

## ANNUAL GOVERNANCE STATEMENT FOR THE POLICE AND CRIME COMMISSIONER FOR NORFOLK AND THE CHIEF CONSTABLE OF NORFOLK 2019/20

### 1. Background

- 1.1 This Annual Governance Statement (AGS) covers the financial year 2019/20 [but extends to cover the period to the signing of the Statements of Accounts in October 2020. This statement is an opportunity to demonstrate compliance with the Code of Corporate Governance.
- 1.2 The Police and Crime Commissioner (PCC) and the Chief Constable for Norfolk are responsible for ensuring that their business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
- 1.3 In discharging this overall responsibility, the PCC and Chief Constable are also responsible for putting in place proper arrangements for the governance of their affairs and facilitating the exercise of their functions, which includes ensuring a sound system of governance (incorporating the system of internal control) is maintained through the year and that arrangements are in place for the management of risk.
- 1.4 The Corporate Governance Framework, which sets out how governance 'works' for the PCC and Chief Constable, can be found on the PCC's website ([www.norfolk-pcc.gov.uk](http://www.norfolk-pcc.gov.uk)) or may be obtained from the Office of the Police and Crime Commissioner for Norfolk, Building 1, Jubilee House, Falconers Chase, Wymondham, Norfolk, NR18 0WW.
- 1.5 This Framework includes the joint Code of Corporate Governance (the Code) which is consistent with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government [April 2016] (as expanded by a Guidance Note for Police [June 2016]).
- 1.6 The PCC's and Chief Constable's financial management arrangements conform to the governance requirements of the current CIPFA Statement on the Role of Chief Financial Officers in Policing. This statement is being revised but has yet to be formally issued at the time of writing.
- 1.7 This AGS also explains how the PCC and Chief Constable have complied with the Code and also meets the requirements of Regulation 6 of the Accounts and Audit (England) Regulations 2015 in relation to the review of the effectiveness of the system of internal control and the publication of an annual governance statement.

## **2. The Purpose of the Governance Framework**

- 2.1 The governance framework comprises the systems and processes and culture and values by which the PCC and Chief Constable are directed and controlled, and the activities through which they account to and engage with the community. It enables the PCC and Chief Constable to monitor the achievement of their strategic objectives and to consider whether those objectives have led to the timely delivery of appropriate, cost-effective services, including achieving value for money.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the PCC's and Chief Constable's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, efficiently and economically.
- 2.3 However, good governance is not only about processes, rules and procedures. The governance framework should be applied in a way which also demonstrates the spirit and ethos of good governance. Shared values which are integrated into the culture of an organisation and are reflected in behaviour and policy are essential hallmarks of good governance.

## **3. The Governance Framework**

- 3.1 The Chief Constable is responsible for operational policing matters, the direction and control of police officers and police staff, and for putting in place proper arrangements for the governance of the Constabulary. The PCC is required to hold the Chief Constable to account for the exercise of those functions and those of the persons under the Chief Constable's direction and control. It therefore follows that the Commissioner must satisfy himself that the Constabulary has appropriate mechanisms in place for the maintenance of good governance, and that these operate in practice.
- 3.2 The PCC has adopted a Corporate Governance Framework (including the Code of Corporate Governance) and a Scheme of Governance and Consent which includes Financial Regulations and Contract Standing Orders. These are reviewed periodically in accordance with requirements.
- 3.3 The governance framework has been in place throughout the financial year 2019/20 (ending 31 March 2020) and [up to the date of the approval of the Statements of Accounts].
- 3.4 The key elements of the systems and processes that comprise the PCC's and Chief Constable's governance arrangements and how these adhere to the seven principles in the Code are set out below: -

### **Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.**

- 3.5 The Police Code of Ethics, produced by the College of Policing, describes the principles that every member of the policing profession in England and Wales is expected to uphold and the standards of behaviour they are expected to meet. This Code applies to all those who work for the Constabulary, be they police officers, police staff, contractors or volunteers. Staff have been made aware of the Code of Ethics and its implications. Policies, procedures and training products are reviewed in line with the Code and it is

central to decision making using the National Decision Making Model. Where there are breaches of the Code of Ethics or the Standards of Professional Behaviour there is a positive duty to report these matters. The Joint Professional Standards Department receives such reports and these are investigated appropriately and in accordance with Police Regulations. A Code of Conduct based on the Code has also been adopted by the PCC and staff of the OPCC.

- 3.6 Following the enactment of the Police and Crime Act 2017 a number of Police Regulations changed on 1<sup>st</sup> February 2020 and these changes include the Chief Constable no longer being the appeal body for complaints from the public with the PCC now becoming the review body. Appeals are now referred to as a 'right to review'. Other changes include less serious misconduct matters being dealt with as 'Practice Requiring Improvement' which will involve line managers in improving the officer's performance rather than instigating formal misconduct proceedings. The OPCC and the Constabulary have been working together to plan for these changes and have undergone the necessary training in preparation for the new regulation changes. The implementation of the new model has now been in operation since February 2020 and there have been no issues and the process is operating smoothly.
- 3.7 Formal policies also exist in respect of whistle blowing, public complaints, anti-fraud and corruption, declaration of business interests, gifts, loans and hospitality and disclosable associations. An Ethics Committee has been established to enable staff to raise for consideration ethical issues affecting the Constabulary to enable further improvement in the transparency, professionalism and ethical approach of staff, policies and procedures to such issues. A Joint Integrity Board has also been established with the aim of securing the internal confidence of staff and officers in the fair application of policy and process in matters of integrity and ethics and to ensure that the organisations manage risk and learn from cases to improve the service provided.

### **Principle B - Ensuring openness and comprehensive stakeholder engagement**

- 3.8 The OPCCN's website contains details of the meetings the PCC holds with the public, partners, Chief Constable, Audit Committee and Police and Crime Panel. Agendas, reports and minutes are available for public scrutiny where appropriate and social and digital media are frequently used to inform people unable to attend and to summarise meetings and key decisions.
- 3.9 The Constabulary offers regular, direct updates via its social and digital channels including Twitter, Facebook, Instagram, Next Door, LinkedIn, the force website, and indirectly via the local media. In addition, members of the public can sign up to the free Police Connect service to receive details of local crimes, initiatives and engagement opportunities via e-mail, voicemail or text.
- 3.10 The Constabulary Community Engagement Strategy and Business Plan sets out how the Constabulary will effectively engage with the residents of Norfolk in accordance with Section 34 of the Police Reform and Social Responsibility Act 2011. Key aims include actively engaging with the public, using digital technology to reach a wider audience, ensuring officers and staffs have a clear understanding of expectations, working with partners, and acting on feedback to ensure we meet needs and requirements. Seven Community Engagement Officers have been appointed to each of the policing districts within the county and are using social media in a number of different ways to communicate effectively with the public.

- 3.11 Representatives of the PCC attend meetings regularly to ensure that the arrangements the Constabulary has in place are effective. The PCC's Office (OPCC) also has its own Communications and Engagement Strategy setting out how it will obtain the views of the community and victims of crime regarding policing. This was updated for 2016-2020. The OPCCN has a Consultation and Engagement Officer to review, develop and deliver its engagement activities and oversee delivery of the Strategy.
- 3.12 The PCC held a countywide budget consultation asking Norfolk people whether they agreed to a precept rise for 2020/21. Key partners were also consulted. The results of the police budget 2020/21 consultation show that 59.8% of those who took part said they would be prepared to pay extra through the policing element of their council tax. Of those who showed a preference for an increase, 31.8% stated that they would not be willing to pay more than 2%. The PCC holds regular public meetings (Police Accountability Forum) to hold the Chief Constable to account and hosts public Q&A meetings around the county where residents can quiz senior police officers about the policing of their neighbourhoods.
- 3.13 The OPCC manages a key independent advisory panel, the Independent Advisory Group (IAG).
- 3.14 The Constabulary measures the satisfaction of service users through the use of victim surveys and reports to the Office of the PCC on levels of satisfaction as one of the agreed Police and Crime Objectives. It also reviews public confidence through monitoring of results through the Crime Survey of England and Wales.
- 3.15 Norfolk Constabulary collaborates extensively with Suffolk Constabulary as it has done since 2008. This formal collaboration is across a range of services including operational policing and back office functions. The PCC is required to give approval to collaborative opportunities before they can commence. The PCCs of Norfolk and Suffolk meet during the year to discuss and discharge their governance responsibilities. In addition to this there are governance arrangements that cover operational managers and Chief Officers. The main drivers have been to maintain the effectiveness of operational and organisational support and to drive out savings through economies of scale and efficiencies in order to protect front line resources wherever possible.
- 3.16 There are also services that are subject to ongoing regional collaboration. A Seven Force Strategic Collaboration Programme has been established (this is essentially the three strategic collaborations of Norfolk/Suffolk, Kent/Essex and Bedfordshire/Cambridgeshire/Hertfordshire) with a mission to develop options for wider collaboration in order to make efficiencies and drive out further savings. The programme is governed jointly by the seven PCCs and seven Chief Constables.

**Principle C - Defining outcomes in terms of sustainable economic, social and environmental benefits**

- 3.17 Following his arrival in May 2016, the PCC has consulted widely on his Police and Crime Plan (2016/20) and this was published in March 2017. The Plan sets out seven core priorities for Norfolk and outlines the PCC's vision for tackling and preventing crime, protecting the most vulnerable and supporting victims. The PCC elections in May 2020 were cancelled due to the COVID-19 pandemic and the elections will now take place in 2021. The priorities and plan have continued as below for the extension of the current PCC's term.

The seven priorities are: -

- Increase visible policing
- Support rural communities
- Improve road safety
- Prevent offending
- Support victims and reduce vulnerability
- Deliver a modern, innovative service
- Good stewardship of taxpayers' money.

3.18 The Plan is monitored through two public forums:

- The Police Accountability Forum where the Chief Constable is held to account by the PCC for delivery against the Police and Crime Plan.
- The Norfolk Police and Crime Panel where the PCC is held to account by the Panel for delivery against the Police and Crime Plan.

All of these performance reports are published on the OPCCN website <https://www.norfolk-pcc.gov.uk/police-accountability-forum/>

and the Police and Crime Panel section of the Norfolk County Council website:

<https://www.norfolk.gov.uk/what-we-do-and-how-we-work/policy-performance-and-partnerships/partnerships/crime-and-disorder-partnerships/police-and-crime-panel>

3.19 There is a co-ordinated process for strategic and medium-term financial planning (MTFP) that uses Outcome Based Budgeting (OBB) principles. The budget for 2019/20 proposed by the PCC was based on an increase in the council tax (following consultation) of £10 per annum for a Band D equivalent property. The increase in the precept has been used to invest in and improve services for the communities of Norfolk. The PCC's proposal was unanimously supported by the Police and Crime Panel. Savings were required to balance the budget but through central government funding for Operation Uplift it is possible to increase police officer numbers. The work involved in preparing the budget and the MTFP requires close liaison with operational staff and budget managers followed by a detailed process of scrutiny and challenge by Chief Officers in order to ensure that the MTFP can finance the strategic aims of the Constabulary and the PCC.

3.20 There is a clearly defined corporate performance management framework. Objectives and key performance indicators are established and monitored both at a corporate and local level. Regular reports are made to senior managers, the Command Team, the Commissioner and the Norfolk Police and Crime Panel on performance against objectives. This includes detailed analysis and scrutiny of performance and compares performance against the most similar family of forces.

3.21 Proposals for collaboration go through a detailed process, designed to ensure that all options are considered, outcome and risk assessed and that all parties can sign up to formal agreements in the knowledge that future policy, performance and resource levels are recognised at the offset. Dedicated resources are in place to support those units subject to Norfolk / Suffolk collaboration, including the formulation of detailed business cases. The business cases are subject to review by senior officers and the Joint Chief Officer Teams of the two constabularies. Proposals are further discussed before final sign off by the two PCCs. This is underpinned by formal agreements covering the legal aspects of collaboration. A similar process applies to regional proposals.

- 3.22 A Programme Management Office oversee the planning, implementation and delivery of Norfolk and Suffolk Constabularies' overarching change programme in accordance with the two force's strategic priorities and reports upwards via the Joint Strategic Planning and Monitoring Board meeting into the Joint Norfolk and Suffolk Chief Officer Team.

**Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes**

- 3.23 Norfolk and Suffolk Constabularies gather data and intelligence from a range of sources to produce an annual Strategic Assessment. The Strategic Assessment considers all relevant internal and external factors that might impact upon policing, crime and disorder at county and local level, highlighting emerging issues, risks and threats. All operational issues are risk assessed using the nationally recognised Management of Risk in Law Enforcement (Mormile) framework. The Strategic Assessment is then used to inform the development and review of the Police and Crime Plans, and the local policing plans and performance frameworks. It also leads to the setting of the Operational Control Strategy for which there are identified strategic leads for each theme area. Partners are consulted in the development of the Strategic Assessment and the final document is also shared with them to help aid their decision making and planning.
- 3.24 The Constabulary also undertakes strategic analysis in the form of Strategic Profiles. Where relevant, these are produced jointly for Norfolk and Suffolk, highlighting any cross force and single force issues. The profiles cover a range of strategic crime and thematic topics, including some looking at organisational issues such as equality, diversity and inclusivity. They provide a comprehensive account of the topic, taking into consideration any existing research or 'what works' evidence to inform strategic and tactical action plans and decision making. Partnership data is utilised wherever possible and consultation is also undertaken with stakeholders outside of policing as a key part of the process to ensure they are widely informed. These strategic profiles are used to inform the overall Strategic Assessment and help inform operational decision making.
- 3.25 The Strategic Business and Operational Services (SBOS) department undertakes analysis, research, and improvement and evaluation activity across the Constabulary, covering strategic, operational and performance reporting. SBOS also leads on policy, corporate risk management, programme management and corporate project work (including business analysis), along with crime registry and audit functions. The collaboration of these distinct areas of business within one department allows for more informed analysis to take place which could relate to any part of the organisation, whether operational or organisational. This collaboration also results in the greater use of a variety of techniques to aid tactical and strategic decision making and to formulate problem solving approaches. The department seeks to use an evidenced based approach to its work ensuring that the best available evidence regarding 'what works' is considered as part of the Constabulary's problem-solving activity and evaluations are conducted to ensure lessons are learnt and successes identified.
- 3.26 The department produces analytical work to support a number of forums and groups, including the Tasking and Co-ordination Group meetings and Performance and Accountability meetings, delivering strategic and tactical products which facilitate forward resource planning and the identification and management of threat, risk and harm, thereby minimising costs to the organisation. SBOS also produces analysis in collaboration with external organisations and partners (including Ambulance, fire service, county council, youth offending team, trading standards, etc.) in order to better understand performance in the context of shared demand. SBOS is also one of the founding partners of the Norfolk Office of Data Analytics (NODA), which went live at the end of 2019. NODA brings together local authority and police data to help inform 'whole system' analysis on high priority areas. The department supports the Constabulary in

meeting its statutory and legislative requirements regarding information and data provision including the Annual Data Returns as set out by the Home Office and provision of data for a large proportion of Freedom of Information Requests.

**Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it.**

- 3.27 Norfolk and Suffolk Constabularies have Leadership Development Programmes for first line supervisors and managers, both officers and staff. These comprise of operational training sessions and materials mapped to the units required for the sergeants' certificate and inspectors' diploma, Best I Can Be management essentials and personal development skills sessions. Examples of these sessions include: Code of Ethics and Complaint Handling, Performance and Attendance, Wellbeing, Coaching Conversations and Having Difficult Conversations. In addition, the online, College of Policing, leadership development content is signposted. Other development opportunities such as coaching, 360 and assessor training are offered alongside College of Policing options on our intranet pages. The Insights Discovery profiling tool and also Strengths Deployment Inventory tool are used for team development. Over the next year, new mentoring, coaching and reverse mentoring programmes will be delivered to the wider workforce.
- 3.28 In Norfolk, the SPIRIT (Supportive, Professional, Integrity, Respect, Impartial, Transparent) leadership model has been launched and in Suffolk a review of Leadership is underway to create a refreshed leadership model for Suffolk. Both will reflect the Code of Ethics and the Core Values Framework.
- 3.29 The Constabularies have re-designed the Professional Development Review process to include the opportunity for all staff and officers to have career conversation with their manager and build a plan for development and where appropriate progression. The Professional Development Review (PDR) process continues to be improved and a PDR Quality Assurance process operates to monitor practice. This provides one to one support for a selected sample of managers and allows for the gathering of data on the quality of PDRs across the organisation. The data is fed into the organisation's People Board. PDR effectiveness is hampered by the lack of an electronic system meaning that PDRs are recorded using Word documents. Work is underway for an electronic PDR system and an IT specification has been developed. Both the ERP, HR system and the Chronicle skills system are being reviewed for suitability. In terms of Governance, a PDR Board and PDR project group are operating with the aim of developing, standardising and monitoring the effectiveness of PDR. Board representatives also participate in the College of Policing PDR project, this has led to newly published national PDR principles that are aligned to our own forces ambition to improve PDR validity and effectiveness.
- 3.30 The new Learning Management System has been developed and is currently used for student officers across both forces to carry out pre-learn packages and to compliment classroom teaching. The wider workforce will be able to access this system Spring 2020. This will allow for flexible blended learning approaches and aims to reduce classroom time as well as maximising opportunities for our staff and officers to access learning programmes remotely and at the point of need. Leadership Development content is also being designed to support the operational learning required such as briefing guidance, critical incident training, investigations and generic leadership and management. Content will also be added to support the soft management skills such as interviewing and unconscious bias.

## **Principle F - Managing risks and performance through robust internal control and strong public financial management**

- 3.31 The PCC and Chief Constable have Risk Policies in place to ensure that the risks facing the organisation are effectively and appropriately identified, evaluated and reported. The Joint Norfolk and Suffolk (Constabularies) Risk Management Policy includes details of the risk management framework within the governance structure of Norfolk Constabulary. It sets out risk management requirements and practices that should be undertaken; by whom and when, and outlines the consequences of non-adherence. The policy supports a robust risk management approach for ensuring that strategic objectives are achieved and shows how risk is dealt with, by mitigation and/or escalation to the appropriate level in the organisations. A similar policy has been drawn up by the Norfolk Office of the PCC (OPCC). The Audit Committee routinely sees the Strategic Risk Registers.
- 3.32 The Crime Registry and Audit functions for Suffolk and Norfolk, which are part of the SBOS, carries out independent and rigorous audit of crime and incident recording. It provides an objective assessment of how the Constabularies are complying with the National Crime and Incident Recording Standards. The audit reports produced are reviewed by Chief Officers and if areas for improvement are identified, action is allocated and taken accordingly. As necessary, any areas of risk in relation to Crime Data Integrity are also raised at the Force Crime Data Integrity meetings and, where relevant, at Force performance meetings. They are also detailed on the risk register.
- 3.33 As noted in the 2017/18 Annual Governance Statement, Norfolk and Suffolk Constabularies have implemented a single IT system which joins up four key areas of the business; Intelligence, Investigation, Case and Custody as part of a nine force consortium. The Norfolk/Suffolk Athena development plan is nearer completion with the final stage (six) underway focussed on the review and restructure of the organisation to make the most efficient use of the application and then moving to implementation. This will conclude the transition of Norfolk and Suffolk to a business as usual model. Both forces then intend to explore collaborative opportunities with other ATHENA forces to streamline back office functions.
- 3.34 The accuracy of crime recording has recently been identified as requiring improvement by HMICFRS. Whilst the inspectorate identified outstanding leadership in this area of business, they found that staff did not understand the increasingly complex crime recording rules which leads to an estimated underreporting of 8700 crimes a year. Bespoke action plans are in place to ensure the quality of crime recording is improved with work being overseen by a Crime Data Integrity meeting, Chaired by the Assistant Chief Constable. Action has included the retraining of all supervisors and Athena champions in understanding of Crime Data Integrity (CDI) and the use of precept funding to recruit a quality assurance team. Please see Appendix A for a detailed report on progress on these matters.
- 3.35 The Constabulary is recruiting three extra staff to support the existing team of three who are responsible for maintaining Athena data quality standards. These resources seek to ensure compliance with MOPI and other relevant legislation. This task has been assisted by the development of software which automates much of the cleansing process. Beyond Athena, a data quality group has been established, operating across Norfolk and Suffolk, to oversee effort to improve the creation and management of all data.



3.36 Project Athena remains on the Constabulary Strategic Risk Register. There are strong governance mechanisms in place locally and regionally to manage and monitor Athena risks, issues, developments and changes. The Norfolk and Suffolk Athena Strategic Board oversees all issues and risks as well as monitoring general performance, development of the systems and the Athena change work. Relevant updates are presented to the Joint Organisational Board chaired by the Deputy Chief Constable and all strategic risks and issues also reported into the Joint Chief Officer Team meeting. Regionally the governance matrix extends through the Athena Management Organisation (hosted by Essex) to PCCs and Chief Constables through the Strategic Athena Management Boards.

3.37 Key areas of focus in relation to Athena have included:

- achieving implementation of the application across all nine forces; thereby moving the focus to a service maintenance and development structure.
- the delivery of refresher training to all supervisors and Athena champions; this including technical use of the system in conjunction with legislative updates and CDI compliance.
- the management of system performance
- the agreed plan to move all nine forces onto an automated update between Athena and Police National Computer (manual workarounds have been implemented whilst system developments are being designed and rolled out to permanently resolve the issues);
- improving data quality (regular monthly audits are undertaken to identify any issues and ensure crime data integrity, reporting into Chief Officers); and
- the replacement of the current management information system (MI) providing a stable ability to access, query and extract management information
- establishing a road map of changes and improvements to the Athena application;
- conclusion of the organisational review leading to a restructure implementation plan
- transition from the Athena project to a business as usual structure.

3.38 Even with the additional flexibility available to the PCC for precept increases in 2019/20 and 2020/21; over the medium term, efficiencies will continue to be identified so that operational demand and cost pressures can be met. By the 31 March 2020 some £35m of annually recurring savings will have been found. Over the MTFP period to 2023/24 a further £1.8m has been identified. The financial envelope for 2021/22 will be affected by the Covid-19 pandemic and beyond will be determined by the Spending Review anticipated to be deferred to 2021. The additional 'flexibility' on precept for 2020/21, an increase of £10 per annum at Band D equivalent, will enable investment in improving key services for the communities of Norfolk. Reserves are forecast to reduce from £17.2m at 31 March 2020 to £14.8m, by 31 March 2024.

**Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

3.39 The Commissioner has a statutory duty to produce and publish an Annual Report which details performance for the previous year against the objectives and performance measures set in the Annual Policing Plan. Financial performance against the revenue budget, capital programme and levels of reserves is reported regularly through the Police Accountability Forum. The Annual Report and financial performance papers are published on the OPCC website.

3.40 The OPCC has continued to receive an annual award for meeting its statutory requirements on openness and transparency. The OPCC Transparency Quality Mark is issued by CoPaCC.

3.41 The Audit Committee has overseen the full programme of internal and external audit activity. See paras 4.21 to 4.23.

#### **4. Review of Effectiveness**

4.1 The PCC and Chief Constable have responsibility for conducting an annual review of the effectiveness of the governance framework, including the system of internal control.

4.2 This review of effectiveness is informed by

- the work of executive managers within the Constabulary and the OPCC who have the responsibility for the development and maintenance of the governance environment,
- the head of internal audit's annual report and
- comments made by the external auditor and other review agencies and inspectorates.

4.3 A full report will be presented to the Audit Committee ahead of the sign off of the accounts. The groups and processes that have been involved in maintaining and reviewing the effectiveness of internal control include the following:

##### **Corporate Governance Working Group**

4.4 This Group has been established to review the corporate governance framework and systems of internal control and to oversee the preparation of this Annual Governance Statement. The group comprises the Chief Executive of the PCC, the Director (Performance and Scrutiny) OPCC, the PCC's CFO, the Chief Constable's Assistant Chief Officer, the Head of Strategic Business and Operational Services and one co-opted member of the Audit Committee. These officers are involved in the oversight of the governance framework and its processes and are in a position to review its effectiveness.

##### **Internal Audit**

4.5 Internal audit (delivered under contract by TIAA from 1 April 2015) provides independent and objective assurances across the whole range of the PCC's and Constabulary's activities and regularly presents findings to the Audit Committee of the PCC and Chief Constable. TIAA has taken a managed audit approach in conjunction with external audit to ensure that all necessary areas of compliance are covered. The audit programme for the year was prepared and agreed with the PCC and Chief Constable following a risk based assessment. The managed audit approach has been developed successfully over past years, in agreement with external audit to bring further efficiency to audits. At each meeting of the Audit Committee the Head of Internal Audit also presents a 'Follow-Up' Report which sets out the numbers of implemented recommendations and those which remain outstanding. The contract with TIAA has been extended for a further 12 months to ensure stability until a new 7 Force procurement tender exercise can be undertaken.

4.6 The external auditor (Ernst and Young LLP), re-appointed by Public Sector Auditor Appointments in 2017) is able to place reliance on the work of internal audit.

4.7 Internal audit is required to give an overall opinion on the adequacy and effectiveness of the framework of the internal control and risk management environment.

4.8 The overall opinion for 2019/20 from the Head of Internal Audit was:

“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. Not having completed all of the planned work due to the global Covid -19 pandemic has not impacted on our overall assessment. 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 or your ability to meet financial obligations 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.”

4.9 The Head of Internal Audit’s Annual Report also includes the following statement:

Control weaknesses: There were three areas reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided ‘limited’ assurance. Recommendations were made to further strengthen the control environment in these areas and the management responses indicated that the recommendations had been accepted.

4.10 More information on the ‘Limited Assurance’ audits is set out in paragraphs 5.2 and 5.3.

#### **External Audit and Other External Review Bodies**

4.11 External Audit provides a further source of assurance by reviewing the annual accounts and value for money assessment and reporting upon internal control processes and any other matters relevant to their statutory functions and codes of practice. An unqualified audit report was issued on the 2018/19 Statement of Accounts in July 2019 together with an unqualified value for money conclusion. The External Auditor’s Annual Audit Letter was issued in August 2019 and it did not identify any matters to be addressed.

4.12 The Constabulary is subject to almost continuous review by Her Majesty’s Inspector of Constabulary and Fire & Rescue Services (HMICFRS) (although these have been currently suspended as a result of Covid-19 from the date lockdown commenced), and there have been a number of thematic inspections carried out over the period. Reports relating to Norfolk can be found on the HMICFRS website: -

<https://www.justiceinspectorates.gov.uk/hmicfrs/?force=norfolk&type=publications>

4.13 As part of the yearly inspection programme the HMICFRS also undertook a PEEL inspection, the inspection framework has now evolved from previous years into an Integrated PEEL Assessment (IPA) which comprises of three elements:

1. PEEL inspections
2. Force Management Statements (FMS)
3. Force Monitoring

4.14 With regard to PEEL inspections these are now amalgamated into one inspection and one report rather than twice per year. The latest PEEL inspection was published in May 2019 and the overarching question sets are set out below:

- Effectiveness – How effectively does the force reduce crime and keep people safe?
  - Efficiency – How efficiently does the force operate and how sustainable are its services to the public?
  - Legitimacy – How legitimately does the force treat the public and its workforce?
- 4.15 The force achieved ‘Good’ for Effectiveness, ‘Outstanding’ for Efficiency and ‘Good’ for Legitimacy. The force was congratulated on how it keeps people safe and reduces crime. HMICFRS also commended Norfolk Constabulary for the progress it has made over the period and was confident it was well-equipped for its strong performance to continue.
- 4.16 Force Management Statements are a self-assessment that Chief Constables prepare and give to HMICFRS each year. It is a statement and explanation of:
- The demand the force expects to face in the next four years
  - How the force will change and improve its workforce and other assets to cope with that demand
  - How the force will improve its efficiency to make sure the gap between future demand and future capability is as small as it can reasonably be; and
  - The money the force expects to have to do all this
- 4.17 HMICFRS are currently planning a pilot for a revised inspection framework and it is not anticipated that the force will be assessed using the current criteria. The force awaits further details on the revised approach to inspection.
- 4.18 Regarding data protection, data breaches continue to be reported to the relevant areas. Each one is investigated and appropriate action is taken to contain and manage the risk. The Deputy Chief Constables (Senior Information Risk Officers (SIRO)) are involved in the high-risk data breaches that are considered for referral to the Information Commissioners Office. Norfolk and Suffolk Constabularies made 5 referrals in 2019 (compared to 6 in 2018). None of these have resulted in formal action from the ICO, however procedure changes were implemented in light of 3 of these instances and the other two required us to ensure we were delivering extra data protection training to those involved in the breaches.
- 4.19 An internal audit has been scheduled in March 2020 for the OPCCN in the areas of Information Management and Information Security, the findings of this audit are expected to be available later in the new financial year as the audit has now been postponed due to the Covid 19 pandemic.

#### **Police and Crime Panel**

- 4.20 The Police and Crime Panel provides checks and balances in relation to the performance of the PCC and scrutinises the PCC’s exercise of his statutory functions. The Panel is independent of the PCC and consists of 3 county councillors, 7 district councillors and 2 independent co-opted members.

## **Audit Committee**

- 4.21 The members of the Audit Committee are entirely independent people recruited for their scrutiny skills. They have no conflicts of interest and provide objective advice on audit and wider governance issues. The Committee provides advice, to the PCC and Chief Constable, on audit and governance issues and champions both audit and the embedding of risk management. Specifically, it receives and scrutinises the review of the system of internal control, and agrees and monitors any action plans resulting from those reviews. The Committee regularly reviews its own performance and prepares an annual report for submission to the PCC and Chief Constable.
- 4.22 In addition to this the Committee also examines and considers the draft Annual Governance Statement, and reviews the draft accounts of the PCC and Chief Constable to make recommendations in this respect. Also, it reviews the annual draft Treasury Management Strategy, monitors its application during the year and makes recommendations as appropriate.
- 4.23 Committee members have continued to receive briefings and training through the year.

## **5. Significant Governance Issues**

- 5.1 In 2018/19 there were two areas reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited assurance' (1. Allowances; 2. Duty Management System). The vast majority of the recommendations have been implemented, or there are mitigations in place, or some are subject to system and process changes in a longer time-frame (e.g. for DMS).
- 5.2 In 2019/20, three audits (of the 23 providing an overall assurance opinion) have received 'Limited Assurance':
- Dog handling
  - Data protection
  - Allowances and expenses

In 2020/21 at the time of this report 3 reasonable assurances were received for 3 audits.

- 5.3 All recommendations in Internal Audit Reports are subject to follow up with a detailed report being presented to each meeting of the Audit Committee and to the Joint Constabularies Organisational Board (Delivery) that is chaired by the Deputy Chief Constable.

## **Impact of Covid 19**

- 5.4 Covid-19 has had a major impact on everyone's lives within the United Kingdom, as well as on every sector of the economy. In the build up to lockdown on 23 March, significant changes were made to the policing model in Norfolk. These arrangements were brought to an end at the end of July, and policing has reverted to a business as usual model (subject to policing operating with appropriate personal protective equipment (PPE) and social distancing). Clearly, the impact for policing was in the financial year 2020/21 rather than in the reporting period covered by the Statement of Accounts, but it remains appropriate to outline the impact up to the date of the conclusion of the audit and the publishing of the final draft.

- 5.5 The governance model for the initial response to Covid was maintained between March and the end of July, allowing the Chief Constable and his Chief Officers to continue to run the force and hold officers and staff to account through different meeting structures. This was done in conjunction with Suffolk Constabulary to allow appropriate governance arrangements to be delivered as close to normal as possible across the collaborated functions as well as in Norfolk only functions. In short, the Joint Chief Officer Team (JCOT), Joint Organisational Board, Joint Strategic Planning and Monitoring meetings all took place as planned. In addition, Norfolk Command Team met regularly with all meetings mentioned being held virtually via video enabled Skype for Business / Microsoft Teams. Since the end of July there has been a mixed approach with some attendance in physical meeting rooms, with other attendees working from home and attending virtually. This is likely to be a model that continues for an extended period of time to maintain social distancing and also as new ways of working are reviewed.
- 5.6 On top of this, the Constabulary established a specific command model to focus specifically on our response to the Covid 19 disease. This command structure was also set up in collaboration with Suffolk Constabulary and enabled a consistent approach to our activity both in each force and across the extensive collaborated services. This command structure operated a Gold-Silver-Bronze model with Gold Command operating across both forces, and a Silver Command nominated in each force. A Strategic Gold plan was written which was implemented by the Silvers at a tactical level. Each Silver designed a set of Silver principles that formed a plan which then governed the tactical response in each county.
- 5.7 The OPCCN established a strategic model to focus specifically on the response to the disease and ensured that the PCC could continue to maintain effective governance to fulfil the statutory role and support the wider sector through commissioning of services.

The strategy has been revised since March 2020 and confirms how the core functions of the Office of the Police and Crime Commissioner (OPCC) are able to be maintained and, in some cases, developed, to continue to perform effectively in a variety of situations. This has now been adopted as the new workstyle and will be under regular review to help support staff and deliver efficiently and effectively. The senior management team are in regular contact and the Chief Executive and other members of staff have appointments with the PCC by video enabled Skype/MS Teams on a consistent basis. Virtual governance practices have been put in place so that the PCC is still able to hold the Chief Constable to account as normal. The Police and Crime Panel also is able to meet virtually so still able to hold the PCC to account.

During this year and throughout the Coronavirus pandemic, the OPCCN has worked with statutory and non-statutory (third sector/charity) organisations to address the additional needs required for victims of crime and those organisations who are supporting them. It became very clear during this period that the delivery of services, including specialist services have had to be changed to incorporate a whole new operating model. To this end the OPCCN has proactively, sought, bid for and were successful with a variety of national funds to bring financial support to the county.

This process is still ongoing with further funds being sought and applied for. In addition to victim funding, funding from the National Probation Service was secured to enhance our project to support prison leavers.

<b>Fund</b>	<b>District</b>	<b>Value</b>	<b>Service/Status</b>
Safer Streets Fund	Norwich City	£363,000	Secured - To target harden the most vulnerable wards against acquisitive crime
Extraordinary Fund	All	£250,000	Secured - To support those services delivery to victims of domestic abuse and sexual violence
Sexual Violence Fund	All	£178,000	Secured - To support those with protected characteristics who have victim to serious sexual offences/rape
National Probation Service	Great Norwich	£35,000	Secured - To support prison leavers who continually revolve around the Criminal Justice System
<b>TOTAL SECURED</b>		<b>£826,000</b>	
Perpetrator Fund	All	£200,000	Submission in process
Child Sexual Abuse Transformation Fund	All	£136,500	Awaiting decision
<b>TOTAL PENDING</b>		<b>£336,500</b>	

### Incident of Fraud

- 5.8 There was one incident of fraud in respect of monies (less than £3k) seized during the course of an investigation. The monies were due to be returned, but the wrong bank details were provided by another party, and therefore the intended party did not receive the funds. The incident has been crimed and is under investigation.

### Emergency Governance

- 5.9 Treasury returns are negligible at the moment due to the impact on the economy because of the pandemic so any yield benefit of a varied portfolio would be marginal. However, the danger is that there is occasionally too much money in one organisation. The main reasons for increasing the counterparty limit in the short term is if there is a lack of available borrowers in the market, as there was at the year end and during the recent lockdown, and also if cash balances are unexpectedly high, i.e. short-term planning differences.

The occurrences of breaching a counterparty limit over the last 12 months for Norfolk are as follows;

First day of breach	18.05.2020
Counterparty	Barclays Bank
Maximum breached balance	£12.14m
Period of breach	2 days

First day of breach	20.07.2020
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Counterparty	Barclays Bank
Maximum breached balance	£12.63m
Period of breach	2 days

The control in place over this period ensured that the relevant authorisations were sought and in place before the breach occurred. Audit committee were also informed.

## **6. Conclusion and Assurance Summary**

- 6.1 This report has highlighted the issues which have been identified during the year and which are being addressed.
- 6.2 The Corporate Governance Working Group has concluded that the governance arrangements are fit for purpose in accordance with the governance framework.
- 6.3 Finally, we are satisfied that this report is an accurate commentary on the governance arrangements in place in the Constabulary and the OPCC and of their effectiveness during this period. However, this report may be adjusted to take account of the further impact of Covid -19.



## Signed

Lorne Green  
Police and Crime Commissioner for Norfolk

Simon Bailey QPM  
Chief Constable of Norfolk

Mark Stokes  
Chief Executive  
Office of the Police and Crime Commissioner

Jill Penn CPFA  
Chief Finance Officer  
Office of the Police and Crime Commissioner

Peter Jasper  
Assistant Chief Officer  
Constabulary Chief Finance Officer

Date: 12/11/2020

Signed on behalf of the senior staff of the Police and Crime Commissioner for Norfolk and on behalf of the Chief Officers of Norfolk Constabulary.