



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

PAPER NO: AC24/13

SUBMITTED TO: AUDIT COMMITTEE – 5 JULY 2024


SUBJECT: EXTERNAL AUDITOR INTERIM VALUE FOR MONEY REPORT 2022/23

SUMMARY:

1. The report attached is the External Auditors Interim Value for Money Report 2022/23.

RECOMMENDATION:

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



**Police and Crime
Commissioner for Suffolk /
Chief Constable of Suffolk
Constabulary**

Value for Money Interim Report

Year ended 31 March 2023

25 June 2024



Police and Crime Commissioner for Suffolk (PCC) and
Chief Constable of Suffolk Constabulary (CC)
Audit Committee
Martlesham Heath
Ipswich
Suffolk
IP5 3QS

25 June 2024

Dear Audit Committee Members,

2022/23 Value for Money Interim Report

We are pleased to attach our interim commentary on the Value for Money (VFM) arrangements for Police and Crime Commissioner for Suffolk (PCC) and Chief Constable of Suffolk Constabulary (CC). This commentary explains the work we have undertaken during the year and highlights any significant weaknesses identified along with recommendations for improvement. The commentary covers our interim findings for audit year 2022/23.

The Department for Levelling Up, Housing and Communities (DLUHC) has worked collaboratively with the FRC, as incoming shadow system leader, and other system partners, to develop measures to address the delay in local audit. The National Audit Office (NAO) issued a consultation on 8 February 2024 seeking views on changes to the Code of Audit Practice (the Code) to support auditors to meet backstop dates and promote more timely reporting of their work on value for money arrangements. The consultation proposes to reduce the scope of the VFM reporting up to and including the 2022/23 financial year. At this stage, we are continuing to report VFM in line with our existing responsibilities as set out in the 2020 Code.

This report is intended solely for the information and use of the Audit Committee and management. It is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss the contents of this report with you at the Audit Committee meeting on 05 July 2024.

Yours faithfully

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

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Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website (<https://www.psa.co.uk/audit-quality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The “Terms of Appointment and further guidance (updated July 2021)” issued by the PSAA (<https://www.psa.co.uk/managing-audit-quality/terms-of-appointment/terms-of-appointment-and-further-guidance-1-july-2021/>) sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

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



01 Executive Summary



Executive Summary

Purpose

Auditors are required to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report by exception in the auditor's opinion on the financial statements. In addition, auditors provide an annual commentary on arrangements published as part of the Auditor's Annual Report. In doing so, we comply with the requirements of the 2020 Code of Audit Practice (the Code) and Auditor Guidance Note 3 (AGN 03).

Appendix B sets out the Authority's responsibilities for value for money, and the Auditor's responsibilities.

The purpose of this interim commentary is to explain the work we have undertaken during the period 01/04/2022 to 31/03/2023 and highlight any significant weaknesses identified along with recommendations for improvement. The commentary covers our interim findings for audit year 2022/23.

The Department for Levelling Up, Housing and Communities (DLUHC) has worked collaboratively with the Financial Reporting Council (FRC), as incoming shadow system leader, and other system partners, to develop measures to address the delay in local audit. As part of the NAO consultation issued on 8 February 2024, there is a proposal to reduce the scope of the VFM reporting up to and including the 2022/23 financial year. However, the consultation states that where auditors have begun or already undertaken work that no longer falls under the reduced scope (if agreed once the consultation closes), they may still report on it in accordance with Schedule 4. We are continuing to report VFM in line with our existing responsibilities as set out in the 2020 Code to ensure a smooth transition to the 2023/24 audit year when auditors are required to meet the full Code reporting responsibilities.

The report sets out the following areas which have been assessed up to the point of issuing this interim report:

- Any identified risks of significant weakness, having regard to the three specified reporting criteria;
- Findings to date from our planned procedures; and
- Summary of arrangements over the period covered by this report (Appendix A).

We will summarise our final view of the value for money arrangements as part of the Auditor's Annual Report once the audit report has been issued for 2022/23.



Executive Summary (continued)

Risks of Significant Weakness

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

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

We completed our risk assessment procedures and identified a significant weakness in the Authority's VFM arrangements.

As a result, we have matters to report by exception at this stage of the audit. These are detailed in page 8.

We will update our interim reporting as part of issuing the final commentary in the Auditor's Annual Report later in the year.



Executive Summary (continued)

Responding to identified risks of significant weakness

Where our planning work has identified a risk of significant weakness, the NAO's guidance requires us to consider what additional evidence is needed to determine whether there is a significant weakness in arrangements and undertake additional procedures as necessary, including where appropriate, challenge of management's assumptions. We are required to report our planned procedures to the Audit Committee.

We completed our risk assessment procedures and identified a significant weakness in the Authority's VFM arrangements.

Reporting on VFM

Where we are not satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources the Code requires that we should refer to this by exception in the audit report on the financial statements.

In addition, the Code requires us to include the commentary on arrangements in the Auditor's Annual Report. The Code states that the commentary should be clear, readily understandable and highlight any issues we wish to draw to the Authority's attention or the wider public. This should include details of any recommendations arising from the audit and follow-up of recommendations issued previously, along with our view as to whether they have been implemented satisfactorily.

Status of our 2022/23 VFM work

We have completed our Value for Money risk assessment procedures, where we have considered:

- Entity level controls and our understanding the business assessment
- The Authority's Risk Register
- The Annual Governance Statement and Statement of Accounts review procedures
- Committee meeting minutes
- Our planning meetings with management
- Key financial and budget information
- Key performance reports
- Internal audit reports
- Information from local, national and specialist media.
- Findings of other inspectorates, review agencies and other relevant bodies.

Executive Summary (continued)

Reporting

Our interim commentary for 2022/23 is set out over pages 10 to 16. The commentary on these pages summarises our conclusions over the arrangements at the Authority in relation to our reporting criteria (see table below) throughout 2022/23.

Appendix A includes the detailed arrangements and processes underpinning the reporting criteria. These were reported in our 2021/22 Annual Auditors Report and have been updated for 2022/23.

In accordance with the NAO's 2020 Code, we are required to report a commentary against three specified reporting criteria. The table below sets out the three reporting criteria, whether we identified a risk of significant weakness as part of our planning procedures, and whether, at the time of this interim report, we have concluded that there is a significant weakness in the body's arrangements.

Reporting Criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the Authority plans and manages its resources to ensure it can continue to deliver its services	No significant risks identified	No significant weakness identified
Governance: How the Authority ensures that it makes informed decisions and properly manages its risks	During the prior year 2021/22 audit, we identified a risk of significant weakness which also impacted 2022/23. This is in relation to a data breach within responses to Freedom of Information (FOI) requests.	We identified a significant weakness in the governance arrangement where there were inadequate internal controls to prevent the data breach and the non-compliance with laws and regulations in relation to the data breach.
Improving economy, efficiency and effectiveness: How the Authority uses information about its costs and performance to improve the way it manages and delivers its services	No significant risks identified	No significant weakness identified



Executive Summary (continued)

Independence

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

There are no relationships from 1 April 2022 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

EY Transparency Report 2023

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

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2023:

[EY UK 2023 Transparency Report | EY UK](#)



02

Value for Money Commentary

Value for Money Commentary

Financial Sustainability: How the Authority plans and manages its resources to ensure it can continue to deliver its services

No significant weakness identified

During 2022/23, the Authority continued to manage the impact on finances from a number of issues such as demand led pressures, general inflation, pay increases and uncertainties in relation to the amount of funding to be received in the future.

The year-end financial outturn report for 2022/23 showed a group revenue budget underspend of £0.676 million and the delivery of planned savings of £2.001 million.

During the year, the Authority have continued to revisit and monitor financial plans to ensure they have sufficient resources to deliver services through regular budget monitoring reports taken to the Accountability and Performance Panel. The Authority recognises the financial challenges ahead in its reporting.

The Authority has set a balanced budget for 2023/24, with a small planned use of reserves of £0.584 million. Since the Medium Term Financial Plan (MTFP) was approved in January 2023, inflation has continued to rise and impact costs over the year which is being closely monitored and managed. The latest budget monitoring report for 2023/24 as at 30 November 2023, shows the group revenue budget is forecast to underspend by £2.826 million.

The MTFP includes a planned balanced budget for 2024/25 to 2027/28. However, to deliver these balanced budgets in the medium term, the Authority has planned use of reserves and also needs to identify and achieve planned savings. We note that the Authority has built up reserves during recent years which are now being utilised and also has a proven track record of delivering efficiency savings.

The budget estimates have been produced on a prudent basis, with an emphasis on identifying the existing cost pressures the Authority faces and a realistic level of savings and efficiencies. The budget has been constructed so that all known costs are budgeted for, and income budgets are based on realistic projections. The budget is therefore constructed on a prudent basis and we are satisfied with the robustness of the estimates.

The Authority had a total of £4.5 million in the general fund and £17.731 million in earmarked reserves as at 31st March 2023. We note there is a planned transfer in the 2023/24 budget to increase the general fund balance to £4.6 million. This provides useable resources if any potential unfavourable variances arise, or future savings are not identified or not fully achieved in the medium term. This would enable the Authority to continue to deliver services in the medium term if such a scenario arose.

The Authority should however continue its scenario assessment of the savings requirement and continue to identify relevant schemes to achieve the annual savings requirements to minimise the use of reserves where possible.

Conclusion: Based on the work performed, the Authority had proper arrangements in place in 2022/23 to enable it to plan and manage its resources to ensure that it can continue to deliver its services.

Value for Money Commentary (continued)

Governance: How the Authority ensures that it makes informed decisions and properly manages its risks

Significant weakness identified

The Authority has continued to maintain effective governance considerations, including joint working and collaboration with other public bodies, including Norfolk Police.

The Authority approved the 2022/23 Medium Term Financial Plan in January 2022, with regular tracking and financial monitoring updates provided during the 2022/23 financial year. These reports are taken to the Police and Crime Panel for approval, which ensures that all Members are kept well informed of the process and financial performance of the Authority.

The Authority's Annual Governance Statement sets out the core governance arrangements for the year. This demonstrates how the Authority's governance arrangements reflect the principles of good governance. The Head of Internal Audit concluded that for the 2022/23 financial year, reasonable assurance may be awarded over the framework of governance, risk management and controls at the Authority.

The risk registers and risk management policy were kept up to date in 2022/23. Risk registers focus on financial, operational and strategic risks. Risks are regularly monitored through the governance arrangements in place, in line with the risk management policy. The Strategic Risk Register is reviewed by the Joint Audit Committee on a quarterly basis. The Office of the Police and Crime Commissioner (OPCC) also produce their own Strategic Risk Register which is reviewed through the OPCC meeting structure, including Strategic Governance Board and Estates Governance Board.

The latest PEEL (police efficiency, effectiveness and legitimacy) inspection was undertaken in 2023. Suffolk Constabulary was awarded 'Outstanding', 'Good', or 'Adequate' in six out of nine graded areas. There were two areas that were assessed as 'requires improvement' and one area graded as 'inadequate'. The grading framework has been updated so it is not directly comparable to the 2021/22 report.

The one inadequate grading was in relation to 'responding to the public'. We confirmed that the implementation of recommendations is on track, with two of the three phases already actioned. The KPIs have also been steadily improving since the inspection. We are therefore satisfied that the response and governance over this identified weakness has been appropriately considered and acted upon in a timely manner.

The HM Inspector's summary is that *'I am pleased with some aspects of the performance of Suffolk Constabulary in keeping people safe, reducing crime and providing victims with an effective service. Since our last inspection, the constabulary has made a significant effort to review and improve its investigative standards. This has led to improvements in its ability to achieve well-supervised, better-quality investigations. I commend Suffolk Constabulary on the progress it has made. But there is still work to do to achieve appropriate outcomes for victims.'* The report also recognises that the constabulary is the seventh lowest funded force per head of population in England and Wales, and that it records an average number of incidents for forces in England and has low levels of deprivation.

We are satisfied that overall, the Constabulary's arrangements for ensuring efficiency, effectiveness and legitimacy are appropriate and the inadequate graded area is being addressed, with progress already being made. Areas for improvement that have been identified in the inspection are currently being worked on or have already been implemented. No significant VFM weaknesses have been identified in this regard.

Value for Money Commentary (continued)

Governance: How the Authority ensures that it makes informed decisions and properly manages its risks (continued)

Significant weakness identified

We confirmed that the 2022/23 draft financial statements were arithmetically correct, agreed to the data in the general ledger and were prepared in line with the content required by the CIPFA Code. We also confirmed that bank reconciliations were undertaken during the year. Therefore, appropriate arrangements for financial reporting were in place during 2022/23.

However, the Authority did not meet the requirements of the Accounts and Audit (England) Regulations 2015, as a complete set of unaudited financial statements with an appropriate inspection period were not published by the deadline of 31 May 2023. This was due to the ongoing data breach identified in 2021/22 which was both sensitive and not in the public domain at the time. The investigation had not been fully completed at the date the draft accounts were required to be published and therefore the full extent of the issue and actions required were not known. Authority management deemed it was not appropriate to publish the 2022/23 draft accounts, until they were satisfied that they showed a true and fair view of the Authority's position.

We note that the Authority published a notice that the audit of the 2022/23 accounts had not been completed and the reasons for this by the deadline of 30 September 2023 and the inspection period was subsequently set in January 2024.

The Authority has a track record of publishing their financial statements on time in prior years. We also confirmed that the financial statements were largely completed and prepared following the usual financial year closedown and accounts preparation timeline for 2022/23 but were not published for the reasons noted above. We are therefore satisfied that this is an isolated issue impacting the timely publishing of the financial statements for 2022/23 and does not represent a significant VFM weakness.

Value for Money Commentary (continued)

Governance: How the Authority ensures that it makes informed decisions and properly manages its risks (continued)

Significant weakness identified

During 2022/23, the Suffolk PCC/CC identified two incidents of breaches in data protection. These breaches were related to the handling of personal data in responses to Freedom of Information (FOI) requests that were provided in 2018 and during the period of 2021 and 2022. The Suffolk PCC/CC reported the incidents to Information Commissioner's Officer (ICO) in November 2022 and January 2023 respectively.

The first data breach incident was discovered in November 2022, concerning a FOI request which dated back to 2018. Suffolk Police responded to the FOI request for crime statistics between January 2015 and March 2018. Suffolk Police published the information on their website in accordance with their approach at the time. However, it was identified that the published data erroneously included personal information relating to victims, witnesses, or suspects of crimes.

The second data breach incident was discovered in January 2023, concerning FOI requests which were made by journalists or researchers, relating to various crime statistics between January 2015 and April 2022. This data breach incident involved more data complexity due to a static version of the raw data being linked to a database using SQL (Structure Query Language) in the document which was then used for the FOI response.

Following the incidents, Management instigated procedures to identify and notify all data subjects and undertook immediate actions and changes to the controls and procedures in handling FOI requests.

Whilst Management responded appropriately and notified the ICO in a timely manner and were prompt at instigating an investigation, there were delays in notifying both Internal and External Audit. The delay was due to the sensitivities around the data breaches and the immediate public protection and safeguarding actions that were required of Suffolk Constabulary.

In September 2023, the Suffolk PCC/CC conducted an internal investigation to establish circumstances leading to the data breaches and to identify any learning as well as making recommendations to prevent further breaches. The internal investigation established that there have been weaknesses in internal controls and inadequacies in the data protection procedures that have contributed to the data breaches.

The Suffolk PCC/CC have taken action to remedy the situation and has disclosed an event after the reporting period in its 2021/22 financial statements. The Suffolk PCC/CC have disclosed a contingent liability in their 2022/23 financial statements in relation to this issue.

Inadequate controls over FOI requests and data protection exposes the Suffolk PCC/CC to breaches of legislation, as well as potentially significant losses and reputational damage.

We therefore concluded that there was significant weakness in the Suffolk PCC/CC's governance arrangements, in particular related to:

- A lack of adequate controls and monitoring procedures to ensure compliance with laws and regulations, specifically in relation to data protection.
- A lack of adequate internal controls to ensure the process and procedures for handling FOI requests are appropriate and effective in safeguarding personal data.

Value for Money Commentary (continued)

Governance: How the Authority ensures that it makes informed decisions and properly manages its risks (continued)

Significant weakness identified

Recommendation:

Our work has identified a significant weakness in the arrangements of Suffolk PCC/CC for governance in relation to a data breach within responses to Freedom of Information (FOI) requests. The inadequate controls over FOI requests and data protection exposes the Suffolk PCC/CC to breaches of legislation, as well as potentially significant losses and reputational damage.

In our 2021/22 Auditor's Annual Report, we recommend that the Suffolk PCC/CC:

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

Follow up on progress since 2021/22 reporting:

Given that the 2021/22 Auditors Annual Report was issued in May 2024, there has been limited time passed to provide a meaningful progress update. We will therefore revisit and reports in progress in our final reporting within our 2022/23 Auditor's Annual Report.

Value for Money Commentary (continued)

Improving economy, efficiency and effectiveness: How the Authority uses information about its costs and performance to improve the way it manages and delivers its services

No significant weakness identified

The Constabulary has an array of performance metrics, including organisational goals for the next 12 months, across all aspects of its operations against the seven key priorities that are set out in the Police and Crime Plan 2022-25.

The Authority also prepares the Medium-Term Financial Plan (2022/23-2025/26) over a 4-year period.

This Police and Crime Plan sets the direction for policing in Suffolk for the next three years; it is a bespoke strategic plan for the County, tailored to the needs of Suffolk and the communities served by the Constabulary. The planned objectives are matched with a planned activity to deliver the Police and Crime Plan.

Performance is reported to the PCC in the bi-monthly Accountability & Performance Panel meetings. Where performance is below plan, this is followed up on to seek the required improvements. Depending on the performance area, the PCC will have oversight of the actions being identified and taken to address the areas for improvement.

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

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

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

Conclusion: Based on the work performed, the Authority had proper arrangements in place in 2022/23 to enable it to use information about its costs and performance to improve the way it manages and delivers services.



03

Appendices

Appendix A - Summary of arrangements

Financial Sustainability

We set out below the arrangements for the financial sustainability criteria covering the financial year 2022/23 (01/04/2022 to 31/03/2023).

Reporting Sub-Criteria

Findings

How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

The PCC/CC uses Outcome Based Budgeting (OBB) approach which is a method to align budgets to demand, performance, outcomes and priorities, and it analyses the spending of the entire Force. This information is then lined up against priorities and demands of the Force Management Statement (FMS) and PCC's Police and Crime Plan. Heads of Department presented savings and investment proposals, and these were modelled against the impact on budgets and outcomes, which were reviewed by a Joint Chief Officer Panel against the OBB principles. The process concluded with agreement on Suffolk only budgets (including OPCCS budgets), the joint budgets with Norfolk Constabulary, costs and savings arising from the process to be included in the spending plan.

The Change Programme, run by the Constabulary through collaboration with Norfolk Constabulary, is sustained over the medium-term to ensure that savings are achieved in a timely manner and that annual budgets are balanced. Hence the annual budget proposals are made in the context of a rolling four-year strategic and financial planning cycle, including the current year.

How the body plans to bridge its funding gaps and identifies achievable savings

The PCC/CC has generally managed its demand led pressures within its budget year-on-year, and where appropriate has used earmarked reserves to meet additional demands and unbudgeted costs. The PCC/CC also has a proven track record of delivering efficiency savings.

The PCC approved the net total revenue budget of £150.374m for 2022/23 in January 2022, which includes planned contribution to reserves of £1.213m and planned savings requirement of £2.001m, made up of both pay (£1.320m) and non-pay (£0.681m).

The year-end financial outturn report for 2022/23 shows that the Group Revenue Budget has an underspend of £0.676m and the delivery of planned savings of £2.001m has also been achieved.

We also reviewed the MTFS 2023/24 to 2026/27 which was constructed by rolling forward the base 2022/23 budget and repriced for inflationary pressures, including the non-pay inflation assumption of 5%. The plan saw an increase of Council Tax by 6% per annum, providing a total revenue budget of £157.444m. This includes planned use of reserves of £0.584m and planned savings requirement of £2.306m, made up of both pay of £1.552m and non-pay of £0.754m.

Since the MTFP was approved in January 2023, inflation has continued to rise and impact costs over the year which is being closely monitored and managed by the Constabulary. The latest budget monitoring report as at 30 November 2023 shows the group revenue budget is forecast to underspend by £2.826m.

Appendix A - Summary of arrangements

Financial Sustainability

We set out below the arrangements for the financial sustainability criteria covering the financial year 2022/23 (01/04/2022 to 31/03/2023).

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

Appendix A - Summary of arrangements

Financial Sustainability

We set out below the arrangements for the financial sustainability criteria covering the financial year 2022/23 (01/04/2022 to 31/03/2023).

Reporting Sub-Criteria	Findings
How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.	<p>The PCC approves the Constabulary budget and MTFP on an annual basis and hold the CC to accounts for the management of the funds, including the in-year financial performance monitoring, and the delivery of the strategy via the Accountability and Performance Panel. The meeting is attended by the PCC, CC and members of the Chief Officer Team and Senior Staff as appropriate to the business.</p> <p>The PCC also oversee the financial risks and delivery of the planned savings requirement. At each meeting CC provides an overview of Performance Priorities Monitoring Report setting out the progress against the four objectives of the Police and Crime Plan, alongside the budget monitoring report which is provided by CFO where delivery against the budget would be considered and challenged as appropriate.</p>

Appendix A - Summary of arrangements

Governance

We set out below the arrangements for the governance criteria covering the financial year year 2022/23 (01/04/2022 to 31/03/2023).

Reporting Sub-Criteria

How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

Findings

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

The identified risks are regularly monitored through the governance arrangements to Joint Chief Officer Team (JOCT), Joint Organisational Improvement Group (JOIG), Programme Co-ordination Board (PCB) and, where appropriate, to the Officers of the Police and Crime Commissioners (OPCC).

Where the risks have an organisation-wide impact or where they cannot satisfactorily be managed at department level, they will become strategic risks which will be taken into the Strategic Risk Registers which are owned by CC and PCC, with measures taken across both Constabularies to manage them.

The risk assessed are wider than just financial but also includes operational and organisational risks. The Constabulary assesses risks on a matrix of likelihood and impact scoring by using a 'traffic light' system and defines tolerance level of risks for its activities.

The Strategic Risk Register is reviewed by the Joint Audit Committee on a quarterly basis, who challenge the risks included and gain assurance that the right risks and mitigations are included. It also reviews arrangements for assessment of fraud risks and monitors the effectiveness of the counter-fraud strategy and actions. The Constabulary also has an internal audit service outsourced to a third party, TIAA, to help gain assurance over the effectiveness of internal controls.

The Constabulary management is responsible for responding to the internal audit findings appropriately and in a timely manner with appropriate challenge from the Joint Audit Committee. OPCC also has its own Risk Management Strategy in place and produce their own Strategic Risk Register which is reviewed through the OPCC meeting structure, including Strategic Governance Board and Estates Governance Board.

However, during the prior year 2021/22 audit we identified and reported on a risk of significant weaknesses which also impacted the 2022/23 financial year. This is in regard to the Suffolk Police's governance arrangements and inadequate internal controls to prevent data breach and non-compliance with laws and regulations in relation to the data breach. The breach was related to the handling of personal data in responses to Freedom of Information (FOI) requests that were provided in 2018 and during the period of 2021 and 2022. This has been detailed and reported further in the Governance section of our VFM commentary.

Appendix A - Summary of arrangements

Governance

We set out below the arrangements for the governance criteria covering the financial year year 2022/23 (01/04/2022 to 31/03/2023).

Reporting Sub-Criteria

Findings

How the body approaches and carries out its annual budget setting process

The PCC is required to set a balance budget in line with the statutory requirements.

The PCC consult with the CC in planning the overall annual budget, taking into consideration the funding streams, the demands and pressures on the policing service and the priorities set out in the Police and Crime Plan, and will make a decision on the level of the proposed precept/council tax as part of the budget setting process.

The PCC also has a statutory duty to obtain views of the local community, key stakeholders and public sector bodies on the proposed expenditure (including capital expenditure) in the financial year ahead of the financial year to which the proposed expenditure relates. The 2022/23 budget consultation took form of a public survey and in public engagement events, including informal drop-in sessions. All comments received to the consultation were provided to the PCC to help inform their 2022/23 policing budget decisions. The 2022/23 budget proposals included net revenue budget of £149.586m with an increase of 4.2% to the policing elements of council tax, which was approved by the Police and Crime Panel on 28 January 2022.

How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed

The PCC CFO and CC CFO oversees the adoption and implementation of the Financial Regulations including the rules relating to budgetary control, financial management, treasury management and banking arrangements.

Budget Managers are responsible to manage income and expenditure within their areas and to monitor performance. Detailed budget monitoring is undertaken by Budget Manager on a monthly basis and report to both the PCC CFO and CC CFO, including any variances and take necessary actions to avoid exceeding the budget allocation and alert the CC CFO as appropriate. Head of Finance has monthly meeting with CFOs to discuss the reports.

The CC CFO submits a budget monitoring report monthly to the PCC containing the most recently available financial information. The monitoring reports compare projected income and expenditure with the latest approved budget allocations to ensure sound financial management. The CC CFO also report to the PCC projections of spending on individual capital projects, including slipping between financial years. The reports are also presented to the Accountability and Performance Panel on a bi-monthly basis.

Appendix A - Summary of arrangements

Governance

We set out below the arrangements for the governance criteria covering the financial year year 2022/23 (01/04/2022 to 31/03/2023).

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

Appendix A - Summary of arrangements

Governance

We set out below the arrangements for the governance criteria covering the financial year year 2022/23 (01/04/2022 to 31/03/2023).

Reporting Sub-Criteria

How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests)

Findings

The Constabulary has policies and procedures in place to ensure that staff operate in accordance with relevant legislative and regulatory requirements, including the acceptance of gifts and hospitality and business interests and additional occupations. The Joint Audit Committee is also responsible to review the corporate governance arrangements to ensure the effectiveness of the governance, risk management and control frameworks.

The PCC, CC and all members of the Joint Audit Committee have signed a register of interest, in line with the Code of Conduct and Business Interest Policy. The declarations can be found on the Constabulary's website.

The Constabulary also include review of the effectiveness and compliance with key corporate and HR policies in the Internal Audit programme on a rolling basis, the most recent one completed in 2021/22 and was issued with 'Substantial' Assurance Assessment.

However, during the prior year 2021/22 audit we identified and reported on a risk of significant weaknesses which also impacted the 2022/23 financial year. This is in regard to the Suffolk Police's governance arrangements and inadequate internal controls to prevent data breach and non-compliance with laws and regulations in relation to the data breach. The breach was related to the handling of personal data in responses to Freedom of Information (FOI) requests that were provided in 2018 and during the period of 2021 and 2022. This has been detailed and reported further in the Governance section of our VFM commentary.

Appendix A - Summary of arrangements

Improving economy, efficiency and effectiveness

We set out below the arrangements for improving economy, efficiency and effectiveness criteria covering the financial year 2022/23 (01/04/2022 to 31/03/2023).

Reporting Sub-Criteria

Findings

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

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

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

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

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

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

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

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

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

Appendix A - Summary of arrangements

Improving economy, efficiency and effectiveness

We set out below the arrangements for improving economy, efficiency and effectiveness criteria covering the financial year 2022/23 (01/04/2022 to 31/03/2023).

Reporting Sub-Criteria

Findings

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

The Constabulary responded to the findings positively with its formal response published on their website. The PEEL report was also presented to the Accountability & Performance Panel meeting on 17 November 2023 with further actions agreed.

In regard to the one inadequate grading relating to 'responding to the public', we confirmed that the implementation of recommendations is on track, with two of the three phases already actioned. The KPIs have also been steadily improving since the inspection date. We are therefore satisfied that the response and governance over this identified weakness has been considered and acted upon in a timely manner and have not identified any significant VFM weaknesses in this regard.

How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve

Suffolk and Norfolk Constabularies have been collaborating since 2010. The collaboration work has delivered in a number of joint units and departments in areas, such as major investigations, protective services, custody, transport and IT. The PCCs and the CCs of both counties meet regularly through the attendance of Norfolk and Suffolk Collaboration Panel to consider issues of mutual interest and to monitor the collaborative work between the two forces and keeping the collaborating arrangements under review.

Suffolk Constabulary also entered into a Seven Force strategic collaboration programme with their counterparts for the police areas of Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Kent and Norfolk. The programme was set up to establish areas for potential collaboration to help address the efficiency of service delivery and improving the effectiveness of delivery to the communities. The programme is governed by the Eastern Region Alliance Summit.

The programme also established a Seven Force Strategic Collaboration Oversight Group. The Oversight Group provides advice, support and oversight to the Senior Responsible Officer for the Programme and makes recommendations to the Eastern Region Alliance Summit.

Appendix A - Summary of arrangements

Improving economy, efficiency and effectiveness

We set out below the arrangements for improving economy, efficiency and effectiveness criteria covering the financial year 2022/23 (01/04/2022 to 31/03/2023).

Reporting Sub-Criteria

How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits

Findings

The 7 Force Procurement Function has been created to support police procurement activity in all the seven police areas. All procurement contracts over £50,000 will be managed by the 7 Force Procurement Function of which the procedures are covered by the Seven Force Procurement Contract Standing Orders. A 7F Strategic Procurement Policy has also been published.

A governance body, 7 Force Strategic Procurement Governance Board, has been put in place to ensure the function operates effectively. The Board is chaired by a nominated OPCC lead, and as a body, is responsible for setting the strategic direction of the 7 Force Procurement Function on behalf of all OPCC's and Chief Constables. Membership of this board consists of representation for OPCC's and Chief Constables of each force and will ensure that focus of effort and priority of the 7F procurement function is shared across all 7 Forces and is acting in the best interests of each force. The Governance board meets monthly and will report into the 7 Force Alliance Summit which govern the Seven Force Strategic Collaboration programme.

Below the 7 Force Strategic Procurement Governance Board is the 7 Force Strategic Procurement Delivery Board, which oversees the delivery of the 7Force procurement function on behalf of the Strategic Procurement Board. Membership consists of a representative from each of the 7 counties including OPCCs and/or Force CFO's. This board also meets monthly. A Senior Leadership Team meeting (7 Force Procurement Function SLT meeting) is then also held monthly which is chaired by the Head of Strategic Procurement who is the top level.

The governance arrangements are then adapted into the local working arrangements at Suffolk through the Suffolk Organisational Board updates provided through the Assistance Chief Officers (ACO) portfolio updates.

Appendix B – Authority and Auditor Responsibilities

Authority responsibilities for value for money

The Authority is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

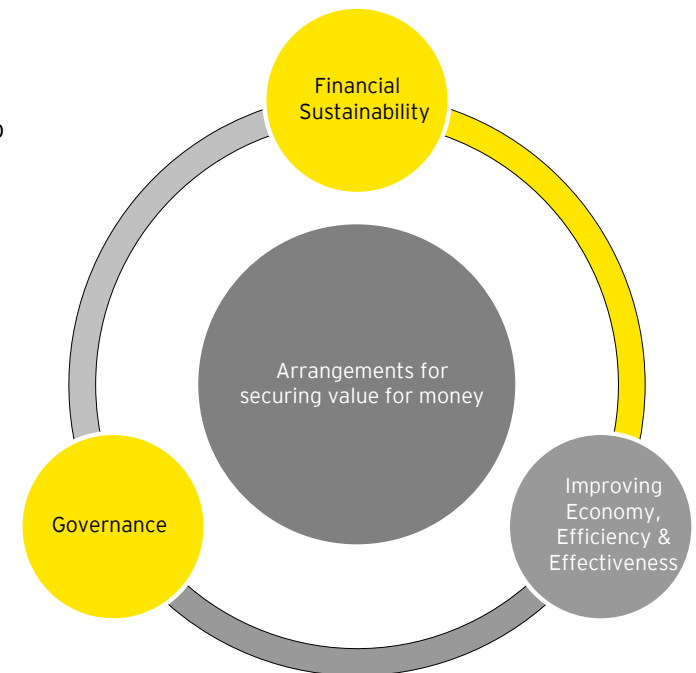
As part of the material published with the financial statements, the Authority is required to bring together commentary on the governance framework and how this has operated during the period in a governance statement. In preparing the governance statement, the Authority tailors the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on arrangements for securing value for money from the use of resources.

Auditor Responsibilities

Under the NAO Code of Audit Practice we are required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Authority a commentary against specified reporting criteria (see below) on the arrangements the Authority has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified reporting criteria are:

- ▶ Financial sustainability - How the Authority plans and manages its resources to ensure it can continue to deliver its services.
- ▶ Governance - How the Authority ensures that it makes informed decisions and properly manages its risks.
- ▶ Improving economy, efficiency and effectiveness - How the Authority uses information about its costs and performance to improve the way it manages and delivers its services.



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