# Annual Governance Statement



Surrey Police

**Chief Constable’s Annual Governance Statement** 2020-21

**1 Introduction**

1.1 This annual governance statement sets out how Surrey Police has complied with the corporate governance framework set out in the Code of Corporate Governance for the Surrey Police and Crime Commissioner (PCC) and the Chief Constable[[1]](#footnote-1) in place for the year ended 31 March 2021. It also details areas of improvement to further enhance governance arrangements that the force plans to progress during 2021-22.

1.2 It is designed to complement the annual governance statement of the Surrey PCC, 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 In response to Covid-19**

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* 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 2020-21. 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.
	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.
	3. As part of the Coronavirus Bill 2020 two new powers were given to the police:
* Powers Relating to Potentially Infectious Persons – Schedule 20;
* Powers to Issue Directions Relating to Events, Gathering and Premises – Schedule 21

In Surrey Police these powers are used only on the express direction of specific individuals.

* 1. Operation Titan, a ‘gold command’ governance group (formerly known as Op Apollo, but combined during 2021 with the response to the EU Exit and potential issues from severe winter weather) set up to respond to the challenges of Covid-19 as they were publicly announced, maintained a robust control environment to capture issues, assess capacity and capability, manage stakeholder engagement, make decisions and coordinate the Surrey Police response to Covid-19.
	2. Extensive internal and external communications, managed via Operation Titan issued the latest information and guidance to staff and officers daily to include; briefings, operational guidance, intelligence updates, personal guidance, line manager advice, staff impact and wellbeing resources.
	3. Activation of ‘social distancing’ policies and business continuity plans were invoked early on:
* Employees were instructed to avoid unnecessary travel and non-essential physical contact;
* Familiarity with PPE guidance promoted in recognition of inevitable physical contact in policing
* NHS hygiene advice made available to all staff and officers;
* Managers encouraged to support remote/home working for non-operational staff;
* Face to face meetings, wherever possible were moved to teleconference or alternative virtual meeting space e.g. Skype;
* Non-urgent meetings, events and conferences cancelled or postponed in consultation with stakeholders.
	1. Instruction was given mid-March 2020 for all staff to work from home where possible in line with restrictions on public life made by the UK Government to slow the effects of Coronavirus and protect NHS resources. Regular updates were issued throughout the year to reflect changes in restrictions.
	2. Other changes to governance arrangements as a result of Covid-19 include:
* Force command structure across Surrey Police and Sussex Police changes to increase resilience around the policing response;
* Redeployment of staff to support the front-line workforce and Operation Titan;
* Redeployment of officers to changes in priorities and crime demands arising from Covid-19;
* Frequent dialogue maintained with government officials and key stakeholders on the financial impact on policing resulting from Covid-19;
* Monitoring and approval process through Operation Apollo to deal with additional costs e.g. pay related costs, personal protective equipment (PPE) for frontline staff, IT investment to allow people to work from home and income losses;
* More flexible use of Government Procurement Cards and increased local floats to facilitate urgent purchases.
	1. Since 31 March 2020 the following governance issues arose relating to Covid-19:
* National procurement contribution towards personal protective equipment (£5m Surrey Police & Sussex Police) requiring legal and procurement expertise and cash flow management;
* Strategic review of budgets, existing projects and capital programmes with a view to mitigate costs arising from Covid-19 and support financial sustainability;
* Supply chain management including immediate payment of suppliers and/or exceptional payments in advance to mitigate risk of failure by essential suppliers;
* Greater likelihood of borrowing requirement due to additional costs and potential reductions in income during the year were largely mitigated by government grants covering costs in relation to Covid-19. However the longer term impacts on the economy will impact on medium term financial planning.

**3 Scope of Responsibilities**

3.1 The Chief Constable and the PCC are responsible for ensuring business is conducted in accordance with the law and proper standards, and that public money is safeguarded and is properly accounted for.

3.2 Under the Policing Protocol 2011 the PCC has responsibility for the delivery of efficient and effective policing, management of resources and expenditure by the police force. The PCC has a statutory responsibility to obtain views from the community and victims of crime about the policing of the Force area and must take into account the views of responsible authorities. These views inform the PCC’s Police and Crime Plan which sets the strategic direction and priorities for the Force.

3.3 The Chief Constable has a statutory responsibility for the control, direction and delivery of operational policing services provided by Surrey Police (the Force), having regard to the strategic direction and priorities set by the PCC in the Police and Crime Plan. In discharging this overall responsibility, the Chief Constable is responsible for establishing and maintaining appropriate risk management processes, governance arrangements and ensuring that there is a sound system of internal control, which facilitates the effective exercise of these functions.

3.4 Surrey Police continues to follow the principles of the CIPFA Framework: ‘Delivering Good Governance in Local Government’[[2]](#footnote-2) and the guidance notes for policing bodies (revised 2016)[[3]](#footnote-3).

3.5 This statement explains how the Force has complied with the principles and also meets the requirements of regulation 6 of the Accounts and Audit Regulations 2015 in relation to the publication of a statement on internal control.

3.6 The Force’s financial management arrangements conform to the governance requirements of CIPFA's Statement on ‘The role of the Chief Finance Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable (July 2012)’[[4]](#footnote-4). CIPFA’s new document for ‘The Role of CFO’s in Policing’ was published in March 2021 and will be used as a reference going forward.

**4 The Purpose of the Governance Framework**

4.1 The governance framework comprises the systems, processes, culture and values by which the Force is directed and controlled, together with its activities through which it accounts to and engages with the community.

4.2 It enables the Force to monitor the achievement of its strategic objectives, as set out by the PCC in the Police and Crime Plan[[5]](#footnote-5) and the Strategic Policing Requirement[[6]](#footnote-6), and to consider whether those objectives have led to the delivery of appropriate, cost-effective services, including achieving value for money.

4.3 The fundamental function of good governance in the public sector is to ensure that intended outcomes are achieved whilst acting in the public interest at all times.

**5 The Governance Framework**

5.1 The Chief Constable of Surrey Police is responsible for operational policing matters, direction and control of police personnel, and for putting in place proper arrangements for the governance of the Force. The PCC is required to hold him/her to account for the exercise of those functions and those of the persons under his/her direction and control. It therefore follows that the PCC must be assured that the Force has appropriate mechanisms in place for the maintenance of good governance and that these operate in practice.

* 1. A governance framework, collectively known as the Scheme of Corporate Governance, has been in place for the year ended 31 March 2021 and includes the Code of Corporate Governance, Memorandum of Understanding, Decision–making Framework, Scheme of Delegation, Financial Regulations and Contract Standing Orders. The Force system of internal control, based on a framework of policies and procedures, is a significant part of the Force governance framework and is designed to manage risk to a reasonable and foreseeable level. The Force cannot eliminate all risk of failure to achieve policies, aims and objectives; it can only provide reasonable but not absolute assurance of effectiveness.
	2. The Code of Corporate Governance for the Surrey Police and Crime Commissioner and Chief Constable for Surrey Police and all strategic governance documents that comprise the Scheme of Corporate Governance were reviewed in 2020-21 (except the Contract Standing Orders due to anticipated legislative changes later in the year) as part of the annual review of governance documentation and are available on the PCC’s website[[7]](#footnote-7). The joint Code provides a summary of governance arrangements setting out responsibilities. The Code also details a diarised programme for the regular review of policies. A key element of this is the identification and management of risk.
	3. Governance arrangements for both the Force and the PCC follow the seven principles as set out in the revised Delivering Good Governance: Guidance Notes for Policing Bodies in England and Wales (2016 Edition). The diagram below illustrates the various principles of good governance in the public sector and how they relate to each other. A summary of how the force complies with these principles is detailed below.

 

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

To achieve this, the Chief Constable has:

* ensured that officers and staff carry out their respective roles in a climate of openness, support and respect;
* developed standards of conduct and personal behaviour which are defined and communicated through appropriate codes of conduct and protocols and the policing Code of Ethics;
* communicated that all managers and supervisors at all levels of the Force should set a good example and challenge any behaviour that does not meet the Code of Ethics and to clearly communicate the Force’s values, standards, expectations and priorities;
* continued the Ethics Committee with an Independent Chair and Vice-chair to provide advice to the Force on ethical dilemmas raised by individuals or departments, with Information Management process in place to ensure policies and procedures are consistent and developed in consultation with subject matter experts including diversity and staff associations;
* in place arrangements for the reporting of all financial irregularities to senior managers and Section 151 officers via the Financial Regulations;
* ensured that an Equality, Diversity and Human Rights (EDHR) strategy is in place, overseen by the EDHR Board to link EDHR aims, objectives and outcomes with Force vision and priorities;
* continued to emphasise to staff the importance of crime data integrity, compliant with the national standards for crime recording, to ensure effective crime investigation and prevention (Her Majesty’s Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) undertook an inspection of crime data integrity in Surrey Police[[8]](#footnote-8) and assessed the Force as “Good”);
* ensured ethical application of Home Office Counting rules via the Strategic Crime and Incident Recording Group monitoring via the Data Quality Action Plan:
* ensured a policy on anti-fraud, bribery and corruption is in place (updated Jan 2021)[[9]](#footnote-9) which clearly sets out the procedures to be operated and which is designed to encourage prevention, promote detection and identify a clear pathway for the investigation of fraudulent and/or corrupt practices or behaviour;
* ensured that the Force is compliant with all relevant anti money laundering legislation;
* ensured accessible, appropriate and long established whistle-blowing arrangements and processes in place and that these are regularly reviewed e.g. “Anonymous Contact” confidential and independent web based reporting system;
* ensured that the requirements of the Policing and Crime Act 2017 relating to police conduct reforms were implemented (effective from February 1st 2020), establishing procedures for dealing with and investigating complaints which are in line with legal requirements and national guidelines;
* ensured that Surrey Police remains proactive in preventing and responding to cases involving “Abuse of Authority”, which includes raising awareness for staff, two new joint Surrey and Sussex policies are being developed in 2020 to give clear guidance on standards of sexual integrity expected entitled “Abuse of Authority for Sexual and Emotional Gain” and “Professional Boundaries and Appropriate Personal Relationships and Behaviours in the Workplace” via bespoke NCALT training package;
* ensured that officers and staff have easy reference to key information that relates to integrity accessible through the Force intranet;
* ensured that media engagement policy is in place relating to media relations, integrity and use of social media;
* ensured that staff and officers have been provided with and understand training in unconscious bias;
* regularly published chief officer expenses, gifts and hospitality (received and declined) and outside business interests of senior officers and staff with quarterly reports subject to oversight by Joint Audit Committee, Head of Professional Standards Department and the PCC;
* ensured there is a Force policy regarding use of force, and that it is compliant with Independent Office of Police Conduct (IOPC), (formerly the Independent Police Complaints Commission), report recommendations[[10]](#footnote-10), which includes the responsibility to fully document at the earliest opportunity the extent and method of force used, and the rationale for that force;
* considers divisional and IOPC reports published by the Professional Standards Department detailing results and lessons learnt from complaints and investigations to provide further guidance to all employees;
* ensured that the Force has met its equality and diversity obligations as set out in the Equality Act 2010 and the Public Sector Equality Duty 2011;
* a force Criminal Justice team responsible for keeping the Force up to date with changes in national criminal justice and legislation, with the Force Policy and Procedure team overseeing appropriate policies.
* continued to develop the work of the Legitimacy and Ethics Board (formed jointly with Sussex Police in 2017), to ensure that both forces are compliant with relevant Authorised Professional Practice and forces’ policies and to improve the scrutiny and governance arrangements in relation to key aspects of policing in Surrey and Sussex, including Stop and Search, Use of Force and the use of body worn video.

In 2018-19 HMICFRS assessed Surrey Police through the PEEL (police effectiveness, efficiency and legitimacy) programme of inspections and assessed Surrey as “Good” for Legitimacy, confirming that Surrey Police works hard to promote a no-blame, ethical, learning culture[[11]](#footnote-11).

* 1. ***Principle of Good Governance: B*****Ensuring openness and comprehensive stakeholder engagement.**

To achieve this, the Chief Constable has:

* meetings with the PCC every 6 weeks for alternate public webcast, and private scrutiny, meetings to report on progress against the PCC’s Police and Crime Plan;
* ensured that Force engagement with the public takes place on many levels, from daily street contact and phone calls through to contact via social media (Facebook, Twitter etc.), on line interaction via the force website and formal surveys in relation to service priorities;
* encouraged the public to sign up to ‘In the Know’ receipt of regular updates from Surrey Police;
* ensured use of social media accounts at a corporate and local neighbourhood level to provide updates, crime prevention advice and opportunities for engagement with all key news stories, including proactive transparency on negative issues involving the force such as officer misconduct, with monthly review of public information effectiveness to promote improvement, and social media training delivered in year to frontline staff including the Contact Centre;
* held regular meetings with local communities offering local people a chance to be heard, to discuss issues that affect them, to agree local action to tackle these issues and agree priorities;
* worked with partner organisations - through community safety partnerships and a range of others to tackle crime, disorder, anti-social behaviour and to reduce re-offending;
* engaged with Independent Advisory Groups, whose membership reflect different sections of the community, to encourage the active involvement of people from diverse groups;
* maintained Surrey Police information sharing agreements with partners and other organisations to manage information, working closely with County, Borough and District Councils via a centralised communications group which meets quarterly to share key messages.
* ensured that user satisfaction surveys across a range of victim groups (beyond the statutory requirement) are conducted to a high standard, providing the Force with information about the quality of service these groups have received from the police service e.g. quarterly neighbourhood survey, monthly Victim Satisfaction surveys for Anti-Social Behaviour and Crime, and ad hoc public surveys via social media;
* in place an engagement guide explaining to stakeholders and interested members of the public what they can expect from the force, supported by local engagement plans, policies and procedures;
* ensured that the Surrey Police website was further developed having joined the national initiative “Single On-line Home”, which offers an enhanced self-service feature for the public, greater consistency of advice and guidance and an improved user experience;
* ensured there is an up to date Freedom of information Act 2000 publication scheme;
	1. ***Principle of Good Governance: C* Defining outcomes in terms of sustainable economic, social and environmental benefits.**

To achieve this, the Chief Constable has:

* A Chief Constable’s ‘Plan on a Page’ set out the force vision and purpose in accordance with the PCC’s Police and Crime Plan and the Surrey Police Business Plan 2017-2025[[12]](#footnote-12). Recognising the need for staff and public to see and understand a clear vision and strategy for the Force, in September 2020 Surrey Police set out its strategy as “Our Commitments” to our Communities, our Force and our People. The Force will use this framework to focus activity over the next five years[[13]](#footnote-13);
* published a Force Management Statement[[14]](#footnote-14) detailing demand for police services and Surrey Police resourcing to meet these demands, together with details of identified areas to be addressed through investment;
* a five year Medium Term Financial Plan which is regularly reviewed and supported by robust, sustainable multi-year budgets to deliver the Force Business Plan and consider external factors such as inflation, borrowing and funding;
* decided how the quality of service for users is to be measured and ensured that the information needed to regularly and effectively review service quality is available;
* established a robust performance framework that ensures that the Chief Constable is informed of progress against key indicators;
* has continued to review the key functions, departments and activities, to ensure that the delivery of all elements of policing are effective and efficient;
* actively pursued joint working opportunities at a local, regional and national level, which has resulted in a number of policing services being delivered in collaboration with other organisations and bodies, particularly with the Sussex PCC and Sussex Police;
* established with Sussex Police a Change Delivery function which recognises the importance of strategic planning and integration to incorporate national, regional and local change, business change/adoption and change assurance;
* a robust mechanism to record and respond to recommendations and findings from external review, including HMICFRS and the IOPC, which is overseen by the Organisational Reassurance Board (ORB), chaired by the Deputy Chief Constable.
	1. ***Principle of Good Governance D:* Determining the interventions necessary to optimise the achievement of the intended outcomes.**

To achieve this, the Chief Constable has:

* undertaken an annual review of the corporate governance framework and key high level governance documents, including the Code of Corporate Governance ensuring the Code is aligned with the CIPFA guidance published in 2016;
* ensured that there is a risk management strategy and policy in place to ensure that threats to the achievement of the Force’s organisational objectives and regional and national responsibilities are identified and managed effectively via the Organisational Reassurance Board (ORB), with regular risk updates reviewed by the Joint Audit Committee and at the PCC’s Performance meeting;
* established a performance framework based on force priorities/strategic objectives, with an increased focus on qualitative assessment of behaviours and performance and root-cause analysis of issues - these changes have been aligned with the findings from the Irene Curtis review into the use of targets in policing[[15]](#footnote-15);
* subjected key strategic projects to specific oversight arrangements, including frequent review of the level of intervention required by the PCC and CC;
* ensured that there is robust scrutiny of the Force’s ‘Policing in Your Neighbourhood’ and other change programmes to ensure that significant and complex change programmes are monitored, reviewed and delivered effectively;
* ensured regular and focussed communication with the public via a communication planner regarding communication strategies supporting force priorities and alignment of public campaigns with those priorities;
* used monthly victim satisfaction surveys to monitor service delivery outcome satisfaction and compliance with the Victim Code.
* developed the governance related to change to better prioritise and drive delivery and better enable decision-making – this change governance process is supported by three levels of governance boards: Change Engagement Meeting; Change Assessment Board and Strategic Change Board which continue to work well for the organisation;
* ensured post implementation reviews have been undertaken of key change programmes to provide assurance of benefit delivery, with processes in place for follow up on the completion of any additional actions.

In 2018-19 HMICFRS assessed Surrey Police through the PEEL programme of inspections and assessed Surrey as “Requires Improvement” for Efficiency, identifying that the force “needs to analyse data more effectively to understand demand (including hidden demand) to better serve the public” and recommended that the force should gain a better understanding of how it uses and prioritises resources to meet current demand.

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

To achieve this, the Chief Constable has:

* established clear roles and responsibilities for each of the Force’s senior officers;
* developed a workforce plan introduced across Surrey Police and Sussex Police and reviewed quarterly, which identifies the future workforce mix and profile requirements, this is reviewed at the DCC’s Strategic Board and quarterly at the Workforce Capability and Capacity Board and the Surrey Resource Management meeting attended by business representatives and used to understand and review priorities;
* undertaken a skills audit for officers and staff to establish the current level of leadership skills with the force and enabling better planning of training which more effectively meets the needs of officers and staff e.g. work is underway for core skills for Response (Prevention and Detectives to follow);
* used the skill product “Licence to Police” to baseline essential skills for all police officers;
* introduced a new process from July 2018 for individual performance review and management – “Focus”, which sets out a new approach for regular constructive feedback on performance and areas for improvement;
* introduced in 2019-20 a Succession Planning Framework, known as Future Focus, which enables line managers to undertake career planning with staff and officers, identifying talent at the same time as succession planning for critical roles within departments and putting in place plans to minimise risks if this is required;
* ensured local talent pools are embedded in the Force to develop and support future leaders in conjunction with Future Focus;
* developed a leadership strategy and framework based on the national Competency and Values Framework as part of the leadership programme aiming to increase capability in good leadership for officers and staff across Surrey Police and Sussex Police, this includes the First Line Leaders Development (FLLD) pathway to unblock barriers and develop skills, and the Second Line Leaders Development Programme aimed at Inspectors/Chief Inspectors and staff equivalents;
* ensured that Force capability continues to be monitored at the Capacity, Capability and Performance Board (CCPB) which was relaunched in June 2019 with revised terms of reference;
* ensured specific work was undertaken to address the gap in detectives the Force is experiencing with the Heads of Crime Investigative Improvement Programme (HocIIP), including a fast track detective degree holder entry programme;
* promoted an ethos of continuous improvement across the Force and been proactive in promoting innovative practice in order to reduce organisation costs and improve performance, including ensuring that staff have every opportunity to help shape organisational change and service improvement, with an intranet Development Hub to support officers and staff via a central point of reference to Leadership Development programmes, Continuing Professional Development (CPD) and national tools;
* continued to work with Unison, the Police Federation and the Superintendent’s Association using the seven point plan (launched Feb 2017) to enable a consistent approach to how assaults on staff and officers are dealt with;
* developed the work of the Wellbeing Board, attended by representatives from Surrey Police and Sussex Police as well as staff associations, allowing workforce concerns to be raised and acted upon;
* established a Wellbeing Strategy and Action Plan, revised every year to factor in emerging and identified needs, which defines the meaning of “wellbeing” and why it is important.
	1. ***Principle of Good Governance F:* Managing risks and performance through robust internal control and strong public financial management.**

To achieve this, the Chief Constable has:

* ensured that all decision making is carried out in accordance with the governance framework as set out in the Code of Corporate Governance;
* continued to work to embed ethical decision making at all levels following the National Decision Model (NDM), which has at its centre the policing Code of Ethics;



* NDM is explained on dedicated intranet pages and posters promoting principles of the Code of Ethics. NDM is included in all learning material, selection/promotion processes, on investigators notebooks and pocket books as an aid to regular use and decision making process;
* set strategic direction and priorities via the Chief Officer Group (COG) for Surrey, and the Chief Officer Meeting (COM) for matters across Surrey Police and Sussex Police. The Force Organisation Board includes Chief Superintendents and Heads of Department providing a forum to agree changes to policy and practice, and maintain oversight of financial and workforce planning.
* compared performance against peer data as provided by HMICFRS 2020 Value for Money profiles,[[16]](#footnote-16) seeking improvement where best practice was identified;
* ensured individual change programmes are built on comprehensive business cases to secure value for money, effective resources management, and projected benefits;
* ensured change programme and project expenditure was scrutinised and challenged by chief officers via relevant programme and project boards led by chief officers;
* ensured that there is a process in place between Change Delivery and finance to manage and monitor the delivery of savings, which has been incorporated into the budget setting process.
* ensured that a risk management strategy and policy is embedded in the governance structure and is used effectively to inform and focus decision making, including the response to COVID-19;
* ensured that effective business continuity arrangements are in place to meet the requirements outlined in the Civil Contingencies Act 2004.
* ensured data protection and information management policies and strategy are in place to ensure that the Force is compliant with General Data Protection Regulation 2018 (GDPR) and the Data Protection Act 2018;
	1. ***Principle of Good Governance: G*** **Implementing good practices in transparency, reporting and audit to deliver effective accountability.**

To achieve this, the Chief Constable has:

* ensured that the Force undergoes extensive internal and external inspection and that the results of these inspections area available on line;
* ensured that internal audit is provided through a managed service contract with the Southern Internal Audit Partnership and regular updates are provided to the Joint Audit Committee[[17]](#footnote-17);
* ensured that information is published to allow appropriate scrutiny of decision making[[18]](#footnote-18);
* ensured that the public are able to attend police disciplinary hearings to observe proceedings[[19]](#footnote-19)
* continued to support the work of the Joint Audit Committee in its role of monitoring Force governance and internal control.

**6 Review of Effectiveness**

6.1 The Chief Constable has responsibility for conducting a regular review of the effectiveness of the governance framework, including the system of internal audit and control. This annual governance statement provides a summary of activities undertaken and areas for continuous improvement identified through the Force review of the governance arrangements; these have been included in the action plan for 2021-22.

6.2 This review has been co-ordinated by the Corporate Finance team and informed by senior managers across the Force in order to assess the Force compliance with the CIPFA guidance.

6.3 The review of the evidence for the effectiveness of the governance framework, to confirm that the current arrangements are fit for purpose, are presented to meetings of the Force Organisational Reassurance Board and the Joint Audit Committee. The review also provided updates and confirmation regarding the completion of areas for improvement identified in 2019-20 annual governance statement.

6.4 Assessments and recommendations made by the internal and external auditors and other review agencies and inspectorates have also informed this review.

6.5 The Joint Audit Committee has been consulted on the development of the annual governance statement. The final statement is considered at its meeting for recommendation for approval by the Chief Constable. The Committee aims to ensure that there is continuous improvement in the process and endorses the resulting annual action plan. Regular updates on progress to address the areas for improvement are provided to the Committee.

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

**7 Internal Audit Opinion**

7.1 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 2021, the Chief Internal Auditor’s opinion for Surrey Police Force is as follows:

“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.”

**8 Governance Issues**

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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 Force 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,

8.5 Internal Audit Reviews resulting in substantial assurance opinions during the year are detailed below:

* Data Classification and Data Governance 20/21 (joint)
* 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:

* 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)

8.77 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) carry forward (joint)
* Cyber security 3rd party management 19-20 carry forward (joint)
* Application Management 19/20 carry forward (joint)
* IT Asset Management and Software Licensing 20/21 (joint)

8.8 Key areas of weakness identified 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.

**Gavin Stephens**, Chief Constable of Surrey

Date: 2021

**Peter Gillett**, Executive Director of Commercial and Finance Services, Chief Finance Officer to The Chief Constable of Surrey

Date: 2021

Contact details:

Peter Gillett, Executive Director of Commercial and Finance Services and Chief Finance Officer to the Chief Constable of Surrey

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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. [Code of Corporate Governance](https://www.sussex-pcc.gov.uk/media/2995/code-of-governance-v5.pdf)) [https://www.Surrey-pcc.gov.uk/media/4781/code-of-corporate-governance-v9-2020.pdf](https://www.sussex-pcc.gov.uk/media/4781/code-of-corporate-governance-v9-2020.pdf) [↑](#footnote-ref-1)
2. “Delivering Good Governance in Local Government” <http://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition> [↑](#footnote-ref-2)
3. “Delivering Good Governance in Local Government” and the guidance notes for policing bodies (revised 2016) <http://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-guidance-notes-for-policing-bodies-in-england-and-wales-2016-edition> [↑](#footnote-ref-3)
4. The role of the Chief Finance Officer of the Police and Crime Commissioner and the Chief Finance Officer of the Chief Constable (July 2012) <http://www.cipfa.org/policy-and-guidance/reports/cipfa-statement-on-the-role-of-the-chief-financial-officer-of-the-police-and-crime-commissioner-and-the-chief-finance-officer-of-the-chief-constable> [↑](#footnote-ref-4)
5. Police and Crime Plan: [Police & Crime Plan](http://www.surrey-pcc.gov.uk/plan/) [↑](#footnote-ref-5)
6. [Strategic Policing Requirement](https://www.gov.uk/government/publications/strategic-policing-requirement): <https://www.gov.uk/government/publications/strategic-policing-requirement> [↑](#footnote-ref-6)
7. Governance Documents: <https://www.surrey-pcc.gov.uk/transparency/key-responsibilities/> [↑](#footnote-ref-7)
8. HMIC Crime Data Integrity inspection report 2018 Surrey Police: <https://www.justiceinspectorates.gov.uk/hmicfrs/publications/surrey-crime-data-integrity-inspection-2018/> [↑](#footnote-ref-8)
9. Anti-Fraud, Bribery and Corruption Policy: <https://www.surrey.police.uk/SysSiteAssets/foi-media/surrey/policies/anti-fraud-corruption-and-bribery-policy.pdf> [↑](#footnote-ref-9)
10. IOPC Use of Force: <https://www.policeconduct.gov.uk/sites/default/files/Documents/research-learning/IPCC_Use_Of_Force_Report.pdf> [↑](#footnote-ref-10)
11. HMICFRS PEEL assessment: <https://www.justiceinspectorates.gov.uk/hmicfrs/peel-assessments/peel-2018/surrey/> [↑](#footnote-ref-11)
12. Surrey Business Plan: <https://www.surrey.police.uk/SysSiteAssets/media/downloads/surrey/about-us/business-plan-2017.pdf> [↑](#footnote-ref-12)
13. Surrey Chief Constable’s ‘Our Commitment’ vision: https://www.surrey.police.uk/SysSiteAssets/media/downloads/surrey/about-us/our-commitments/surrey\_202009\_ourcommitments.pdf [↑](#footnote-ref-13)
14. Surrey police Force Management Statement 2018: [https://www.Surrey.police.uk/SysSiteAssets/foi-media/Surrey/other\_information/Surrey-police-force-management-statement-2019.pdf](https://www.sussex.police.uk/SysSiteAssets/foi-media/sussex/other_information/sussex-police-force-management-statement-2019.pdf)

<https://www.surrey.police.uk/SysSiteAssets/media/downloads/surrey/about-us/sp_forcemanagementstatement.pdf> [↑](#footnote-ref-14)
15. The use of targets in policing: <https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/466058/Review_Targets_2015.pdf> [↑](#footnote-ref-15)
16. HMICFRS Value for Money profiles Surrey 2019: <https://www.justiceinspectorates.gov.uk/hmicfrs/our-work/article/value-for-money-inspections/value-for-money-profiles/value-for-money-dashboards/> [↑](#footnote-ref-16)
17. Joint Audit Committee: <https://www.surrey-pcc.gov.uk/transparency/meetings-agendas/> [↑](#footnote-ref-17)
18. Surrey Police website: <https://www.surrey.police.uk/foi-ai/af/accessing-information/> [↑](#footnote-ref-18)
19. Misconduct Hearings: <https://www.surrey.police.uk/search?q=misconduct+meetings> [↑](#footnote-ref-19)