

**ORIGINATOR: ERNST & YOUNG LLP
(EXTERNAL AUDITORS)**

PAPER NO: AC25/12

SUBMITTED TO: AUDIT COMMITTEE – 30 MAY 2025

SUBJECT: AUDITOR’S ANNUAL REPORT 2023/24

SUMMARY:

1. The report attached is the Auditor’s Annual Report 2023/24.

RECOMMENDATION:

1. The Audit Committee is requested to consider the attached report.



Police and Crime Commissioner for Suffolk and Chief Constable of Suffolk Constabulary Auditor's Annual Report

Year ended 31 March 2024

22 May 2025



Police and Crime Commissioner for Suffolk and Chief Constable of Suffolk Constabulary
Suffolk Police Headquarters
Portal Avenue
Martlesham Heath
Ipswich
IP5 3QS

22 May 2025

Dear Tim and Rachel

2023/24 Auditor's Annual Report

We are pleased to attach our Auditor's Annual Report including the commentary on the Value for Money (VFM) arrangements for the Police and Crime Commissioner for Suffolk and Chief Constable of Suffolk Constabulary. This report and commentary explains the work we have undertaken during the year and highlights any significant weaknesses identified along with recommendations for improvement. The commentary covers our findings for audit year 2023/24.

This report is intended to draw to the attention of the Police and Crime Commissioner and Chief Constable any relevant issues arising from our work. It is not intended for, and should not be used for, any other purpose.

We welcome the opportunity to discuss the contents of this report with you at the Joint Independent Audit Committee meeting on 30 May 2025.

Yours faithfully

Debbie Hanson
Partner
For and on behalf of Ernst & Young LLP
Encl

Contents

01

Executive Summary



02

Audit of the financial statements



03

Value for Money Commentary



04

Appendices



Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website ([Statement of responsibilities of auditors and audited bodies \(from 2023/24 audits\) - PSAA](#)). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated July 2021)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the PCC, CC, Joint Independent Audit Committee and management of Suffolk Police in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the PCC, CC, Joint Independent Audit Committee and management of Suffolk Police those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the PCC, CC, Joint Independent Audit Committee and management of Suffolk Police for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01 Executive Summary



Executive Summary

Purpose

The purpose of the Auditor's Annual Report is to bring together all of the auditor's work over the year and the value for money commentary, including confirmation of the opinion given on the financial statements; and, by exception, reference to any reporting by the auditor using their powers under the Local Audit and Accountability Act 2014. In doing so, we comply with the requirements of the 2024 Code of Audit Practice (the Code) published in November 2024 and the supporting guidance of the National Audit Office (NAO) published within their Auditor Guidance Note 3 (AGN 03). This commentary aims to draw to the attention of the Police and Crime Commissioner and Chief Constable and the wider public relevant issues from our work including recommendations arising in the current year and follow-up of recommendations issued previously, along with the auditor's view as to whether they have been implemented satisfactorily.

The 2024 Code paragraph 4.10 has suspended the requirement to issue an auditor's annual report by 30 November. It states that auditors may exercise judgement to determine when to issue their annual report including their commentary on arrangements to secure value for money.

Responsibilities of the appointed auditor

We have undertaken our 2023/24 audit work in accordance with the Audit Plan that we issued on 25 June 2024. We have complied with the NAO's 2024 Code of Audit Practice, other guidance issued by the NAO and International Standards on Auditing (UK).

As auditors we are responsible for:

Expressing an opinion on:

- the 2023/24 financial statements;
- conclusions relation to going concern; and
- the consistency of other information published with the financial statements, including the narrative statement.

Reporting by exception:

- if the Annual Governance Statement does not comply with relevant guidance or is not consistent with our understanding of the Police and Crime Commissioner and Chief Constable;
- any significant matters or written recommendations that are in the public interest; and
- if we identify a significant weakness in the Police and Crime Commissioner and Chief Constable's arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

Responsibilities of the Police and Crime Commissioner and Chief Constable

The Police and Crime Commissioner and Chief Constable is responsible for preparing and publishing its financial statements, narrative statement and annual governance statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Executive Summary (continued)

2023/24 Conclusions

Financial statements	<p>Disclaimed – as a result of the disclaimer of opinion in the prior year and the scope of our audit work, which was impacted by the backstop date we do not have sufficient appropriate evidence over the opening balances, comparatives or closing reserves position and the valuation of property assets held at valuation included in ‘other land and buildings’ that were not revalued in year. Due to delays in receiving audit evidence in sufficient time before the backstop date, we were unable to complete our audit procedures on the pension liability.</p> <p>We therefore issued a disclaimed 2023/24 audit opinion on 27 February 2025.</p>
Going concern	<p>As we issued a disclaimer of opinion for 2023/24, we do not provide a conclusion on whether the Chief Finance Officers’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.</p>
Consistency of the other information published with the financial statements	<p>Financial information in the narrative statement and published with the financial statements was consistent with the audited accounts.</p>
Value for money (VFM)	<p>We had no matters to report by exception on the Police and Crime Commissioner and Chief Constable’s VFM arrangements. We have included our VFM commentary in Section 03.</p>
Consistency of the Annual Governance Statement	<p>We were satisfied that the Annual Governance Statement was consistent with our understanding of the Police and Crime Commissioner and Chief Constable.</p>
Public interest report and other auditor powers	<p>We had no reason to use our auditor powers.</p>
Whole of Government Accounts	<p>We have not yet concluded the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission, as the NAO have not yet confirmed the final reporting position and whether any questions will be raised on individual returns. We cannot issue our audit certificate until the NAO has confirmed that no further procedures are required.</p>
Certificate	<p>We will issue our certificate once the NAO has confirmed whether any additional procedures are required on the Whole of Government Accounts as noted above.</p>



Executive Summary (continued)

Value for Money

Scope

Auditors are required to be satisfied that the Police and Crime Commissioner for Suffolk and Chief Constable of Suffolk Constabulary has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report by exception in the auditor's opinion on the financial statements. In addition, auditors provide an annual commentary on arrangements published as part of the Auditor's Annual Report.

In undertaking our procedures to understand the body's arrangements against the specified reporting criteria, we identify whether there are risks of significant weakness which require us to complete additional risk-based procedures. AGN 03 sets out considerations for auditors in completing and documenting their work and includes consideration of:

- our cumulative audit knowledge and experience as your auditor;
- reports from internal audit which may provide an indication of arrangements that are not operating effectively;
- our review of Police and Crime Commissioner and Chief Constable committee reports;
- meetings with management;
- information from external sources; and
- evaluation of associated documentation through our regular engagement with Police and Crime Commissioner and Chief Constable management and the finance team.

Executive Summary (continued)

Value for Money (continued)

Reporting

Our commentary for 2023/24 is set in Section 03. The commentary on these pages summarises our understanding of the arrangements at the Police and Crime Commissioner and Chief Constable based on our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2023/24. We include within the VFM commentary below the associated recommendations we have agreed with the Police and Crime Commissioner and Chief Constable.

Appendix A includes the detailed arrangements and processes underpinning the reporting criteria. These were reported in our 2022/23 Interim Value for Money Report and have been updated for 2023/24.

In accordance with the NAO's 2024 Code, we are required to report a commentary against the three specified reporting criteria. The table below sets out the three reporting criteria, whether we identified a risk of significant weakness as part of our planning procedures and whether we have concluded that there is a significant weakness in the body's arrangements.

Reporting Criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the Police and Crime Commissioner and Chief Constable plans and manages its resources to ensure it can continue to deliver its services	No significant risks identified	No significant weakness identified
Governance: How the Police and Crime Commissioner and Chief Constable ensures that it makes informed decisions and properly manages its risks	During the 2021/22 audit, we identified a risk of significant weakness which also impacted 2022/23 and 2023/24. This was in relation to data breaches within responses to Freedom of Information (FOI) requests.	No significant weakness identified
Improving economy, efficiency and effectiveness: How the Police and Crime Commissioner and Chief Constable uses information about its costs and performance to improve the way it manages and delivers its services	No significant risks identified	No significant weakness identified



Executive Summary (continued)

Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Police and Crime Commissioner and Chief Constable, and its members and senior management and its affiliates, including all services provided by us and our network to the Police and Crime Commissioner and Chief Constable, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2023 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

EY Transparency Report 2024

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2024:

[EY UK 2024 Transparency Report | EY - UK](#)



02 Audit of the financial statements

Audit of the financial statements

Key findings


The Statement of Accounts is an important tool for the Police and Crime Commissioner and Chief Constable to show how it has used public money and how it can demonstrate its financial management and financial health.

On 27 February 2025, we issued a disclaimed audit opinion on the financial statements. As a result of the disclaimer of opinion in the prior year and the scope of our audit work which was impacted by the backstop date, we do not have sufficient appropriate evidence over the opening balances, comparatives or closing reserves position and the valuation of property assets held at valuation included in 'other land and buildings' that were not revalued in year. Due to delays in receiving audit evidence in sufficient time before the backstop date, we were unable to complete our audit procedures on the pension liability.

We reported our audit scope, risks identified and detailed findings to the 4 February 2025 Joint Independent Audit Committee meeting in our Audit Results Report. We outline below the key issues identified as part of our audit in relation to the significant and higher inherent risk areas. The findings for each of the account areas are set out in the Audit Results Report in Appendix A. We reported two internal control recommendations for improvement in the control environment in the Audit Results Report. See Appendix B.

The risks reported in our Audit Results Report are set out below.

Significant risk	Conclusion
Misstatements due to fraud or error – Management override of controls	We have not identified any material weaknesses in the recognition of expenditure. We have not identified any instances of inappropriate judgements or estimates being applied. Our work did not identify any other transactions during our audit which appeared unusual or outside the Police and Crime Commissioner and Chief Constable's normal course of business. We identified one control weakness in respect of control accounts which was reported in our Audit Results Report.
Inappropriate capitalisation of revenue expenditure (fraud risk)	Our work did not identify any material weaknesses in controls or evidence of material management override concerning the capitalisation of revenue expenditure. Our work did not identify any instances of inappropriate judgements being applied.
Inherent risk	Conclusion
Valuation of property, plant and equipment	We did not identify any misstatements in our testing of property, plant and equipment valuations. We did note, however, that the valuation date was 1 July 2023, with a desktop exercise to cover the period to 31 March 2024, a period of some nine months. Therefore, a recommendation was made in relation to the timing of valuations in future years.
Valuation of pension asset/liability	We identified one misstatement, in relation to the asset ceiling, which was corrected by management.



Audit of the financial statements (continued)

Inherent risk	Conclusion
Accounting for Private Finance Initiative (PFI)	We did not identify any misstatements in our testing of PFI accounting entries and disclosures.
Accounting for data breach issue	We did not identify any misstatements in our testing of provisions and contingent liabilities.
Leases	We did not identify any misstatements in the classification, accounting or disclosure of leases. However, our sample testing identified a control weakness in relation to formal signed lease agreements which was reported in our Audit Results Report.



03 Value for Money Commentary

Value for Money Commentary

Financial Sustainability: How the Police and Crime Commissioner and Chief Constable plans and manages its resources to ensure it can continue to deliver its services

No significant weakness identified

The Police and Crime Commissioner and Chief Constable are required to have arrangements in place to ensure proper resource management and the primary responsibility for these arrangements and reporting on the design and operation of these arrangements, via the Annual Governance Statement, rests with management. In accordance with the NAO's Code of Audit Practice, the focus of our work is on the arrangements that the Police and Crime Commissioner and Chief Constable have in place during the year 2023/24. Our risk assessment did not identify any risk of significant weakness in arrangements in respect of securing financial sustainability.

The Police and Crime Commissioner and Chief Constable annual budget proposals are made in the context of a rolling four-year strategic and financial planning cycle. The total revenue budget of £152.101 million for 2023/24 was approved in January 2023, which included planned use of reserves of £0.584 million and a planned savings requirement of £2.306 million.

During the year, the Police and Crime Commissioner and Chief Constable have continued to revisit and monitor financial plans to ensure they have sufficient resources to deliver services through regular budget monitoring reports taken to the Accountability and Performance Panel. Since the budget was approved in January 2023, inflation continued to rise and impact on costs over the year. This was closely monitored and managed by the Constabulary.

The year-end financial outturn report for 2023/24 showed an underspend of £2.989 million on the Group Revenue Budget and that the delivery of £2.306 million planned savings was achieved.

The Medium Term Financial Plan (MTFP) for the subsequent four years (2024/25 to 2027/28) indicates a balanced budget will be achieved. However, the delivery of balanced budgets over the medium term requires use of reserves and planned savings to be identified and achieved. We note that the Police and Crime Commissioner and Chief Constable have built up reserves during recent years which are now being utilised and also have a proven track record of delivering efficiency savings.

The MTFP includes medium term capital programme, the Treasury Management Strategy and the Capital Strategy, which is also supported by Estates Strategy, the ICT Strategy and the Transport Strategy. The operation of all these strategies is unpinned by the Scheme of Governance which includes the Financial Regulations and Contract Standing Orders.

Suffolk and Norfolk Constabularies have been collaborating for over a decade and hence the Scheme of Governance adopted in both forces is very similar and, in some instances, identical where joint working arrangements are in place. The two forces have been running a change programme to deliver savings through collaboration, which involves a joint financial planning process between the two Constabularies.

Conclusion: Based on the work performed, the Police and Crime Commissioner and Chief Constable had proper arrangements in place in 2023/24 to enable them to plan and manage resources to ensure that they can continue to deliver services.

Value for Money Commentary (continued)

Governance: How the Police and Crime Commissioner and Chief Constable ensures that it makes informed decisions and properly manages its risks

No significant weakness identified

The Police and Crime Commissioner and Chief Constable are required to have arrangements in place to make informed decisions and properly manage their risks and the primary responsibility for these arrangements and reporting on the design and operation of these arrangements, via the Annual Governance Statement, rests with management. In accordance with the NAO's Code of Audit Practice, the focus of our work is on the arrangements that the Police and Crime Commissioner and Chief Constable have in place during the year 2023/24. Our risk assessment identified one risk of significant weakness in arrangements in relation to governance.

Overall arrangements

The Constabulary has a decision-making and accountability framework in place which is defined by the Police Reform and Social Responsibility Act 2011, to enable the Police and Crime Commissioner to make robust, well-informed and transparent decisions and hold the Chief Constable to account.

Each Command and Department maintains a risk register of all the risk identified to the achievement of the operational objectives. There is also a joint risk management process for Suffolk and Norfolk Constabularies where risks are dealt with by mitigation and/or escalation to the appropriate level.

The Strategic Risk Register is reviewed by the PCC three times per year as part of the closed session of the Accountability and Performance Panels. The Office of the Police and Crime Commissioner (OPCC) also produce their own Strategic Risk Register which is reviewed through the OPCC meeting structure, including Strategic Governance Board and Estates Governance Board.

The Head of Internal Audit concluded that, for the 2023/24 financial year, reasonable assurance may be awarded over the framework of governance, risk management and controls at the Police and Crime Commissioner and Chief Constable.

The 2023/24 Medium Term Financial Plan was approved in January 2023, with further regular tracking and financial monitoring updates during the financial year. The budget monitoring reports are taken to the Police and Crime Panel, which ensures that all Members are kept well informed of the process and financial performance of the Police and Crime Commissioner and Chief Constable.

Follow up on risk of significant weakness in relation to data breach

In previous years, we reported by exception in relation to a significant weakness in governance arrangements for safeguarding personal information, relating to data breach incidents from responses to Freedom of Information (FOI) requests that were provided during 2021 and 2022. The Police and Crime Commissioner and Chief Constable reported the incidents to the Information Commissioner's Office (ICO) in January 2023.

Following the incidents, Management instigated procedures to identify and notify all data subjects and undertook immediate actions and changes to the controls and procedures in handling FOI requests. In September 2023, the Police and Crime Commissioner conducted an internal investigation to establish circumstances leading to the data breaches and to identify any learning as well as making recommendations to prevent further breaches. The internal investigation established that weaknesses in internal controls and inadequacies in the data protection procedures had contributed to the data breaches.

Value for Money Commentary (continued)

Governance: How the Police and Crime Commissioner and Chief Constable ensures that it makes informed decisions and properly manages its risks (continued)

No significant weakness identified

As a result of the inadequate controls over FOI requests and data protection, which expose the Police and Crime Commissioner and Chief Constable to breaches of legislation, as well as potentially significant losses and reputational damage, we made the following recommendations:

- Implement the recommendations from the internal investigation report to address the weaknesses in internal controls and inadequacies in the data protection procedures as a priority;
- Put arrangements in place to ensure that any suspected non-compliance of regulations from any department are reported to Internal and External Audit as soon as they are identified; and
- Address any suspected non-compliance with regulations in a timely manner by reporting any such concerns to a suitable Committee of the PCC/CC, ensuring action plans to address any non-compliance are progressed in a timely manner.

Our review of these arrangements in 2023/24 demonstrates that recommendations made following the internal investigation have been fully implemented. As a result, procedures and controls for handling FOI requests have been strengthened and we are not aware of any further suspected non-compliance of regulations. Therefore, we are satisfied that the weaknesses identified in the prior year are no longer present and therefore this no longer represents a significant weakness in arrangements.

We have also considered the known impact on the financial statements of the data breaches and concluded that this is not material. However, the ICO investigation remains open and therefore it is currently unknown as to whether there will be any relevant findings or a statutory fine. Appropriate disclosures have been made in relation to this matter in the Statement of Accounts and Annual Governance Statement.

Conclusion: Based on the work performed, the Police and Crime Commissioner and Chief Constable had proper arrangements in place in 2023/24 to make informed decisions and properly manage its risks.

Value for Money Commentary (continued)

Improving economy, efficiency and effectiveness: How the Police and Crime Commissioner and Chief Constable uses information about its costs and performance to improve the way it manages and delivers its services

No significant weakness identified

The Police and Crime Commissioner and Chief Constable are required to have arrangements in place to use performance information and the primary responsibility for these arrangements and reporting on the design and operation of these arrangements, via the Annual Governance Statement, rests with management. In accordance with the NAO's Code of Audit Practice, the focus of our work is on the arrangements that the Police and Crime Commissioner and Chief Constable have in place during the year 2023/24. Our risk assessment did not identify any risk of significant weakness in arrangements in respect of improving economy, efficiency and effectiveness.

The Police and Crime Commissioner and Chief Constable have an array of performance metrics, including organisational goals for the next 12 months, across all aspects of its operations against the key priorities that are set out in the Police and Crime Plan. Performance is reported to the PCC in the bi-monthly PCC Accountability and Performance Panels (APP). Where performance is below plan, this is followed up on to seek the required improvements. Depending on the performance area, the PCC will have oversight of the actions being identified and taken to address the areas identified for improvement.

The Constabulary publishes its PEEL report outlining its performance against a wide range of quality measures. The latest report was published in October 2023. This was MHICFRS's seventh PEEL assessment of Suffolk Constabulary. Inspectors judged that Suffolk Constabulary is:

- Good at preventing crime, recording data about crime and using police powers and public treatment
- Adequate at investigating crime, developing a positive workplace and leadership and force management
- Requires improvement in protecting vulnerable people and managing offenders
- Inadequate in responding to the public

The Constabulary responded to the findings positively with its response published on the OPCC website. The PEEL report was also presented to the APP meeting in November 2023 with an agreed action plan to respond to the areas for improvement. We confirmed that the implementation of recommendations is on track, and that KPIs have also been improving since the inspection. Therefore, we are satisfied that the response and governance over this identified weakness has been appropriately considered and acted upon in a timely manner.

Internal Audit also provide operational recommendations and controls reviews. The outcome of these and any recommendations are tracked at the Joint independent Audit Committee. As reported as part of our financial statements audit, our testing identified two improvement areas in internal control relating to payroll control accounts and lease agreements. Given that we have not identified any audit adjustments in these areas, we have concluded that this does not represent a risk of significant weakness in value for money arrangements.

The Constabulary has a procurement strategy to ensure services and goods are procured in line with relevant legislation, professional standards and internal policies. Contract management arrangements monitor the delivery of services and goods.

There are service level agreements for joint and collaboration working arrangements, and formal protocols for entering new arrangements.

Conclusion: Based on the work performed, the Police and Crime Commissioner and Chief Constable had proper arrangements in place in 2023/24 to enable them to use information about their costs and performance to improve the way they manage and deliver services.



04 Appendices

Appendix A - Summary of arrangements

Financial Sustainability

We set out below the arrangements for the financial sustainability criteria covering the year 2023/24.

Reporting criteria considerations	Arrangements in place
How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them	<p>The Constabulary uses Outcome Based Budgeting (OBB) approach which is a method to align budgets to demand, performance, outcomes and priorities, and it analyses the spending of the entire Force. This information is then lined up against priorities and demands of the Force Management Statement (FMS) and the PCC's Police and Crime Plan. Heads of Department presented savings and investment proposals, and these were modelled against the impact on budgets and outcomes, which were reviewed by a Joint Chief Officer Panel against the OBB principles. The process concluded with agreement on Suffolk only budgets (including OPCCS budgets), the joint budgets with Norfolk Constabulary, costs and savings arising from the process to be included in the spending plan.</p> <p>The Change Programme, run by the Constabulary through collaboration with Norfolk Constabulary, is sustained over the medium-term to ensure that savings are achieved in a timely manner and that annual budgets are balanced. Hence the annual budget proposals are made in the context of a rolling four-year strategic and financial planning cycle, including the current year.</p>
How the body plans to bridge its funding gaps and identifies achievable savings	<p>The Constabulary has generally managed its demand led pressures within its budget year-on-year, and where appropriate has used earmarked reserves to meet additional demands and unbudgeted costs. The Constabulary also has a proven track record of delivering efficiency savings.</p> <p>The PCC approved the total revenue budget of £152.101m for 2023/24 in January 2023, which includes planned use of reserves of £0.584m and planned savings requirement of £2.306m, made up of both pay (£1.552m) and non-pay (£0.754m).</p> <p>The year-end financial outturn report for 2023/24 shows that the Group Revenue Budget has an underspend of £2.989m and the delivery of planned savings of £2.306m has also been achieved.</p> <p>We also reviewed the MTFS 2024/25 to 2027/28 which was constructed by rolling forward the base 2023/24 budget and repriced for inflationary pressures, including the non-pay inflation assumption of 4.5%. The plan saw an increase of Council Tax by 4.9% per annum, providing a total revenue budget of £162.715m. This includes planned use of reserves £1.710m and planned savings requirement of £1.331m, made up of both pay of £0.694m and non-pay of £0.637m.</p> <p>Since the MTFP was approved in January 2024, inflation has continued to rise and impact costs over the year which is being closely monitored and managed by the Constabulary.</p>

Appendix A - Summary of arrangements

Financial Sustainability (continued)

We set out below the arrangements for the financial sustainability criteria covering the year 2023/24.

Reporting criteria considerations	Arrangements in place
How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	<p>The PCC has a Police and Crime Plan setting out the strategic objectives and priorities, providing strategic direction for policing and how it will deliver its statutory responsibilities. The impact of the annual budget and funding of future years are considered using the Outcome Based Budgeting (OBB) approach to align budget against the demands and priorities, ensuring that the medium term financial strategy is lined up with the Police and Crime Plan.</p> <p>The annual budget decision takes into consideration funding from government and other sources, and balances the expenditure needs of the policing service against the level of local taxation raised through the council tax precept. The decision forms part of a strategy in relation to the changing demands on policing over the medium and long-term in the medium term financial planning.</p>
How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system	<p>The Financial Management Code of Practice (FMCP) requires the PCC and CC to identify and agree a medium-term financial plan (MFTP) which includes funding and spending plans for both revenue and capital, and that it should aligned with the Police and Crime Plan.</p> <p>The MFTP includes medium term Capital Programme, the Treasury Management Strategy and the Capital Strategy which is also supported by Estates Strategy, the ICT Strategy and the Transport Strategy. The operation of all these strategies is unpinned by the Scheme of Governance which includes the Financial Regulations and Contract Standing Orders.</p> <p>Suffolk and Norfolk Constabularies have been collaborating for over a decade and hence the Scheme of Governance adopted in both forces is very similar and, in some instances, identical where joint working arrangements are in place. The two forces have been running a change programme to deliver savings through collaboration, which involves a joint financial planning process between the two Constabularies.</p> <p>In addition, the regional collaboration with Seven Forces also see the same Contract Standing Orders apply to all procurements that are being carried out in the 7 Force region.</p>



Appendix A - Summary of arrangements

Financial Sustainability (continued)

We set out below the arrangements for the financial sustainability criteria covering the year 2023/24.

Reporting criteria considerations	Arrangements in place
How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans	<p>The PCC approves the Constabulary’s budget and MTFP on an annual basis and hold the CC to account for the management of the funds, including the in-year financial performance monitoring, and the delivery of the strategy via the PCC Accountability and Performance Panel (APP). The meeting is attended by the PCC, CC and members of the Chief Officer Team and Senior Staff as appropriate to the business.</p> <p>The PCC also oversee the Constabulary’s financial risks and delivery of the planned savings requirement. At each meeting an overview of Police and Crime Plan themes are provided, alongside the budget monitoring report where delivery against the budget would be considered and challenged as appropriate.</p>



Appendix A - Summary of arrangements

Governance

We set out below the arrangements for the governance criteria covering the year 2023/24.

Reporting criteria considerations	Arrangements in place
How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud	<p>Each Command and Department will maintain a risk register of all the risk identified to the achievement of the operational objectives. There is also a joint risk management process for Suffolk and Norfolk Constabularies where risk is dealt with by mitigation and/or escalation to the appropriate level.</p> <p>The identified risks are regularly monitored through the governance arrangements to Joint Chief Officer Team (JOCT), Joint Organisational Improvement Group (JOIG), Programme Co-ordination Board (PCB) and, where appropriate, to the Officers of the Police and Crime Commissioners (OPCC).</p> <p>Where the risks have an organisation-wide impact or where they cannot satisfactorily be managed at department level, they will become strategic risks which will be taken into the Strategic Risk Register which are owned by CC and PCC, with measures taken across both Constabularies to manage them.</p> <p>The risk assessed are wider than just financial but also includes operational and organisational risks. The Constabulary assesses risks on a matrix of likelihood and impact scoring by using a 'traffic light' system and defines tolerance level of risks for its activities.</p> <p>The Strategic Risk Register is reviewed by the PCC three times per year as part of the closed session of the Accountability and Performance Panels, who challenge the risks included and gain assurance that the right risks and mitigations are included. It also reviews arrangements for assessment of fraud risks and monitors the effectiveness of the counter-fraud strategy and actions. The Constabulary also has an internal audit service, outsourced to a third party - TIAA, to help gain assurance over the effectiveness of internal controls.</p> <p>The Constabulary management is responsible for responding to the internal audit findings appropriately and in a timely manner with appropriate challenge from the Joint Audit Committee. OPCC also has its own Risk Management Strategy in place and produce their own Strategic Risk Register which is reviewed through the OPCC meeting structure, including Strategic Governance Board and Estates Governance Board.</p>

Appendix A - Summary of arrangements

Governance (continued)

We set out below the arrangements for the governance criteria covering the year 2023/24.

Reporting criteria considerations	Arrangements in place
How the body approaches and carries out its annual budget setting process	<p>The PCC is required to set a balanced budget in line with the statutory requirements.</p> <p>The PCC consult with the CC in planning the overall annual budget, taking into consideration the funding streams, the demands and pressures on the policing service and the priorities set out in the Police and Crime Plan, and will make a decision on the level of the proposed precept/council tax as part of the budget setting process.</p> <p>The PCC also has a statutory duty to obtain views of the local community, key stakeholders and public sector bodies on the proposed expenditure (including capital expenditure) in the financial year ahead of the financial year to which the proposed expenditure relates. The 2023/24 budget consultation took form of a survey both online and in hard copy so that the public can submit their views. All comments received to the consultation were provided to the PCC to help inform their 2023/24 policing budget decisions. The 2023/24 budget proposals included net total revenue budget of £152.101m with an increase of 6% to the policing elements of council tax, which was approved by the Police and Crime Panel on 27 January 2023.</p>
How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed	<p>The PCC CFO and CC CFO oversee the adoption and implementation of the Financial Regulations including the rules relating to budgetary control, financial management, treasury management and banking arrangements.</p> <p>Budget Managers are responsible to manage income and expenditure within their areas and to monitor performance. Detailed budget monitoring is undertaken by Budget Manager on a monthly basis and report to both the PCC CFO and CC CFO, including any variances and take necessary actions to avoid exceeding the budget allocation and alert the CC CFO as appropriate. Head of Finance also has monthly meeting with CFOs to discuss the reports.</p> <p>The CC CFO submit a budget monitoring report monthly to the PCC containing the most recently available financial information. The monitoring reports compare projected income and expenditure with the latest approved budget allocations to ensure sound financial management. The CC CFO also report to the PCC projections of spending on individual capital projects, including slipping between financial years. These budget monitoring reports are presented to the APP on a bi-monthly basis.</p>



Appendix A - Summary of arrangements

Governance (continued)

We set out below the arrangements for the governance criteria covering the year 2023/24.

Reporting criteria considerations	Arrangements in place
How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee	<p>The Constabulary has a decision-making and accountability framework in place which is defined by the Police Reform and Social Responsibility Act 2011, to enable the PCC to make robust, well-informed and transparent decisions and hold the CC to account. The framework also includes arrangements for providing information to assist the Police and Crime Panel in its role to scrutinise the decisions and actions of the PCC.</p> <p>The PCC is accountable to the public, via the Police and Crime Panel, for the management of the police fund. The Panel is a joint committee of the County Council, Borough, City and District Councils and it holds the PCC to account by scrutinising their actions and decisions.</p> <p>The primary oversight is the responsibility of the PCC via the APP, with some delegated responsibilities to the Joint Audit Committee as set out in the Scheme of Governance and Consent.</p> <p>The APP meet six times a year with meeting held in public.</p> <p>The Joint Audit Committee meets quarterly and is comprised of appropriately skilled and experienced members. It has clear terms of reference which emphasises the Committee's role in providing effective challenge and has an annual work plan to help ensure that it focuses on the relevant aspects of governance, internal control and financial reporting.</p> <p>In addition, there are also regular briefings and discussions held between PCC and CC via Strategic Governance Board on a monthly basis to discuss any issues relating to strategic decisions, policy issues and medium/long-term planning. There is also a quarterly Estates Governance Board meeting where PCC and CC discuss the development of the Police Estate to be deliver future policing services across the County.</p>



Appendix A - Summary of arrangements

Governance (continued)

We set out below the arrangements for the governance criteria covering the year 2023/24.

Reporting criteria considerations	Arrangements in place
How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests)	<p>The Constabulary has policies and procedures in place to ensure that staff operate in accordance with relevant legislative and regulatory requirements, including the acceptance of gifts and hospitality and business interests and additional occupations. The Joint Audit Committee is also responsible to review the corporate governance arrangements to ensure the effectiveness of the governance, risk management and control frameworks.</p> <p>The PCC, CC and all members of the Joint Audit Committee have signed a register of interest, in line with the Code of Conduct and Business Interest Policy. The declarations can be found on the Constabulary's website.</p> <p>The Constabulary also include review of the effectiveness and compliance with key corporate and HR policies in the Internal Audit programme on a rolling basis, the most recent one completed in 2021/22 and was issued with 'Substantial' Assurance Assessment.</p> <p>However, during the 2021/22 audit we identified and reported on a risk of significant weaknesses which also impacted the 2022/23 and 2023/24 financial year. This is in regard to governance arrangements and inadequate internal controls to prevent data breaches and non-compliance with laws and regulations in relation to the data breach. The breaches related to the handling of personal data in responses to Freedom of Information (FOI) requests and have been subject to investigation. As a result procedures and controls have been strengthened. This has been detailed and reported further in the Governance section of our VFM commentary.</p>

Appendix A - Summary of arrangements

Improving economy, efficiency and effectiveness

Reporting criteria considerations

How financial and performance information has been used to assess performance to identify areas for improvement

Arrangements in place

At the APP meetings, the PCC receives reports on performance in the key priorities as set out in the Police and Crime Plan. The reports outline the Constabulary's progress on the strategic objectives against planned targets and outcomes. The reports are reviewed and discussed at the meetings. Depending on the performance area, the PCC will have oversight of the actions being identified and taken to address areas for improvements.

In addition, any emerging operational / organisational risks will also be flagged up in the meetings. A recent example is due to the Covid-19 pandemic, where there was a stand-alone agenda item where the Chief Constable provided regular updates on managing the pandemic and the challenges faced by the Constabulary.

The Internal Audit also provide operational recommendations and controls reviews. The outcome of these and any recommendations are tracked at Joint Audit Committee.

As reported as part of our financial statements audit, our testing identified two improvement areas in internal control relating to payroll control accounts and lease agreements.

How the body evaluates the services it provides to assess performance and identify areas for improvement

The Constabulary has an array of performance metrics, including organisational goals for the next 12 months, across all aspects of its operations against the key priorities that are set out in the Police and Crime Plan. These performances are reported to the PCC in the bi-monthly APP meetings and where performance is below planned, they are being followed up to seek the required improvements.

The Constabulary is also regularly inspected by the HMICFRS under the PEEL (police effectiveness, efficiency and legitimacy) programme which draws together evidence from its annual all-force inspections. HMICFRS also undertakes inspections of specific subjects or services, known as thematic inspections which complement and contribute to the PEEL annual assessment.

The Constabulary publishes its PEEL report outlining its performance against a wide range of quality measures. The latest report was published in October 2023. This was MHICFRS's seventh PEEL assessment of Suffolk Constabulary. Inspectors judged that Suffolk Constabulary is:

- Good at preventing crime, recording data about crime and using police powers and public treatment
- Adequate at investigating crime, developing a positive workplace and leadership and force management
- Requires improvement in protecting vulnerable people and managing offenders
- Inadequate in responding to the public

The Constabulary responded to the findings positively with its response published on the OPCC website. The PEEL report was also presented to the APP meeting in November 2023 with an agreed action plan to respond to the areas for improvement. We confirmed that the implementation of recommendations is on track, and that KPIs have also been improving since the inspection. Therefore, we are satisfied that the response and governance over this identified weakness has been appropriately considered and acted upon in a timely manner.



Appendix A - Summary of arrangements

Improving economy, efficiency and effectiveness (continued)

We set out below the arrangements for improving economy, efficiency and effectiveness criteria covering the year 2023/24.

Reporting criteria considerations	Arrangements in place
How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve	<p>Suffolk and Norfolk Constabularies have been collaborating since 2010. The collaboration work has delivered in a number of joint units and departments in areas, such as major investigations, protective services, custody, transport and IT. The PCCs and the CCs of both counties meet regularly through the attendance of Norfolk and Suffolk Collaboration Panel to consider issues of mutual interest and to monitor the collaborative work between the two forces and keeping the collaborating arrangements under review.</p> <p>Suffolk Constabulary also entered into a Seven Force strategic collaboration programme with their counterparts for the police areas of Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Kent and Norfolk. The programme was set up to establish areas for potential collaboration to help address the efficiency of service delivery and improving the effectiveness of delivery to the communities. The programme is governed by the Eastern Region Alliance Summit.</p> <p>The programme also established a Seven Force Strategic Collaboration Oversight Group. The Oversight Group provides advice, support and oversight to the Senior Responsible Officer for the Programme and makes recommendations to the Eastern Region Alliance Summit.</p>

Appendix A - Summary of arrangements

Improving economy, efficiency and effectiveness (continued)

We set out below the arrangements for improving economy, efficiency and effectiveness criteria covering the year 2023/24.

Reporting criteria considerations	Arrangements in place
How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits	<p>The 7 Force Procurement Function has been created to support police procurement activity in all the seven police areas. All procurement contracts over £50,000 will be managed by the 7 Force Procurement Function of which the procedures are covered by the Seven Force Procurement Contract Standing Orders. A 7F Strategic Procurement Policy has also been published.</p> <p>A governance body, 7 Force Strategic Procurement Governance Board, has been put in place to ensure the function operates effectively. The Board is chaired by a nominated OPCC lead, and as a body, is responsible for setting the strategic direction of the 7 Force Procurement Function on behalf of all OPCC's and Chief Constables. Membership of this board consists of representation for OPCC's and Chief Constables of each force and will ensure that focus of effort and priority of the 7F procurement function is shared across all 7 Forces and is acting in the best interests of each force. The Governance board meets monthly and will report into the 7 Force Alliance Summit which govern the Seven Force Strategic Collaboration programme.</p> <p>Below the 7 Force Strategic Procurement Governance Board is the 7 Force Strategic Procurement Delivery Board, which oversees the delivery of the 7 Force procurement function on behalf of the Strategic Procurement Board. Membership consists of a representative from each of the 7 counties including OPCCs and/or Force CFO's. The board meets quarterly and is chaired by a PCC from within the region. There is also a monthly 7 Force Commercial Procurement Board that is chaired by Assistant Chief Officer from the region. Issues in relations to Single Tender Actions (STAs) are discussed at both these meetings.</p> <p>A Senior Leadership Team meeting (7 Force Procurement Function SLT meeting) is then also held monthly which is chaired by the Head of Strategic Procurement who is the top level.</p> <p>The governance arrangements are then adapted into the local working arrangements at Suffolk through the Suffolk Organisational Board updates provided through the Assistance Chief Officers (ACO) portfolio updates.</p>

Appendix B – Summary of recommendations

Recommendations

The table below sets out the recommendations arising from both the financial statements audit and the value for money work for the year 2023/24.

All recommendations have been agreed by management.

Issue	Recommendation	Management response
Financial Statements	The PCC should consider the timing of property, plant and equipment valuations in future years to minimise the risk of material changes occurring between the valuation date and 31 March.	Whilst we have previously tried to value assets closer to year-end, there can be significant lead times between carrying out a valuation and receiving a valuation report. To minimise the risk of not obtaining reports in enough time to adequately prepare the draft accounts for publication, valuations have previously been moved earlier in the year. The timing of valuations will be considered going forward and these have been amended for 2024/25, for which valuations have been prepared dated 1/1/2025.
Financial Statements: Internal Control	The PCC and CC should resolve any issues with the payroll system interface and eliminate any remaining differences sitting within their control accounts.	This will be reviewed by management.
Financial Statements: Internal Control	The PCC should ensure that all lease agreements are approved and signed before the commencement of the lease to which they relate.	We are working to finalise the lease documents as a priority. The leases entered in to were part of a collaboration programme with a local authority partner with whom rental payments had been agreed prior to building occupation and whose project delivery was bound by both government funding and planning permission timescales.
Value for Money	No recommendations made.	N/A

Appendix C – Fees

Fees

As outlined in our Audit Results Report we were required to undertake additional audit procedures, resulting in a scale fee variation. We include details of the final audit fees in the table below.

Description	Current Year Final Fee	Current Year Planned Fee
	2023/24	2023/24
	£	£
Total Fee – Code work (scale fee)	136,464	136,464
Proposed scale fee variation	30,588	TBD
Total audit fees	167,052	TBD

During 2023/24 we have undertaken additional audit procedures and submitted a scale fee variation of £30,588 to PSAA for determination. This is in relation to the following areas:

- Revisions to ISA (UK) 315 – review of IT processes and applications as part of the risk identification and assessment process - £9,110
- Work of internal expert - EY Pensions engaged to review the reasonableness of the year-end liabilities and the application of IFRIC14 in relation to the asset ceiling. Roll-forward procedures were required for 2022/23 as well as 2023/24 - £4,910
- IFRS16 – assessment of PCC preparedness to implement the changes required for 2024/25 - £1,661
- Work to address the identified risk of significant weakness in VFM arrangements - £6,308
- Disclaimer planning and reporting, including the cost of consultations - £8,600

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