



**Lancashire  
Constabulary**  
police and communities together

# CODE OF CORPORATE GOVERNANCE

November 2014

# **CODE OF CORPORATE GOVERNANCE**

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# CODE OF CORPORATE GOVERNANCE

## 1 Introduction

- 1.1 Governance is about how the Police and Crime Commissioner (Commissioner) and Chief Constable ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open and accountable manner. It comprises the systems, processes, culture and values within the Office of the Police and Crime Commissioner (OPCC) and the Constabulary, and through which the Commissioner and Chief Constable account to, engage with and, where appropriate, lead the community.
- 1.2 The Commissioner may lawfully consent to the Chief Constable (and/or delegate to officers within the OPCC) the task of discharging functions for dealing with resources. It shall be a condition of such consent (or delegation) that such individuals will be equally required to abide by this Code, (and comply with its principles and obligations, including undertaking separate annual assessments of the adequacy of governance arrangements and preparing Annual Governance Statements) and so where relevant, references to the Commissioner shall apply to staff in the OPCC, and to the Chief Constable and those officers and staff under his direction/control.
- 1.3 This Code of Corporate Governance describes how the Commissioner for Lancashire will discharge his responsibilities in this respect, and particularly his two overarching statutory responsibilities:
- to secure an efficient and effective local police service; and
  - to hold to account the Chief Constable of Lancashire Constabulary for the exercise of his functions and those of persons under his direction and control.
- 1.4 The Commissioner has the legal power and duty to:
- (a) set the strategic direction and objectives of the force through the Police and Crime Plan, which must have regard to the Strategic Policing Requirement set by the Home Secretary;
  - (b) scrutinise, support and challenge the overall performance of the Constabulary including against the priorities agreed within the Police and Crime Plan;
  - (c) hold the Chief Constable to account for the performance of the Constabulary's officers and staff;
  - (d) decide the budget, allocating assets and funds to the Chief Constable; and set the precept for the police force area;
  - (e) appoint the Chief Constable;
  - (f) remove the Chief Constable subject to following the process set out in Schedule 8 to the Police Reform and Social Responsibility Act 2011 Act;

- (g) maintain an efficient and effective police force for the police area;
  - (h) enter into collaboration agreements with other Commissioners, other policing bodies and partners that improve the efficiency or effectiveness of policing for one or more policing bodies or police forces in consultation with the Chief Constable (where it relates to the functions of the police force, then it must be with the agreement of the Chief Constable);
  - (i) provide the local link between the police and communities, working to translate the legitimate desires and aspirations of the public into action;
  - (j) hold the Chief Constable to account for the exercise of the functions of the office of Chief Constable and the functions of the persons under the direction and control of the Chief Constable;
  - (k) publish information specified by the Secretary of State and information that the Commissioner considers necessary to enable the people who live in the force area to assess the performance of the Commissioner and Chief Constable;
  - (l) comply with all reasonable formal requests from the Police and Crime Panel to attend their meetings;
  - (m) prepare and issue an annual report to the Police and Crime Panel on the Commissioner's delivery against the objectives set within the Police and Crime Plan;
  - (n) monitor all complaints made against officers and staff, whilst having responsibility for complaints against the Chief Constable.
- 1.5 The Commissioner has wider responsibilities than those relating solely to the police force, including:
- (a) a specific responsibility for the delivery of community safety and crime reduction;
  - (b) the ability to bring together Community Safety Partnerships at the force level;
  - (c) the ability to make crime and disorder reduction grants within their force area;
  - (d) a duty to ensure that all collaboration agreements with other Local Policing Bodies and forces deliver better value for money or enhance the effectiveness of policing capabilities and resilience;
  - (e) a wider responsibility for the enhancement of the delivery of criminal justice in their area.
- 1.6 This Code of Corporate Governance describes how the Chief Constable will meet his responsibility to secure good governance, and in particular his statutory

responsibility for the direction, control and delivery of operational policing services.

- 1.7 The Chief Constable is a corporation sole and is responsible to the public and accountable to the Commissioner for:
- (a) leading the force in a way that is consistent with the attestation made by all constables on appointment and ensuring that it acts with impartiality;
  - (b) appointing and dismissing the Constabulary's officers and staff (after consultation with the Commissioner, in the case of officers above the rank of Chief Superintendent and police staff equivalents);
  - (c) supporting the Commissioner in the delivery of the strategy and objectives set out in the Police and Crime Plan;
  - (d) assisting the Commissioner in planning the Constabulary's budget;
  - (e) providing the Commissioner with access to information, officers and staff as required;
  - (f) having regard to the Strategic Policing Requirement when exercising and planning their policing functions in respect of their force's national and international policing responsibilities;
  - (g) notifying and briefing the Commissioner of any matter or investigation on which the Commissioner may need to provide public assurance either alone or in company with the Chief Constable (all Commissioners will be designated as Crown Servants under the Official Secrets Act 1989, making them subject to the same duties in relation to sensitive material as Government Ministers);
  - (h) being the operational voice of policing in the force area and regularly explaining to the public the operational actions of officers and staff under their command;
  - (i) entering into collaboration agreements with other Chief Constables, other policing bodies and partners that improve the efficiency or effectiveness of policing, and with the agreement of their respective Policing Bodies;
  - (j) remaining politically independent of the Commissioner;
  - (k) managing all complaints against the force, its officers and staff, except in relation to the Chief Constable, and ensuring that the Commissioner is kept informed in such a way as to enable the Commissioner to discharge their statutory obligations in relation to complaints in a regular, meaningful and timely fashion. Serious complaints and conduct matters must be passed to the Independent Police Complaints Commission in line with legislation;
  - (l) exercising the power of direction and control in such a way as is reasonable to enable their Commissioner to have access to all necessary information and staff within the force;

(m) having day to day responsibility for financial management of the force within the framework of the agreed budget allocation and levels of authorisation issued by the Commissioner.

1.8 The CIPFA/SOLACE Framework “*Delivering Good Governance in Local Government*” sets out six core principles on which effective governance should be built and these have been adapted as set out below:-

- focusing on the purpose of the Commissioner and Constabulary, and on outcomes for the community and creating and implementing a vision for the local area;
- leaders, officers and partners working together to achieve a common purpose with clearly defined functions and roles;
- promoting the values of the Commissioner and Constabulary and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- developing the capacity and capability of the Commissioner and all officers and staff within the OPCC and Constabulary to be effective; and
- engaging with local people and other stakeholders to ensure robust public accountability.

1.5 To achieve this, a framework has been formulated locally which ensures that these principles are fully integrated in the conduct of the Commissioner’s and Constabulary’s business as well as establishing a means of demonstrating compliance.

1.7 The OPCC and Constabulary can also demonstrate that the systems and processes in place are:-

- monitored for their effectiveness in practice; and
- subject to annual review to ensure they remain up to date.

## **2 The Code of Corporate Governance**

2.1 Accordingly, the Commissioner and Chief Constable have developed this Code of Corporate Governance which incorporates the six core governance principles, develops these in a local context, and sets out the arrangements for reviewing their effectiveness.

2.2 The way in which each of the core principles of good governance is put into practice is set out below:-

2.2.1 Focusing on the purpose of the Commissioner and the Constabulary, and on outcomes for the community to create and implement a vision for the local area.

To achieve this, the Commissioner and Chief Constable will:-

- promote their mission, vision and values;
- ensure that when working in partnership with others it is underpinned by a common vision that is understood by all parties;
- decide how the quality of service for users is to be measured and ensure that the information needed to review service quality effectively and regularly is available;
- ensure that the information needed to review performance in achieving value for money effectively and regularly is available;
- consider the environmental impact of policies, plans and decisions; and
- put in place effective arrangements to ensure the OPCC and the Constabulary perform to high standards and to identify and deal with failure in service delivery.

2.2.2 Leaders, officers and partners working together to achieve a common purpose with clearly defined functions and roles.

To achieve this, the Commissioner and Chief Constable will:-

- appoint the Statutory Officers required under legislation and enable them to effectively carry out their statutory functions and provide appropriate advice on matters within their sphere of responsibility;
- ensure there is a clear understanding of the respective roles and responsibilities within each corporation sole and regularly review the effectiveness of these roles and responsibilities;
- determine a scheme of consent/delegation, including a schedule of those matters specifically reserved for decision by the Commissioner, taking account of relevant legislation and ensure that it is monitored and updated when required;
- work with stakeholders and communities to develop and deliver against clearly defined strategic plans, priorities and measurable outcomes to drive improvements in policing services; and
- ensure when working in partnership and in commissioning services that the arrangements for governance and accountability for

performance and financial administration are clearly articulated and disseminated.

2.2.3 Promoting their values and demonstrating the values of good governance through upholding high standards of conduct and behaviour.

To achieve this, the Commissioner and Chief Constable will:-

- ensure that their leadership sets a tone for their respective organisations by creating a climate of openness, support and respect;
- ensure that standards of conduct and personal behaviour expected between the Commissioner, staff of the OPCC, and staff and officers of the Constabulary are defined and communicated through appropriate codes of conduct and protocols;
- put in place arrangements to ensure that the Commissioner's and Constabulary's systems and processes are designed to conform with appropriate ethical standards and monitor their continuing effectiveness in practice; and
- put in place arrangements to ensure that the Commissioner and staff of the OPCC and officers and staff of the Constabulary are not influenced by prejudice, bias or conflicts of interest when dealing with different stakeholders and working in partnership.

2.2.4 Taking informed and transparent decisions which are subject to effective scrutiny and risk management arrangements.

To achieve this, the Commissioner and Chief Constable will:-

- develop and maintain effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations;
- develop and maintain effective arrangements to challenge and scrutinise performance and compliance with other requirements;
- ensure that the two corporations sole work together to obtain objective and timely information which is necessary to take balanced and informed decisions;
- ensure that risk management is embedded both within the OPCC and Constabulary and is used effectively to inform and focus its decision making, scrutiny and monitoring work; and
- ensure that both the Commissioner and Constabulary have effective, transparent and accessible arrangements in place for dealing with complaints;



- actively recognise the limits of lawful activity and ensure that professional advice on matters with legal or financial implications is available and used appropriately; and
- in acting as a Commissioner of services, the Commissioner will agree the priorities or outcomes to be delivered through a contract or grant agreement with each provider.

2.2.5 Developing the capacity and capability of the Commissioner and all officers and staff within the OPCC and Constabulary to be effective in their roles.

To achieve this, the Commissioner and Chief Constable will:-

- ensure, through effective planning, processes, procedures and appropriate allocation and use of funding, that officers and staff have the resources and support necessary to perform effectively in their roles and functions;
- provide induction programmes tailored to individual needs as well as opportunities for the Commissioner and staff within the OPCC to update their knowledge on an ongoing basis;
- regularly assess performance as well as the skills required by the Commissioner and staff within the OPCC and make a commitment to develop those skills to enable roles to be carried out effectively; and
- ensure there are effective arrangements designed to encourage individuals from all sections of the community to engage with, contribute to and participate in policing.

2.2.6 Aim to engage with local people and other stakeholders to ensure robust public accountability.

To achieve this, the Commissioner and Chief Constable will:-

- make clear to all officers and staff, the community and stakeholders, what they are accountable for and to whom;
- ensure arrangements are in place to enable effective engagement with partners, stakeholders, all sections of the community and victims of crime, recognising that different sections of the community will have different priorities;
- ensure that processes for taking decisions about matters where there are competing demands from different sections of the community openly recognise and address those differences;
- hold meetings in public unless there are good reasons for confidentiality; and

- regularly publish information on the Commissioner's and Constabulary's work, achievements and satisfaction of users, including the publication by the Commissioner of a Police and Crime Plan and an Annual Report.

### **3 Arrangements for the Review of Governance**

- 3.1 The Commissioner and Chief Constable have put in place the following arrangements to review the effectiveness of the Code of Corporate Governance.

#### **Code of Corporate Governance**

- 3.2 The Commissioner and Chief Constable are responsible for jointly approving this Code of Corporate Governance.

#### **Annual Governance Reviews**

- 3.3 The Commissioner and Chief Constable will carry out separate annual reviews of the adequacy and effectiveness of their respective governance arrangements. The Commissioner and Chief Constable will receive and separately approve their individual Annual Governance Statement (AGS). A joint AGS will then be produced for inclusion in the Annual Statement of Accounts. The joint AGS, which will include an action plan to rectify any significant areas of weakness in corporate governance, will be signed jointly by the Commissioner, the Chief Executive and the Chief Constable.

#### **The Police and Crime Commissioner**

As a corporation sole, the Commissioner is responsible for holding the Chief Constable to account for good governance within the Constabulary and is responsible for corporate governance issues affecting the OPCC.

#### **The Chief Constable**

- 3.4 As a corporation sole, the Chief Constable is responsible for corporate governance issues affecting the Constabulary, ensuring that appropriate reviews are carried out into key areas including:-
- optimisation of operational delivery, with adequate service, governance and financial controls
  - professional standards and performance
  - management of information, including security and data protection
  - strategic co-ordination of service and financial planning, including risk management
  - the processes for evaluation, and achievement of value for money.

#### **The Police and Crime Panel**

- 3.4 The Police and Crime Panel is responsible for reviewing and scrutinising the Commissioner's exercise of his statutory functions. The Panel does not scrutinise the Chief Constable, this is the role of the Commissioner. While the Panel is there to scrutinise the Commissioner, it must also exercise its functions with a view to supporting the effective exercise of the Commissioner's functions.

### **Combined Audit Committee**

- 3.5 In accordance with the Financial Management Code of Practice for the Police Forces of England and Wales issued by the Home Office, the Commissioner and Chief Constable have established a combined Audit Committee. This Committee will advise the Commissioner and Chief Constable according to good governance principles. The Committee's terms of reference include the following key requirements in respect of corporate governance:
- To monitor the strategic risk management framework for the Commissioner and the Chief Constable.
  - To consider the Commissioner's and Chief Constable's Annual Governance Statements and Statement of Accounts to provide assurance that they comply with relevant requirements.

### **Internal Audit**

- 3.6 The primary role of Internal Audit is to give assurance to the Commissioner and Chief Constable, on the effectiveness of the controls in place to manage risks. The Internal Auditor will report to the Audit Committee on a quarterly basis, highlighting any major control weaknesses identified.
- 3.7 The review of both corporate governance and risk management arrangements periodically feature in the annual audit plan which is subject to review by the Audit Committee. Corporate governance and risk management issues may arise through other reviews carried out by Internal Audit. In this case the issues will be raised through the relevant audit report.

### **External Audit**

- 3.8 The External Auditors audit the Commissioner's and Chief Constable's financial statements, Annual Governance Statement and arrangements for securing value for money, as well as undertaking a number of thematic based reviews. The External Auditor's plans and reports, including the Annual Audit Findings report, will be considered by the Commissioner and Chief Constable and reviewed by the Audit Committee at appropriate times in the annual cycle of meetings.

### **Her Majesty's Inspectorate of Constabulary (HMIC)**

- 3.9 The role of HMIC is to promote the efficiency and effectiveness of policing in England, Wales and Northern Ireland through inspection of police organisations and functions to ensure agreed standards are achieved and maintained, good practice is spread and performance is improved. It also provides advice and support to the tripartite partners (Home Secretary, Police and Crime

Commissioners and forces). The Commissioner can commission the conduct of inspections from HMIC if required.

- 3.10 HMIC reports are sent to the Commissioner and the Chief Constable for consideration and appropriate action. The Commissioner is required to respond to the Home Secretary regarding any published HMIC reports relating to Lancashire and must publish his response.