

## **ANNUAL GOVERNANCE STATEMENT FOR THE CHIEF CONSTABLE FOR SUFFOLK**

### **1. INTRODUCTION**

This Annual Governance Statement reflects the position as at September 2014 including the financial year 2013-14, and plans for the financial year 2014-15.

### **2. SCOPE OF RESPONSIBILITIES**

The Chief Constable for Suffolk is responsible for ensuring that his business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Chief Constable also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Chief Constable is also responsible for putting in place proper arrangements for the governance of his affairs and facilitating the exercise of his functions, which includes ensuring there is a sound system of governance (incorporating the system of internal control), which is maintained through the year and that arrangements are in place for the management of risk.

The Chief Constable's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Finance Officer in Local Government as set out in the Application Note to Delivering Good Governance in Local Government: Framework. The role of the Chief Finance Officer of the Chief Constable is outlined in the CIPFA statement above, and also defined by statute in the Police Reform and Social Responsibility Act (2011) and is described in more detail in the Financial Regulations contained within the Police and Crime Commissioner's Scheme of Governance and Consent.

The Chief Constable has approved and adopted a Code of Corporate Governance which is consistent with the principles of the CIPFA/SOLACE framework: Delivering Good Governance in Local Government.

A copy of the Constabulary code can be found on the website [www.suffolk.police.uk](http://www.suffolk.police.uk) (search for Code of Governance) or obtained from Suffolk Constabulary, Police Headquarters, Martlesham Heath, Ipswich, IP5 3QS.

This statement explains how the Chief Constable has complied with the Code and also meets the requirements of regulation 4[3] of the Accounts and Audit (England) Regulations 2011 in relation to the review of the effectiveness of internal controls and the publication of an annual governance statement.

### **3. THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

The governance framework comprises the systems and processes, and culture and values by which the Chief Constable is directed and controlled, and the activities through which he accounts to and engages with the community. It enables the Chief Constable to monitor the achievement of his strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services, including achieving value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Chief Constable's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, efficiently and economically.

The governance framework has been in place for the Chief Constable of Suffolk Constabulary for the year ended 31 March 2014 and up to the date of approval of the accounts.

#### **4. THE GOVERNANCE FRAMEWORK**

The Chief Constable is responsible for maintaining the Queen's Peace and has direction and control over the Constabulary officers and staff and for putting in place proper arrangements for the governance of the Constabulary.

The Chief Constable has day to day responsibility for financial management of the force within the framework of the agreed budget allocation and levels of authorisation issued by the Police and Crime Commissioner.

The following narrative describes the key elements of the systems and processes that comprise the governance arrangements that have been put in place for the Constabulary.

##### **4.1 Planning**

The Police and Crime Commissioner (PCC) published the first Police and Crime Plan for the period 2013-14 to 2016-17 in accordance with the Police Reform and Social Responsibility Act 2011. This establishes the PCC's vision and objectives for residents and service users.

There is a co-ordinated process for strategic and medium-term financial planning that covers the period 2014-15 to 2017-18. This takes into account risk, local and national priorities and meeting efficiency savings, value for money principles and financial resilience criteria in order to produce a medium term view and an annual balanced budget. The work involves liaising closely with operational staff and budget managers followed by a detailed process of scrutiny and challenge by Chief Officers in order to ensure that the plan reflects the strategic aims of the Constabulary and the PCC.

The financial strategy reflects the corporate and operational objectives of the Constabulary and the PCC. Delivery of a balanced budget against the 4 year period of the Medium Term Financial Plan (MTFP) is dependent upon the Constabulary delivering continued planned savings and currently unplanned savings initiatives. This represents a significant operational challenge and progress will be monitored by the Chief Constable and Chief Officer Team on a monthly basis.

Suffolk Constabulary gathers data and intelligence from a range of sources to produce an annual Strategic Assessment. The Strategic Assessment takes into account all relevant internal and external factors that might impact upon policing, crime and disorder at county and local level, highlighting emerging issues, risks and threats. This is then used to inform the development/review of Police and Crime Plans, inform the development of local policing plans and performance frameworks and is shared with partners to aid their decision making and planning.

The Constabulary also undertakes strategic analysis in the form of Strategic Profiles. Where relevant, these are produced jointly for Norfolk and Suffolk, highlighting any cross force and single force issues. The profiles cover a range of strategic crime and thematic topics and provide a comprehensive account of the issue, taking into consideration any existing research or 'what works' evidence to inform strategic and tactical action plans and decision making. These strategic profiles are then used to inform the overall Strategic Assessment.

## **4.2 Performance Management**

There is a clearly defined corporate performance management framework. Objectives and key performance indicators are established and monitored both at a corporate and local level. Regular reports are made to senior managers, the Command Team and to the PCC on performance against objectives. This includes detailed analysis and scrutiny of performance and compares performance against the most similar family of forces.

The PCC produces and publishes an Annual Report that details performance for the previous year against the objectives set in the Annual Policing Plan. Financial performance against the revenue budget, capital programme and levels of reserves is reported monthly to the PCC.

The PCC, under the governance framework, has responsibilities to review key functions of the Constabulary and assess that the required level of performance is being achieved.

The Joint Performance and Analysis Department (JPAD), under the lead of the Head of Department, undertakes analysis, research, consultation and improvement and evaluation activity across the Constabulary. The collaboration of these distinct areas of business within one department allows for more informed analysis to take place which could relate to any part of the organisation, whether operational or organisational. This collaboration also results in the greater use of a variety of techniques to aid tactical and strategic decision making and to formulate problem solving approaches. The department seeks to use an evidenced based approach to its work ensuring that the best available evidence regarding 'what works' is considered as part of the Constabulary's problem solving activity and evaluations are conducted to ensure lessons are learnt and successes identified.

The department produces analytical work to support a number of forums and groups, including the Tasking and Co-ordination Group meetings and Performance and Accountability meetings, delivering strategic and tactical products which facilitate forward resource planning and the identification and management of threat, risk and harm, thereby minimising costs to the organisation. The department supports the Constabularies in meeting their statutory and legislative requirements regarding information and data provision including the Annual Data returns as set out by the Home Office and provision of data for a large proportion of Freedom of Information Requests.

In addition to a number of regular and ad-hoc products the department also manages the Service Framework, a tool that provides a picture of how the Constabulary is delivering effective customer service across a number of key indicators. It is available to everyone within the Constabulary and gives access to data and performance information easily, quickly and in a meaningful manner. It covers the spectrum from high end protection from harm issues to how the Constabulary interacts with the public on a day-to-day basis.

### **4.3 Satisfaction**

The Constabulary measures the satisfaction of service users through the use of public surveys and reports to the Office of the Police and Crime Commissioner on levels of satisfaction as one of the agreed Police and Crime Objectives. This is done in accordance with Home Office requirements. The Constabulary also invites victims of crime to attend focus groups to allow the Constabulary to obtain further details and qualitative information. The Constabulary has a Customer Service Desk; which calls victims of crime to ensure a high quality service is delivered.

The Constabulary has a wide and diverse programme of local engagement and consultation with the wider public and this includes public perception surveys, virtual panels, focus groups, events, and workshops. Consultation results are fed back at a local level to Safer Neighbourhood Teams/Local Policing Commanders as well as to County Policing Command, Chief Officers and the office of the PCC.

### **4.4 Internal Control and Compliance**

The roles and responsibilities of senior officers within the Constabulary are established by the Scheme of Governance and Consent, Financial Regulations, common law, legislative requirements and role profiles.

The Chief Constable has weekly meetings with the Commissioner and bi-monthly public meetings through the Accountability & Performance Panel. Each Chief Officer controls a portfolio covering a designated range of activities.

#### Codes of Conduct

Codes of Conduct have been developed and communicated for police officers and staff that define the standards of behaviour. Police officer conduct is governed by the national Police Conduct Regulations. Formal policies exist in respect of whistle blowing, public complaints, anti-fraud and corruption and the need to maintain a register of interests.

#### Governance Scheme

The PCC has adopted Standing Orders, a Scheme of Governance and Consent, including Financial Regulations, Contract Standing Orders and various codes of practice as part of his governance arrangements. The Constabulary has to adhere to these documents that form a core part of the governance framework. These are reviewed periodically in accordance with requirements.

#### Risk Management

Both the PCC and the Chief Constable maintain strategic risk registers which are regularly reviewed. Risk management policies and procedures are in place to ensure that the risks facing the PCC and Chief Constable in achieving objectives are identified, evaluated and reported.

In addition, the Chief Constables of Norfolk and Suffolk have adopted a Risk Management Framework, based upon Enterprise Risk Management principles. This will be employed in respect of all Collaborative and Norfolk only and Suffolk only activities. This will ensure that officers and staff from both forces can access and will employ one set of transferable skills and processes. The framework will undergo continuous review to make sure it remains valid for Suffolk and Norfolk. As part of this review process internal audit have reviewed the new guidance and observations have been sent to the Risk Manager to accommodate in future drafts.

A robust approach is in place to ensure the continuing achievement of Corporate Objectives and Performance Priorities.

All legal requirements for insurance are met and insurance policies are reviewed as part of agreed regional consortium arrangements.

#### **4.5 Accountability to the Community**

##### Communication and engagement

The Constabulary offers regular, direct updates via its social and digital channels including Twitter, Facebook and the force website. In addition, members of the public can sign up to the free Police Direct service to receive details of local crimes, initiative and engagement opportunities via e-mail, voicemail or text. These platforms play an increasingly important part of engaging with communities. The Constabulary's total combined social media audience on Facebook, Twitter and Google is more than 40,000. The Constabulary continues to provide a full service to the local media, engaging with local newspapers, radio and television to publicise crime appeals and safety messages.

The Constabulary Community Engagement and Consultation Strategy sets out the arrangements for obtaining and understanding the views of a wide range of local communities, businesses and partner agencies. The Constabulary consults with these groups to ensure good information is available for decision making in respect of policing priorities and the strategic assessment.

Additionally the Constabulary can ensure services are accessible to all communities and that there are opportunities for all diverse communities to have their voice heard. The Customer Service and Consultation Team undertake this work on behalf of the Constabulary and PCC. A wide range of activity is undertaken, including the use of public perception surveys, virtual panels, focus groups, events and workshops.

Safer Neighbourhood Teams (SNTs) hold regular meetings to engage with local communities and identify local priorities/issues. The Constabulary Community Safety Team and Diversity Unit also regularly engage with communities across the County.

Consultation results are fed back at a local level to SNTs/Local Policing Commanders as well as to County Policing Command, Chief Officers and the office of the PCC.

##### Partnerships

Suffolk Constabulary collaborates extensively with Norfolk Constabulary as it has done since 2008. This formal collaboration is across a range of services including operational policing and back office functions. The PCC is required to give approval to collaborative opportunities before they can commence. The PCCs of Suffolk and Norfolk meet regularly during the year along with the Chief Constables to consider issues impacting on the organisations and to discharge the governance responsibilities between Suffolk and Norfolk. In addition to this there are governance arrangements that cover operational managers and Chief Officers. The main driver has been to maintain the effectiveness of operational and organisational support but to drive out savings through economies of scale in order to protect front line resources wherever possible.

There are also services that are subject to ongoing regional collaboration. An example of this is the establishment of a six force collaboration for serious and organised crime which is being delivered through a formal agreement. Other regional opportunities are being explored and should opportunities arise will be subject to PCC approval before commencing.

The Constabulary also has a good track record on sharing properties with other local government partners. These include shared accommodation with the County Council at Landmark House in Ipswich; with the Fire Service at Ixworth, Elmswell, Framlingham and Debenham; and with the NHS in Eye. Further opportunities for sharing properties continue to be explored.

The PCC and Constabulary work closely with partners in order to deliver county wide objectives around community safety issues. Each of these partnerships is subject to its own governance arrangements.

## **5. REVIEW OF EFFECTIVENESS**

The Chief Constable has responsibility for conducting an annual review of the effectiveness of the governance framework, including:

- The system of internal audit
- The system of internal control

These reviews have been informed by the work of the Constabulary, internal auditors, and also officers of the PCC who have the responsibility for the development and maintenance of the governance environment. In addition, comments made by the external auditors and other review agencies and inspectorates have informed this review.

The roles and processes that have been applied in maintaining and reviewing the effectiveness of internal control include the following:

### Corporate Governance Assurance Group

This group has been established to review the corporate governance framework and systems of internal control and to prepare the Annual Governance Statement for consideration. The group comprises the Chief Constable, the Assistant Chief Officer (Resources) and the Head of Joint Finance. These officers have involvement in the oversight of the governance framework and its processes and therefore the review of its effectiveness. During 2013-14 the Group assessed assurance against each of the major activities undertaken within the Constabulary and compliance with the Code of Corporate Governance. As part of this the Group has taken account of the information described in more detail in this section.

### Internal Audit

Internal audit provide independent and objective assurances across the whole range of the Constabulary's activities and regularly present their findings to the joint Audit Committee of the PCC and Chief Constable. They take a managed audit approach in conjunction with external audit to ensure that all necessary areas of compliance are covered. The programme is prepared and agreed with the PCC and Constabulary following a risk based assessment. The managed audit approach has been developed successfully over past years, in agreement formerly with external audit to bring further efficiency to audits.

Internal audit provide an independent opinion on the adequacy and effectiveness of the system of internal control, including the key controls operating within and around the core financial systems. Deficiencies in internal controls are reported by internal audit to management whose responsibility is to consider them and act appropriately. The result of the internal audit review of the effectiveness of the system of internal control has been reported to the Audit Committee.

The external auditor places reliance on the work of internal audit. Internal audit are required to give an overall opinion on the adequacy and effectiveness of the framework of the internal control and risk management environment. For 2013-14 a positive assurance opinion can be provided by Audit Services on the systems of control in place over financial administrative systems, transition arrangements, governance and corporate systems which continue to be operated at an effective level. The outcomes of control assurance work undertaken in 2013-14, including actions already taken and planned, enables the Head of Internal Audit to provide assurance that the whole control environment is adequate, taking into account that assurance cannot be absolute.

### External Audit and Other External Review Bodies

External audit provide a further source of assurance by reviewing the annual accounts and value for money assessment and reporting upon internal control processes and any other matters relevant to their statutory functions and codes of practice.

Following the abolition of the Audit Commission by the government, new external auditors, Ernst & Young, were appointed from October 2012. Ernst & Young issue an Audit Results Report in September and an Annual Audit Letter in October summarising audit work relevant to the Chief Constable's financial statements and adequacy of arrangements for securing economy, efficiency and effectiveness in the use of resources.

The Constabulary is subject to review from HMIC and has had a significant number of inspections over the period including a number of nationally assessed areas. This included the recent Valuing the Police 4 (VtP4) inspection which assessed whether the Constabulary was in a sound position to meet the significant financial challenges ahead. HMIC recognises that the force undertakes regular reviews of the demands and challenges it faces. This informs the allocation of staff and helps the force to structure how it provides policing. However, whilst substantial savings have already been achieved, HMIC raised concerns regarding the size of the savings gap which needs to be met and the further loss of Police Officers, Staff and PCSOs to meet this which may affect the service to the public.

### Police and Crime Panel

The Panel provides a check and balance in relation to performance of the PCC. The Panel scrutinises the PCC's exercise of their statutory functions. The Constabulary usually attends to give information but is not held to account by the Panel.

The Constabulary's role is to support the PCC in these meetings where requested, and to support the delivery of the Police and Crime Plan.

### Audit Committee

The Audit Committee for the PCC and Chief Constable discharges the functions of an Audit Committee as suggested by the Guidance for Local Authorities on Audit Committees (2005) published by the Chartered Institute for Public Finance and Accountancy (CIPFA). The Audit Committee was established in the first instance in February 2013 as an interim Audit Committee to meet on three occasions in the period until 30 September 2013. A permanent Audit Committee comprising four members has now been appointed and met for the first time on 28 March 2014.

The interim Audit Committee and its permanent successor has performed the functions as set out in the CIPFA Guidance and achieved its purpose:

“to provide independent assurance on the adequacy of the risk management framework and the associated control environment, independent scrutiny of the organisation’s financial and non-financial performance to the extent that it affects exposure to risk and weakens the control environment, and to oversee the financial reporting process.”

For further information upon the Audit Committee, reference should be made to the Decision-making and Accountability Framework comprised within the Scheme of Governance and Consent (see PCC decision no 8-2014).

### Collaborative Governance

Proposals for collaboration go through a detailed process, designed to ensure that all options are considered and that all parties can sign up to formal agreements in the knowledge that future policy, performance and resource levels are recognised at the offset. Dedicated resources are in place to support those units subject to Suffolk / Norfolk collaboration, including the formulation of detailed business cases. The business cases are subject to review by senior officers and the Joint Chief Officer Teams of the two constabularies. Proposals are further discussed at Collaboration Panel meetings between the PCCs and Chief Constables before agreement by the two PCCs. Any approved collaborations are underpinned by formal agreements covering the legal aspects of collaboration. A similar process applies to Regional proposals.

A Programme Management Office has been established to oversee all collaborative activities on a day to day basis, monitor progress against the agreed programme and report upwards into a Joint Norfolk and Suffolk Programme Co-ordination Board and onwards to the Joint Chief Officer Team and the Commissioners.

For 2013-14 Suffolk and Norfolk Commissioners had their own set of Financial Regulations and Contract Standing Orders although these documents were very closely aligned. Fully joint Financial Regulations have been signed off by both PCCs that apply to 2014-15.

The Corporate Governance Assurance Group has concluded that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas to be specifically addressed with new actions planned are outlined below.

## **5. SIGNIFICANT GOVERNANCE ISSUES**

### Transfer Order Stage 2

Preparation for the abolition of Suffolk Police Authority and the introduction of the PCC was undertaken by the Authority and the Constabulary up to November 2012. At this point the elections were held for the PCC, and the role commenced on 21<sup>st</sup> of that month. Since that date the PCC has built on the preparations of the Authority, and has ensured that appropriate governance arrangements are in place.

The Police Reform and Social Responsibility Act 2011 provided that, on 21 November 2012, all existing rights, assets and liabilities transferred from the Authority to the PCC. This included the transfer of all police staff and was referred to as the “Stage 1” transfer. The Act also provides for a second “Stage 2” transfer. The Home Secretary directed that each PCC submit a Transfer Scheme to her by 16 September 2013 setting out those police staff who will transfer from the employment of the PCC to the Chief Constable, to be effective from 1 April 2014. The PCC’s Transfer Scheme was duly adopted by the Home Secretary and on 1 April 2014 all of the police staff, with the exception of those employed in the Office of the PCC, transferred from the employment of the PCC to the Chief Constable.



It was known that Transfer “Stage 2” would impact upon corporate governance and a number of the governance mechanisms described in this statement would need to be reviewed so that appropriate arrangements were put in place for the Commissioner for the period from 1 April 2014 onwards. Accordingly the PCC approved a Scheme of Governance and Consent (see PCC decision no 8-2014) to be applicable from 1 April 2014 to accommodate the governance issues arising. The PCC and Chief Constable have operated under this new Scheme since that date.

Three new significant governance issues have been identified.

Firstly, in July 2014, the HMIC published its report on Suffolk Constabulary under the “Responding to Austerity” series of inspections. The HMIC’s overall judgement (graded as “Good”) was as follows:

“Suffolk Constabulary’s response to the financial challenge of the spending review to date has been good. The force is on track to achieve the savings required by the end of the spending review period in March 2015. The force has made good progress in developing its collaboration over the last few years with Norfolk Constabulary, although HMIC has some concerns about the effect that a recent decision by Suffolk’s Police and Crime Commissioner may have on the force’s ability to meet its longer term (3 – 5 year) financial challenges while still maintaining the service it provides to the public.”

At the time of the inspection which resulted in this judgement the PCC and Chief Constable were working on their plans to bridge the funding gap for the period up to end of the 2017/18 financial year. The plan which sets out how this challenge will be approached is due to be made public on the 1 October 2014. The plan, currently in draft, sets out the approach that will be taken and the governance mechanisms by which the challenge will be addressed.

The governance mechanisms include oversight by the Collaboration Panel for both Norfolk and Suffolk, regular dialogue between the PCC and Chief Constable and the Suffolk Programme Change Board, comprising senior officials from the PCC’s Office and the Constabulary.

The full arrangements will be included in the plan and will be published on the PCC’s website.

Secondly, a security review conducted by the internal audit function revealed a rating of ineffective. The Audit Committee considered a report and presentation upon the security arrangements. Further follow up work was included in the Internal Audit plan for 2014/15 to help ensure and deliver improvement action. A further report on progress will be presented to the Audit Committee in due course.

Thirdly, a fire safety audit conducted by the internal audit function revealed a rating of ineffective. The matter was reported to the Audit Committee. In brief the audit identified significant weaknesses within the Health & Safety Management System, including a lack of up-to-date training and compliance with the key elements of the role of the responsible person. As a consequence a follow-up audit has been planned and approved for the 2014/15 Internal Audit Plan to help ensure and deliver improvement action.

**Signed**

Name .....

Name .....

Date .....

Date .....

Chief Constable of Suffolk Constabulary

Chief Finance Officer Suffolk Constabulary

Signed on behalf of senior staff and senior officers of [Suffolk Constabulary](#).