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## **ANNUAL GOVERNANCE STATEMENT 2017**

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### **1. INTRODUCTION**

The Annual Governance Statement concerns itself with the Police and Crime Commissioner's (PCC) governance arrangements and explains the extent to which the PCC complies with his Code of Corporate Governance, and which in turn is consistent with the seven principles of good governance.

The document has been drawn having regard to Delivering Good Governance: Guidance Notes for Policing Bodies in England and Wales 2016 Edition published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

This Annual Governance Statement reflects the position as at 22 September 2017, including the financial year 2016/17, when the Statement of Accounts was approved by the Police and Crime Commissioner (the PCC).

## 2. SCOPE OF RESPONSIBILITIES

The PCC is responsible for ensuring that his business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

In discharging this responsibility, the PCC must put in place proper arrangements for the governance of his affairs and for facilitating the exercise of his functions. This includes ensuring there is a sound system of governance (incorporating the system of internal control) maintained through the year and that arrangements are in place for the management of risk. In exercising this responsibility the PCC places reliance on the Chief Constable of the Suffolk Constabulary to support the governance and risk management processes.

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. The PCC's Code of Corporate Governance was reviewed during 2016 to accommodate the seven governance principles contained within the Guidance Notes referred to above so that with effect from 1 January 2017 a revised code replaced the previous 2013 edition (see Decision No 49-2016).

A copy of the Code is available on the PCC website at [www.suffolk-pcc.gov.uk](http://www.suffolk-pcc.gov.uk) or can be obtained from the PCC's offices at Police Headquarters, Martlesham Heath, Ipswich, IP5 3QS. This Annual Governance Statement explains how the PCC has complied with the Code of Corporate Governance.

In accordance with the 2011/12 Code of Practice on Accounting, the PCC's Chief Finance Officer has reviewed the PCC's financial management arrangements against the governance requirements set out in Principle 3 of the CIPFA Statement upon the role of the Chief Finance Officer to the PCC. He is satisfied that the PCC's financial management arrangements conform with each of the governance requirements set out in Principle 3 and that accordingly public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

Both the PCC and the Chief Constable are subject to the Accounts and Audit Regulations 2015. These Regulations require all relevant bodies to prepare an Annual Governance Statement which must accompany the Statement of Accounts. Group accounts must be completed by the PCC for the PCC and Chief Constable, and the Chief Constable must complete individual accounts. Both the PCC and the Chief Constable are required to produce Annual Governance Statements.

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

The governance framework comprises the systems, processes, culture and values by which the PCC directs himself and maintains control and the activities through which he accounts to and engages with the community. It enables the PCC to monitor the achievement of strategic objectives and to consider whether these 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 and foreseeable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can 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 PCC's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, to manage them effectively, efficiently and economically.

Good governance is about how decisions are made, focusing on matters such as understanding and clarity of aims, the integrity, fairness and transparency of decisions and the effectiveness of controls and accountability mechanisms. Good governance means doing what is right and doing it properly and must be central to the culture of the organisation.

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

This section describes the key elements of the structures, systems and processes that comprise the PCC's governance arrangements. In producing this explanation steps have been taken to ensure that the actions identified in the PCC's Code of Corporate Governance are being addressed. This statement refers to a number of documents and decisions made by the PCC which help to illustrate the Governance Framework of the PCC. These documents and decisions are available through the PCC website referred to above.

## **A. Identification, Communication and Review of the PCC's Aim and Objectives**

This section describes how the PCC's vision for his purpose and the intended outcomes for citizens and service users are identified and communicated.

### Police and Crime Plan

A Police and Crime Plan for the period 2017-2021 was produced to apply from 1 January 2017 (see Decision No 2-2017). Its production complied with the processes required to be adopted by legislation and as pertained with its predecessor.

The 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 PCC.

### Annual Report

The PCC is required to produce an Annual Report. The PCC produced an Annual Report for 2015/16 and which was formally submitted to the Police and Crime Panel for consideration in autumn 2016.

An Annual Report for 2016/17 has also been produced and will be presented to the Police and Crime Panel in autumn 2017.

The production of an Annual Report provides an opportunity for the PCC to report upon progress in relation to his activities, achievements, financial position and performance.

## **B. Ensuring Delivery of Services and the Best Use of Resources**

This section explains how the quality of policing and crime services is measured and how the PCC ensures that they are delivered in accordance with his objectives. Further it explains how it is ensured that the services represent the best use of resources.

### Police and Crime Objectives

The Police and Crime Plan referred to above contains the police and crime objectives which all contribute toward achieving the PCC's overall aim of making Suffolk a safer place in which to live, work, travel and invest.

The Plan has a supporting Action Plan which sets out the actions required to deliver the Police and Crime Plan. The Action Plan is complemented by a detailed Strategic Delivery Plan which specifies the activities, milestones and responsible owners of actions.

The PCC is able to utilise the funds available to him to award crime and disorder reduction grants and commission victims services. The PCC commissions services from any suitable provider who he considers can provide services to contribute to his police and crime objectives and which are consistent with his statutory powers.

### Monitoring Delivery of Objectives

The PCC regularly reviews progress against his police and crime objectives. Where grants have been awarded the awards have been made against the timescales and milestones for delivery and include agreed success criteria or performance measures.

The delivery of performance in the Plan is monitored as specified in the Action Plan to the Police and Crime Plan.

Where the PCC has awarded grant monies to organisations this has been undertaken against robust business cases which clearly set out the success criteria and how the initiative for which funding is sought will deliver clear and measurable outcomes against the police and crime objectives. Where funding has been awarded to a body, that body reports on outcomes and progress deriving from the grant to the PCC and in some cases, particularly for larger grants and contracts, to the Accountability and Performance Panel as required by the PCC.

### Accountability and Performance Panel

The PCC has established the Panel primarily to hold the Chief Constable to account in a public forum. A Schedule of Business for the Panel is maintained to provide clarity on forthcoming items. As indicated above the Panel will monitor performance in a number of other areas and which includes financial monitoring, compliance with the Strategic Policing Requirement, estates issues, collaboration, protective services, human resources issues, stop and search, children and equality issues. The Constabulary Risk Register will also be viewed in private session at each Panel meeting. For more information about the Panel see PCC Decision Nos 7 – 2015 and 49-2016.

### Medium Term Financial Plan

The Medium Term Financial Plan (MTFP) for 2016/17 to 2019/20 has been drawn up in line with the PCC's manifesto commitments. The MTFP was drawn up following identification of the 2016/17 government grants in December 2015. The MTFP was updated for the period 2017/18–2020/21 following identification of the 2017/18 government grants in December 2016. Delivery of a balanced budget against the period of the MTFP is dependent upon the Constabulary continuing to make savings and improving effectiveness. This will be monitored formally by the PCC through the Accountability and Performance Panel. The position will be monitored on the PCC's behalf on a day-to-day basis by the PCC's Chief Finance Officer.

For more information on the MTFP see PCC Decision Nos 3-2016 and 3-2017.

### Inspection

The PCC and Chief Constable carry out a large number of internal inspections each year. These are undertaken by either the Constabulary itself or through the joint programme of linked audits undertaken by the Internal Auditors.

There are also a number of external inspections undertaken of the Constabulary, in the main by Her Majesty's Inspectorate of Constabulary (HMIC) but also including the external auditors. Reports from the external inspections and auditors are considered variously by the PCC. Where actions are required and as appropriate the necessary improvements are monitored by the PCC by consideration of progress against action plans. Any matters of concern may be recorded upon the PCC's Risk Register.

All inspections of the Constabulary by the HMIC are available on the PCC's website together with the statutory responses from the PCC to the Home Secretary upon the inspections.

Overall therefore there are robust and effective arrangements for ensuring that policing services are delivered in accordance with the PCC's objectives and to a high standard and further for ensuring that they represent the best use of resources.

## **C. Roles and Responsibilities**

This section explains the definition and documentation of the roles and responsibilities of the PCC, his statutory officers and those exercising delegated authority on his behalf. The nature of the delegation arrangements for challenging and scrutinising Constabulary activity are also explained.

### PCC Functions

As a corporation sole established by statute the PCC performs a number of functions that are provided for in legislation, namely the Police Reform and Social Responsibility Act 2011. Principal amongst those functions are the duties to secure the maintenance of the police force, secure that the force is efficient and effective, and to hold the Chief Constable to account for the exercise of their functions and those under their direction and control.

The functions and responsibilities of the PCC are discharged by the PCC himself except insofar as the performance of the functions is delegated.

### PCC's Governance Scheme

The PCC has established a corporate governance framework, known as the Scheme of Governance and Consent. The Scheme is monitored on a continuous basis to ensure it is fit for purpose. The Scheme (with the exception of the Contract Standing Orders and Financial Regulations) was reviewed and last amended on 16 December 2016 (see PCC Decision No 49-2016) at the same time as the Code of Corporate Governance was revised. The Contract Standing Orders were in accordance with their provisions reviewed and updated during 2016 by the Chief Finance Officer in concert with his Norfolk counterpart, (they being joint Norfolk and Suffolk Orders). The review of the Scheme was to ensure amongst other things that the decision-making framework, delegation arrangements and other governance arrangements were effective.

The Scheme of Governance and Consent contains a number of elements. Key amongst them are:

- Delegations by the PCC;
- Financial Regulations;
- Contract Standing Orders; and the,
- Decision Making and Accountability Framework.

### Decision-Making and Accountability Framework

The Decision-Making and Accountability Framework has been developed to enable the PCC and those exercising delegated authority on behalf of the PCC to make robust, well-informed and transparent decisions and hold the Chief Constable to account. The formalities relating to the making of decisions are clearly established

with decisions, apart from those where there are reasons of confidentiality, being published on the PCC's website. The decision-making arrangements are detailed in PCC Decision Nos 7-2015 and 49-2016.

The accountability arrangements are explained in PCC Decision Nos 7-2015 and 49-2016. In order to hold the Chief Constable to account and to enable issues to be discussed (and where appropriate decisions made) in public the PCC established an Accountability and Performance Panel. This Panel, scheduled to meet every two months, is the primary vehicle by which the PCC holds the Chief Constable to account in a public forum. A Schedule of Business for these meetings is published, with the business for these meetings being added to as the year progresses. Not only does the Panel consider bi-monthly reports on the delivery of the elements of the Police and Crime Plan as well as financial reports against the Budget, the PCC also considers updates on delivery between each of the meetings.

In addition to this formal accountability mechanism there are also regular meetings between the PCC and Chief Constable. Currently arranged on approximately a weekly basis, they are also attended by the Chief Executive, Deputy Chief Executive, PCC's Chief Finance Officer, Communications Manager and Deputy Chief Constable and Chief Constable's Chief Finance Officer.

An important facet of holding the Chief Constable to account is the reliability of information. Reliance upon the veracity and quality of information has been fortified by the outcomes of the inspection of Suffolk Constabulary by the HMIC upon the extent to which police recorded crime information can be trusted and the internal audit of data quality.

#### Delegations by the PCC

Delegations by the PCC are found in PCC Decision Nos 7-2015 and 49-2016. The Delegations identify those powers of the PCC which may be exercised by officers on his behalf. The Scheme requires to be read and operated together with the Decision-Making and Accountability Framework, as well the Financial Regulations and Contract Standing Orders and which are available through the PCC website. (All are found in Decision Nos 7-2015 and 49-2016).

The four essential elements of the Scheme of Governance and Consent provide for how, in addition to operating within statutory parameters, the decisions of the PCC and those exercising authority on his behalf, are made.

The Chief Executive and the PCC's Chief Finance Officer monitor the Scheme of Governance and Consent on a continuous basis to ensure it is fit for purpose.

#### Officer Roles

The Chief Executive, PCC's Chief Finance Officer, Chief Constable and others as appropriate, are required to advise and support the PCC in meeting his responsibilities.

#### Chief Executive

The Chief Executive's role is to support and advise the PCC in delivering his Police and Crime Plan and in undertaking his statutory duties and responsibilities. As well as responsibility for the management and day to day running of the Office of the PCC the Chief Executive is also the Head of Paid Service and the Monitoring Officer. In discharging the Monitoring Officer role the Chief Executive is required to report to the



PCC if it appears that any proposal, decision or failure within their organisation constitutes, has given rise to, or is likely to break the law or a code of practice. Whilst the Chief Executive will look to find ways to achieve a desired outcome, the Monitoring Officer responsibility will ensure that any solution adopted is lawful and proportionate.

### PCC's Chief Finance Officer

The PCC's Chief Finance Officer is required to ensure that the financial affairs of the PCC are properly administered. Whilst the PCC's professional adviser on financial matters, the PCC's Chief Finance Officer also has similar legal duties and responsibilities to the Monitoring Officer in connection with any unlawful, or potentially unlawful, spending by the PCC or those acting on the PCC's behalf.

The Chief Executive and PCC's Chief Finance Officer continually consider the resources and support necessary to perform effectively in their roles.

Papers to be considered by the PCC for decision are scrutinised by the Chief Executive and/or PCC's Chief Finance Officer, as appropriate for compliance purposes. Indeed any submission for decision by the PCC must be certified by the Chief Executive or Deputy Chief Executive. More information about the roles and responsibilities of the Chief Executive and the PCC's Chief Finance Officer can be found in PCC Decision Nos 1 – 2012, 7-2015 and 49-2016.

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 requires 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 Decisions Nos 27 – 2015 and 19 - 2016. In making the decision to share, the PCC has had to be satisfied that any conflicts that might arise will be appropriately handled. Full regard has been had to the Chartered Institute of Public Finance and Accountancy (CIPFA) Standard of Professional Practice on Ethics. This sets out how conflicts of interest are to be handled. In the event of a conflict of interest the Chief Finance Officer will act in accordance with the CIPFA Standards. The steps to be taken are articulated in practical terms at Appendix A, paragraph 4.4 to 4.7 of PCC Decision No 27 – 2015.

### Chief Constable

The role and responsibilities of the Chief Constable are set out in the common law, legislation and Chief Constable's job description, amongst other sources. The Police Reform and Social Responsibility Act 2011 and the Policing Protocol 2012 are key in this regard. The key roles of the Chief Constable are briefly summarised in the PCC's Scheme of Governance and Consent.

### Scheme of Consent

The Scheme of Governance and Consent comprises a number of key elements including Financial Regulations, Contract Standing Orders and the Delegations of the PCC. There is no separate Scheme of Consent; rather the consents granted to the Chief Constable appear as appropriate throughout the document. They relate in particular to the extent of, and any conditions attaching to, the PCC's consent to the

Chief Constable to exercise powers to enter into contracts and acquire or dispose of property.

### The Police and Crime Panel

Whilst the PCC is ultimately accountable to the electorate, 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. Comprising 11 local county and district councillors and 2 co-opted members and appointed independently of the PCC, the Panel exercises its functions with a view to supporting the effective exercise of the PCC's functions. It has two powers of veto in relation to the PCC's proposed precept and the appointment of a Chief Constable.

## **D. Standards of Conduct**

### Code of Ethics

The College of Policing has produced a national Code of Ethics which sets out the principles and standards of behaviour that will promote, reinforce and support the highest standards from everyone who works in policing in England and Wales. The staff of the Office of the Police and Crime Commissioner have been trained in its content and application. A reminder to the PCC and staff of the Office of the Police and Crime Commissioner to re-familiarise themselves was issued by the Chief Executive in March 2017. The PCC is monitoring the implementation of the Code through the wider workforce via the Audit Committee.

### PCC

The Local Policing Bodies (Specified Information) Order 2011 (as amended) requires a PCC to publish "a statement of the elected local policing body in relation to the conduct of relevant office holders, including procedures for the handling of qualifying complaints and conduct matters". The PCC has adopted a Statement of Policy upon Ethical Conduct to meet this obligation – see PCC Decision No 12-2014. The Chief Executive reviewed the Policy on 4 January 2017 and concluded that no material change was required and that it remained valid in its current form. Notable within the Policy is the PCC's commitment to openness and serving the public interest.

The PCC is accountable to the electorate for his conduct. Upon taking up office the PCC made a statutory declaration of acceptance of office by which he committed to serving all the people of Suffolk. In making the declaration he promised to act with integrity, give the public a voice, be transparent and be accountable to the public. In discharging his responsibilities he is expected to adhere to the Nolan principles relating to standards of behaviour in public life. Briefly stated these relate to selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

These principles have been developed in producing the Statement of Policy. The Policy sets out the Standards of Conduct that the PCC has set himself and gives examples of how he demonstrates that he meets those standards. The PCC is also subject to the Official Secrets Act 1989 in the same way as police officers.

Complaints against the PCC fall to be considered under the Elected Policing Bodies (Complaints and Misconduct) Regulations 2012. The appropriate authority for complaints made against the PCC is the Police and Crime Panel. The Panel is responsible for the initial recording of complaints and conduct matters and for referring any complaints which allege criminality to the Independent Police Complaints Commission. Where complaints do not allege criminality, the Panel is

responsible for handling and informally resolving these complaints. At its meeting on 25 January 2013 the Panel delegated to the PCC's Chief Executive responsibility for receipt, initial handling and recording of complaints, and to the Monitoring Officer of Suffolk County Council, responsibility for securing informal resolution of complaints.

Under the Elected Local Policing Bodies (Specified Information) Order 2011 (as amended) the PCC is required to maintain a register of interests of the PCC. Accordingly the Register of Interests is maintained and available for examination via the PCC's website.

#### Officers and others

As well as the Code of Ethics referred to above PCC staff are subject to rules of conduct applicable under their contracts of employment.

In addition to these rules of conduct the Chief Executive as a solicitor, and the PCC Chief Finance Officer as an accountant, are also subject to professional codes of conduct.

Complaints against the PCC officers (and other volunteers utilised by the PCC) are handled in accordance with the explanation found on the PCC's website. The PCC is committed to maintaining the highest levels of honesty and integrity and the prevention of corrupt, dishonest, unethical and unprofessional behaviour. All PCC staff and volunteers performing custody visitor and Independent Advisory Group duties are subject to police vetting processes. The PCCs vetting policy is set out in PCC Decision No 7-2013.

#### Gifts and Hospitality

Under the Elected Local Policing Bodies (Specified Information) Order 2011 (as amended) the PCC is required to publish a register of each offer of gift or hospitality made to the PCC or a member of staff, indicating whether the offer was accepted or refused. Accordingly a Register of Gifts and Hospitality is maintained.

#### 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.

There were no actual, suspected or alleged frauds notified to management or the Audit Committee during 2016/17.

## **E. Governance Scheme, including Contract Standing Orders, Financial Regulations and their Update**

This section explains the arrangements that apply for Contract Standing Orders and Financial Regulations, both of which are part of the Scheme of Governance and Consent (see section C above).

### Financial Regulations

The PCC has adopted a set of Financial Regulations as a part of the Scheme of Governance and Consent. Available through the PCC website, the Regulations are a major part of the overall governance arrangements for the PCC and help establish a sound internal control environment. In order to conduct business effectively, the PCC and Chief Constable need to ensure that sound financial management policies are in place and that they are strictly adhered to. The Regulations that have been adopted have been drawn up to ensure that the financial affairs of the PCC and the Chief Constable are conducted properly and in compliance with all necessary requirements. They are designed to establish overarching financial responsibilities, and to provide clarity about the financial accountabilities of groups or individuals. They apply to all PCC staff and all of the Chief Constable's officers and staff and anyone acting on their behalf.

The Financial Regulations cannot be viewed in isolation but rather as part of the overall regulatory framework of the Scheme of Governance and Consent.

The Regulations are subject to continuous monitoring by the PCC Chief Finance Officer and Chief Executive to ensure they are fit for purpose in view of the constantly changing environment.

The Regulations are joint Regulations with the Norfolk policing area such that the Norfolk and Suffolk police areas operate under the same Financial Regulations.

### Contract Standing Orders

The PCC has also adopted a set of Contract Standing Orders as part of the Scheme of Governance and Consent. The PCC and Chief Constable require all procurement activity to be undertaken in a transparent, fair and consistent manner, ensuring the highest standards of probity and accountability. The Contract Standing Orders set out the arrangements to ensure that all contracts shall comply with statutory requirements. The Contract Standing Orders are joint orders with the Norfolk policing area such that the Norfolk and Suffolk policing areas operate under the same Contract Standing Orders. The Contract Standing Orders are continuously monitored by the PCC Chief Finance Officer and Chief Executive to ensure they are fit for purpose. As outlined above at section 4C, the Orders were reviewed and updated during 2016.

## **F. Risk Management**

### Risk Management Strategy

A key aspect of decision-making by the PCC relates to risk management. The PCC has adopted a Risk Management Strategy which is encapsulated within the document Risk Management Strategy (incorporating the statement of responsibilities). The PCC seeks to identify, analyse and prioritise the risks faced. He then seeks to manage and control the risks in order to maximise the quality and efficiency of service provision. The strategy recognises the importance of working

closely with the Constabulary and sets out clearly the various responsibilities of the individuals and groups in the risk management regime.

The Chief Executive has overall responsibility for overseeing the corporate approach to risk management and each year arranges, as judged necessary, for an audit of compliance with the strategy. The Chief Executive reviewed the Risk Management Strategy in December 2016 and concluded that no change to it was required.

Both the PCC and the Chief Constable maintain strategic risk registers which are regularly reviewed. The PCC's Risk Register, which identifies, profiles, controls and maintains all strategic risks, is circulated to the Constabulary and is published upon the PCC's website at each update. The PCC also maintains a confidential Risk Register which is not published.

All submissions to the PCC for decision are required to address risk and this is specifically provided for in the Strategy.

All reports to the PCC's Accountability and Performance Panel require the originators to address the risks associated with the subject-matter of the report. This approach ensures that risk management plays a major role in the key elements of the PCC's work relating to financial and budgetary management, service planning and performance management.

In spring 2017 the internal auditors reported a level of substantial assurance in their review of the PCC's risk management arrangements.

For further information upon the PCC's Risk Management Strategy reference should be made to PCC Decision No 17-2013.

## **G. The Role and Functioning of the Audit Committee**

### 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 comprising four members has been appointed and met for the first time on 28 March 2014.

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, including internal audit, the external auditors and Her Majesty's Inspectorate of Constabulary, as well as other periodic reports on key issues of the control environment. The Annual Governance Statement itself was also a document from which the Audit Committee was able to take assurance.

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).

## **H. Compliance with Law and Internal Policy and Procedure**

This section addresses the arrangements that are in place to ensure that relevant law is complied with by the PCC and to ensure that internal policy and procedure is observed. In particular, the arrangements to ensure that all expenditure by the PCC is lawful is described.

### Statutory Officers

The PCC is responsible for securing an efficient and effective police service for the area, for observing the duties imposed and exercising the powers conferred by legislation. The Chief Executive and the PCC's Chief Finance Officer are required to support and advise the PCC in delivering his manifesto, as expressed through the Police and Crime Plan, and in undertaking his statutory duties and responsibilities. This includes in relation to strategy and resource planning, working in partnership with others, commissioning and service delivery, engagement and information management, scrutiny, evaluation and performance.

The Chief Executive is a statutory officer. Whilst responsible for the effective and efficient administration of the PCC's office he also fulfils the statutory role of monitoring officer. In this regard he has responsibility to draw to the PCC's attention any actual or possible contravention of law, maladministration or injustice.

The PCC's Chief Finance Officer, also a statutory officer, has similar responsibilities relating to financial management and governance, and is similarly required to report issues of a financial nature to the PCC where they may give rise to a breach of requirements, be they statutory or otherwise.

All originators of submissions to the PCC for decisions are required to consider a number of issues in the production of their submissions, namely, legal, financial, equality, diversity and human rights, human resources, consistency with the objectives of the Police and Crime Plan, consultation, media and risks. The Chief Executive must be satisfied that all relevant advice has been taken into account in the preparation of a submission before it is considered by the PCC. Similar issues must be considered by originators in the production of reports for the PCC's Accountability and Performance Panel.

Whilst the PCC is reliant upon the statutory professional officers to scan and monitor the environment for potential legislative impacts upon him he is also assisted by numerous professional networks. These include the Association of Police and Crime Commissioners which, amongst other things, is a source of support and advice to PCCs. This is supplemented by the Chief Executive and PCC's Chief Finance Officer membership of the Association of Policing and Crime Chief Executives and the Police and Crime Commissioners' Treasurers' Society respectively, both of which provide a conduit for further professional advice. Technical support services of a financial nature, in common with other police areas, are received from Somerset County Council.

Each year a programme of internal audits is undertaken which is aimed at ensuring compliance with internal policy and procedure. The Plan of internal audits, considered by the Audit Committee, takes into account current corporate governance and risk management issues.

It is clear therefore that there are numerous mechanisms across the PCC's office whereby steps are taken to ensure the PCC complies with both his external and internal obligations.

## **I. Whistleblowing and Complaints**

This section describes the processes for whistleblowing and explains the transparent and accessible arrangements for handling complaints.

### Whistleblowing

The statutory provisions relating to whistleblowing apply to police officers and police staff alike. This means that such staff are able to make disclosures protected by the legislation and remain protected from action by their employer. These statutory provisions are reflected in the policies that apply to staff of the PCC and the Constabulary and explain the action to be taken in cases of whistleblowing.

### Complaints

The handling of complaints relating to the police service is an intricate and complex combination of statutory and employment related provisions. The PCC's website provides information regarding the various types of complaint which might arise and to where complaints should be addressed. It also advises on how the Office of the PCC deals with complaints which are its responsibility.

### Complaints against the PCC

The appropriate authority for complaints made against the PCC is the Police and Crime Panel. The Police and Crime Panel is responsible for initial recording of complaints and conduct matters and for referring any complaints which allege criminality to the Independent Police Complaints Commission (IPCC). Where complaints do not allege criminality, the Police and Crime Panel is responsible for handling and informally resolving these complaints. The Police and Crime Panel has determined that the Chief Executive of the Office of the PCC shall have delegated authority for the receipt and initial handling and recording of complaints against the PCC. However the Monitoring Officer of the Suffolk County Council has responsibility for securing the informal resolution of complaints as appropriate. Complaints are handled in accordance with the Elected Policing Bodies (Complaints and Misconduct) Regulations 2012.

### Complaints against the Chief Constable

The PCC is responsible for recording and investigating complaints against the Chief Constable. In dealing with complaints about the Chief Constable, the PCC follows the statutory guidance issued by the IPCC and in line with the Police (Complaints and Conduct) Regulations 2012.

### Complaints against Police Officers and Police Staff

If anyone wishes to make a complaint against a police officer (other than the Chief Constable) or a member of police staff that works for the Suffolk Constabulary, the

PCC's website directs them to the dedicated section of the Constabulary's website or alternatively to the IPCC website.

The PCC does not deal with complaints about police officers (apart from the Chief Constable) and staff who work for the Constabulary. However the PCC does have a responsibility to monitor and keep himself informed of complaints and misconduct issues relating to police officers and police staff. Where permissible and necessary, the PCC also has the power to direct the Chief Constable to take action in relation to complaints matters. The PCC regularly monitors information about complaints received by Suffolk Constabulary and the lessons learnt by the force.

#### Complaints against PCC Support Staff

Complaints against staff employed by the PCC are considered in the first instance by the Chief Executive. Similarly complaints against the Chief Executive are considered by the PCC. Where necessary complaints against staff are progressed in accordance with their contractual terms and conditions. The PCC website explains the action to be taken should any person wish to complain against a member of the PCC staff.

#### Other Complaints

If anyone wishes to make complaint about the conduct of an Independent Custody Visitor, a member of the Independent Advisory Group or an Audit Committee member the PCC's website explains the action to be taken.

### **J. Conditions of Employment and Development of Officers in relation to their Roles and Training**

#### Terms and Conditions

The staff of the Office of the Police and Crime Commissioner, all of whom are under the direction and control of the PCC, are employed on the standard terms and conditions of the Suffolk Constabulary subject to local variation appropriate to their circumstances. The policies of the Suffolk Constabulary similarly are generally applicable to them subject to variation as necessary within the employment grouping.

#### Development

The PCC has approved a Statement of Approach to Training. The document brings together all aspects of training and development into one place and demonstrates the PCC's commitment to training. Available via the website, PCC Decision No 30-2013, expands upon the arrangement described below.

The performance of and training needs of officers of the PCC are from time to time examined and actioned through Performance Development Review. Through this process steps are identified to enhance transferable skills of officers as well as increase and maintain the knowledge and skills base in police and governance specific disciplines.

The two statutory officers, namely the Chief Executive and PCC's Chief Finance Officer are required to undertake continuing professional development in order to sustain professional qualifications. Officers regularly attend conferences and seminars upon issues of relevance to the delivery of policing and governance.

Staff meetings are held as required and which provide an opportunity for staff to update and enhance their knowledge of key developments on an on-going basis.



All new staff are inducted into the work of the PCC and receive guidance appropriate to the roles to be performed.

## **K. Engagement with Communities and Other Stakeholders**

This section describes how the PCC establishes clear channels of communication with all Suffolk communities and stakeholders, recognising that different sections of the Suffolk community have different priorities and how it ensures accountability and encourages open consultation.

### Communication

The PCC's website, which is regularly updated, is one of the primary sources by which the PCC publicises his activity. In easily accessible format, it includes material upon the PCC's day-to-day activity, news stories, forthcoming meetings, meeting agendas and associated papers, key governance documentation, advice on how to make a complaint, and decisions as well as information that the PCC is statutorily required to publish. In this latter regard information regarding the expenditure and the running expenses of the Office of the PCC can be found. Responses to all Freedom of Information requests are also published.

### Consultation

One of the PCC's key functions is to make arrangements for obtaining the views of the community upon policing. This includes obtaining the views of the people in Suffolk and victims of crime about the policing of Suffolk. Further the views of people in Suffolk and victims of crime in Suffolk must be obtained upon the draft Police and Crime Plan before it is issued. In addition the views of the people and ratepayers representatives must be obtained on proposals for expenditure. This means that decisions of the PCC about police and crime objectives, contained within the Police and Crime Plan, and decisions about expenditure must be informed by the views gained in pursuit of the above obligations upon the PCC. In addition the PCC must exercise their functions having regard to the relevant priorities of each responsible authority.

A Strategic Planning Framework was developed to lead up to the issue of a Police and Crime Plan in a thorough and systematic way. The Framework can be found in PCC Decision No 4-2013. This decision, along with PCC Decision No 14-2013, summarises the consultation that takes place with responsible authorities, business representatives, stakeholders, obtaining the views of the people of Suffolk and victims of crime, and collaboration upon the draft Police and Crime Plan and expenditure, as well as how that consultation shapes the Police and Crime Plan.

The purpose of the Strategic Planning Framework was to ensure that the PCC secured and understood the views of local people about policing, that police and crime objectives were shaped around local needs and which would help improve public confidence. The PCC went on to provide feedback on how issues raised through consultation and community engagement were considered and acted upon.

### Engagement

The PCC holds meetings to engage directly with the public. They range from meetings to which the public are invited to one-to-one surgeries with members of the public. The meeting arrangements vary from time to time. All public meetings are publicised in advance via the PCC's website.

Business

Business Liaison Meetings have been established to enable regular engagement by the PCC and Suffolk Constabulary with representatives of the business community. There are three Business Liaison Meetings per annum for nominated attendees from the business community.

IAG

A channel of communication also exists through the Independent Advisory Group (IAG) which helps improve the trust and confidence of Suffolk's diverse communities in the police service.

It is through the arrangements summarised above that the PCC encourages individuals from all parts of the Suffolk community to engage with, contribute to and participate in the work of the PCC.

More information can be found in the PCC's Scheme of Governance and Consent (see Decision Nos 7-2015 and 49-2016) and on the PCC's website.

**L. Partnerships**

The PCC has a number of collaborative/partnership arrangements with members of the wider policing/local government family.

Collaboration with Norfolk

Both Norfolk and Suffolk Constabularies are collaborating extensively across a range of service areas. At the point where collaborative opportunities are identified as able to deliver efficiencies, savings or improved service then the PCC is required to give their approval to collaborate. This is recognised by Norfolk and Suffolk alike.

The most longstanding collaborative project is the Police Investigation Centres Project which seeks to provide custody facilities across Norfolk and Suffolk under a private finance initiative (PFI). All of the custody facilities were formally commissioned during 2011. A legally binding Second Joint Working Agreement, which in general terms describes the management and governance arrangements between the two PCCs, and which runs for the 30 year life of the service, is in existence. The PCC currently maintains oversight of the project through membership of a joint PFI Board by the Chief Executive and the PCC's Chief Finance Officer. Decision-making relating to specifically identified decisions requires PCC approval.

The Collaboration Panel for Norfolk and Suffolk, as described in the Scheme of Governance and Consent provides an opportunity for the counties' respective PCCs to consider issues of mutual interest and discharge the governance responsibilities of the PCCs.

Regional Collaboration

Collaboration within the Region has been pursued for a number of years. Since the introduction of PCCs, the six PCCs from the region have met quarterly as a group with their Chief Constables and Chief Executives. All collaborations that have been entered into have a collaboration agreement which specify the formalities of the collaboration arrangements in relation to specific collaborations.

Since October 2015 the six police areas in the Region have been joined by Kent in the 7 Force Strategic Collaboration Programme. This has been formalised in a collaboration agreement entered into between the PCCs and Chief Constables of the seven police areas, and which was reviewed in a Second Collaboration Agreement in early 2017 to progress the Programme until at least the end of March 2019.

### Wider Public Sector

The PCC is also involved in partnerships outside of the police family and in this regard has continued the work overseen by the predecessor authority. The police service in Suffolk currently share use of a number of buildings with the County Council ranging from Landmark House in Ipswich (which involved the joint purchase and commissioning of this major capital asset) to the shared use of local fire stations throughout the county for Safer Neighbourhood Teams. Further collaborative work is currently being undertaken for the police and fire services to share further premises as well as the eight premises that are currently used jointly. The ambulance service is also involved in the further work that is being undertaken.

The PCC also attends or is represented on a number of other countywide strategic boards which comprise Suffolk Public Sector Leaders, the Norfolk and Suffolk Local Criminal Justice Board, the Suffolk Health and Wellbeing Board, and the Safe and Strong Communities Group. Whilst not a responsible authority for the purposes of the Community Safety Partnerships within the County, the PCC engages with the partnerships in the course of discharging his role.

### Commissioning

Section 143 of the Anti-Social Behaviour Crime and Policing Act 2014 provides that the PCC may provide or arrange for the provision of services that will secure or contribute to securing crime and disorder reduction in the area and services which are intended to help victims, or witnesses of, or persons affected by offences and anti-social behaviour. The Office of the Police and Crime Commissioner ensures that the services commissioned are consistent with the PCC's objectives as set out in the Police and Crime Plan.

For the financial year 2016/17, the PCC committed over £1.5m to crime and disorder reduction and victims commissioning grants (including funding to the Safer Suffolk Fund). A significant proportion of that funding was committed to Lighthouse Women's Aid to deliver the Suffolk Independent Domestic Violence Advisory Service (PCC Decision No C13-2014) and to commission Victim Support to deliver the generic victim assessment and referral service (PCC Decision No 23-2015). In 2017/18 the bulk of the Ministry of Justice grant will once again be committed to the Suffolk Independent Domestic Violence Advisory Service and the Victims Assessment and Referral Centre.

All grants awarded are subject to conditions and monitoring requirements, business cases must set clear success criteria and the outcomes to be achieved must be demonstrated. Details relating to grants made are published on the PCC website.

## 5. REVIEW OF EFFECTIVENESS

The PCC has the responsibility for conducting, at least annually, a review of the effectiveness of the governance framework, including the system of internal audit and the system of internal control. Review of these systems has been informed by the work of internal auditors and officers of the PCC who have responsibility for the development and maintenance of the governance environment. Comments made by external auditors and other review agencies have also informed this review.

The Corporate Group comprising the Chief Executive, Deputy Chief Executive and PCC's Chief Finance Officer, with the responsibility for drafting this Annual Governance Statement have considered the governance framework and the system of internal controls as necessary and vital concomitants to producing such a statement. These officers collectively have involvement in the oversight of the processes involved in maintaining and reviewing the effectiveness of the governance framework. In producing this statement full regard has been taken of the PCC's Risk Register. The maintenance and review of the effectiveness of the governance framework also extends to others within the Office of the PCC. The PCC himself maintains overall control of the governance framework and has been involved, for example, in considering and approving the Scheme of Governance and Consent, the Risk Management Strategy, as well as challenging Constabulary performance. The Audit Committee has carried out work against its terms of reference, and which has included the consideration of the effectiveness of the PCC's risk management arrangements and the internal audit plan. Internal audit have carried out a programme of work at a level commensurate with the legal and professional obligations of the PCC.

The Audit Committee as part of its regular business reviews the effectiveness of the system of internal audit on an annual basis. In accordance with Regulation 6 of the Accounts and Audit Regulations 2015, the review of the effectiveness of internal audit has concluded that the opinion in the annual report on internal audit work can be relied upon as a key source of evidence. The effectiveness of the system of internal audit includes the effectiveness of the Audit Committee (interim or otherwise) (to the extent that its work relates to internal audit) as well as the performance of internal audit.

Internal audit provided an independent opinion on the adequacy and effectiveness of the PCC's system of financial control, including in particular the key controls operating within and around the core financial systems.

Deficiencies in internal controls are reported by internal audit to management whose responsibility is to consider them and act appropriately. The result of the internal audit review of the effectiveness of the system of internal control has been reported to the Audit Committee.

Based on the findings of the internal audit work carried out throughout 2016/17, the Head of Internal Audit has given the following opinion:

### *“HEAD OF INTERNAL AUDIT'S ANNUAL OPINION*

*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.”*

In their Annual Assurance Report 2016/17 the internal auditors advised that they had carried out 25 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”, four were graded as “limited”.

*1) Internal Audit - HR Recruitment*

This review assessed the adequacy and effectiveness of the internal controls in place for managing the recruitment function within Norfolk and Suffolk Constabularies. A number of important action points were identified.

*2) Internal Audit - Duty Management System*

The purpose of the audit was to assess the adequacy and effectiveness of the internal controls in place at the Constabularies for managing the Duty Management System. A number of important action points were identified.

*3) Internal Audit - Estates – Facilities (Catering – Suffolk)*

The purpose of the review was to assess the adequacy and effectiveness of the internal controls in place at the Constabulary for managing the catering function. A number of important action points were identified.

*4) Internal Audit - HR – Strategy and Workforce Planning*

This review assessed the adequacy and effectiveness of the controls in place at Suffolk and Norfolk OPCCs and Constabularies for managing the HR strategy and workforce planning process. One urgent action point was 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.

*HMIC – Effectiveness, Efficiency and Legitimacy Inspections*

In the period covered by this Annual Governance Statement the HMIC 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. HMIC 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. HMIC 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. HMIC 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 (see Annex A).

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

In considering this Annual Governance Statement the Audit Committee has reviewed the effectiveness of the governance framework including the system of internal control. In undertaking the review the Committee has been advised by the Chief Executive and the PCC's Chief Finance Officer.

## **6. SIGNIFICANT GOVERNANCE ISSUES**

No significant governance issues were identified in the Annual Governance Statement for 2016. Notwithstanding that position two major projects progressed throughout 2016/17. Firstly Suffolk and Norfolk PCCs 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.

On data security there have been no breaches during 2016/17 which have resulted in a referral to the Information Commissioners' Office from the Information Management Department.

The PCC's Medium Term Financial Plan (MTFP) 2017-18 to 2020-21 was developed following the announcement by The Minister of State for Fire and Policing in December 2016 of the police funding settlement for 2017-18, which stated that 'direct resource funding for each PCC, including precept will be protected at flat cash levels compared to 2015-16, assuming that precept income is increased to the maximum amount available in both 2016-17 and 2017-18'.

A significant financial consequence of the 'flat cash' grant settlement is that recurring savings are required to be delivered in order to fund the cost of nationally agreed pay awards for officers and staff, and other unavoidable inflationary cost pressures.

In the current year, there has been a significant increase in demand in a number of key business areas, resulting in the need to cover vacant posts through the use of overtime. In addition, deployment of additional resources has been necessary to maintain operational performance, resulting in additional overtime and agency costs being incurred. Mutual aid from neighbouring forces in support of on-going major operations has also been called upon, as and when required.

The financial consequence of these demands has resulted in a year-end forecast overspend of £715k for Suffolk Constabulary based on the financial position to 31 July 2017, concluding

in a decision that action is required to mitigate and reduce the projected year-end overspend and come as close to the budget as possible, in order to protect the level of PCC reserves.

Steps being implemented to reduce the 2017-18 forecast overspend include:

- Vacancy management- recruiting only to business critical posts;
- Overtime- limit to meeting essential business and operational needs;
- Non-pay expenditure- travel, external training, and supplies and services to be limited to critical or essential requirements.

An early start has been made on the 2018/19 budget and MTFP processes, which will provide greater opportunity for the Chief Constable and PCC to take measured and probably difficult decisions as regards budget reduction plans. The existing strong financial planning governance processes (Service and Financial Planning Challenge Panels, underpinned by the use of Outcome Based Budgeting tools) will be continued. The Panels will identify a range of low to high risk budget reduction options which will then be considered by Chief Officers prior to more detailed discussion with the PCC.

No further or new significant governance issues have been identified for the purposes of this Annual Governance 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 PCC's affairs are in place and that their operation through the governance framework is fit for purpose.

Signed:

Tim Passmore  
Police and Crime Commissioner for Suffolk

Christopher Jackson  
Chief Executive (and Monitoring Officer)  
Office of the Police and Crime Commissioner for Suffolk

Chris Bland  
Chief Finance Officer  
Office of the Police and Crime Commissioner for Suffolk

22 September 2017

ANNEX AAGS 2017**ACTION PLAN**

Subject	Action	Recorded on Risk Register
HMIC have listed areas for improvement in their 2016/17 reports covering Efficiency, Effectiveness and Legitimacy.	Progress to be monitored through the Accountability and Performance Panel.	No (Not considered to be strategic risks)
As detailed in Section 5, Internal Audit has issued four limited assurance reports in 2016/17 containing recommendations.	Progress for compliance with action points to be monitored by Chief Executive and Chief Finance Officer.	No (Not considered to be strategic risks)