# Annual Governance Statement



Surrey Police

**Police and Crime Commissioner’s Annual Governance Statement** 2020-21

**1 Introduction**

1.1 This Annual Governance Statement sets out how the Surrey Police & Crime Commissioner (PCC) and Office of the Police & Crime Commissioner (OPCC) have complied with the corporate governance framework set out in the Scheme of Governance for Surrey in place for the year ended 31 March 2021.

1.2 It is designed to complement the annual governance statement of the Chief Constable of Surrey, to give the full picture of governance within Surrey Police and the Office of the PCC.

1.3 This statement is informed by an annual review of governance arrangements with assurance on compliance with the seven principles of the Code of Corporate Governance, by on-going audit inspection and external review.

1.4 Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 requires an authority to conduct a review at least once in a year of the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts (England).  This term ‘authority’ includes the Chief Constable and the Police and Crime Commissioner legal entities.  This requirement is reflected in the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 published by the Chartered Institute of Public Finance & Accountancy (CIPFA).

**2 Scope of Responsibilities**

2.1 The respective roles of PCCs, Chief Constables and Police & Crime Panels are detailed in the statutory instrument, Policing Protocol Order 2011. This cites that the PCC is responsible for the ‘totality of policing’ within Surrey. The over-arching key responsibilities of the PCC are:

• To secure the maintenance of an efficient and effective police force for the area

• To hold the Chief Constable to account for the exercise of his or her functions

• Wider powers in relation to working with and bringing together community safety and criminal justice partners

2.2 The Chief Constable retains operational control of the Force in governance arrangements, which must not be fettered by the PCC.

2.3 David Munro was elected as PCC for Surrey in May 2016 for a four-year term. Although elections were scheduled for May 2020, these were deferred by the Government until May 2021 and Mr Munro’s term extended by a further year. During the 2020/21 year, Mr Munro was supported by a small team of staff who form the Office of the Surrey Police & Crime Commissioner. The OPCC is responsible for ensuring that the PCC’s 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.

2.4 Following the PCC elections in May 2021, the elected official tasked with setting out the way crime is tackled by Surrey Police was Lisa Townsend who is now the current Police and Crime Commissioner for Surrey.

2.5 Lisa Townsend subsequently nominated Ellie Vesey-Thompson to support her work and be able to delegate functions to her and tackle key priorities such as violence against women and girls, domestic abuse, rural crime and pet theft.

2.4 In discharging this overall responsibility, the Surrey OPCC is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions and for the management of risk.

2.5 The OPCC continues to follow the principles of the CIPFA Framework: ‘Delivering Good Governance in Local Government’

**3 The Governance Framework**

3.1 Surrey OPCC has approved and adopted a Scheme of Governance which is consistent with the principles of the CIPFA Framework, ‘Delivering Good Governance’. The Scheme shows how the OPCC complies with the principles of ‘good governance’ as defined by CIPFA and sets out the arrangements in place for effective governance and financial management. It comprises a number of elements, including:

• Code of Corporate Governance: how the PCC and Chief Constable achieve the core principles of ‘good governance’

• Framework of Decision-Making and Accountability: how the PCC makes/publishes key decisions and holds the Chief Constable to account

• Scheme of Delegation: key roles of the PCC and those functions delegated to others

• Memorandum of Understanding: setting out the cooperative arrangements between the PCC and Chief Constable for the provision of business support and administration.

• Financial Regulations: the framework for managing the PCC’s financial affairs

• Contract Standing Orders: rules for the procurement of goods, works and services

The scheme is reviewed annually in tandem with Surrey Police, Sussex Police and Sussex OPCC.

3.2 A copy of the Scheme and its component parts is available on the PCC’s website or can be obtained from the Office of the Police & Crime Commissioner, Mount Browne HQ, Guildford GU3 1HR. This Annual Governance Statement explains how Surrey OPCC has complied with the Scheme during the year 2020-21.

3.3 The various elements of the Scheme of Corporate Governance set out the systems and processes, culture and values by which Surrey OPCC is directed and controlled and the activities it undertakes to engage with and be accountable to local communities. It enables the OPCC to monitor the achievement of the PCC’s strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

3.4 The systems of internal control are a significant part of the Scheme and are designed to manage risk to a reasonable level. They cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The PCC has on-going processes designed to identify and prioritise risks to the achievement of the OPCC’s policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

3.5 Below, we set out how the OPCC demonstrates the seven principles of good governance in policing, as defined by the CIPFA Guidance Notes for Policing Bodies in England and Wales (2016 Edition).

3.6 **Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law:**

To achieve this principle, the PCC has:

• *Ensured that the* ***Code of Ethics*** *is embedded in the organisation*

*• Been briefed on the Code of Ethics and signed up to an* [*Ethical Checklist*](https://www.gov.uk/government/news/committee-calls-on-pcc-candidates-to-sign-up-to-ethical-checklist)

*• Linked the* [*Police & Crime Plan*](http://www.surrey-pcc.gov.uk/plan/) *to the Force’s ‘Plan on a Page’ to ensure shared values are communicated clearly across the organization,*

*• Signed up to a* [*Concordat*](http://www.surrey-pcc.gov.uk/wp-content/uploads/2016/08/Concordat.pdf) *with the Chief Constable, aligned to the Policing Protocol Order 2011, requiring abidance to the Seven Principles of Public Life (the Nolan Principles). The concordat highlights the expectation that the relationship between PCC and Chief Constable will be based on the principles of goodwill, professionalism, openness and trust*

*• Taken the* ***Oath of Office*** *on the day of election*

*• Signed up to a voluntary* [*Code of Conduct*](http://www.surrey-pcc.gov.uk/wp-content/uploads/2016/05/Code-of-Conduct-DM-2016.pdf)

*• Published* [*Registers of interests*](http://www.surrey-pcc.gov.uk/about-your-pcc/) *and records of gifts, hospitalities and expenses for the PCC, Chief Officers and relevant staff and shared these with the Audit Committee*

*• Ensured that all staff have clear objectives and up-to-date Performance Development Reviews (PDRs) and job descriptions*

*• As part of* ***governance arrangements****, put in place a regular performance meeting which allows the PCC to hold the Chief Constable to account against the priorities of the Police & Crime Plan*

*• Provided responses to all HMICFRS reports which make a recommendation for Surrey or the police service nationally*

*• Kept* ***Anti-fraud and corruption policies*** *up-to-date and under review by the Audit Committee*

*• Ensured that the OPCC has an up-to-date* [*Freedom of Information*](http://www.surrey-pcc.gov.uk/transparency/freedom-of-information/) *Act* ***Publication Scheme*** *and is compliant with new requirements for the General Data Protection Regulations*

*• Has* ***Whistle-blowing*** *policies in place that are published and subject to review by the Audit Committee*

*• Published policies and procedures on* [*complaints*](http://www.surrey-pcc.gov.uk/complaints/) *on our website and reviewed wider arrangements for the handling of complaints given the new provisions of the Policing and Crime Act 2017 (came into effect in February 2020)*

*• Had in place arrangements for the* ***oversight of professional standards*** *and dip checking of complaints files*

*• Run an effective* [*Independent Custody Visitors Scheme*](http://www.surrey-pcc.gov.uk/independent-custody-visiting/) *which ensures the welfare of those detained in police custody and subjected the scheme to peer assessment*

*• Took a* ***national portfolio lead*** *for issues of equality, diversity and human rights*

*• Employed a Chief Executive who undertakes the responsibilities of* ***Monitoring Officer***

3.7 **Principle B: Ensuring openness and comprehensive stakeholder engagement:**

To achieve this principle, the PCC has:

• *Published his* ***Police & Crime Plan*** *which clearly sets out the strategic direction and objectives for Surrey and how they will be delivered*

*• Published an* ***Annual Report*** *against the plan which was approved by the Police & Crime Panel*

*• Undertaken a* ***survey*** *prior to setting the council tax precept and published results on the website*

*• Held a* ***series of public engagement events*** *to determine public views on the allocation of additional resource which will be funded via the increase in council tax precept*

*• Fostered good working relationships with the* ***Police & Crime Panel****, constituent local authorities and other partners*

*• Made a series of visits to a wide range of partner organisations, community groups and residents associations*

*• Developed an accessible and engaging* ***public website*** *and social/digital media channels*

*• Held regular* [*webcast performance meetings*](http://www.surrey-pcc.gov.uk/transparency/meetings-agendas/) *which can be viewed by the public with papers published on the OPCC’s website*

*• Discharged statutory, reciprocal duty with responsible authorities to co-operate to reduce crime, disorder and re-offending through good governance arrangements with partner agencies*

*• Provided chairmanship of the Local Criminal Justice Partnership and Community Safety Board*

*• Engaged with* ***partnerships*** *at a national level (e.g. taken a national lead on equality and diversity issues), at a regional level (e.g. South East collaboration board) as well as at a local level*

*• Signed up to a number of* ***Collaboration agreements*** *to set out those areas of business to be undertaken jointly with other Forces and Local Policing Bodies*

*• Responded to* ***national consultations*** *where appropriate, for example through the Association of PCCs*

*• Published a* ***commissioning and grants strategy*** *to set the framework for how he will focus resources and work with partners and a* [*funding hub*](http://funding.surrey-pcc.gov.uk/) *to provide information on how monies have been spent*

*• Played an active role in the* ***Independent Advisory Group*** *and taken a national lead on issues around equality and diversity*

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

To achieve this principle, the PCC has:

• *Ensured that the Force’s* ***Vision and Mission*** *document is used as a basis for corporate and service planning and is linked to the Police & Crime Plan*

*• Established* ***performance measures*** *and governance structures that allow the PCC and Surrey Police to assess progress against their objectives*

*• Kept the* ***Medium Term Financial Plan*** *under regular review*

*• Ensured that reviews of* ***capital investment*** *plans are undertaken to achieve appropriate lifespans and adaptability for future use*

*• Sought assurance that projects are subject to sound* ***business cases*** *with appropriate ‘gateway’ sign-off points*

*• Subjected key strategic projects, e.g. the ERP system and estates strategy, to specific and expert oversight arrangements*

*• Commissioned and developed* ***services for adults, children and young people*** *in Surrey that are informed by needs analysis and aligned to Police and Crime Plan and commissioning strategy*

*• Developed partnerships between Surrey Police and private and public sector partners to jointly tackle problems, for example promoting partnership working in tackling Modern Slavery*

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

To achieve this principle, the PCC has:

• *Undertaken an annual review of the* ***corporate governance framework*** *and key high level governance documents and subjected compliance with these documents to audit*

*• Agreed a* ***Memorandum of Understanding*** *to set out the information and service requirements needed by the PCC and provided by the Force*

*• Maintained a* ***Medium Term Financial Strategy***

*• Ensured that processes are in place to allow proper* ***analysis and evaluation of plans*** *including option appraisal, assessing the impact of alternative approaches and benefits realisation*

*• Overseen workforce* ***development and asset management plans*** *(e.g. estates and ICT)*

*• Published a* ***forward plan*** *of decisions*

*• Kept* ***Risk Management*** *policies under review, with assurances from the Audit Committee*

*• Included a set of* ***performance aspirations*** *to be monitored at performance meetings*

*• Placed particular* ***focus on areas of underperformance****, e.g. positive outcomes for high harm offences*

3.10 **Principle E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it**

To achieve this principle, the PCC has:

• *Held performance reviews with the* ***Chief Constable****, in accordance with guidance from the College of Policing, setting clear objectives for this role and assessed performance against these*

*• Ensured that* ***talent and succession plans*** *are in place*

*• Reviewed the Force’s preparations for new initiatives such as Apprenticeships and the Police Constable Degree (PCDA) programme*

*• Given staff of the Force and OPCC access to* ***learning and development resources*** *and encouraged a focus on Continuous Professional Development*

*• Kept a check on the Force’s approach to* ***reward*** *that aims to attract and retain the best people with the most appropriate skills*

*• Ensured that policies for* ***Equality and Diversity*** *set out how the OPCC/Force will promote diversity by recognising, valuing and respecting the different contributions and needs of both communities and staff*

*• Continued to support a programme of collaboration between Sussex and Surrey Police to increase capacity, share expertise and provide the most efficient and cost-effective service.*

3.11 **Principle F: Managing risks and performance through robust internal control and strong public financial management**

To achieve this principle, the PCC has:

• *Maintained a* ***Risk Management Strategy*** *that allows the Force and OPCC to identify and manage operational, strategy and project risks*

*• Maintained a* ***Risk Register and Assurance Framework*** *for the OPCC*

*• Received advice from the* [*Joint Audit Committee*](http://www.surrey-pcc.gov.uk/transparency/key-responsibilities/) *which continues to provide* ***external scrutiny*** *of strategic risks and which operates in line with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and within the guidance of the Financial Management Code of Practice*

*• Subjected decisions to scrutiny by the* ***Police & Crime Panel***

*• Reviewed the overarching* ***Scheme of Governance*** *which highlights the parameters for decision making, including the arrangements for governance, delegations, consents, financial limits for specific matters and standing orders for contracts*

*• Ensured that* ***Annual Governance Statements*** *are produced for the Force and OPCC*

*• Ensured that an effective* ***internal audit*** *service has been resourced and that internal audit plans and reports are informed by and scrutinised by the Audit Committee*

*• Engaged with the* ***External audit*** *service, whose reports are scrutinised by the Audit Committee*

*• Put in place and published* ***Data protection*** *policies and implemented arrangements for the new* ***General Data Protection Requirements Regulation 2018***

*• Received assurances from HMICFRS around Force* ***efficiency and effectiveness***

*• Received regular* ***budget monitoring*** *reports*

*• Approved a* ***treasury management*** *strategy*

*• Been represented at force meetings where data quality issues are discussed*

*• Put in place* ***business continuity plans***

*• Ensured that The PCC and Chief Constable abide by the* ***CIPFA Financial Management Code of Practice***

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

To achieve this principle, the PCC has:

*• Held the* ***Chief Constable to account*** *on a regular basis at performance meetings, with some of these being webcast so they are publicly available, with papers and minutes published*

*• Been commended for compliance with the Local Policing Bodies Specified Information Order 2011 which determines which information should be* ***published on the OPCC website***

*• Ensured that the Force and OPCC publish their respective* ***Statement of Accounts*** *and Annual Governance Statements*

*• Ensured compliance with the CIPFA Statement on the Role of the Head of Internal Audit (2010), working with the internal audit service provider, Southern Internal Audit Partnership, to maximise the effectiveness of regular updates to the Joint Audit Committee*

*• Published all* [*all key decisions*](http://www.surrey-pcc.gov.uk/transparency/decisions/) *on the website*

*• Reviewed* ***decision-making practices*** *which are clearly set out in the Framework of Decision-Making and Accountability*

*• Continued to support the work of the Joint Audit Committee (JAC) in its role of monitoring governance and internal control, conducting effective recruitment procedures for new members during the year and providing training by the regulator CIPFA to ensure they are fully aware of role and expectations of JAC members*

**4 Review of Effectiveness**

4.1 The PCC must ensure the effectiveness of the governance framework, including the system of internal audit and control.

4.2 Assessments and recommendations made by the internal and external auditors and other review agencies are kept under review by the OPCC and at meetings of the Joint Audit Committee.

4.3 The Joint Audit Committee has been consulted on the development of the annual governance statement.

4.4 A process is established to ensure the Chief Constable and Surrey PCC, approve and sign off their respective annual governance statements, in accordance with the CIPFA guidance.

**5 Internal Audit Opinion**

5.1 The CIPFA code requires Internal Audit to provide an opinion on the overall adequacy and effectiveness of the governance framework. That opinion is provided below:

**Annual Internal Audit Opinion 2020-21:**

For the 12 months ended 31 March 2020, the Chief Internal Auditor’s opinion for the Office of the Police and Crime Commissioner for Surrey and the Surrey Police Force is as follows[[1]](#footnote-1):

“I am satisfied that sufficient assurance work has been carried out to allow me to form a reasonable conclusion on the adequacy and effectiveness of the internal control environment.

In my opinion frameworks of governance, risk management and management control are *reasonable* and audit testing has demonstrated controls to be working in practice.

In 2019-20 I gave a limited assurance opinion, primarily due to the results relating to IT reviews, given that this is such a critical area of control. Prior to 2019-20 there had been very little assurance work completed in the collaborative area of IT and this was rectified from 2019-20 through delivery of a joint internal audit plan with Sussex Police, following our appointment as Surrey Police’s internal auditors from April 2019. Whilst there remains work to be done in some areas, the results of our reviews and follow-up work in 2020-21 relating specifically to IT, have shown significant progress in addressing the issues raised. The direction of travel remains positive with strong governance over monitoring and challenging progress in addressing the outstanding actions.

Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement.”

**6 In response to Covid-19**

***NB: THIS SECTION IS AN INITIAL DRAFT WHICH WILL BE UPDATED IN SEPTEBMER 2021 TO PROVIDE THE POSITION AS AT THE SIGNING OF THE AGS***

6.1 The annual governance statement (AGS) needs to be current at the final date of publication which may be later than previous years due to the extended deadlines for statutory reporting for 2021-21. As a result of Covid-19, statutory deadlines have been set for the next two years as 31 July for publication of the draft AGS with the final AGS (ideally post-audit) deadline as 30 September.

6.2 The AGS assesses governance in place during the 2020/21, during which time the Covid-19 coronavirus pandemic had considerable impact on governance arrangements and has continued to do so beyond 31 March 2021. The impact of Covid-19 on existing governance arrangements is under constant review through established risk monitoring processes. The Police and Crime Commissioner is keeping under continuous review the impact of Covid-19 on the operation of the Office of the PCC, the force and partner organisations.

6.3 The OPCC adapted its working practices, using electronic means of communication rather than face to face meetings to scrutinise the Force or ensuring appropriate social distancing measures in place. The PCC held Performance Meetings throughout the year with the Force remotely to ensure that the Chief Constable was still held to account. Remote meetings of the Joint Audit Committee and the Police and Crime Panel were also scheduled to take place as usual. The Internal Audit plan for 2020/21 was re-ordered to enable audits which could be done remotely to be completed first. This was to ensure that any slippage in the overall timetable was minimised. The PCC in place at the time (David Munro) invited voluntary bodies to apply for special Covid-19 grants to support their work within the Community, especially in areas of Domestic and Child abuse, with £250,000 being awarded.

6.4 With the easing of restrictions, later in the year, the office will be reopened and staff attend when necessary, with guidance being provided by the OPCC and Force for all areas of the police estates. It is anticipated that agile working will continue.

**7 Compliance with CIPFA’s Statement on the Role of the Chief Financial Officer (CFO)**

7.1 The PCC and Chief Constable must both have a suitably qualified CFO with defined responsibilities and powers. The CIPFA Statement requires that the CFO should be a professionally qualified accountant, report directly to the PCC or the Chief Constable (depending on the specific CFO concerned) and be a member of their respective leadership teams. In the OPCC, the role of the CFO meets these requirements. In Surrey Police, the CFO holds the title of Executive Director of Commercial and Financial Services and is a key member of the Chief Constable’s leadership team. The CFO has direct access to the Chief Constable on financial matters as the CFO reports directly to the Chief Constable.

**8 Governance Issues**

8.1 No significant concerns were raised during the internal review of the effectiveness of governance arrangements however, a number of areas for improvement were identified. These improvements, to further enhance the PCC’s governance arrangements, are detailed in Appendix A together with any on-going areas for improvement continued from the action plan included in the 2019-20 annual governance statement. The actions to achieve these improvements will be monitored through the Force Organisational Reassurance Board and reported to the Joint Audit Committee.

 **Internal Audit**

8.2 The internal audit function is carried out by Southern Internal Audit Partnership for both the PCC and the Chief Constable. Audit reviews are undertaken in line with an annual internal audit plan, which is recommended by the Joint Audit Committee.

8.3 The overall Annual Internal Audit Opinion for 2020-21 from the Chief Internal Auditor of SIAP was “reasonable”.

8.4 In 2020-21 no Internal Audit reviews gave an opinion of no assurance of the Governance Framework.

8.5 Internal Audit reviews resulting in substantial assurance opinions during the year are detailed below.

* Data Classification and Data Governance 20/21
* Imprest 20/21
* Independent Custody arrangements 20/21
* Governance of Collaborative Arrangements 20/21
* Payroll 20/21
* Accounts Payable 20/21
* Accounts Receivable 20/21

8.6 Internal Audit reviews resulting in reasonable assurance opinions during the year are detailed below.

* Cyber security – security monitoring (19-20 c/fwd)
* Data protection – OPCC
* Risk management – OPCC
* Main accounting system
* Business continuity (joint)
* Pension administration arrangements (joint)
* Recruitment (joint)
* Procurement (joint)
* Information governance – data sharing agreements (joint)
* Security controls (joint)
* Systems lifecycle support and planning (joint)
* Monitoring, assurance and compliance (joint)

8.7 In 2020-21 the following Internal Audit reports were given an opinion of limited assurance, however the issues raised in these reviews were not considered by SIAP to be significant in the context of the overall governance, risk management and control system:

* Estates Management 20/21
* Organisational Risk Management Framework 20/21
* IT Business Continuity/Disaster Recovery Planning 19/20 (joint)
* Commercial Unit (19/20) (joint)
* Cyber security 3rd party management 19/20 (joint)
* Application Management 19/20 (joint)
* IT Asset Management and Software Licensing 20/21 (joint)

8.8 The key areas of weakness identified previously by SIAP within the collaborative area of IT which had not been subject to internal audit for several years have been closely monitored during the year for progress. This indicated that significant progress had been made and where actions remain outstanding they are being actively monitored and challenged through the Organisational Reassurance Board. Whilst there remains work to be done in some areas, the direction of travel is positive and working relations between IT and internal audit staff have strengthened through regular liaison meetings, resulting in improved understanding of the process as well as improvements in the timeliness of response to internal audit requests for information and as a result, the completion of reviews.

8.9 The Chief Digital & Information Officer heading up the ICT department put in place a monthly review process to assess progress of agreed actions and provide regular updates to the Deputy Chief Constables, Chief Finance Officers, Joint Audit Committee, Internal Auditors and External Auditors of both Surrey Police and Sussex Police forces and PCC’s. This is in addition to the general governance framework detailed above and provides a strong and continual framework to address the audit findings and weaknesses in these areas of ICT.

8.10 Management have agreed recommendations to address all the findings reported by the internal audit service during 2020/21.

 **Equip Project**

8.11 The Equip Programme was the proposed tri-force Enterprise Resource Planning (ERP) Solution for Surrey, Sussex and Thames Valley Police. The solution was intended to bring improvements to all three forces and enable consistency, better information for managing and decision making – for teams and individuals. The programme approach, initially comprised of an external implementation partner and an in-house team of staff and contractors, supplied by the three forces.

8.12 Delays in implementation of the solution had been identified as a key risk both within the forces’ risk management arrangements and by the external auditor in terms of their Value For Money review work. A number of progress and independent advisory reviews were undertaken.

8.13 In December 2020 the Chief Constables agreed that the ERP product developed by KPMG should be transferred to the three forces to mitigate against future financial risk. Following recommendation by the three force Chief Constables, approval was granted by the three PCCs. The forces have worked closely with KPMG to achieve the transfer of the ERP Software, Documentation and Licenced assets.

8.14 Following closure of the tri-force Equip programme, a new Surrey & Sussex ERP Programme has been set up to look at future ERP work. In Sussex and Surrey Police the respective Chief Constable’s and PCC’s are considering a range of options for use, development of the Equip assets and/or additional ERP solutions for enhanced functionality. Surrey Police bears 22% of the total partnership project costs.

8.15 Prior to 2020/21 Sussex Police and Surrey Police had spent £7.276m and £5.723m respectively on the Equip programme and this had been fully released to revenue on the basis that the end asset platform providing the software as a service to Sussex and Surrey would not be owned by Sussex Police or Surrey Police.

8.16 During 2020/21 Sussex Police spent a further £5.385m and Surrey Police spent a further £3.791m on the Equip programme. Sussex Police spent £2.752m of that amount on the capital asset purchase from KPMG whilst Surrey Police spent £1.918m of the total on the capital asset purchase from KPMG. All remaining amounts were revenue charges for the Equip team and related running costs during the year. No further sums will be spent on the Equip programme in 2021/22 or later years.

 **Covid-19**

8.17 Although Covid-19 slowed progress, SIAP continued to work remotely to complete the 2019/20 review, however Covid-19 had a significant impact on SIAP’s ability to commence work on the 2020/21 plan, due to the request to delay any work impacting on operational staff. Regular discussions took place between SIAP and Chief Finance Officers to review the plan and ensure it remained appropriate and relevant and to consider any changes needed to incorporate new risk areas arising from the challenges presented by Covid-19.

**9 Certification**

This statement has been prepared on the basis of the review of effectiveness of governance arrangements. Advice and recommendations on the annual governance statement have been received from internal and external auditors and the JAC. It represents a fair and reasonable assessment of current arrangements and plans for improvement within Surrey Police. The arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

**Lisa Townsend,** Police and Crime Commissioner for Surrey

Date:

**Alison Bolton,** Chief Executive, Office of the PCC for Surrey

Date:

**Kelvin Menon,** Chief Finance Officer, Office of the PCC for Surrey

Date:

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**Appendix A: Areas for Improvement - Action Plan 2021-2022**

|  |  |  |  |
| --- | --- | --- | --- |
| ***Ref*** | ***Area for improvement*** | ***Owner*** | ***Completion Target dates*** |
| **Issues carried over from 2019-20 AGS action plan** |
| 1 | **Further improvements to financial reporting identified by the Executive Director Finance Commercial Services** – including improvements required in processes used by the joint Surrey/Sussex Management Accounting team, and enhanced frequency/content of external financial reporting agreed with the OSPCC CFO.The Finance collaboration restructure has been implemented with some redundancies due to professional qualification requirements which will in time increase service capability. This approach was endorsed by CIPFA as part of the new model and progression towards the 5\* service and Achieving Finance Excellence in Policing (AEFP). | Executive Director of Commercial and Finance | 31.03.22 ongoing as part of continuous improvement throughout 2021-22 |
| 2 | **ERP Payroll Extra Costs – limited assurance internal audit opinion**Lack of detailed definition and agreement of the costs to be included in any recharges could lead to dispute. Costs are not captured and recharged completely and accurately. Actions as set out in the report.Following closure of the Equip programme in December 2020, the identified risk regarding cross charging between forces and KPMG is no longer applicable.This internal audit action was therefore approved for retirement at Force ORB meetings in May 2021. |  Chief Digital and Information Officer | Action Retired |
| 3 | **ERP/EQUIP Programme**The Equip Programme will proactively clear the outstanding actions from all previous audit/Gateway reviews and initiate further reviews at strategic points prior to go-live.Following closure of the Equip programme in December 2020, the identified risk regarding cross charging between forces and KPMG is no longer applicable. | Chief Digital and Information Officer | Action Retired |
|  | **Uniform and Small Assets** – No assurance internal audit opinion (2018-19)2 high, 3 medium management actions | Service Director, Estates & Facilities | Complete |
| **Issues carried over from internal audit 2019-20** |
|  | **IT – Resource Management – Limited Assurance**15 high, 1 medium level management actionsUpdate May-21: 4 overdue actions remain open | Chief Digital and Information Officer | Anticipated completion date: 30.06.21 |
|  | **IT – Data Centre Facilities & Security – Limited Assurance**2 high, 2 medium, 4 low level management actionsUpdate May-21: 1 overdue action remains open | Chief Digital and Information Officer  | Anticipated completion date: 30.06.21 |
|  | **IT – Data Storage and Backup – Limited Assurance**5 high, 5 medium, 1 low level management actionsUpdate May-21: 2 overdue actions remain open | Chief Digital and Information Officer  | Anticipated completion date: 30.06.21 |
|  | **IT – Capacity and Performance Monitoring – Limited Assurance**1 high, 4 medium, 2 low level management actionsUpdate May-21: 2 overdue actions plus 2 actions not yet due remain open | Chief Digital and Information Officer  | Anticipated completion date: 31.12.21 |
|  | **IT – Commercial Unit – Limited Assurance**8 high, 6 medium level management actionsUpdate May-21: 10 overdue actions remain open | Chief Digital and Information Officer  | Anticipated completion date: 30.06.21 |
|  | **IT- Cyber Security – Limited Assurance**N.B.: Network Security & Access Controls (Limited Assurance); Cyber Security (Adequate) 5 medium level management actionsUpdate May-21: 1 overdue action remains open | Chief Digital and Information Officer  | Anticipated completion date: 30.06.21 |
| **ISSUES CARRIED OVER FROM 2019-20 AGS action plan** |
|  | **Information Commissioner’s Office guidance regarding publication of information**Ensure force information published on Single On-line Home is compliant with ICO requirementsReview of information published by the force was compliant in all areas except in relation to publication of minutes for senior decision making committees. | Chief Digital and Information Officer /Force Information Manager | Complete |
|  | **Information Sharing Agreements**Process to be introduced to ensure ISAs are kept up to date within the resource envelope of the Information Management department.Update May 2021 from Head of Information Management:ISAs are still regularly reviewed but the process has been changed to reduce delays caused by waiting for partners to respond to review requirements. Reviewing the reporting spreadsheet also highlighted a potential misunderstanding by showing all ISAs that were both due for renewal and also in the process of being created. A change was made so they meet the criteria for 6 month review / Year 1 Police Signatory review / Year 2 Police Signatory review noting any changes in process / Year 3 Full Police and Agency review.Actions to improve process have been completed but the action will continue to be tracked in 2021-22. | Chief Digital and Information Officer /Force Information Manager | 31.12.22 |
|  | **Risk assurance mapping:**As proposed by Karen Shaw, Deputy Head of Southern Internal Audit Partnership – risk assurance mapping exercise to be undertaken in relation to strategic force risks building on from work undertaken re action 14 above in relation to mapping corporate governance arrangements. | Executive Director Commercial and Financial Services | 02.09. 20 report to ORB |
|  | **Covid-19**Keep under review the impact of Covid-19 issues on Surrey Police and consider any governance issues arising. | Deputy Chief Constable / Executive Director of Commercial and Finance Services | 31.03.21 |
|  | **Covid-19**Undertake a lessons learned review from the Covid-19 response. | Deputy Chief Constable / Executive Director of Commercial and Finance Services | 31.03.21 |
| **Issues identified from internal audit 2020-21** |
|  | **IT Business Continuity / Disaster Recovery Planning – Limited Assurance**10 medium level management actionsUpdate May-21: 6 overdue actions remain open | Chief Digital and Information Officer | 30.04.21 |
|  | **Estates Management 2020/21 – Limited Assurance**5 High, 4 Medium level management actionsUpdate May-21: 2 overdue actions remain open | Executive Director of Commercial and Finance Services | 31.03.21 |
|  | **Organisational Risk Management Framework 2020/21 – Limited Assurance**5 High, 8 Medium level management actions  | Executive Director of Commercial and Finance Services | Complete |
|  | **IT Asset Management and Software Licensing 2020/21 – Limited Assurance**1 High, 11 Medium level management actions | Chief Digital and Information Officer | 31.12.21 |
| **PROPOSED NEW AREAS OF IMPROVEMENT IDENTIFIED BY FORCE FOR 2021-22 AGS ACTION PLAN** |
|  | **Establish appropriate governance arrangements to take forward the joint Surrey/Sussex ERP solution.**Following closure of the Equip programme, work within Surrey and Sussex has continued to remediate data quality issues, whilst business cases are developed with options for the next stage. The focus remains on shoring up legacy systems and ensuring that the skills, expertise and assets gained from the Equip programme are utilized to the fullest extent possible. | ACO SERIP / SRO Surrey & Sussex ERP | Will continue to be progressed through 2021-22 |
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1. Annual Internal Audit Opinion 2019-20: <https://surrey-pcc.gov.uk/wp-content/uploads/2020/07/10a.pdf> [↑](#footnote-ref-1)