- |

| Corporate Sole | Issue | Summary | Date | Web Link |
|---|---|---|---|---|
| | | which will support community safety and the delivery of the Police and Crime Plan. | | pastors-stamford-street-pastors-initiative.pdf |
| CC | PCC Decision Paper (Laptops) | The purpose of this report is to seek approval to purchase windows laptops for PCSOs and uniformed officers up to and including the rank of sergeant. | 30/10/2023 | https://lincolnshire-pcc.gov.uk/media/3702/26-2023-pcc-decision-paper-laptops-sc-amended-web-version.pdf |
| PCC | Decision Note – Allocation of Uplift to MoJ Victims Grant. | To approve a one-off funding allocation to third sector victim support services who are commissioned by the Police and Crime Commissioner, in recognition of the impact of the cost of living. The uplift of £30,415 to the MoJ victims' grant 23/24 will be utilised for this purpose. | 07/11/2023 | https://lincolnshire-pcc.gov.uk/media/3699/22-2023-decision-note-allocation-of-uplift-to-moj-victims-grant.pdf |
| CC | PCC Decision paper – CESIUM | The procurement of this system will enable staff to focus operational activity and utilise force and partnership resources, with CESIUM informing the focus of the activity and allowing practitioners to focus on taking the necessary action. | 08/11/2023 | https://lincolnshire-pcc.gov.uk/media/3700/24-2023-pcc-decision-paper-cesium-v2-web-version.pdf |
| PCC | Serious Violence | To approve activities funded from the Serious Violence Duty Grant which will contribute to serious violence reduction and harm reduction. | 13/11/2023 | https://lincolnshire-pcc.gov.uk/media/3699/27-2023-serious-violence-ho-grant-decision-note-number-3.pdf |
| CC | Breach of procurement process / regulations. | The Learning & Development Department did not comply with procurement procedures in securing classroom accommodation. | 29/11/23 | N/A |
| PCC | Safer Streets Fund 2023/24 | The creation of a separate budget of £457,680.40 for 2023/24 and £534,974.60 for 2024/25 to manage the income and expenditure. That the objectives of the fund will be delivered through grant funding arrangements with partners. | 08/12/2023 | https://lincolnshire-pcc.gov.uk/media/3733/28-2023-safer-streets-fund-r5.pdf |
| PCC | Proceeds Of Crime Act Awards for 2023/24 | To approve activities funded from the Proceeds of Crime Act Asset Recovery Incentivisation Scheme (ARIS) which will contribute to crime reduction and harm reduction. | 05/01/2024 | https://lincolnshire-pcc.gov.uk/media/3735/30-2023-decision-note-poca.pdf |

| Corporate Sole | Issue | Summary | Date | Web Link |
|---|---|---|---|---|
| CC | Digital And Data Capital Plan 2023/24 - Supporting Plan to the Financial Strategy, Reserves Strategy & Commercial Strategy | Approval for release of £3.655m is requested for this financial year in relation to projects expected to be delivered by the end of March 24. Approval for the remaining amount of £3.992m is requested for carry over into 2024/25 to deliver the ongoing strategic plan in the next financial year. | 09/01/2024 | https://lincolnshire-pcc.gov.uk/media/3733/29-2023-digital-and-data-business-plan-23_24-v1.pdf |
| PCC/CC | Revisions to the Revenue Budget 2023/24, Allocations of Reserves, and Revisions to the 2023/24 Approved Capital Programme | This report proposes changes to the Revenue Budget and Capital Programme for 2023/24 and proposes changes to the Earmarked Reserves. | 09/01/2024 | https://lincolnshire-pcc.gov.uk/media/3736/32-2023-revenue-and-capital-changes-231219-final.pdf |
| PCC/CC | Scheme of Governance Including Finance, Contract and Procurement Regulations | To consider and approve a revised Scheme of Governance for the Discharge of Functions. | 19/01/2024 | https://lincolnshire-pcc.gov.uk/media/3739/01-2024-integrated-scheme-of-governance-decision-notice.pdf |
| PCC | Police Precept 2024/25 | The proposed precept and Council Tax requirement 2024/25 for consideration by the Commissioner. | 30/01/2024 | https://lincolnshire-pcc.gov.uk/media/3752/1-pcc-decision-police-precept-2024-25.pdf |

Members will note that the criteria for defining how significant governance issues are identified:[2]

- those highlighted through the Commissioner's Register of Decision Notices and through the Chief Constable's Report (decisions of interest) [3]
- those highlighted to the Police and Crime Panel through the quarterly update report.
- any additional issues highlighted through the code of corporate governance or other governance mechanisms.
- any instances when regulations are suspended (reference Finance Regulations FR4)
- any other governance issue that the Chief Executive, Chief Finance Officer or Force Chief Finance Officer wish to bring to the attention of the Audit Committee.

4.2 The CFO and Force CFO will be available at the meeting to answer any questions and provide any additional information as required by the Committee.

[2] The issue will generally only be highlighted if it isn't already being considered by the Audit Committee through standard business i.e. through the forward plan or on individual agendas.
[3] The Commissioner is required by law to publish a record of each decision of significant public interest.

## B. FINANCIAL CONSIDERATIONS

There are no direct financial implications arising from this report.

## C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS

The Commissioner has a statutory duty to carry out an annual review of his governance arrangements and to approve a statement of internal control prepared in accordance with "proper practices" - Accounts & Audit Regulations 2003 as amended.

"Proper practices" are not defined in the regulations, but in circular 03/2006 the Department for Communities & Local Government indicated that compliance with CIPFA/SOLACE guidance would satisfy the requirement for proper practices.

## D. PERSONNEL, EQUAL OPPORTUNITIES AND DIVERSITY ISSUES

(including any impact or issues relating to Children and Young People.)

The annual review of the Code of Corporate Governance will allow the Commissioner to demonstrate how effective its equality and diversity arrangements are to the governance of the organisation.

As part of its governance framework the Commissioner has various policies on employees and employers' rights in the workplace. These will be kept under regular review to ensure that they are fit for purpose for those occasions when the aspirations in the Code of Corporate Governance are not met.

## E. REVIEW ARRANGEMENTS

The Committee will receive this report on a quarterly basis. The AGS will be considered by the Committee in draft, currently by 31 May of each year and approved following audit by 31 July.

## F. RISK MANAGEMENT

Without adequate corporate governance arrangements that are reviewed regularly, the Commissioner is exposed to the following risks:

- resources are not directed in accordance with agreed policy and accordingly to priorities
- decision making is not sound and inclusive
- no clear accountability for the use of those resources in order to achieve desired outcomes for communities
- service delivery is compromised.

The AGS and Code of Corporate Governance are key aspects of robust and effective governance arrangements.

## 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.