



ANNUAL GOVERNANCE STATEMENT FOR THE CHIEF CONSTABLE OF SUFFOLK CONSTABULARY

1. INTRODUCTION

This Annual Governance Statement reflects the position as at 20 September 2018 including the financial year 2017-18, and plans for the financial year 2018-19.

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 of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable. 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 PCC has approved and adopted a Code of Corporate Governance, which is consistent with Delivering Good Governance: Guidance Notes for Policing Bodies in England and Wales published in 2016 by CIPFA.

A copy of the code can be found on the website www.suffolk-pcc.gov.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 2018 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 (PCC).

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. Whilst this was for an initial period from 1 May 2015 until 31 March 2016 the PCC and Chief Constable have decided, following further discussion with the Audit Committee, to extend the arrangement until further notice. 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 and No 19 - 2016.

In making the decision to share, the PCC and CC have 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 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 PCC published his second Police and Crime Plan that covered the period 2017-2021 and applied from 1 January 2017 (see Decision No 2-2017 on the PCC's website). This established the PCC's vision and priorities for residents and service users and was in accordance with the Police Reform and Social Responsibility Act 2011.

The new Plan clearly articulates the PCC's police and crime objectives. To enable the PCC's vision for policing to become a reality, the objectives have been translated into an Action Plan which will drive day-to-day activities. Progress against the Action Plan is assessed under the Performance Monitoring Arrangements. The Action Plan and Police Monitoring Arrangements are described in Decision No 2-2017. A detailed Delivery Plan outlining specific actions, timescales and milestones has also been produced and which drives delivery by the Chief Constable and the Office of the PCC.

There is a co-ordinated process for strategic and medium-term financial planning that covers the period 2018-19 to 2021-22. 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 medium-term planning process for the 2018-19 to 2021-22 was enhanced through a Service and Financial Planning process that, for the second year, was underpinned by Outcome Based Budgeting (OBB) principles as a strategic organisational budget planning and organisational change approach. OBB links the key activities of the Constabulary with spending / establishment data, performance data, risks and priorities and outcome and demand data. This allows strategic, evidence based decisions to be taken on where to invest money in priority areas of increasing demand, and where the Constabulary can increase efficiencies.

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 is dependent upon the Constabulary delivering planned savings of £4.4m, together with an additional £3.2m savings over 4 years. This 4 year target can be met through initiatives such as OBB, Evidence Based Policing projects, and further regional collaboration. 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. The 2017 Strategic Assessment expanded on that completed in 2016 and looked at the operational threats Suffolk and Norfolk constabularies face in the context of capacity and capability. One key difference was that the 2017 document included an organisational threat assessment using Outcome Based Budgeting principles, this section looks at how the constabularies could review internal processes and structures, such as overtime and sickness management, to make financial savings and improve efficiencies.

All operational issues are risk assessed using the nationally recognised Management of Risk in Law Enforcement (MoRiLE) framework. The Strategic Assessment is then used to inform the development and review of the Police and Crime Plans and the local policing plans and performance frameworks. This process also leads to the setting of the Operational Control Strategy. Within this strategy there are identified strategic leads for each theme area. Partners are consulted in the development of the Strategic Assessment and the final document is also shared with them to help 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 Suffolk and Norfolk, highlighting any cross force and single force issues. The profiles cover a range of strategic crime and thematic topics, including some looking at organisational issues such as sickness and absence management and overtime. They provide a comprehensive account of the topic, taking into consideration any existing research or 'what works' evidence to inform strategic and tactical action plans and decision making. Partnership data is utilised wherever possible and consultation is also undertaken with stakeholders outside of policing as a key part of the process to ensure they are widely informed. These strategic profiles are 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 Chief Constable and 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) undertake 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.

In addition, the department is also responsible for Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) liaison on behalf of Suffolk Constabulary – organising inspections, monitoring publications and developments and tracking actions following inspections and reviews.

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 Constabulary in meeting its 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. As necessary, any areas of risk in relation to Crime Data Integrity are also raised at the Force Crime Data Integrity meetings and detailed on the risk register.

Following the introduction of Athena (a new major operational policing system) a detailed action plan was introduced to ensure the quality of crime recording was improved to levels that give confidence in the data. In response to this action plan; bespoke training is being delivered to supervisory staff to ensure a greater operational understanding of Crime Data Integrity (CDI). In addition specially trained data quality staff has been introduced to manage the data quality issues currently within the Athena system, supported by quality assurance measures within the business as usual Athena processes. Data quality remains a key focus for the organisations with activity coordinated at Athena and Crime Data Integrity meetings

4.3 Developing leadership and skills

Suffolk and Norfolk Constabularies have a Leadership Development Programme called Best I Can Be and run a quarterly series of professional development events as part of the work being delivered under the Leadership Strategy. The Constabularies are also rolling out a Succession Planning and Talent Identification process which utilises career conversations and a nine-box grid

matrix to identify and develop potential as part of its overall leadership and workforce planning strategies.

The Leadership Strategy promotes the idea that Leadership is not necessarily about rank. It advocates 'Courageous, Inclusive and Ethical' leadership. It goes further to describe the development of the whole workforce which is engaged not only in day to day activity but also in strategic projects and change programmes.

The Professional Development Review (PDR) process continues to be improved and embedded and work continues to develop an ePDR system.

4.4 Satisfaction

From the 31st March 2017, the national Home Office Requirement for victim satisfaction surveys (ADR443) was abolished. Up until that point, all police forces in England and Wales were required to survey victims of Vehicle Crime, Violent Crime, Hate Crime and Burglary – Dwelling. After that date, a clear expectation to survey victims of crime remained, but it has been left to forces to decide which victim groups would be surveyed, and how those surveys will be carried out.

In addition a new national requirement has been introduced to carry out victim satisfaction surveys of victims of domestic abuse (ADR 444). Again, it has been left to forces to decide how these surveys are carried out, and what questions are asked.

These developments have led to greater flexibility for forces in terms of who is surveyed and how, but do mean that national and regional comparisons in victim satisfaction will no longer be possible. Forces will be interviewing different victim types in line with local priorities, asking different questions of victims and carrying out surveys in different ways.

PCC Priorities Surveys

In Suffolk, the decision was made to survey against the following victim types going forward, in line with PCC priorities:

- Business Crime
- Hate Crime
- Online Crime
- Rural Crime

Business Crime, Online Crime and Rural Crime are all brand new areas for survey and therefore, in order to draw any meaningful conclusions from the survey results, it will take some time to build up enough data to begin reporting. It is anticipated that reporting will begin in July 2018, against the five main indicators above.

ADR 444 Domestic abuse victim satisfaction surveys

With the introduction of ADR 444, Suffolk Constabulary has considered how this new requirement for surveying victims of domestic abuse might best be met. The Constabulary are in the process of recruiting a Victim Survey Coordinator whose role it will be to undertake this surveying 'in-house'.

Processes of monitoring and reporting on data in all of these new surveys will be reviewed at the point at which enough data is available from which meaningful results to be drawn, but will include reporting to the Office of the Police and Crime Commissioner in line with requirements laid out in the agreed Police and Crime Objectives and feeding into the Performance Framework.

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.

4.5 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 PCC 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

The Police Code of Ethics, produced by the College of Policing, describes the principles that every member of the policing profession in England and Wales is expected to uphold and the standards of behaviour they are expected to meet. This Code applies to all those who work for the Constabulary, be they police officers, employees, contractors or volunteers.

Staff have been made aware of the Code of Ethics and its implications. Policies, procedures and training products are reviewed in line with the Code and it is central to decision making using the National Decision Making Model. Where there are breaches of the Code of Ethics or the Standards of Professional Behaviour there is a positive duty to report these matters. The Joint Professional Standards Department receives such reports and these are investigated appropriately and in accordance with Police Regulations.

An Ethics Committee has been established to enable staff to raise for consideration ethical issues affecting the Constabulary to enable further improvement in the transparency, professionalism and ethical approach of staff, policies and procedures to such issues.

A joint Integrity Board has also been established with the aim of securing the internal confidence of staff and officers in the fair application of policy and process in matters of integrity and ethics and to ensure that the organisations manage risk and learn from cases to improve the service provided.

Fraud

The Constabulary intranet site is proactively used on a regular basis to remind all officers and staff of their various responsibilities relating to fraud, ethical behaviour and other related matters.

The approved Anti-Fraud and Corruption Policy (Constabulary Policy No 110) was published on the Suffolk Constabulary website in April 2016. It is also available via the PCC website. This Policy sets out the processes for identifying and responding to fraud. Fraud is deterred through the exercise of policies and procedures. Regular internal audits, vetting of staff and a whistleblowing policy all contribute to deterring fraud.

The Financial Regulations set out the requirement for internal financial controls, including the approach to preventing fraud and compliance, together with the arrangements for dealing with suspected fraud, theft, irregularity and improper use or misappropriation of property or resources.

A suspected fraud was identified during 2017/18. Inquiries are being made but the matter has yet to be concluded.

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.

The Joint Suffolk and Norfolk (Constabularies) Risk Management Policy includes details of the risk management framework within the governance structure of Suffolk Constabulary. It sets out risk management requirements and practices that should be undertaken; by whom and when, and outlines the consequences of non-adherence. The policy supports a robust risk management approach for ensuring that strategic objectives are achieved and shows how risk is dealt with, by mitigation and/or escalation to the appropriate level in the organisations.

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

4.6 Accountability to the Community

Communication and engagement

Members of the public have a range of options for getting in touch and can contact the Constabulary via 101, 999, through its website and social media channels, or by visiting one of the three police station front counters.

The Constabulary offers regular, direct updates via its social and digital channels including Twitter, Facebook, Instagram 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, initiatives and engagement opportunities via e-mail, voicemail or text. Regular web chats are held with members of the public, allowing communities direct access to chief officers and the PCC, and to ask questions on key areas of interest such as recruitment. Facebook is also used to post discussion questions in support of communications campaigns and direct, targeted advertising through Facebook has allowed the Constabulary to target key areas of the community according to defined demographics.

These platforms play an increasingly important part of engaging with communities. The Constabulary's total combined social media audience (including Facebook, Twitter Instagram) is more than 210,000. The Constabulary continues to provide a full service to the local media, engaging with local newspapers, radio and television to publicise crime appeals, event information, safety messages and policing initiatives.

These communication methods are further supported by face to face engagement at the three front counters at police stations in Ipswich, Lowestoft and Bury St Edmunds and by engagement through regular visibility patrols carried out by our Safer Neighbourhood Teams. The newly appointed Community Engagement Officers who cover the nine localities across the county use our digital platforms and work with relevant partner agencies to highlight and promote policing work and conduct and co-ordinate community engagement activities. Alongside this, key stakeholders are consulted with in person by police officer attendance at key meetings when significant change programmes are in development or when major incidents have occurred.

The Constabulary consults with a wide range of local communities, businesses and partner agencies to ensure good information is available for decision making in respect of policing priorities and the strategic assessment. The Independent Advisory Group and Business Forum are examples of consultative groups in place to allow us to gauge thoughts and opinions on operational and strategic areas.

The Constabulary is committed to ensuring that its services are accessible to all, and that all communities representing the diverse nature of Suffolk are given opportunities to have their voices 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. There are governance arrangements that cover operational managers and Chief Officers. The main drivers have been to maintain the effectiveness of operational and organisational support and to drive out efficiency 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. A Seven Force Strategic Collaboration Programme has been established (this is essentially the three strategic collaborations of Norfolk/Suffolk, Kent/Essex and Bedfordshire/Cambridgeshire/Hertfordshire) with a mission to develop options for wider collaboration in order to make efficiencies and drive out further savings. The programme is governed jointly by the seven PCCs and seven Chief Constables.

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, Woodbridge, Felixstowe, Newmarket, Saxmundham, Clare and imminently Leiston; and with the NHS in Eye. Further collaborative work is currently being undertaken for the police and fire services to share further premises building upon the ten premises that are currently used jointly (another five sites are undergoing feasibility studies). The ambulance service is also involved in the further work that is being undertaken.

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 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 2017-18 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 provided an independent opinion on the adequacy and effectiveness of the system of financial 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. The internal audit programme is prepared and agreed with the PCC and Constabulary following a risk based assessment.

Based on the findings of the internal audit work carried out throughout 2017/18, and the outcomes of external assurance provider reports, it is the opinion of internal audit that the PCC's / Constabulary's control environment provides assurance that the significant risks being faced have been addressed:

"TIAA is satisfied that, for the areas reviewed during the year, the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies have reasonable and effective risk management, control and governance processes in place. Also, there was evidence to support the achievement of value for money with regard to economy, efficiency or effectiveness of the systems reviewed. This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability which must be obtained by the Police and Crime Commissioners for Norfolk and Suffolk and Chief Constables of Norfolk and Suffolk Constabularies from its various sources of assurance."

The internal auditors have carried out a number of reviews some of which have given only "limited" assurance. This is explained in the next section.

HMICFRS – Effectiveness, Efficiency and Legitimacy Inspections

The Constabulary is subject to almost continuous review by Her Majesty's Inspector of Constabulary and Fire and Rescue Services (HMICFRS) and a number of inspections were carried out over the period. Reports relating to Suffolk can be found on HMICFRS website:-

<https://www.justiceinspectorates.gov.uk/hmicfrs/?cat=&force=suffolk&frs=&year=2017&s=&type=p ublications>

Specifically, in the period covered by this Annual Governance Statement the HMICFRS reported on a number of inspections concerning effectiveness, efficiency and legitimacy. The inspection reports can all be viewed on the PCC's website.

Suffolk Constabulary was assessed as good in respect of the efficiency with which it keeps people safe and reduces crime. HMICFRS did not identify any causes for concern and therefore made no specific recommendations.

Suffolk Constabulary was assessed as good in respect of the legitimacy with which it keeps people safe and reduces crime. HMICFRS did not identify any causes for concern and therefore made no specific recommendations.

Suffolk Constabulary was assessed as good in respect of the effectiveness at keeping people safe and reducing crime. HMICFRS did not make any specific recommendations.

A number of areas for improvement were identified across the three inspections into efficiency, legitimacy and effectiveness. The PCC will monitor progress against these areas through the Accountability and Performance Panel.

Officers remain vigilant about the need to continue to apply effective controls and Audit Committee members will continue to monitor performance on this.

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 Practical Guidance for Local Authorities and Police Audit Committees (2013) published by the Chartered Institute for Public Finance and Accountancy (CIPFA).

The Audit Committee performs the functions as set out in the CIPFA Guidance:

“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.”

In order to undertake this role the Committee takes assurance from inspections carried out upon the activities of the PCC and Chief Constable. Inspection reports originate, as appropriate, from a number of sources, but which include internal audit, the external auditors and Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS).

The Audit Committee agrees an Annual Report upon its activities each year and these are published on the PCC website.

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 Nos 7-2015 and 49-2016).

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 then required to be approved by the 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 Organisational Board and onwards to the Joint Chief Officer Team and the Commissioners.

For 2017-18 Suffolk and Norfolk Commissioners had a set of joint Financial Regulations and Contract Standing Orders incorporated through their Schemes of Governance and Consent.

Major Projects

Two major projects progressed throughout 2017-18. Firstly Suffolk and Norfolk PCCs have jointly procured "t Police" via Capgemini, which is a single ICT system known as an Enterprise Resource Planning (ERP) system to support Human Resources, Training, Health and Safety, Finance, Procurement and Payroll, with the system linking in with Crown DMS for duties management. The ERP system went live in April 2015. Norfolk and Suffolk have established an ERP Shared Services Programme Board to progress and monitor all aspects of the ongoing use of ERP.

Secondly there is the multi-force Athena project to deliver a fully integrated, web-based information and communications technology solution to manage core policing business. A governance structure is in place to deliver the Athena project wherein a Management Board attended by Chief Officers from all contracted forces is responsible for programme planning, operational matters, finance management, reporting and providing direction to the Strategic Board.

Data Security

On data security there have been no breaches during the 2017-18 Financial Year which have resulted in a referral to the Information Commissioners' Office from the Information Management Department.

Financial Planning

The PCC's Medium Term Financial Plan (MTFP) 2018-19 to 2021-22 was developed following the announcement by The Minister of State for Fire and Policing on 19 December 2017 of the provisional police grant funding settlement for 2018-19.

Until recently the Home Office had been engaging with the police sector on changes to the police funding formula. However, due to changing government priorities, plans for amending the formula, which were expected to take effect for 2018-19, have been postponed until the next Spending Review.

As a result, there were no changes to grant damping in 2018-19, and all PCCs' core Home Office grant funding has been maintained at the same level as 2017-18.

The Minister for Policing and the Fire Service, the Rt Hon. Nick Hurd outlined in the Police Grant

report that the “Government intends to maintain the protection of a broadly flat police grant in 2019-20 and repeat the same flexibility of the precept, ie allowing PCCs to increase their Band D precept by a further up to £12 per annum in 2019-20”.

This approach to 2019-20 is dependent on the police delivering “clear and substantial progress against the agreed milestones on productivity and efficiency in 2018”.

The PCC’s MTFP 2018-19 to 2021-22 was finalised and considered by the Police and Crime Panel at its meeting on 26 January 2018, and the PCC’s proposed increase in council tax by nearly £12 per annum for a Band D property in 2018-19, was supported.

Based on the agreed financial planning assumptions, financial balance will be achieved through the delivery of planned savings of £4.424m over the period of the MTFP, together with further savings to be identified of £3.198m.

Robust governance arrangements are in place across the Constabularies, which provide both the framework within which to monitor delivery of the approved planned savings, and also to consider opportunities to progress the further savings requirement in 2020-21 and 2021-22.

Through the Accountability and Performance Panel meetings and monthly updates from the Constabulary, the PCC will hold the Constabulary to account to ensure that the overall savings plans are delivered on time and within budget.

The MTFP also shows plans to reduce reserves to £5.790m (from £8.075m as at 31st March 2018). The plans ensure maintaining an appropriate general reserve of £3.5m (3% of net revenue budget). In the main, the reserves that are planned to be applied will fund short-life capital assets (e.g. ICT / vehicles) and invest to save activities. This is in line with the PCCs published Reserves Strategy that is available on the PCC website.

Officers remain vigilant about the need to continue to apply effective controls and Audit Committee members will continue to monitor performance on this.

The Corporate Governance Assurance Group has concluded that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

6. SIGNIFICANT GOVERNANCE ISSUES

In their Annual Assurance Report 2017/18 the internal auditors advised that they had carried out 28 reviews, designed to ascertain the extent to which the internal controls were adequate to ensure that activities and procedures are operating to achieve objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided. Of the assessments, whilst the majority were graded “substantial” or “reasonable”, seven were graded as “limited”.

1) Internal Audit – Data Quality (Athena)

This review assessed the adequacy and effectiveness of the internal controls in place within Norfolk and Suffolk Constabularies for managing data quality on Athena. Three important, one routine and two operational action points were identified.

2) Internal Audit – HR Absence Management

The purpose of the audit was to assess the adequacy and effectiveness of the internal controls in place at the Constabularies for managing absence. One urgent, three important, one routine and one operational action points were identified.

3) *Internal Audit – Payroll*

The audit reviewed the controls in operation in relation to the payroll system for the PCCs for Norfolk and Suffolk and the Norfolk and Suffolk Constabularies. One urgent, three important and one operational action points were identified.

4) *Internal Audit – Management of Police Information*

The audit assessed the adequacy and effectiveness of the internal controls in place at the Constabularies for ensuring that police information is managed in accordance with key principle retention and disposal of police information under the Statutory Code of Practice for the Management of Police Information. One urgent and four important action points were identified.

5) *Internal Audit – Overtime, expenses and additional payments*

The review considered the arrangements for overtime, expenses and additional payment transactions, and their compliance with policy and procedures. Three important and one routine action points were identified.

6) *Internal Audit – Corporate Policies*

The purpose of the audit was to review the effectiveness of the controls in operation in relation to agreeing and reviewing Constabulary policy. Four important, three routine, and two operational action points were identified.

7) *Internal Audit – Learning and Development*

The audit focused on whether an accurate record of police officer skills is maintained for the Constabulary. One urgent, six important, and two operational action points were identified.

Progress for compliance with the action points by the Constabulary will be monitored by the Chief Executive and Chief Finance Officer (see Annex A) and reported to the Audit Committee.

The number of “limited” assurance audits has been identified as a significant governance issue.

No further significant governance issues have been identified for the purposes of this Annual Governance Statement. There were no significant governance issues identified in the Annual Governance Statement for 2017 and consequently there is no update on such issues in this statement.

7. CONCLUSION

This statement gives an accurate summary of the governance arrangements in place and of their effectiveness. Further it is concluded from the above that proper arrangements for governance of the Chief Constable’s affairs are in place and that their operation through the governance framework is fit for purpose.

Gareth Wilson
Chief Constable of Suffolk Constabulary

Chris Bland
Chief Finance Officer of Suffolk Constabulary

Date 20 September 2018

Date 20 September 2018

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

ACTION PLAN

Subject	Action	Recorded on Risk Register
As detailed in Section 6, Internal Audit has issued seven limited assurance reports in 2017/18 containing recommendations.	Progress for compliance with action points to be monitored by Chief Executive and Chief Finance Officer and through follow up reports to Audit Committee by Internal Audit.	No (Not considered to be strategic risks)