



OFFICE OF THE POLICE & CRIME  
COMMISSIONER FOR NORFOLK



**NORFOLK**  
CONSTABULARY  
*Our Priority is You*

## **ANNUAL GOVERNANCE STATEMENT FOR THE POLICE AND CRIME COMMISSIONER FOR NORFOLK AND THE CHIEF CONSTABLE OF NORFOLK 2014/15**

### **1. Background**

- 1.1 This Annual Governance Statement covers the financial year 2014/15 but extends to cover the period to the signing of the Statements of Accounts at the end of September 2015.
- 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. Under the Police and Social Responsibility Act 2011, the Commissioner must 'secure that the police force is efficient and effective' and the Chief Constable in exercising his functions must 'secure that value for money is obtained'.
- 1.3 In discharging this overall responsibility, the Commissioner 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 Commissioner and Chief Constable have each approved and adopted a Code of Corporate Governance (the Code) which is consistent with the principles of the CIPFA/SOLACE framework: Delivering Good Governance in Local Government.
- 1.5 A copy of the Commissioner's code can be found on the website [www.norfolk-pcc.gov.uk/documents/OPPCN/decisions/2013/2013-14.CodeOfCorporateGovernance.pdf](http://www.norfolk-pcc.gov.uk/documents/OPPCN/decisions/2013/2013-14.CodeOfCorporateGovernance.pdf) or obtained from the Office of the Police and Crime Commissioner for Norfolk, Building 8, Jubilee House, Falconers Chase, Wymondham, Norfolk, NR18 0WW.
- 1.6 A copy of the Constabulary code can be found on the website [www.norfolk.police.uk](http://www.norfolk.police.uk) (search for Code of Governance) or obtained from Norfolk Constabulary, Operations and Communications Centre, Jubilee House, Falconers Chase, Wymondham, Norfolk, NR18 0WW.
- 1.7 The PCC and Chief Constable intend to produce a joint Code of Corporate Governance which will be consistent with a Joint Audit Committee and a joint Annual Governance Statement.

- 1.8 The PCC's and Chief Constable's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Finance Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable (as amended December 2013). However, please see paragraph 3.8.1 below.
- 1.9 This statement also explains how the PCC and Chief Constable have complied with the Code and also meets the requirements of regulation 4[3] of the Accounts and Audit (England) Regulations 2011 in relation to the review of the effectiveness of internal controls 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 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.

## **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 Commissioner 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 Standing Orders, a Scheme of Governance and Consent, including Financial Regulations, Contract Standing Orders and various codes of practice as part of his governance arrangements. These are reviewed periodically in accordance with requirements. The Constabulary has its own in-house legal team to advise on compliance with relevant legislation.
- 3.3 The following narrative describes the key elements of the systems and processes that comprise the governance arrangements that have been put in place for the PCC and Constabulary.
- 3.4 The governance framework has been in place throughout the financial year 2014/15 (ending 31 March 2015) and up to the date of the approval of the Statements of Accounts.

### **3.5 Planning**

- 3.5.1 The Commissioner published the first Police and Crime Plan for the period 2013/14 to 2016/17 in accordance with the Police Reform and Social Responsibility Act 2011. This established the PCC's vision and objectives for residents and service users. Following the PCC's first year in office the Plan was refreshed in 2014 to take account of the commissioning strategy and framework and to also make it more user-friendly and accessible. This approach has been endorsed by the Norfolk Police and Crime Panel. An annual report is also produced that provides an update on the PCC's progress against the delivery of the Police and Crime Plan.
- 3.5.2 There is a co-ordinated process for strategic and medium-term financial planning (MTFP). The most recent MTFP covers the period 2015/16 to 2019/20. This takes into account the huge reduction in funding arising from austerity, risk, local and national priorities and meeting efficiency savings and financial resilience criteria in order to produce a medium term view and an annual balanced budget. The work involves liaising closely with operational staff and budget managers followed by a detailed process of scrutiny and challenge by Chief Officers in order to ensure that the Plan reflects the strategic aims of the Constabulary and the PCC.
- 3.5.3 Norfolk and Suffolk Constabularies gather data and intelligence from a range of sources to produce an annual Strategic Assessment. The Strategic Assessment takes into account all relevant internal and external factors that might impact upon policing, crime and disorder at county and local level, highlighting emerging issues, risks and threats. This is then used to inform the development/review of Police and Crime Plans, inform the development of local policing plans and performance frameworks and is shared with partners to aid their decision making and planning.
- 3.5.4 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 and provide a comprehensive account of the issues, taking into consideration any existing research or 'what works' evidence to inform strategic and tactical action plans and decision making. These strategic profiles are then used to inform the overall Strategic Assessment.

### **3.6 Performance Management**

- 3.6.1 There is a clearly defined corporate performance management framework. Objectives and key performance indicators are established and monitored both at a corporate and local level. Regular reports are made to senior managers, the Command Team and to the Commissioner on performance against objectives. This includes detailed analysis and scrutiny of performance and compares performance against the most similar family of forces.
- 3.6.2 The Commissioner produces and publishes an Annual Report that details performance for the previous year against the objectives set in the Annual Policing Plan. Financial performance against the revenue budget, capital programme and levels of reserves is reported monthly to the Commissioner.
- 3.6.3 The Commissioner, assisted by the deputy Commissioner, under the governance framework have responsibilities to review key functions of the Constabulary and assess that the required level of performance is being achieved.
- 3.6.4 The Joint Performance and Analysis Department (JPAD), under the lead of the Head of Department, undertakes analysis, research, consultation and improvement and

evaluation activity across the Constabulary. The collaboration of these distinct areas of business within one department allows for more informed analysis to take place which could relate to any part of the organisation, whether operational or organisational. This collaboration also results in the greater use of a variety of techniques to aid tactical and strategic decision making and to formulate problem solving approaches. The department seeks to use an evidenced based approach to its work ensuring that the best available evidence regarding 'what works' is considered as part of the Constabulary's problem solving activity and evaluations are conducted to ensure lessons are learnt and successes identified.

- 3.6.5 The department produces analytical work to support a number of forums and groups, including the Tasking and Co-ordination Group meetings and Performance and Accountability meetings, delivering strategic and tactical products which facilitate forward resource planning and the identification and management of threat, risk and harm, thereby minimising costs to the organisation. The department supports the Constabulary in meeting its statutory and legislative requirements regarding information and data provision including the Annual Data Returns as set out by the Home Office and provision of data for a large proportion of Freedom of Information Requests.
- 3.6.6 The Crime Registry and Audit function for Suffolk and Norfolk is also now part of JPAD. By carrying out independent and rigorous audit of crime and incident recording, they provide an objective assessment of how the Constabularies are complying with the National Crime Recording Standard (NCRS). The audit reports produced are reviewed by Chief Officers and if areas for improvement are identified, action is allocated and taken accordingly.
- 3.6.7 Her Majesty's Inspector of Constabulary carried out a thematic (national) inspection of crime data integrity in 2014 and the report for Norfolk was published in August 2104. See 4.6 below.

### **3.7 Satisfaction**

- 3.7.1 The Constabulary measures the satisfaction of service users through the use of public surveys and reports to the Office of the PCC on levels of satisfaction as one of the agreed Police and Crime Objectives. This is done in accordance with Home Office requirements.

### **3.8 Roles and responsibilities**

- 3.8.1 Roles and responsibilities of the PCC and Deputy PCC and of the Chief Constable are identified through legislative requirements and role profiles. The Chief Executive is the PCC's designated Monitoring Officer, with responsibility for ensuring the legality of transactions. The PCC's Chief Finance Officer (CFO) is the designated Section 151 officer with overall responsibility for financial administration and is the PCC's Money Laundering Officer. The Chief Executive and CFO each have an annual performance review. The Chief Constable's CFO is the designated Section 151 officer for the Constabulary.

**Note:** With effect from 1st April 2014 the Norfolk PCC's Chief Financial Officer (CFO) has acted in a dual capacity (as Section 151 officer) for both the Norfolk PCC and the Norfolk Chief Constable. The CIPFA Code says that a joint CFO is not 'envisaged' in view of the separate corporations sole, but the arrangement has been working well. There are two (employment) contracts in place for the two roles and as regards the discharge of his functions for the Chief Constable, the CFO worked very closely with the ACO (Resources) until that post was made redundant at the end of

March 2015. This arrangement has been extended until May 2016 and will be reviewed in the current year.

3.8.2 The roles and responsibilities of Chief Officers within the Constabulary are established by the Scheme of Governance and Consent, Financial Regulations, common law, legislative requirements and identified in role profiles.

3.8.3 Each Chief Officer controls a portfolio covering a designated range of activities. The Chief Constable has an annual performance review with the PCC. All other Chief Officers have their performance reviewed annually by the Chief Constable.

### **3.9 Codes of Conduct**

3.9.1 The Police Code of Ethics, produced by the College of Policing, describes the principles that every member of the policing profession in England and Wales is expected to uphold and the standards of behaviour they are expected to meet. This Code applies to all those who work for the Constabulary, be they police officers, employees, contractors or volunteers. All staff have been made aware of the requirements of the Code of Ethics and where necessary this is enforced for police officers by the Police (Conduct) Regulations and for police staff by the Police Staff Council Misconduct Procedures. A Code of Conduct based on the Code has also been adopted by the PCC, Deputy PCC and staff of the OPCC.

3.9.2 Formal policies also exist in respect of whistle blowing, public complaints, anti-fraud and corruption and the need to maintain a register of interests. 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.

3.9.3 HMIC carried out an inspection of Police Integrity and Corruption during the year which reported in November 2014. See 4.6 below.

### **3.10 Risk Management**

3.10.1 The PCC and Chief Constable have a Risk Policy in place to ensure that the risks facing the organisation are effectively and appropriately identified, evaluated and reported. The Joint Norfolk and Suffolk Risk Management Policy includes details of the risk management framework within the governance structure of Norfolk Constabulary and the Norfolk Office of the PCC (OPCC). 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.

3.10.2 The Norfolk OPCC will produce its own Risk Management Statement following the principles of the Constabulary Risk Management Policy. Norfolk OPCC is also in the process of creating its own Strategic Risk Register with updates being included in the periodic report to the Norfolk Audit Committee.”

### **3.11 Accountability to the Community**

- **Communication and engagement**

3.11.1 The PCC’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 is frequently used to inform people unable to attend and to summarise meetings and key decisions.

- 3.11.2 The Constabulary offers regular, direct updates via its social and digital channels including Twitter, Facebook, 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.
- 3.11.3 The Constabulary Community Engagement Strategy sets out how the Constabulary will make arrangements for providing information and obtaining the views of people within each neighbourhood in accordance with Section 34 of the Police Reform and Social Responsibility Act 2011.
- 3.11.4 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 2015/16.
- 3.11.5 The PCC held a countywide budget consultation asking Norfolk people whether they agreed to a 2% precept rise for 2015/16. More than 1,100 people responded with 64% in favour of a rise. Political groups and key partners were also consulted. The PCC has changed the name of his regular public meetings holding the Chief Constable to account from the Bi-Lateral Meeting to the Police Accountability Forum to make their purpose clearer. These panels no longer take place at the PCC's offices but have moved around the county during 2014/15.
- 3.11.6 The PCC has established a Victims' Panel which is enabling him to consult directly with victims on a wide range of subjects and issues. The OPCC manages a number of independent advisory panels including the Lesbian Gay Bisexual and Transgender (LGBT) Group, the Disability Forum and the Independent Advisory Group (IAG).

- **Partnerships**

- 3.11.7 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 along with the Chief Constables to consider issues impacting on the organisations and to discharge the governance responsibilities between Norfolk and Suffolk. In addition to this there are governance arrangements that cover operational managers and Chief Officers. The main driver has been to maintain the effectiveness of operational and organisational support but to drive out savings through economies of scale in order to protect front line resources wherever possible.
- 3.11.8 There are also services that are subject to ongoing regional collaboration. An example of this is the establishment of a six force collaboration for serious and organised crime which is being delivered through a formal agreement. Other regional opportunities are being explored and should opportunities arise will be subject to PCC approval before commencing.

- 3.11.9 The PCC and Constabulary work closely with partners in order to deliver county-wide objectives around community safety issues. Each of these partnerships is subject to its own governance arrangements.
- 3.11.10 In addition to its normal commissioning activities, in early 2015 the Norfolk OPCC was asked by the Home Office, to administer the allocation of £4.85m of grant money to organisations who are supporting victims of sexual abuse. A full process from application to grant payment was developed by the OPCC in consultation with the Home Office. At the time of writing some £0.4m is left and will be allocated through a further round of applications to organisations that were initially unsuccessful.

### **3.12 Collaborative Governance**

- 3.12.1 Proposals for collaboration go through a detailed process, designed to ensure that all options are considered and that all parties can sign up to formal agreements in the knowledge that future policy, performance and resource levels are recognised at the offset. Dedicated resources are in place to support those units subject to 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.
- 3.12.2 A Programme Management Office has been established to oversee all collaborative activities on a day-to-day basis, monitor progress against the agreed programme and report upwards into a Joint Norfolk and Suffolk Programme Co-ordination Board and onwards to the Joint Chief Officer Team and the PCCs.

## **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 also by comments made by the external auditor and other review agencies and inspectorates.
- 4.3 The groups and processes that have been involved in maintaining and reviewing the effectiveness of internal control include the following:

### **4.4 Governance Advisory Group**

- 4.4.1 This Group has been established to review the corporate governance framework and systems of internal control and to oversee the preparation of the Annual Governance Statement. The group comprises the Chief Executive of the PCC, the PCC's and Chief Constable's Chief Finance Officer, the Head of Corporate Development and Change and the Head of Joint Finance together with one co-opted member of the Audit Committee. These officers have involvement in the oversight of the governance framework and its processes and are in a position to review its effectiveness.

4.4.2 During 2014/15 the Group has had a limited amount of time to assess assurance against each of the major activities undertaken within the Office of the PCC and the Constabulary and compliance with the Codes of Corporate Governance. Formal terms of reference for this group have been agreed and more frequent meetings and review activity will be introduced for 2015/16. The Group has relied on the information described in more detail in this section.

#### **4.5 Internal Audit**

4.5.1 Internal audit (delivered under contract by PricewaterhouseCoopers until 31<sup>st</sup> March 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. They have 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.

4.5.2 The external auditor (Ernst and Young LLP, appointed by the Audit Commission in 2012) is able to place reliance on the work of internal audit.

4.5.3 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.

4.5.4 The overall opinion from the Head of Internal Audit was 'improvement required' based on 4 reviews completed in the year and 'major improvement required' in relation to physical access. A response is set out in Section 5.

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

4.6.1 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. The External Auditor's Annual Audit Letter was issued on the 30 October 2014 and recorded that an unqualified audit report was issued on the 2013/14 Statement of Accounts on 29<sup>th</sup> September 2014 together with an unqualified value for money conclusion. At the time of writing, the audit of the 2014/15 Statements of Account is virtually completed and an unqualified report is expected.

4.6.2 The Constabulary is subject to almost continuous review by Her Majesty's Inspector of Constabulary (HMIC) and a number of inspections were carried out over the period. Reports relating to Norfolk can be found on HMIC website:-  
<https://www.justiceinspectors.gov.uk/hmic/?type=publications&force=norfolk&s&cat&year>

4.6.3 National Child Protection – HMIC report August 2014

The lead inspector summarised the inspection as follows:-

*“Norfolk Constabulary is strongly committed to protecting children in the county from abuse and violence. This can be attributed to the strong leadership we found and the relationships the constabulary has with other agencies.*

*“There are, however, some areas in which the constabulary could improve and we have made a series of recommendations...”*

Two recommendations were for immediate action and this is the current position:-

*We recommend that Norfolk Constabulary takes immediate action to improve the effectiveness of action plans for identifying, disrupting and prosecuting perpetrators involved in child sexual exploitation. (page 9)*

Owner: Head of Safeguarding, action ongoing.

An Intelligence Development Officer (IDO) is now posted to Multi Agency Safeguarding Hub (MASH) as part of the Child Sexual Exploitation (CSE) team. An analyst is now allocated to command through JPAD to assist with any intelligence builds / strategic documents as required. The Safeguarding Children on Line team (SCOLT) has been developed and referrals of all online intelligence for CSE and CSE crimes is now forwarded for the attention of SCOLT. Links between SCOLT and the CSE team are established so repeat victims and offenders are highlighted and progressed.

The SCOLT provides a proactive side to CSE investigations in relation to grooming offences on line prior to contact offences being committed. Previously the CSE team IDO has been unable to fulfil his role properly due to the demand on the team and the staffing levels and capacity with workload and issue with mainly police staff in the team. Three case investigator and a senior investigator have been recruited, meaning that the IDO can review IR's more efficiently and progress intervention and disruption of perpetrators.

The Service Level Agreement (SLA) has been written regarding the Adult Investigation Unit and MASH CSE (MASE) team. A revised partnership strategy focusing on disruption and civil orders is to be progressed.

*We recommend that Norfolk Constabulary takes immediate steps to reduce the timescales for analysis in the high-tech crime unit. (Page 10).*

Owner: Head of Safeguarding, action complete.

Investment in High Tech Crime Unit (HTCU) has been agreed and progressed; specialist software and servers have been purchased and implemented. A revamp of our prioritisation approach has also been undertaken and supervisory reviews are now common place. The Constabulary was an early adopter force for Child Abuse Image Database (CAID) which is now in place across Norfolk. This now provides the capability for remote viewing, adding to the efficiency of the teams. The High Tech Crime Unit is a joint unit as from 1<sup>st</sup> April 2015 across both Norfolk and Suffolk. A recent HMIC Inspection provided reassurance that there were no undue delays in HTCU with regards to analysis.

#### 4.6.4 Crime Data Integrity – HMIC Report August 2014

“Within Norfolk Constabulary there is strong and committed chief officer leadership for crime data integrity with consistent clear guidance. The Assistant Chief Constable (ACC) is the force lead for crime data and is supported by his chief officer colleagues in consistently reinforcing the need for crime data accuracy.”

One immediate recommendation was raised and this is the current position:-

*Immediately, the force should ensure that the detail required for correct decisions to be made for conversion of outline incidents into full crime records, is provided by officers to the crime development team by the end of the relevant tour of duty. This*

*system should be subject to effective supervisory oversight, and the force should ensure this is applied consistently (page 7)*

Owner: ACC Dean, action complete

Work has been undertaken to provide each district with a list of unconverted crimes on a 24 hour basis. These crimes are discussed at daily management meetings, chaired by District Leads, and subject to scrutiny by the Crime Development Team Manager. Any crimes which remain unconverted are 'forced' through the system to be recorded on CIS as full crimes. This is also the case within Incidents, whereby the enhanced Audit Team within the CCR, check CAD compliance and conversion. Should any CAD contain details, indicating on the balance of probability that a crime has occurred, a record is raised and sent through to the CDT for conversion. The new National Crime Recording Standard (April 2015) has been fully implemented with a maximum time for recording reduced from 72 hours to 24 hours. Regular monthly audits ensure compliance against timelessness and quality. Currently we have maintained a 95% compliance rate.

#### 4.6.5 Police Integrity and Corruption – HMIC Report November 2014.

*“There is clear leadership from the chief constable to create a climate of ethical behaviour, and staff and officers are familiar with ‘what you need to know’, a booklet issued by the chief constable, together with his counterpart in Suffolk Constabulary. This sets out what is expected in terms of standards and integrity. Supervisors and line managers are positive role models, encouraging professional behaviour. Staff are prepared to challenge inappropriate behaviour and feel the organisation will support them when doing so...”*

One immediate recommendation was raised and this is the current position:-

*With immediate effect, the force should ensure it has an effective process to monitor and audit the decision-making process and record-keeping for investigations (Page 17).*

Owner: Head of Professional Standards Department, action complete

Supervisors have been briefed on the need to record all decisions and where and how they are to be recorded. The complaints and misconduct process identifies a number of key decisions that are required and these are listed in a supervisory checklist to ensure that decisions are made and recorded effectively. This is reviewed by first and second line managers.

## 4.7 Police and Crime Panel

4.7.1 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.

4.7.2 The Panel has two powers of veto in relation to the PCC's proposed precept and the appointment of the Chief Constable. Since being elected, the PCC has engaged fully with the Panel in all relevant matters.

## **4.8 Audit Committee**

- 4.8.1 The Audit Committee's membership has been extended to 5 and its terms of reference updated. The Committee provides proactive advice on audit and governance issues and champions both audit and the embedding of risk management. Specifically, it receives and scrutinises the reviews of the system of internal audit and the system of internal control, and agrees and monitors any action plans resulting from those reviews.
- 4.8.2 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.
- 4.8.3 The Committee will be assessing its own performance over the next few months.

## **5. Other Significant Governance Issues**

- 5.1 The significant governance issues identified in the 2014 Annual Governance Statement have been addressed as described in that Statement. These covered Use of Consultants and Fire Regulations and Safety. The follow up audit of Physical Access has identified some continuing issues which are covered below.
- 5.2 Of the 12 internal audit reviews completed during the year one was rated as overall critical risk (physical access) and four as medium risk. All other internal audit reviews undertaken in 2014/15 were either rated overall low risk (3 in number, including all 8 of the 10 processes reviewed in the Key Financial Controls audit) or were 'Value Enhance' audits (4).
- 5.3 As regards physical access, the Constabulary has taken further steps to address the issues raised. There has been clear communication with staff over their individual responsibilities to help secure the constabulary estate and equipment. The actions include mystery shopping visits and supervisors ensuring that an appropriate security culture is being practiced across the estate. The steps taken are those considered proportionate to address the security risk whilst also enabling Constabulary premises and staff to function effectively in providing prompt and professional policing services.
- 5.4 The financial outlook remains extremely challenging. Austerity is expected to continue to the beginning of the next decade. The budget 'gap' (how much we need to spend compared to our total income) depends on, demand for policing services, pay/price inflation, how much the government will be reducing our grant and any scope the Commissioner has for increasing the policing part of the council tax. The Medium Term Financial Planning process is well understood and effectively used in Norfolk. The Plan includes use of Reserves over the next 4 years to ensure the budget is reduced in a planned way (a glide path). The Commissioner and Chief Constable wish to protect the 'front line' for as long as possible and further and wider collaboration will be necessary. It is recognised that core governance and internal control routines will need to be safeguarded during this period of significant change.

## 6. Assurance Summary

- 6.1 Notwithstanding the Internal Audit opinions expressed above, the Governance Advisory Group has concluded that the governance arrangements are fit for purpose in accordance with the governance framework. Those areas to be specifically addressed are set out in Section 5 above.
- 6.2 Over the coming year steps will be taken to systematically review our governance arrangements using a new joint Code of Corporate Governance, as set out in 4.4.1. above.
- 6.3 We are satisfied that this report is an accurate summary of the governance arrangements in place in the Constabulary and the OPCC and of their effectiveness during this period.

### Signed

Stephen Bett  
Police and Crime Commissioner for Norfolk

Date:

Simon Bailey  
Chief Constable of Norfolk

Date:

Mark Stokes  
Chief Executive  
Office of the Police and Crime Commissioner

Date:

John Hummersone  
Chief Finance Officer

Date:

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.