



DRAFT ANNUAL GOVERNANCE STATEMENT FOR THE CHIEF CONSTABLE OF SUFFOLK

1. INTRODUCTION

This Annual Governance Statement reflects the position as at 30 September 2015 including the financial year 2014-15, and plans for the financial year 2015-16.

2. SCOPE OF RESPONSIBILITIES

The Chief Constable of 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.

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 to 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 (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 set out in the Accounts and Audit Regulations 2015 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 for the year ended 31 March 2015 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 PCC and Chief Constable have decided, following consultation with their Audit Committee to share the PCC's Chief Finance Officer on a temporary basis from 1 May 2015 until 31 March 2016. The Police Reform and Social Responsibility Act 2011 require both the Chief Constable and PCC to appoint a Chief Finance Officer. The issues involved in sharing such an officer and the formal decision by the PCC are found in PCC Decision No 27 – 2015.

In making the decision to share, the PCC has had to be satisfied that any conflicts that might arise will be appropriately handled. Full regard has been had to the Chartered Institute of Public Finance and Accountancy (CIPFA) Standard of Professional Practice on Ethics. This sets out how conflicts of interest are to be handled. In the event of a conflict of interest the Chief Finance Officer will act in accordance with the CIPFA Standards. The steps to be taken are articulated in practical terms at Appendix A, paragraph 4.4 to 4.7 of PCC Decision No 27 – 2015.

The arrangement will be continuously reviewed by the Chief Executive and Chief Finance Officer and will receive further review by the Audit Committee towards the end of the temporary arrangement in 2016.

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 in 2013 that covered the period 2013-14 to 2016-17. This was in accordance with the Police Reform and Social Responsibility Act 2011. The Plan is being reviewed and varied in consultation with the Chief Constable and will be presented to the Police and Crime Panel later in 2015. This establishes the PCC's vision and priorities for residents and service users.

There is a co-ordinated process for strategic and medium-term financial planning that covers the period 2015-16 to 2019-20. 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 5 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 and Norfolk Constabularies gather 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 and improvement and evaluation activity across the Constabulary. In addition, the department is also responsible for HMIC liaison on behalf of Suffolk Constabulary – organising inspections, monitoring publications and developments and tracking actions following inspections and reviews.

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.

The Crime Registry and Audit functions for Suffolk and Norfolk are also now part of JPAD. By carrying out independent and rigorous audits of crime and incident recording, they provide an objective assessment of how the Constabularies are complying with the National Crime and Incident recording standards. The audit reports produced are reviewed by Chief Officers and if areas for improvement are identified, action is allocated and taken accordingly.

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 programme of local engagement and consultation with the wider public. Consultation results are fed back at a local level to Safer Neighbourhood Teams/Local Policing Commanders as well as to County Policing Command and Chief Officers.

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 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. This is 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.

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 Connect 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 and Twitter is more than 60,000. 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.

The Constabulary is developing a consultation action plan proposal that will cover the next two years. The current Constabulary Community Engagement and Consultation Strategy will be reviewed as part of this process and will set 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 Improvement and Evaluation Team undertake this work on behalf of the Constabulary.

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 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 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, Debenham and Woodbridge; 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 Chief Constable's Chief Finance Officer 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 2014-15 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 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 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 of the PCC and Chief Constable. Internal audit 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.

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 2014-15 a positive assurance opinion can be provided by the Head of Internal Audit Services:

“Based on the findings of the internal audit work carried out throughout 2014-15 and the outcomes of external assurance provider reports, it is the opinion of the Head of Internal Audit Services, that the PCCs / Constabularies control environment provides assurance that significant risks being faced have been addressed.

Financial administrative systems, transition arrangements, governance and corporate systems are operated at an effective level.

Actions already taken and planned enable the Head of Internal Audit Services to provide assurance that the whole control environment is adequate, taking into account that assurance cannot be absolute.

For 2014-15 financial year the internal audit service for the Suffolk PCC and Constabulary was provided through a contract with Suffolk County Council’s internal audit function. Following a tender exercise, the contract for a joint Internal Audit service with Norfolk PCC / Constabulary was awarded to TIAA Ltd and runs for an initial period of 3 years.

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 Police Effectiveness Efficiency and Legitimacy (PEEL) inspection which assessed the Constabulary across a wide set of criteria including assessing whether the force was in a sound position to meet the significant financial challenges ahead. The final report in relation to this review will not be received until the autumn.

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’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 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.”

The Audit Committee as part of its regular business reviews the effectiveness of the system of internal audit on an annual basis. In accordance with the Accounts and Audit Regulations 2015, the review of the effectiveness of internal control has concluded that the opinion in the annual report on internal audit work can be relied upon as a key source of evidence.

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 2014-15 Suffolk and Norfolk Commissioners had a set of joint Financial Regulations and Contract Standing Orders incorporated through their Schemes of Governance and Consent.

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

The Suffolk Police Authority, as the PCC’s predecessor, took steps in the period leading up to its abolition in November 2012, to prepare for the introduction of a PCC. This was identified as a significant governance issue in the Authority’s final Annual Governance Statement executed in September 2012. The PCC took forward the preparatory steps made by the Authority to ensure that initial governance management measures were put in place to provide for proper and appropriate corporate governance.

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 that 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 by the PCC and that a number of the governance mechanisms would need to be reviewed so that appropriate governance arrangements were put in place for the PCC 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 has operated under this new Scheme since that date. The Scheme is subject to continuous review and modification as required.

Three significant governance issues were identified in the Annual Governance Statement 2014.

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.”

The PCC and Chief Constable set out the approach to be taken and the governance mechanisms by which the challenge will be addressed in PCC Decision No 31 – 2014. The savings challenge was modified in the Medium Term Financial Plan for 2015-16 to 2019-20 (see PCC Decision No 4 – 2015).

The governance mechanisms include regular dialogue between the PCC and Chief Constable, the Suffolk Programme Change Board, comprising senior officials from the PCC’s Office and the Constabulary, as well as the Accountability and Performance Panel.

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 was presented to the Audit Committee in March 2015 and when it was advised that the reassessment found that security was now “effective”. The Committee considered that the governance issue had been resolved.

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 took place within the 2014-15 Internal Audit Plan to help ensure and deliver improvement action. The reassessment found that fire safety was now “effective” such that the Committee considered the governance issue had been satisfactory resolved.

No new or further significant governance issues have been identified.

Signed:

Signed:

Name

Name

Date

Date

Temporary Chief Constable of Suffolk

Chief Finance Officer

Signed on behalf of senior staff and senior officers of Suffolk Constabulary.