

<b>For Decision</b>	
<b>Public/Non Public*</b>	<b>Public</b>
<b>Report to:</b>	<b>Joint Audit and Scrutiny Panel</b>
<b>Date of Meeting:</b>	<b>23 June 2020</b>
<b>Report of:</b>	<b>Chief Finance Officer</b>
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<b>Agenda Item:</b>	<b>9</b>

## **DRAFT ANNUAL GOVERNANCE STATEMENTS FOR 2019-20**

### **1. Purpose of the Report**

- 1.1 To provide members with a copy of the unaudited annual governance statements for 2019-20.

### **2. Recommendations**

- 2.1 Members are requested to:
- Review the draft Annual Governance Statements provided and provide any feedback for the Chief Constable and the Commissioner

This feedback should be provided before the final statements are produced.

### **3. Reasons for Recommendations**

- 3.1 This complies with the Accounts and Audit regulations and good financial governance.

### **4. Summary of Key Points**

- 4.1 The attached statements provide a details of the governance and internal control arrangements in place within the OPCC and the Force.

### **5. Financial Implications and Budget Provision**

- 5.1 None as a direct result of this report.

### **6. Human Resources Implications**

- 6.1 None as a direct result of this report.

### **7. Equality Implications**

- 7.1 None as a direct result of this report.

## **8. Risk Management**

8.1 None as a direct result of this report.

## **9. Policy Implications and links to the Police and Crime Plan Priorities**

9.1 This complies with the Financial Regulations which underpin the achievement of all Police & Crime Plan priorities.

## **10. Changes in Legislation or other Legal Considerations**

10.1 This complies with the current Accounts and Audit Regulations.

## **11. Details of outcome of consultation**

11.1 This forms part of the consultation process with the Audit & Scrutiny Panel

## **12. Appendices**

A – The Chief Constables Annual Governance Statement 2019-20

B – The PCC's Narrative Statement and Annual Governance Statement 2019-20

## **Nottinghamshire Police Annual Governance Statement 2019/20**

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## **1.0 Introduction**

### **1.1 Scope of responsibility**

Nottinghamshire Police is responsible for ensuring that its 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. The Force has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised.

In discharging this overall responsibility, Nottinghamshire Police (hereafter referred to as the Force) is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

The Chief Constable of Nottinghamshire Police and the Police and Crime Commissioner (PCC) for Nottinghamshire have adopted a Joint Code of Corporate Governance, which is consistent with the principles of the CIPFA 2016 Edition Framework 'Delivering Good Governance in Local Government'. A copy of the Code of Governance can be obtained from the Nottinghamshire Office of Police and Crime Commissioner (NOPCC) website at <http://www.nottinghamshire.pcc.police.uk>.

This Statement has been prepared following an assessment of the key elements of the governance framework, including the role of those responsible for the development and maintenance of the governance environment. The statement explains how the Force has complied with the Code and also meets the requirements of Accounts and Audit (England) Regulations 2011, regulation 4(3), which requires all relevant bodies to prepare an annual governance statement.

### **1.2 The purpose of the governance framework**

The governance framework comprises the systems and processes, culture and values by which the Force is directed and controlled and the activities through which, it accounts to and engages with the community. It enables the Force to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

## 2.0 The governance framework

The principles which form the basis of the governance framework and how they are applied within the Force are described in the following sections. The Chief Constable And Chief Finance Officer have put in place management and reporting arrangements to enable them to be satisfied that the approach to the corporate governance arrangements have been effective and supports the aims of the OPCC, these include;

- The Governance Framework and the principals included within this
- A Risk Management Strategy and arrangements to embed this within the organisation
- The Scheme of Delegation
- The Financial Regulations
- Contract Standing Orders
- The PROUD values

This list is not exhaustive but covers the main documents that set the culture of the method of operation of governance within the organisation.

### 2.1 Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, respecting the rule of the law

- All Officers, Staff and Volunteers are committed to the Code of Ethics, which find expression in the Force PROUD values.
- The Force continually reinforce the Code of Ethics and expected standards of professional behaviour; guidance and advice is sent to officers and staff using a combination of intranet articles and the Chief's fortnightly video blog.
- The Code of Ethics sits at the centre of the National Decision Model, so is explicitly referenced and considered in any decision making situation.
- Student Officers receive a copy of the Code of Ethics on day one of their training and receive an input from PSD regarding ethics and values. Throughout training many of the subjects are linked back to the Code and integrity.
- The Force have embedded the College of Policing's Competency Values Framework (CVF) which sets out nationally recognised behaviours and values into the Leadership Programme.
- The Force refer to the Home Office Guidance in relation to Police Officer Misconduct for procedures relating to misconduct, unsatisfactory performance and attendance of police officers and special constables.

- The Police Staff Misconduct Policy provides a clear framework for all Police Staff in terms of expected standards of conduct and professional behaviour and the likely consequence of failure in meeting those standards.
- There are clear processes in place around confidential reporting 'whistleblowing' outlined in the Professional Standards Reporting Procedure. Staff are also able to report breaches confidentially to PSD confidentially.
- There are robust mechanisms in place with respect to the governance of complaints in Force. Complaints are managed in accordance with statutory guidance provided by the Independent Office for Police Conduct (IOPC).
- The Force has dedicated Complaints and Learning Sergeants, embedded within local policing. Their purpose is to deliver learning from complaints back to the workforce thus creating a learning culture rather than a punitive one. Guidance around local resolutions is available on the intranet.
- Assurance reporting is submitted to the Joint Audit and Scrutiny Panel (JASP) on a regular basis relating to complaint recording and the nature of complaints.
- Bi-annually, a report on IOPC investigations is presented at the JASP to inform the OPCC of the Force's application of the IOPC Statutory Guidance.
- Standards are governed by the quarterly Organisation Risk, Learning, Standards and Integrity Board, chaired by the Deputy Chief Constable (DCC). Its remit is to provide a forum to discuss key areas of learning and identify emerging strategic opportunities and risks, whilst monitoring compliance with Force values.
- In the 2018 Her Majesty's Inspectorate of Constabulary and Fire and Rescue (HMICFRS) PEEL Inspection the Force were deemed to be 'good' in respect of 'How legitimately the Force treats the public and its workforce'.
- The outcome of misconduct proceedings are published to reinforce standards and learning.
- The Force has a Strategic Threat Assessment identifying the risks from corruption and control strategy plans underpin this. Specifically the force has a comprehensive plan in place to tackle Abuse of Position of Trust for a Sexual Purpose which has shown a significant reduction in the last 12 months however, remains a control strategy priority due to the public harm from this conduct.
- An Ethics Board has been established to consider and discuss ethical issues in an advisory and consultative capacity. It considers issues raised at the Organisational Risk and Learning Board and any issues which are referred from officers, staff or external groups.
- A procedure is in place for the monitoring of business interests and additional employment for Police Officers and Police Staff.
- Business Interests, Additional Employment and Notifiable Associations are reviewed annually within the Integrity Health check, this forms part of the PDR process.
- The Force have developed a matrix to assess the risk posed by reported notifiable association, this assists the force in identifying those of greatest risk to the integrity of the Force.
- A Statement of Personal and Pecuniary Interests is completed as part of the Annual Governance Statement process by Chief Officers.
- A Register of Refused and Approved Business Interests is published on the Force website biannually; any changes are reported on a monthly basis to the Organisational Risk and Learning Board.
- A record of gifts gratuities and hospitality is published biannually on the Force website.

- The Chief Constable will ensure that financial affairs for their force are properly administered having regard to value for money, probity, legality, and appropriate standards, with particular reference to the Financial Regulations and contract standing orders agreed by the PCC as set out in Part B of Joint Code of Corporate Governance and Working Together document.
- There are documented processes and controls in place around the Prevention of Fraud and Corruption in the Procurement Process to mitigate risks in relation to procurement fraud.
- The Force is compliant with the 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 (2012), as per the CFO job description.

## **2.2 Principle B: Ensuring openness and comprehensive stakeholder engagement**

- The Office of the Police and Crime Commissioner (OPCC) is accountable to local people and draws on this mandate to set and shape the strategic objectives for the Force area in consultation with the Chief Constable, taking into account the Strategic Policing Requirement.
- The Force has recently launched the Neighbourhood Policing Priority Survey which is Nottinghamshire Police's biggest public consultation exercise in a decade, giving the public an opportunity to help shape local policing priorities in their area.
- Consultation and engagement is undertaken with local residents and business communities and forms part of key decision making processes. Formal engagement mechanisms delivered in the community include Victim Satisfaction Surveys, Neighbourhood Watch Meetings, Neighbourhood priority surveys, Locality Boards, Neighbourhood engagement meetings, Key Individual Networks and Independent Advisory Groups.
- HMICFRS 2018 PEEL Report recommended that the Force should work with local people to improve its understanding of local communities, and demonstrate what action is has taken as a result of their concerns.
  - In response, the Force's Engagement Strategy has been re-written and all community profiles have been refreshed, captured digitally, and are now regularly updated with new information.

HMICFRS also asked the force to evaluate and share effective practice routinely, both internally and with other organisations, to improve its approach to the prevention of crime and anti-social behaviour.

- The force recently launched the Neighbourhood Policing portal which hosts a variety of information including Neighbourhood profiles, engagement plans, legislation, College of Policing good practice and associated literature. This is designed to support staff's development in relation to sharing good practice internally.



- A two-day problem solving training event has been held for police and partners, which includes 120 practitioners from partner agencies.
- The Force has a strategic Independent Advisory Group (IAG) which represents different community groups across Nottinghamshire. They provide a service to the Force in three core areas; critical incidents, building trust and confidence and advising on strategies, policies and procedures. The Force has a many systems in place for the collection of local survey information that is used to shape the direction of service delivery.
- In accordance with the Freedom of Information (FoI) Act, the website is updated pro-actively with force information in a FoI Disclosure Log. This ensures transparency and encourages increased confidence from and accountability to the public and stakeholders.
- Publication scheme monitoring, review and assurance is reported to the Joint Audit and Scrutiny Panel on an annual basis to provide a current Force position on the Publication Scheme Requirements. This report along with all other JASP reports is available to view on the OPCC website.
- The Force contributes to the OPCC's Annual Report to provide assurance on what has been delivered against the Police and Crime Plan.
- There are strong governance processes in place for the City partnerships. Each of the partnerships under the One Nottingham umbrella, including the Crime Drugs Partnership (CDP), have clear terms of reference including a defined purpose, arrangements for information sharing, community engagement and governance and finance.
- The CDP Plan 2019-22 sets out the overall aims and delivery and performance framework of the partnership to deliver the 'safer' agenda of the 'Nottingham Plan to 2020'. The Partnership Plan has been developed with regard to the priorities of the Police and Crime Commissioner.
- There is a robust governance framework in place to oversee the delivery of the Plan. This is directed by the Partnership Board, which provides strategic governance of the partnership.
- The three statutory Community Safety Partnerships (CSPs) are responsible for the delivery of local community safety strategies and action plans. The Safer Nottinghamshire Board (SNB) Delivery Groups support the SNB and CSPs to implement the community safety strategies.
- Each of the three CSPs in the County produces performance information on a monthly basis. This includes reporting on current performance against targets, comparison against most similar force peers and performance of Partnership Plus areas. The SNB Performance Group brings together the CSP Chairs to discuss performance risks and highlights.
- Section 22A of the Police Act 1996 provides for a collaboration agreement to be made between police and crime commissioners or between commissioners and chief officers from more than one force area. There are a range of established collaborations in place for a number of specialist front line policing operations that provide services across the Midlands region, including Nottinghamshire. These arrangements are reviewed on a regular basis by respective Chief Constables and Police & Crime Commissioners.

- An annual Extraordinary Force Executive Board (E-FEB) is held which is attended by senior internal and external stakeholders, including the Fire Service, City and County Council to provide an open forum for decision making regarding business change proposals for the forthcoming financial year and beyond.

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

- The Police and Crime Plan sets out the vision, values, strategic priorities and outcomes together with a performance framework in line with requirements under the Police Reform and Social Responsibility Act 2011.
- At a national level, the Force works to the Strategic Policing Requirement (SPR) which is issued by the Home Office to articulate current national threats and the appropriate national policing capabilities required to counter those threats.
- The Police and Crime Plan is informed by the Police and Crime Needs Assessment (PCNA) which is used as a planning and priority setting tool. The document highlights key trends, issues, risks and threats in the crime community safety and criminal justice environment.
- The Force takes an active part in working with the OPCC to refresh the Police and Crime Plan delivery plan each year in order to set out what activities will be undertaken to deliver the PCC's key strategic priority themes. Activities are broken down into further operational detail in the Force Delivery Framework.
- The strategic priorities set out in the Police and Crime Plan are aligned to the Force's Annual Departmental Assessment (ADA), business planning process.
- A report is submitted on a quarterly basis to the Police and Crime Panel to provide an update against each of the strategic priority themes; this is made available on the Nottinghamshire County Council website.
- A Performance and Insight Report is provided to the Strategic Resources and Performance Meeting on a bi-monthly basis to ensure that the Police and Crime Commissioner is aware of current performance in line with the strategic priority themes, as set out in the Police and Crime Plan.
- Collaboration agreements are in place to outline how business will be undertaken jointly in order to reduce cost, increase capability, and / or increase resilience to protect local people.
- All activity in response to audit and inspectorate recommendations is monitored via 4Action, an action management system. Progress against activity is reported to the Joint Audit and Scrutiny Panel on a quarterly basis.
- A Medium Term Financial Strategy builds on the proposed budget for 2020/21 and incorporates plans to meet changes in available financing with the need to meet current and future commitments.
- Regular Capital and Revenue reports are provided to the Force Executive Board (FEB) and OPCC to provide an update on the Force's budgetary position and also to comply with good financial management and Financial Regulations. This is reviewed and updated regularly to remain adaptable for future requirements.

## 2.4 Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

- There is a robust planning cycle in place which incorporates partnership, Force and OPCC strategic assessments, public consultation, refresh of the Police and Crime Plan and the Force Delivery Framework, departmental planning via Annual Departmental Assessments (ADAs) and review and update of the Medium Term Financial Strategy.
- The Force produces an annual strategic intelligence assessment which outlines the capacity and capability to meet its greatest threats including those outlined in the strategic policing requirements.
- The Medium Term Financial Strategy is a live document to facilitate the demands and changes that can occur within the Police so that we can remain operationally on the front foot. The budgeting and long term planning process is intrinsically linked to the business planning cycle to create a joined up approach identifying opportunities and risks that are present, and, on the horizon.
- HMICFRS 2018 PEEL Report recommended that the Force should improve its approach to planning within Information Services to ensure there is a clear vision and direction which links to operational planning. In response the force has created a Prioritisation Matrix which will report into the Futures Board. This will ensure ICT planning is closely aligned to future plans and wider change programmes, so current and future demand can be effectively managed.
- Each Head of Department completes an ADA as part of the annual planning cycle. The ADA is a planning tool used to assess current structure, processes and cost in light of the current operating context. Options for change are proposed which are aligned to the Strategic Priority Themes.
- Budget meetings with departmental heads take place following E-FEB to ensure future budgets account for any project savings or spend within the department.
- Business change remains responsive to threats and opportunities which present themselves throughout the year as part of the risk management process.
- Where a change proposal is approved at E-FEB, a comprehensive analysis of approved change proposals are progressed in the form of an options appraisal (business case) which is presented at the Futures Board for decision. The business case will indicate how intended outcomes would be achieved and any risks associated with those options.
- Business change continues to be assessed according to viability and desirability throughout the project lifecycle. Governance is flexible and responsive so that outputs can be adapted to changing circumstances.
- HMICFRS 2018 PEEL Report recommended that the force should ensure that its governance arrangements for managing current and future demand track benefits, including how it has reinvested savings. The force has recently appointed a Business Benefits Officer who has responsibility for addressing the AFI and embedding business benefits into the force.
- Decisions for change are, in part, informed by the HMICFRS' Value for Money (VfM) Profile, which is published on an annual basis. The Force benchmarks its functions against others in its Most Similar Group (MSG) to determine whether VfM is being achieved. Generally, over time, the force has moved average/upper quartile to below average/lower quartile for many of our enabling services.

- All business change is governed according to the Force Corporate Portfolio Management Office (PMO) Framework and Guidance which sets out in detail the governance framework, roles and responsibilities and project management methods in order to plan, delegate, monitor and control all aspects of the business change portfolio.
- The business change governance framework provides a robust reporting structure, which includes project boards, the Futures Board and the FEB. The framework ensures that oversight and scrutiny is carried out by the relevant authority in a proportionate manner providing assurance that decisions are open and accountable and that public money is spent wisely.
- Decision making is recorded as part of minutes, action plans and decision logs. Key decisions from FEB are published on the Force Intranet under 'News'. This ensures the force's decision making processes are transparent.
- A forward plan is maintained to outline what information is required for each strategic meeting, the SRO and expected timescales.

**Area for improvement:** The Force should ensure that planning in Information Services is more closely aligned with strategic and operational planning and is able to optimise intended outcomes.

**Area for improvement:** The force should ensure that its governance arrangements for managing current and future demand track benefits, including how it has reinvested savings.

## 2.5 Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

- The DCC Chairs a Strategic Workforce Planning and Training Priorities Meeting. The purpose is to provide strategic overview and direction in regards to workforce planning, including establishment levels, workforce mix, skills and capabilities. The meeting also has the remit of determining and prioritising training and learning activities to ensure they are aligned to business and workforce planning.
- HMICFRS recommended within the 2018 PEEL Inspection Report that the Force needs to understand fully its workforce capabilities, to identify any gaps, and put plans in place to address them. This is being addressed as an area for improvement.
- The PDR process is to be re-branded 'Career Conversation' on the launch of the new Talent Management Programme. This will be stored locally, with HR maintaining a record of completion rates and individual career matrix grading. Work is underway to develop a simple process undertaken annually based around date of appointment or work anniversary. This Talent Management Programme will clearly capture talent across the force.
- A standard induction programme is in place for student officers. Staff induction is tailored to the role and department to which the individual is recruited. Refreshed staff induction was re-launched June 2020.
- The Force has embedded the CVF which aims to support all policing professionals, setting out nationally recognised behaviours and values. The six competencies and four values of the CVF are embedded into the Force's leadership development programme.
- The leadership development programme invests in the development of first and second line supervisors; it is also complemented by coaching, mentoring and 360 degree feedback.
- Officers and staff progressing to senior leadership are encouraged to undertake a 360 review to enable them to consider their own effectiveness as future leaders and identify areas for personal development.

- The NOPCC and Force operate under a comprehensive 'Joint Code of Governance and Working Together Agreement' which comprises of the scheme of consent, the Joint Code of Corporate Governance, Financial Regulations and Contract Standing Orders.
- The roles and authorities of the PCC, the Chief Constable and their respective officers are set out in the Joint Code of Corporate Governance and Working Together document. The document outlines how the parties will work together in cooperation to ensure that effective and efficient delivery of policing services. This was reviewed during 2018.
- The governance structure is underpinned by a statutory framework which incorporates the Police Reform and Social Responsibility Act 2011, the Policing Protocol Order 2011 and the Financial Management Code of Practice, amongst other legislation.
- The Scheme of Delegation sets out the delegation of responsibility from the PCC to his staff and delegation to the Chief Constable and his own staff in the exercise of their statutory responsibilities.
- Clear roles and responsibilities are delegated to Chief Officers. The Chief Financial Officer, as Section 151 Officer, has an up to date job description and person specification which outlines their responsibilities.
- The Force recognise and promotes the benefits of collaborative working and continues to work in a number of regional collaborations as well as collaborations with Nottinghamshire Fire and Rescue.

**Area for improvement:** The force should undertake appropriate activities to understand fully its workforce's capabilities, identify any gaps, and put plans in place to address these gaps.

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

- The Risk Management approach was redeveloped in 2018 for the force to adopt a more sophisticated approach which links risks to our governance methods and internal audit processes.
- The Force and OPCC have agreed a joint policy for the management of risk, in line with the Cabinet Office approved Management of Risk (MoR) approach.
- A Strategic Risk Report is provided to the JASP bi-annually in order to keep the Board informed as to the level of strategic risk within the Force and NOPCC and provide assurance as the effectiveness of risk management arrangements.
- The quarterly Organisational Risk, Learning, Standards and Integrity Board provides an organisation wide forum for thematic leads and heads of department to discuss key areas of learning and identify any emerging strategic opportunities and risks. Business Continuity is also managed within this forum.
- Annual reporting is made to JASP on business continuity, this includes progress made against the business continuity testing timetable and notes on forthcoming testing.

- A Performance and Insight Report is regularly presented to the Strategic Resources and Performance Meeting to ensure that the Police and Crime Commissioner is aware of current performance in line with the Police and Crime priorities. This report is made available on the OPCC website.
- Significant changes in service delivery are subject to a Post Implementation Review in order to identify lessons learned and whether benefits have been realised, including performance, cashable or non-cashable benefits however none were scheduled for 2018/19.
- The Financial Performance and Insight Report, including revenue and capital budget monitoring are reported to the Force Executive Board on a monthly basis. It is also presented at the Strategic Resources and Performance quarterly meeting.
- Decision making protocol is illustrated in the joint Scheme of Delegation which is part of the Joint Code of Governance and Working Together document.
- A forward plan of 'Decisions of Significant Public Interest' is provided to the Police and Crime Panel on a regular basis in the interests of accountability and transparency, this is made available on the Nottinghamshire County Council website.
- In accordance with the Financial Management Code of Practice for the police service, issued by the Home Office, the PCC and the Chief Constable established a Joint Audit and Scrutiny Panel (the Panel) in 2013. The role of the Panel is to advise the PCC and Chief Constable on the adequacy of the corporate governance and risk management arrangements in place and the associated control environment, advising according to good governance principles and proper practices.
- JASP complies with best practice as outlined in Audit Committees: Practical Guidance for Local Authorities and the Police (CIPFA, 2013).
- The Panel also assist the OPCC and the Chief Constable in fulfilling their responsibility for ensuring value for money and they oversee an annual programme of scrutiny of key areas of policing activity on behalf of the OPCC.
- The Force's Financial Regulations are designed to establish overarching financial responsibilities, to confer duties, rights and powers upon the PCC, the Chief Constable and their statutory officers and to provide clarity about the financial accountabilities of groups or individuals. They apply to every member and officer of the service and anyone acting on their behalf.
- The Annual Statement of Accounts is published on the website 'what we spend' and includes accounting policies and also the report of the auditors.
- The Annual Audit letter is report to the Joint Audit and Scrutiny Panel on an annual basis.
- The Treasury Management Strategy and annual report are reported annually to the Joint Audit and Scrutiny Panel.
- Budget monitoring reports are presented to the Strategic Resources and Performance meeting on a quarterly basis.
- In compliance with CIPFA guidance, the NOPCC and the Force have appointed a Head of Internal Audit. This role is contracted out to Mazars, who are responsible for the organisation's internal audit service, on behalf of the CFO, including drawing up the internal audit strategy and annual plan and giving the internal annual audit opinion.
- Internal Audit, Review and Inspection Monitoring and assurance and improvement outcomes are presented to the Joint Audit and Scrutiny Panel at every meeting.
- An internal audit on Core Financial System Assurance found the force to have satisfactory assurance in relation to General Ledger, Cash, Bank and Treasury Management, Payments and Creditors, Income and Debtors but Limited assurance in respect of Payroll.

- Regular reporting is made to JASP on legislative compliance with the Freedom of Information Act and Data Protection Act legislation.
- Effective arrangements are in place to monitor risks arising from Brexit. The ACC Chairs a regular Gold Group meeting.
- The 2017/18 Independent Auditor's Report on the Audit of Financial Statements noted that there were not adequate governance and monitoring arrangements in place to enable the successful delivery by Multi-Force Shared Service (MFSS) to Oracle Cloud Computing (Project Fusion), therefore failing to deliver value for money and effective delivery in support of strategic priorities. This is being managed as an area for improvement. Consultancy support was procured during 2018-19 to provide more robust governance and programme management arrangements in respect of Fusion. Despite this, delivery of Fusion was further delayed, going live in April 2019. Close management of the situation continues with the DCC taking an active role as SRO for the Force, and is also now the chair of the management board. An improved process for disseminating information and approvals made by the Joint Oversight Committee are in place, whether the Force is represented by the Police and Crime Commissioner for Nottinghamshire.

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

- The PCC and Chief Constable's functions are set out in the Police Reform and Social Responsibility Act 2011. The functions are undertaken in line with the Policing Protocol Order 2011 in order to achieve the outcomes of the Police and Crime Plan.
- Both the PCC and the Chief Constable have appointed Chief Financial Officers. The responsibilities of the CFO's for both the PCC and the Chief Constable are clearly set out in line with the Financial Management Code of Practice (Home Office, 2013).
- The JASP operates within the CIPFA guidance and in accordance with the Financial Management Code of Practice.
- A programme of internal audit is commissioned and undertaken which reflects published guidance and standards. This is available on the OPCC website.
- Progress reports against the Internal Audit Plan are submitted on a timely basis to the JASP along with the findings from audits completed to date.
- Police officers, police staff operate within force policies and procedures; the corporate governance framework; disciplinary regulations; codes of conduct and the Code of Ethics. Assurance is provided via the Force and OPCC governance framework.
- The Police and Crime Panel scrutinise the actions and decisions of the Police and Crime Commissioner and makes sure information is available for the public. The Force provides reports in accordance with the Police and Crime Panel work programme including specific focus on each of the seven Strategic Priority Themes included in the Police and Crime Plan.
- The Annual Governance Statement assesses the extent to which the organisation is applying the principles contained within the CIPFA framework. This is published for public scrutiny alongside the Statement of Accounts.
- The Force has a robust process to capture HMICFRS recommendations and track through their lifecycle to formulate the Audit and Inspection Report. This is prepared and presented to the JASP on a quarterly basis.
- The Force has an established reporting procedure for our response to HMICFRS recommendations to be received by the NOPCC in line with the timescales dictated in the Police and Crime Bill.

- A policy and procedure framework is required to ensure that corporate documentation is reviewed on a timely basis; this is an area for improvement.
- Existing collaborations have an established supporting governance structure and formal Collaboration Agreements as per Section 22A of the Police Act 1996.

## **2.8 Principle H: Report on an Inspection Visit to Police Custody Suites**

- The inspection was conducted jointly by HM Inspectorate of Prisons (HMIP) and HM Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) in October 2018, as part of their programme of inspections covering every police custody suite in England and Wales.
- The inspection assessed the effectiveness of custody services and outcomes for detained people throughout the different stages of detention. It examined the force's approach to custody provision in relation to safe detention and the respectful treatment of detainees, with a particular focus on vulnerable people and children.
- To aid improvement five recommendations were made to the force (and the Police and Crime Commissioner) addressing key causes of concern, and highlighted an additional 25 areas for improvement.

Recommendation 1: there were too many areas where the force was not meeting the requirements of legislation or guidance, notably codes C and G of the Police and Criminal Evidence Act codes of practise; this required immediate remedial action.

Recommendation 2: the culture of the custody service was not effective in focusing on the fair and equitable treatment of all detainees; some custody staff took punitive actions against detainees that were not justified and potentially unfair.

Recommendation 3: the arrangements for and staff knowledge of the recording and reporting of adverse incidents in custody were not adequate in ensuring that all incidents were identified appropriately and dealt with in line with legislative requirements.

Recommendation 4: the governance and oversight of the use of force in custody were not adequate, data were unreliable and not all staff completed use of force forms. Some use of force was disproportionate to the risk or threat posed.

Recommendation 5: there was a lack of appropriate care and focus on the safe release of detainees, including the most vulnerable; the pre-release arrangements were not adequate to ensure safe release.

**Area for Improvement:** Leadership, accountability and partnerships.



**Area for Improvement:** In the custody suite, booking in, individual needs and legal rights.

**Area for Improvement:** In the custody cell, safeguarding and healthcare.

**Area for Improvement:** Release and transfer from custody.

## **2.9 Principle I: Crime Data Integrity Inspection 2018**

- The inspection by the HM Inspectorate of Constabulary and Fire and Rescue Services found that the force had improved its crime-recording processes since the 2014 report. It found improved supervision of out-of-court disposals; training had been developed and provided on crime-recording for officers, supervisors and staff involved in making crime-recording decisions; high levels of recording accuracy for reporting sexual offences; good crime-recording arrangements in respect of modern slavery crimes; fully implemented the recommendations set out in our 2014 report; and made good progress against a national action plan developed to improve crime recording by police forces.
- The inspection raised the concern that the force is failing to ensure it correctly records all violent crimes (in particular domestic abuse) reported to it. Officers and staff do not fully understand and apply the crime-recording rules when dealing with crimes such as harassment, malicious communications, common assault and public order offences. There is also limited supervision to correct these recording decisions at the earliest opportunity.
- The recommendation is that the force should immediately take steps to identify and address gaps in its systems and processes for identifying and recording all reports of violent crimes (in particular those that are domestic abuse related); ensure that adequate supervision is applied to all crime-recording decisions made by officers and staff; and ensure that all identified crimes are recorded without delay and in any case within 24 hours. Within three months, the force should provide crime-recording training for frontline officers to include the crime-recording rules for common assault, harassment, malicious communications and public order offences; and the standard of AVI that is required to cancel a recorded crime.

**Area for Improvement:** Improve the understanding and use by its officers and staff of the N100 classification, for those reports of rape which are not immediately recorded as a crime.

**Area for Improvement:** Improve how it collects diversity information from victims of crime and how it uses this to comply with its equality duty.

## 2.10 COVID-19

Following the Government announcement on March 23 2020 and recommended social distancing guidance, the operational focus and working practices of the police have been significantly affected.

Nottinghamshire has sought to maintain business continuity as far as possible, and in response to COVID-19, have implemented a number of measures to enable this.

These new ways of working have enabled delivery across our critical areas. The caveat on these measures is that whilst they are benefitting the organisation in the current crisis, further evaluation, wider risk management and consideration will be required as the Force looks towards the recovery stage and if these measures can continue to improve efficiency beyond the current crisis.

Measures that have been to support different ways of working have been demonstrated in the following areas:

- **Microsoft Teams**

Although this has not yet been rolled out, the Force is trialling the use of Microsoft teams to enable inter-active conference facilities. Potentially this would lead to a more efficient meeting structure across internal and external organisations.

- **Cisco Jabba**

This is an internal interactive method to allow greater communication across the organisation, reducing internal meetings and the requirement for attendees to travel.

Potentially, this can be further used to improve communication across the Force.

- **Home working for Employees Self-isolating**

The force has issued lap tops and equipment to those officers and staff unable to come into work.

The Resource Management Unit collates and assigns tasks and work to support the organisation.

These include telephone statements, non-deployable incidents and victim contact, plus other discreet pieces of work to individuals.

From the period of 1<sup>st</sup> -28<sup>th</sup> April 2020, this resulted in staff self-isolating submitting a total of 8344 hours which may otherwise have been lost.

There is potential for the force to consider further agile working across the organisation to increase efficiency and reduce costs. This is of particular benefit to the Police travel plan outlined in the new joint Police and fire service headquarters plans.

### **3.0 Chief Finance Officer Role**

- The role of Chief Financial Officer (CFO) rests with the Head of Finance with effect from 1<sup>st</sup> April 2018.
- As a key member of the leadership team, the CFO helps to develop and implement strategy and resource and deliver the PCC's strategic objectives sustainably and in the public interest.
- The CFO is actively involved and able to bring influence to bear, on all business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered and aligned with the financial strategy.
- The CFO leads and encourage the promotion and delivery of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.
- The CFO and Chief Constable agree the Force's risk based Internal Audit Annual Plan for delivery each year and this is presented to the Joint Audit and Scrutiny Panel for comment. Delivery of the plan is via external engagement of an appropriately trained and experienced organisation, currently this is provided by Mazar's. Award of the work was via a competitive tendering exercise.
- In respect of external audit, progress reports are provided to the Panel by KPMG to provide a summary of the work they plan to undertake for the audit year, together with a high level assessment of the risks that have been considered as part of the initial planning process.
- The CFO is required to maintain continuous professional development to ensure they maintain knowledge, skills and experience to enable them to fulfil the duties and statutory obligations of the post.

## 4.0 Review of Effectiveness/Internal Audit Opinion

Nottinghamshire Police has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework. The review of effectiveness is informed by the work of the Chief Officer Team, the Heads of Departments and other senior managers within the Force who have responsibility for the development and maintenance of the systems of internal control. It is also informed by the reports of the Force's internal auditors and external inspectorates, such as HMICFRS.

Where weaknesses in internal controls have been identified, improvement actions have been established, which will be addressed during the forthcoming financial year. Outcomes will be monitored by the FEB and the Joint Audit and Scrutiny Panel, on a quarterly basis.

**From the Internal Audit work undertaken in compliance with the Public Sector Internal Audit Standards (PSIAS) for the year ending 31<sup>st</sup> March 2020, our overall opinion is that generally adequate and effective risk management, control and governance processes are in place to manage the achievement of the organisation's objectives. We have, however, identified weaknesses in respect of Health and Safety, Information Assurance, Management of MFSS Arrangements and payroll that require addressing.**

## 5.0 Improvement actions

The review process to support the production of the Annual Governance Statement in 2018/19 identified a number of improvement actions, which are summarised below. These have been agreed with the respective Divisional and Departmental Heads to address weaknesses identified in the Force's systems of internal control. These issues are significant in that they cover a large proportion of the organisation's activities and/ or are key risk controls and therefore require a corporate solution.

### Areas for improvement 2018/19

URN	Identified improvement action(s):	Update	Lead Officer
1.0	The Force should ensure that planning in Information Services is more closely aligned with strategic and operational planning and is able to optimise intended outcomes.	The force has created a Prioritisation Matrix which will feed into the Futures Board. This is to be monitored to ensure if fit for purpose, and will then be embedded into the force	Chief Superintendent Gerard Milano
2.0	Undertake a full review of workforce capabilities to ensure capacity and capability to meet current and future demand	The force is currently looking at appropriate systems to record skills and capabilities. Still to be progressed	Claire Salter
3.0	Produce management information on the completion of PDRs to enable Heads of Departments to ensure ongoing compliance.	PDR's are to be re-branded 'Career Conversations' and to be embedded within the new Talent Management process.	Claire Salter

4.0	Develop and maintain a robust policy and procedure framework, ensuring policies and procedures remain current to inform decision making.	Post to undertake the work has been vacant for considerable period of time. This is still to be progressed	Chief Superintendent Gerard Milano
5.0	Undertake a full review to address the concerns and recommendations from the HM Inspectorate of Prisons and HM Inspectorate of Constabulary and Fire and Rescue Services (Section 2.8)	All actions have been addressed and the force was revisited by HM Inspectorate of Prisons and HM Inspectorate of Constabulary and Fire and Rescue Services in November 2019. The force was found to have made significant progress.	Chief Inspector Justine Wilson
6.0	Develop a plan to ensure there is improved understanding and use by its officers and staff of the N100 classification, for those reports of rape which are not immediately recorded as a crime; and improve how it collects diversity information from victims of crime and how it uses this to comply with its equality duty (Section 2.9)	All actions have been addressed and additional training given by the Force Crime Registrar. The force has taken a view it complies with its equality duty and, to collect further diversity information, would not be in compliance with GDPR.	Paul Cook, Force Crime Registrar

## Areas for improvement 2019/20

URN	Identified improvement action(s):	Update	Lead Officer
1.0	Undertake a full review to address the concerns and recommendations from the HM Inspectorate of Constabulary and Fire and Rescue Services Integrated Peel Inspection 2018	Cause of Concerns and Areas for Improvement continue to be addressed. The force is due a further inspection in 2020 to ensure all work is complete	Various
2.0	Undertake a full review to address the concerns and recommendations from the HM Inspectorate of Prisons and HM Inspectorate of Constabulary and Fire and Rescue Services (Section 2.8)	All actions have been addressed and the force was revisited by HM Inspectorate of Prisons and HM Inspectorate of Constabulary and Fire and Rescue Services in November 2019. The force was found to have made significant progress.	Chief Inspector Justine Wilson
3.0	Develop a plan to ensure there is improved understanding and use by its officers and staff of the N100 classification, for those reports of rape which are not immediately recorded as a crime; and improve how it collects diversity information from victims of crime and how it uses this to comply with its equality duty (Section 2.9)	All actions have been addressed and additional training given by the Force Crime Registrar. The force has taken a view it complies with its equality duty and, to collect further diversity information, would not be in compliance with GDPR.	Paul Cook, Force Crime Registrar

## Internal Audit Annual Assurance 2019-20 Report – Areas of Limited Assurance

Limited Assurance	Lead Officer
1. Custody	Chief Inspector Justine Wilson
2. Health and Safety	Claire Salter, Head of People Services
3. Information Assurance	Chief Superintendent Gerard Milano
4. Management of MFSS	DCC Rachel Barber

Further information a full list of recommendations for the items identified as limited assurance by Mazars (Internal Auditors) can be found on the Nottinghamshire Police and Crime Commissioners website in the report to the Audit and Scrutiny Panel dated June 2020.



## Chief Constable and Chief Finance Officer Declaration

We propose over the coming year to take steps to address the improvement actions identified above to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation as part of our next annual review.

Signed

Signed

Date

Date

Craig Guildford  
Chief Constable

Mark Kimberley  
Chief Financial Officer



## Annual Accounts 2019-20 **draft**

Nottinghamshire Police & Crime Commissioner and Group





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A man with grey hair, wearing a dark grey suit, white shirt, and red tie, stands on a cobblestone street. He is smiling and has his hands clasped in front of him. The background shows a row of buildings, including a stone building with a bay window and a modern brick building. The sky is blue with some clouds. A semi-transparent purple overlay covers the right side of the image, where the text is located.

## COMMISSIONER'S FOREWORD

Every neighbourhood deserves a fully-resourced policing team. Nottinghamshire's frontline has grown significantly over the past 12 months and we've been able to increase visibility in our communities in the way people so desperately want.

By the end of March 2021, we will have an extra 300 police officers working in our communities, recruited as part of my recent budget and the national uplift. Almost 150 of these have already been appointed and many have been deployed across our communities. The exceptional speed at which the Force has bolstered the ranks has been nothing short of remarkable and has put Nottinghamshire out in front nationally.

Since I've been doing this job, increasing police visibility has been a top priority. It means we can do so much more to keep people safe and I'm really proud of the efforts we've taken to make it possible. I know our communities will really appreciate the extra reassurance and expertise they will bring.

Of course, accessibility isn't just about having more police officers on the street. We've also expanded the ways people can reach the police and seek help, working with our partners to create multiagency hubs like the Customer Service Centre in West Bridgford which offer a multitude of services from one place.

We continue to build an organisation that remains resilient and well-prepared to meet the challenges of today. This means putting our

resources in the best place to maximise public safety and drawing on the strengths of our partners.

In the past year, we established the new tri-base in Hucknall, accommodating officers from Nottinghamshire Police, the Fire & Rescue Service and the East Midlands Ambulance Service (EMAS). The new shared base, within the existing ambulance station in Annesley Road, is the first of its kind in Nottinghamshire. It keeps neighbourhood officers, response teams and CID officers in the heart of the community and allows them to work collaboratively where it makes sense.

A few years ago, we invested in the launch of a specialist knife crime team adopting the robust techniques of Operation Sceptre nationally, utilising targeted stop and search, test purchase operations, knife amnesties, weapon sweeps and intelligence-led activity in hotspots. We also created a new robbery team which is better equipped to investigate robberies.

Now, we are one of few forces in the country to buck the rising trend in knife crime, recently recording a reduction of 8.4% across the county and an 18% drop in the City. This compares to a national increase of seven per cent and an East Midlands increase of 16% in the year to September 2019.

The results spring from real partnership work with colleagues in councils, education and health and I do not underestimate the value of



supportive parents, young people themselves and the voluntary sector. Fighting knife crime remains a real team effort and I think in Nottinghamshire we do this very well.

We now have the added benefit of the Violence Reduction Unit (VRU) in place, bringing together a whole host of experts and justice professionals to prevent violence and knife crime in Nottinghamshire. The VRU has the funds to get to the root of problems and is already supporting a number of innovative projects involving those at high risk of being harmed or causing harm through violence.

All these efforts appear to be working but we will never become complacent. There is so much more to do and with the planned reinforcements ahead we can start to build on the good work already underway.

**Paddy Tipping**  
**Nottinghamshire Police and Crime**  
**Commissioner**



## COMMISSIONER'S FOREWORD







# WRITTEN STATEMENT AND CHIEF FINANCE OFFICER'S NARRATIVE REPORT



## CHIEF FINANCE OFFICER'S NARRATIVE REPORT

### NOTTINGHAMSHIRE

Nottinghamshire is a diverse county. It has a mixture of affluent communities and those developing from being former mining areas. The County's major urban area of the City and surrounding conurbation: this is mainly in the south with the majority of the north and east of the County being rural.

There is a population of approximately 1.1m within the City and County.

The majority of properties across the City and County fall within Council Tax bands of A and B.

Nottinghamshire is one of five regional forces in the East Midlands and works closely with the other four to provide a seamless and efficient service.

Nottinghamshire also collaborates with other forces for the provision of transactional services relating to Human Resources, Payroll and Finance.

Central Government funding provides the Commissioner with approximately 68% of the funding required to police Nottinghamshire. The remainder is met from local council tax payers.

For 2019-20 the Government Grant was maintained at £134.0m. This was supplemented with additional funding for additional Police Pensions of £4.0m of which £2.0m is now included in Core Grant.

For 2019-20 precept freedoms to raise council tax by £24pa (Band D equivalent) were given.

The Force still needed to achieve savings of £3.3m to balance the budget. Whilst those efficiencies have been met other costs have been incurred resulting in an overspend position of £0.1m.

The impact of the COVID 19 Pandemic is reflected in the Statement of Accounts for 2019-20 and will continue to impact in 2020-21. However, to date the impact has not been as severe as initially anticipated.

The impact of Brexit has yet to be felt and could also impact on future financial statements and public sector funding.

### GOVERNANCE

The Commissioner is responsible for the totality of policing within the policing area; with operational policing being the responsibility of the Chief Constable.

The Commissioner is also responsible for ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. To discharge this accountability the Commissioner and senior officers must put in place proper procedures for the governance and stewardship of the resources at their disposal.

The annual review of Governance and Internal Control is included within the arrangements for producing the Annual Governance Statement. This also includes the governance arrangements of the Chief Constable.

## PRIORITIES

Protecting People from Harm

Helping and Supporting Victims

Tackling Crime and Antisocial  
Behaviour

Transforming Services and  
Delivering Quality Policing

## PERFORMANCE

### Achievements 2019-20

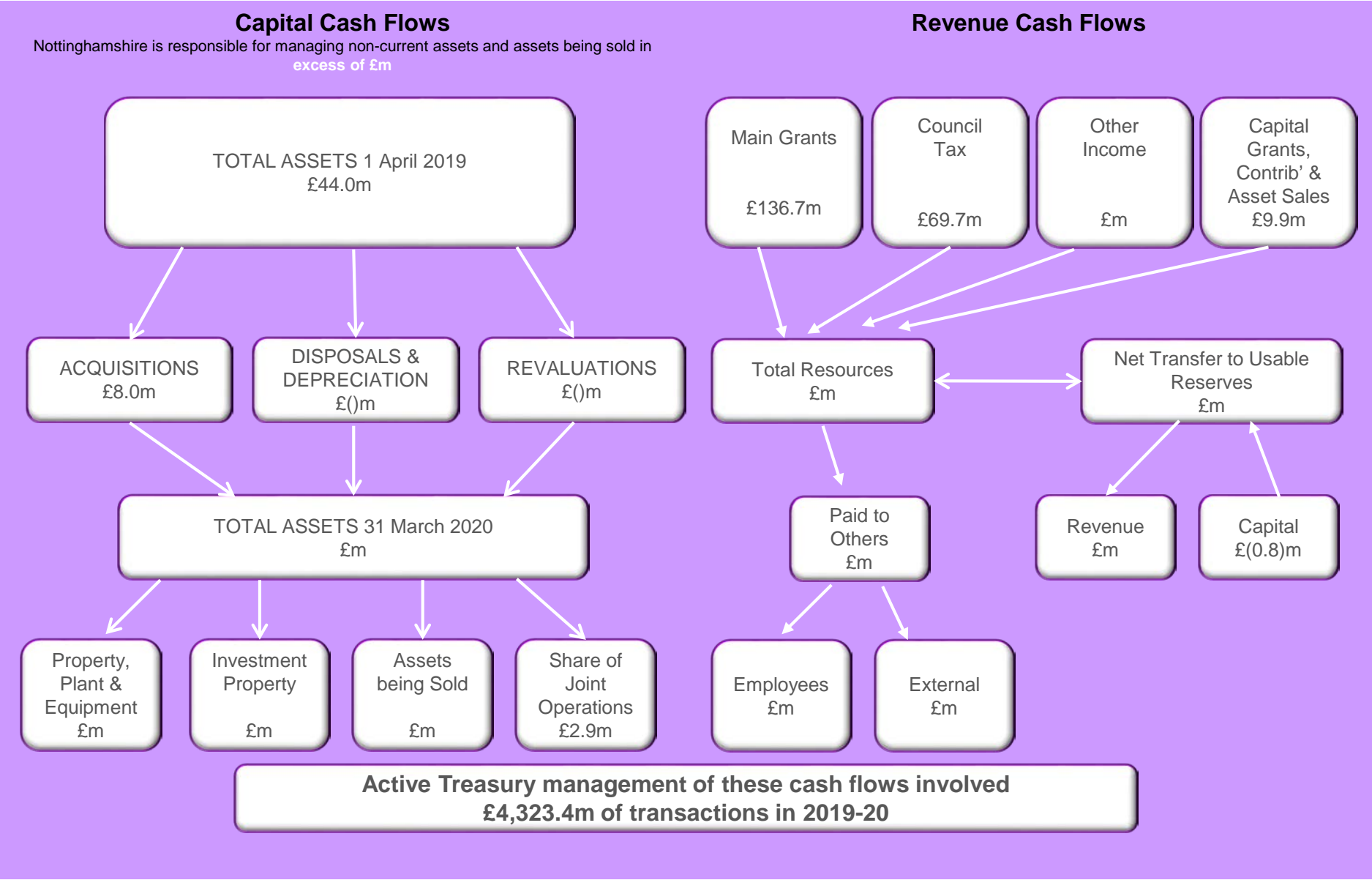
Over the last year numerous strategic commissioning activities were undertaken to help achieve the Commissioner's objectives. Examples include:

- The PCC worked with Nottingham City and Nottinghamshire County Councils to put in place additional support for adult survivors of child sexual abuse who were affected by the July publication of the Independent Inquiry into Child Sexual Abuse's report into the abuse that took place whilst children were under the care of Nottinghamshire authorities.
- The PCC and NHS England co-commissioned a Sexual Violence Needs Assessment, which was produced by Lime Culture and published in November 2019. The needs assessment includes recommendations to commission a specialist SVA hub for adults, and to review and recommission therapy for sexual violence survivors.
- The PCC, working with partners, secured over £0.5m from NHS England's High Volume Fund to put in place additional support for sexual violence survivors in Nottinghamshire. The bid was based on the recommendations of Lime Culture's needs assessment.
- The PCC is now working with partners to implement other Lime Culture recommendations. A new model for support has been developed and is being tested with potential providers before a possible procurement later in 2020.
- The PCC has also secured over £200k of additional funding from MoJ for Independent Sexual Violence Advisers.
- Following an open tender process, new DVA support contracts were awarded in the county.
- The Commissioner has maintained his investment into outcomes focussed domestic abuse support services. This includes maintaining funding for the two new MARAC IDVA posts.
- The PCC has continued to work with local authorities to ensure that high quality substance misuse support has been provided to offenders in the criminal justice system.
- Victim CARE has again significantly expanded the number of community points in 2019/20. At the end of March 2020 there were 34 community points in place, another 41 completing the application forms and over 100 organisations interested. Victim CARE also hosted a Community Point networking event aimed at bringing together the community points to further develop the working relationships. Finally, throughout 2019-20 Victim CARE has awarded a number of small grants to some Community Points to enable them to expand their help to victims.
- The PCC has continued to fund IDVAs to support the partners of offenders who are being managed through Nottinghamshire DVA Integrated Offender Management ("IOM") scheme. The scheme was reviewed in 2019. The review found that the domestic abuse related offending of those on the scheme reduced by over 40% across the cohort.

## Achievements 2019-20

- The PCC awarded a total of £254,174 in small grants to 20 community organisations, charities and support specialists as part of his 2019/20 Community Safety Fund scheme. The funding enabled third sector organisations to undertake a variety of project tackling pressing issues such as knife crime, domestic violence, hate crime, sexual violence, and addiction.
- The Nottingham City and Nottinghamshire Violence Reduction Unit was established with funding allocated from the Home Office Serious Violence Fund in September 2019. This has enabled the Commissioner to put significant resource into the strategic coordination and direction of violence reduction activity countywide. Working with partners, including local authorities, Nottinghamshire Police, HMP Nottingham, health, education and CVS has facilitated the development and implementation of a whole system public health approach which focuses on prevention first and foremost. Outcomes to date have already been positive with individuals being supported in education, hospital and custody settings to reduce the impact of serious violence.
- The Commissioner has invested in a number of projects which are aimed at early intervention activity for young people who are at risk of being impacted by serious violence, through the Early Intervention Youth Fund. Key projects have included the establishment of a non-statutory knife crime integrated offender management cohort and continued investment in the Redthread programme, both of which focus on supporting young people using a holistic approach in order to deter them from committing first time offences or from a pattern of reoffending.
- The Commissioner has supported our participation in a national pilot approved by the Home Office developing the role of Independent Custody Visitors (ICVs). ICVs have been conducting custody record reviews and making reports and recommendations from their findings.
- During the year crime overall reduced by 0.5% compared the previous year increase of 11.2%. The City saw a reduction of 3.8% and the County had a slight increase of 0.9%.
- Victim based crime reduced by 2.7%.
- The most recent Crime survey England and Wales reveals that residents felt that the risk of crime had fell from 15% (March 2018) to 10.9% (September 2019).
- Some key performance successes include:
  - Non Domestic Crime down 14.6%
  - Theft down 11.2%
  - Hate incidents (non crime) down 8.8%
  - Vehicle crime down 4.6%
  - Burglary down 3%
  - Robbery down 2.9%
  - Sexual Offences down 2.8%
  - Arson and criminal damage down 2%
- Proactive policing has seen more weapons, drugs and public order offences being detected. This correlates with a significant increase in the use of stop and search (78.7%, +2417). Positive outcomes from stop and search (40.4%, 2217) has resulted in detecting the following crime increases:
  - Drug offences (+21.6%)
  - Possession of weapons (+12.4%)
  - Public order offences (+4.5%)

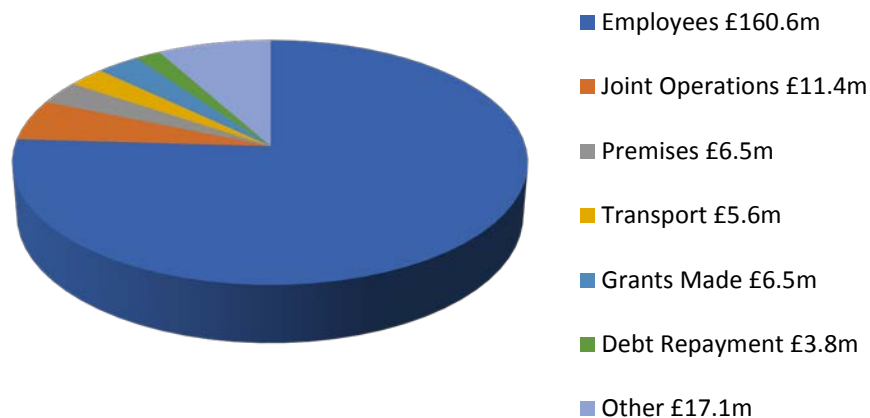
**More information regarding performance can be found within the Annual Report published on the Commissioners website.**



## FINANCIAL PERFORMANCE (cont.)

## Revenue Expenditure

## Revenue Expenditure



Financed by: £m

Police and Crime Grant

Legacy Grant

Precept

Other Income

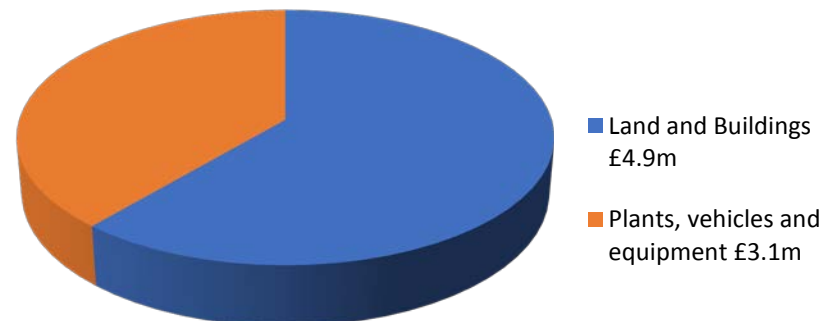
Net Contribution to Reserves

\_\_\_\_\_  
\_\_\_\_\_

The net difference between total expenditure and financing relates to Council Tax surplus transferred directly to reserves.

## Capital Expenditure

## Capital Expenditure



Financed by: £m

Reserves & contributions 1.3

Capital Grants 0.8

Capital Receipts 0.4

External Borrowing 5.5

8.0

Note: these revenue figures reflect the approved expenditure for the year. They do not include any adjustments required for IFRS as detailed within the financial statements.

## FINANCIAL PERFORMANCE (cont.)

### Capital Expenditure

Nottinghamshire continues to have an ambitious capital programme. The main areas of expenditure for the next few years are:

- New custody suite.
- New Joint HQ building with Fire.
- Maintaining the existing estate.
- Updating and replacing IT.
- Vehicle replacements.
- Exploring opportunities with the Fire Service and EMAS.

### Provisions and Reserves

The Insurance Provision required additional contributions during the year to meet the cost of potential claims outstanding.

Reserves continue to be replenished to finance significant capital expenditure over the medium term.

At 31 March 2019	£m
TOTAL PROVISION	4.5
TOTAL USABLE REVENUE RESERVES	xx.x
TOTAL USABLE CAPITAL RESERVES	4.9

## WHO WORKS FOR NOTTINGHAMSHIRE POLICE

Nottinghamshire Police (including the Office of the Police and Crime Commissioner) employs approximately 2,115 police officers, 181 PCSOs, 157 specials and 1,317 staff in full-time and part-time positions.

### Overall Equality Characteristics

<u>Gender</u>	<u>Headcount</u>	<u>Force %</u>
Male	2106	55.86%
Female	1664	44.14%

<u>Age Band</u>	<u>Headcount</u>	<u>%</u>
25 and under	427	11.33%
26 to 40	1496	39.68%
41 to 55	1538	40.80%
Over 55	309	8.20%
<b>Totals</b>	<b>3770</b>	<b>100.00%</b>

<u>Self-Declared Disability</u>	<u>Headcount</u>	<u>%</u>
Yes	150	3.98
No or not specified	3620	96.02
<b>Totals</b>	<b>3770</b>	<b>100.00</b>

<u>Ethnicity</u>	<u>Headcount</u>	<u>%</u>
Asian or Asian British	111	2.94
Black or Black British	40	1.06
Mixed	57	1.51
Chinese or Other	8	0.21
White	3482	92.36
Not Stated	72	1.91



## PRINCIPLE RISKS

A risk management strategy is in place to identify and evaluate risk. There are clearly defined steps to support better decision making through the understanding of risk, whether a positive opportunity or threat and the likely impact. The risk management processes are subject to regular review and updates. The key strategic notes are:

RISK	IMPACT	MITIGATION
Significant Incidents	Detrimental impact of Brexit on public sector financing. Response to COVID 19 Pandemic.	Monitor national activity by the Government – consider lobbying through representative bodies.
Comprehensive Spending Review	Delay by a further year impacts on the total amount available for funding policing nationally.	The Commissioner is a lead for this work at a national level.
Funding Formula Review	Could result in either a positive or negative impact on the amount of police grant Nottinghamshire receives.	Proactive work by the Commissioner on the National Review Body.
Level of Reserves	Insufficient reserves to meet significant risks.	This continues to be managed within the resources available.
System Reviews	Within the next few years there could be need to change our Core Finance System providers.	This will be managed as a major project and a business case developed which will include a risk register.
Expansion of business to create LLPs	Impact of this change on accounting treatment and accountability (e.g. Companies House and VAT implications).	Advice from consultants experienced in this field and specific advice from our tax advisors.
Changes to Crime Types	The need for officers to be trained in new areas of growing crime such as on-line crime. Whilst continuing to manage traditional crime such as burglary.	Recruitment and training of officers with these skills.

Explanation of Accounting Statements	The Core Statements	The Supplementary Financial Statements
<p>The Statement of Accounts sets out the Group income and expenditure for the year and its financial position at 31 March 2020. It comprises core and supplementary statements, together with disclosure notes. The format and content of the financial statements is prescribed by the CIPFA Code of Practice on Local Authority Accountancy in the United Kingdom 2019-20; which in turn is underpinned by International Financial Reporting Standards.</p> <p>A Glossary of terms can be found at the end of this publication.</p>	<p>The Comprehensive Income and Expenditure Statement (CIES). This records all income and expenditure for the year. The top half of the statement includes policing activity. The bottom half of the statement deals with corporate transactions and funding. It includes actuarial valuations in accordance with the code.</p> <p>The Movement in Reserves Statement – is a summary of the changes to the Reserves during the course of the year. Reserves are divided into “useable”, which can be invested in capital projects or service improvements, and “unusable”, which must be set aside for specific accounting purposes.</p> <p>The Balance Sheet is a “snapshot” of the assets, liabilities, cash balances and reserves at the year-end date.</p> <p>The Cash Flow Statement – shows the reasons for changes in cash balances during the year, whether the change is due to operating activities, new investment or financing activities (such as the repayment of borrowing and other long term liabilities).</p>	<ul style="list-style-type: none"> <li>• The Annual Governance Statement – this sets out the governance arrangements in place and the key internal controls.</li> <li>• The Pension Fund Account – these provide detail about the transactions in relation to the pension fund account for police officers. Details relating to the Local Government Pension Scheme for staff (including PCSO's) are provided in the notes to the accounts.</li> <li>• The Notes to the Accounts – these provide more detail about the accounting policies and individual transactions.</li> </ul>

## INDEPENDENT AUDITORS REPORT

To be added later in the year, please see the note on our website explaining the audit situation.



Independent auditor's report for the Police and Crime Commissioner for Nottinghamshire

## The Responsibilities of the Commissioner

The Commissioner is required to:

- Make arrangements for the proper administration of the financial affairs for the group and to secure that one of his officers has the responsibility for the administration of those affairs, in line with statute this is the Section 151 Officer.
- Manage the groups affairs to secure economic efficient and effective use of resources and safeguard its assets.
- Approve the statement of accounts.
- Ensure that the Section 151 Officer is a key member of their strategic management team and is adequately resourced and trained to fulfil this role.

## The Responsibilities of the Chief Finance Officer

The Section 151 Officer is responsible for the preparation of the Group Accounts. The statements are required by the CIPFA Code of Practice on Local Government accounting, to present fairly the financial position of the Group at the accounting date and the income and expenditure for the year then ended.

In preparing the Statement of Accounts the Section 151 Officer has:

- Selected suitable accounting policies and then applied them consistently except where policy changes have been noted in these accounts.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the Code.
- Keeps up to date with professional development.

The Section 151 Officer has also:

- Kept proper accounting records which are up to date, and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

## Certification

I certify that in my opinion this Statement of Accounts present a true and fair view of the financial position of the Chief Constable as at 31 March 2020 and its income and expenditure for the year ended 31 March 2020.

C Radford CPFA  
Chief Finance Officer  
Nottinghamshire Police and Crime  
Commissioner  
23<sup>rd</sup> June 2020

Approval  
The Statement of Accounts was  
approved by the Joint Audit and Scrutiny  
Panel on 23<sup>rd</sup> June 2020

P Tipping  
Nottinghamshire Police & Crime  
Commissioner  
23<sup>rd</sup> June 2020

## INTRODUCTION

Police and Crime Commissioner are designated as Local Authority for accounting purposes. As such they are required to annually review the Governance procedures in place for the Office of the Police and Crime Commissioner and the Group.

The preparation and production of the Annual Governance Statement is in accordance with the CIPFA/SoLACE Delivering Good Governance in Local Government Framework (the Framework). This Framework requires Commissioners to be responsible for ensuring that:

- Their business is conducted in accordance with all relevant laws and regulations
- Public money is safeguarded and properly accounted for
- Resources have been used economically, efficiently and effectively to achieve agreed priorities within the Police & Crime Plan

The Framework also expects that the Commissioners will put in place proper arrangements for the governance of their affairs, which facilitate the effective exercise of functions and ensure that the responsibilities set out above are being met.

The Commissioner is compliant with the CIPFA Statement on the Role of the Chief Finance Officer (particularly relating to Policing).

## KEY ELEMENTS OF THE COMMISSIONER'S GOVERNANCE FRAMEWORK

### Police & Crime Plan

- Sets the priorities for policing
- Sets the priorities for supporting victims
- Sets direction for the use of resources and commissioning

### Scrutiny & Review

- Public meetings – Strategic Resources and Performance to hold the Chief Constable to account
- Joint Audit & Scrutiny Panel – to challenge and review the governance and actions of the OPCC and Force
- Public Consultation, Stakeholder events and surveys – to seek public opinion on priorities, police activity and the budget

### Police & Crime Panel

- Formalise the appointment of the Commissioner
- Independent body to review decisions of the Commissioner
- Challenge and support the aims of the Police & Crime Plan
- Review and agree the proposed level of precept
- Agree the appointment of the Chief Constable

### Decision making

- Public meetings recorded
- Decision records published on the Commissioner's website
- Risk management reported to Audit & Scrutiny regularly

### Effective Management Team

- Chief Executive is the Monitoring Officer responsible for governance
- Chief Finance Officer is the Section 151 Officer responsible for safeguarding the financial position of the group

HOW WE COMPLY WITH THE CIPFA SOLACE FRAMEWORK	PRINCIPLE A  <b>Behaving with integrity, demonstrating strong commitment to ethical values and respecting the law.</b>	PRINCIPLE B  <b>Ensuring openness and comprehensive stakeholder engagement</b>
<p>The Commissioner has approved and adopted:</p> <ul style="list-style-type: none"> <li>• Code of Corporate Governance</li> <li>• The requirements of the CIPFA/SoLACE Framework: Delivering Good Governance in Local Government Framework</li> <li>• A number of specific strategies and processes for strengthening corporate governance</li> </ul> <p>Set out below is how the Commissioner has complied with the seven principles set out in the CIPFA/SoLACE Framework during 2019-20.</p>	<p>The Commissioner has endorsed the Code of Corporate Governance, which provides guidance on expected standards of behaviours to ensure integrity.</p> <p>The Commissioner has approved the Anti-Fraud, Bribery and Corruption policies. The Audit and Scrutiny Panel receives reports on how these arrangements have been applied during the year. There is a Whistle Blowing policy in place, which together with declaration of interests from the Commissioner, staff and police officers, ensures ethical standards are being monitored and adhered to. Any whistle blowing activities notified are investigated by the Professional Standards Directorate and appropriate action is taken.</p> <p>The Section 151 Officer and Monitoring Officer have specific responsibility for ensuring legality, for investigating any suspected instances of failure to comply with legal requirements, and for reporting any such instances to the Commissioner and Audit and Scrutiny Panel or Police and Crime Panel.</p>	<p>All meetings of the Joint Audit and Scrutiny Panel, Strategic Resources and Performance Panel, and the Police and Crime Panel, are open to the public. Papers, reports and decisions made by the Commissioner, are published on the Commissioners website together with consultation and public surveys.</p> <p>The Commissioner has a public engagement consultation strategy which sets out how we engage with stakeholders, partners and the public, through a combination of collaborative working, representation on boards, stakeholder consultation meetings and attendance at public community events.</p>

<b>PRINCIPLE C</b>  <b>Defining outcomes in terms of sustainable, economic, social and environmental outcomes</b>	<b>PRINCIPLE D</b>  <b>Determining the intervention necessary to optimise the achievement of intended outcomes</b>	<b>PRINCIPLE E</b>  <b>Developing capacity and capability</b>
<p>The Police and Crime Commissioner publishes a four year Police and Crime Plan, which is refreshed annually. This is informed by the Strategic Policing Requirement, strategic assessments of the Force and local partners combining into the Police and Crimes Needs assessment, and is reflective of emerging priorities for policing in Nottinghamshire.</p> <p>This plan is used to direct the resources of the Commissioner and Chief Constable. It informs the revenue budget on where resources are most needed and the capital investment programme to identify the priority needs for investment.</p> <p>The capital investment must meet the requirements of the prudential code in that they must be affordable. There are regular reports in compliance with the code during the year.</p>	<p>All new areas of business require a formal business case to be submitted. These business cases go through an internal approval process within the Force before sign off by the Chief Constable or Commissioner depending on the value or public interest.</p> <p>The same is true of business cases relating to Regional collaborations. The approval process is slightly different in that groups of officers form layers of approval (e.g. Operation Group, Deputy Chief Constable Board, Chief Finance Officer Board, Chief Constable Board and Police and Crime Commissioner Board). The end result is the same with the Police and Crime Commissioners signing off the final business cases.</p>	<p>The Force works closely with the College of Policing to ensure we maximise our investment in officers and staff.</p> <p>This now includes the apprenticeship scheme for new recruits and further development of officers aspiring into senior ranks.</p> <p>Nottinghamshire is the first Force to recruit new officers on the national apprenticeship scheme.</p> <p>Internally, the Force and OPCC are identifying posts within the staffing structures that could be provided through the apprenticeship scheme.</p> <p>We have worked with local authority partners in the training and development of CIPFA qualified staff and will continue to identify other joint training schemes wherever possible.</p>



**PRINCIPLE F****Managing risks and performance**

The Force continues to ensure compliance with the National Crime Recording Standard (NCRS) and has a dedicated Force Crime Registrar who monitors performance and reports progress to the Crime & Data Quality Board chaired by an Assistant Chief Constable.

End of year performance is estimated to be 94% compliance against the NCRS standard which could merit a Good grade if assessed by HMICFRS.

Performance is monitored against a comprehensive Police and Crime Performance Framework and risks identified in the bimonthly Performance and Insight Report. The OPCC is represented at the Force Performance Board where risks are reviewed and mitigation activity undertaken.

The joint PCC and Force Risk Management Strategy details how corporate risks are managed and mitigated. In addition, the independent Joint Audit and Scrutiny Panel receives a copy of the Force and PCC Strategic Risk Progress Report every 6 months, as per the Policy.

There are joint policies in place for risk management; anti-fraud, corruption and bribery and together with the financial regulations set out expected processes and internal controls.

We have a regional contract for the provision of Internal Audit. The Internal Audit team regularly provides reports on the effective operation of control and an annual report of the overall control environment.

Lessons are learnt across forces through this shared contract.

The Professional Standards Directorate provides reports on actions within the disciplinary process and on lessons learnt nationally from the IPCC.

An external community panel is being set up to review discrimination complaints, use of force and stop and search.

All recommendations from external and internal reviews (e.g. Audit and HMICFRS) are collated, reviewed and regularly reported on.

**PRINCIPLE G****Implementing good practices in transparency, reporting and accountability**

All decisions of the Commissioner are published on the website, together with any supporting information to explain why any particular option was taken.

The Police and Crime plan together with financial strategies and internal policies are also published and reviewed regularly.

Reporting of performance both operational and financial is undertaken on a regular basis. And the Commissioner meets with the Chief Constable on a weekly basis to challenge where the performance is slipping.

The Police and Crime Panel meet regularly to hold the Commissioner to account for the decisions being taken. The minutes of this public meeting are published on the County Council website.



## REVIEW OF EFFECTIVENESS

The Commissioner uses a number of ways to review and assess the effectiveness of its governance arrangements, as set out below:

### Assurance from Internal Audit

One of the key assurance statements that the Commissioner receives is the annual audit report and opinion of the Head of Internal Audit.

During 2019-20, 18 areas, including collaboration areas, were reported on. Of which three were given substantial assurance and eight were deemed to be satisfactory (65% of local recommendations and 100% of regional recommendations).

During 2019-20 all Key Financial systems were audited and considered satisfactory, with the exception of Payroll which was given limited assurance. This will be followed up in 2020-21.

6 out 12 other audits were also issued with limited assurance. These were: OPCC Business Continuity, Custody Arrangements, OPCC Supplier, Information Assurance, Force Management of MFSS and Health and Safety follow-up. These will be followed-up in 2020-21.

### Assurance from External Audit

The External Auditor, Ernst & Young, provides assurance on the accuracy of the year-end Statement of Accounts and the overall adequacy of arrangements for securing value for money.

The Annual Governance report (ISA 260) will be issued to the Audit and Scrutiny Panel with the final statements including this Annual Governance Statement.

### Self-Assessment and Review of Key Performance Indicators

The Chief Executive and Chief Finance Officer of the OPCC have undertaken a review to confirm that the arrangements described above have been in place throughout the year. Assurance questionnaires have been completed and signed to provide confirmation that Codes of Conduct, Financial Regulations and other

corporate governance processes, have been operating as intended throughout the year so far as they are aware.

A number of key outcome indicators exist to assess the quality of governance arrangements. Performance is set out below:

Governance Issues Identified	Performance Indicator
Formal Reports Issued by the Section 151 or Monitoring Officer	None issued
Outcomes from Monitoring Officer's Investigations	Concerns relating to one third sector organisation were investigated by Internal Audit.
Proven frauds by members of staff or officers	None
Objections received from local electors	None
Ombudsman referrals upheld exceed national averages	None identified 2019-20
Limited assurance from Internal Audit Reports	7 out of 18 Internal Audit reports were issued with limited assurance
ISA 260 2018-19 issues identified	Please refer to Chief Constable's Annual Governance Statement for full details

### Follow-up of issues identified in 2018-19

Issues identified:	Action taken:
Levels of Reserves were considered to be low, but compared with the previous year this was improving significantly.	This remains a pressure and risk. Although significantly better than previous years. Reserves re now being generated to finance major capital spend to reduce the impact on future revenue budgets.
Internal Audit – limited assurance on Key Financial Systems.	<p>The Key Financial Systems - The Creditors was considered to have limited assurance in 2018-19. This was followed up in 2019-20 and was given substantial assurance.</p> <p>The four other audits in 2018-19 with limited assurance were Force Management of MFSS Arrangements, Health and Safety, GDPR and Property Management. Three of these were followed-up in 2019-20. The Health and Safety follow-up and Force Management of MFSS were still given limited assurance and will continue to be reviewed. The GDPR was given satisfactory assurance based on work done by the time of audit; this audit and the Property Management audit will be followed-up in 2020-21.</p>
VFM Qualification of MFSS	This continues to be a challenge and alternative provision of this service is being progressed.
HMCFRS “requires improvement”	This relates to data integrity and Police Custody. Further details can be found in the Chief Constables AGS and reports to Audit and Scrutiny Panel.
Economic Outlook.	<p>The continuous delay in the next CSR and Funding Formula Review provides ongoing uncertainty over the future financial health. However, the additional funding for 20,000 police officers nationally is positive.</p> <p>The public finances continue to be monitored in light of Brexit and COVID 19 and their potential impact on police funding.</p>

## CONCLUSION

The Commissioner is satisfied that a sound system of Governance is in place. This includes the system of internal control which is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. However he remains committed to maintaining and wherever possible improving these arrangements, in particular by:

- Addressing the issues identified by internal audit as requiring improvement.
- Addressing the issues identified by HMICFRS as requiring improvement.
- Continued dialogue with the public through the Engagement Strategy and public meetings.

### SIGNED

Paddy Tipping  
Nottinghamshire Police and Crime Commissioner  
23<sup>rd</sup> June 2020

Kevin Dennis  
Chief Executive  
23<sup>rd</sup> June 2020

Charlotte Radford CPFA  
Chief Finance Officer  
23<sup>rd</sup> June 2020