Annual Governance Statement 2018/19

FOREWORD

The following Annual Governance Statement was prepared during May 2019 and published alongside the unaudited Financial Statements for 2018/19 on 31 May 2019. As a result of resourcing pressures experienced by our external auditors, EY LLP, the external audit of the draft Financial Statements 2018/19 was delayed until June 2020.

The Annual Governance Statement has since been updated to reflect progress on governance matters and the forward looking financial information has been updated. The Annual Governance Statement has not been updated since May 2019, to reflect changes in the external environment such as changes in government policy, the exit of the UK from the European Union and the Covid-19 pandemic. An updated Annual Governance Statement which considered these matters was published alongside the draft Financial Statements for 2019/20 in accordance with the statutory timescale.

Below are details of the Chief Constable for Lincolnshire's governance arrangements in operation during 2018/19 including plans for the financial year 2019/20.

1. Introduction

1.1 Good governance is about how organisations ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open and accountable manner. It comprises the systems, processes, culture and values by which organisations are directed and controlled, and through which they account to, engage with and, where appropriate, lead their communities.

1.2 All Police and Crime Commissioners and Chief Constables are required by regulation to produce an Annual Governance Statement (AGS). This is a document which accompanies the statement of accounts and describes how effective our governance arrangements have been over the last 12 months and sets out areas for development. The Chief Constable's Statement is intended to support the Police and Crime Commissioner Group governance arrangements which are detailed in that separate set of accounts.

2. Scope of Responsibilities

2.1 The Chief Constable has responsibility where the Police and Crime Commissioner (the "Commissioner") delegates functions in respect of securing an efficient and effective police force. In discharging his responsibility, the Chief Constable shall have regard for the Local Policing Plan issued by the Commissioner.

2.2 The Chief Constable is responsible for the direction and control of the Force, ensuring his business is conducted in accordance with the law and proper standards, and that public money is accounted for, and used economically, efficiently and effectively.

2.3 In discharging his responsibilities, the Chief Constable is required to put in place proper arrangements for the governance of his affairs and which facilitate the exercise of his functions, which includes ensuring a sound system of internal control is maintained through the year and that arrangements are in place for the management of risk.

2.4 The Chief Constable has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government. A copy is available on the Lincolnshire Police website at https://www.lincs.police.uk/SysSiteAssets/media/downloads/force-

content/lincolnshire/about-us/code-of-corporate-governance-for-the-chief-constable-of-lincolnshire.pdf or can be obtained from:

The Chief Constable's Office,
Police Headquarters,
Deepdale Lane,
Nettleham, Lincoln,
LN2 2LT.

2.5 This statement explains how the Chief Constable has complied with the Code and also meets the requirements of regulation 6(1) of the Accounts and Audit Regulations 2015 in relation to the publication of an Annual Governance Statement.

2.6 Section 3.7.4 of the Code of Practice on Local Authority Accounting for 2018/19 requires the Chief Constable's financial management arrangements to conform to the governance requirements of the CIPFA Statement on the Role of the Chief Finance Officer (CFO) of the Commissioner and the CFO of the Chief Constable. The Chief Constable's financial management arrangements did not conform for part of the financial year, in that the management structure of the force was not fully compliant with the CIPFA Statement on the Role of the Chief Finance Officer (CFO) of the Chief Constable. The Chief Constable's financial management arrangements have been reviewed during the past year in line with other governance changes to provide greater ownership of many areas of the policing business. The management structure of the force is now fully compliant with the CIPFA Statement on the Role of the Chief Finance Officer (CFO) of the Chief Constable.

3. The Purpose of the Governance Framework

3.1 The governance framework comprises the systems and processes, and culture and values utilised in the discharge of the Chief Constable's statutory functions. It enables the Chief Constable to monitor the achievement of the Force objectives and to consider whether those plans have led to the delivery of appropriate services and value for money.

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

3.3 The governance framework has been in place for the year ended 31 March 2019 and up to the date of approval of the statement of accounts.

4. The Governance Framework

4.1 By law 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 Lincolnshire Police. It is, however, the Commissioner who is required to hold him to account for the exercise of those functions and those of the persons under his direction and control. This is done in a manner that recognises the commitment of the Commissioner and Chief Constable to abide by the working principles of the Policing Protocol as set out in the Schedule to the Policing Protocol Order 2011.

4.2 The key elements of the systems and processes that comprise the governance arrangements in place for the Chief Constable are:

- Identifying and communicating the Operational Policing Plan, purpose and intended outcomes; the Plan is built from four elements:
  - The Police and Crime Commissioner's Police and Crime Plan
  - The Chief Constable's Strategic Plan – "Distinctively Lincolnshire"
  - The national Strategic Policing Requirement
  - The Community Safety Partnership Control Strategy
- Measuring the quality of services for users, for ensuring they are delivered in accordance with the Chief Constable's objectives and for ensuring that they represent the best use of resources;
- Defining and documenting the roles and responsibilities of the Chief Constable and the Senior Officers, setting out clear delegation arrangements and protocols for effective communication, and arrangements for challenging and scrutinising Force activity;
- Developing, communicating and embedding codes of conduct, defining the standards of behaviour for officers and staff;
- Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks and resources;
- Undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committee – Practical Guidance for Local Authorities; - Delivering good governance in local government: Guidance note for Police;
- Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful;
- Whistle blowing and for receiving, investigating, and reporting upon complaints from the public, and other stakeholders;
- Determining the conditions of employment and remuneration of officers and staff, within appropriate national frameworks;
- Identifying the development needs of officers, staff and members of G4S staff working on the Lincolnshire Police contract in relation to their roles, supported by appropriate training and linked to the priorities of the Force;
- Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation;
- Incorporating good governance arrangements in respect of partnerships and other group working and reflecting these in the overall governance arrangements;
- Preparedness for dealing with emergency situations.

4.3 This section describes the key elements of the systems and processes of the governance arrangements that have been put in place by the Force. In doing so, it reflects the overarching structures that have been developed to deliver objectives and manage risk:

- Processes for setting objectives and targets that support the policing priorities outlined in the Police and Crime Plan, including reporting to the Commissioner. This is done in a manner that recognises the commitment of the Chief Constable to abide by the working principles of the Policing Protocol;

- An operational policing plan is produced in response to the Commissioner's plan;

- The tactical tasking and coordinating process is conducted in line with the National Intelligence Model including Daily Management Meetings with operational managers, Area Tasking , Force Tasking and Regional Tasking meetings which address both the Force objectives and emerging operational risk issues;

- Operational Commanders conference where operational matters can be discussed, risks identified and solutions found;

- The force engages with the National Police Chiefs Council to ensure that standards defined in the Strategic Policing requirement are met and the operational response from Lincolnshire Police is capable of adding to the national effort to meet the extremis needs of the country;

- The Community Safety Partnership Control Strategy.

4.4 Decision making structures for establishing priorities and considering strategic issues facing the Force:

- Internal departmental management teams establishing business plans;

- Chief Officer Group (COG) and Distinctively Lincolnshire Board;

- Chief Officers share and discuss key issues with senior staff;

- Reporting to the Police and Crime Strategic Board (PCSB); monthly monitoring of the financial plans to COG and PCSB; and an annual governance report is provided to the PCC, detailing the years' activity with regard to the financial and contract regulations, procurement, insurance, debtors and treasury management, and providing an overview of decisions made and their justification. Also the Procurement, ICT, HR and Asset Strategies are examined by this Board;

- Policing Transformation Programme;

- Feedback from the public and other local stakeholders.

4.5 The Force operates a strategic decision-making board which is the Distinctively Lincolnshire Board (DLB). The Quality of Service Board, Wellbeing Board and Change Board operate as sub-committees of the DLB, reporting by exception and referring significant decisions for approval. The Terms of Reference of the DLB are:

- To provide long-term strategic direction and act as the decision-making body on significant decisions, working collaboratively with shared responsibility for the delivery of the force objectives, as set out in the Distinctively Lincolnshire strategic plan;

- To monitor performance and delivery of the Distinctively Lincolnshire strategic plan, holding to account those senior managers responsible for relevant Delivery Plans and objectives;

- To consider, assess and direct activities (where relevant) around risk, equalities, partnerships and best value as they relate to Wellbeing and Quality of Service;

- To consider risk, issues, recommendations and other matters escalated from operational meetings;

- To approve Distinctively Lincolnshire performance reports to be provided to the PCC;

- To periodically review the Distinctively Lincolnshire strategy to ensure it remains current and relevant.

4.6 Management of the Strategic Partnership Contract with G4S is performed by the Commercial Partnership Team. This forms part of the Joint Services arrangement with the Commissioner:

- Ensuring compliance with all relevant legislation and commitments/obligations;

- Performance scrutiny of the G4S contract is subject to its own legal schedule (Price Performance Mechanism – schedule 13);

- 200 indicators used to monitor performance;

- Financial monitoring is reviewed against Schedule 14 (Pricing);

- Performance is reviewed by the Transformation Management Board or the Performance and Delivery Board on a monthly basis.

4.7 There is a high level of external scrutiny of organisational affairs by a variety of bodies including:

- Her Majesty's Inspector of Constabulary and Fire & Rescue Services (HMICFRS);

- External Audit;

- HM Revenue and Customs;

- Internal Audit;

- local communities; and

- the media.

4.8 A National Code of Ethics for the Police Service, developed by the College of Policing, and embedded and enshrined by Parliament; applies to all forces that are required to embed the Code. The Code applies to every individual who works in policing in England and Wales, whether a warranted officer, police staff, volunteer or someone contracted to work in a police force. It is the written guide to the principles that every member of the policing profession is expected to uphold and the standards of behaviour they are expected to meet and is seen as the foundation document for promoting, reinforcing and supporting the highest personal standards from everyone who works in the policing profession. All employees have been issued with a copy of

this code; the Code of Ethics sits alongside the well-established principles established in the Force vision of policing with PRIDE (Professionalism, Respect, Integrity, Dedication and Empathy), in providing the Force with an ethical framework to make decisions.

4.9 The Code of Ethics is based on nine policing principles and ten standards of professional behaviour that will help everyone in policing to do the right thing in the right way. It spells out what the profession expects of all officers, staff and others working in policing, and has practical examples for everyone to use daily.

5. Risk Management

5.1 Lincolnshire Police has a risk management process in place that effectively manages risk against its business in order to ensure it operates under the sound principles of Corporate Governance.

5.2 Risk registers are a key tool in providing assurance to the Force and to the Police and Crime Commissioner (PCC) demonstrating that risks are being managed effectively through the regular and continued review of the Force Risk Register at the Risk Management Board, Senior Leadership Team meetings and the Joint Independent Audit Committee.

5.3 In addition to these internal assurances, there are external organisations such as internal and external auditors as well as Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) that work with the Force and the Office of Police and Crime Commissioner (OPCC) to ensure the risk management process is effective and robust.

5.4 Any negative outcome of internal or external audit is reviewed by the Force and plans are put in place to address the issues and ensure improvements are made.

5.5 The Force risk register and process is owned by the Deputy Chief Constable of Lincolnshire Police with delegated responsibility to the Head of Strategic Development to manage the policy and processes on behalf of the Deputy Chief Constable.

5.6 The Risk Policy and Review Officer is responsible for managing the risk management process on behalf of the Head of Strategic Development and will maintain the policy and processes on their behalf.

5.7 It is the responsibility of all heads of departments and business areas to ensure they manage risks within their own areas of authority.

5.8 They are responsible for identifying risks in their individual business areas and for assessing them in terms of their impact and probability of occurring. Each department and business area, as well as all force projects, will maintain a risk register.

5.9 The Force risk management process focuses on five levels of risk which can pass through a process of escalation depending on the scale of risk and effect it may have at either project, programme, department or force level.

Risk Level	Description
Force	• Risks at the highest level. • They are so significant that they threaten or enhance the long-term achievement of corporate objectives. • Will be discussed at Risk Management Boards, Senior Leadership Team meetings and the Joint Independent Audit Committee. • Departments/Business Areas will escalate risks from their departmental risk register which have become force risks, through the Risk Management Board, for inclusion on the Force Risk Register.
Department/ Business Area	• Risks that threaten or enhance the delivery of department or business area objectives. • Will be discussed at Senior Management Team meetings. • Escalated up through the Risk Management Board if they pose a threat to corporate objectives and the Head of Department's limit of authority to manage the risk has been reached.
Programme	• Risks that threaten or enhance the delivery of a programme. Will be analysed and scored in relation to the programme. • Will be discussed at Programme Board meetings. • Escalated through the Risk Management Board if they pose a threat to corporate objectives, and the Programme Manager's limit of authority to manage the risk has been reached.
Project	• Risks that threaten or enhance the delivery of a specific project. Will be analysed and scored in relation to the project. • If they are serious enough to impact on the Programme and the Project Manager's limit of authority has been reached, they should be escalated to Programme level.
Operational	• Risks concerning the day-to-day issues that Lincolnshire Police is confronted with as it strives to deliver its objectives. • Only escalated to the Force Risk Register if they pose a threat to corporate objectives

5.10 In implementing risk management the Force has produced a Risk Management Strategy which details the roles and responsibilities of those involved in the undertaking risk management in the Force. It follows a set standard and process for risk management to ensure a consistent approach is adopted across the whole organisation. The Risk Management Strategy is reviewed by JIAC.

5.11 Consistent risk management will allow the Force to plan effectively in the delivery of its outputs by knowing what circumstances that could prevent it from achieving its aims, and by putting in to place measures to prevent risk form occurring, therefore, saving time and resources.

5.12 The Force Risk Management Board is responsible for the following:

- Determining if risks are critical to the Force;
- Managing and developing the risk management process;
- Review risk assessments of potential force risks;
- Monitor red and amber risks on a quarterly basis;
- Assigning Risk Owners to a risk depending on the risk assessment score;
- Providing visible leadership and commitment to the Force risks and risk management process throughout the organisation;
- Ensuring programme and project assurance.

5.13 Membership and terms of reference of the Force Risk Management Board are set out within the Force Risk Management Policy. Lincolnshire Police has an established post of Force Risk Officer whose duties include maintaining the Force Strategic Risk Register and advising on the total risk to which the Force is exposed. Risk focal points within each division and department have also been nominated.

5.14 The PCC and the Force maintain an extensive assurance map in conjunction with the strategic risk registers and process risks. The assurance map is based on the three lines of defence approach and is suitably comprehensive and effective for the purpose of assuring on established mitigations and scoring of strategic risks.

The force risk process was subject of internal audit in 2018 where the score identified that the risk processes provided significant assurance. The next review is included in the internal audit plan for 2022/23.

6. Review of Effectiveness

6.1 The Chief Constable has responsibility for conducting, at least annually, a review of the effectiveness of the governance framework including the system of internal control.

6.2 This review has been informed by the work of the Deputy Chief Constable (DCC) and Force Chief Finance Officer (FCFO) together with managers within the Force who have the responsibility for the development, maintenance and operation of the governance environment. In addition, comments made by the internal and external auditors and other review agencies and inspectorates have informed this review.

6.3 Following an internal audit tender process, Mazars LLP were appointed internal auditors for the period April 2015 to March 2019. This contract has been extended for a further 3 years under the extension period allowed for in the contract.

6.4 On an ongoing basis governance is monitored and reviewed via a range of mechanisms. These range from formal meetings (in areas such as Force performance, project management arrangements and conduct oversight from the Professional Standards Department) to the operation of management teams at corporate, area and service level.

6.5 The Commissioner and Chief Constable have a Joint Independent Audit Committee (JIAC). The JIAC provides advice on matters relating to the adequacy and effectiveness of the financial and other controls, corporate governance, financial and

contract regulations and risk management arrangements operated by both the Commissioner and the Chief Constable. The JIAC is subject to an annual self-assessment.

6.6 The JIAC has received and considered reports from both internal and external audit and monitored the implementation of action plans drawn up to address identified internal control weaknesses. The Head of Internal Audit provides an opinion for each of the Police and Crime Commissioner and Chief Constable corporations sole, based on the work undertaken in the year, on the adequacy and effectiveness of the assurance framework, risk management, internal control and governance. The External Auditor provides an opinion on the financial statements/value for money.

6.7 For the Chief Constable corporation sole, the following opinion was provided for 2018/19:

6.8 Our overall opinion is that adequate and effective risk management, control and governance processes were in place to manage the achievement of the organisation's objectives. We have, however, identified weaknesses in respect of HR – Recruit to Reward.

6.9 Following the issue of the 'limited assurance' opinion in respect of the HR – Recruit to Reward internal audit, the Chief Constable put in place an action plan to address the recommendations that were agreed following the audit. A follow-up internal audit was carried out during 2019/20 to review the implementation of these recommendations and carry out further compliance testing to provide assurance that the controls have been effectively embedded. This found that whilst procedures had been put in place, some weaknesses were yet to be addressed. The "limited assurance" opinion was unchanged and further recommendations had been made. As a result, the PCC and Chief Constable agreed to commission an independent review of the Scheme of Governance which included the unresolved issues identified in the HR-Recruit to Reward internal audit. The remaining issues are satisfactorily resolved and were reported as concluded within the 2020/21 Annual Internal Audit Report.

6.10 The Performance Governance meetings consider police performance. The Police and Crime Strategic Board (PCSB) considers long term strategy development, the assurance map, significant and emerging risk areas, the Chief Constable's report, and financial and people resources.

6.11 The effectiveness of the governance framework is reviewed annually by the Chief Constable. The review has been informed by:

- Consideration of the Chief Constable's risk management regime;
- The code of corporate governance;
- The Integrated Scheme of Governance (ISG) which came into effect on 1 April 2014 and was reviewed in November 2015 and annually thereafter, that includes the Scheme of Consent, Commissioner's and Chief Constable's Scheme of Delegation and the Financial and Contract regulations;
- Consideration of the Commissioner and Chief Constable's joint assurance map (through both developmental and embedded stages);
- HMICFRS reporting and work;
- External and internal auditors and their formal reporting;

- Managing change, developing our policing model to meet threat, risk and harm and new technologies, all of which are discussed at the Strategic Management Board;

- Feedback received from the JIAC.

6.12 In 2018 HMICFRS introduced the Integrated PEEL Assessment (IPA) and Force Management Statements (FMS) as an integral part of the revised Integrated PEEL Assessment (IPA). The evidence is used to assess the three pillars of effectiveness, efficiency and legitimacy of the Police Service, each pillar is led by a chief officer. HMICFRS has introduced these assessments so that the public will be able to assess the performance of their own Force. Forces are required to publish the Force Management Statements each year, although this requirement was waived for the first year.

6.13 HMICFRS published the last PEEL Efficiency (including Leadership) report in November 2017 which assessed Lincolnshire Police on how efficient the force is at keeping people safe and reducing crime which included the following:

- How well does the force understand demand;

- How well does the force use its resources;

- How well is the force planning for the future?

This was the last PEEL Efficiency inspection before the introduction of FMS. There was no Efficiency inspection of Lincolnshire Police in 2018 as HMICFRS concentrated on the introduction of FMS. The first integrated PEEL inspection of Lincolnshire Police started its data collection in March 2019 with the formal inspection taking place in June 2019 and the results being published in November 2019.

In November 2019 HMICFRS graded the Force as follows:
- Effectiveness – Good
- Legitimacy – Good
- Efficiency – Requires Improvement

Within the Efficiency overall grading, HMICFRS graded the force as **Good** in respect of "meeting current demands and using resources" but **Requires Improvement** in respect of "planning for the future". At the time of the inspection, the force was implementing a savings programme necessitating significant reductions in the workforce to deliver a balanced budget. As a result, HMICFRS expressed concerns around the risks in service delivery and meeting future demand with the reduced workforce. The next HMICFRS policing inspection programme is to be carried out in 2022/23.

6.14 HMICFRS conducted National Child Protection and Crime Data Integrity Inspections in 2018.

6.15 The Crime Data Integrity Inspection was published in July 2018. The overall judgement was Inadequate, stating that the force failed to record over 9,400 crimes each year. The force was disappointed with this result and robustly challenged the findings as it was felt that whilst there were differences in the processes of recording crimes, the "non-compliance" recorded by HMICFRS did not fail victims of crime. Rather, this was a case of recording multiple instances of crime with one victim as a single incident. The victim was identified and supported appropriately throughout the process, even if the total number of crimes had not been recorded as such. The force has now made

changes to the crime recording processes so that compliance will be observed going forward.

6.16 The Crime Data Integrity re-inspection was published in February 2020. The overall judgement was good, stating a significant improvement in overall crime recording. It is estimated that, compared to the findings of the 2018 inspection, this improved accuracy has meant the force has recorded an additional 5,800 crimes for the year covered by the re-inspection period

6.17 The National Child Protection Inspection took place in September 2018 and the final report published in February 2019. The report acknowledged the clear commitment of senior leaders within the force to child protection and safeguarding and improving its services for children. It identified the main areas for attention as lack of effective supervision and appropriate training provision. The report also recognised that the force engages well with local authority partners. The report made a number of recommendations for immediate attention, within 3 months and 6 months and stated that subject to receiving an update and action plan from the force, HMICFRS would revisit no later than 6 months to assess the implementation of the recommendations.

6.18 The National Child Protection post – inspection review took place in October 2019 and the report was published in March 2020. The report acknowledges that since the 2018 inspection, the force has taken steps to improve safeguarding practice and outcomes for vulnerable children, changed its structures and reviewed its systems, procedures and processes and has invested in training for investigators and frontline officers and staff. HMICFRS still remain concerned about the standard of investigations. They found that cases lacked effective supervision, investigative opportunities were missed, decisions to take no further action were made too soon and there was unnecessary drift and delay in progressing enquiries. As a result HMICFRS are due to revisit the force within 12 months to carry out a further assessment. At the time of the inspection there were several new initiatives that had not been fully implemented and so hadn't yet had an effect, including a vulnerability delivery group, crime scrutiny panels to audit and scrutinise practice and a web and app-based guide for officers dealing with problems involving vulnerable people. HMICFRS revisited the Force in October 2020, where they reported that the Force had made improvements against the recommendations made in the 2018 report and since the post inspection review in 2019. The Force has committed a considerable amount of time and energy into making sure that officers and staff within the PVPU have the necessary skills to investigate child abuse. HMICFRS confirmed staff levels had improved and staff had enough resources and support to do their jobs. The unit still look to continue their improvements through better training, better use of technology, streamlined processes and qualitative audit.

6.19 Assurance on the effectiveness of the Chief Constable's financial controls has been provided by the Force Chief Finance Officer who was designated as the responsible officer for the administration of financial affairs under section 151 of the Local Government Act 1972. Systems are in place to ensure the lawfulness and financial prudence of decision making and to fully discharge the responsibilities of the role. The financial arrangements in place conform to the governance requirements of the CIPFA Statement on the Role of the CFO in Local Government (2010).

6.20 The Integrated Scheme of Governance (ISG) was introduced in April 2014 to reflect the new governance arrangements arising from the Police Reform and Social Responsibility Act 2011. The JIAC has been consulted on the scheme and its content is reviewed annually. The ISG was reviewed in November 2015 and whilst determined

to be fit for purpose required some minor updating. This was reviewed by JIAC in April 2018. Thereafter the ISG has been reviewed and updated annually.

6.21 The Chief Constable's risk management arrangements are well developed and well embedded. The JIAC reviews the Chief Constable's risk management strategy on an annual basis and monitors the Chief Constable's strategic Risk Register quarterly. The Chief Constable considers and reviews risk on a monthly basis through management meetings. Internal audit undertook an audit of the controls and processes in place in respect of risk management in 2018/19 and provided a "significant assurance" opinion. The next review is included in the internal audit plan for 2022/23.

6.22 The Chief Constable and the Commissioner have a joint Anti-fraud and Corruption Policy in place which has been reviewed during the year. Quarterly meetings of the Anti-Fraud and Corruption Board ensure that current and emerging risks and issues in relation to anti-fraud and corruption are regularly discussed and reviewed. The JIAC are kept abreast of any issues arising. Mandatory training on counter corruption continued to be delivered to all staff and officers across the organisations via the NCALT e-learning system; raising awareness of issues surrounding police corruption and misconduct. The PCSB adopted the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption published in 2014 and has implemented an effective anti-fraud and corruption strategy. An assessment of the Force capability has been made against the adopted CIPFA code.

6.23 Having considered all the principles, the Professional Standards Department are satisfied that, the organisation has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud.

6.24 The Chief Constable has been advised on the implications of the result of the review of the effectiveness of the governance framework by the executive team and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined below.

7. Significant Governance Issues

7.1 A governance issue was identified regarding irregularities in a procurement process conducted in 2019/20. However, investigation indicated that this was an isolated event, does not indicate a systemic problem, and has no impact on the 2018/19 accounts. Actions arising from the investigation have been considered and dealt with accordingly. No other significant governance issues occurred during the year which have not already been addressed through the risk register.

7.2 The Risk Register is a tool that identifies the risks that would prevent or distract the Chief Constable from achieving his objectives.

7.3 Alongside the Risk Register, the joint assurance map is recognised by the Commissioner and the Chief Constable as a vital tool for effective corporate governance. It provides timely and reliable information on the effectiveness of the management of major strategic risks and significant control issues; it also provides a cohesive and comprehensive view of assurance across the risk environment. The assurance map provides much of the evidence base for this annual governance statement. Independent assurance is also provided by the JIAC. The force had been using a separate assurance map but in May 2019, it was agreed that a single joint assurance map would be adopted. A new draft joint assurance map was developed, to bring together key elements of the previously separate assurance maps of the OPCC and the Force. With a new approach to utilising the assurance map, to keep the

map current, to drive management activity and to help provide enhanced levels of assurance particularly on the key elements of organisational planning and delivery. The new joint map incorporates a dashboard style summary sheet that helps provide a snapshot of the current assurance position. The body of the map contains the underlying detail highlighting sources of assurance information and provide links to strategy, delivery and corporate reporting processes.

7.4 Over the course of the last year the RAG ratings of the assurance map have been the subject of significant discussion and challenge between the Force and the OPCC. Joint work continues to reflect the Force's emerging approach to delivery management and to flex the assurance framework to match reality in this changing environment. There remains a shared strong commitment to a joint assurance map.

7.5 Significant control issues are considered jointly by the force and OPCC on a quarterly basis. This supports the continuous assessment of the effectiveness of the management of risk and internal control and helps to drive appropriate action.

7.6 High level risks on the assurance map are considered on a quarterly basis at a quarterly Risk Management Board which consists of all the key risk owners, to support the continuous assessment of the effectiveness of the management of risk and internal control. The Force's Risk Register is reviewed monthly by the Deputy Chief Constable and the Force Risk, Policy and Review Officer.

7.7 The Chief Constable's significant governance issues are detailed below and include an outline of the actions taken or further work that is required to address the issues. Significant governance issues are reported to the JIAC at least 4 times each year.

7.7.1 Risk of failure to persuade government of Lincolnshire's case for a fairer share of national funding.

7.7.1.1 The Government originally consulted on a new funding allocation model in 2015/16. Under the original proposal, Lincolnshire would have benefited by around £8 million annually. The implementation was then halted due to technical issues with the data, pending further work. The Policing Minister confirmed that he intended to undertake further public consultation before reaching final decisions. The consultation planned for the early part of 2017/18 did not take place as a result of the general election in 2017. The long-awaited review of the funding formula is yet to be concluded; therefore, it is still unclear what the change will be and when this will be finalised or implemented. This means that Lincolnshire Police will continue to face the challenge of delivering services with a lower level of funding than comparable forces for this and future financial years. Lincolnshire Police will face an increasing budgetary gap which will necessitate the use of reserves and a robust savings plan to deliver a balanced budget position, placing service delivery at risk.

7.7.2 Risk of failure to achieve and demonstrate efficiencies and value for money.

7.7.2.1 The Commissioner and Chief Constable both have a statutory duty to make the best use of resources available to them. The capital programme continues to support this by investing in technology which improves operational efficiency such as improved Telephony, Mobile Data, a new Command & Control system and Fleet telematics. Investment decisions and benefits realisation are undertaken by the Force Change Board and monitored by the Resources Governance meeting and the Police and Crime Strategic Board; independent assurance is gained through HMICFRS. The Financial Strategy includes performance measures relating to both financial health and financial performance, supported by a number of plans and policies. Internal Audit conducted

an audit into benefits realisation in March 2018 and found satisfactory assurance in the processes. The next review is included in the internal audit plan for 2022/23.

7.7.3 Risk of failure to deliver and demonstrate Value for Money in regional collaboration.

7.7.3.1 The Commissioner and Chief Constable collaborate with the East Midlands region in many operational and back office areas. During 2018/19, Internal Audit undertook the following thematic audits across all the regional collaborations:

- Strategic Financial Planning;
- Risk Management;
- Business Planning.

and conducted an audit on the projected underspend across the collaborations.

Internal Audit provided "Satisfactory Assurance" opinions for each of the thematic audits.

Following the review of EMOpSS in 2017/18, Nottinghamshire Police withdrew from the collaboration with effect from 1st May 2018. Leicestershire, Northamptonshire and Lincolnshire Police forces remained committed to the collaboration and a joint project team was established to develop a three force operational model. The business case for a revised operational model was agreed at the EMOpSS Senior Management Board on 17th May 2019. Since then, Northamptonshire Police have left the collaboration as they were not benefitting from the partnership. Hence the necessity for a revised S22 agreement ratified by the two Chief Constables and PCC's.

7.7.4 Risk of failure to deliver objectives of tri-service "Blue Light Programme".

7.7.4.1 This is an ambitious programme of work between Lincolnshire Police (LP), Lincolnshire County Council (LCC) Lincolnshire Fire & Rescue (LFR) and the East Midlands Ambulance Service (EMAS). The purpose of the programme is the integration of blue light services and closer working to deliver efficiencies. It includes a broad ranging estates review and a project team, looking at interoperability and opportunities for integration.

7.7.4.2 The capital element of the programme includes the shared headquarters project whereby LFR and LP will share the current Police HQ in Nettleham and a shared control room, and the Blue Light Campus, a tri-service integrated operational station of circa 400 frontline personnel. The shared HQ works were completed in November 2017. The Blue Light Campus was completed in summer 2019 and Lincolnshire Police moved into the new premises in September 2019.

7.7.4.3 The programme has attracted over £7.5 m of Police Innovation funding and financial commitment from LCC and EMAS. The programme is expected to deliver significant benefits to Lincolnshire Police and its partners and to the public of Lincolnshire.

7.7.4.4 The governance and project management of this programme of work was a major undertaking in its own right. The programme involved both capital investment and revenue funding by the PCC to deliver the programme. The project risk was previously assessed as red in the PCC's Risk Register due to increase in costs but . as the project drew closer to completion, the issues were resolved and the risk score was reduced accordingly.

8. Information Risk

8.1 The Force Information Risk Appetite remains set as OPEN;

Willing to consider all options and choose the one that is most likely to result in successful delivery minimising residual risk as far as possible, while also providing an acceptable level of business benefit.

8.2 During 2018/19 the Force has progressed its work on information security. There is a 3-year Accreditation Programme in place for IT systems, of which several systems have been accredited during this period.

8.3 All officers and staff have completed an online Data Protection training course.

8.4 Information strategy and policy is approved and deployed by the Information Management Board, who also oversee information and data quality issues, including information risk. The Board is chaired by the Senior Information Risk Owner (SIRO) and any information risks that are outside of the Force risk appetite are escalated to Chief Officer Group as necessary.

8.5 Information Asset Owners are aware of their responsibilities with regard to risk within their area of responsibility, with a clear escalation path through the Force Information Management Board and Risk Management Board to the SIRO. Additionally, the Information Management Board discusses information risk as an agenda item. All Information Asset Owners have completed detailed risk assessments on all of their systems. They have also undertaken Information Asset Owner specific online information assurance training.

8.6 The Force has completed a full audit of information held in order to assess against GDPR and the Data Protection Act 2018 requirements. The areas audited include lawful purpose for processing, retention period, audit & logging capability, disclosure of information and security controls. Any non-compliances post 25 May 2018 are to be added to the Force Risk register.

8.7 Regular (bi-weekly) meetings between the Information Assurance and IT staff continue to ensure that risks identified through IT Health Checks or system accreditation are mitigated in an appropriate timeframe.

9. Future Plans

9.1 Ongoing, where necessary, we will continue our plans to address the above matters and to further enhance our governance arrangements. These steps will address the need for improvements that were identified in the review of effectiveness and their implementation will be monitored as part of our next annual review.

Signed

_____

Chris Haward

Chief Constable for Lincolnshire

Date