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 not been updated to reflect progress on governance matters since May 2019 nor 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 will be published alongside the draft Financial Statements for 2019/20 in accordance with the statutory timescale.

Below are details of the Police and Crime Commissioner 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 good our governance arrangements have been over the last 12 months and sets out areas for development.

2. SCOPE OF RESPONSIBILITIES

2.1. The Police and Crime Commissioner for Lincolnshire ("the Commissioner") is responsible for ensuring his business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

2.2. The Commissioner has a duty under the Policing Protocol Order 2011 to secure value for money on behalf of the public that he serves.

2.3. In discharging this overall responsibility, the Commissioner is required to put in place proper arrangements for the governance of his affairs and which facilitate the exercise of his functions. This 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 Commissioner places reliance on the Chief Constable of Lincolnshire Police to support the governance and risk management processes.

2.4. The Lincolnshire Police Annual Governance Statement is signed by the Chief Constable in his own set of accounts and supports the group governance arrangements.

2.5. The Commissioner 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 Commissioner's website at http://www.lincolnshire-pcc.gov.uk/Transparency/Corporate-Governance.aspx or can be obtained from the Office of the Police and Crime Commissioner for Lincolnshire, Police Headquarters, Deepdale Lane, Nettleham,

Lincoln, LN2 2LT. Telephone 01522 947192 or email lincolnshire-pcc@lincs.pnn.police.uk

2.6. This statement explains how the Commissioner 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.

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 Commissioner's statutory functions. It enables the Commissioner to monitor the achievement of his policies and strategic plans (as outlined in the Community Safety, Policing and Criminal Justice Plan for Lincolnshire and associated strategies) 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 Commissioner'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. The governance regime introduced by the Commissioner gives effect to the provisions of the Police Reform and Social Responsibility (PR&SR) Act 2011. This framework was designed so that:

- where statutory powers provide for non-operational decision making that rests with the Commissioner, the Commissioner may give consent for certain decisions to be reached by the Chief Constable;
- there is clarity on which statutory powers of the Commissioner have been delegated to the Commissioner's staff;
- the decision making structure provides for effective management of resources;
- proportionate control mechanisms are in place in order to secure probity in the use of public resources and value for money;
- the Commissioner can be assured of the highest standards of openness, transparency, integrity, respect for others and corporate governance in the exercise of functions;
- the Commissioner is seen to be accountable to the people of the area for the delivery of the service.

4.2. 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.

4.3. The key elements of the systems and processes that comprise the governance arrangements put in place for the Commissioner and the Chief Constable are measures:

- for identifying and communicating the Commissioner's vision, purpose and intended outcomes;
- for reviewing the Commissioner's vision and its implications for governance arrangements;
- for measuring the quality of services for users, for ensuring they are delivered in accordance with the Commissioner's objectives and for ensuring that they represent the best use of resources;
- for defining and documenting the roles and responsibilities of the Commissioner and Force and the senior officers of each, setting out clear delegation arrangements and protocols for effective communication, and arrangements for challenging and scrutinizing Force activity;
- for developing, communicating and embedding codes of conduct, defining the standards of behaviour for officers and staff;
- for reviewing and updating standing orders, standing financial instructions, a scheme of delegation, contract/procurement regulations, and supporting procedure notes/ manuals, which clearly define how decisions are taken and the processes and controls required to manage risks;
- for undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committees: Practical Guidance for Local Authorities and Police;
- for ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful;
- for whistle blowing and for receiving and investigating complaints from the public and handling redress;
- for identifying the development needs of senior officers in relation to their strategic roles, supported by appropriate training;
- for establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation;
- for incorporating good governance arrangements in respect of partnerships and other group working and reflecting these in the Commissioner's overall governance arrangements.

4.4. The governance framework has been adopted by the Commissioner and the Chief Constable. The Commissioner's Code of Corporate Governance together with the Governance Framework is available at: http://www.lincolnshire-pcc.gov.uk/Transparency/Corporate-Governance.aspx

5. REVIEW OF EFFECTIVENESS

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

5.2. This review has been informed by the work of the Chief Financial Officer (CFO) and the Chief Executive (CE), who also undertakes the roles of Monitoring Officer and Head of Paid Service. In addition, the work of the internal auditors, plus members of the Commissioner's staff, who have the responsibility for the development, maintenance and operation of the governance environment also inform the review. Comments made by the internal and external auditors and other review agencies and inspectorates are also considered as part of this review.

5.3. The Commissioner and Chief Constable have a Joint Independent Audit Committee (JIAC) that meet at least 4 times a year. 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.

5.4. The JIAC has received and considered independent 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, in compliance with the Public Sector Internal Audit Standards (PSIAS).

5.5. For the Police & Crime Commissioner corporation sole, the following opinion was provided for 2018/19:

> "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."

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

> "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."

5.7. 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 during 2019/20 will review the implementation of these recommendations and will carry out further compliance testing to provide assurance that the controls have been effectively embedded.

5.8. The External Auditor provides an opinion on the financial statements and value for money.

5.9. There are a number of internal groups that meet on a regular basis to enable the Commissioner to carry out effective monitoring and review of the Force's performance and assess progress made against the objectives stated in the Police and Crime Plan. The Performance Governance meetings consider police performance (crime) and the Resources Governance meeting considers financial, people, estates and ICT resources. The Professional Standards Governance meeting reviews matters relating to the conduct of police officers and staff. The Police and Crime Strategic Board (P&CSB) considers long term strategy development, significant and emerging risk areas and the Chief Constable's report.

5.10. The effectiveness of the governance framework has been reviewed by the Commissioner's Executive Team[1] in the year 2018/19. The review has included:

- the internal audit reports, including: governance (decision making) and delivery of the police and crime plan;
- review of the Commissioner's risk strategy, risk appetite, associated processes and overall approach to risk management;

[1] Chief Executive, Chief Finance Officer

- the code of corporate governance and the annotated code providing sources of evidence;
- the Commissioner's Decision Making Framework and practical application of the significant public interest policy statement;
- the Commissioner's Publication Scheme and approach to ensuring that information is publicly available and transparent;
- the Integrated Scheme of Governance (ISG) 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;
- ongoing development and review of the Commissioner's Operational Delivery Monitoring Plan;
- review and monitoring of Lincolnshire Police performance (both organisational and operational) through the governance meeting structure and written and oral briefings;
- external auditors and their formal reporting;
- feedback received from the JIAC.

5.11. Assurance on the effectiveness of the Commissioner's regulatory framework has been provided by the CE who, as Monitoring Officer, has a legal duty to ensure the lawfulness and fairness of decision-making. Specialist legal advice is available to the Monitoring Officer as required.

5.12. Assurance on the effectiveness of the Commissioner's financial controls has been provided by the CFO who is 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 of the Police and Crime Commissioner and the CFO of the Chief Constable (2014).

5.13. The ISG was first published in 2014 to reflect the new governance arrangements arising from the PRSR Act 2011. The JIAC has been consulted on the scheme and its content is reviewed annually. Prompted by internal audit, a mandatory ISG training package has been developed for all relevant staff. The training package is designed to allow staff positively to attest that they are cognisant of the policies relating to the scheme and the financial and contract regulations. This 'e-learning' package is delivered through the National Centre for Applied Learning Technologies (NCALT).

5.14. The Commissioner's risk management arrangements are well developed and embedded. The JIAC reviews the Commissioner's risk management strategy on an annual basis and monitors the Commissioner's strategic risk register and the joint assurance map quarterly. The Executive team consider and review risks on a monthly basis through management meetings. The risk registers and assurance framework are aligned and drive improvement activity where assurance on the effectiveness of controls needs to be strengthened.

5.15. The Commissioner is committed to promoting fairness and equality and ensuring that people are treated with respect and dignity at all times. The monitoring and review of equality and diversity issues is carried out through a member of the Commissioner's staff attending the bi-monthly Equality and Diversity Board meetings for which minutes and actions are recorded. The Commissioner also has oversight of the Chief Constable's approach to stop and search activity; this is achieved through regular reporting at the performance governance meetings. The Police and Crime Panel in Lincolnshire exist to scrutinise the Commissioner (not the Chief Constable), to

promote openness in the transaction of PCC business and to support the Commissioner in the effective exercise of his functions. In Lincolnshire, the Commissioner and his senior staff have attended every meeting of the Police and Crime Panel.

5.16. The Commissioner publishes his Annual Report in June and presents it to the Police and Crime Panel. The Annual Report demonstrates how the Commissioner has carried out his legal duties, sets out what has been achieved over the year and reports on the progress that has been made in meeting the objectives set out in the Police and Crime Plan. The audited Financial Statements are published on the PCC's website to complement the Annual Report which is available at: https://lincolnshire-pcc.gov.uk/transparency/what-our-priorities-are-and-how-we-are-doing/annual-reports/

5.17. The Commissioner has had a bespoke media and communications contract in place with a specialist provider since November 2016. This arrangement allows the Commissioner to have a service tailored and responsive to his specific requirements. In addition, the OPCC supplements this arrangement with social media content based on awareness of local and national communication campaigns.

5.18. The Commissioner engages in widespread consultation on a range of subjects, key examples include, the annual budget, and the development of his Police and Crime Plan. A major consultation was again undertaken by the Commissioner in December 2018 following the success of the previous year's county-wide 'Crime & Policing Survey'. This seeks the views of Lincolnshire residents on a range of subjects including their priorities for policing and their own personal experience and perception of crime. The bespoke survey has been designed to provide insights from across a broad range of respondents representative of Lincolnshire residents. The survey will help to guide the commissioners funding priorities and inform key decisions faced by the Commissioner.

5.19. The Commissioner is committed to being accessible to the public through a wide range of channels. Over the course of the year, the Commissioner received over 1,240 pieces of correspondence (excluding routine correspondence from Policing Bodies), and 36 Freedom of Information (FOI) Requests2. In addition, The Commissioner uses social media particularly his Twitter profile, which he uses to enhance his public visibility and reach. For example he has personally made over 6,700 tweets attracting over 4,800 'followers' since taking office in May 2016. This demonstrates an effective link between the public and the elected individual charged with governance. The Commissioner is also committed to openness and transparency and maintains a dedicated section on his website to meet his statutory obligations in this area, including the publication of expenses, salaries of senior staff and expenditure over £500 and a list of assets held. In addition, the Commissioner also produces a quarterly performance update report, which is published on the Commissioners website. This report consists of a data pack of statistical indicators, a narrative report providing contextual explanation of the data, and a guidance document explaining the performance measures and the rationale for their use. This provides incremental information on the forces' performance against key areas of the Commissioners Community Safety, Policing and Criminal Justice Plan. As a consequence of this comprehensive approach to transparency the OPCC has been awarded the Transparency Quality Mark certificate 2017/18 by CoPaCC the body responsible for evaluating police transparency.

5.20. Lincolnshire Police and the Commissioner have a joint Anti-fraud and Corruption Policy in place which has been reviewed during the year. Quarterly meetings ensure that current and emerging risks and issues in relation to anti-fraud and corruption are regularly discussed and reviewed and the JIAC are kept abreast of any issues arising.

[2] Total number of requests in the period April 2018 to March 2019.

In addition a joint fraud risk register is under development to help in proactively identifying and assessing current and emerging fraud risks and potential actions to mitigate the risks identified.

5.21. The Commissioner and Chief Constable adopted the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption published in 2014. This year the OPCC and Force also joined the Lincolnshire Counter Fraud Partnership (LCFP) to work with key partners to share information and expertise to help both organisations maintain their vigilance in tackling fraud and corruption.

5.22. The Commissioner has ensured he has arrangements in place for receiving and handling complaints from the public which are within his statutory remit.

5.23. The Chief Constable has undertaken his own review of governance and his own Annual Governance Statement has informed and supports this statement.

5.24. The Commissioner 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.

6. SIGNIFICANT GOVERNANCE ISSUES

6.1. The Risk Register is a tool that identifies the risks that would prevent or distract the Commissioner from achieving his objectives. During the year a number of governance issues emerged that were not identified within the risk register. Instances occurred where approved processes were not followed by the Force. These have been reported and addressed through JIAC and an action plan agreed. No further significant governance issues have occurred during the year which have not already been addressed through the risk register.

6.2. 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.

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 with the OPCC changing some of the Management controls and corporate reporting RAG ratings to red. This is based on concerns at the absence of visible delivery plans and mechanisms that evidence the Force's management approach. Joint work continues to understand the Force's emerging approach to delivery management and to flex the assurance framework to reflect the reality in this changing environment. There remains a shared strong commitment to a joint assurance map and the expectation is that as evidence of the revised Force approach emerges that RAG ratings will improve.

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. The Commissioner's significant governance issues are detailed below, sourced from the joint assurance map and Commissioner's risk register. They include an outline of the actions taken or further work that is required to address the issues and whom has responsibility for these.

The risk of failure of government to address Lincolnshire's case for a fairer share of national funding

6.3. During the latter part of 2016/17, the Home Office initiated a process for fundamental review of the national police funding formula; the Commissioner's CFO participated in this work as a member of the Technical Working Group. Consultation on the conclusion of this work is currently on hold; the Policing Minister has indicated his intention to progress consultation alongside the next government spending review, likely to be during 2019. Both the PCC and Chief Constable are supportive of revision of the national police funding formula; previous attempts at reform suggested that Lincolnshire might benefit by around £8 million annually. The medium term financial security of policing in Lincolnshire force remains uncertain until the outcome of the funding formula review is known.

6.4. As a result of the increased uncertainty on the timing of any introduction of the Formula Funding review, the PCC's medium term financial plan no longer includes any assumed additional funding from central government grant. This has resulted in a budget gap of £7m+ in the medium term, for which the Chief Constable is developing plans to address.

The risk of a lack of resilience and stability within the chief officer team following significant changes in the Team

6.5. The Chief Officer Team has continued to develop significant resilience. A permanent ACC appointment together with a continued temporary ACC with a reshaped partnership focus has ensured a more robust and consistent "uniformed" team. The team had been supplemented by a new Chief of Staff appointment but this post has now been deleted and the Chief Finance Officer continues to connect the Chief Officer Team to the OPCC through the shared OPCC/ Force Finance structures.

6.6. The Assistant Chief Officer (Resources) post was filled on a temporary 2 year basis without a competitive recruitment process as a response to the significant uncertainty when the current Chief arrived and there were so many unanticipated departures. The permanent Chief Officer Team appointments now provide a stable environment in which to consider the future as the temporary ACO appointment draws to a close.

6.7. The retirement of the Deputy Chief Constable in June 2019 led to external recruitment; the new Deputy Chief Constable will take up post in June 2019.

The risk of failure to achieve and demonstrate efficiencies and value for money

6.8. The Commissioner and Chief Constable both have a statutory duty to make the best use of resources available to them. The Police and Crime Plan commits to obtaining value for money from all funding and avoiding waste. 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 via the Efficiency pillar of their PEEL inspection programme. In November 2017, the last time the Force was subject to an Efficiency Inspection, HMIC graded the Force as 'Requires Improvement' in respect of the efficiency with which it keeps people safe and reduces crime and recommended that the Force should link its financial plans with its operational plans, informed by an understanding of demand. 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 risk of failing to plan for the effective transition from the current commercial contract arrangements

6.9. The Commissioner's strategic partnership reaches year eight of ten in April 2019. There remains in the original agreement the ability to negotiate an extension of the current arrangements for up to a further five years. The end date of the contract in 2022 is three years away and considerable discussion between the Force and the PCC has supported a joint approach to planning carefully for any potential transition from existing arrangements. The PCC has asked the Force to lead on exploring and delivering future options to ensure the contract continues to fully meet the Chief Constable's requirements. This includes consideration of the Force taking the lead on contractual and Governance matters; a potentially significant change. This is especially challenging as the Force has set itself the target of delivering additional savings from the contract. The contract is unique and was procured in little over a year originally but consumed significant strategic resources of the Force and of (at that time) the Police Authority. The contract has been an important plank of Lincolnshire's response to constrained resources (the lowest spend per head nationally). It is recognised that the Force has a significant challenge in delivering a sustainable approach to the future delivery of services over the course of the coming year.

The risk of failing to ensure that G4S objectives are delivered with the resources available

6.10. The Commissioner's strategic partnership continues to deliver appropriate services and savings. The current governance structures led by the OPCC continue to operate robustly over the full breadth of the contract. Coping with issues in service delivery where they arise and continuing to deliver value for money for the Commissioner and effective support for the Force. The growing demand on policing nationally has impacted on Lincolnshire and put strain on some areas of delivery like the Force Control Room and Crime Management Bureau. Pragmatic and solid partnership working within the governance and contractual structures of the partnership continue to satisfactorily manage delivery.

6.11. The innovative transformation of firearms licensing is now offering a highly efficient and effective service and serves as a model for service innovation and delivery partnership between PCC, Force and G4S.

6.12. The success of our Mobile Data Project, again underpinned by G4S, has been singled out by the Policing Minister as an example of good practice. Linkages to the new Command and Control system (see below) will continue Lincolnshire's effective and innovative use of technology and through partnership, Lincolnshire Police 'punch above their weight' on the national stage.

6.13. G4S have, on behalf of the PCC and Force, overseen the procurement of a new Command and Control system that will be at the heart of the Force's continued transformation of efficiency and effectiveness updating operational capability, information and data management and the capacity to provide a better service to the people of Lincolnshire form within the available resources.

The risk of failing to deliver the objectives of the Tri-service "Blue Light Programme"

6.14. The shared Fire/Police Headquarters has been delivered and all staff moved in. The current focus is on the delivery of the three service deployment base in South Park in Lincoln. This remains on track but is a challenging project in scale and timeline. Close partnership work has continued to support this project. Resourcing of project support remains an issue of concern but contracts, planning and delivery are all underway. Close liaison with Central Government to ensure the grant conditions are met has also been required. The additional cost of this project (above initial

estimates) continues to place financial strain on the Commissioner's investment capacity but the closer working and facilities fit for future remain important objectives.

6.15. The Force continues to explore areas of closer operational integration with the Fire Service to support increased productivity and better outcomes for the people of Lincolnshire.

6.16. The Commissioner is beginning to explore options for the use of the West Parade site that will be vacated in 2019.

The risk of failing to maintain or develop beneficial regional collaborations

6.17. Collaboration with four other forces in the East Midlands has been a key plank in Lincolnshire's approach to providing effective and efficient policing. Collaborative services have expanded and deepened in recent years with positive expansion in, for example, Forensics. However in the last year some areas of collaborative growth have been subject to re-evaluation and amendment. The last year has seen continued tensions and difference of approach from the five East Midlands Chief Constables. Working together the PCCs, supported by the new Regional Collaboration team based in Lincolnshire, have provided clear strategic oversight of the collaborations through a difficult period. The turbulence following Nottinghamshire's withdrawal from EMOpSS has been successfully managed and a new tri-Force model put in place. Discussions over the future shape of EMSOU and the management of significant budget strain will need to be carefully navigated. National changes to ROCUs and specialist capabilities make this a difficult area to optimise as local, regional and national demands come together to create a complex and challenging environment. The coming year will be one of careful re-evaluation and assessment to ensure the collaborative approach delivers for all partners and, importantly, the people of Lincolnshire. All options will remain under consideration including collaboration with partners outside the East Midlands.

The risk of the force not delivering operational effectiveness

6.18. The continued effectiveness of the Force in the face of a potentially deteriorating financial position is a significant matter of particular concern especially as recorded crime has increased significantly in the last two years with resources at a steady level. Her Majesty's Inspectorate of Constabulary and Fire and Rescue Service (HMICFRS) inspections in 2017/18 highlighted that Force planning for budget reductions was not in place. The Commissioner has actively sought reassurance and evidence that the Force has planned for and can articulate the steps that need to be taken if the financial outlook does not improve. While significant work is put into securing a sustainable financial envelope it remains essential that we make plans for and can deliver changes to service levels that flow from funding constraints. The work currently underway is prudent preparation to ensure the impact of any future financial constraint is minimised and mitigated as far as is possible. It is equally important that the implications are fully understood and can be articulated.

Internal control Issue relating to Force procurement

6.19. 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.

7. INSPECTORATE FINDINGS

7.1. The PEEL Inspection programme for 2018/19 conducted by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) scrutinises

all 43 police forces in England and Wales and examines their Efficiency, Effectiveness and Legitimacy providing comparable grades for each of the 43 forces in England and Wales.

7.2. The most recent PEEL inspection grades received by the force are; "Good" for Legitimacy received in December 2017 "Requires improvement" received for Efficiency in November 2017, and a "Good" received for effectiveness in March 2018.

7.3. At the end of each inspection year a PEEL assessment is published in which Her Majesty's Inspector for each force area summarises the overall performance for their respective Force. In the spring of 2018 as part of the overall assessment for the force Her Majesties' Inspector for Lincolnshire stated:

> "I am pleased that overall Lincolnshire Police's performance in effectively keeping people safe and reducing crime is good again this year. However, there is still more for the force to do in terms of its service to some vulnerable victims", and also commented:
>
> "I commend the police officers, PCSOs and police staff working for Lincolnshire Police for their hard work in maintaining their performance in challenging financial circumstances. They understand the importance in taking prompt action to keep victims safe and they work well with local partners, like local councils, to generally achieve good outcomes for their communities."

7.4. The commissioner is required by law to publish his response to all force specific HMICFRS inspection reports following their publication, these responses are available on the PCC's website at https://lincolnshire-pcc.gov.uk/transparency/what-our-priorities-are-and-how-we-are-doing/hmic-inspections/

7.5. The force's progress against 'areas for improvement' and recommendations made in inspections continues to be tracked and progress monitored by the force through it's HMICFRS tracker. This document is regularly reviewed as part of the commissioners "holding to account" governance processes. In addition HMICFRS has developed its own online 'register of recommendations' which was launched in October 2018. The force and HMICFRS are currently reconciling the entries in their respective trackers to ensure they are accurate, up to date and aligned. The OPCC is monitoring this development with interest as it may help to provide assurance that all recommendations both thematic and force specific have been addressed and remedial work has been fully completed.

7.6. From May 2018, HMICFRS changed the way in which they inspect forces, moving towards a more risk-based approach. This revised approach consists of a single annual PEEL inspection where HMICFRS inspect in each force the aspects of policing which they consider present the greatest risk of failure. Their assessment will be underpinned by data analysis and the ongoing monitoring of forces.

A significant part of the risk assessment for each force will depend on the information gleaned from the Force Management Statement (FMS). Each Force is required to produce a FMS containing a self- assessment evaluating the following 4 years across 4 key areas:

a) The demand likely to be faced by the force;

b) The condition, capacity, capability, serviceability, performance and security of supply of the workforce and other assets such as ICT;

c) The force's plan to improve efficiency;

d) The force's financial income.

7.7. The force submitted its first FMS to HMICFRS in May and subsequently published it in September 2018. The second iteration is in production with HMICFRS having amended some of their requirements of forces following consultation and evaluation of the current submissions.

7.8. Outside of the PEEL regime the force received an inspection of its Crime Data Integrity (CDI) which scrutinises the way in which the force records crime in accordance with the national Crime Recording Standards (NCRS). This inspection is part of a rolling programme of inspections covering all 43 forces in England and Wales - Lincolnshire was previously inspected in 2014. The latest HMICFRS report was published in July 2018 and the force received an overall grading of "Inadequate". HM Inspector of Constabulary stated:

> "It is of very great concern to me that Lincolnshire Police is failing to record almost one in five crimes reported to it" and continued "This inspection revealed unacceptable failings in the Force's recording practices".

The inspection report raised a formal 'cause of concern'

> "Lincolnshire Police officers and staff too often fail to make correct crime recording decisions at the first opportunity. This is due to deficiencies in the force's crime recording processes, insufficient understanding of crime recording requirements and limited supervision to correct the decisions of officers and staff and improve standards from the outset. This means the force is letting down many victims of crime.
>
> The force is failing to ensure it properly records all crimes of rape and all crimes of violence, including domestic abuse crimes and crimes reported directly to its public protection department."

HMICFRS made 7 time sensitive recommendations and raised a further 3 'areas for improvement'.

7.9. The PCC wrote formally to the Chief Constable on the 5th of July to register his shock, and concern at the findings contained in the report, and also to highlight a number of actions that he saw as vital to restoring confidence in Lincolnshire Police's crime recording capability and addressing the wider implications for the reputation of the Force. His letter and the chief constable's response can be found on the Commissioners website here:

https://lincolnshire-pcc.gov.uk/transparency/what-our-priorities-are-and-how-we-are-doing/hmicfrs-inspections/themed-inspections/2018-crime-data-integrity-inspection/.

7.10. One of the "vital actions" identified by the Commissioner was his intention to create an independent Crime Recording Confidence Panel (ICRCP) to deliver transparent oversight of the implementation of the improvements required and to independently assess the progress made.

7.11. The panel was established in August 2018 and consists of an independent chair and expert technical advisor on crime recording practice, along with key stakeholders including senior representatives from the PCC's office, Victims Support, the Joint Independent Audit Committee, the Lincolnshire Police and Crime Panel, Lincoln University and Rape Crisis. Minutes of the ICRCP meetings are published on the Commissioner's website along with any relevant data and/or reports on their findings in relation to crime recording.

7.12. The National Child Protection Inspection took place in September 2018 with the final report being 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. The report also recognised that the force engages well with local authority partners. However, a number of areas requiring attention were highlighted including a lack of effective supervision and appropriate training provision. The report made a number of recommendations requiring immediate attention, and stated that subject to receiving an update and action plan from the force, HMICFRS would revisit within 6 months to assess the implementation of the recommendations.

7.13. We propose over the coming year to continue our plans to address all of the above matters to further enhance our governance arrangements. We will address the need for improvements that are identified during our review of effectiveness and we will monitor their implementation and operation as part of our next annual review.