

Cambridgeshire Constabulary

ANNUAL GOVERNANCE STATEMENT – 2016/17

1. SCOPE OF RESPONSIBILITIES

- 1.1 The Chief Constable is responsible for delivery of operational policing for the County of Cambridgeshire and for ensuring that public money granted to him to deliver policing is safeguarded and accounted for properly. The Chief Constable also has a duty to secure continuous improvement in the way in which Constabulary functions are exercised, having regard to the economy, efficiency and effectiveness of the police force.
- 1.2 In discharging this overall responsibility, the Chief Constable is also responsible for putting in place proper arrangements for the governance of his affairs and facilitating the exercise of his functions, which includes ensuring a sound system of internal control is maintained through the year and that arrangements are in place for the management of risk.
- 1.3 The Chief Constable, in conjunction with the Office of the Police and Crime Commissioner, has approved and adopted a revised set of Financial Regulations which includes a Code of Corporate Governance consistent with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government. This Annual Governance Statement explains how the Chief Constable has complied with the Code. It also meets the requirements of Regulation 6(1) and 6(4) of the Accounts and Audit Regulations 2015 in relation to conducting a review of the effectiveness of internal control systems at least annually and preparing an annual governance statement in accordance with accounting regulations and proper practices, and Regulations 6(2) and 10(1) (with transitional provisions at Regulation 21) regarding the requirement to approve an Annual Governance Statement in advance of the approval of the statement of accounts and which has to be published alongside the Statement of Accounts and the narrative statement.
- 1.4 The Police Reform and Social Responsibility Act 2011 changed the governance and scrutiny of policing in November 2012 introducing elected Police and Crime Commissioners. The Commissioner holds the Chief Constable to account and the Police and Crime Panel provide support and challenge to the Commissioner. The Policing and Crime Act 2017 received Royal Assent on 31 January 2017, the main area for noting in the AGS is that the act placed a duty on police, fire and ambulance services to work together.
- 1.5 The financial management arrangements for the Constabulary conform to the governance requirement of the CIPFA statement on the “Role of the Chief Financial Officer in Local Government (2010)”.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 2.1 The governance framework comprises the systems and processes by which the Chief Constable is directed and controlled and the activities through which he is accountable. It enables the Commissioner to monitor the achievements of the Chief Constable through the delivery of the Local Policing Plan and to take account of the delivery of appropriate, cost-effective services, including achieving value for money.
- 2.2 The system of internal control is a significant part of the 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; therefore 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 risk to the achievement of the Constabulary'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 purpose of the framework is to give clarity to the way the two legal entities, the Commissioner and the Chief Constable (each one a corporation sole), will govern, both jointly and separately, and do business in the right way, for the right reason at the right time.
- 3.2 The statutory framework within which each corporation sole will operate is:
- Police Reform and Social Responsibility Act 2011, and the Policing and Crime Act 2017
 - Policing Protocol Order 2011,
 - Financial Management Code of Practice,
 - Strategic Policing Requirement,
 - The Police and Crime Commissioner Elections (Declaration of Acceptance of Office) Order 2012.
 - Police Act 1996
 - Duty on the Chief Constable to collaborate with Fire and Ambulance.
- 3.3 This framework further creates a public sector relationship based upon the commissioner provider arrangement but with unique elements such as the single elected Commissioner and operational independence of the police service. It has therefore been appropriate to further consider the corporate governance arrangements and the framework.

3.4 The core principles adopted by the Chief Constable are those highlighted by the good governance standard for public services:

- Focus on outcomes for local people,
- Clarity of roles and functions,
- Promotion of values and demonstrating these through behaviour,
- Informed, transparent decisions and managing risk,
- Developing capacity and capability
- Engaging with local people to ensure robust accountability.

3.5 The Chief Constable is responsible for operational policing matters, the direction and control of Constabulary personnel and for putting in place proper arrangements for the governance of the Force. The Commissioner is required to hold the Chief Constable to account for the exercise of those functions. Therefore it follows that the Chief Constable must satisfy himself that the Force has appropriate mechanisms in place for the maintenance of good governance and that these operate in practice.

3.6 This Annual Governance Statement provides a summary of the extent to which the aspirations set out in the Code of Corporate Governance are currently being met. This statement is informed by assurances on the six principles of the Code and by on-going audit and inspection.

3.7 The reliability of financial reporting and internal financial controls are also reported as part of this statement. See (7) below.

(1) Focus on outcomes for the local people.

3.8 The Chief Constable is responsible for the delivery of the Local Policing Plan which is derived from the Police and Crime Plan which the Commissioner widely consulted upon. The Plan sets out the policing priorities to be delivered and how they will be measured. The Plan includes both local priorities and those informed nationally by government.

(2) Working together to achieve a common purpose with clearly defined functions and roles.

3.9 As set out above, the governance arrangements have been developed in line with the Police Reform and Social Responsibility Act 2011 and The Policing and Crime Act 2017, the statutory Policing Protocol and the Home Office Financial Management Code of Practice.

3.10 The Scheme of Governance includes details of the various duties delegated to senior officers. Financial Regulations (including Contract Standing Orders) have been updated to ensure that the financial responsibilities of the Chief Constable are clear as more collaboration with Bedfordshire and Hertfordshire progresses.

- 3.11 The Commissioner has a good working relationship with the Chief Constable. On a regular basis the Business Coordination Board, comprising senior leaders of both organisations, meets to review activities and take decisions relating to strategy, governance, business and holding the Chief Constable to account.
- 3.12 The Commissioner has continued to endorse Section 22 (of the Police Act 1996) collaboration agreements with Strategic Alliance partners and holds the Chief Constable to account for the provision of these policing services. Governance arrangements with collaboration partners are currently under review to ensure that they reflect the current landscape.

Governance Arrangements for the Strategic Alliance

There are six separate legal entities:

Police and Crime Commissioner for Bedfordshire, Police and Crime Commissioner for Cambridgeshire, Police and Crime Commissioner Hertfordshire, Chief Constable, Bedfordshire Police, Chief Constable Cambridgeshire Constabulary and Chief Constable, Hertfordshire Constabulary

A Strategic Alliance Summit (SAS) is established and acts as the Joint Oversight Committee for all shared service collaborations between the parties.

Under section 23D of the Police Act 1996 Police and Crime Commissioners (policing bodies) must establish arrangements for holding their Chief Constable (chief officer) to account for a collaboration that includes the involvement of other Commissioners whose forces are party to the agreement.

The parties have agreed a Shared Services Model for collaboration. This means that shared collaborated services are provided to the parties with shared resources being instructed through a single line management structure and those resources remaining under the legal direction and control of their respective Chief Constable. The Chief Constable has ultimate responsibility for his/her officers and staff in a collaborated unit and is ultimately vicariously liable for their actions. Officers and Staff are subject to the command structure of the Department for daily shared service delivery. There is no client-provider relationship.

Under the SAS the following items are shared for services which are collaborated (i.e. directing and holding to account of 'business as usual') across the three county policing areas:

- Setting of Strategic Direction and Decision Making
- Agreeing and Monitoring of Annual Business Plans (including aligned objectives and continuous improvement proposals)
- Agreeing and monitoring Performance Frameworks at agreed intervals (e.g. quarterly or half-yearly)
- Section 22 Agreement Updates (i.e. Change Control)
- Annual Budget Setting (Revenue and Capital) and Financial Monitoring
- Initiating Thematic Reviews and Risk-Based Audits
- Agreeing Risk and Reward Management Frameworks

The SAS consider new services for collaboration (i.e. decision making and oversight of 'change management') and shared decision making is exercised in relation to:

- Agreeing Project Scope via Project Initiation Documents
- Approving Outline (OBC) and Full Business Cases (FBC) [including issuing decision notices to the three Police and Crime Panels]
- Receiving Assurance Reviews based on Risk
- Signing of Section 22 Agreements
- Monitoring Implementation Progress Updates
- Receiving Exception Reports for Decision
- Independent Reviews of Progress

In addition, the SAS fulfils responsibilities in relation to shared strategic matters including:

- Strategic Decision Making
- Joint Medium Term Financial Planning
- Bids for Joint External Funding
- Common Financial Rules and Scheme of Delegation
- Joint Internal Audit Plans
- Progression to a Joint Estates Strategy
- Risk Management

The SAS delegates the discharge of some of the above duties to the Operational Support Governance Board, Organisational Support Governance Board and Joint Protective Services Governance Board. These Governance Boards will report to the SAS. A Lead Police and Crime Commissioner is assigned to coordinate the holding to account arrangements via these Governance Boards.

Whilst the items above are shared, with collective accountability, by the parties the staff remains employed by their existing employers. Chief Constables retain direction and control of their police officers. A Chief Constable is nominated to head-up a particular shared service or group of shared services on behalf of the SAS. A Chief Constable has delegated the day-to-day decision-making role to a Senior Responsible Officer (SRO) at the Chief Officer level. An SRO takes decisions in relation to both operational 'business as usual' for already collaborated units (i.e. where a Section 22 Agreement has been signed by the six corporations sole) and in relation to 'change management' for units being considered for collaboration (i.e. an SRO can take decisions in relation to aspects of implementation across the SA prior to any Section 22 Agreement being signed).

The Joint Chief Officers Board (JCOB) is established and is responsible for strategic operational decision making, related operational policy, delivery of the BCH change portfolio and the monitoring of business as usual / performance.

JCOB is held to account by SAS for the delivery of the collaborated shared service by the Joint Unit either directly or through the Governance Boards. JCOB is also held to account by SAS for the development of new business cases and, where approved by the six corporations sole, the implementation of such.

Each Police and Crime Commissioner retains their individual responsibility for the maintenance of efficient and effective policing in their county and each Chief Constable retains their operational independence.

- 3.13 Undertaking the new duty in the Act to work with Fire and Ambulance Services the Chief Constable has adopted a proactive approach to working with Fire and Ambulance. There is a working group, chaired by a senior police officer and overseen by the Deputy Chief Constable working on a range of operational initiatives.

There is also a working group to look at back office functions including how we use our respective estates to better effect and financial opportunities in finance and fleet.

The Chief Officers have a formal meeting once a month.

(3) Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.

- 3.14 The Professional Standards Department (PSD) look after all of the conduct and behaviour policies for the Force. This is a tri-force unit under the director and control of the Cambridgeshire Chief Constable. The policies are designed to encourage prevention, promote detection and identify a clear pathway for investigation of fraudulent and/or corrupt activities or behaviour.

- 3.15 The policies include: confidential reporting, anti-corruption and bribery, public complaints, conduct cases, business interests, gifts and hospitalities, domestic abuse reporting and welfare.

- 3.16 The Code of Ethics was embedded within the Constabulary by the Ethics Board chaired by the Deputy Chief Constable, this board was set up to implement the code. The Constabulary now has an External Ethics Committee their role is to:

- Offer external scrutiny of the Constabulary's compliance with the Code of Ethics in support of the organisation's overriding commitment to ethical decision-making, integrity and standards.
- Support the Constabulary's continuing endeavours to foster good relations with all groups by means of a fully developed partnership approach.
- Contribute to understanding the benefits of public engagement in modern policing by consent.
- Raise issues that the Force and Chief Officer Team need to review at a strategic level.

The Code of Ethics is now the golden thread running through our governance board structure and underpins the Constabulary's Mission and Values. The Chief Constable ensures that this is kept on everyone's radar through the Chief Constable Seminar, aimed at supervisors, and the integrity health check form which is used at the PDR process for all officers and staff.

- 3.17 To supplement the External Ethics Committee, the Constabulary uses a virtual participation group called 'The 100 Club' which aims to get public opinion via surveys on a variety of topics.
- 3.18 Force policy is developed and assessed for equality impact. This ensures that compliance with legislation and the interest of stakeholders are considered prior to producing policy. Policy is managed corporately and individual policies are the responsibility of Heads of Business or the collaborated units.

(4) Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.

- 3.19 All decision making is carried out in accordance with the Governance framework.
- 3.20 The Governance arrangements ensure that the key decisions taken by the Chief Constable are made in the light of all necessary information and analysis and are made public (unless exempt under the Provision of Access to Information rules). Appropriate legal, financial, human resources and other professional advice is considered as part of the decision-making process. The Chief Constable has appropriate oversight and scrutiny of Constabulary decision-making through the Force Executive Board with minutes of meetings posted on the Constabulary website.
- 3.21 The Constabulary is subjected to an extensive internal and external inspection regime and the results of these inspections are published to ensure appropriate scrutiny of decision-making.
- 3.22 Risk management is embedded into the work of the Constabulary on an ongoing and continuous basis. A joint strategic risk register is in place and endorsed by the Joint Audit Committee. The aim of this strategy, endorsed by the Joint Audit Committee, is to ensure that risk management is embedded into the governance structure and that it effectively underpins and enables the business in accordance with the objectives set out below:
- To increase the likelihood of achieving the Chief Constable's strategic objectives,
 - To prevent or reduce the potential consequences of events which could have been reasonably foreseen,
 - To prevent or reduce events or actions that could damage the reputation of, and public confidence in, policing, community safety and crime reduction in Cambridgeshire,
 - To improve decision-making and planning and assist in the allocation of resources,

- To integrate risk management into the culture and processes,
- To raise awareness of risk management among staff, making it an integral part of their thinking and actions, and
- To satisfy the requirements of corporate governance for the Annual Governance Statement and external auditors in relation to the effectiveness and adequacy of risk management.

The joint strategic risk register is underpinned by the following good practice principles:

- The avoidance of creating or perpetuating an unduly risk-averse culture by taking an approach which considers the risks of not undertaking activities and not exploiting opportunities.
- Consideration of risk should both help to secure existing objectives and not stifle innovation when taking decisions on new and innovative projects.
- Mitigation measures should be effective, appropriate, proportional, affordable and flexible, e.g. controls are not to be set up where the cost and effort is disproportionate to the expected benefits, and these should be implemented with minimum bureaucracy.
- Risk should be anticipated and decisions over the extent to which these should be managed are to be considered within a mature and evidence-based assessment framework, including taking account of possible impact and public reaction.
- Risk management should be embedded into the governance structure and effectively underpin and enable the business, making it an integral part of the thinking and actions of staff.

3.23 Particular emphasis has been placed on the clear distribution of roles and responsibilities and the distinctive ownership for risks.

3.24 The Constabulary maintains its own corporate Risk Register and the risk management process is managed by the Corporate Development Department. Formal accountability for the process lies with the Deputy Chief Constable and governance is ensured through the Risk Review Board that has been set to add further scrutiny to the risk processes. This Board which is chaired by the Deputy Chief Constable and reports monthly to the Force Executive Board and the Chief Constable, has responsibility for reviewing the risk register monthly and also holding to account operational managers for risk within their business area. The Joint Audit Committee oversees the risk management arrangements of the Force and ensures that the Constabulary's processes are aligned with the Commissioner's.

(5) Developing the capacity and capability of staff and officers to be effective.

3.25 The Chief Constable takes a pro-active approach to staff development. The tri-force People Board, chaired by the Deputy Chief Constable, oversees these arrangements.

3.26 2016/17 was the first full year of operation of the collaborated BCH HR Department. Some of the key achievements this year, against a backdrop of increased demand and transition, include the following:

- Alignment of promotion processes across BCH, and successful completion of a promotion cycle;
- Launch and embedding of new tri-force governance boards for management of people issues;
- Development of a suite of new key employment policies which are modernised and streamlined (to be launched imminently);
- Development of KPIs;
- Development of leadership courses for Sergeants;
- Delivery of actions against the 2016/17 People Plan;
- Implementation of the Police Staff Council Handbook changes;
- Leadership Capability Assessment
- Progress with process alignment and harmonisation
- Production of the impact assessment report which assessed demand and service delivery against the FBC and identified next steps
- Delivery against a challenging workforce plan

3.27 During 2016/17 Cambridgeshire Constabulary undertook a staff survey. We used the Durham University Business School Staff Survey, which is used by 28 forces nationally. The Cambridgeshire Survey is completed jointly with our strategic alliance partners in Bedfordshire and Hertfordshire. The survey is predicated on the concept that the way people are treated by the organisation and the environment in which they work affects their service delivery. It asks a series of questions to identify how those in the organisation are feeling, enabling focus on those areas where improvements can be made. The Constabulary had a response rate of 47.8%, which is considered “very high” by Durham University. The individual areas assessed were all well above the national average. There were four areas identified for further improvements – procedural justice (fairness), perceived organisational support, perceived support for ethical voice, and mindfulness. Action to improve is being driven through a Cambridgeshire Constabulary wellbeing plan, and a BCH wellbeing plan. The ongoing Local Policing Review has these principles at the core of its activity.

3.28 All officers and staff complete a regular Personal Development Review process with their named line manager. This process will continue to identify training requirements for individuals.

(6) Engaging with local people and other stakeholders to ensure robust public accountability.

3.29 The Commissioner and Constabulary have a joint Engagement Strategy which feeds into the Constabulary Engagement Board which seeks to improve, involve and maintain contact with the public at both local and force level. At a local level, Districts have Key Individual networks (KIN's).

- 3.30 The Constabulary's External Ethics Advisory group Committee which is made up of key members of the Community across Cambridgeshire & Peterborough.
- 3.31 Telephone research regarding public confidence levels is carried out by the Constabulary's Corporate Performance Department. Citizens attending neighbourhood panels are able to set local priorities for their local policing teams.
- 3.32 The Local Policing Plan is distributed widely throughout the force area and is been available on the websites and at key locations such as libraries.

(7) Reliable financial reporting and internal financial controls.

- 3.33 Financial control involves the existence of a structure which ensures that all resources are used as efficiently and effectively as possible to attain the overall objectives and targets. Internal financial control systems are in place to minimise the risk of loss, unlawful expenditure or poor value for money, and to maximise the use of the assets and limited resources.
- 3.34 The Constabulary's financial management framework follows national and/or professional best practice and its key elements are set out below:
- The corporation sole has a Chief Finance Officer (CFO) with responsibility under Section 151 of the Local Government Act 1972 to ensure that there are arrangements in place for the proper administration of financial affairs. The CFO also has certain statutory obligations under Section 114 of the Local Government Finance Act 1988 which cannot be delegated, namely, reporting any potentially unlawful decisions by the Constabulary on expenditure and where a loss or deficiency may arise. The CFO must also report in the event that spending in the year is likely to exceed available resources. The organisations fully comply with the CIPFA Statement on the Role of the Chief Financial Officer in the Police Service).
 - The finance function is governed by the Financial Regulations which are framed under the Home Office Code of Financial Management. The Chief Constable is responsible for adherence to Police Regulations and the Constabulary is monitored for additional compliance by HMIC and HM Revenue and Customs,
 - Responsibility and accountability for resources rests with managers who are responsible for service provision,
 - The Commissioner has adopted the CIPFA Code of Practice on Treasury Management requiring approval of an annual Treasury Management Strategy including an annual investment strategy to which the Constabulary adheres,
 - In accordance with the CIPFA Prudential Code and best accounting practice a four-year medium-term financial plan (MTFP) and a four-year capital programme are produced,

- The revenue budget provides an estimate of the annual income and expenditure requirements for the police service (Commissioner and Constabulary) and sets out the financial implications of the Police and Crime Plan. It provides chief officers with the authority to incur expenditure and the basis on which to monitor the financial performance,
- The Commissioner is required to set the budget and precept,
- Capital expenditure is an important element in the development of the policing business since it represents major investment in new and improved assets. The Commissioner approves the capital programme each year and monitors its implementation and funding closely. The Commissioner has required a policy of no borrowing to finance capital spending unless it is for long term structural change. The Chief Constable has adhered to this policy.

3.35 New Financial System

The Constabulary went live with a new financial system in January. The system will be a tri-force system with Bedfordshire going live in April 2017 and Hertfordshire in June 2017. The system has been subject to External Audit additional testing to ensure the integrity of the system.

The governance of the implementation of the system was overseen by a tri-force board the SRO being the Chief Finance Officer for Bedfordshire. The Strategic Board had all Force leads on it and the technical board had technicians from all 3 Forces on it. The technical board reports into the strategic board where matters of a technical nature, where agreement couldn't be agreed across the 3, can be escalated.

4. REVIEW OF EFFECTIVENESS

- 4.1 The Chief Constable's role in maintaining the effectiveness of the governance framework extends to ensuring that there is an approved Code of Corporate Governance and that the Code includes the arrangements for review thereof.
- 4.2 The Chief Constable manages the Force through a series of Boards. The Force Executive Board (FEB), which is responsible for governance and strategic direction, is chaired by the Chief Constable. All Heads of Business are members of the FEB, which meets monthly. The Board has responsibility for financial management, corporate governance and the risk management process and also oversees areas of business such as Professional Standards, Human Resources, and the Change Programme. Performance is monitored and managed through the monthly Force Performance Board. As part of tri-force arrangements there are various organisational boards i.e. People Board which report to Organisational Support Governance Board. Matters such as HR and ICT that affect Cambridgeshire are still discussed at the FEB with representative attendees from the departments.

- 4.3 Collaboration Boards have now been set up for the three areas of collaboration with each of the three Forces chairing the area of business for which they are responsible. Cambridgeshire is responsible for Organisational Support which comprises HR, Finance, ICT and Information Management. The Board is chaired by the DCC with OPCC officers in attendance.
- 4.4 The Constabulary is subject to regular external scrutiny of the quality of service by Her Majesty's Inspectorate of Constabulary (HMIC). The annual assessment of Police Effectiveness, Efficiency and Legitimacy (PEEL) was published in November 2016. Cambridgeshire Constabulary was assessed as Requires Improvement for Efficiency and GOOD for Legitimacy and Effectiveness.

For Efficiency the HMIC said *"The force recognises it needs to improve its understanding of demand on its services and is already taking appropriate action. It is good at using its resources to meet demand and works well with other forces and partner organisations to improve efficiency and make savings. However, overall it needs to do more to fully understand demand and to plan for demand in the future. The force is already taking the right steps to address these issues."*

For Legitimacy the HMIC said *"The force treats the people it serves, and its workforce, with fairness and respect. It seeks and acts on feedback to improve the services it provides and listens to the views of its workforce. It does good work on identifying and enforcing standards of behaviour. However, HMIC has concerns about the force's ability to ensure that its entire workforce behaves ethically and fairly because of limited capacity in its anti-corruption and vetting unit (ACU)."*

For Effectiveness the HMIC said *"Cambridgeshire Constabulary has been assessed as good in respect of its effectiveness at keeping people safe and reducing crime. Our overall judgment is an improvement on last year, when we judged the force to require improvement. The force has an effective approach to preventing and tackling anti-social behaviour and serious and organised crime. It has improved the service it provides to vulnerable victims. However, improvements are required in how it investigates crime."*

The HMIC also inspected Police leadership, this inspection focused on how a force understands, develops and displays leadership through its organisational development.

For Police Leadership the HMIC said *"The Force has worked effectively with its workforce to refresh and redefine what it expects from its leaders, promoting a leadership style that trusts officers and staff to make decisions. The force has taken the decision to move to a 'trust and check' approach; encouraging a more inclusive style of management. This display of trust emphasises the force's leadership expectations. This encourages officers and staff to challenge senior leaders and to feel comfortable in doing so. We found that the force is highly innovative and has a culture of working with academia. This is particularly evident in how it develops its information and communications technology, and in research commissioned from Cambridge University. We found that the force evaluates some of its programmes, projects and initiatives well and makes this learning available to others."*

- 4.5 The HMIC has also concluded a further Crime Data Integrity inspection. HMIC have recognised, we have made a concerted effort to improve the way we record crime accurately since their Crime Data Integrity inspection in 2014, and we continue to put victims at the heart of our crime recording decisions. We have made significant progress against all of the recommendations made in the 2014 report, including introducing new crime-recording processes and establishing the Victim and Witness Hub, which provides support services to all victims of crime - but particularly those who are most vulnerable in our community. That said, we recognise there is still more work to do, and we have already put in place systems to ensure crime is reported at the first point of contact, either through an officer at the scene, the force control room or the police service centre.
- 4.6 The Joint Audit Committee undertook the core functions of an audit committee in accordance with the guidance set out in the CIPFA publication 'Audit Committees – Practical Guidance for Local Authorities'.
- 4.7 The Joint Audit Committee played a pivotal role in the system of internal control through its oversight of audit arrangements. The Committee approved the external audit plan and received the annual audit letter from the external auditor. The Committee also approved the annual internal audit plan, received regular internal audit reports and monitored management performance against agreed action plans to address any weaknesses identified. In addition, the Committee oversaw progress on Risk Management and related issues.
- 4.8 The Head of Internal Audit's Annual Report for the year ended 31 March 2017 has been received and was considered by the Joint Audit Committee on 29 June 2017. The Report includes an opinion on the internal financial control framework.
- 4.9 The opinion is as follows:-

The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

- 4.10 The Head of Internal Audit noted that the following factors and findings informed the opinion above:
- Governance – our Cambridgeshire only review of governance focused on Compliance with the Delivering Governance in Local Government Framework with the Office of the Police and Crime Commissioner (OPCC) and the Force and we concluded with a substantial assurance opinion to both.

- Our BCH collaborative governance review focused on the governance structures in place including arrangements for change management and benefits realisation. This review concluded with a partial assurance opinion over the arrangements in place and identified a number of actions for improvement. Following our review management also commissioned a further review by External Consultants to take this area forward.
- Risk Management – our audits of Risk Management with the OPCC and Force included a review of the Risk Register update, review and monitoring and reporting. These both concluded with a substantial assurance opinion.
- In addition, we undertook a review of the BCH collaboration risk management arrangements and this audit concluded with a substantial assurance opinion.
- Control – we have undertaken seven Cambridgeshire specific assurance reviews (excluding governance and risk management), that contributed to the control opinions. Four of these audits concluded with substantial assurance opinions and three concluded with reasonable assurance.
- Eight further reviews were also undertaken in relation to collaboration activity across BCH, of these two concluded with substantial assurance, four with reasonable assurance and one with partial assurance.
- Our follow up of actions agreed to address previous years' internal audit findings shows that the organisation had made reasonable progress in implementing the agreed actions.

4.11 The most recent external audit annual audit letter was issued by Ernst & Young in October 2016. This noted an unqualified opinion on the financial statements and that proper arrangements were in place to secure value for money in the use of resources. There were not matters of public interest to report and that the information published with the financial statements was consistent with the Annual Accounts.

4.12 Both internal and external audit have detailed audit plans upon which assurance is gained and these are available on our website.

5. SIGNIFICANT GOVERNANCE ISSUES

5.1 In 2016/17 no major governance issues were identified.

5.2 The partial assurance opinion was in the area of Health and Safety, and weaknesses included non-compliance within the individual Forces in relation to completion and evidence of risk assessments, inspections, investigation of potential health and safety incidents, annual reporting and the clarity of the governance arrangements.

Management Response - The OPCC and the Constabulary have taken very seriously the issues raised in BCH Governance and Health and Safety.

BCH Governance – an independent piece of work was commissioned to assist BCH to take this work forward. The review has concluded and an action plan is in place and being worked through. The action plan is taken through JCOB and overseen by SAS.

Healthy and Safety – the tri-force board has an overarching action plan to address the findings but the Force has re-established its own Health and Safety Board, chaired by a senior officer. The Force board has created an extensive action plan which each service area is working through and the plan is about 70% completed. Additional awareness training for senior managers has also been undertaken.

- 5.3 Based on the opinion of the Chief Internal Auditor and our own ongoing work, we are satisfied that our arrangements for governance, risk management and control are adequate and effective. However, we recognise that collaborative governance needs to be developed further and that Health and Safety needs to show quick improvement and is kept on the radar of senior management.
- 5.4 Looking ahead, the Chief Constable considers that external financial pressures and complexity in crime will be our two biggest pressures; however the performance and governance arrangements we have in place will ensure they are well monitored.

Signed



Alec Wood MA
Chief Constable



Niki Howard CPFA
Chief Finance Officer to the Chief Constable

Date: 29th June 2017