

Auditor's Annual Report: Police and Crime Commissioner and Chief Constable for South Yorkshire

2021/22

March 2022



Contents



We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Police and Crime Commissioner and Chief Constable have made proper arrangements for securing economy, efficiency and effectiveness in their use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Police and Crime Commissioner and Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Executive summary



Value for money arrangements and key recommendation(s)

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Force/OPCC has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Auditors are required to report their commentary on the Force/OPCC's arrangements under specified criteria and 2021/22 is the second year that we have reported our findings in this way. As part of our work, we considered whether there were any risks of significant weakness in the Force/OPCC's arrangements for securing economy, efficiency and effectiveness in its use of resources. Our conclusions are summarised in the table below.

Criteria	2020/21 Auditor Judgment	2021/22 Auditor Judgment
Financial sustainability	No significant weaknesses in arrangements identified, but three improvement recommendations made	No significant weaknesses in arrangements identified, but two improvement recommendations have been made.
Governance	No significant weaknesses in arrangements identified, but three improvement recommendations made	No significant weaknesses in arrangements identified, but one improvement recommendation has been made.
Improving economy, efficiency and effectiveness	No significant weaknesses in arrangements identified, but one improvement recommendation made	No significant weaknesses in arrangements identified and no improvement recommendations raised.



Financial sustainability

The Force and Office of the Police & Crime Commissioner (OPCC) both finished 2021/22 with underspends against budget. The greatest area of uncertainty for the OPCC and Force concerns the medium-term. Lack of clear government direction and a turbulent economic climate has limited the Force and OPCC's ability to robustly plan for the medium-term. Our work has not identified any significant weakness in arrangements for financial sustainability. We have included some improvement recommendations that we believe will further enhance the arrangements in place on pages 9-10.



Governance

The Force and OPCC have a strong understanding of risk within the internal control framework. There is a clear emphasis on continuous improvement at both organisations. The Force has experienced significant structural change in 2021/22 with no evidence of this impacting its operational or strategic ability to deliver value for money in its arrangements. Our work has not identified any significant weakness in arrangements in respect of the governance arrangements. We have included some improvement recommendations that we believe will further enhance the arrangements in place on page 14.



Improving economy, efficiency and effectiveness

Performance management arrangements at the Force and OPCC indicate that both organisations use financial and performance information to assess and identify areas for improvement. Partnership working continues to form an integral part of Force/OPCC work. Procurement and benefits realisation appear to similarly be strongly performing. Our work has not identified any significant weakness in arrangements in respect of the governance arrangements. No improvement recommendations raised.

Opinion on the financial statements and use of auditor's powers

We bring the following matters to your attention:

Opinion on the financial statements

Auditors are required to express an opinion on the financial statements that states whether they : (i) present a true and fair view of the PCC and CC's financial position, and (ii) have been prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22

We have completed our audit of your financial statements and issued an unqualified audit opinion on 1 December 2022, presented at the Audit Committee on 8 December 2022. Our findings are set out in further detail in the Audit Findings Report.

Statutory recommendations

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body which need to be considered by the body and responded to publicly

We did not issue.

Public Interest Report

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We did not issue.

Application to the Court

Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.

We did not apply.

Advisory notice

Under Section 29 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority:

We did not issue.

- is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure,
- is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or
- is about to enter an item of account, the entry of which is unlawful.

Judicial review

Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.

We did not apply.

Securing economy, efficiency and effectiveness in the PCC and CC's use of resources

All PCCs and CCs are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The PCC and CC's responsibilities are set out in Appendix A.

PCCs and CCs report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the PCC and CC have made proper arrangements for securing economy, efficiency and effectiveness in their use of resources.

The National Audit Office's Auditor Guidance Note (AGN) 03, requires us to assess arrangements under three areas:



Financial Sustainability

Arrangements for ensuring the PCC and CC can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Governance

Arrangements for ensuring that the PCC and CC make appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the PCC and CC make decisions based on appropriate information.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the PCC and CC delivers their services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Our commentary on the PCC and CC's arrangements in each of these three areas, is set out on pages 6 to 18. Further detail on how we approached our work is included in Appendix B.

Financial sustainability



We considered how the PCC and CC:

- identify all the significant financial pressures that are relevant to their short and medium-term plans and builds them into their plans
- plan to bridge funding gaps and identify achievable savings
- plan finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensure the financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system
- identify and manage risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

2021/22 Revenue Outturn

In 2021/22, the Force reported an underspend of £6.25m. This is compared to an underspend of £3.28m in 2020/21. The 2021/22 underspend was primarily as a result of a £2.7m underspend in the Hillsborough and Child Sexual Exploitation (CSE) civil claims. Costs were reduced due to slippage in the payment of claims, £2.2m underspend in Supplies & Services across a number of areas including savings on the DAMS project for new software and uniform due to the revised workforce plan and recruitment and £1.4m underspend across employee costs and premises due to a mixture of vacant posts and delays in recruiting and rate rebates not being received. The underspends in these areas offset the £1m overspend on transport and £0.2m overspend on support and agency.

The OPCC underspent by £4.4m. This was mainly due to vacant posts, an unused legal provision, underspends within commissioning and underspends within capital financing costs. The Chief Constable underspent also their delegated budget. Information provided by the Force Legal Services Department indicates that Hillsborough and CSE related costs are likely to fall in future years, explaining the £2.7m underspend in 2021/22.

The Force exceeded their in-year savings target by £0.12m achieving £2.81m against a £2.69m target (£2.81m full year effect). The Force and OPCC have recognised the need to commit a strong focus on delivering savings and efficiencies to deliver a balanced budget in future years. In late 2021, the Senior Command Team supported the proposal to form a dedicated Savings and Efficiencies Programme. The programme aims to ensure that the Force and PCC effectively uses resources to achieve value for money and early-identification of challenges to ensure the organisation can swiftly adapt and respond. The Force/OPCC continue to build on the monitoring of savings progress against targets and mapping to benefits realisation.

Savings progress is reported on regularly with risks and mitigating actions highlighted.

Capital

The revised capital programme approved by the Police & Crime Commissioner (PCC) was £21m for 2021/22. This represents a £4.7m reduction from the original £25.7m capital programme. The final capital outturn against this revised budget was £16.6m, a £4.4m underspend. The main capital expenditure highlights of 2021/22 were:

- £8.5m on new property and improvement of existing buildings,
- £2.7m on the purchase of new vehicles in line with the vehicle replacement programme,
- £5.4m on information communications and operational equipment (including joint projects with Humberside Police)

We issued an improvement recommendation in the prior year surrounding slippage of capital projects. Capital slippage carries risk as it can cause greater difficulty in accurate budget setting and can undermine the Force's ability to deliver extraordinary capital investment programmes. The Force/OPCC has made progress in this area by adopting a more prudent approach by reducing the budget to reflect past trends in slippage. There is scrutiny of capital strategies at the Strategic Resourcing Board, where capital project leads are held to account for progress and early signs of delays. There has been progress against scrutiny of capital projects since our prior year recommendation as evidenced by the capital check and challenge process carried out by the Assistant Chief Officer and both CFOs at the beginning of the year.

Financial sustainability

The capital programme is also refreshed annually and the Force make an effort to look at priority, impact and delivery risk, which is all articulated in the Assessment of Need. This process culminated in a report to the PCC and a revision to the capital programme. While there has been improvement, capital projects continues to be an area for improvement as demonstrated by the still significant scale of slippage in 2021/22. Our improvement recommendation asks the Force to review and evaluate how it requests capital from the PCC and the PCC should review how it sets its capital budget to ensure it can set a realistic budgets from the outset. Consistently high capital budget setting at the start of financial years coupled with low outturn cast doubt on the Force/OPCC's ability to accurately forecast expenditure and present and deliver a realistic capital programme.

Figure 1
Source: Force Management Statement 2022

2022/23 Medium Term Resource Strategy

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
SY Police force	307.4	314.9	323.1	333.9	345.6
SY PCC	2.1	2.2	2.2	2.3	2.3
Commissioning & partnerships	3.3	3.3	3.3	3.3	3.3
Capital financing	2.5	3.4	4.3	5.1	5.5
Legacy costs (net)	5.4	4.1	3.6	2.5	2.5
External funding	(10.0)	(9.2)	(9.2)	(9.2)	(9.2)
Total expenditure	310.7	318.7	327.4	337.9	350.0
Funding	(311.1)	(316.5)	(322.8)	(325.4)	(327.8)
Net (surplus) / deficit	(0.5)	2.1	4.6	12.5	22.2
Use of reserves					
Contribution to/(from) earmarked reserves	0.8	(2.1)	(4.6)	(12.5)	(16.4)
Contribution to/(from) general reserves	(3.7)	0.0	0.0	0.0	(5.9)
Contribution to/(from) reserves	(2.9)	(2.1)	(4.6)	(12.5)	(22.3)
For info: Net (surplus) / deficit excluding legacy	(5.9)	(2.0)	1.0	10.0	19.7

Reserves Forecast 2022/23 to 2026/27

	31.3.22 £m	Forecast movt	31.3.23 £m	Forecast movt	31.3.24 £m	Forecast movt	31.3.25 £m	Forecast movt	31.3.26 £m	Forecast movt	31.3.27 £m
General fund	41.2	0.8	42.0	(2.1)	39.9	(4.6)	35.3	(12.5)	22.8	(16.4)	6.4
Earmarked reserves	6.1	(0.3)	5.9	0.0	5.9	0.0	5.9	0.0	5.9	(5.9)	0.0
Insurance reserves	12.1	(3.4)	8.7	0.0	8.7	0.0	8.7	0.0	8.7	0.0	8.7
Total Reserves	59.4	(2.9)	56.3	(2.1)	54.5	(4.6)	49.9	(12.5)	37.5	(22.3)	15.1
5% min General Fund Reserve	14.8		15.5		15.9		16.4		16.9		17.5

Figure 2
Source: Force Management Statement 2022

Prudent budget setting would involve the Force/OPCC prioritising consideration of the prior year end reprofiled budget and outturn as opposed to rolling forward an ambitious capital plan.

2022/23 Budget and Medium Term Resource Strategy (MTRS)

On the 28 February 2022, the PCC approved the budget and council tax precept for 2022/23. The Medium Term Resource Strategy (MTRS), Treasury Management Strategy Capital Programme and Reserves Strategy were simultaneously published with consistency between the financial plan and other operational planning. Core funding for South Yorkshire amounts to £233.8m representing a cash increase of 5.8%. The Home Office funding settlement included the allowance for PCCs to increase the precept on Band D properties by up to £10. The PCC chose to use this flexibility and agreed to increase to £223.04 for the year on a Band D property. Funding provided in the precept is intended to cover the additional officer uplift, national insurance increases and contribution toward pay inflation.

The MTRS includes savings of £1.7m in 2022/23. This appears to be a prudent target given their £2.81m delivery in 2021/22. This savings use is coupled with a planned £1.6m use of reserves during 2022/23 and £0.5m contribution to reserves.

Financial sustainability

Over the MTRS period up to 2026/27, total savings of £3.4m have currently been identified and included. Significant further savings will be required to ensure a balanced budget over the CSR period and beyond, based on current assumptions this is £40.9m (£22.2m recurrent). The Force has created a bespoke multi-disciplinary savings and efficiencies team to work with senior management to identify and drive out savings to help address these future budget gaps.

The Force/OPCC is planning to use an unsustainable level of reserves to bridge funding gaps in the medium-term. There is significant pressure on the reserves balance, particularly the £18.1m to fund historic legacy costs from the Hillsborough disaster and child sex exploitation (CSE) claims.

The Force/OPCC will only be able to maintain its 5% of net revenue budget reserves level until the end of 2025/26 based on current projections (see table). The Force/OPCC are well aware of the risks presented in its financial plan, this is reflected in the 'AMBER' rating for Finance in the Force Management Statement (FMS). We have devised an improvement recommendation encompassing the risk in the achievability of the future savings schemes and their ability to help bridge the financial gaps.

There are challenges for the organisation in devising the MTRS due to lack of clarity surrounding future funding and therefore the future saving need. The economic climate continues to present a challenge for the Force with regard to the long-term resourcing picture and anticipating community need, particularly in the most impacted areas. Furthermore, the funding settlement continues to be for one-year despite the three-year comprehensive spending review (CSR) period, creating greater uncertainty for medium and long-term planning beyond 2022/23.

Transformation to secure savings and efficiencies

The Force/OPCC are facing a considerable challenge with the need to identify recurrent savings of £22.2m to balance the MTRS. It has demonstrated its commitment to this challenge via the formation of the Savings and Efficiency Team which have the sole purpose of creating cashable savings and efficiencies in order to enable the force to balance the budget and invest in areas that require growth. Ironically, the investment in this team demonstrates that it is investing in areas that need to be prioritised. The Savings and Efficiencies Team report on a monthly basis to the Savings and Efficiency Board chaired by the Deputy Chief Constable illustrating the governance arrangements in place.

Strategic Alignment of Financial Planning

In the prior year, we highlighted that in-year financial reporting arrangements were not integrated with service delivery performance. The Force/OPCC recognised the importance of linking financial performance and reporting with operational performance in order to identify causal factors to inform future planning assumptions. The Force/OPCC has incorporated greater financial and operational performance linkage in the reports presented monthly to the Senior Commend Team. The OPCC has developed the VFM framework methodology using the scoring mechanism which compares performance of all the indicators in the framework with either other police force performance or South Yorkshire Police's performance over time, to identify whether value for money is being achieved and if not, where are the areas where improvement need to be made. The scoring mechanism is based on economy, efficiency and effectiveness for the functions and priorities in the PCC's Police and Crime plan. The Force utilised its Achieving Finance Excellence in Policing (AFEP) consultancy days on the provision of a benchmarking report using Police Objective Analysis (POA) data that the Savings Team have used to identify potential areas to be reviewed. We are satisfied that the OPCC and Force have made progress against this recommendation.

Conclusion

2021/22 was, similarly to 2020/21, a year of strong financial performance from the Force and OPCC. The Force reported an underspend of £6.25m revenue outturn and a £0.12m over-achievement of savings against plan. The OPCC reported an underspend of £4.4m. Though progress has been made since last year, management of capital projects continues to be an area of improvement. The greatest area of uncertainty for the OPCC and Force concerns the medium-term. Lack of clear government direction and a turbulent economic climate has limited the Force and OPCC's ability to robustly plan for the medium-term. The current plan for reserves usage and savings identification will only allow the Force to maintain their minimum reserves level until 2025/26. The Force/OPCC's position is not unlike most other public sector organisations. The Force/OPCC must continue to dedicate their efforts to creating credible savings plans to address the future gaps and a robust reserves replenishment strategy to enable financial sustainability. This will not be an easy task and will require difficult financial decisions to be made. The creation of the Savings and Efficiency Team proves that the Force/OPCC recognise the severity of the situation.

Improvement recommendations



Financial sustainability

Recommendation 1

The Force and OPCC should ensure that financial plans clearly set out how the sustainability of minimum reserves balance will be maintained. The Force/OPCC will only be able to maintain its 5% of net revenue budget reserves level until the end of 2025/26 based on current projections. It will be important to ensure that medium term plans incorporate realistic plans for replenishment of reserves where one-off measures are expected to cover budget gaps. The focus should be on creating savings plans that address the gaps identified and therefore ensure the financial sustainability of the Force.

Management Comments

The Force has invested in a dedicated Savings and Efficiencies Team who have produced a savings plan to balance the medium-term resource strategy. To support the delivery of this plan, it has procured a delivery partner to work with to implement phase 1 of a Priority Based Budgeting methodology. The expectation is that learning will take place and that the Force will continue with this approach in future budget setting. This work is expected to commence at the start of the new financial year. As this work progresses it is expected that the savings plan will crystallise which will reduce reliance on reserves. The OPCC reviews its budgets annually with a zero based approach, so savings are identified at this point and monitored monthly. The joint monthly PEG meeting has savings and efficiencies as a standing agenda item, and savings targets, plans and delivery will be monitored through this route. The MTRS is kept under review so that new spending pressures are also identified and the longer term position updated. Due to our legacy issues some use of reserves has been planned throughout the MTRS period, and these will not be replenished. A new 'invest to save' reserve has also been created to 'pump prime' investment projects in order to realise savings.



The range of recommendations that external auditors can make is explained in Appendix B

Improvement recommendations



Financial sustainability

Recommendation 2

Slippage of capital projects continues to be an area of improvement. The Force/OPCC has made progress against the governance of the capital programme, however, there still remains to be a high percentage of slippage. We recommend that the Force review and evaluate how it requests capital from the PCC and the PCC should review how it sets its capital budget to ensure it can set a realistic budgets from the outset. High capital budget setting at the start of the financial years coupled with low outturn cast doubt on the Force/OPCC's ability to accurately forecast expenditure and present and deliver a realistic capital programme. Prudent budget setting would involve the Force/OPCC prioritising consideration of the prior year end reprofiled budget and outturn as opposed to rolling forward an ambitious capital plan.

Management Comments

In recent years there has been greater focus and challenge on the capital programme to ensure it is deliverable and affordable and it supports the CC and PCC in meeting strategic objectives. The capital programme is reviewed throughout the strategic planning process where appropriate challenge is carried out in relation to the current year and future years. In light of ongoing slippage, it was made clear during this recent planning round that requests for capital investment were expected to be minimal to allow a period of consolidation and catch up. The first draft of the capital programme was unaffordable and this was revisited and re-prioritised by the Senior Command Team, significant due diligence being undertaken with both the OPCC and Force. Capital is also considered in the light of affordability, in line with the prudential code. Annual check and challenge meetings are in place early in the financial year with the ACO (Resources) and both CFOs which provides a further opportunity to review deliverability. The PCC continues to set a capital budget which reduces by one third to allow for slippage due to unforeseen circumstances and plan changes. Throughout the year, the capital programme is monitored and Heads of Service are held to account at the Strategic Resourcing Board, and the PCC challenges progress at the Estates Board. Capital monitoring is also presented and discussed at the joint monthly PEG where it is a standing agenda item. Capital financing is reviewed on a monthly basis. The ACO and both CFOs feel that they have reviewed how the force/PCC sets its capital budget to ensure it is realistic from the outset and continues to be throughout the year.



The range of recommendations that external auditors can make is explained in Appendix B

Governance



We considered how the PCC and CC:

- monitor and assess risk and gain assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- approach and carry out the annual budget setting process
- ensure effective processes and systems are in place to ensure budgetary control; communicate relevant, accurate and timely management information (including non-financial information); supports statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships
- ensure they make properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee
- monitor and ensure appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour (such as gifts and hospitality or declaration/conflicts of interests) and where it procures and commissions services.

Risk and Internal Controls

The Force and OPCC have arrangements in place to identify strategic risks, understand them, record them and assess them. All significant strategic concerns are captured by the Strategic Concern Register (SCR) and are reported to the Force's Senior Command Team on a quarterly basis. The latest SCR we reviewed that was reported to JIAC was the 17th October 2022 report. Some of the concerns highlighted include the Hillsborough disaster and the impact on service to victims and staff wellbeing as protecting vulnerable people workloads continue to increase. These examples show that the SCR is used and the contents are scrutinised at committee level.

The PCC, similarly, has a risk management process that involves monthly scrutiny at SLT meetings. The PCC's Risk Register is taken to monthly 'risk and assurance' themed SLT discussions with the PCC. The PCC's Risk Register is presented each quarter to JIAC for them to provide the PCC with independent assurance on the adequacy and effectiveness of the OPCC's (and SYP's) internal control environment and risk management framework.

Assessment of risk is evidently a priority at the Force through their use of the Organisational Risk Assessment Model (ORA). The Force asks business and operational leads to contribute to the ORA by encapsulating current demand, capacity, capabilities, challenges and opportunities for the future and delivery of the long term for their areas of work. Leads are asked to meet with members of the Performance and Governance department to discuss. Risks are scored by a RAG rating based on assessment of demand and status of workforce and other assets. The rating is provided through a four quadrant matrix which aligns all areas of context. As identified in the 2022 Force Management Statement, the two areas of concern highlighted by the ORA were Information Management and the Force Control Room.

The use of the ORA serves to highlight the Force's commitment to risk identification, assessment and implementation of actions to mitigate. The Force and OPCC have arrangements in place to monitor and assess risk and gain assurance over the effective operation of internal controls. A recent review of the Force's Strategic Concerns Management arrangements by internal audit provided 'substantial' assurance in relation to the internal control framework. This highlights that the Concerns Management Framework is fully embedded through the Force with roles and responsibilities being fully discharged and requirements adhered to in practice. However, we note that the Force does not have a whistleblowing policy in place, though it is in progress but not yet finalised. Additionally, the Code of Conduct makes no explicit reference to the prevention and detection of fraud. We have therefore issued an improvement recommendation for the Force to devise a policy that makes explicit reference to the prevention and detection of fraud to ensure it has adequate arrangements in place. While police officers might be aware of the confidential reporting line, there is currently no guidance in circulation at the organisation that outlines the process of reporting fraud. It is worth noting the mitigating factors, however, that there is information on the Intranet that shows how to report fraudulent activity and the whistleblowing policy is currently being produced.

Progress Against Recommendations

In the prior year Audit Findings Report, we highlighted the fact that the accounts contained a larger number of errors than in previous years. This experience cast doubt on the Force/OPCC's quality review process prior to submission for audit and reflected the potential need for allowance of greater capacity for review.

Governance

It is also important to note that the Force/OPCC was also tackling more stringent regulatory requirements which undoubtedly contributed to the scale of errors in the accounts. We are pleased to observe that the Force/OPCC has made noteworthy progress in this area and the scale of errors present in the prior year accounts has diminished significantly. The financial statements audit was signed on 1st December 2022 with an unmodified audit opinion and no significant errors identified.

With regard to the recommendations presented in the prior year Auditor's Annual Report (which covers the Value for Money part of the audit), we are similarly pleased to note the Force's efforts in progressing against these with only a few areas requiring reiteration in this report.

We note that the Force/OPCC successfully addressed three national areas of improvement (AFIs) and one national cause of concern (CoC) as well as 26 national recommendations. The Force has also addressed one South Yorkshire Police specific AFI and two further national AFIs, which are marked as complete and awaiting official sign off by HMICFRS. In addition to this, a further five national recommendations have been reviewed by HMICFRS and regarded as 'no further action needed'.

The Force/OPCC's success in this area demonstrates a commitment to continuous improvement and serves as evidence that the organisation has the processes and procedures in place to implement changes when deficiencies are identified.

Transformation Governance

At risk assessment stage, we identified the Force and OPCC's arrangements for service transformation and innovation as an area of focus. The joint collaboration with Humberside Police for IT service delivery serves as an example of the Force, with the support of the OPCC, implementing changes to arrangements in order to ensure structures are in place to facilitate future transformation and innovation. Since 2011, South Yorkshire Police has shared their IT provision with Humberside Police. During 2021/22, an internal audit of the governance arrangements identified significant weaknesses and gaps in governance, financial management control in the partnership with Humberside. The governance issue was added to the Governance Action Plan in August 2021 to help Improve the Performance of the IT department.

It was identified that, although aligned to the originally intended structures, the department and workstream portfolios were no longer aligned to current demand requirements.. This also impacted the Force's ambition for future delivery of innovative and efficient processes. Following these identified weaknesses, Humberside and South Yorkshire PCCs implemented revised governance arrangements to bring about greater clarity on the strategic direction, programme management and performance management of the relationship. It was agreed that a new Target Operating Model (TOM) was required and new structure devised and implemented as of 1st August 2022. A new Head of Service Improvement and Transformation post was created to lead on the transformation of the shared service to the businesses and to manage the new Business Engagement team, embedding an environment and culture which focuses on continuous improvement of services. A new performance management framework has also been developed to provide leadership with meaningful data on progress. The governance proposals are now in place and discussions are ongoing on how they can be strengthened through greater involvement from the OPCC and PCC from both Forces. The new governance arrangements will help the Force gain the assurance it needs that the IT service is supported by strong infrastructure and the right delivery model.

Structural changes

As stated in the Police and Crime Plan 2021-24, the Force underwent significant leadership changes in 2021. A relatively stable senior command team faced significant disruption in a short period of time. The Chief Constable moved to Greater Manchester Police in March 2021 and Deputy Chief Constable left to become Chief Constable of Cheshire Constabulary in April 2021. The 2021/22 organisational chart is overleaf (Figure 3). PCC elections took place in May 2021 and the incumbent PCC was re-elected for a third term as South Yorkshire's Police and Crime Commissioner. The Force and OPCC sustained these changes well and maintained standards and stability through considerable organizational change.

In June 2021, a new Chief Constable was appointed following a rigorous two-day assessment and interview process. The new Chief Constable originally joined the Force as Assistant Chief Constable in 2017 from Humberside Police and went on to become Deputy Chief Constable in South Yorkshire. Her rise up the ranks at the Force was facilitated by effective arrangements and proceeded smoothly.

Governance

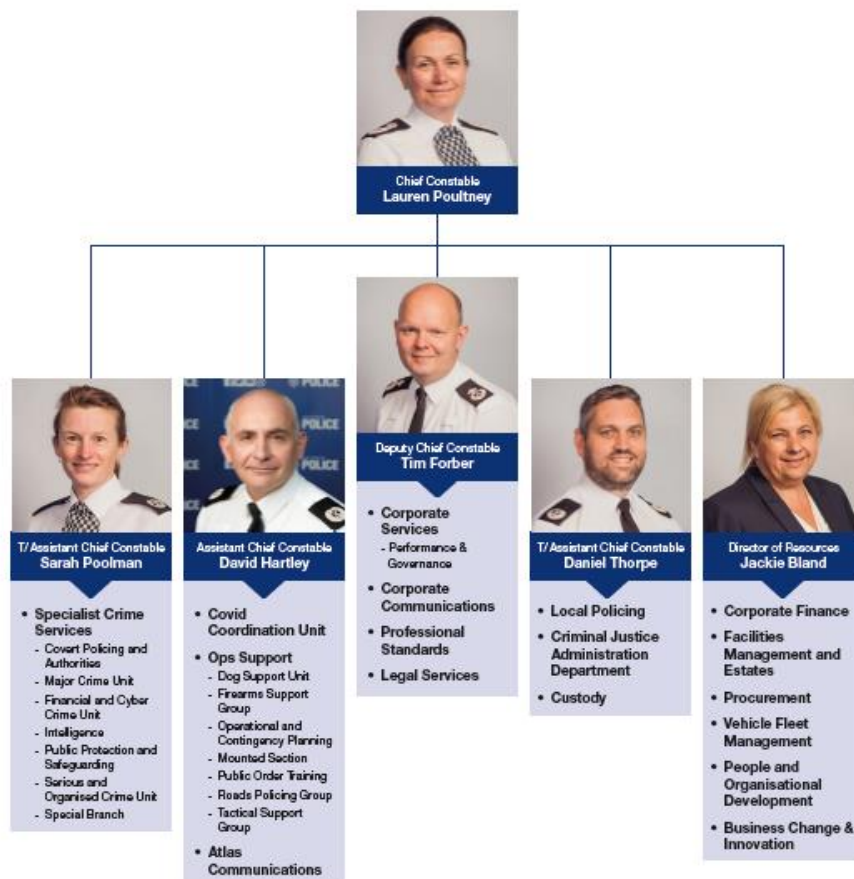


Figure 3
Source: Statement of Accounts 2021/22

The new Chief Constable's agenda focuses on stability: embedding the pre-existing model and 'getting the basics right'. South Yorkshire has transitioned from an organisation which in 2014 had 'poor morale' overshadowed by child sexual abuse scandals and in 2016 was known for lacking strategic direction and the capacity to implement effective change, to an organisation that has been heralded regionally as an exemplar of good practice and achievement. This is demonstrated by the awards received by the Force during 2021-22, for example, the 12 Crown Court Commendations received throughout the year and the presentation of the Gold Award in the Defence Employer Recognition Scheme. The focus on stability appears an effective counter-balancing approach given the turbulent external economic environment. The Force should continue their efforts in this area.

To reiterate our views in the prior year report, the longevity of the PCC has created the foundation for a strong and effective relationship to develop between the Force and OPCC. The PCC, similarly, has shown organizational leadership as demonstrated through the interpretation of the Government's National Strategy aimed to tackle Violence against Women and Girls. In November 2021, the PCC held a roundtable discussion to ensure that the office and the Force were dedicating their attention to incorporating the strategy into actions and identifying any performance gaps. The PCC followed this discussion up with a 'listening event' with representative interest and lobbying groups, charitable organisations and service providers. South Yorkshire Police has since been appointed as strategic lead to co-ordinate the police response with partners and implement actions in this area, putting the Force and the OPCC at the vanguard of decision-making in this area. Structural change can impede an organisation's ability to achieve value for money in its arrangements with the focus being pulled onto managing the structural change. South Yorkshire appears to have the institutional architecture in place to ensure these changes do not impact its ability to achieve value for money.

Conclusion

The Force and OPCC have a strong understanding of risk identification and assessment and have adequate arrangements in place to address risk within their internal control arrangements. The Force should look to creating an explicit whistleblowing policy to demonstrate arrangements in place to prevent and detect fraud. The Force and OPCC should be lauded for their remarkable ability to learn and implement change following external assessments. Transformation governance continues to be an area that the Force are making clear efforts to improve following the identification of weaknesses in arrangements, another reflection of a clear drive for improvement within the organisation. The Force has undergone significant leadership changes but has rightly maintained an ethos of continuity and stability.

Improvement recommendations



Governance

Recommendation 3

Ensuring a strong governance culture

- The Force should create a whistleblowing policy that includes reference to the prevention and detection of fraud. The Force does not have a whistleblowing policy in place, though it is in progress but not yet finalised.
- Additionally, the Code of Conduct makes no explicit reference to the prevention and detection of fraud. While police officers might be aware of the confidential reporting line, there is currently no guidance in circulation at the organisation that outlines the process of reporting fraud.

Management Comments

Both CFOs will review this area in collaboration with the Head of Professional Standards.



The range of recommendations that external auditors can make is explained in Appendix B.

Improving economy, efficiency and effectiveness



We considered how the PCC and CC:

- use financial and performance information to assess performance to identify areas for improvement
- evaluate the services they provide to assess performance and identify areas for improvement
- ensure they deliver their role within significant partnerships and engage with stakeholders they have identified, in order to assess whether objectives are being met
- where they commission or procure services assess whether they are realising the expected benefits.

Performance Management

The Force

Performance at the Force continues to be monitored through the Quarterly Performance Reviews (QPRs) for each district which then feed into the Performance Management Unit (PMU) for analysis. QPRs are reported to SCT on a quarterly basis and mapped against the Force's key priorities as set out in the 'Plan on a Page.' Force Performance Day is a monthly opportunity for force experts to delve into key performance questions from the Force Performance Management Framework and ensure delivery aligns with the OPCC Police and Crime Plan. Force Performance Day is chaired by the Deputy Chief Constable and utilizes quantitative and qualitative evidence to support decision-making. Force performance against the PCP is reported on a monthly basis to the Public Accountability Board (PAB).

The Force has a strong focus on delivering improvement, not through setting numerical targets to be achieved at all costs but on maturity and growth in understanding of causes. To demonstrate this, the Force has adopted various changes to support internal delivery. An example of this is the piloting of the new qualitative performance framework called QATT (Qualitative Audit Thematic Testing), couple with the move to specific monthly reporting on qualitative and informed datasets.

The Force has invested in the growth of the PMU in line with their drive for improved data quality. The work of the unit continues to grow in complexity with new systems and increasing national interest.

The graphs overleaf (Figure 4 and 5) show total police recorded crime for South Yorkshire (excluding fraud) and recorded level of all crime (excluding fraud) in quarter 1 of 2022/23 which is the latest publicly available figures. Total recorded crime has increased from those recorded in the previous quarter. Levels have been increasing since March 2021 with the easing of Covid 19 restrictions and total recorded crime levels are higher than at the same time last year. The rate per 1000 population for total recorded crime shows South Yorkshire has a higher level compared to most similar groups of police forces.

The OPCC

The PCC uses the OPCC Performance Framework to monitor delivery of the PCP locally. The Framework incorporates certain National Crime and Policing Measures set by the Home Secretary. Using this Framework, the OPCC produces a quarterly report which is taken to the Police and Crime Panel and published on the PCC website.

At the latest Public Accountability Board in December 2022, the Force reported against performance against the PCP. Areas of improvement were highlighted, for example, with regard to the Treating People Fairly priority, the Commissioner commented that female representation at police sergeant level was disappointing. The Deputy Chief Constable agreed that he would like to see this increase and great efforts were being made to increase gender workforce representation. Review of monthly reports shows similar evidence of challenging questions asked by the PCC and comments in response to the presentation of the Force's performance.

Improving economy, efficiency and effectiveness

Figure 4
Source: Q1 2022/23 PCP performance report

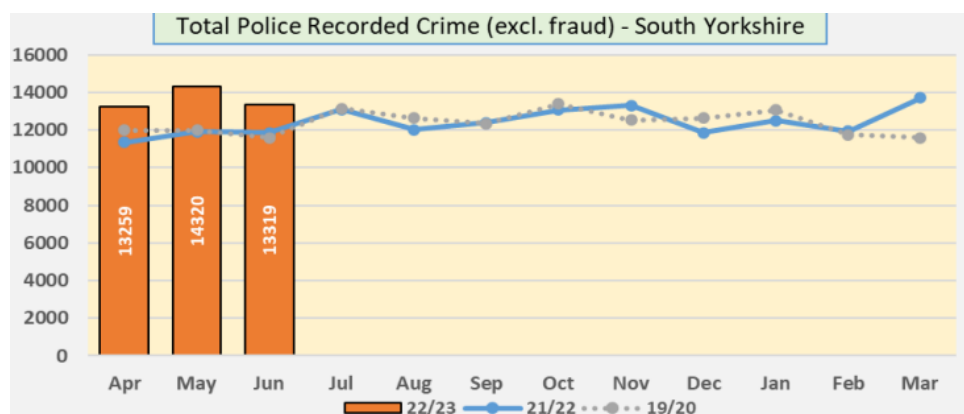
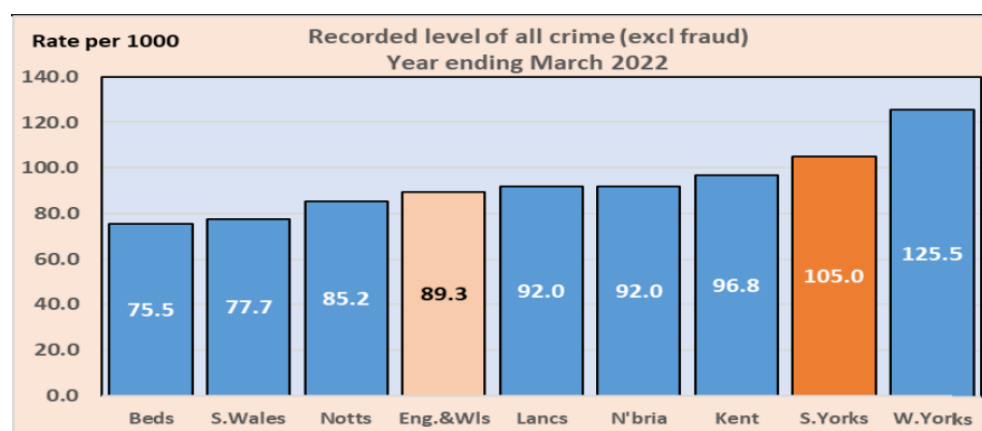


Figure 5
Source: Q1 2022/23 PCP performance report



Partnerships

The PCC and CC recognise that one of the most effective and efficient means of meeting challenges and delivering against strategic aims is through partnership with others. The importance of partnership relationships has been emphasized in the new Chief Constable's vision for the Force. The focus on stability translates into efforts to tackle the high levels of demand through getting things 'right' through proactive problem-solving and partnership activity, including mobilization of the localized neighbourhood teams. Partnership working is grounded by the Strategic Demand Board (SDB) and Futures Board.

We are satisfied that the organisation is able to articulate who its key partners are and that strategies developed at partnership level translate into meaningful actions to be delivered by the Force and OPCC. Examples indicative of this quality can be seen in the actions rolled out to tackle domestic abuse, directly addressing the Police Crime Plan priority 1 of 'Protecting Vulnerable People.' The Force has administered specialist Domestic Abuse Matters training to frontline staff including officers, call handlers, senior leaders and local authority partners. The training is designed to increase professional curiosity, the ability to recognise domestic abuse in all its forms and to assist in identifying safeguarding concerns. Domestic Abuse Teams are now established in each of the four districts. All frontline officers are now better able to identify unreported domestic abuse in the first place and the specialist teams provide greater expertise and resilience when dealing with reported cases.

A new area of focus within the Police and Crime Plan 2022-25 is the focus on Speeding and Road Safety. The PCC has responded to the greater concern, especially during lockdown and increased working from home, surrounding road safety and dangerous driving. In the Police and Crime Plan, the PCC expresses his support for the Road Safety Partnership which seeks to improve safety in towns and villages. The PCC has increased engagement with partners to tackle public awareness of all aspects of road safety and encourages working together to ensure drivers obey speed limits and drive safely. This example reflects the PCC's responsiveness to changes in matters of public concern as he maintains the same overarching aim and three priorities for policing in the Police and Crime Plan since he was first elected, but adapts areas of focus within these priorities to incorporate changing need.

Improving economy, efficiency and effectiveness

Procurement

One of the key drivers for value for money is a robust procurement strategy. The Force/OPCC use the Yorkshire and Humber Police Forces Procurement Strategy 2020-2023, a joint procurement strategy for South Yorkshire, Humberside, West Yorkshire and North Yorkshire. The Force procures services in accordance with the relevant legislation, professional standards and internal policies including the Regional Procurement Regulations, the Public Contract Regulations 2015 and the EU Treaty Principles. The Regional Procurement Unit for Yorkshire and the Humber is managed by South Yorkshire Police and overseen by the Assistant Chief Officer Resources. The unit has successfully renewed its Chartered Institute of Procurement and Supply (CIPS) corporate certification standard in 2021 (being the first police procurement unit to originally achieve certification). The Regional Procurement Team is the second largest collaborative team in the country.

There is clear evidence of a commitment to maintain professional standards in the Regional Procurement Team. In October 2021, the force held a procurement celebration day to commemorate receiving the CIPS Procurement Excellence Award and the Corporate Ethics Award. It is the second time Regional Procurement have achieved the Procurement Excellence Award, after successfully receiving the accolade in 2018. The team is the only force in England to have won the award twice. The award was bestowed on the basis of all of the team members having passed an annual examination on a wide range of ethical topics including procurement good practice, social values and sustainability.

An internal audit of procurement prompted the force to consider the benefits of maximizing value for activity under £50,000, using a commercial service approach to drive improvement. In 2022/23, work against this has continued. As stated in the Force Management Statement, the Force was not expecting any significant fluctuations in demand for Regional Procurement for the Force's procurement needs in 2022/23.

Benefits realization

We have previously applauded the Force/OPCC's commitment to enhancing its processes around benefits realization and transformational programmes. Benefits realization is under the remit of the Business Change and Innovation Department (BC&I), which uses Benefits Trackers to monitor planned benefits against progress and flags savings through Savings Trackers which feed into the MTRS.

Responsibility for savings delivery has been sub-delegated to the newly created Savings and Efficiencies Team, which sits within the BC&I department. Benefits realization officers continue to work with project managers to understand change drivers and present materialized benefits.

An example of benefits realised during 2021/22 can be seen in the work of the Force's positive action officer. The College of Policing define Positive Action as a name given to measures under the Equality Act 2010 that promote equality of opportunity. During recent officer recruitment campaigns, the positive action officer delivered training and knowledge sharing support on the benefits of positive action, providing guidance and support to underrepresented groups. The force has developed a positive action strategy to complement these efforts.

Workforce

As iterated in the Force Management Statement 2022: 'the officer uplift programme will provide opportunities for the organisation to increase resources in key areas.' The Force/OPCC have committed to a staged process to manage the uplift and ensure officers receive adequate training. The Uplift Programme continues to be monitored regularly at monthly SCB meetings. The headcount of police officers is set to increase to over 3,200 (3,100 FTE) by March 2026 although this number will be achieved by March 2023. South Yorkshire's share of the full 20,000 uplift officers is 486 by March 2023. The force remains committed to the local uplift previously agreed for an additional 220 officers, with 18 in 2022/23.

Latest progress against uplift targets show SYP to be in a comparatively favourable position. SYP is on track to meet its uplift target (Figures 6 and 7) and may be asked to increase its numbers as a result. SYP's specific National Police Uplift Programme (NPUP) target threshold, for 2022-23, is met at 3039 officers (3002 officers for Territorial Policing and a 37 officer contribution to the Yorkshire and Humber Regional and Organised Crime Unit). SYP is on target to deliver the numbers required to secure National Uplift Funding. This will be achieved in Q4.

Improving economy, efficiency and effectiveness

Recruitment and retention continues to be a nationwide challenge across the public sector. The greatest inherent risk in the uplift programme continues to be the skills gap within the new recruits. The Force/OPCC has emphasised its commitment to inclusive skills development and career pathways with a focus on consolidation of the development of student officers to ensure a high quality education and training that supports the future capability requirements of the Force. There is evidence that the Force/OPCC are well equipped to manage this transition as is demonstrated by all areas within Forcewide Functions being ranked as 'green' within the risk assessment. This supports the Force/OPCC's ability to deliver the requirements of the organisation in areas such as People and Organisational Development.

SCT and the OPCC have oversight of the uplift trajectory through the Workforce Report which is presented monthly SRB and PEG. Improvements were made to the presentation and substance of the reports during 2021/22. The People Strategy has been designed and approved by the PCC and was launched in January 2023 to align with the Future Strategy.

Conclusion

Performance management arrangements at the Force and OPCC indicate that both organisations use financial and performance information to assess and identify areas for improvement. The investment in the growth of the PMU serves as case in point. Review of PAB meetings shows evidence of effective check and challenge from OPCC holding the Force to account for performance against the Police and Crime Plan. Partnership working continues to form an integral part of Force/OPCC work, demonstrated in this report by the new area of focus in the PCP of Speeding and Road Safety. We note that the procurement function, personified by the Regional Procurement Unit, has received recognition for excellence in performance. Finally, in 2021/22 the Force has reiterated its dedication to benefits realisation and learning from historical performance.

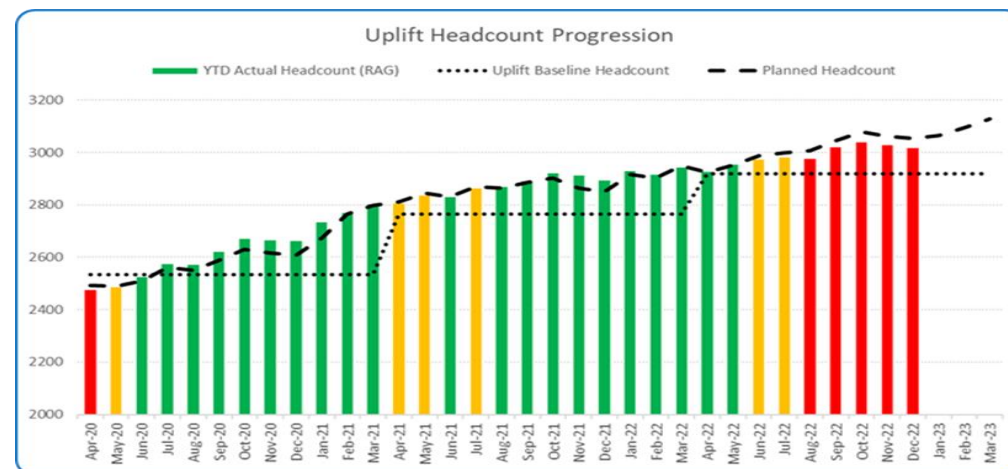
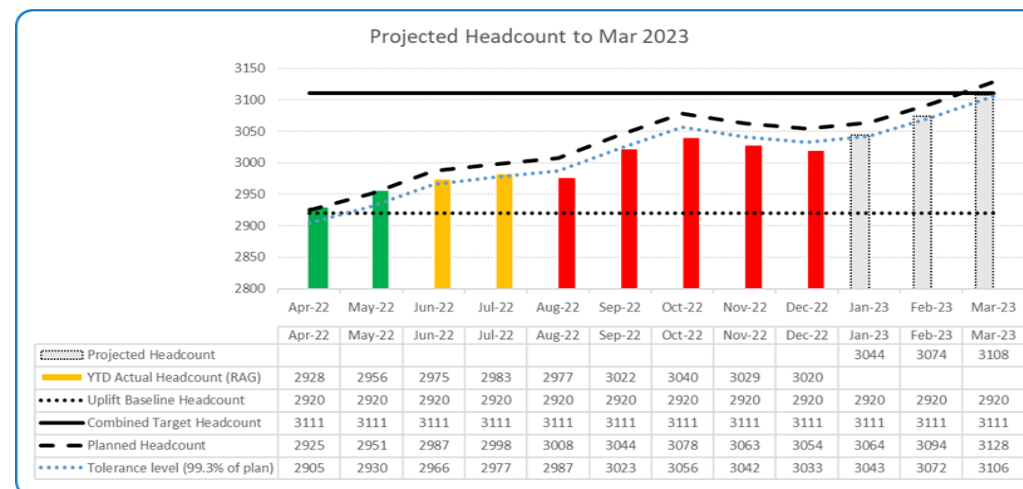


Figure 6 and 7:
Source: Strategic Resourcing Board papers



Follow-up of previous recommendations

	Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
1	<p>Whilst progress has been made, slippage of capital projects continues to be an area for improvement. In the budget setting round for 2020/21 the capital programme was revised down from £20.6m to £14m to account for previous slippages. Additionally, training sessions for Capital Project Managers have continued to take place. Additional scrutiny and challenge has also taken place at Strategic Resourcing Board and Planning and Efficiency Group. Delivery of the capital programme is important to ensure that future projects meet the need of a growing police force and support the transformation required to meet changing demand in the post-pandemic environment.</p>	Improvement	January 2022	<p>The ACO Resources and both CFOs carried out a capital check and challenge process at the beginning of the year which culminated in a report to the PCC and a revision to the capital programme. This is now an annual process and meetings are already in the diary for 2023. Capital continues to be scrutinised in detail at the monthly Strategic Resourcing Board where budget holders present the latest position on their projects and are held to account on progress. Earlier in the year a new capital dashboard was introduced which provides improved stats around capital performance. This is a useful tool for budget holders and is also used to present the latest position at PEG where the PCC maintains oversight. The PCC also chairs the strategic Estates Board, with his CFO. Capital projects and progress are discussed in detail at this meeting. In the latest strategic planning cycle it has been made clear that requests for new investment are expected to be minimal to allow a period of consolidation and catch up in order to set a more realistic and deliverable programme. Going forwards greater detail will be required up front which will improve confidence in the deliverability of the programme.</p>	Partially	Improvement recommendation raised
2	<p>Ongoing dialogue remains open with the Home Office regarding government funding along with the awareness of legacy issues that require consideration annually. Whilst the existing strategy meets requirements set out in the CIPFA Code, it will be important to develop a reserves strategy that strikes a balance between supporting financial resilience (including legacy costs) and organisational transformation, with investment decisions that provide value for money and contribute towards the Police & Crime Plan and the Force's Plan on a Page.</p>	Improvement	January 2022	<p>The intention to date has been to increase reserves in order to ensure that legacy payments could be met from reserves wherever possible, and not impact on the budget. This position is changing however now as austerity bites, and work is ongoing to produce an updated reserves strategy that reflects the need to invest to save etc. in line with strategic plans and processes. With regard to legacy specifically, regular meetings take place with the Home Office and CFOs and a formal meeting on a quarterly basis with senior leaders from the OPCC and Force. A 'Letter of comfort' has been provided by the HO that they intend to support the ongoing legacy costs. Contributions may reduce based on the current financial climate and scenarios will be worked up to reflect this as part of the current strategic planning process. The Force has invested in a dedicated Savings Team who have developed a strategy and a plan to deliver the initial target of £7m set by the PCC. The Team will be undertaking a Priority Based Budgeting exercise early next year and is currently defining the scope in order to progress the procurement activity.</p>	Partially	Improvement recommendation raised

Follow-up of previous recommendations

	Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
3	Whilst financial planning aligns strategically, we noted that the in-year financial reporting arrangements are not integrated with service delivery performance. Integrating performance into financial reporting will be critical for developing a more complete understanding of financial performance, its relationship with operational performance and identifying causal factors to build into future planning assumptions.	Improvement	January 2022	Work has been done in this area within the OPCC. Essentially, work has been undertaken on developing a VFM framework methodology using a scoring mechanism which compares the performance of all the indicators in the framework with either other police force performance or South Yorkshire Police's performance over time, to identify whether value for money is being achieved and if not, where are the areas where improvement need to be made. The scoring mechanism is based on economy, efficiency and effectiveness for the functions and priorities in the PCC's Police and Crime plan. The Force utilised its Achieving Finance Excellence in Policing (AFEP) consultancy days on the provision of a benchmarking report using Police Objective Analysis (POA) data that the Savings Team have used to identify potential areas to be reviewed.	Yes	No
4	In 2021/22, the Force improved governance around decision making through the Strategic Planning and Performance & Governance projects, led by the BCI team. We noted from our review that as part of this project it would be beneficial to introduce a singular flowchart that brings together the decision making processes of all business areas in one place. This will enable clear guidance of decisions from start to finish.	Improvement	January 2022	Although the force has an organisational chart showing the links between different boards as yet we have not produced an end to end flow chart of all the decision making processes. This work is currently ongoing and links in with the review currently underway of the support given to SCT and the processes that support decision making within the Force.	Work currently ongoing	No

Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
5 The accounts contained a larger number of errors and disclosure issues than in previous years, which indicates they would benefit from a more robust quality review prior to submission for audit. Whilst the Force produced the accounts relatively quickly following the year end, it may benefit the overall quality for a later submission to allow more time for quality review. Reducing the volume of errors in the accounts and increasing the overall quality of the financial statements, combined with engaging a valuer that is able and prepared to fully support all professional valuation judgements in the work undertaken, would enable a more efficient audit process to take place, following submission of the accounts for audit. Implementing the control findings raised in the ISA 260 report would further enhance the quality of the accounts provided for audit.	Improvement	January 2022	The latest Audit Findings Report is positive in that it shows that the Force has made good progress in addressing issues identified last year and does not(subject to finalisation) identify any significant issues in the current year.	Yes	No
6 We noted that the arrangements to develop aligned plans across the organisation is done via numerous different meeting groups and boards, brought together by the Integrated Resource Planning Group with no dedicated owners or resource. Greater clarity over ownership is needed to develop clearer cohesion in all planning.	Improvement	January 2022	The Force now has a well embedded Strategic Demand Board which meets quarterly as well as a well embedded People Board which meets every two months. The Force continues to move forward with the strategic planning work around understanding and streamlining our processes.	Yes	No
7 Whilst the organisation is adapting to a changing environment that impacts the workforce, we identified that the existing Workforce Strategy is outdated (2018-2020). This brings the risk that the organisation lose sight of the overall objectives in the medium to long term and that workforce projects and programmes are not well aligned to wider organisational planning. It is recommended that the Workforce Strategy is refreshed to reflect the current and future challenges, ensuring that this aligns to other plans within the Force and OPCC. In turn, this will support the Force in closing the skills gap that is developing.	Improvement	January 2022	Improvements were made to the Workforce Report earlier in the year. SCT and the PCC have oversight of this through the monthly Strategic Resourcing Board and PEG. The People strategy has now been designed and approved by the PCC. It will be launched in early January to align with the new FIT for the Future Strategy.	Work currently ongoing	No

Follow-up of previous recommendations

	Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?
8	The Force should generate a long term Force vision and strategy that responds to challenges that are likely to be faced in the next 5-10 years, including sensitivity analysis and modelling to take account of unpredicted and unknown factors.	Improvement	January 2022	The first meeting of Futures Board was held on the 9th September 2022. It is expected that this will be embedded during the course of the year. The Force has produced the "Fit for the future" strategy which has been developed and agreed by SCT. They are now moving into the consultation and Implementation stage in order to embed this into the organisation. This will start at the beginning of 2023 onwards.	Yes	No

Opinion on the financial statements



Audit opinion on the financial statements

We gave an unqualified opinion on the PCC and CC's financial statements on 1st December 2022.

Other opinion/key findings

Our audit opinion for the Group included an emphasis of matter paragraph, in order to draw the reader's attention to the significant matter of management's judgement in assessment the level of provision and contingent liability accounted for in relation to future Hillsborough liabilities.

Audit Findings Report

More detailed findings can be found in our AFR, which was published and reported to the PCC and CC's Audit Committee on 8 December 2022.

Whole of Government Accounts

To support the audit of the Whole of Government Accounts (WGA), we are required to review and report on the WGA return prepared by the PCC and CC. This work includes performing specified procedures under group audit instructions issued by the National Audit Office.

At the date of reporting the instructions had not been issued and therefore the audit closure certificate cannot yet be issued.

Preparation of the accounts

The PCC and CC provided draft accounts in line with the national deadline and provided a good set of working papers to support it.

Grant Thornton provides an independent opinion on whether the accounts are:

- True and fair
- Prepared in accordance with relevant accounting standards
- Prepared in accordance with relevant UK legislation



Appendices

Appendix A – Responsibilities of the Police and Crime Commissioner and Chief Constable

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) or equivalent is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the PCC and CC's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the PCC and CC will no longer be provided.

The PCC and CC are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B – An explanatory note on recommendations

A range of different recommendations can be raised by the PCC's and CC's auditors as follows:

Type of recommendation	Background	Raised within this report	Page reference
Statutory	Written recommendations to the PCC and CC under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.	No	N/A
Key	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the PCC and CC. We have defined these recommendations as 'key recommendations'.	No	N/A
Improvement	These recommendations, if implemented should improve the arrangements in place at the PCC and CC, but are not a result of identifying significant weaknesses in the PCC and CC's arrangements.	Yes	Pages 9-10 and 14

Appendix C – Sources of evidence



Staff involved

- Dr Alan Billings, Police and Crime Commissioner
- Michelle Buttery, Chief Executive, OPCC
- Sophie Abbott, Chief Finance Officer, OPCC
- Sally Parkin, Governance and Compliance Manager, OPCC
- Tim Forber, Deputy Chief Constable, SYP
- Jackie Bland, Assistant Chief Officer (Resources), SYP
- Debbie Carrington, Chief Finance Officer, SYP
- Sheryl Hawley, Chief Accountant, SYP
- Natalie Brown, Oracle Business Transformation Lead, SYP
- Amanda Hancock, Project Manager – Oracle Programme, SYP
- Sally Briggs, Programme and Portfolio Manager – Savings and Problem Solving, SYP



Documents Reviewed

- Public Accountability Board Papers & Minutes
- Police & Crime Commissioner for South Yorkshire and South Yorkshire Police Force Annual Accounts 2021/22
- Savings & Efficiency Programme Workstream Plan 22/23 to 25/25
- Cash Flow 2022-23
- Capital Strategy
- Force Savings Summary 09/06/22
- Savings & Efficiencies Programme Board Papers & Minutes
- South Yorkshire PCC Police & Crime Plan 22-25
- Budget Monitoring Reports SYP 21-22
- Police & Crime Plan Performance Reports 2021-22 and 2022-23
- Joint Independent Audit Committee Papers & Minutes
- Strategic Concern Registers 2021-22 and 2022-23
- SYP Organisational Infrastructure Framework 2022
- Financial Instructions 2022
- Code of Conduct in relation to Gifts, Gratuities & Hospitality
- Appropriate Relationships and Behaviours in the Workplace guidance
- Strategic Planning Timetable 21-22
- External Audit ISA 260 report
- Force Management Statement 2022
- The Force's Performance Achievements 2021-22

Appendix D - Key acronyms and abbreviations

The following acronyms and abbreviations have been used within this report

AGS – annual governance statement

NAO - National Audit Office

‘the Code’ - Code of Audit Practice

PCC – Police & Crime Commissioner

CC – Chief Constable

AGN - Auditor Guidance Note

CFO – Chief Financial Officer

MTRS – Medium Term Resource Strategy

CSE – Child Sex Exploitation

FMS – Force Management Statement

AFEP - Achieving Finance Excellence in Policing

POA - Police Objective Analysis

SCR – Strategic Concern Register

ORA - Organisational Risk Assessment

AFI – area for improvement

CoC – cause of concern

TOM – Target Operating Model

QPR – Quarterly Performance Reviews

PMU – Performance Management Unit

PAB – Public Accountability Board

QATT – Qualitative Audit Thematic Testing

SDB – Strategic Demand Board

CIPS - Chartered Institute of Procurement and Supply

BC&I - Business Change and Innovation Department

NPUP - National Police Uplift Programme

