

**ORIGINATOR: ASSISTANT CHIEF  
OFFICER**

**PAPER NO: AC21/17**

**SUBMITTED TO:     AUDIT COMMITTEE 25 June 2021**

**SUBJECT:             CHIEF CONSTABLE OF SUFFOLK CONSTABULARY  
ANNUAL GOVERNANCE STATEMENT 2020/21**

**SUMMARY:**

1. The Joint Audit Committee is required to consider the corporate governance arrangements for the Police and Crime Commissioner and Chief Constable, which includes reviewing their Annual Governance Statements.
2. The draft Annual Governance Statement 2020/21 for the Chief Constable of Suffolk Constabulary is presented at appendix A for consideration. This is in advance of its adoption by the Chief Constable alongside the Constabulary's Statement of Accounts for 2020/21.
3. The Statement contains a review of the Chief Constable's governance arrangements and their effectiveness including the systems of internal control and risk management and reports on any significant governance issues during the year.

**RECOMMENDATION:**

1. The Audit Committee is requested to consider the Chief Constable's draft Annual Governance Statement 2020/21.

## **DETAIL OF THE SUBMISSION**

### **1. INTRODUCTION**

- 1.1 The Police and Crime Commissioner and Chief Constable, as separate legal entities, are required under the *Accounts and Audit Regulations 2015* to prepare Annual Governance Statements.
- 1.2 The draft Annual Governance Statement 2020/21 for the Chief Constable of Suffolk Constabulary is presented for consideration at appendix A. The Statement contains a review of the Chief Constable's governance framework and its effectiveness including the systems of internal control and risk management and reports on any significant governance issues during the year.
- 1.3 The draft Annual Governance Statement 2020/21 is a key governance document and is presented to the Committee for consideration prior to its approval and adoption by the Chief Constable.
- 1.4 The final Annual Governance Statement 2020/21 accompanies publication of the Chief Constable's Statement of Accounts 2020/21 and will be published following audit and approval of the accounts later this year.

### **2. FINANCIAL IMPLICATIONS**

- 2.1 There are no financial implications of any significance arising from consideration of this paper.

### **3. OTHER IMPLICATIONS AND RISKS**

- 3.1 Additional disclosures have been made outlining the Constabulary's governance arrangements during the coronavirus pandemic and a review of the effectiveness of these arrangements.
- 3.2 We assessed the Constabulary's compliance against the CIPFA Financial Management Code (FM Code). The FM Code provides guidance for good and sustainable financial management and compliance with the FM Code provides assurance that the Constabulary is managing its resources effectively.
- 3.3 Results of the self-assessment showed that the Constabulary was compliant with the FM Code across all of the majority of areas. Exceptions are listed below:
  - Complete the proposed re-structure of the finance department.
  - Assessment of the Constabulary's financial management capabilities.
  - Survey the leadership team and seek views on the timeliness and content of the monthly budget monitoring reports and year-end outturn report.
- 3.4 None of these represents a significant non-compliance with the FM Code and actions to address these exceptions will be completed in 2021/22.

<b>ORIGINATOR CHECKLIST (MUST BE COMPLETED)</b>	<b>PLEASE STATE 'YES' OR 'NO'</b>
Has legal advice been sought on this submission?	No
Has the PCC's Chief Finance Officer been consulted?	Yes
Have equality, diversity and human rights implications been considered including equality analysis, as appropriate?	Yes
Have human resource implications been considered?	Yes
Is the recommendation consistent with the objectives in the Police and Crime Plan?	Not applicable
Has consultation been undertaken with people or agencies likely to be affected by the recommendation?	This is a draft AGS and will be updated with feedback and comments from the Audit Committee, PCC and other relevant stakeholders.
Has communications advice been sought on areas of likely media interest and how they might be managed?	No – not considered necessary.
Have all relevant ethical factors been taken into consideration in developing this submission?	No – not considered necessary.

In relation to the above, please ensure that all relevant issues have been highlighted in the 'other implications and risks' section of the submission.



# SUFFOLK CONSTABULARY

## DRAFT ANNUAL GOVERNANCE STATEMENT 2020/21 FOR THE CHIEF CONSTABLE OF SUFFOLK CONSTABULARY

### 1. INTRODUCTION

The Annual Governance Statement 2020/21 covers the financial year 2020/21 and plans for the financial year 2021/22 and reflects the position up to 25 June 2021.

### 2. SCOPE OF RESPONSIBILITIES

The Chief Constable is responsible for ensuring that the Constabulary's 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 the Constabulary's affairs and facilitating the exercise of its functions, which includes ensuring there is a sound system of governance incorporating the system of internal control, which is maintained throughout 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 Chartered Institute of Public Finance and Accountancy (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 Police and Crime Commissioner (PCC) has approved and adopted a Code of Corporate Governance, which is consistent with CIPFA's *Delivering Good Governance: Guidance Notes for Policing Bodies in England and Wales*. A copy is available on the PCC's website [www.suffolk-pcc.gov.uk](http://www.suffolk-pcc.gov.uk) or can be obtained from [Suffolk Constabulary, Police Headquarters, Martlesham Heath, Ipswich, IP5 3QS](#).

This statement explains how the Chief Constable has complied with the Code of Corporate Governance and also meets the requirements set out in the *Accounts and Audit Regulations 2015 6(1)* to review the effectiveness of the system of internal controls and prepare an annual governance statement.

### 3. PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and culture and values by which the Chief Constable directs and controls activities through which he accounts to

and engages with the community. It enables him to monitor the achievement of the Constabulary's 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 on-going 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 for the year ended 31 March 2021 and up to the date of approval of the statement of accounts.

## **4. THE GOVERNANCE FRAMEWORK**

The Chief Constable is responsible for operational policing matters, having direction and control over the Constabulary's police officers and police staff, and is responsible for putting in place proper arrangements for the effective governance of the Constabulary and a sound system of internal controls that supports the achievement of the Constabulary's policies, aims and objectives. He has day-to-day responsibility for the Constabulary's financial management set within a framework of an agreed budget allocation and authorisation levels issued by the PCC and is held to account by the PCC.

The following section describes the governance arrangements and the supporting systems and processes that have been put in place for the Constabulary.

### **4.1 Governance Arrangements**

#### **Accountability and Performance Panel**

- The Accountability and Performance Panel is chaired by the PCC. Its purpose is to hold the Chief Constable to account and to enable issues to be discussed and where appropriate make decisions in public. This includes holding the Chief Constable to account for the management of the funds provided to him for the purpose of policing and the delivery of the strategy and objectives set out in the police and crime plan.

#### **Joint Audit Committee**

- The purpose of the Joint Audit Committee is to provide independent advice and recommendations to the PCC and the Chief Constable on the adequacy of the governance and risk management frameworks, the internal control environment, and

financial reporting, thereby helping to ensure efficient and effective assurance arrangements are in place.

- The Joint Audit Committee takes assurance from inspections carried out on the Office of the Police and Crime Commissioner and Constabulary from a number of sources that include internal audit, external audit and Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS). An annual report of the Committee's activities is available on the PCC's website.

### **The Chief Officer Team**

- The Chief Officer Team meets weekly at the Chief Officer Management Group to monitor, review, and give chief officer-level direction for key strategic issues where necessary and to enable coordination across the organisation for the delivery of key strategic and operational objectives.
- Chief Officer governance and management is undertaken through attendance at the Accountability and Performance Panel meetings and by chairing various internal meetings. These include the Joint Chief Officer Team meetings; the Joint Suffolk and Norfolk Organisation Board; the Strategic Planning and Monitoring Group; and the Performance Group.
- Suffolk and Norfolk Constabularies and Chief Officer Teams collaborate extensively. The Programme Management Office oversee all collaborative activities on a day-to-day basis, monitor progress against the agreed programme and report upwards into the Joint Norfolk and Suffolk Organisational Board and onwards to the Joint Chief Officer Team and the Commissioners.
- The Chief Officer Team is supported by senior operational and non-operational managers.

### **4.2 Planning**

The Police and Crime Plan 2017-2021, which has applied from 1 January 2017, presents the PCC's police and crime objectives. These have been translated into an action plan which drives day-to-day activities with progress monitored under the PCC's performance management framework. A delivery plan outlining specific actions, timescales and milestones has been produced that drives delivery by the Constabulary.

There are co-ordinated processes for strategic and financial planning. These consider policing priorities at local, regional, and national levels; risks; efficiency savings; value for money principles; and financial resilience criteria. The work involves liaising with officers and staff across the Constabulary and a process of scrutiny and challenge by Chief Officers to ensure that the plan reflects the strategic aims of the Chief Constable and the PCC. The Chief Constable has published his 3-year strategic plan. This contains the Constabulary's

operational and organisational priority outcomes for 2020/21 to 2023/24. A copy of this plan is available on the Constabulary's website.

This is supported by the Medium Term Financial Plan 2021/22 to 2024/25 and annual balanced budget for 2020/21 that was approved by the PCC on 20 January 2021.

#### **4.3 Performance Management**

There is a Constabulary performance management framework. Objectives and performance indicators are established and monitored both at a Constabulary and local area level. Reports are provided regularly to senior managers, the Chief Officer Team and to the PCC on performance against objectives.

#### **4.4 Public Confidence and Satisfaction**

The Constabulary measures the satisfaction of service users through the use of victim surveys. Levels of victim satisfaction are monitored through the Constabulary's regular performance meetings and a Public Confidence Board which meets bi-monthly to set the strategic direction and oversee the work focussed on increasing public confidence and satisfaction in policing services in Suffolk. The Constabulary reports regularly to the PCC on levels of satisfaction as one of his agreed police and crime plan's objectives and reviews public confidence through the annual Crime Survey for England and Wales published by the Office of National Statistics.

#### **4.5 Internal Control and Compliance**

The roles and responsibilities of senior officers within the Constabulary are established by a scheme of governance and consent, financial regulations, common law, legislative requirements, and police officer and police staff role profiles.

#### **Scheme of Governance and Consent**

- 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. They are reviewed periodically in accordance with requirements and copies are available on the PCC's website. The Constabulary has to adhere to requirements contained in these documents and that form a core part of the governance framework.

#### **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.

- A Joint Suffolk and Norfolk Constabularies' risk management policy includes details of the risk management framework for Suffolk Constabulary. The policy supports a 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 within the Constabulary.
- All legal requirements for insurance were met and insurance policies were reviewed as necessary as part of agreed regional consortium arrangements.

### **Fraud**

- The Anti-Fraud and Corruption Policy sets out the processes for identifying and responding to fraud. Fraud is deterred through the exercise of policies and procedures, through regular internal audits, vetting of police officers and police staff and a whistleblowing policy.
- 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.
- The Constabulary's intranet is used to remind police officers and police staff of their responsibilities relating to fraud, ethical behaviour, and other related matters.

### **Code of Ethics**

- The Code of Ethics, published 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, staff, contractors, or volunteers.
- An ethics committee allows police officers and police staff to raise ethical issues affecting the Constabulary and an integrity board ensures the fair application of policy and process. Breaches of the Code of Ethics or standards of professional behaviour are investigated by the Joint Professional Standards Department in accordance with Police Regulations.

### **4.6 Joint Audit Committee Reports**

The Joint Audit Committee considered the findings contained in reports prepared by the PCC's and Constabulary's internal auditor, TIAA. In 2020/21, TIAA carried out 23 reviews, of which 22 provided an overall assurance opinion for the audit area and one on cyber-security which provided a maturity assessment review. Audits were designed to assess the



extent to which the internal controls were adequate to ensure that activities and procedures were operating to achieve the PCC's and Chief Constable's objectives.

The Joint Audit Committee could take reasonable or substantial assurance that the internal controls tested were suitably designed, consistently applied and effective for 19 out of the 22 reviews. There were three areas reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided only limited assurance. These were:

- Data quality
- Management of Police Information
- Recovered property – seized monies

Recommendations have been made and accepted by the Constabulary to further strengthen the control environment. The internal auditors will report progress on the implementation of the recommendations and their compliance to the Joint Audit Committee.

#### 4.7 Coronavirus Pandemic

Suffolk Constabulary has implemented contingency plans and new ways of working in response to the coronavirus pandemic. The Constabulary's operational response has been governed through a three-tier strategic, tactical, and operational command structure headed jointly with Norfolk Constabulary by a Deputy Chief Constable.

The Constabulary has applied regulation 32(2)(c) under the *Public Contract Regulations 2015* to expedite purchases of operational kit and equipment, for example personal protective equipment. It has also applied regulation 72 of the *Public Contracts Regulations 2015* to extend contracts with key suppliers and where appropriate provide supplier relief and varied payment terms to ensure service continuity during and after the current pandemic.

Expenditure of £474k was incurred in 2020/21 to support the Constabulary's operational response to the pandemic. The most significant costs were additional IT to support remote working at £229k and personal protective equipment and estates costs at £51k. Lost income during 2020/21 compared to 2019/20, predominately from driver awareness courses, was £223k.

The government reimbursed the Constabulary for the costs of medical and non-medical grade PPE and compensation for a proportion of lost income as a result of the coronavirus pandemic.

The Home Office provided an additional grant of £270k to enhance policing of coronavirus regulations. An enforcement plan was developed and submitted to the Home Office, and regular returns described the use of this additional in-year funding.

In February 2021 the Home Office announced a further allocation of £58m to help cover the costs incurred as a result of responding to COVID-19. This included additional workforce

demands, making the Constabulary estate COVID-secure, and continuing to enforce coronavirus regulations. Suffolk Constabulary received an allocation of £522k.

In May 2021, the local tax income guarantee grant relating to Collection Fund deficits for 2020/21 was confirmed by District Councils, totalling £281k. Payment was received in **[TBC]**.

The Constabulary remains confident that it can meet any costs incurred as a result of the coronavirus pandemic and offset any lost income through the reprioritisation of planned activities during 2021/22 and the reallocation of budgets.

## **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. This review has been informed by the work of the Constabulary, internal and external audit, and other review agencies and inspectorates.

### **5.1 Corporate Governance Assurance Group**

The Corporate Governance Assurance Group (CGAG) was established to review the corporate governance framework and systems of internal control and to prepare the Annual Governance Statement. The group comprises the Chief Constable's Chief Finance Officer, the PCC's Chief Finance Officer and the Head of Finance. The results were presented to the Chief Constable. Members were involved in the oversight of the governance framework and its processes and the review of its effectiveness. During 2020/21, the CGAG assessed assurance against each of the major activities undertaken within the Constabulary and compliance with the Code of Corporate Governance.

### **5.2 Compliance with CIPFA Financial Management Code**

The CGAG performed an assessment of the Constabulary's compliance against the CIPFA Financial Management Code (FM Code). The FM Code provides guidance for good and sustainable financial management. Compliance with the FM Code provides assurance that the Constabulary is managing its resources effectively. Performance was assessed against the following seven areas:

1. The responsibilities of the Chief Finance Officer and leadership team.
2. Governance and financial management style.
3. Medium to long-term financial management style.
4. The annual budget.
5. Stakeholder engagement and business cases.
6. Performance monitoring.

## 7. External financial reporting.

Results of the self-assessment showed that the Constabulary was compliant with the FM Code across all of the above areas. Exceptions are listed below.

- Complete the proposed re-structure of the finance department.
- Assessment of the Constabulary's financial management capabilities.
- Survey the leadership team and seek views on the monthly budget monitoring reports and year-end outturn report in the following areas:
  - Timeliness of publication.
  - Quality of the reports and their suitability for identifying and correcting emerging risks to the budget strategy and financial sustainability.
  - Relevance and suitability for performance monitoring and decision-making purposes.

None of these represents a significant non-compliance with the FM Code and actions to address these exceptions will be completed in 2021/22.

### 5.3 Internal Audit

The Head of Internal Audit's opinion covering 2020/21 is as follows:

TIAA is satisfied that, for the areas reviewed during the year, the Police and Crime Commissioner for Suffolk and Chief Constable of Suffolk Constabulary have reasonable and effective risk management, control and governance processes in place.

The Head of Internal Audit has arrived at this opinion through:

- Risk-based audit needs analysis from which activity has been prioritised over a three-year planning horizon to design an internal audit strategy.
- Designing and applying a risk-based methodology that is consistent with the requirements of the Public Sector Internal Audit Standards.
- Delivery of individual assurance reports and one maturity assessment review during the year and agreeing action plans with business owners to secure improvements.
- Monitoring the implementation of previous recommendations throughout the year and assessing progress as reasonable.

There were no further issues identified by the internal auditor, other than those already disclosed, that require mentioning in the Annual Governance Statement as significant control weaknesses.

## 5.4 Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services

### Integrated PEEL assessment

HMICFRS's latest integrated PEEL assessment was published in September 2019 and covered the period 2018/19. Suffolk Constabulary was assessed as good in respect of the efficiency, the legitimacy, and the effectiveness with which it keeps people safe and reduces crime. HMICFRS did not identify any causes for concern and made no specific recommendations.

Suffolk were one of the pilot Constabularies for the 2020/21 integrated PEEL inspection programme (IPA). The IPA has three elements:

1. PEEL inspections
2. Force Management Statements
3. Force monitoring

The Constabulary's Corporate Improvement and Innovation Team and Performance Improvement Unit led on the preparatory work involved in the PEEL inspection and organising the logistical aspects of the inspections. Inspectors from HMICFRS completed their inspection in April and May 2021 and assessed the Constabulary as **TBC**.

### HMICFRS Reports

All reports published by HMICFRS containing recommendations or actions for improvement (AFIs) for the police, whether they are specific to Suffolk or applicable at a national level, require comment from the Chief Constable on how the Constabulary intends to progress any recommendations or AFIs.

All recommendations arising from HMICFRS reports, both Suffolk-specific and national, are recorded centrally and allocated to strategic leads. There is also an online tracker where all forces can access updates on progress nationally.

The Deputy Chief Constable chairs an internal monthly meeting to monitor progress of these recommendations and to ensure that progress matches the required time-scale. Progress against is also monitored through the Accountability and Performance Panel chaired by the PCC. Inspection reports are available from the HMICFRS and PCC websites.

### 5.5 Data Security

Suffolk Constabulary made three referrals to the Information Commissioners Office (ICO) in 2020/21 (2019/20: three). Whilst two referrals remain outstanding, the third referral has resulted in no formal action from the ICO. Additional data protection training has been provided following these referrals.

## 5.6 Impact of the Coronavirus Pandemic

The Chief Constables of Suffolk and Norfolk Constabularies commissioned a peer review of their operational policing response to the coronavirus pandemic. The review assessed and tested the approach across a number of key areas including governance and leadership; command, operational structures and decision-making; internal and external communications; and forward planning to maximise the use of resources.

The report concluded that the collaborated forces of Suffolk and Norfolk acted swiftly to this crisis and the response proved to be effective throughout.

The report made a number of recommendations on issues that had been identified by both forces and were part of future planning. All of these recommendations have been actioned. The report's authors note that the recommendations should provide confidence that the strategic command team took and continued to take the right actions.

The PCC, Chief Constable and Joint Audit Committee asked the internal auditor to undertake an assurance review of financial controls to test their resilience during the coronavirus pandemic and, for example, the introduction of new ways of working and police officers and police staff working from home or key personnel self-isolating and the relaxation of procurement requirements to facilitate the purchase of personal protective equipment.

This report noted that procurement activity had been challenging and sourcing sufficient personal protective equipment had been the Constabulary's priority. It provided reasonable assurance that the financial controls operated effectively during the pandemic.

## 6. SIGNIFICANT GOVERNANCE WEAKNESSES

There were no significant weaknesses in the Constabulary's system of internal controls in 2020/21 that affected the achievement of the Chief Constables' key policies, aims and objectives.

**Stephen Jupp**  
Chief Constable

25 June 2021

**Kenneth Kilpatrick**  
Chief Finance Officer

25 June 2021

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