

**JOINT
ANNUAL GOVERNANCE STATEMENT
2025/2026**

THE POLICE AND CRIME COMMISSIONER FOR SOUTH WALES

AND

THE CHIEF CONSTABLE OF SOUTH WALES POLICE

EXECUTIVE SUMMARY OF EFFECTIVENESS

2025/26 Overall Governance Assurance Statement by the Joint Audit Committee

The Annual Report of the Joint Audit Committee for 2025/26 concludes as follows:

The Joint Audit Committee is satisfied that there are no major issues of concern that affect the financial standing of the Corporations Sole. It is satisfied that there is a robust governance framework in place, supported by adequate risk management and controls.

The Head of Internal Audit (TIAA) Annual Opinion:

I am satisfied that sufficient internal audit work has been undertaken to allow me to draw a positive conclusion as to the adequacy and effectiveness of the Police and Crime Commissioner's and the Chief Constable's risk management, control and governance processes. In my opinion, the Police and Crime Commissioner and the Chief Constable have adequate and effective management, control and governance processes in place to manage the achievement of their objectives.

This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on the ongoing financial viability or [on SWP's] ability to meet financial obligations which must be obtained by the Office of the Police and Crime Commissioner for South Wales and the Chief Constable South Wales Police from its various sources of assurance.

INTRODUCTION AND SCOPE

The purpose of this Annual Governance Statement is to explain how the Police and Crime Commissioner (PCC) and the Chief Constable of South Wales have ensured that they have a sound system of governance in place and to provide assurance on its effectiveness.

To this end, the Annual Governance Statement is written in four parts:

- **Part One** outlines the governance arrangements in place and any changes made during 2025/26.
- **Part Two** contains details of the assessment of the effectiveness, how this was undertaken.
- **Part Three** considers where our governance may need to improve and how these are being addressed.
- **Part Four** identifies issues and/or uncertainties that may impact on governance in the future.
- **Appendices:**
 - Financial Management Code of Practice Checklist
 - Delivery against the International Good Governance Standards

PART 1: GOVERNANCE ARRANGEMENTS

The Chief Constable and the PCC are responsible for ensuring that all business is conducted in accordance with the law and proper standards, and that public money allocated to it is safeguarded, properly accounted for, and used economically, efficiently, and effectively. To discharge this responsibility, they must put in place proper arrangements for governance, including arrangements for managing risk. Their legal duties and responsibilities are clearly defined within the following:

[Police Reform and Social Responsibility Act 2011](#)

[Policing Protocol Order 2023](#)

Revised [Financial Management Code of Practice for the Police and Fire & Rescue Services 2018](#)

Description of the governance arrangements and local code of governance:

The PCC is elected to represent the public of South Wales and is responsible for setting the strategic direction for policing through the Police Crime and Justice Plan, commissioning services to improve community safety and support victims, and holding the Chief Constable to account for the delivery of an effective and efficient police service. The Office of the Police and Crime Commissioner (OPCC), with the Chief Executive acting as Monitoring Officer supported by the Chief Finance Officer, provides professional, independent advice and assurance to the PCC to enable the effective discharge of these statutory responsibilities. The Policing Protocol Order 2023 contains an expectation that the relationship between a PCC and Chief Constable is built on the principles of goodwill, professionalism, openness, and trust.

To support the delivery of their legal responsibilities, the Chief Constable and the PCC have a Governance Framework that includes a Code of Corporate Governance consistent with the Chartered Institute of Public Finance and Accountancy (CIPFA) *Statement on the Role of the Chief Financial Officer of the Police and Crime Commissioner and Chief Financial Officer of the Chief Constable*, the Home Office *Financial Management Code of Practice for the Police Service of England and Wales (2018)*, the CIPFA and Society of Local Authority Chief Executives (SOLACE) Framework for Delivering Good Governance Guidance Notes for Policing Bodies (May 2025). CIPFA's Financial Management Code (FM Code) provides guidance for good and sustainable financial management in local authorities (including police) and **Appendix 1** to this statement explains how the Chief Constable and the PCC have complied with the FM Code and meet the requirements of the Accounts and Audit (Wales) Regulations 2014. The system of internal control, with Issues and Uncertainty Registers, provides an on-going process designed to identify, prioritise, and manage risks - it cannot eliminate risk and seeks to provide reasonable, rather than absolute, assurance of effectiveness.

The Manual of Governance (the Manual) and wider corporate governance framework within South Wales Police sets out the systems and processes, culture and values by which the Chief Constable and the PCC manage their roles and responsibilities. The Manual also details arrangements for decision making designed to ensure an effective and constructive working relationship between the corporations sole.

Review of governance in 2025/26:

The Manual was revised in 2025/26 to ensure that it took account of the core principles of Delivering Good Governance in Local Government framework (see below) and the updated International Framework: Good Governance in the Public Sector (2026) as well as the work being undertaken nationally on Manuals of Governance by the Association of Police Chief Executives (APACE). The PCC and the Chief Constable

approved changes to the Manual and wider framework as part of an ongoing governance review undertaken to ensure that these key documents continue to reflect and meet the needs of the organisation. The Manual is published on the PCC's website.

PRINCIPLES OF GOOD GOVERNANCE

The Policing Protocol Order requires the PCC and the Chief Constable to adopt and abide by the Nolan Principles for conduct in public life:

Selflessness: Decisions taken solely in terms of the public interest, and not for personal financial or other gain, whether for such person, their family, or their friends.

Integrity: The PCC, the Chief Constable, their officers, and staff will not place themselves under any financial or other obligation to outside individuals or organisations that may seek to influence them in the performance of their official duties.

Objectivity: In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, the PCC, the Chief Constable, their officers, and staff will make choices on merit.

Accountability: The PCC, the Chief Constable, their officers, and staff will be accountable for their decisions and actions to the public and will submit themselves to whatever scrutiny is appropriate.

Openness: The PCC, the Chief Constable, their officers and staff will be as open as possible about all decisions and action they take. Reasons for decisions will be made available, and information will be restricted only when so required by the wider public interest.

Honesty: The PCC, the Chief Constable, their officers and staff will have a duty to declare any private interests relating to public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership: The PCC, the Chief Constable, their officers and staff will promote and support these principles through leadership and by example.

These principles are reflected in the Manual, and this (together with organisational policies and processes) are also consistent with the seven core principles of good governance set out in the International Framework for Good Governance in the Public Sector (2014) (as updated in the 2026 CIPFA Edition) which has as its overarching aim 'Achieving the intended outcomes whilst acting in the public interest at all times':

- A. Demonstrating strong commitment to ethical values and respecting the rule of law
- B. Building trust through openness and comprehensive stakeholder engagement
- C. Defining the entity's 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 capacities and capabilities of the entity and its leadership
- F. Managing risks, opportunities and performance through robust internal controls
- G. Implementing good practices in transparency, reporting and audit to deliver effective accountability.

Appendix 2 illustrates the arrangements in place in applying these Standards to the work of the PCC and the Chief Constable during 2025/26, as against the updated 2026 CIPFA Edition of the International Framework: Good Governance in the Public Sector.

This also reflects measures in place as regards values and behaviours in light of the focus given to culture.

GOVERNANCE ARRANGEMENTS

The governance framework aims to provide a strong focus on the drivers for policing within the force, and to ensure that there is a clear 'line of sight' between decisions taken and the Police Crime and Justice Plan. The key elements of the framework are:

Manual of Governance: The Manual (reviewed and amended in 2025/26) includes a scheme of delegation, financial regulations and standing orders relating to contracts. It also includes a decision-making framework which ensures that, where possible, all the PCC's decisions are published and available for public scrutiny. The Manual also recognises the Chief Constable's operational responsibilities, within the policy and accountability framework set by the PCC. Notwithstanding their 'corporations sole' status, the PCC and CC's relationship is based on working together for the benefit of the people of South Wales under the joint banner of 'South Wales Police'. Their relationship is built on trust, confidence, and transparency – and this approach remained valid in 2025/26.

Governance Framework: The PCC exercises governance through commissioning activity, including the allocation of grant funding and the commissioning of services to support victims and address crime and disorder. Governance, monitoring and evaluation arrangements ensure value for money and delivery of intended outcomes.

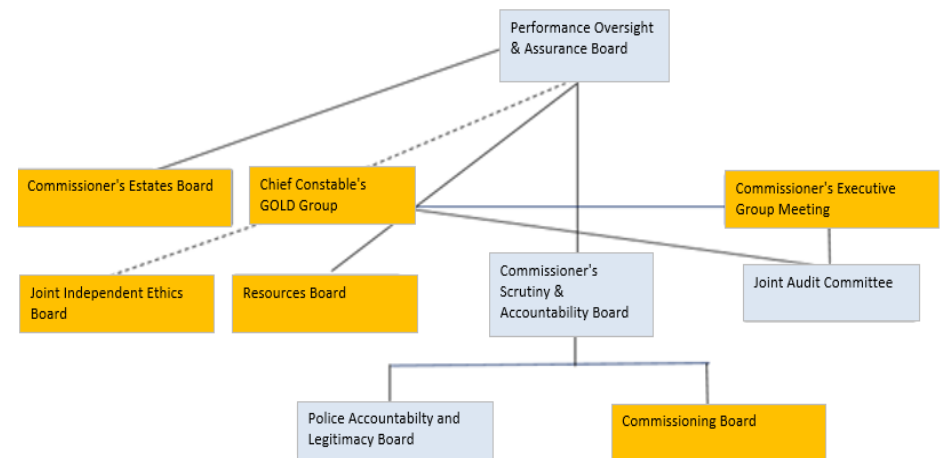
The Scrutiny and Accountability Board (SAB) detailed in the governance diagram below holds Force representatives to account for the delivery of an effective and efficient police service, and for the escalation of any issues of concern or specific importance. There is an annual scrutiny programme agreed, and an annual review produced to support this work. The issues addressed by SAB in 2025/26 included:

- HMICFRS updates
- TIAA Internal Audit Updates

- Deep Dives on ASB Repeat Victimisation, Rapid Video Response and Public Trust and Confidence.

The PCC also holds 'Assurance Programme' meetings that provide an agile programme of scrutiny, examining key areas of Force policy and performance to complement the SAB. Programme items are flexible, and the meetings are used for both planned areas for review and emerging issues. Issues from SAB are reported to the Chief Constable's Gold Group and to the PCC's Performance Oversight and Assurance Board (POAB).

Through the SAB and the PCC's Assurance Programme, the OPCC provides independent and structured oversight of Force performance, ensuring that the Chief Constable is held to account for the operational delivery of policing. The Chief Constable also reports to the PCC following his Gold Group meeting (identifying issues for escalation to the POAB). These Boards also consider recommendations from other internal force meetings (including Joint Audit Committee and Joint Independent Ethics Committee – as both escalate issues to the PCC and the Chief Constable). The diagram below sets out the governance structure during 2025/26:



PART TWO: ASSESSMENT OF EFFECTIVENESS

The PCC and Chief Constable have responsibility for conducting, at least annually, a review of the effectiveness of their governance framework including the system of internal control. This review is informed by:

- Chief Officers and senior managers who have responsibility for the development and maintenance of the governance environment;
- the Internal Audit annual report;
- the annual report of the Joint Audit Committee;
- the view of the external auditor through the annual audit letter; and
- reports from other review inspectorates.

The Chief Executive and Monitoring Officer role exists in addition to the scrutiny provided by the Police and Crime Panel. The Chief Executive, as Monitoring Officer, plays a central role in the governance framework providing independent legal and ethical advice, ensuring robust decision-making processes, maintaining the integrity of the governance framework, and supporting transparency and accountability in all PCC decisions. The Monitoring Officer ensures compliance with the law and transparency of actions and decisions. The PCC has a legal duty to give the Monitoring Officer the staff, accommodation, and other resources they need to carry out their duties.

Both Chief Finance Officers (PCC and CC) have similar legal duties and responsibilities as regards any unlawful, or potentially unlawful spending.

This Joint Annual Governance Statement (and the work undertaken in its preparation) is itself a tool in the self-evaluation by the PCC and the Chief Constable of their governance arrangements. It is submitted for consideration to the Chief Constable's Gold meeting, Audit Wales and the Joint Audit Committee before having approval by the PCC and CC.

JOINT AUDIT COMMITTEE

The jointly appointed independent audit committee provides assurance to enhance public trust and confidence in the governance arrangements of the PCC and the Chief Constable. The Financial Management Code of Practice specifies they should consider the internal and external audit reports of both the PCC and the Chief Constable. The Committee also considers reports from HMICFRS and provides:

- independent assurance to the PCC and the Chief Constable on the adequacy of the risk management framework and the associated control environment,
- independent scrutiny of the Chief Constable's and the PCC's financial performance and governance arrangements,
- oversight in relation to the financial reporting process adopted from CIPFA Audit Committees Practical Guidance (as amended in 2022).

The Committee provides comments, advice and assurance on matters relating to the internal control environment and has specific responsibility in providing independent assurance on the arrangements for governance.

The Joint Audit Committee which has six independent members held three formal meetings in 2025/26 (04.07.25, 29.10.25, 27.2.26) and two 'deep dive' informal meetings (26.09.25 and 23.1.2026). The Committee also attended the All-Wales JAC Training Day on 28th July 2025 hosted by North Wales Police. The Chair since 2021, Paula O'Connor, became the Vice Chair with Paul Wood taking the role of Chair. Two new members were also appointed in 2025/2026 - Shahzad Hamid and Karen Jones.

During the 2025/26 the 'deep dive' informal meetings included consideration of the following:

- Learning and development abstractions
- Limited Duties
- Complaints
- JAC self-assessment process for 2025
- Update on police governance reform

The Joint Audit Committee has formal terms of reference. These accord with the 2022 CIPFA Guidance for Audit Committees of local authorities and police and were updated to include the Global Internal Audit Standards introduced on 1st April 2025. The PCC and Chief Constable are represented at all meetings of the Joint Audit Committee.

The Joint Audit Committee also assesses itself annually against the Self-Assessment Checklist issued by CIPFA, with the Chair of the Committee reporting formally on an annual basis to both the PCC and Chief Constable.

JOINT INDEPENDENT ETHICS COMMITTEE (JIEC):

This was established by the PCC and the Chief Constable. It has a minimum of five independent members (six during 2025/26 pending the retirement of members in 2025/26) and an independent Chair. The JIEC provides advice, support and assistance concerning ethical challenges arising from operational, administrative or organisational matters facing South Wales Police. There were three formal meetings of the JIEC held in 2025/26 (12.6.25, 3.12.25 and 20.3.26), and the recommendations from the JIEC are published to ensure transparency.

EXTERNAL AUDIT

The Public Audit (Wales) Act 2004 appoints the Auditor General for Wales to audit the financial statements of the PCC and the Chief Constable and requires the Auditor General for Wales to assess whether the PCC and the Chief Constable have made proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

Audit Wales (AW), on behalf of the Auditor General for Wales, audit the financial statements of the PCC and Chief Constable, as well as the Group accounts and report (by exception) on the Joint Annual Governance Statement if it does not comply with relevant requirements. AW in their annual audit report also comment on the financial aspects of corporate governance. This includes the legality of financial transactions, financial

standing, systems of internal financial control and the standards of financial conduct, fraud and corruption. External audit plans and reports, including the annual audit letter, are considered by the Joint Audit Committee at appropriate times in its annual cycle of meetings.

INTERNAL AUDIT

The role and standards of Internal Audit are defined in the Global Internal Audit Standards (GIAS) which replaced the Public Sector Internal Audit Standards on 1st April 2025. Internal auditors complete an annual programme of audits throughout the year. The plan is risk-based in compliance with the GIAS and can be changed to cover emergent risks. The plan includes key financial systems with recommendations for improvement provided to the relevant managers and the Joint Audit Committee. Regulation 5 of the Accounts and Audit (Wales) Regulations 2014 sets out the internal control system that should be maintained in accordance with proper internal audit practices. The responsibility for the maintenance of an efficient internal audit function rests with both the PCC and Chief Constable. Internal Audit present their reports on the adequacy of controls in the systems to the Joint Audit Committee, setting out any areas of concern.

The review of corporate governance and risk management arrangements (captured in the joint Register of Issues and Uncertainties maintained by the Chief Constable, together with the PCC's own Risk Register) inform the annual audit plan. Corporate governance and risk management issues may also arise through other reviews.

OTHER BODIES

The Welsh Government, Home Office and a number of other bodies require financial returns to monitor expenditure on revenue and capital. Strict terms and conditions are in place to govern additional external funding received from these bodies.

HIS MAJESTY'S INSPECTORATE OF CONSTABULARY (HMICFRS):

The role of HMICFRS (which has Fire Service responsibilities for England) is to promote the economy, efficiency and effectiveness of policing through inspection of the police to ensure agreed standards are achieved and maintained; good practice is spread; and performance is improved. HMICFRS inspects the functions of the Chief Constable, not the PCC, and provides advice and support to the tripartite partners (Home Secretary, PCCs and Chief Constables). It is independent of the PCC, the Chief Constable and the United Kingdom and Welsh Governments. It assesses the work of forces in different areas of business, including neighbourhood policing, serious and organised crime, anti-social behaviour and in tackling major threats such as terrorism. HMICFRS monitors the performance of forces on its plans to ensure the sustainability of an efficient and effective police service. Inspectorate reports are sent to the Chief Constable and PCC for consideration and appropriate action. HMICFRS plays a key role in informing the PCC and the public on the efficiency and effectiveness of their forces and, in so doing, facilitates the accountability of the PCC to the public. The PCC has a legal duty to respond to an HMICFRS report (with any response forwarded to the Home Secretary). Reports are published on the following website: <https://www.justiceinspectorates.gov.uk/hmicfrs/>

THE POLICE AND CRIME PANEL

The Police and Crime Panel ('Panel') oversees the PCC and scrutinises the decisions (but not the performance of the Chief Constable and the force, which is the role of the PCC). The Panel is made up of nine local Councillors, representing the seven local councils in South Wales, along with two independent members. Its responsibilities and powers include:

- Scrutinising the Police Crime and Justice Plan;
- Summoning the PCC and OPCC staff for public questioning;
- Scrutinising and potentially, by two thirds majority, vetoing the police budget and council tax precept;
- Scrutinising and potentially, by two-thirds majority, vetoing the appointment of the Chief Constable;
- Holding confirmation hearings for the PCC's senior staff (including the Chief Executive and the CFO);
- Dealing with lower-level complaints against the PCC.

Panel members make reports and recommendations about actions and decisions taken by the PCC. Merthyr Tydfil County Borough Council is responsible for the administration of the Panel. All reports and minutes are published publicly: [South Wales Police and Crime Panel | Merthyr Tydfil County Borough Council](#).

During 2025/2026 the Panel's scrutiny work included considering:

- The Police Crime and Justice Plan,
- Precept proposal,
- Financial reporting,
- Audit Wales Management letter
- The appointment of the Deputy Police and Crime Commissioner
- PCC's Annual Report
- Reports on complaints and demand

PART 3: ISSUES CONSIDERED AND IDENTIFIED IN 2025/26

INTERNAL AUDIT WORK DURING 2025/26: The internal auditors, TIAA, undertook 28 audits of which sixteen (16) were assessed as providing substantial assurance, eleven (11) with reasonable assurance and one (1) audit in which the assessment was limited assurance. There was also only one (Priority 1) recommendation made this year out of the 55 recommendations from all the audits undertaken:

Audit	Assurance Rating	Priority 1 Recommendations	Priority 2 Recommendations	Priority 3 Recommendations	Total Recommendations
Complaints (OPCC)	Substantial	0	0	0	0
Insurance	Substantial	0	0	0	0
Pensions	Substantial	0	0	2	2
Budgetary Control	Substantial	0	0	0	0
Firearms Licensing	Substantial	0	0	1	1
Wales Accord on Sharing of Personal Information	Substantial	0	0	2	2
Expenses and Additional Payments	Substantial	0	0	1	1
Commissioner Grants	Substantial	0	0	0	0
Workforce Planning (Collaborative)	Substantial	0	0	0	0
Overtime and Additional Allowances (Collaborative)	Substantial	0	0	1	1
Body Worn Video and Facial Recognition Technology (Collaborative)	Substantial	0	0	0	0
Payroll (Collaborative)	Substantial	0	0	0	0
Capital Programme and Fixed Assets (Collaborative)	Substantial	0	0	0	0
Governance	Substantial	0	0	1	1
Creditors (Collaborative)	Substantial	0	0	0	0
Provisions	Substantial	0	0	0	0
HR – Flexi Time Compliance	Reasonable	0	3	4	7

HR Management – Annual leave/Accrued Absences	Reasonable	0	1	2	3
Cardiff and the Vale BCU	Reasonable	0	2	4	6
Evidential Management Unit (property)	Reasonable	0	1	0	1
Fixed Assets (Fleet repairs)	Reasonable	0	2	1	3
Contract Management (Custody)	Reasonable	0	2	1	3
Information Disclosures	Reasonable	0	1	0	1
Use of Purchase Orders	Reasonable	0	2	4	6
Learning and Development	Reasonable	0	3	0	3
Business Continuity Planning	Reasonable	0	3	2	5
Uncertainty and Risk Management (Collaborative)	Reasonable	0	1	3	4
Security of Seized Proceeds of Crime	Limited	1	2	2	5
Total Recommendations		1	23	31	55

Update on the one Limited Assurance audit in 2025/26:

The two priority 3 recommendations related to the updating of procedures as against new legislation and the retention of records – both of these have been undertaken. The two priority 2 recommendations regarding the methods of storing seized cash and the confiscation routes – processes have been reviewed and changes implemented. The Priority 1 recommendation related to the payment of monies to the OPCC or the Home Office as appropriate and this has been addressed.

OTHER INSPECTION WORK DURING 2025/26

1. PEEL/HMICFRS

HMICFRS concluded their fieldwork on PEEL 2025/2027 on 24th April 2026. This report is due to be published by the Autumn 2026 and will be in next year's AGS. The last HMICFRS PEEL assessment undertaken assessed SWP in ten areas of policing – with graded judgments given in nine of those.

Outstanding	Good	Adequate	Requires Improvement	Inadequate
	Preventing Crime	Investigating Crime	Responding to the public	
	Developing a positive workplace	Recording data about crime		
		Police powers and public treatment		
		Protecting vulnerable people		
		Managing offenders		
		Leadership and force management		

2. National child protection inspections

In April 2024, a revised framework for the National Child Protection Inspections was published and outlined the criteria for which graded judgements would be used against forces. South Wales Police were inspected between 3rd and 14th March 2025, with the final report being published on 14th November 2025.

The force received the following graded judgements:

- Leadership of child protection arrangements - **Good**
- Working with safeguarding partners - **Good**
- Responding to children at risk of harm – **Good**
- Risk assessment and referral - **Adequate**
- Investigating child abuse, neglect and exploitation - **Adequate**

South Wales Police were found to have chief officers and senior leaders who understand their statutory responsibilities to safeguard children, with robust oversight and governance of child protection performance and

practice. Leaders were found to encourage a child-centred policing culture and information is shared well with statutory and non-statutory safeguarding partners.

3. Serious Organised Crime

HMICFRS previously inspected forces' overall police effectiveness, efficiency and legitimacy as part of their rolling programmes, which incorporated serious and organised crime (SOC). In 2022, changes were made to incorporate inspections of the ten regions as well as the nine regional organised crime units (ROCUs) to better understand how well forces and ROCUs work together to tackle SOC. South Wales Police were inspected between 8th and 12th September 2025, with the region being inspected thereafter. The final report was published on 26th June 2026 and will be reported in the AGS for 2026/27.

4. Inspection commissioned by the Home Secretary: The contributions of police forces in England and Wales to safety advisory groups and other bodies responsible for public safety and licencing in relation to high-profile public events (SAG)

On the 22nd December 2025, HMICFRS notified seven forces of their intended inspection. South Wales Police was selected and the inspection commenced in February 2026. HMICFRS examined the policies and processes on the role of the police in safety advisory groups, national and force-specific guidance on planning for major events, the extent to which forces take account of local community impact assessments, whether forces are striking the right balance between risk and financial costs and (when event organisers or local authorities make decisions) how effectively those decisions are communicated to the public. The inspection was comprised of a virtual visit, online interviews with personnel in roles relevant to the planning and command of major public events and a document review. The report is awaited

FORCE MANAGEMENT STATEMENT 2025/2026 (FMS7):

A key aspect in terms of management assurance for the annual governance review is the preparation of the FMS.

The FMS7 for 2025/26 outlined a complex and evolving landscape in which the demands on policing had expanded beyond traditional crime. Policing responsibilities now encompass a broad range of complex and often hidden harms—from cyber-enabled threats and organised exploitation to mental health-related incidents. This diversification, combined with increasing public expectations and greater scrutiny, requires a model that is agile, data-driven, and focused on continuous improvement and productivity.

In terms of the governance response – the FMS noted that South Wales Police will review its processes and procedures using continuous improvement principles to enhance its ability to respond to current demands and close identified gaps. Where police officers are currently in back-office roles, SWP articulated an intent to assess whether they can be redeployed to frontline duties, and whether there are opportunities for police staff to further support operational effectiveness.

The FMS also provided a short to medium term assessment of the threat, risk, harm and demand pressures facing the force, the capacity and capability to address them, and the actions taken to both reduce demand and mitigate threat. It noted that SWP continues to perform well in the face of considerable challenges bringing increasing demand and complexities. The senior leaders developed the South Wales Police Delivery Plan (SWPDP) which focusses on providing a first-class service to victims, improving the trust and confidence in the service, persistently pursuing criminals, creating a courageous and engaged workforce, and enhancing efficiency and productivity.

SWP is also embracing the national Policing Productivity Review and recognises that improved productivity, efficiency and use of technology will be a focus to meet gaps in demand.

PART 4: ISSUES AND UNCERTAINTIES

The following have been identified as significant issues and uncertainties impacting on governance that will need to be managed through 2026/27. They are drawn from the ongoing Joint Strategic Risk process (and an assessment of external/internal opportunities and threats):

- **Police Reform:** In November 2025, the Home Secretary announced that the position of Police and Crime Commissioner is to be abolished from the end of the current term of office, in May 2028. In January 2026, the Government also published its White Paper on Police reform, which included details of new governance arrangements for policing. In particular for Wales, this likely means establishing Police and Crime Boards, with local authority leaders sitting on these, having oversight of police force governance. Since these announcements, Police and Crime Commissioners and their teams across Wales have been working with Welsh Government and Home Office officials to determine how the new governance arrangements will operate in Wales. The details around this are still to be finalised at the time of writing this annual governance statement. The Government White Paper on Police Reform seeks to rationalise the number of forces; and create a National Police Service; and ensure forces move to standardised systems and processes, with the aim of reducing duplication and reducing costs. Initial findings of the review led by Lord Hogan-Howe into the requirements of the White Paper are due to be published at the end of summer 2026. Given the expected fundamental changes to both police forces and policing governance, great uncertainty exists within policing at the current time. This is in addition to the pressures of the current CSR, which sees real-term funding reductions until at least 2028/29.
- **Finance:** SWP has embraced the national focus on Productivity and Efficiency and continues to challenge expenditure and drive greater value from the limited resources, by collaborating and targeting investment through business case discipline. The Productivity Innovation and Efficiency (PIE) Board continues to identify opportunities to realise efficiency savings (making best use of our resources and delivering changes that benefit our communities). It has a target to deliver £32million of efficiency savings under the Medium-Term Financial Strategy. The force has also created a dedicated Continuous Improvement & Demand Team who work closely with BCU's and departments to refine processes and practices in order to reduce demand, create efficiency savings and identify/implement innovative practices.
- **Estates:** SWP has reduced its Estate footprint by a third and upgraded another third, but there remains a need to improve several key parts of our police estate. There are no capital grants available with funding being via collaboration, asset disposals and borrowing.
- **Local Partners:** Partnership working remains key to both the Chief Constable and PCC. The support of our partner agencies through the Public Service Boards remains key in ensuring an integrated approach to neighbourhood policing and the sustainability of existing partnership arrangements remain essential to reduce and prevent crime. 2025/26 saw SWP further embedding the national 'Right Care Right Person' approach which aims to direct the public to the body most suitable to meeting their needs. 2026/7 will see SWP continuing to work with our public sector partners on this.
- **Technology:** As well as ensuring compliance with the national police technology agenda (which includes the Emergency Services Mobile Communication Programme, the National Law Enforcement Database and the National Enabling Programme) – SWP need to realise the benefits of improved productivity through better use of technology, smarter ways of working and collaboration with partners. Additionally, the increasing complexity of crime inevitably requires a more innovative approach, and the force continues to strategically develop its digital capability to respond to the same.

- **Capital City:** the demands of policing the seat of government for Wales and high-profile events including protests, major entertainment and sporting fixtures are not currently recognised in the funding formulae for policing. The additional policing challenges faced by the force, in relation to policing a capital city and the busy night-time economy impact on the cost of policing. Without this funding, such significant demands have a detrimental impact on the budget, against a backdrop of maintaining an effective policing service to our communities,

improving performance, meeting the increased demands of new areas of criminality, and realising continued efficiency savings.

The areas identified above, and in the risk, uncertainty and issues registers, are monitored through the existing governance and risk management structures within the OPCC and the Force as outlined herein. Where relevant, they are also reflected in the future workplan for Internal Audit. Action plans to deliver changes/mitigate risks are implemented.

CONCLUSION AND OPINION

The PCC and Chief Constable are responsible for ensuring that their business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. In discharging this overall responsibility, they are responsible for putting in place proper arrangements for the governance of their affairs, facilitating the effective exercise of their functions, which includes arrangements for the management of risk.

Based upon the above review of the sources and effectiveness of assurance set out in this Annual Governance Statement, the PCC and Chief Constable are satisfied that they have in place reasonable governance arrangements, including appropriate systems of internal control and risk management, which facilitate the effective exercise of their functions.



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Police and Crime Commissioner
28 September 2026



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Chief Executive
28 September 2026



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Chief Finance Officer (Commissioner)
28 September 2026



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Chief Constable
28 September 2026



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Chief Finance Officer (CC)
28 September 2026

APPENDIX 1: CIPFA FM CODE. ANNUAL ASSESSMENT/ACTION PLANS:

The expectation of the CIPFA Financial Management Code (FM Code) is that relevant public bodies should comply with all the financial management standards to demonstrate compliance with the FM Code. NB: whilst compliance with the CIPFA financial management standards is obligatory, the FM Code is not prescriptive about how this is achieved.

CIPFA recognises that policing has, in some respects, different practices from other public bodies such as Local Authorities. The 6 principles of the FM Code are: Organisational Leadership, Accountability, Transparency,

Professional Standards. Assurance and Long-Term Sustainability (and these are translated into 17 financial management standards across 7 sections of the FM Code – see below).

The South Wales Police's 2025/26 assessment against the FM Code's financial management standards (and any actions identified) is detailed in this Appendix 1. Throughout the assessment 'Force' is used to represent both Corporations Sole.

	Question	Answer	RAG	Areas for improvement
Section 1 - The Responsibilities of the Chief Finance Officer and Leadership Team				
A	The leadership team is able to demonstrate that the services provided by the Force provide value for money			
1	Does the Force have a clear and consistent understanding of what value for money means to it and to its leadership team?	There is clear reference to VFM in the Medium-Term Financial Strategy (MTFS), the Chief Constable's Delivery Plan and the Procurement Strategy. Annually, Audit Wales consider the arrangements for securing economy, efficiency and effectiveness to underpin their value for money conclusion. The force has established the Productivity Innovation and Efficiency Board and this works towards a rolling 5-year productivity goal and a 4-year Cashable savings target. It has broad representation and is a gateway to VFM	G	
2	Does the Force have suitable mechanisms in place to promote value for money at a corporate level and at the level of individual services?	VFM is embedded in all procurement documentation, and procurement staff are alert to the need to demonstrate VFM through tenders and contracts. A corporate framework of management procedures and rules for securing value for money is incorporated in the PCC/Force 'Joint Corporate Governance Framework' and 'Financial Regulations'. At an individual service level, the Silver COG meeting reviews effective operational performance within respective Chief Officer portfolios. The Chief Constable chairs a recurring Gold meeting where issues from the Silver COG are escalated. The Commissioner also chairs a quarterly Performance Oversight and Assurance Board which considers organisational and financial performance at each meeting. The need to attain VFM objectives features in force wide communications.	G	
3	Is the Force able to demonstrate the action that it has taken to	The approach to savings and change adopted by the Force is evidenced by the savings delivery record in place since 2010. The on-going need to make savings will	G	

	promote value for money and what it has achieved?	remain and the Force is well placed to deliver these albeit that it is important that the Force maintains its focus on efficiency and productivity. The force delivered £60M of recurring cash savings during austerity whilst also improving the policing services to the public. A further £8M of savings is required in 2026/27 to balance the budget. The Medium-Term Financial Strategy sets out South Wales Police's comparative performance with its most similar family of forces and exemplifies the relative Value for Money through crime prevention and experience. The force is actively targeting £32M of productivity gains over the MTFS period. There is also an established benefits realisation process, and approved Business Cases are subject to post implementation review. Actions are taken from the Silver COG service-level reviews and Force Performance Group meetings, and are followed up. Procurement savings are reported to Blue Light Commercial on a monthly basis. Contract management is undertaken by service stakeholders, with strategic oversight from the Procurement department.		
B	The Force complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government as applicable to Policing			
1	Is the CFO a key member of the leadership team, involved in, and able to bring influence to bear on, all material business decisions?	Both CFOs (Force and PCC) are members of their respective leadership teams and report directly to the Chief Constable and Commissioner respectively. This is consistent with CIPFA's document 'The Role of the CFO in Policing.'	G	
2	Does the CFO lead and champion the promotion and delivery of good financial management across the Force?	Yes, both CFOs champion and lead the promotion and delivery of good financial management in the Force and PCC	G	
3	Is the CFO suitably qualified and experienced?	Yes, both CFOs are suitably qualified and experienced	G	
4	Is the finance team suitably resourced and fit for purpose?	Yes. The team is led by qualified accountants and properly resourced in terms of capacity and capability. The recurring and complimentary annual internal and external audit opinions provide evidence that the finance team performs to a high standard.	G	
Section 2 - Governance and Financial Management Style				
C	The leadership team demonstrates in its actions and behavior responsibility for governance and internal control			
1	Does the leadership team espouse the Nolan principles?	The Manual of Governance explicitly sets out the commitment of the leadership teams for both the Commissioner and the Chief Constable to abide by the seven principles set out in the Standards of Public Life (known as the Nolan Principles).	G	

		The code of ethics is a key feature for all police officers and staff and is promoted during induction training and courses. Regular online training is also provided and followed up to ensure compliance. The Commissioner and Chief Constable have a joint Independent Ethics Committee and a separate internal ethics committee and members of the leadership team(s) are represented on both. All force policies and procedures embed the key principles from the Code of Ethics.		
2	Does the Force have in place a clear framework for governance and internal control?	Yes, the PCC and Chief Constable review and update their joint Manual of Corporate Governance on a periodic basis. The most recent review took place in April 2026. The Annual Governance Statement clearly documents the governance and internal control arrangements, and these are evidenced as part of this process of review.	G	
3	Has the leadership put in place effective arrangements for assurance, internal audit and internal accountability?	The Joint Audit Committee (JAC) considers both the annual internal audit plan and all internal audit reports, recommendations and management actions. The internal audit plan seeks to give assurance of key internal controls, with specific focus on finance. The Internal Auditors report to each JAC meeting and providing an annual audit opinion (as set out in this Annual Governance Statement). Internal Auditors are independent of the force and are appointed under an All-Wales collaborative contract through an open tender process. Good behaviour and accountability are discussed during all staff and officer performance reviews annually (performance development process) There is a whistleblowing policy which is managed, and reports of any breaches are investigated by the Professional Standards Department (PSD) There is a Force policy on gifts and hospitality, which is managed and promoted by PSD, and which also applies to the Commissioner's Team. The force maintains a Confidence and Legitimacy Assurance Group which makes recommendations to improve collective responsibility and accountability.	G	
4	Does the leadership team espouse high standards of governance and internal control?	Please see the response to C2 above. Much work has been undertaken over recent years to fundamentally review and strengthen the joint governance arrangements, and these continue to evolve to ensure that they are fit for purpose and meet organisational needs. The Manual of Governance sets out clear responsibilities for decision making. All key PCC decisions of significant public interest are published on their website including full supporting documentation. The force adopts a Code of Conduct and has a robust process for declaration of business interests - see C1 and C3 above	G	

5	Does the leadership team nurture a culture of effective governance and robust internal control across the Force?	The Manual of Corporate Governance includes Financial Regulations. These are regularly reviewed and updated. These are also supported by more detailed Chief Constable Financial Instructions which provide guidance at the practitioner level.	G	
D	The Force applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)			
1	Has the Force sought to apply the principles, behaviour and actions set out in the Framework to its own governance arrangements?	Yes, as evidenced through the Annual Governance Statement, which also references the updated 2026 CIPFA Edition of the International Framework: Good Governance in the Public Sector	G	
2	Does the Force have in place a suitable local code of governance?	Yes, the PCC and Chief Constable publish a Joint Manual of Corporate Governance, which includes sets out local governance arrangements, including a scheme of consent and delegation, financial regulations and standing orders relating to contracts. This is reviewed regularly and updated accordingly.	G	
3	Does the Force have a robust assurance process to support its AGS?	The AGS is prepared by the Director of the Joint Legal Service in conjunction with both CFOs, the Assistant Director of Finance, the Commissioner's CEO and relevant stakeholders. A draft version is presented to JAC for review before publication.	G	
E	The Financial Management Style of the Force supports financial sustainability			
1	Does the Force have in place an effective framework of financial accountability?	Yes, through the Manual of Corporate Governance, including Financial Regulations and contract regulations.	G	
2	Is the Force committed to continuous improvement in terms of the economy, efficiency, effectiveness and equity of its services?	The Force maintains a record of specific efficiency and effectiveness reviews and has a dedicated Continuous Improvement Team. The 2025-2028 South Wales Delivery Plan which is set by the Chief Constable has efficiency and productivity as one of its 5 core pillars.	G	
3	Does the Force finance team have appropriate input into the development of strategic and operational plans?	The Chief Constable's CFO is a member of the Chief Officer Team and integral to the development of all strategic plans. Finance Business Partners are engaged at an operational level. The Commissioner's CFO is a member of the PCC's Executive Team and sits on a number of strategic boards to provide appropriate input, challenge and scrutiny. Senior finance representatives sit on all key decision making and informative boards e.g. POAB, Chief Constable's Gold, Productivity & Innovation Group, Establishment Control Group, Collaboration Board(s), and other specific purpose Boards/ meetings.	G	
4	Do managers across the Force possess sufficient financial literacy	The Corporate Finance Department has specific finance business partners for each area of business, which strengthens the link between business and finance.	G	

	to deliver services cost effectively and to be held accountable for doing so?	An on-line Financial Training Course has been developed and is now live. Content includes budgetary control, funding, finance function awareness and procurement. The Business Partnering approach continues to be developed with presentations to SMT on medium term finances and the new business planning cycle. Presentations to future leaders are given as well as input to mid-line managers on the principles of good financial management. The PIE board has developed a revised business case model which places greater focus on quantifiable measures relevant to day-to-day observable conditions visible to business leads.		
5	Has the Force sought an external view on its financial style, for example through a process of peer review?	The Force continues to subscribe to the CIPFA Achieving Financial Excellence in Policing programme which includes a peer review of Financial Management. The force is an active participant in the NPCC Finance Committee, and all Wales finance and business improvement groups. The financial leaders in Wales engage on a four-force basis, particularly in light of police reform (under national review).	G	
6	Do individuals with governance and financial management responsibilities have suitable delegated powers and appropriate skills and training to fulfil these responsibilities?	Yes, as set out in the Manual of Governance including the Financial Regulations therein.	G	
Section 3 - Long to Medium Term Financial Management				
F	The Force has carried out a credible and transparent Financial Resilience Assessment			
1	Has the Force undertaken a Financial Resilience Assessment?	The Medium-Term Financial Strategy is a comprehensive assessment of financial resilience and resource requirements. It has proven its worth by informing funding and savings decisions, and is underpinned by the Force Management Statement, Force Strategic Threat Risk Harm Assessment, ten-year Estate strategy, 5-year procurement and fleet strategies as well a digital services and ICT strategy. The forward projections are based on sound evidence and professional judgement on the national economic assessment. There is commitment to the prudential code and an effective Reserve Strategy. The Chief Financial Officers are adequately represented on National Forums to better anticipate demand and resource implications.	G	
2	Has the Assessment tested the resilience of the Force's financial plans to a broad range of alternative scenarios?	As above.	G	

3	Has the Force taken appropriate action to address any risks identified as part of the assessment	As above.	G	
G The Force understands its prospects for financial sustainability in the longer term and has reported this clearly to Members				
1	Does the Force have a sufficiently robust understanding of the risks to its financial sustainability?	The key risks are highlighted in the MTFS and annual budget, and there are Uncertainty and Issues registers maintained by the force to manage organisational and strategic risk.	G	
2	Does the Force have a strategic plan and long-term financial strategy that address adequately these risks?	Yes, the MTFS is reviewed and updated annually. This also links to the annual work undertaken in terms of the Force Management Statement. We also publish a separate report on reserves, balances and provisions.	G	
3	Has the Force sought to understand the impact on its future financial sustainability of the strategic, operational and financial challenges that it might face (e.g., using a technique such as scenario planning)?	Scenario planning is used internally to formulate the medium-term financial plans. Published budget reports include a risk assessment which highlights the financial risk to key budget assumptions e.g., changes in future pay awards, precept levels etc. The risk assessment priorities detailed in the Force Management Statement are reflected within the MTFS. The MTFS fully documents the key budgetary assumptions in terms of future pay awards, inflationary increases, changes in grant funding and potential precept levels etc	G	
4	Has the Force reported effectively to the leadership team and to members its prospects for long-term financial sustainability, the associated risks and the impact of these for short- and medium-term decision making?	Regular reports to the respective Leadership Teams, the PCC's POAB and the Police & Crime Panel during the budget preparation process highlight the various risks and possible scenarios. During the year revenue and capital monitoring reports are received by the Resources Board and by exception items are reported upwards to the PCC's POAB Board, highlighting changes in significant risks and issues, and suggesting appropriate action. There is regular discussion of financial considerations and risks at key strategic and executive boards, and these are reported and escalated accordingly.	G	
H The Force complies with the CIPFA Prudential Code for Capital Finance in Local Authorities				
1	Has the Force prepared a suitable capital strategy?	Yes, this was approved as part of the MTFS by the Police & Crime Panel in February 2026.	G	
2	Has the Force set prudential indicators in line with the Prudential Code?	Yes, these are included in the Annual Treasury Management Strategy Statement and Capital Strategy.	G	
3	Does the Force have in place suitable mechanisms for monitoring	Yes, these are monitored by the Resources Board at regular intervals.	G	

	its performance against the prudential indicators that it has set?			
I	The Force has a rolling multi-year Medium Term Financial Plan consistent with sustainable service plans			
1	Does the Force have in place an agreed medium-term financial plan?	Yes, we published our MTFS in February 2026 and this covers the period 2026-2030, alongside the proposed revenue budget for 2026/27.	G	
2	Is the medium-term financial plan consistent with and integrated into relevant service plans and its capital strategy?	Yes. Considerable work is undertaken to align the MTFS such plans. The FMS also informs medium term planning including the determination of financial risk and emerging future operational needs requiring funding.	G	
3	Has the medium-term financial plan been prepared on the basis of a robust assessment of relevant drivers of cost and demand?	The MTFS has been prepared to reflect the current review of demand undertaken by the force alongside the prioritised risks identified as part of the FMS. The MTFS includes both capital and revenue implications of transformation and technological programmes and projects together with a range of local, regional and national initiatives. Silver COG and Gold (as appropriate) also consider information on current and future operational demand pressures (as currently known) including the implications for new technology and equipment. The Force also considers relevant NPCC guidance and best practice e.g., stop & search, body worn video. Across the Chief Constable's Leadership Team, members are engaged in national forums which enables the potential financial implications of new national systems and changes to national guidelines and procedures to be identified early. There is scope to further understand demand models and performance and Joint Data Analytics Project has reached Phase 2 which has particular focus on productivity and resource allocation.	A	
4	Has the medium-term financial plan been tested for resilience against realistic potential variations in key drivers of cost and demand?	Yes, changing contractual and service delivery requirements are all factored into the MTFS, as are inflationary assumptions.	G	
5	Does the Force have in place a suitable asset management plan that seeks to ensure that its property, plant and equipment including infrastructure assets contribute effectively to the delivery of services and to the	Yes, the Asset Management Plan is reviewed by the Capital Programme Board and Resources Board regularly and updated accordingly.	G	

	achievement of the Force's strategic aims?			
Section 4 - The Annual Budget				
J	The Force complies with its statutory obligations in respect of the budget setting process			
1	Is the Force aware of its statutory obligations in respect of the budget-setting process?	Yes, the budget setting process is well embedded in the governance of the force with formal budget reports presented to the Chief Constable's Gold meeting, the Commissioner's Executive Team and PCC's POAB meeting and then to the Police and Crime Panel	G	
2	Has the Force set a balanced budget for the current year?	Yes, as endorsed by the Police and Crime Panel and approved by the PCC	G	
3	Is the Force aware of the circumstances under which it should issue a Section 114 notice and how it would go about doing so?	Yes, both CFOs are fully aware of the s114 requirements.	G	
K	The budget report includes a statement by the Chief Finance Officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves			
1	Does the Force's most recent budget report include a statement by the CFO on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves?	Yes.	G	
2	Does this report accurately identify and consider the most significant estimates used to prepare the budget, the potential for these estimates being incorrect and the impact should this be the case?	Given that pay accounts for 80% of the budget, pay award assumptions, inflations assumptions and grant income are the most significant elements of variability within the budget. The zero-based budgeting processes and year on year refinement on variances ensures effective budget assumptions. The grant and precept income assumptions are necessarily cautious and assumptions on pay, and prices are benchmarked nationally. This has ensured a highly accurate budget to actual out-turn year on year.	G	
3	Does the Force have sufficient reserves to ensure its financial sustainability for the foreseeable future?	Yes, a separate report on reserves, balances and provisions is produced to accompany the annual MTFS	G	
4	Does the report set out the current level of the Force's reserves,	Yes, the report provides a forecast for the next 4 years which is fully compatible with the MTFS.	G	

	whether these are sufficient to ensure the Force's ongoing financial sustainability and the action that the Force is to take to address any shortfall?			
Section 5 - Stakeholder Engagement and Business Plans				
L	The Force has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium term financial plan and annual budget			
1	How has the Force sought to engage with key stakeholders in developing its long-term financial strategy, its medium-term financial plan and its annual budget?	The PCC undertakes public consultation on their proposed council tax precept increase as and when required. The PCC's annual budget and precept proposals are subject to scrutiny by the independent Police and Crime Panel, on behalf of the public, the Councillor members of which represent all local authorities across the South Wales area	G	
2	How effective has this engagement been?	The PCC continues to consult the public regarding policing priorities and the potential necessity for a proposed change to council tax precept. The police precept consultation was conducted over an eight-week period from 25 November 2025 to 19 January 2026. The survey was made available in multiple formats, including Easy Read, large print, online, and paper copies. A total of 620 responses were received (2024/25: 1,693 responses). Of these, 548 were completed online, while 55 responses were gathered in person through engagement at stall events with members of the Commissioner's team. The Police and Crime Panel subsequently approved the PCC's proposed increase to the council tax precept.	G	
3	What action does the Force plan to take to improve its engagement with key stakeholders?	Both the Commissioner and the Chief Constable actively undertake a range of engagement activities both separately and collectively. Social media platforms are actively used to extend engagement opportunities. The governance structure also includes a Public Accountability and Legitimacy Group on which key external stakeholders are represented. There are comprehensive structures of partnership, collaboration and national engagement with an array of key stakeholders. The PCC continues to be highly active in terms of stakeholder engagement attending many public events in person. The force continues to utilise "South Wales Listens" where over 36,000 residents are actively registered to receive timely local updates, crime prevention advice, and information relating to community engagement opportunities. Since the launch of the new Neighbourhood Policing Survey in May 2025, which was aimed at understanding local issues, feelings of safety, and perceptions of crime, there have been over 20,000 responses, providing the Neighbourhood Policing Teams with	G	

		local context and providing a platform for residents to directly inform their local policing priorities.		
M	The Force uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions			
1	Does the Force have a documented option appraisal methodology that is consistent with the guidance set out in IFAC/PAIB publication 'Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal'?	Arrangements for assessing significant programmes are well developed with projects being managed using Prince2, UK Government Green Book and other relevant guidance and processes. Large Change Programmes are supported by a documented assessment of impact, with regular reporting during the project and post implementation reviews reporting to governance boards, including Chief Constable' Gold and the PCC's POAB. The Business Case appraisal template has been updated to improve stakeholder engagement and better utilise non-financial performance measures that are directly correlated to post-project review and benefits realisation. Business Cases are channelled through the Productivity, Improvement and Efficiency group for governance and prioritisation of limited resources. A comprehensive, yet pragmatic assessment is undertaken. The force engages positively with national mandatory schemes, particularly in renewal of IT systems.	G	
2	Does the Force offer guidance to officers as to when an option appraisal should be undertaken?	Yes, there is ongoing engagement via a cohort of Corporate Services and Procurement staff plus dedicated Finance Business Partners. Staff within Fleet, ICT and Estates understand the need to produce an appropriate level of option appraisal to support new growth bids such is the scale of their projects. All new bids include consideration of alternative options.	G	
3	Does the Force's approach to option appraisal include appropriate techniques for the qualitative and quantitative assessment of options?	Where appropriate, qualitative and quantitative measures are included.	G	
4	Does the Force's approach to option appraisal include suitable mechanisms to address risk and uncertainty?	Risks are considered and there are more formal mechanisms in some cases i.e. depending on the value of the investment required and the associated risk e.g. selection of a new supplier and operational delivery for technology infrastructure.	G	
5	Does the Force report the results of option appraisals in a clear, robust and informative manner that gives clear recommendations and outlines the risk associated with any preferred option(s)?	Yes, when relevant e.g. selection of new mobile phones - the options are presented as part of the assessment process. Environmental impact is considered wherever possible.	G	

Section 6 -Monitoring Financial Performance				
N	The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability			
1	Does the Force provide the leadership team with an appropriate suite of reports that allows it to identify and to correct emerging risks to its budget strategy and financial sustainability?	There is regular reporting that contains financial information and narrative on both revenue and capital as well as emerging risks and issues. These are considered widely within the governance structure e.g., Chief Constable's Gold meetings are provided with financial reports which highlight emerging risk and issues, and these are acted upon as necessary. Financial reports are also provided to individual budget holders who also have regular engagement with their Finance Business partners.	G	
2	Do the reports cover both forward- and backward-looking information in respect of financial and operational performance?	Yes, year to date and forecasts are provided.	G	
3	Are there mechanisms in place to report the performance of the Force's significant delivery partnerships such a contract monitoring data?	The CFO(CC) financial report to Silver Chief Officer Group includes emerging issues with contracts or delivery of services from outsourced partners and these issues are escalated to Gold and to the PCC's POAB as appropriate.	G	
4	Are the reports provided to the leadership team in a timely manner and in a suitable format?	Yes, reports contain a narrative and financial data in tables.		
5	Is the leadership team happy with the reports that it receives and with its ability to use these reports to take appropriate action?	Yes	G	
O	The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability			
1	Has the Force identified the elements of its balance sheet that are most critical to its financial sustainability?	Yes, trade debtors and creditors are monitored closely by Finance. Cashflow, short and long-term borrowing, investments and the use of reserves and balances are monitored by the Resources Board. These are reported to the POAB as part of periodic updates on TM activity	G	
2	Has the Force put in place suitable mechanisms to monitor the risk associated with these critical elements of its balance sheet?	Yes. Regular reviews are carried out by the Finance Department and reported to the Resources Board appropriately. The force adopts a comprehensive reserves strategy and monitors provisions and elements of uncertainty.	G	
3	Is the Force taking action to mitigate any risks identified?	Yes, as the practices of risk management include mitigation. Internal audit planning is designed to review sufficiency of addressed risk and directed towards emerging	G	

		areas for an opinion on response. Recommendations are readily accepted and implemented as part of a continuous improvement approach.		
4	Does the Force report unplanned use of its reserves to the leadership team in a timely manner?	Revenue and capital monitoring reports are reported through the governance structure and to the Commissioner's POAB meeting (quarterly). Any variation to the planned use of reserves is reported, with a formal recommendation to POAB should additional monies be required to fund unplanned overspends.	G	
5	Is the monitoring of balance sheet risks integrated into the Force's management accounts reporting processes?	Yes, via the Resources Board and reported through the governance structure.	G	
Section 7 - External Financial Reporting				
P	The Chief Finance Officer has personal responsibility for ensuring that the statutory accounts provided to the local Force comply with the Code of Practice on Local Force Accounting in the United Kingdom			
1	Is the Force's CFO aware of their responsibilities in terms of the preparation of the annual financial statements?	Yes, both CFOs are fully aware of their responsibilities and work in co-operation with audit bodies to deliver against modified statutory deadlines. Legislation in Wales to formally adjust is due.	G	
2	Are these responsibilities included in the CFO's role description, personal objectives, and other relevant performance management mechanisms?	They are included in both CFO role profiles. Closure of accounts are not included in personal objectives, but the PCC and Chief Constable are aware of its importance and regular updates are provided to the JAC.	G	
3	Have the Force's financial statements hitherto been prepared on time and in accordance with the requirements of the Code of Practice on Local Force Accounting in the United Kingdom?	Yes, SWP has a good track record of early closedown and external audit sign-off. The force has been the first in Wales to have its annual accounts signed off and draft accounts are planned for 30 June. The force has comprehensive engagement with Audit Wales to ensure final sign off is before the 30 September deadline.	G	
Q	The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions			
1	Is the Force's leadership team provided with a suitable suite of reports on the Force's financial outturn and on significant variations from budget?	An outturn report is presented to Chief Constable's Gold and to the PCC in POAB with clear explanations provided for each variation against budget.	G	

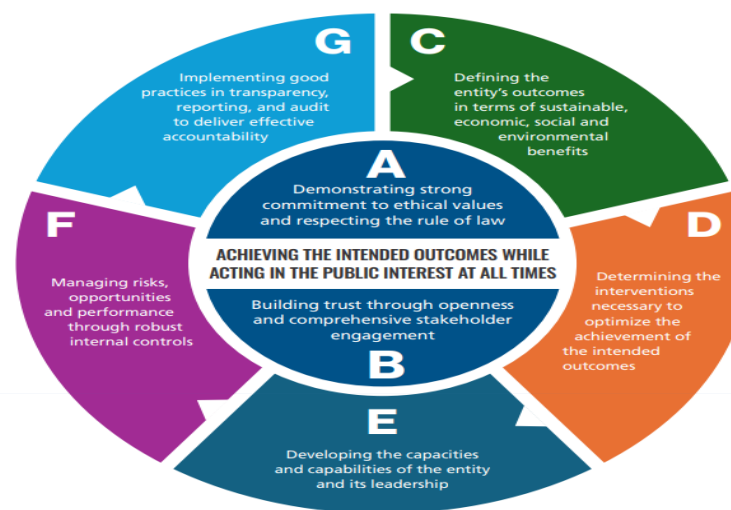
2	Is the information in these reports presented effectively?	Yes. This information matches that provided in the formal Statement of Accounts.	G	
3	Are these reports focused on information that is of interest and relevance to the leadership team?	Yes, it provides information on the full revenue budget and highlights variances which are both one-off and those that have an ongoing financial implication	G	
4	Does the leadership team feel that the reports support it in making strategic financial decisions?	Yes.	G	

APPENDIX 2: SEVEN CORE PRINCIPLES OF GOOD GOVERNANCE

This diagram (updated in 2025) shows the relationship between the seven core principles of good governance. The central two principles underpin the whole framework and relate to acting in the public interest. These two principles are implicit in the remaining five which concern achieving good governance

The review undertaken and set out in this Appendix 2 considered the range of evidence available:

- Internal and externally published material;
- professional independent opinion;
- views of senior management and professional leads.



PRINCIPLE A: Demonstrating strong commitment to ethical values and respecting the rule of law

A1: Demonstrating strong commitment to ethical values	Establishing, communicating and modelling the core values	• The chief officer team creates a climate of ethical behaviour, encouraging others to challenge unprofessional behaviour and leading by example. Officers and staff are aware of the boundaries of professional behaviour, and that more serious unprofessional behaviour is investigated by the professional standards department. • 2025/2026 saw the expansion of internal organisational integrity programmes, which have resulted in increased reporting of notifiable associations, conflicts of interest as well as the reporting of other conduct-related issues. This represents a positive cultural shift that supports the force's transparency agenda.
	Providing supporting mechanisms	• There are confidential mechanisms and a clear policy to support staff reporting wrongdoing. • In support of the Code of Ethics and Code of Practice for Ethical Policing, the Internal Ethics Committee has continued to review issues referred to it with matters being escalated to the Joint Independent Ethics Committee (JIEC).

		- The JIEC has broad external membership and is chaired by the senior lecturer in Ethics at Swansea University. The JIEC provides recommendations and/or observations to leaders and decision makers on ethical and moral issues, and they produce an annual report for both the Chief Constable and the PCC. The minutes of JIEC meetings are published to ensure transparency. - Staff awareness of ethical issues is also monitored and assessed by use of surveys. - A staff engagement survey was undertaken between 15-16 May 2025 in which 2695 employees provided responses (45% of the workforce). The results indicated several strengths across the organisation, particularly in areas related to team dynamics, inclusion and values. Notably, employees strongly supported and reflected organisational values (9.0), experienced positive team relationships (8.7), and felt comfortable reporting inappropriate workplace behaviour (8.7). Key drivers of engagement revealed that inclusion, organisational values and trust in leadership significantly influenced employee engagement.
A2: Respecting the rule of law	Complying with laws and regulations	- Related parties' disclosure is made in the Statement of Accounts. - The central register of gifts and hospitality is well used and includes details of offers made to staff (including those declined). - HMICFRS previously noted that the force's business interest policy is clear and well documented, with all requests for authorisation of a business interest being recorded in a central electronic register. - Chief Officers maintain a register in which they disclose media contacts in accordance with recommendation (no 76) made by Leveson. - A presentation to the Senior Leaders Forum in 2025/6 reminded attendees to proactively notify any material changes in personal circumstances to Professional Standards (and requested that this is disseminated in their respective teams to ensure continuing compliance).
Principle B: Building trust through openness and comprehensive stakeholder engagement		
B1: Openness	Being as open as possible	- In compliance with the Elected Local Policing Bodies (Specified Information) Orders (and guidance provided by the Information Commissioner), information has been made publicly available through the SWP and PCC's websites over the course of the last year. - The PCC's decisions, which are of significant public interest, are publicised on the website (unless there are specific reasons why a decision should be exempt). - The force and OPCC websites are updated to provide access to strategic information including key corporate documents. 'South Wales Listens' is a digital platform used to deliver targeted messages and updates on activities, emphasising the "you said, we did" approach to strengthen community engagement. This replaced the previous engagement portal and offers a more user-friendly method of ensuring community interactions.
B2: Engaging relevant stakeholders	Actively consulting citizens, service users and other stakeholders	- Survey work undertaken in 2025/26 included a survey in relation to the precept in which the Commissioner sought views both on the proposed level of increase and how this should be spent. - The PCC and the Chief Constable maintain a Police Accountability and Legitimacy Group (PALG) which enables external organisations and independent advisors to act as critical friends to the force providing challenge on the legitimacy and fairness of force policies and practices; independent oversight and scrutiny in respect of fairness at work issues, diversity in the workplace, equality act issues, the

		use of policing powers (including stop and search, the use of force, Automatic Facial Recognition, the accessibility of the police conduct and complaints system), policy and practice development, engagement and interaction with the public. They monitor the progress of inspectorate recommendations, providing an external perspective. During March 2025 data was collected via electronic 'Smart Survey', with 36 partners, representing 18 organisations, responding to the survey. These partner agencies included Statutory, Government and non-profit organisations such as The Centre for Professional Development, HM Prison Services, CPS, Coroners Service, Fire and Rescue Service, Community Safety and representatives from Local and County Councils, Children's Services and Local Health Boards.
B3: Working effectively with other delivery partners	Building strong relationships with relevant public, private and not for profit entities	- Current external representation on PALG consists of representatives from: The Council for Wales of Voluntary Youth Services (CWVYS), Disability Wales, Ethnic Minorities & Youth Support Team Wales (EYST), Equality & Human Rights Commission, Gofal, Gypsies & Travellers Wales, Hafal, Learning Disability Wales, Older People's Commissioner for Wales, Race Equality First, South Wales Victim Focus, Sport Wales, Welsh Refugee Council, Welsh Government and independent advisers (LGBT and neurodiversity specialisms). - Additionally, collaborative working arrangements within MAPPA involve key partners such as the Probation Service, local authority, and Health stakeholders. These partnerships enable effective information sharing, joint risk management, and resource coordination.
Principle C: Defining the entity's outcomes in terms of sustainable economic, social and environmental benefits		
C1: Clarity of purpose	Providing a clear vision	- The Force mission is defined as 'to be an outstanding police service: accessible, reliable and trusted by our communities' – this vision is embedded in the Force Delivery Plan. - The PCC also has a clear vision as set out in her Police Crime and Justice Plan 2025-2028 which is for South Wales to be a safe, just and inclusive place to live, work, study or visit for everybody – no matter their background or personal circumstances. The PCC states that this vision is focussed on driving positive change by empowering and listening to all local people and communities in South Wales. - These are also consistent with the joint NPCC & APCC Policing Vision 2025. - The four Welsh forces have established an environmental sustainability plan aligned with the Welsh Government's commitment to achieving net zero by 2030 and the UK's legally binding target to reach net zero by 2050. To support these goals, SWP are proactively ensuring that the estates, fleet, and procurement functions work toward a unified strategy focused on ambitious environmental and decarbonisation targets, fostering long-term sustainability and responsible resource management. - SWP has adopted the Blue Light Commercial Responsible Procurement Policy, which is built around three key themes: People, Planet, and Purse. This approach ensures that the procurement activities prioritise social responsibility, environmental sustainability, and financial efficiency, aligning with broader strategic goals to deliver ethical and value-driven outcomes. - SWP also uphold a zero-tolerance stance on modern slavery and all forms of discrimination within its supply chains. This commitment to ethical procurement demonstrates leadership in ensuring transparency, accountability, and responsible sourcing across all contracts and supplier relationships.

C2: Sustainable economic, social and environmental benefits	Setting sustainable and achievable outcomes	- The Procurement Strategy and Commissioning Framework consider wider social elements and social value. This takes account of the government's National Procurement Policy Statement (which came into effect on 24th February 2025). - South Wales Police has signed up to the Welsh Government Code of Practice on ethical supply chains. - SWP continues to work to raise awareness of modern slavery issues across its supply chain, assessing the top 100 suppliers. - The Blue Dot Board (BDB) oversees the force Climate Emergency Strategy/action plan, contributing to commitments in the Climate Change Act 2008, the Well-being of Future Generations (Wales) Act 2015 and the WG Net Zero Plan. The annual electricity and gas costs between 2024 and 2025 decreased by 23.5%.
C3: Aligning planned outcomes with delivery capacity	Matching the entity's overall capacity to ensure sustainable service delivery	- In terms of the Estates Strategy - the force remains focused on achieving carbon-neutral status, ensuring that sustainability measures are integrated into modernisation initiatives while balancing efficiency, compliance, and environmental responsibility. This is reflected in the Force Management Statement, and in the force's Decarbonisation and Sustainability strategy. - Bluelight Commercial has reviewed the force's Energy Strategy, assessing procurement and contract management practices. They are also exploring alternative solutions beyond traditional grid-based power provision to enhance efficiency and sustainability. - The transition from traditional gas heating systems to air and ground source heat pumps is a key step in the force's net zero decarbonisation journey. This shift requires substantial investment and feasibility surveys, which are already underway to determine necessary funding levels. Additionally, force-wide upgrades to electrical capacity via national grid infrastructure will be essential to accommodate the increased demand from new electric vehicle charging installations and heat pump systems. Ensuring a smooth implementation will be important in meeting both operational needs and government targets.
Principle D: Determining the interventions necessary to optimise the achievement of intended outcomes		
D1: Analysing the range of interventions	Deciding the delivery method	During 2025/2026, the force has seen the ongoing cost-of-living crisis in the UK further exacerbating demand, contributing to increased financial vulnerability, domestic stressors and a rise in acquisitive crime and exploitation risks. At the same time, growing community tensions and fragmentation place additional pressure on policing and in terms of delivery methods require SWP to respond to incidents that may escalate more quickly or require sensitive, resource-intensive interventions. The spread of disinformation, particularly via online platforms, is also complicating the operational landscape by influencing public perception and potentially inciting harm and SWP has a strategy to address such misinformation where possible.
D2: Optimising achievement of intended outcomes	Planning specific interventions	- Operationally, the force continues to manage high volumes of public contact, with improvements evident in call handling performance and response times. However, these improvements have required targeted intervention and remain sensitive to fluctuations in demand. - Seasonal spikes, major events and unforeseen incidents continue to place pressure on response capability, particularly where workforce abstraction or resource gaps exist. The introduction of new shift patterns and modernisation programmes is expected to improve alignment between demand and capacity.

		The force must also continue to strengthen partnership working and preventative approaches, recognising that many of the drivers of demand originate outside policing. Effective collaboration with partner agencies, combined with investment in early intervention and community-based solutions, are viewed as critical to improving outcomes for vulnerable individuals.
Principle E: Developing the capacities and capabilities of the entity and its leadership		
E1: Assessing the entity's needs	Reviewing the impacts of technology, demand and other relevant trends	- The ICT strategy addresses the design, development, and support of essential functions that underpin the core operations of SWP, delivering technology solutions that support all business information platforms and services. - Through Service Management, Technical Business Management, and Technical Programme Management, ICT ensure seamless service delivery, that aligns technology with business needs. - Training and professional development arrangements are in place for digital data and technology. Infrastructure assets are modern, well-maintained. It is noted that with the development of cloud technology, advanced digital design and some AI that further training may be needed to ensure that we maintain and retain the necessary skills.
E2: Developing the entity's overall capacity and capabilities	Building a capable and motivated workforce	- Established in 2024/25, the Chief Officer chaired Strategic Capabilities Board seeks to balance resource and skills across the force alongside the predictive modelling on staff turnover. - Leadership and management roles have clearly defined responsibilities, with the College of Policing publishing national Authorised Professional Practices by way of reference. Leadership training is provided for officers and staff with the aim of ensuring that the right leadership skills are available at all times. 'PERFORM': the professional development system, supports HMICFRS recommendations in terms of identifying leadership potential. Perform enables corporate, team and personal targets and identifying training opportunities. - In 2024, SWP was awarded the National Equality Standard (NES). This sets EDI criteria against which corporations are independently assessed, with SWP being the second police force in the UK to achieve this. - SWP continue to support people from under-represented demographics who are interested in a career within SWP and to support the work of the joint Representative Workforce Model and have implemented recommendations from the Gender Equality review (to improve the recruitment, retention, and progression of women within SWP).
E3: Clarifying and filling leadership roles	Defining leadership roles and responsibilities	- In terms of internal leadership, SWP has adopted the College of Policing's 5 Stage Leadership Programme. Additionally, SWP has both a first and mid-line leaders' development programme. - In this context the SWP Leadership and Talent team have been awarded the Princess Royal Training award for their internal Springboard programme. - In terms of partnership working, the PCC and Chief Constable continue to be part of the strategic attendance at Public Services Boards and work with Regional Partnership Boards on the development and delivery of sustainable public services to make our communities safer. SWP works closely with Public Health Wales, the other Welsh forces and wider partners (Early Action Together) in developing initiatives to tackle root causes, break the cycle of harm and prevent problems from escalating.

	Ensuring the right leaders in key positions	- South Wales Police has joined the College of Policing PIP1 Supervisors pilot, which is expected to further refine and strengthen the existing leadership development programme. This initiative will support continued professional growth and enhance supervisory effectiveness across the force. - The force has achieved full Quality Assurance accreditation from the College of Policing for both its First and Mid-Line Leadership Programme and the newly launched Police Constable Entry Programme, introduced in March 2025. This recognition underscores the force's commitment to maintaining high training standards and delivering professional development aligned with national best practices. - The force's Talent Strategy has been implemented to provide targeted development for police staff and officers identified as "exceptional" or "strong" and demonstrating potential or high potential. This structured approach supports the management of current talent while informing future succession planning for leadership, operational, organisational, and specialist capabilities, ensuring a sustainable pipeline for long-term development and growth.
Principle F: Managing risks, opportunities and performance through robust internal control		
F1: Managing risks and opportunities	Navigating risks and opportunities using a risk management framework	- Risk is a standing agenda item for all strategic meetings within the Force and all decision-making meetings of the Commissioner. The risk management framework adopted (through the Uncertainty Register and Issues Log) establishes how risk is embedded throughout the various elements of corporate governance of the corporation(s) sole. - Chief Officers and members of the Commissioner's Executive Team continue to own and manage the issues relevant to their remit and ensure that risks or 'uncertainties' are formally captured and reviewed. - The Chief Finance Officers for the Commissioner and for the Chief Constable advise their respective corporation sole on the safeguarding of assets, risk management and insurance. - A key element of the approach adopted by both Corporations Sole regarding risk management involves the purchasing of insurance cover to protect assets and liabilities where it is either required or cost effective to do so. The organisation is proactive in self-insuring some elements of the overall insurance package.
F2: Maximising performance	Managing service delivery effectively	The Force Management Statement provides a short to medium term assessment of the threat, risk, harm and demand pressures facing the force, the capacity and capability to address them, and the actions taken to both reduce demand and mitigate threat.
F3: Maintaining robust internal controls	Managing data securely	The Information Governance team provide the framework for managing and protecting information, ensuring compliance and reducing risk. They are led by a Joint Data Protection Lead Officer, and the team covers Data Protection, Information Compliance, Information Assurance, Records Management, Management of Police Information (MoPI) and the digitisation of historic records.

	Embedding effective management controls	- The Information Governance team develops policies, controls and training, conducts DPIAs, manages information-sharing agreements and supplier assurance, and oversees records of processing, information risks, compliance monitoring and data incidents. - On a specific issue, cybersecurity requirements are expected to grow due to the increasing global digital transformation and the evolving threat landscape which will require investment in skills, tools and resilience measures.
F4: Providing assurance	Implementing monitoring controls and effective internal audit	The internal and external controls and the supporting governance is set out in the body of this AGS
	Establishing and maintaining an effective audit committee	- The independent Joint Audit Committee (JAC) supported by independent internal auditors provides assurance on internal governance. This includes collaborative audits on areas of financial risk across Welsh police forces. The annual JAC is positive of the governance arrangements within the force and OPCC offices. - The JAC has received reports, recommendations, and observations from TIAA, Audit Wales, HMIICFRS, and presentations from both Corporations Sole to formulate an independent opinion and provide independent assurance to the PCC and Chief Constable in respect of the financial and governance controls within the Corporations Sole. - The JAC is satisfied that there are no major issues of concern that affect the financial standing of the Corporations Sole and that there is a robust governance framework in place, supported by adequate risk management and controls. The external auditors are satisfied with financial arrangements and VFM plans, providing a year-on-year positive audit opinion. Year on year the audited accounts show a 99.99% budget to actual position (after transfers to reserves). - The Auditor General for Wales made the following remarks with regards to our plans: "Based on the work I have undertaken, I am satisfied that the Commissioner and Chief Constable have appropriate arrangements in place to secure economy, efficiency, and effectiveness in their use of resources". - JAC members also attend the All Wales JAC Training Day and independent members undertake the annual self-assessment as set out in the CIPFA Guidance.
Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability		
G1: Being transparent	Communicating clearly	- Chief Officer pay, expenses and hospitality are posted on the force's website. The PCC, Chief Executive and CFO (PCC) also have their salaries published online. - A Register is maintained of the Police and Crime Commissioner's disclosable interests in accordance with Schedule 1, Paragraph 1(e) of the Elected Local Policing Bodies (Specified Information) Order 2011 (as amended) - Any business interests are disclosed and maintained in a Register (which is accessible to the public) - Details of procurement exercises are available externally

		Details of the audit and inspection arrangements are set out in the body of this Statement
G2: Implementing good practices in reporting	Ensuring high quality reporting	- The force has fraud and counter corruption policies and mechanisms in place with arrangements being monitored throughout the year. - Internal audit also provides independent objective scrutiny providing assurance on the controls in place to prevent error, fraud, or corruption with a deep dive on Professional Standards being undertaken by JAC in 2024. - The Chief Constable and Commissioner provide resources and open access to information required by the auditors.
G3: Assurance and effective accountability	Building trust and accountability	- The Commissioner provides the Police and Crime Panel with any information which it may reasonably require (in compliance with section 13 of the 2011 Act) and seeks to keep them informed of significant developments. The Commissioner produces an annual report in accordance with section 12 of the Police Reform and Social Responsibility Act 2011. - Whilst the Panel do not scrutinise the performance of the Chief Constable or those responsible to him as this is the responsibility of the Commissioner, both the Commissioner and the Chief Constable seek to ensure that Panel Members are well informed on operational issues. A finance sub-group of the Panel also exists to ensure that Panel members are kept informed of the financial scrutiny of the force by the PCC's CFO. - The Joint Audit Committee is a key component of the force's corporate governance providing assurance on the adequacy of internal controls, risk management and financial arrangements throughout 2025/26.