

This supporting information has been prepared to assist the auditor in performing their planning to inform their work on VFM arrangements under Auditor Guidance Note 3 (AGN 03). The supporting information is intended to provide additional sector specific context only. It is **NOT** part of the statutory guidance and auditors are only required to have regard to the explicit requirements set out in AGN 03.

## Auditor Guidance Note 3 (AGN 03)

### Supporting Information:

### Police and Fire & Rescue Bodies

December 2021

This document forms part of the suite of supporting information designed to assist auditors in planning their work on VFM arrangements.

The [suite of supporting information](#) comprises this document and the following:

#### Local government bodies

- Local authorities
- Combined authorities
- Other local bodies

#### Local health bodies

- NHS trusts and foundation trusts (FTs)
- Clinical commissioning groups (CCGs)

These documents will be updated from time-to-time to reflect new, significant sector developments, or updates to the statutory guidance. Auditors may find it helpful to refer to the local authorities supporting information alongside this document to understand common legislation and other responsibilities for example capital framework considerations.



Supporting information does not include organisation-specific information. Accordingly, the issues included are **neither prescriptive nor exhaustive**, and do not substitute for the consideration of local context.

## What's New?

The main changes to the supporting information include:

- HMICFRS inspection programme and state of policing and fire annual assessments; and
- updates to sector resources.

## Background

This section provides some general information about the sector.

### Police

The Police Reform and Social Responsibility Act 2011 (PRSA 2011) introduced changes to police governance arrangements that were implemented during 2012. The PRSA 2011 established directly elected Police and Crime Commissioners (PCC). The PCC and, in each local police area outside London, the chief constable are separate legal entities (each is a corporation sole).

Within London, the equivalent of the PCC for policing in the metropolitan area is the Mayor's Office for Policing and Crime, and the equivalent of the chief constable is the Commissioner of Police of the Metropolis (the Commissioner). The PRSA did not change the status of the City of London Police. The City of London Corporation continues to deliver the functions of a police authority.

PCCs and chief constables, while separate legal entities, are closely connected from a practical, financial reporting and value for money (VFM) perspective, and auditors may therefore wish to consider the most effective approach to planning and completing their work, in order to minimise duplication.

The PCC and chief constable in each police area will have agreed a scheme of governance outlining the respective responsibilities of the PCC and the chief constable. The arrangements in each police area vary, dividing responsibility for financial decisions, for example asset disposals or staffing considerations, between the PCC and chief constable in different ways. The auditor will therefore need to be aware of these local arrangements.



In addition, the PCC is required to hold the chief constable to account for delivering VFM. Further details regarding the legislation that governs Police and Fire & Rescue bodies are set out within the 'legal framework' section of this supporting information.

The Home Secretary outlined plans on 16th March 2021 for Police and Crime Commissioners (PCCs) to be more accountable to the communities they serve by requiring them to explain their record on crime and strengthening their relationship with the Chief Constable and force. The review could also see PCCs lead a wider range of services including fire and rescue (subject to consultation) and more combined authority mayors with PCC and fire and rescue authority functions. A link to the statement by the Home Secretary can be found at: [Home Secretary to strengthen Police and Crime Commissioner role](#).

## Fire and Rescue

Fire and rescue services are provided by either a single purpose authority or as a function of a county council. Both types are collectively known as fire and rescue authorities, or FRAs. Whilst this supporting information is written with the auditor of single purpose FRAs in mind, auditors may find this contextual information useful where the fire and rescue service is part of the county council.

Policy responsibility for FRAs moved to the Home Office from 1 April 2016. The Home Office has a duty to produce and maintain the national framework for fire and rescue services in England. The framework, published in July 2012, made FRAs responsible for:

- the strategic planning for fire and rescue risks in their area;
- prevention and response; and
- partnership working.

The framework also made clear that FRAs are accountable to the communities they serve, and that the framework was designed to devolve more decision-making and leadership to FRAs as part of the government's localism agenda.

A further update was made to the framework in May 2018. The updated framework includes legislative changes allowing mayors and PCCs to exercise the functions of an FRA.

## The legal framework

**This section sets out the legislation that governs the audited body's sector, together with any statutory guidance issued thereunder. It is included to provide auditors with information about the roles and responsibilities of the audited body as set out in law.**

### Police

The PRSRA 2011 sets out the legal framework for police bodies in England (and Wales).

Further frameworks issued under the PRSRA 2011 include:

- The Policing Protocol Order 2011. Issued under section 79 of the PRSPA 2011, it is a statutory document setting out the overarching principles for the working relationship between PCCs, chief constables, and Police and Crime Panels (PCPs).
- The Financial Management Code of Practice. Issued under section 17 of the PRSPA 2011, it sets high-level guidance on financial governance arrangements, including where PCCs have taken on responsibilities for the governance of Fire and Rescue Services. It was last revised in July 2018.
- The Strategic Policing Requirement. Issued under section 77 of the PRSPA 2011, it sets out a statement of the collective capabilities that police forces should have in place to protect the public from cross-boundary threats such as terrorism, civil emergencies, public disorder and organised crime. It was last revised in March 2015.

The Cities and Local Government Devolution Act 2016 makes it possible for mayors of Combined Authorities (CAs) to be specified to exercise PCC functions, although not all – this will vary locally. The Act received Royal Assent on 28 January 2016 followed by an order for Greater Manchester on 30 March 2016. The order for Greater Manchester has resulted in a directly elected mayor who exercises the functions of the police and crime commissioner. The act also provides for:

- combined authorities - additional functions;
- combined authorities and Economic Prosperity Boards (EPBs) – areas and procedure; and
- combined and local authorities – governance, constitution and functions.

## Fire and Rescue

The Fire and Rescue Services Act 2004 (FRSA 2004) sets out the legal framework for FRAs in England (and Wales).

The Fire and Rescue National Framework was issued under section 21 of the FRSA 2004 and is a statutory document setting out priorities and objectives for FRAs in connection with the discharge of their functions. It was revised in July 2012 (with an addendum regarding firefighter fitness issued in December 2014). A further update in May 2018 includes the following changes:

- reflects legislative changes to allow mayors and PCCs to exercise the functions of an FRA;
- establishes how fire and rescue authorities should work with the National Fire Chiefs Council and Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS);
- supports the development of professional standards by requiring FRAs to implement those standards;
- encourages commercial transformation by FRAs; and
- includes a workforce section which outlines how FRAs should support and develop their workforce.

The Government may amend the 2004 Act further with the intention to enable fire inspectors to enter premises, obtain information, and undertake joint inspections with HM Inspectors of Constabulary. There is also provision for the Home Secretary to appoint a chief fire and rescue inspector for England, approve a framework of inspection and require inspectors to publish the reports of their inspections as well as an annual report to Parliament.

Bodies need to have proper arrangements in place for complying with relevant legislation and be aware of new legislation that may affect their functions or responsibilities. While it is a matter for auditor judgement, non-compliance with legislation identified by the auditor (or other inspectorates or review agencies), can have implications for the work on arrangements to secure VFM, depending on the nature and severity of the issue.

## Policing and Crime Act 2017

The [Knight Review 2013](#) concluded that there should be more effective 'blue light' collaboration of emergency services and that PCCs could clarify accountability arrangements and provide leadership. Some examples of blue light collaboration are in Cheshire, Cornwall and Northamptonshire.

The Government wants effective collaboration to become common practice between emergency services. Therefore, the [Policing and Crime Act 2017](#) introduces a number of measures intended to improve collaboration at a local level and to support the manifesto commitment to *"enable fire and police services to work more closely together and develop the role of our elected and accountable Police and Crime Commissioners"*.

The three emergency services (ambulance trust, fire and rescue body and police body) will be under a statutory duty to:

- keep collaboration opportunities under review; and
- to collaborate where a proposal is in the interests of the efficiency and effectiveness of police and fire services.

The duty to collaborate is broad to allow for flexibility in how it is implemented and to enable local services to determine how to collaborate for the benefit of their communities. This does not preclude wider collaboration with other local partners such as local authorities and wider health bodies.

The Act enables potential transfer of FRA responsibilities to the PCC through mechanisms which enable PCCs to take over the governance of their local FRA(s) where a local case is made – the ‘governance’ model. This would establish a new organisation (the ‘PCC type FRA’).

The provisions of the Act include:

- introducing the duty to collaborate on all three emergency services;
- enabling PCCs to take on FRA functions where a local case is made. Examples where these have been implemented include – Essex, West Mercia, Staffordshire, Cambridgeshire, North Yorkshire and Northamptonshire (where governance has transferred from the Northamptonshire County Council to the Police, Fire and Crime Commissioner);
- enabling PCCs to create a single employer for police and fire staff; and
- where PCCs do not become responsible for fire and rescue, enabling representation on the FRA with voting rights where the FRA agrees. This has yet to happen.

The boundaries of the PCC’s police area and those of the proposed PCC-type FRA(s) when taken together must be coterminous. The Home Office has stated that this is not a formal “take over” – the Act enables the PCC to become the FRA for a given area, rather than merging both offices into one. The FRA remains a separate legal entity.

PCCs will be required to submit a detailed business case to the Home Secretary setting out why the governance change would be in the interests of economy, efficiency, effectiveness or public safety. In addition, PCCs will also be required to consult locally and seek the views of the people in their area. FRA(s) will be under a duty to co-operate with the relevant PCC. If all parties are not in agreement, PCCs will still be able to submit the business case to the Home Secretary, who will then be required to seek an independent assessment of the proposal – this could be from the



Chief Fire and Rescue Advisor and Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) or from an otherwise independent person with appropriate expertise.

## **Governance models under the Policing and Crime Act 2017**

The Act enables PCCs to take responsibility for the governance of fire and rescue in their local area, where a local case is made.

There are three different models proposed in the Act that PCCs may adopt: the 'governance' model; the 'single employer' model; and the 'representation' model.

### ***Governance model***

The governance model (more likely to be adopted first) enables PCCs to take on responsibility for the fire and rescue service(s) in their area. The government's intention is that this will provide more direct accountability to the public and accelerate local collaboration.

The PCC will take on the functions and duties of the fire and rescue service for the area. The police service and fire and rescue service will remain **two distinct** organisations (legal entities) and the person who is elected to be the PCC will be responsible for the two separate legal functions, as the legal entities remain "corporations sole".

The PCC in its capacity as the FRA will be the employer of all fire and rescue staff, but in practice, a chief fire officer will, under arrangements made by the PCC, continue to have operational responsibility. The chief constable will employ police staff and have direction and control over police officers.

### ***Single employer model***

The single employer model enables a PCC who has taken on responsibility for fire and rescue services to take an additional step to delegate fire functions to a single chief officer for policing and fire. This could be either a police or fire officer.

The PCC appoints a chief officer who will be accountable to the PCC for both fire and policing and will employ both police and fire personnel. In practice, the chief officer will appoint a senior fire officer to lead fire operations and a deputy chief constable to lead police operations, under their command. Legally, the chief officer would be known as the chief constable.

### ***Representation model***

Where the PCC has not taken on responsibility for fire and rescue services but wishes to enhance collaboration opportunities between police and fire, the Act enables them to seek representation on an FRA (or its committees) in their police area with full voting rights, subject to the consent of the FRA.



## Funding arrangements under the Policing and Crime Act 2017

Where an FRA becomes a PCC type FRA, the following funding arrangements will apply:

- There will continue to be two separate precepts and two separate central funding streams for policing and fire.
- A new fire fund will be established and held by the PCC as FRA mirroring the existing arrangements for the police fund.
- Under the 'governance' model, funding would be paid to the PCC for the two services in separate funding streams. The PCC would set two precepts – one for fire and one for police. The money spent on each service will need to be accounted for separately. It will be possible for police or fire funds to be spent on matters of joint benefit, for example, shared back office functions, but funding will only be able to be allocated for the purposes for which it was paid.
- Under the 'single employer' model, the PCC will provide two separate budgets to the chief officer, which the chief officer would need to account for separately.

## Implications of the Policing and Crime Act 2017 to inform planning on VFM arrangements

There is the potential that bodies may be planning to implement new governance arrangements, and new structures could take effect part way through a financial year, which poses additional risks including whether police, FRAs and county councils' financial systems are able to handle part year financial reporting.

There is a duty for bodies affected by the proposals to provide information to support the PCC's business case submitted to the Home Secretary, as well as to enable the PCC to ask for the required precept. It is important that the right initial level of precept is set, for example, at a county where there is no separate fire precept, given that the freedom to make significant changes year on year is limited.



## Sector developments and contextual information

This section contains contextual information that may be relevant to the body's general arrangements. It also sets out some of the current developments within the sector that may be relevant to the body's arrangements. The material may be helpful to auditors when undertaking their planning.

The examples below are neither prescriptive nor exhaustive, and should not be used as a checklist. The information in this section does not cover developments at individual audited bodies and auditors are also likely to need to draw on their own local knowledge.

### *General sector developments and contextual information*

#### **Fire Safety Act 2021.**

The [Fire Safety Act 2021](#), received Royal Assent on 29 April 2021.

The Home Office has set out clarification to who is accountable for reducing the risk of fires – the duty-holder/building owner for multi-occupied, residential buildings. They must manage the risk of fire for:

- The structure and external walls of the building (e.g. cladding, balconies and windows)
- Entrance doors to individual flats that open into communal areas

The fire risk assessment for a building/premises will therefore be required to cover both of these two areas.

The [Fire Safety Act](#) is also designed to provide a foundation for secondary legislation based upon the recommendations made from the Grenfell Tower Inquiry. Extra measures may include responsibility for lift inspections, the reviewing of evacuation plans and fire safety instructions to residents. The Act is applicable to England and Wales.

#### **Her Majesty's Inspectorate Constabulary and Fire & Rescue Services**

In July 2017 Her Majesty's Inspectorate of Constabulary (HMIC) became the single inspectorate for policing and fire and rescue services in England and was renamed Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS). As a result of this change, HMIC's responsibilities were expanded so that the new body (HMICFRS) in addition to inspecting police forces in England and Wales, now also inspects fire and rescue services in England.



The government has stated its intention to support continuing collaboration between policing and fire and rescue services, and HMIC's expanded role will facilitate activities such as inspection of collaborative working across both sectors, and, for example, where support functions have been combined.

The Policing and Crime Act 2017 sets out the requirement for inspectors to inspect and report on the efficiency and effectiveness of fire and rescue services in England. Auditors may wish to speak to their local fire bodies to understand how the inspection programme may impact their VFM arrangements work.

### ***Force Management Statements***

Following consultation with stakeholders, HMICFRS issued its first Force Management Statement (FMS) template in 2018.

The FMS is a self-assessment that chief constables (and London equivalents) prepare and submit to HMICFRS each year. In summary, the FMS is the chief constable's statement of:

- the demand the force expects to face in the foreseeable future;
- the current performance, condition, composition, capacity, capability, serviceability and security of supply of its workforce, and the extent to which current force assets will be able to meet expected future demand;
- how the force will change and improve its workforce, policies, practices and other assets to cope with future demand;
- the impact the chief constable expects those changes to have and the effect of any residual risk of service failure; and
- the money the force expects to have to do all this.

The FMS template and further guidance can be found at [FMS template and guidance](#).

## **Police Governance**

On an annual basis, HMICFRS publishes a report covering its assessment of the efficiency and effectiveness of policing in England and Wales.

In April 2021, HMICFRS launched its [consultation on the proposed police inspection programme and framework for 2021-22](#). The consultation focused on the following questions:-

- Do these proposed thematic inspections cover those areas that are of most concern to you at the moment?



- Are there any significant new or emerging problems in policing that HMICFRS should take into account in its inspection activity?
- How else could HMICFRS adapt the way in which it acquires information to take account of current circumstances and risks to public safety?

## 2020-21

In July 2021 HMICFRS published [State of Policing: The Annual Assessment of Policing in England and Wales 2020](#). This report covers the findings from inspections carried out between March 2020 and March 2021. The report discusses how crime patterns have changed over the year, and describes how the criminal justice system is impacted by the increasing pressures on public services such as mental health and social care. It also highlights the court case backlog. The report praises the planned recruitment of an additional 20,000 police officers by 2023, but stresses the need for high-quality vetting in light of these plans.

On PEEL assessments for the 43 forces in England and Wales, the report notes that inspections were suspended in March 2020 due to the Covid-19 pandemic. As a result, no PEEL assessments were published in 2020. The re-start of inspections in autumn 2020 was limited, and included two follow-up inspections of Greater Manchester Police and Cleveland Police, where previous inspection findings had caused concern about services provided to the public. The follow-up findings were published in December 2020 and February 2021 respectively.

In February 2021, HMICFRS published a [spotlight report](#) following their review of the proportionality of the police use of stop and search and force. The report found that no force fully understands the impact of the use of the powers set out in stop and search legislation. It found that disproportionate use of the powers can cause suspicion among some communities, which could undermine police legitimacy. The report also found that this reinforces the perception that there is a culture of discrimination within the police.

## 2019-20

In July 2020, HMICFRS published [State of Policing: The Annual Assessment of Policing in England and Wales 2019](#). This report contains the assessment of police efficiency, effectiveness and legitimacy (PEEL) in England and Wales in respect of the inspections carried out between May 2019 and March 2020.

Most of the commentary in the report relates to the wider demands of policing in 2019 (before the onset of COVID-19). However, the report touches on the initial observations of the quality of the police response to the public health emergency.



The central theme of the report's findings is the need for police reforms in terms of service structure, and arrangements for:

- funding the police service;
- making good use of the additional 20,000 officers expected into the service;
- collaboration and integration between police forces and other public services; and
- designing and using evidence-based sustainable approaches to solve policing problems.

On PEEL assessments for the 43 forces in England and Wales, the report notes that inspections show that policing across England and Wales is generally good and that most forces are:

- keeping people safe and reducing crime;
- using resources efficiently; and
- treating their communities and their workforces fairly and with respect.

However, the report recognises that there are still significant difficulties for policing, with forces providing services under joint pressures of rising demand and falling resources. Some forces have risen well to the challenge; but there are some struggling.

As part of the PEEL assessments, extra evidence to support how well prepared forces are for future demands were gathered from the review of individual police bodies' Force Management Statements. HMICFRS also conducted other inspections in the period including:

- national child protection;
- joint targeted child protection;
- youth offending services; and
- specialist inspections (for example, county lines drug offending and cyber-dependent crime).

The detailed findings from these inspections, as well as PEEL assessment graded judgements for individual police forces are contained in the published report which is hyperlinked above.

### **Accountability & Collaboration**

Accountability for services cannot be transferred to third parties, and the body's arrangements to monitor the performance and delivery of services, as well as take action where standards fall, should be appropriate to the method of delivery.

The Policing and Crime Act 2017 introduced a duty to collaborate on "blue light" services. This includes measures for a greater push for procurement efficiencies and enabling PCCs to take over governance of fire and rescue services (as discussed above in the section "Governance Models under the Policing and Crime Act 2017).



The Emergency Services Collaboration Working Group<sup>1</sup> which was set up in September 2014 to improve emergency service collaboration outlines a number of examples of significant collaborative projects, plans and initiatives in its 2016 publication [Emergency Service Collaboration Working Group National Overview 2016](#).

The working group also outlined a number of characteristics for successful collaborations in its 2014 publication - [Overview of emergency services collaboration in England and Wales](#). Though this document is a few years old, the characteristics listed in the document remain relevant for collaborations. Some of these include:

- Strong, open and honest relationships between the services' chief officers.
- Agreement of a strategic vision that aligns tightly with all the collaborating services' strategic goals.
- Highly skilled and motivated programme manager from each service, with balance of skills relevant to change management across the working group.
- Open, consistent communication and consultation with staff from the very earliest opportunity.
- Willingness to abandon opportunities if politics or operational interests do not align, to avoid losing momentum or jeopardising relationships.
- An agreement that all parties will not seek to profit from one another; every service cannot benefit in every instance; if collaborative relationships are strong and improved public service remains priority, savings will follow.

<sup>1</sup> The Emergency Services Collaboration Working Group is made up of senior leaders from the Association of Ambulance Chief Executives (AACE), Association of Chief Police Officers (ACPO), Association of Police and Crime Commissioners (APCC), College of Policing, Chief Fire Officers Association (CFOA) and the Local Government Association (LGA) on behalf of Fire Authorities.

## Fire and Rescue Governance

In July 2020, HMICFRS announced that it was planning to resume inspections which were suspended on 18 March 2020 due to the COVID-19 pandemic. HMICFRS reported that inspections will focus on supporting fire and rescue, policing and the criminal justice system on continuing to respond to COVID-19. HMICFRS also indicated that it will continue to monitor government guidance, as well as local and national infection rates and where necessary, revise its plans accordingly.

In March 2021 HMICFRS published [State of Fire and Rescue – The Annual Assessment of Fire and Rescue Services in England 2020](#). The report contains an assessment of the sector in England, based on the inspections carried out during 2020. The report found that in 2020:-

- fire services rose to the challenge of the pandemic, with many fire and rescue staff taking on additional activities;



- changes to improve fire and building safety in the wake of the Grenfell Tower fire are necessary and welcome; and
- progress has been made on introducing a code of ethics to address toxic working cultures found in a few fire services.

However, the Chief Inspector said fire leaders were not always able to quickly deploy firefighters to support the pandemic response – for example the COVID-19 national vaccination programme – because fire National Employers and the Fire Brigades Union failed to reach a national agreement.

In the second half of the report the Chief Inspector re-emphasised recommendations for fire service reform. Due to the pandemic, new dates were established for the implementation of the national recommendations, with some deadlines extended by a year.

The Home Office also released the [Report by the Home Secretary on Fire and Rescue Authorities' compliance with the Fire and Rescue National Framework for England](#) in July 2020. The publication provides the 2020 progress report on compliance with the Fire and Rescue National Framework.

The Fire and Rescue Services Act 2004 requires the Secretary of State to report every two years on fire and rescue authorities' (FRAs) compliance with the Fire and Rescue National Framework. The latest report by the Home Secretary covers the years 2017-18 and 2018-19. The previous report from the Home Secretary was made in July 2018 and covered the years 2015-16 and 2016-17.

The [Fire and Rescue National Framework for England](#) was last updated in July 2018. The framework sets out the government's priorities and objectives for fire and rescue authorities in England. The framework requires each FRA to publish an annual statement of assurance. These statements provide assurance on financial governance and operational matters and show how FRAs have had due regard to the expectations set out in their integrated risk management plan and the requirements included in the National framework prepare an integrated risk management plan (IRMP), as set out in the annex to that document. The IRMP and assurance statements may be helpful to auditors in planning their VFM work.

## Governance reporting

**This section sets out the Annual Governance Statement reporting requirements for the audited body.**

Local bodies' own governance reporting provides helpful, although not necessarily comprehensive, information about the subject matter for auditors' work.

Existing requirements to support Annual Governance Statements are set out below. **Auditors should not consider these requirements as prescriptive or exhaustive, or use the framework as a**



**“checklist” . Auditors may wish to be aware that while the framework still refers to 2016, some of the guidance documents contained within the framework may have been updated by CIPFA. Authorities will therefore need to ensure they are referring to the most relevant guidance where appropriate.**

#### **Local government (CIPFA/SOLACE framework – 2016 and guidance notes for Policing Bodies in England and Wales)**

- Developing codes of conduct which define standards of behaviour for members and staff, and policies dealing with whistleblowing and conflicts of interest and that these codes and policies are communicated effectively.
- Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.
- Documenting a commitment to openness and acting in the public interest.
- Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.
- Developing and communicating a vision which specifies intended outcomes for citizens and service users and is used as a basis for planning.
- Reviewing the effectiveness of the decision-making framework, including delegation arrangements, decision-making in partnerships, information provided to decision makers and robustness of data quality.
- Measuring the performance of services and related projects and ensuring that they are delivered in accordance with defined outcomes and that they represent the best use of resources and value for money.
- Defining and documenting the roles and responsibilities of members and management, with clear protocols for effective communication in respect of the authority and partnership arrangements.
- Ensuring effective arrangements are in place for the discharge of the monitoring officer function.
- Ensuring effective arrangements are in place for the discharge of the head of paid service function.
- Reviewing the effectiveness of the framework for identifying and managing risks and for performance and demonstrating clear accountability.
- Ensuring effective counter fraud and anti-corruption arrangements are developed and maintained in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014).
- Ensuring an effective scrutiny function is in place.
- Ensuring that assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019) and, where they do not, explain why and how they deliver the same impact.



- Undertaking the core functions of an audit committee, as identified in Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2018).
- Ensuring that the authority provides timely support, information and responses to external auditors and properly considers audit findings and recommendations.
- Ensuring that financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer of the Police and Crime Commissioner and the Chief Financial Officer of the Chief Constable (2012) as appropriate and, where they do not, explain why and how they deliver the same impact.
- Providing induction and identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training.
- Translating the vision into courses of action for the authority, its partnerships and collaborations.
- Incorporating good governance arrangements in respect of partnerships and other joint working and ensuring that they are reflected across the authority's overall governance structures of the PCC and the force.
- Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation

## Sector resources

This section sets out some of the key stakeholders and their publications that auditors might find useful when understanding the sector.

### Police

**Government publications:** The 2021 calendar year was challenging for local government, including police bodies. Some of these challenges are continuing due to the ongoing COVID-19 pandemic. The government released a number of publications and legislation to support the public sector and police bodies in managing business as usual demands and those arising from the pandemic. The publications include:

- [Police settlement for 2021-22](#) (provisional): The government announced in December 2020 that policing will receive up to £15.8 billion to fight crime and recruit more officers in 2021-22. This funding package includes over £400 million to support the recruitment of 20,000 extra officers by 2023. It was reported that if police and crime commissioners take full advantage of the flexibility in police precept to increase local funding by setting a £15 precept limit for a typical Band D property, this will result in a £636 million increase in police funding for 2021-22 compared to the previous year.





The [police grant allocations 21/22](#) were published in February 2021.

- [The Local Authorities and Police and Crime Panels \(Coronavirus\) \(Flexibility of Local Authority and Police and Crime Panel Meetings\) \(England and Wales\) \(Amendment\) Regulations 2020](#). This legislation, published in August 2020, amends the provision made by the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 (“the 2020 Regulations”) for the conduct of local authority meetings held before 7th May 2021, and for public and press access to these meetings.
- [Coronavirus enforcement for local authorities and police bodies](#): The announcement, published in October 2020, notes that police forces and local councils will receive £60 million to step up the enforcement of coronavirus rules, with both receiving a £30 million share. Funding for police bodies is ring-fenced for use only in relation to coronavirus enforcement, and forces will be required to provide the Home Office with enforcement plans to demonstrate how the money is being used to tackle non-compliance with public health rules.
- [Income loss recovery scheme for Home Office police forces](#): This new one-off income loss scheme announced in October 2020, compensates PCCs for irrecoverable and unavoidable losses from sales, fees and charges income generated in the delivery of services in the financial year 2020-21. Authorities will be required to absorb losses of up to 5% of their planned 2020-21 sales, fees and charges income, with the government compensating them for 75p in every pound of relevant loss thereafter.
- [Public Service Pensions - Guaranteed Minimum Pension Indexation Consultation](#): In October 2020, HM Treasury published its consultation on the Guaranteed Minimum Pension (GMP) Indexation for public service pensions. The consultation document outlines the government’s proposals for ensuring it continues to meet past commitments to public service employees regarding the full indexation of public service pensions, including any GMP element. The proposals will affect serving and former public sector employees from major workforces including, local government, the NHS, the police force, and fire and rescue services.
- [Police sector mitigation of pension abatement](#): In April 2020, HM Treasury wrote to the Minister of State for Crime and Policing outlining plans to temporarily suspend the tax rules that would otherwise reduce pension income for recently retired individuals aged between 50 and 55 who were returning to take on roles to support the government’s response to COVID-19. The government reported that the measure would only apply to people returning to roles as a result of COVID-19, particularly for core workforces such as the police, rather than a general lifting of restrictions.



Other government publication of interest include:

- [Public Works Loan Board \(PWLB\) – lending arrangements](#) (published November 2020) to support local authorities, police and fire bodies to determine if a proposed project is an appropriate use of PWLB loans. The new terms (including conditions for bodies wishing to access the facility) apply to all loan arrangements from 26 November 2020. HM Treasury also published the final list of local authorities (including police and fire bodies) qualifying for the [PWLB Certainty Rate Discount](#) covering loans from 1 November 2020 to 31 October 2021.
- [Government Actuary’s Department: Report on the impact of COVID-19 on public sector insurance](#): The report, published in September 2020, noted that the immediate impact varied considerably depending on the type of authority and mix of risks, with the outlook being gloomier, and majority of respondents expecting their costs to increase in the medium term. The report also set out the steps that authorities were taking to manage their costs.

**National Audit Office:** The NAO scrutinises public spending for Parliament. It publishes various outputs relevant to the audited body’s sector. Reports that might be of particular interest to auditors include:

Reports in 2021

- [Departmental Overview 2020-21: Department for Levelling Up, Housing and Communities](#) (published November 2021)
- [Local Auditor Reporting Tool](#) (updated November 2021): The Local Auditor Reporting Tool has been updated to reflect 2020-21 auditor reports for NHS providers and NHS commissioners. It has also been updated to show auditor reports that have since been issued for outstanding local government audits for the years 2017-18, 2018-19 and 2019-20, but does not yet reflect any local government reporting for 2020-21. The tool will continue to be updated periodically to include any reports that have been issued that were previously outstanding or where the auditor has exercised additional powers and duties. The tool presents factual information showing the auditor’s opinion on the financial statements; reporting on significant weaknesses in VFM arrangements; and whether the auditor has exercised any of their additional powers and duties.
- [Home Office Departmental financial overview 2020-21](#) (published October 2021)
- [Cyber and information security: Good practice guide](#) (published October 2021)



- [Guidance for audit committees on cloud services](#) (published April 2021)
- [COVID Cost Tracker](#) (updated March 2021)
- [Public Service Pensions](#) (published March 2021)
- [Good practice guidance: Fraud and Error](#) (published March 2021)
- [Good practice in annual reporting](#) (published February 2021)

#### Reports in 2020

- [Tackling serious and organised crime](#) (published June 2019)
- [Guide for Audit and Risk Committees on Financial Reporting and Management during COVID-19](#) (published June 2020)
- [Departmental Overview Local authorities 2019](#) (published March 2020)
- [Departmental Overview Home Office 2019](#) (published February 2020)

#### Reports in 2019

- [Tackling serious and organised crime](#) (published June 2019)
- [Progress delivering the emergency service network](#) (published May 2019)
- [Local auditor reporting in England 2018](#) (published January 2019)

Other publications of interest include:

**[PEEL assessments](#):** PEEL is an assessment of police forces in England and Wales. Forces are assessed on their effectiveness, efficiency and legitimacy. Prior to 21/22 assessments were carried out annually and forces were assessed as outstanding, good, requires improvement or inadequate on these categories (known as 'pillars'). In 21/22 significant changes were made to the PEEL programme, which moved to a more intelligence-led, continual assessment approach rather than annual inspections. A five-tier system of judgements was introduced allowing HMICFRS to state more precisely where improvement is considered necessary. However, the changes mean it is no longer possible to make direct year-on-year comparisons between assessments.

**[HMICFRS VFM profiles](#):** HMICFRS's VFM profiles (published each November) are available for each police force, providing comparison with all forces in England and Wales and with the relevant most similar local police area. The profiles are based on data provided by the police, and the year



relates to when they were published. The [latest profiles](#) were published in March 2021. The profiles highlight what the differences are, but not why. VFM profiles aim to prompt questions and are not explanatory or evaluative.

**[HMICFRS publications](#)**: HMICFRS's website includes a number of publications on its latest inspections including PEEL reviews, results of individual force inspections on the 'Best Use of Stop and Search (BUSS) scheme', as well as results of Crime Data integrity inspections and COVID-19 inspections. Specific HMICFRS reports which may also be of interest include:

- [Police response to violence against women and girls](#) (published September 2021). In March 2021 the Home Secretary commissioned HMICFRS to inspect the effectiveness of police engagement with women and girls. This report sets out findings from the inspection.
- [A review of 'Fraud: Time to choose'](#) (published August 2021). A thematic inspection of fraud was carried out between March and July 2018. In April 2019 the results were published, along with 16 recommendations and 5 areas for improvement (AFIs). This review revisits the previous inspection to see how the police service has responded to the recommendations and AFIs made.
- [Review of policing domestic abuse during the pandemic](#) (published June 2021). This review looks at how the police responded to the unique challenges the COVID-19 pandemic placed on preventing and responding to domestic abuse.
- [HMICFRS strategy 2021–25](#) (published June 2021): This document provides details of HMICFRS strategy for 2021-2025.
- [Report on Hestia's super-complaint on the police response to victims of modern slavery](#) (published May 2021).
- [Policing in the pandemic - The police response to the coronavirus pandemic during 2020](#) (published May 2021).
- [Board remit and decision-making](#) (published March 2021): This document sets out the remit and decision-making processes of the Board of the inspectorate.
- [Inspection of the performance of Home Office police forces](#) (published March 2021): Sets out the inspection regime and processes in relation to the inspection of Home Office police forces.
- [Policing inspection programme and framework 2020/21](#) (published March 2021): Provides details of HMICFRS's inspection programme and framework for policing for 2020-21.
- [An inspection of the effectiveness of the Regional Organised Crime Units](#) (published February 2021): HMICFRS sought to understand how well ROCUs led the response to serious organised



crime while working with local police forces and other law enforcement agencies. The report makes six recommendations for the police and their national bodies, and raises one concern on improving the complexity and short-term nature of ROCU funding.

- [Impact of the pandemic on the Criminal Justice System](#) (published January 2021): Provides a cross-system view from inspections of agencies' responses to Covid-19. Highlights successes, challenges and continuing impacts the criminal justice system faces.
- [Joint Targeted Area Inspections \(JTAs\) of how multi-agency partnerships identify and respond to children with mental ill health](#): This report published in December 2020 focused on the multi-agency response to children's mental ill health and considered how local partnerships and services (including children's social care, health services, youth offending services, schools and the police) respond to children and their families where children, including those in care and those on child protection plans, are living with mental ill health. Six local authorities were inspected as part of the assessment.
- [State of Policing: The Annual Assessment of Policing in England and Wales 2019](#): This report published in July 2020 covers HMICFRS' assessment of policing in England and Wales between May 2019 and March 2020. Most of the commentary in the report relates to the wider demands of policing in 2019 (before the onset of COVID-19). However, the report touches on the initial observations of the quality of the police response to the public health emergency.
- [The police and National Crime Agency's response to vulnerable people in 'county lines' drug offending](#): This report published in January 2020 details the results of HMICFRS' inspections involving, visiting the national county lines co-ordination centre, crime units and police forces to interview staff, analyse documents and data, and to consult with representatives of other bodies. The report notes that police forces are working together but this is not always effective. There are shortcomings in the intelligence processes and forces often do not understand enough about county lines criminality to tackle it as effectively as possible. There are inconsistencies in processes and forces do not tend to prioritise attention on county lines.
- [PEEL spotlight report: Police contact management through call handling and control rooms in 2018-19](#): This report published in July 2020, highlights the challenges faced by police services in handling calls with smaller budgets and fewer people. HMICFRS reports that as the demand on control rooms increase, careful management is required to make sure that the police service is not overwhelmed.
- [PEEL spotlight report - Police to police collaboration](#): This report, also published in July 2020, is based on findings from HMICFRS' Integrated PEEL Assessments for 2018-19. The report notes that too many police collaborations were failing or not giving the desired results and this was costing forces money, time and effort. The report attributed some of the failings in forces'



collaboration to a lack of a clear purpose or objective that is understood by all parties; and decision-making sometimes being complicated and bureaucratic and as a result undermines the effectiveness of many collaborations.

- [An inspection of roads policing in England and Wales](#): This report, published in July 2020, examined how effectively the road network of England and Wales is policed and includes a number of recommendations to improve its effectiveness. Seven police forces were inspected as part of HMICFRS' examination.

[HMICFRS Crime and Policing Comparator tool](#): The Crime and Policing Comparator tool allows the public to compare data on anti-social behaviour, quality of service, finances and workforce numbers for all police forces in England and Wales.

There are a number of other bodies which are active in the sector from time to time, and which publish articles and data on their websites:

- [College of Policing](#): Announced by the Home Secretary in December 2011, and established as a company limited by guarantee, the College describes itself as “the professional body for policing”. The College’s website contains materials for understanding and assessing performance in the police sector.
- [Association of Police and Crime Commissioners](#): The Association describes itself as “the national body that supports PCCs, and other local policing bodies across England and Wales, to provide national leadership and influence change in the policing and criminal justice landscape”.
- [Police and Crime Commissioners Treasurers’ Society](#): The Society represents the treasurers of each of the 41 PCCs in England and Wales, as well as the Treasurer to the Mayor's Office for Policing and Crime, and the Chamberlain of the Common Council of the City of London. Members of the Society have access to resources including detailed information on police and local government finance.
- The [Police Federation of England and Wales](#): The Federation is the staff association for police constables, sergeants and inspectors (including chief inspectors). It has a statutory obligation to ensure that the views of its members are accurately relayed to government, opinion formers and key stakeholders.

The [Home Office](#) publishes [statistics](#) detailing the police workforce numbers (police officers, police staff, police community support officers, designated officers and special constables) in each local police area every 6 months.

The Home Office also publishes [Police finance](#) – a collection of police finance documents including police grant allocation formula; grants for each financial year (the latest being 2021-22); community safety funds; and the financial management code of practice.

Other publications from the Home Office include:

- [Police Funding for England & Wales 2015-2021](#): This statistical bulletin published in July 2020, brings together previously published police funding figures into a single definitive publication for the last six years, including comparative analyses of government funding and precept figures for individual police forces for the six year period.
- [Guidance on special grants for police forces](#). The guidance specifies that police forces should include within their policing and budget plans reasonable contingencies for unexpected events within their areas. Special grant funding can be used to help alleviate the potential financial burden of unexpected events so that police forces can continue to function normally. Where special grant funding is approved, forces will be required to demonstrate their financial governance arrangements for managing the expenditure that meet the principles of managing public money.
- In addition, the Home Office and the police have set out a package of measures which will increase transparency around chief officer employment. As part of this, police chiefs' pay packages will be published on [data.police.uk](#). The measures intend to address areas of inconsistency and concern around chief officer employment. A [snapshot study](#) of police chiefs' pay packages from 2015-16 has also been published on the website.

The Chartered Institute of Public Finance and Accountancy [CIPFA](#) has published a number of guides in relation to the sector including:

- [The Role of Chief Financial Officers in Policing](#): The document sets out principles that it considers underpin the core activities and behaviours related to the role. The principles include recommending that the CFO is a key member of the leadership team; is actively involved in all material business decisions; and leads the promotion and delivery of good financial management. To deliver these responsibilities, CIPFA recommends the CFO ensures that the finance function is resourced to be fit for purpose; and is a professionally qualified accountant with suitable experience. The publication may be useful to auditors in understanding the role of the CFO in policing to inform their work on arrangements to secure VFM.
- [Effective Governance Of Collaboration In Policing](#): Produced by AFEP (Achieving Financial Excellence in Policing), this is a commercially available guide which covers good governance in police collaboration arrangements. It includes an overview of the nature of collaboration across bodies; information highlighting the importance of clarifying purpose when establishing collaborations; things to consider to help ensure collaborations have the right arrangements



in place; measurement and monitoring of performance; and ideas for supporting more collaboration in the future.

- [Police statistics 2019-20 estimates](#): This publication released in November 2019, includes financial information on the detailed analysis of budgeted revenue expenditure and income, as well as other financial information on police pensions, capital programmes and levels of reserves and balances. In addition to the 2019-20 statistics, CIPFA has also published Police statistics 2018-19 actuals. This publication provides the 2018-19 actuals for the financial and non-financial information as outlined for 2019-20 above.
- [Alternative service delivery models](#): This practical guide published in 2016 sets out the key considerations for local government in ‘transforming’ service delivery. It is designed to help those involved in supporting existing alternative delivery vehicles as well as those considering establishing new delivery. It focuses on the decisions around which services are most appropriate for your organisation and the positives and negatives of different delivery vehicles.
- [Delivering Good Governance: Guidance Notes for Policing Bodies in England and Wales \(2016 Edition\)](#): These guidance notes are intended to assist PCCs, chief constables and associated organisations in reviewing the effectiveness of their own governance arrangements by reference to best practice and using self-assessment.
- [Achieving Financial Excellence in Policing \(AFEP\)](#): a programme designed in partnership with CIPFA and driven from within the Finance and Coordinating Committee of the NPCC, is supported by the Association of Police and Crime Commissioners (APCC) and the Police and Crime Commissioners Treasurers’ Society (PACCTS).

The programme is aimed at sector individuals with responsibility for any aspect of financial management service delivery, policy decision making, service development and best practice delivery.

CIPFA has indicated that the AFEP programme supports achieving and sustaining Finance Excellence in Policing; building on national capacity and providing local support where the progress towards embedding the vision is measurable and tangible. CIPFA is committed to working with police industry professionals to develop and collaborate on key themes and streams to maximise the benefits of achieving exemplary financial health throughout the sector.



## Fire and Rescue

Government publications: As reported for police bodies, the fire sector has also experienced increasing demand for its services. Some of these challenges are continuing due to the ongoing COVID-19 pandemic.

In April 2020, the government wrote to the National Fire Chiefs Council and the Fire Services Management Committee on reducing burdens and supporting the fire sector. The [letter](#) included requirements regarding Fire and Rescue Authority meetings and the National Framework, annual assurance statements and Integrated Risk Management Plans (IRMPs). The letter also covered other matters including issues relating to Personal Protective Equipment, re-employment of retired firefighters, and retention of on-call firefighters.

Other government publications include:

- [Fire and Rescue Authority financial reserves: March 2019](#): The report, published in November 2020, contains the level of financial reserves held by each standalone Fire and Rescue Authority at 31 March 2019. The figures are as reported in the audited financial statements of each individual authority for 2018-19.
- Reports on the Grenfell Tower Inquiry are available on the [Inquiry website](#).
- [Fire and Rescue National Framework - 2020 progress report](#): This report, published in July 2020, covers the progress which Fire and Rescue Authorities in England have made on compliance with the Fire and Rescue National Framework. The Fire and Rescue Services Act 2004 requires the Secretary of State to report every two years on fire and rescue authorities' (FRAs) compliance with the Fire and Rescue National Framework. The latest report by the Home Secretary covers the years 2017-18 and 2018-19. The previous report from the Home Secretary was made in July 2018 and covered the years 2015-16 and 2016-17.
- [£1 billion building safety fund for the removal of dangerous cladding from high rise buildings](#): In May 2020, the government announced a new £1 billion building safety fund to cover the cost of remediation of unsafe non-ACM cladding systems on residential buildings in the private and social sector that are 18 metres and over, and do not comply with building regulations. New statutory guidance also requires that all new residential buildings over 11 metres tall will be fitted with sprinkler systems.



National Audit Office

**HMICFRS publications**: HMICFRS’s website includes a number of publications on its latest inspections and other reports for Fire and Rescue Services. Some of these include:

- [HMICFRS strategy 2021–25](#) (published June 2021). This document provides details of HMICFRS strategy for 2021-2025.
- [State of Fire and Rescue – The Annual Assessment of Fire and Rescue Services in England 2020](#) (published March 2021).
- [Responding to the pandemic: The fire and rescue service’s response to the COVID-19 pandemic in 2020](#) (published January 2021)
- [State of Fire and Rescue: The Annual Assessment of Fire and Rescue Services in England 2019](#) (published January 2020)
- [Public perceptions of fire and rescue services in England 2019](#) (January 2020)

**National Audit Office**: Reports from the National Audit Office that might be of particular interest to auditors are listed above with the Police sector resources.

**LG Inform Value for money profiles**: Local Government Association maintains profiles that bring together data about the costs, performance and activity of local authorities and fire and rescue authorities.