



## **Office of the Cambridgeshire Police and Crime Commissioner (OPCC)**

### **ANNUAL GOVERNANCE STATEMENT 2022/23**

#### **1. EXECUTIVE SUMMARY**

- 1.1 A Police and Crime Commissioner (PCC) is responsible for ensuring that the business of their office 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. PCC elections took place in May 2021 and the new PCC took up post on 13 May 2021.
- 1.2 In discharging this overall responsibility, the PCC is responsible for putting in place proper arrangements for the governance of his affairs and facilitating the effective exercise of functions, which includes ensuring a sound system of internal control is maintained through the year and that arrangements are in place for the management of risk. In exercising this responsibility, the PCC also relies on the Chief Constable (CC) to support the governance and risk management processes.
- The Commissioner ensures community needs are met as effectively as possible and improves local relationships by working in partnership across a range of agencies at local and national level to ensure there is a unified approach to preventing and reducing crime.
- 1.3 Under the terms of the Police Reform and Social Responsibility Act 2011, The Commissioner must:
- Secure an efficient and effective Police Force for their area.
  - Appoint the Chief Constable, hold them to account for, and if necessary, dismiss them.

- Set the police and crime objectives through a police and crime plan.
- Set the force budget and determine the precept.
- Bring together community safety and criminal justice partners, to make sure local priorities are joined up.
- Commission local support services for all victims of crime.

1.4 In considering this Annual Governance Statement, in addition to considering his own arrangements, the PCC has also relied upon the governance processes within Cambridgeshire Constabulary as reflected in the CC's Annual Governance Statement.

1.5 At a strategic level the framework forms part of the three forces Scheme of Governance, jointly agreed with Bedfordshire and Hertfordshire, and which includes Financial Regulations and Contract Standing Orders, which were most recently reviewed and updated in August 2022. The Scheme of Governance was reviewed and approved by the Business Coordination Board in November 2022. Both the Scheme of Governance and Financial Regulations are available on the PCC's website.

[Budget \(cambridgeshire-pcc.gov.uk\)](https://www.cambridgeshire-pcc.gov.uk/Budget)

1.6 The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable and foreseeable level. It cannot eliminate all risk of failure to achievement of policies, aims and objectives and can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the PCC's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

1.7 The CC is accountable to the PCC. Both the CC and PCC must have due regard to the Strategic Policing Requirement set by the Home Secretary. The Chief Constable is responsible for operational policing matters, the direction and control of police personnel, and for putting in place proper arrangements for the governance of the Force. The Commissioner is required to hold him to account for the exercise of those functions and of persons under his direction and control. It therefore follows that the PCC must satisfy himself that the Force has appropriate mechanisms in place for the maintenance of good governance, and that these operate in practice.

1.8 The Scheme of Governance includes details of the various duties delegated to senior

officers. Financial Regulations (including Contract Standing Orders) have been developed to ensure that the financial responsibilities of both the OPCC and the Commissioner are clear.

- 1.9 The Business Coordination Board is a joint governance forum of the PCC and the CC and their respective Officers. This meeting is one of the means whereby the PCC holds the CC to account for the performance of the Constabulary. Meetings scrutinise, support and challenge the overall performance of the Force including against the priorities agreed within the Plan. In 2022/23, the meeting frequency of the Business Coordination Board was reduced from monthly to quarterly with a view to improving the effectiveness of strategic reviews of performance.

[Business Coordination Board \(BCB\) \(cambridgeshire-pcc.gov.uk\)](https://cambridgeshire-pcc.gov.uk)

- 1.10 The key elements of the systems and processes that comprise the governance arrangements that have been put in place for the PCC and the CC include:
- A definition of the roles of the PCC and the CC.
  - Delegations from the PCC.
  - Financial Regulations.
  - Risk Management and Business Continuity arrangements.
  - A Treasury Management Policy.
  - A Gifts Loans and Sponsorship Policy.
  - Contract Standing Orders.
  - Anti-Fraud and Anti-Bribery policy.
  - Reporting Concerns (Whistleblowing) policy.
- 1.11 CIPFA published their “Delivering Good Governance in Local Government: Framework” followed by specific guidance notes for Policing Bodies. The key elements of the systems and processes which the Commissioner has in place are aligned to the seven principles are set out below:
- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
  - B. Ensuring openness and comprehensive stakeholder engagement.
  - C. Defining outcomes in terms of sustainable economic, social and environmental benefits.
  - D. Determining the interventions necessary to optimise the achievement of the intended outcomes.

- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- F. Managing risks and performance through robust internal control and strong public financial management.
- G. Implementing good practices in transparency, reporting and audit to deliver effective accountability.

1.12 The PCC is committed to keep governance arrangements under review and address issues as they arise. A review of the governance arrangements by Internal Audit during 2022/23 reported a substantial assurance opinion.

## **2. Summary of the Significant Governance Issues Identified 2022/23**

2.1 The cost of living crisis and the general rate of inflation is and will continue to impact upon costs to the Constabulary and OPCC either directly or indirectly through supply chain. This is causing some pressures in respect of the Capital programme locally and in BCH collaboration.

2.2 Ongoing pressure in the external audit sector means the Constabulary and OPCC accounts are unlikely to be audited until autumn 2023 and this key governance mechanism relating to 2021/22 and 2022/23 accounts will not be audited on time.

2.3 BCH Procurement follow up Internal Audit reported that in their opinion the organisations had demonstrated poor progress in implementing the agreed management actions at the time of the audit. A further review was added to the Internal Audit Plan for 2022/23 and concluded that progress remained poor in implementing the agreed management actions.

## **3. Opinion**

3.1 Based on the opinion of the Head of Internal Audit and our own ongoing work, we are satisfied that our arrangements for governance, risk management and control are adequate and effective.

3.2 I propose to address the above matters to further enhance my governance arrangements and will monitor the implementation and operation of these improvements.

Signatures of the Police and Crime Commissioner and the Chief Executive Signed:

Darryl Preston  
Police and Crime Commissioner

Jack Hudson  
Interim Chief Executive

## **4 Key Governance Arrangements**

### **A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

4.1 The OPCC has an approved policy on anti-fraud and anti-bribery which is included within the Financial Regulations. The policy is designed to encourage prevention, promote detection and identify a clear pathway for investigation of fraudulent and/or corrupt activities or behaviour.

4.2 The Commissioner has made a policy statement on decision making which is shared with Bedfordshire and Hertfordshire. This explains the statutory framework for decision making by police and crime commissioners, aligned to the Nolan principles of public life, it sets out the decision-making process including the recording, transparency and publication of those decisions. Under the policy the Chief Executive, Chief of Staff and Chief Finance Officer are part of the legal framework to report contraventions of the law, financial requirements or maladministration.

[Decisions \(cambridgeshire-pcc.gov.uk\)](https://www.cambridgeshire-pcc.gov.uk/decisions)

4.3 The PCC has taken an Oath of office following his appointment by the Police and Crime Panel. The Oath sets out his commitment to undertaking his role with integrity whilst recognising the importance of the operational independence of the CC. The register of interests of the PCC and of the Chief Executive Officer are published on the PCC's website.

[Your Commissioner \(cambridgeshire-pcc.gov.uk\)](https://www.cambridgeshire-pcc.gov.uk/your-commissioner)

### **4.4 Complaints**

4.4.1 The PCC has a duty to be open, transparent and accountable. He also has a legal responsibility to monitor all complaints made against all Cambridgeshire Constabulary officers and staff, whilst also having responsibility for complaints made against the Chief Constable. In the first instance, complaints received by the PCC's Office are forwarded to the Constabulary's Complaints Resolution Team (CRT) who will be able to assist as they are the correct authority to take this forward. Thereafter Police and Crime Commissioners do have a statutory responsibility, in certain circumstances to review the outcome of complaints handled by Cambridgeshire Constabulary. However, before the PCC can get involved, Cambridgeshire Constabulary has to have

formally recorded the dissatisfaction as a complaint, considered it, and reached an outcome. In line with the Elected Local Policing Bodies (Specified Information) (Amendment) Order 2021, implemented in May 2021, the PCC has published performance reports on the force covering complaint handling. The PCC also receives a quarterly report to his Business Coordination Board covering complaints and trends and patterns identified through the Complaints Review Team.

[Complaints and Reviews \(cambridgeshire-pcc.gov.uk\)](https://www.cambridgeshire-pcc.gov.uk/complaints-and-reviews)

[BCB - 18 May 2023 \(cambridgeshire-pcc.gov.uk\)](https://www.cambridgeshire-pcc.gov.uk/bcb-18-may-2023)

## **4.5 Ethics and Equality**

4.5.1 The PCC has a duty to hold the Chief Constable to account for the way that officers and staff carry out their roles. This includes the duties relating to equality and diversity and complaints. The PCC supports the independent scrutiny of a number of police actions including the conditions for those detained in police custody. The PCC has made Ethics one of the objectives within his Police and Crime Plan which states that we will ensure the police act with integrity and social responsibility, promoting a culture that is inclusive, diverse and takes equality seriously – from how they interact with the public they serve, to environmental sustainability.

[Ethical Policing \(cambridgeshire-pcc.gov.uk\)](https://www.cambridgeshire-pcc.gov.uk/ethical-policing)

4.5.2 The PCC also has a statutory duty under the Police Reform and Social Responsibility Act 2011 to hold the Chief Constable to account for the exercise of duties relating to equality and diversity. The Constabulary provides an annual report to the Business Coordination Board, which includes how the Constabulary is exercising its statutory duties under the Equality Act 2010 relating to equality and diversity. This was most recently through a report on how the Constabulary were implementing the Police Race Action Plan in November 2022.

[BCB - 24 November \(cambridgeshire-pcc.gov.uk\)](https://www.cambridgeshire-pcc.gov.uk/bcb-24-november)

## **4.6 Financial Regulations**

4.6.1 BCH Scheme of Governance and Financial Regulations are in place which were jointly agreed with Bedfordshire and Cambridgeshire and last reviewed in August 2022.

[Budget \(cambridgeshire-pcc.gov.uk\)](https://www.cambridgeshire-pcc.gov.uk/budget)

## **4.7 Whistleblowing**

4.7.1 The OPCC adheres to Section 43B of the Employment Rights Act 1996 and actively encourage a qualifying disclosures culture for all employees. It is the responsibility of all staff members to ensure that they report any concern or issue that they may have. The Bedfordshire, Cambridgeshire, and Hertfordshire (BCH) Whistleblowing Procedure by the BCH Professional Standards Department is also applicable to the OPCC and is published on the PCC's website.

[Complaints and Reviews \(cambridgeshire-pcc.gov.uk\)](https://www.cambridgeshire-pcc.gov.uk/complaints-and-reviews)

## **4.8 Integrity Controls Assurance**

4.8.1 In August 2022, a paper was provided to the Joint Audit Committee with regards to an overview of integrity controls assurance, it provided a summary of the non- financial integrity arrangements in place. This Report specifically provided a summary of:

- The controls process, how the various control processes have operated during the reporting period and evidence of their effectiveness; and
- Complaints update.

4.8.2 The report also provided an ongoing commitment from both the PCC and the Constabulary that they recognise and support the principle that all those in policing should uphold and embed the highest standards of ethical behaviour, personal conduct, and at the same time be transparent and accountable for their actions.

### **B. Ensuring openness and comprehensive stake holder engagement Communications and Engagement Strategy**

4.9 The PCC has a Communications and Engagement Strategy linked to the objectives within his Police and Crime Plan and includes an assessment of key stakeholders and communication routes. Over the year a number of engagement opportunities were provided to stakeholders which included visits to local communities, meetings with local councillors and community safety volunteers, press releases and media interviews, regular radio phone ins.

4.10 The PCC reported to the Police and Crime Panel in March 2023 on his approach to communications and engagement and that engagement activity is a key part of the PCC's business, aligned to the delivery of the five key strands of the Police and Crime

Plan through various methods from face-to-face public meetings to online 'roundtables'. Activities managed by the Communications and Engagement team are compliant with government accessibility regulations and include (as per the legislation) the publication of an annual accessibility statement explaining how accessible the PCC website is. Engagement is co-ordinated so that it is representative in terms of geography, demography, and identity, and includes those who may be under-represented, seldom heard from or disengaged.

[Contact us and get involved \(cambridgeshire-pcc.gov.uk\)](https://www.cambridgeshire-pcc.gov.uk)

#### **4.11 Consultations**

4.11.1 In order to seek the views of the public regarding police funding for 2022/23, the Commissioner launched an online survey asking for views on an increase to council tax which would enable the Chief Constable to implement a number of improvements to the service the public receive.

4.11.2 The Commissioner offers a variety of ways in which members of the public can voice their concerns, through 1-1 surgeries, surveys, telephone calls and online meetings.

4.11.3 The Commissioner offers regular briefing sessions with local councillors. The briefings are an opportunity for councillors to find out more about community safety schemes and projects which are being run in their area which they may wish to get involved in, support or promote.

4.11.4 They are also an opportunity for councillors to raise local concerns on behalf of the communities they represent.

#### **4.12 Community Scrutiny Panel**

4.12.1 Whilst the Commissioner's Office provides administrative support, the Panel itself, consisting of 15 panel members at each meeting, acts in complete independence. The panel meets across the county to allow as many people as possible to attend. The meetings alternate between Stop and Search and application of Use of Force. The panel takes a sample of available records to scrutinise and assess at each meeting.

4.12.2 Through participating in this panel, the Constabulary seek to improve public trust by showing that they are fully accountable for their actions.

### **4.13 Partnerships**

4.13.1 The PCC works in partnership with Local Authorities, Police, Fire and Rescue, Probation and Health through the Cambridgeshire Countywide High Harms Board to provide a multi-agency, strategic direction to enable the delivery of its key priorities to continue to make the communities of Cambridgeshire and Peterborough safer.

4.13.2 The Board is responsible for helping these key partners to coordinate and deliver their statutory duties with respect to agreed specific priority issues, currently drugs, serious violence, violence against women and girls, and serious and organised crime.

[Cambridgeshire Countywide High Harms Board \(cambridgeshire-pcc.gov.uk\)](http://cambridgeshire-pcc.gov.uk)

## **C. Defining outcomes in terms of sustainable economic, social and environmental benefits**

### **4.14 Collaboration**

4.14.1 The Commissioner continued to endorse Section 22 (of the Police Act 1996) collaboration agreements with Strategic Alliance partners in 2020/21 and mechanisms are in place to hold these collaborative services to account.

4.14.2 The key purpose and benefit of collaboration is to secure more efficient and/or effective services where we are able to join them up. The drawing together of collective views, ideas and knowledge sharing helps us all to improve and deliver key requirements.

4.14.3 Collaborated services are provided to the parties with shared resources being instructed through a single line management structure and those resources remaining under the legal direction and control of their respective Chief Constable. By sharing resources across each force, the collaboration is able to drive economies of scale and make best use of available resources across the partners.

4.14.4 The supporting structure allows each Chief Constable and PCC to have oversight and fulfil their responsibilities through:

- Strategic Alliance Summit meetings are responsible for setting the strategic direction and enables oversight and holding to account by the Commissioners.
- Joint Chief Officers Board (JCOB) has operational strategic oversight focusing on the accountability for the effective governance for the collaborative arrangements.

- Deputy Chief Officer Collaboration Board is a monthly meeting reporting into JCOB ensuring the effective delivery of collaborated services, with decision-making capability.
- Assistant Chief Officer and Director-led Functional Boards that ensure the effective and efficient delivery of the services within their remit.

4.14.5 Collaboration at a 7 Force level includes procurement through Commercial Services. Operational Management is over seen by the Commercial Executive Board chaired by an ACO, currently from Hertfordshire. There is also a Strategic Procurement Governance Board chaired by a PCC, currently Suffolk, which reports to the Eastern Region Summit Meeting to ensure all corporations sole are informed of activities. These meetings also have reporting from and oversight over the Eastern Regional Special Operations Unit (ERSOU) for which Bedfordshire is the lead Force.

4.14.6 Established in 2022 is ERIN (Eastern Region Innovation Network) that is looking to share innovative best practise across the Region.

[Collaboration \(cambridgeshire-pcc.gov.uk\)](https://www.cambridgeshire-pcc.gov.uk/collaboration)

**D. Determining the interventions necessary to optimise the achievement of the intended outcomes**

4.15 A Medium-Term Financial Strategy is in place. For 2022/23 this was presented to the Police and Crime Panel in February 2022 when the Panel received the plan for the period 2022/23 to 2025/26. The financial plan supports the achievement of the objectives within the Police and Crime Plan and the Constabulary Corporate Plan.

<https://democracy.peterborough.gov.uk/ieListDocuments.aspx?CId=543&MId=4672&Ver=4>

4.16 The operational requirements were identified by the Constabulary using an innovative planning process known as the Strategic Threat and Risk Assessment (STRA) which examined the operational requirements against current and future demand. This also supported the development of the Constabulary's Corporate Plan and the Medium-Term Financial Strategy.

#### **4.17 Police and Crime Plan**

4.17.1 The PCC's Police and Crime Plan 2021 – 2024 was presented to the Police and Crime Panel in November 2021 and included a set of themes of preventing and reducing crime:

- Putting Communities First.
- Preventing Crime.
- Supporting Victims and Witnesses.
- Ethical Policing.
- Robust Enforcement.

[Police and Crime Plan \(cambridgeshire-pcc.gov.uk\)](https://www.cambridgeshire-pcc.gov.uk)

#### **4.18 Delivery Plan**

4.18.1 The Commissioner has made his commitments and objectives for policing clear in his Police and Crime Plan and in March 2022 presented the Police and Crime Panel with a set of key deliverables for each theme for the following 6-9 months. A six-monthly update was provided to the Police and Crime Panel in November 2022. The Delivery Plan is the mechanism by which shared outputs and outcomes will enable all agencies and partners to support tackling crime and keeping communities safe. Each theme is supported by an agreed set of deliverables.

<https://democracy.peterborough.gov.uk/ieListDocuments.aspx?CId=543&MId=4690&Ver=4>

4.18.2 The PCC holds the Chief Constable to account for performance through reports submitted to the PCC's Business Co-ordination Board. Additional arrangements are in place to provide assurance. These arrangements receive quantitative and qualitative reports, such as on the Constabulary's quarterly performance reports and individual reports on how the Office of the Police and Crime Commissioner, the Constabulary and partners are delivering towards the Plan.

#### **4.19 Business Coordination Board**

4.19.1 The Business Coordination Board is a quarterly meeting between the Police and Crime Commissioner, Constabulary Chief Officers and senior officers of the Office of the Police and Crime Commissioner, chaired by the Commissioner. It is a forum in which current and future business is discussed between the senior leaders of the two bodies, focussing on issues relating to strategy, governance, business and holding the Chief Constable to account. It is one forum in which decisions can be made by the Commissioner, informed by the decision-making policy. The Board takes a risk-based approach. Minutes of the meeting and key papers are published on the Commissioner's website.

[Business Coordination Board \(BCB\) \(cambridgeshire-pcc.gov.uk\)](http://cambridgeshire-pcc.gov.uk)

#### **E. Developing the entity's capacity, including the capability of its leadership and the individuals within it**

#### **4.20 Staff Development**

4.20.1 The OPCC has adopted the Human Resources policies established by the Bedfordshire, Cambridgeshire and Hertfordshire collaborated HR department. This includes 'My Conversation' which is a performance review (PDR) process. Regular conversations take place between individuals and managers to ensure oversight of wellbeing, to guide and support in the achievement of work-based objectives and to support personal and professional development.

4.20.2 Each member of staff has a job description which sets out their individual roles and responsibilities. The Commissioner has published a list of staff with their roles on his website.

[Location of OPCC Staff office \(cambridgeshire-pcc.gov.uk\)](http://cambridgeshire-pcc.gov.uk)

#### **F. Managing risks and performance through robust internal control and strong public financial management**

#### **4.21 Risk Management**

4.21.1 Risk management is embedded into the work of the OPCC on an ongoing and continuous basis. A joint strategic risk register is in place with the Constabulary and this is reviewed by the Joint Audit Committee.

4.21.2 The OPCC has a Risk Management Strategy, also reviewed by the Joint Audit Committee, its purpose is to ensure that risk management is embedded into the governance structure and that it effectively underpins and enables the business. The risk strategy sets out the PCC's controls assurance mechanisms, responsibilities within the OPCC and the relationship with the Constabulary risk management processes. The Joint Audit Committee oversees the risk management arrangements of the OPCC and the Constabulary and ensures that the processes are aligned.

## **4.22 Financial Management**

4.22.1 Financial control involves the existence of a structure which ensures that all resources are used as efficiently and effectively as possible to attain the overall objectives and targets. Internal financial control systems are in place to minimise the risk of loss, unlawful expenditure or poor value for money, and to maximise the use of the assets and limited resources.

4.22.2 The financial management framework follows national and professional good practice and its key elements are set out below:

- The organisations fully comply with the CIPFA Statement on the Role of the Chief Financial Officer of the Police and Crime Commissioner and the Chief Financial Officer of the Chief Constable.
- The finance function is governed by the Financial Regulations which are framed under the Home Office Code of Financial Management. The Chief Constable is responsible for adherence to Police Regulations and the Constabulary is monitored for additional compliance by HMICFRS and HM Revenue and Customs.
- Responsibility and accountability for resources rests with managers who are responsible for service provision.
- The Commissioner has adopted the CIPFA Code of Practice on Treasury Management requiring approval of an annual treasury management strategy including an annual investment strategy.
- In accordance with the CIPFA Prudential Code and good accounting practice a four- year medium-term financial strategy (MTFS) and a four- year capital programme are produced.
- The revenue budget provides an estimate of the annual income and expenditure requirements for the police service (Commissioner and Constabulary) and sets

out the financial implications of the Police and Crime Plan. It provides chief officers with the authority to incur expenditure and the basis through which to monitor the financial performance.

- Capital expenditure, approved by the PCC, is an important element in the development of the policing business since it represents major investment in new and improved assets.

4.22.3 Other key internal controls are also in place which include the Financial Regulations and Contract Standing Orders, both of which set out clear levels of delegated responsibility to certain officers and level of staff.

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

4.23 All decision making is carried out in accordance with the governance framework. The governance arrangements ensure that the key decisions taken by the PCC are made in the light of all necessary information and analysis and made public (unless exempt under the Provision of Access to Information rules). Appropriate legal, financial, human resources and other professional advice is considered as part of the decision-making process. The PCC signs a notice for each decision taken and any decision can be 'called in' by the Police and Crime Panel for further consideration.

4.24 The PCC wants his website to be accessible to all. Whilst every effort is made to make sure the website is as accessible as possible, continuous reassessment and improvements are undertaken to both maintain and update accessibility features.

4.25 PCC has appropriate oversight and scrutiny of Constabulary decision-making through the scrutiny of reports at the Business Coordination Board and other meetings, review of Force Executive Board minutes and formal and informal meetings with the Chief Constable and Constabulary officers. A specific objective and risk-based performance approach is in place.

4.26 The PCC and Constabulary are subject to an extensive internal and external inspection regime and the results of these inspections are published to ensure appropriate scrutiny of decision-making.

4.27 The Commissioner publishes his decisions and the minutes and papers of the Business Coordination Board.

## **5. REVIEW OF EFFECTIVENESS**

## **5.1 The Joint Audit Committee (JAC)**

- 5.1.1 The JAC undertakes the core functions of an audit committee in accordance with the guidance set out in the CIPFA publication 'Audit Committees – Practical Guidance for Local Authorities and Police'.
- 5.1.2 The Joint Audit Committee plays a pivotal role in the system of internal control through its oversight of audit arrangements. The Committee approves the external audit plan and receives the annual audit letter from the external auditor. The Committee also considers the annual internal audit plan, receives regular internal audit reports and monitors management performance against agreed action plans to address any areas for improvement identified. In addition, the Committee oversees progress on risk management and related issues.
- [Joint Audit Committee \(cambridgeshire-pcc.gov.uk\)](http://cambridgeshire-pcc.gov.uk)

## **5.2 The Police and Crime Panel (PCP)**

- 5.2.1 The PCP provides checks and balances on the work of the PCC. The Panel does not scrutinise Cambridgeshire Constabulary; it scrutinises how the PCC carries out his statutory responsibilities. While the Panel is there to constructively challenge the PCC, it also has a key role in supporting the Commissioner in his role in enhancing public accountability of the police force. The PCC reports to the PCP to enable it to fulfil its responsibilities.
- <https://democracy.peterborough.gov.uk/ieListMeetings.aspx?CId=543&Year=2012%5D>

## **5.3 Internal Audit**

- 5.3.1 Internal audit provided an independent opinion on the adequacy and effectiveness of the system of internal control, stating that the organisation has an adequate and effective framework for risk management, governance and internal control. However, their work identified further enhancements to the framework of risk management, governance and internal control to ensure it remains adequate and effective.
- 5.3.2 Internal audit issued seven audit reports for Cambridgeshire during 2022/23, two with substantial assurance and three with reasonable assurance, there were also two advisory reports.

5.3.3 Internal Audit also undertook audits in relation to collaborated activity and issued three substantial and two reasonable assurance reports and one advisory report. There was also one negative opinion report for Procurement follow up which was graded as 'poor progress' although noted that Cambridgeshire had made better progress in implementing actions and will be reviewed again in 2023/24.

5.3.4 Internal Audit also performs an annual follow up of agreed management actions, and the Constabulary and OPCC also track the completion of management actions.

5.3.5 Internal Audit has co-ordinated the first draft of this Annual Governance Statement, with assistance from senior officers and staff in the OPCC and Constabulary.

## **5.4 External Audit**

5.4.1 The external auditor's opinion on the Financial Statements

Audit Conclusion – year ended 31 March 2022 and 31 March 2023

BDO will issue a disclaimer audit opinion on the financial statements by 13 December 2024.

5.4.2 This means that BDO were unable to conclude that the Authority's financial statements for the years ended 31 March 2022 and 31 March 2023 are free from material misstatement.

### **5.4.3 Significant deficiencies in controls**

BDO did not identify any significant control deficiencies during the audit of the financial statements.

### **5.4.4 Audit differences**

The audit identified no material misstatements.

### **5.4.5 Disclaimed audits**

For the years ended 31 March 2022 and 31 March 2023 BDO will issue a disclaimer of opinion on the financial statements by 13 December 2024.

5.4.6 These were disclaimed because of the legislated backstop date. To clear the backlog of historical accounts and 'reset' the system, the Accounts and Audit (Amendment) Regulations 2024 require local bodies to publish audited financial statements for all outstanding years up to and including 2022/23 by 13 December 2024 ('the backstop

date'). In addition, the National Audit Office has made changes to the Code of Audit Practice to require local auditors to comply with backstop dates by giving their opinions in time for audited accounts to be published.

#### **5.4.7 Significant difficulties in undertaking the audit**

Where auditors have reported under ISA(UK) 260 on delays to the audit opinion or significant difficulties encountered when undertaking their work, these should be reflected in the Auditor's Annual Report unless the auditor judges that public disclosure would not be appropriate. BDO have not experienced any such difficulties.

#### **5.4.8 Value for Money**

BDO have not identified any significant weaknesses in the PCC and CC's arrangements for securing economy, efficiency and effectiveness in its use of resources.

5.4.9 For the two financial years covered by this report, we had no matters to report by exception in the audit report on the financial statements. BDO also have no matters to report in their closing audit certificate, on completion of their work on the PCC and CC's value for money arrangements.

#### **5.4.10 Governance**

BDO have not identified any significant weaknesses in the Governance arrangements for 2021/22 and 2022/23.

## 6. SIGNIFICANT GOVERNANCE ISSUES

**A summary of how the significant issues identified in the 2021/22 Annual Governance Statement have been managed.**

As stated in 2021/22

Current position

### **BCH Procurement follow up**

Internal Audit reported that in their opinion the organisations had demonstrated poor progress in implementing the agreed management actions from at the time of the audit in 2019/20. A further review in 2021/22 also reported poor progress and another was added to the Internal Audit Plan for 2022/23.

Internal Audit reported that the organisations had continued to make poor progress in implementing the original agreed management actions.

### **General Data Protection Regulation (GDPR)**

Internal Audit reported a number of issues which required addressing to ensure data is appropriately managed. The audit concluded with 18 management actions.

There were three high priority actions, one is completed. There were 12 medium priority actions, nine are completed. There were three low priority actions, all have been completed. The OPCC has commenced an internal review of it's own GDPR practices to ensure compliance.