Agenda Item 11

Internal Audit

DRAFT

Police and Crime Commissioner Cumbria & Cumbria Constabulary

Internal Audit Annual Report

2022/23

May 2023

Internal Audit Annual Report

Introduction

This is the 2022/23 Annual Report by TIAA on the internal control environment at the Police and Crime Commissioner Cumbria & Cumbria Constabulary. The annual internal audit report summaries the outcomes of the reviews we have carried out on the organisation's framework of governance, risk management and control. This report is designed to assist the Board in making its annual governance statement.

Our approach is based on the International Standards for the Professional Practice of Internal Auditing which have been developed by the Institute of Internal Auditors (IIA) and incorporate the Public Sector Internal Audit Standards (PSIAS). In 2022, TIAA commissioned an External Quality Assessment (EQA) of its internal audit service. The independent EQA assessor was able to conclude that TIAA 'generally conforms to the requirements of the Public Sector Internal Audit Standards and the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF)'. 'Generally conforms' is the highest rating that can be achieved using the IIA's EQA assessment model.

Ongoing quality assurance work was carried out throughout the year and we continue to comply with ISO 9001:2015 standards. Our work also complies with the IIA-UK Professional Standards and relevant guidance issued by the Accounts & Audit Regulations 2015.

Internal Audit Planned Coverage and Output

The 2022/23 Annual Audit Plan approved by the Joint Audit Committee was for 200 days of internal audit coverage in the year.

During the year there were two changes to the Audit Plan and these changes were reviewed by the Joint Audit Committee. The HMICFRS Action Plan review was cancelled by client management as other sources of assurance were being received. The ICT Cyber Security Maturity Assessment review was deferred to Quarter 1 of 2023-24 due resourcing at TIAA.

The planned work that has been carried out against the plan and the status of work not completed is set out at Annex A.

No extra work was carried out which was in addition to that set out in the Annual Audit Plan.

HEAD OF INTERNAL AUDIT'S ANNUAL OPINION

TIAA is satisfied that, for the areas reviewed during the year, Office of the Police and Crime Commissioner Cumbria has reasonable and effective risk management, control and governance processes in place.

This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by the Office of the Police and Crime Commissioner Cumbria from its various sources of assurance.

HEAD OF INTERNAL AUDIT'S ANNUAL OPINION

TIAA is satisfied that, for the areas reviewed during the year, the Chief Constable Cumbria Constabulary has reasonable and effective risk management, control and governance processes in place.

This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by the Chief Constable Cumbria Constabulary from its various sources of assurance.

Assurance

TIAA carried out 12 reviews, which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve the Organisations' objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided. Details of these are provided in Annex A and a summary is set out below.

Assurance Assessments	Number of Reviews
Substantial Assurance	3
Reasonable Assurance	9
Limited Assurance	0
No Assurance	0

The areas on which the assurance assessments have been provided can only provide reasonable and not absolute assurance against misstatement or loss and their effectiveness is reduced if the internal audit recommendations made during the year have not been fully implemented.

We made the following total number of recommendations on our audit work carried out in 2022/23.

Urgent	Important	Routine
0	18	18

Audit Summary

Control weaknesses: There were no areas reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited' or 'no assurance'.

Recommendations Made: We have analysed our findings/recommendations by risk area and these are summarised below.

Risk Area	Urgent	Important	Routine
Directed			
Governance Framework	0	6	7
Risk Mitigation	0	0	0
Compliance	0	9	7
Delivery			
Performance Monitoring	0	1	3
Sustainability	0	1	1
Resilience	0	1	0

Operational Effectiveness Opportunities: One of the roles of internal audit is to add value and during the financial year we provided advice on opportunities to enhance the operational effectiveness of the areas reviewed and the number of these opportunities is summarised below.

Operational
2

Independence and Objectivity of Internal Audit

There were no limitations or restrictions placed on the internal audit service which impaired either the independence or objectivity of the service provided.

Performance and Quality Assurance

The following Performance Targets were used to measure the performance of internal audit in delivering the Annual Plan.

Performance Measure	Target	Attained
Completion of Planned Audits *	100%	93%
Audits Completed in Time Allocation	100%	100%
Draft report issued within 10 working days of receipt of responses	95%	92%
Final report issued within 10 working days of receipt of responses	95%	100%
Compliance with Public Sector Internal Audit Standards	100%	100%

* Excludes HMICFRS Action Plan review cancelled by client.

Release of Report

The table below sets out the history of this Annual Report.

Date Draft Report issued:	22nd May 2023

Annexes

Annex A

Actual against planned Internal Audit Work 2022/23

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Risk Management Framework (PCC/Force)	Assurance	10	10	Substantial	Final report issued
Force – Personal Safety Training	Assurance	15	15	Reasonable	Final Report issued
Security of Seized Proceeds of Crime (Cash and Assets)	Assurance	12	12	Reasonable	Final Report issued
Domestic Violence Protection Orders	Assurance	12	12	Reasonable	Final Report issued
Management of Overtime	Assurance	15	15	Reasonable	Final Report issued
Estates – Buildings Health and Safety	Assurance	10	10	Reasonable	Final Report issued
ICT – Cyber Security Maturity Assessment	Assurance	10	-	Deferred	To be undertaken in Q1 23-24
Debtors	Assurance	8	8	Reasonable	Final Report issued
Resource Planning	Assurance	15	15	Reasonable	Final Report issued
Firearms Licensing	Assurance	12	12	Reasonable	Final Report issued
Treasury Management and Banking	Assurance	10	10	Substantial	Final Report issued
Performance and Insight CC Assurance	Assurance	12	12	Substantial	Final Report issued
Financial Sustainability – Business Planning	Assurance	15	15	Reasonable	Final Report issued
HMICFRS Action Plan	Assurance	10	-	Cancelled	-
Follow-up	Follow Up	12	6		To be issued
Annual Planning	Management	2	2	-	Annual Plan issued
Annual Report	Management	2	2	-	Annual Report issued
Audit Management	Management	18	18	-	-
	Total Days	**200**	**174**		

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Internal Audit

FINAL

PCC Cumbria & Cumbria Constabulary

Assurance Review of Debtors

2022/23

March 2023

Executive Summary

OVERALL ASSESSMENT

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

OPCC Operational Risk Register - Risk 3: Financial Governance

KEY STRATEGIC FINDINGS

The arrangements are appropriately directed by the Financial Regulations and the Financial Rules.

Invoice requisition pro-formas were not always used to request invoices to be raised.

Letters are automatically generated to meet the timeframes in the Financial Rules, although manual communication was found to not always be taken in a timely manner.

A robust audit trail for a sample of debts written off was evidenced.

GOOD PRACTICE IDENTIFIED

Regular reconciliations and detailed reporting and analysis of debtors performance is undertaken

SCOPE

Debtors is a key financial system that is subject to cyclical review. Scope The review considered the raising of debtor accounts, collection of income, receipting, storage and banking of income received by the organisation. The scope of the review did not include identification of the activities giving rise to income for the organisation, the basis of calculating the rates to be charged or that all income receivable has been identified. The review also considered the effectiveness and success of the approach in meeting targets.

ACTION POINTS

Urgent	Important	Routine	Operational
0	2	1	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	An Invoice Request pro-forma is available, although, it was established that it was not always required for some invoices raised, such as invoices for the Alarms Team or the raising of an AR invoice through the self-service process or for internal invoices. Testing identified that the Invoice Request pro-forma was not always being used where it should have been for invoices outside those referenced above. The use of the pro-forma, where applicable, not only provides the Financial Services Team with the full details for the invoice but also provides the key contact details for the Business Services Administration Officer should there be a need to instigate the debtor recovery process if payment is not received in the expected timeframe.	The procedure notes be updated to clearly articulate where an Invoice Request pro-forma is required to be submitted.	2	***Specific*** *The procedure notes in relation to raising of AR invoices will be updated and will include specific guidance on if and when a pro-forma should be completed and attached.* ***Measurable*** *By a revised procedure document being produced and provided to all members of the Financial Services Team.* ***Achievable*** *The review of documentation will be undertaken by the Financial Services Manager.* ***Realistic*** *The instruction to review the procedure has already been tasked.* ***Timely*** *The review and updated procedures will be completed by 30/04/23*	*30/04/23*	*Financial Services Manager (Financial Systems) – Keeley Hayton*

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	A sample of 20 outstanding debts that related to 10 debtor accounts was selected for review. The following matters were identified: • Contact details held were not always correct and not always realised early in the process; • One customer had two accounts set up with debt on both; • Dates recording action taken had been incorrectly copied and pasted from a previous version of a spreadsheet.	A review of all outstanding debtors be undertaken to establish the current position with each debt and action be taken as required to bring them in line with the required process.	2	***R2(i)*** *– The review and update of procedures mentioned in response to R1 above will include the requirement for correct contact information to be collected and appended to AR record within the system.* ***R2(ii)*** *– In some circumstances a single customer will require invoices to be provided to different individuals/departments. In order to make the recovery process as efficient as possible (e.g. dunning letters) these have been set up as separate customers.* ***Specific*** *A review will be undertaken to see if it is possible for the same result to be achieved with a single customer, if not I would propose that this risk is just tolerated.* ***Measurable*** *The review will reveal if it is possible to amend the system and combine duplicate customers.* ***Achievable*** *The review will be conducted by the Financial Services Manager Systems (Keeley Hayton).*	*30/04/23* *30/04/23*	*Financial Services Manager (Financial Systems) – Keeley Hayton* *Financial Services Manager (Financial Systems) – Keeley Hayton*

PRIORITY GRADINGS

1	**URGENT**	Fundamental control issue on which action should be taken immediately.
2	**IMPORTANT**	Control issue on which action should be taken at the earliest opportunity.
3	**ROUTINE**	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
					Realistic *As above, it may not be possible to remove duplicate customers and still provide an efficient debt collection service.* ***Timely*** *This review will be completed by 30/04/2023.* ***R2(iii)*** *The debt recording (copied & pasted) error identified by internal audit on 05/12/22 was corrected on 06/12/22.* *The action in line with the recommendation is as follows:* ***Specific*** *A review of all outstanding debtors has been completed.* ***Measurable*** *The above review has been approved and signed off by the Central Services Team Leader (Sarah Bradley).* ***Achievable*** *Work already completed.*	*Task Completed 18/01/23*	*Central Services Team Leader - Sarah Bradley*

PRIORITY GRADINGS

1	**URGENT**	Fundamental control issue on which action should be taken immediately.
2	**IMPORTANT**	Control issue on which action should be taken at the earliest opportunity.
3	**ROUTINE**	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
					Realistic *As above, the work has already been completed* ***Timely*** *The review was completed 14/01/23 and approved 18/01/23.*		

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	The debtors system is set up so that all letters are raised automatically and issued to meet the timeframes set out in the Financial Rules. A review of the records where manual intervention had taken place found that this had not always been taken in a timely manner. Discussions with the Business Services Administration Officer noted that they had only recently taken the role in relation to debtors and that appropriate resources were in place to allow for a more coordinated approach. Early intervention is key with debt recovery and a review of when manual communication is required should be undertaken and recorded in the procedure notes.	A review of when manual communication is required be undertaken and recorded in the procedure notes.	3	*Automated dunning letters are created by the system to chase debts in line with financial regulations/rules. Where early manual intervention would improve this, the following action will be undertaken:* ***Specific*** *A review of the benefits of early manual intervention in debt chasing.* ***Measurable*** *By a reduction in outstanding debts.* ***Achievable*** *Work already underway to improve the debt collection process.* ***Realistic*** *Existing staff have been allocated to do this work.* ***Timely*** *This review and procedure update will be completed by 31st May 2023.*	*31/05/23*	*The Head of Central Services – Ann Dobinson*

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
There were no operational effectiveness matters identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Assignment Engagement Details

TIAA Auditors	Title	Contact Email	Telephone
Andrew McCulloch	Director of Audit	Andrew.McCulloch@tiaa.co.uk	07980787926
Jane Butterfield	Director- Risk & Assurance	Jane.Butterfield@tiaa.co.uk	07580164521

Exit Meeting Date	9th December 2022
Attendees	Michelle Bellis, Deputy CFO Sarah Bradley, Central Services Team leader Lorraine Holme, Financial Services Manager Beth Wild, Business Services Administration officer

Director/Commander Comment	Roger to add a Director Comment I am assured that most aspects of the accounts receivable process are operating effectively and in accordance with the financial regulations and rules. The processes where deficiencies have been identified will be reviewed as set out in the management responses and appropriate remedies have or will be implemented in line with the timescales outlined. I see no reason to escalate the risks identified. Roger Marshall, Joint Chief Financial Officer
Considered for Risk Escalation	No

Findings

Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	**Governance Framework**	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	**Risk Mitigation**	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	**Compliance**	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	1, 2, & 3	-

Other Findings
The arrangements for management of debtors are directed by the Financial Regulations, which was last reviewed and updated in March 2021 and sets out the policy and responsibilities relating to debtors.
The Financial Rules, also last reviewed and updated in March 2021, clearly set out the processes required and the roles that undertake the necessary actions. This includes raising of invoices, debtor month-end reconciliations, raising and approval of credit notes, and the identification and approval for the write off of bad debt.
The processes adopted provide for appropriate segregation of duties between the requesting and raising of invoices as well as the recovery of debt that is not paid within the expected timeframe. This also extends to the preparing and approval of month-end reconciliation processes.
The organisation is aware of the risk relating to debtors, which is recorded within the OPCC Operational Risk Register under the Finance heading and Risk 3; Financial Governance.
A sample of 20 invoices that had been raised was selected for review. The sample included internal invoices as well as those for external accounts.

Other Findings

	For internally raised invoices, the audit trail was appropriate with the requestor providing the reason for the invoice as well as the provision of a detailed breakdown of the required value and internal codes where applicable.
	Six credit notes raised were selected for review. In each case an appropriate audit trail supporting the request was evidenced with each credit note being approved in writing by the deputy Chief Financial Officer.
	Month end reconciliations for the five months from June 2022 to October 2022 were reviewed and no issues were identified with each reconciliation being in the same format, duly signed by the preparer and reviewer and undertaken in a timely manner.
	Six debts, totalling £2,408, written off in March 2022 were reviewed. Original invoices and evidence to demonstrate that action had been taken to try and recover the debts was evidenced along with the Bad Debt Write Off Approval Request pro-forma. It was, however, identified that the pro-forma had only been signed by the Deputy CFO and not by the Joint CFO as well, as required by the Financial Rules. it was established that approval had been sought by email.

Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	Sustainability	The impact on the organisation's sustainability agenda has been considered.	Out of scope	-	-
R	Resilience	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Findings
Formal quarterly reporting on debtors is provided through the Financial Summary Report, which is presented to the Chief Officer Group on a quarterly basis.
The report uses a consistent format and provides debtor performance on the following areas at each quarter end: • Balance of system debtors with narrative; • Age profile of outstanding system debtors; • Top 10 debtors by value; • System debtors balance outstanding month by month for the current year in graphical format with previous year's profile for comparison; • Debtor days (average number of days to receive payment) in graphical format.
A review of the report for the end of Quarter 2 noted that 54% of the debtor total was not overdue and a further 24% was overdue by less than 30 days, totalling £631,742. This was an increase from the previous quarter but mirrored a similar trend in the previous year.

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	22nd November 2022	22nd November 2022
Draft Report:	7th March 2023	
Revised Draft Report:	13th March 2023	14th March 2023
Final Report:	14th March 2023	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	PCC Cumbria & Cumbria Constabulary		
Review:	Debtors		
Type of Review:	Assurance	**Audit Lead:**	Andrew McCulloch

Outline scope (per Annual Plan):	Debtors is a key financial system that is subject to cyclical review. Scope The review considers the raising of debtor accounts, collection of income, receipting, storage and banking of income received by the organisation. The scope of the review does not include identification of the activities giving rise to income for the organisation, the basis of calculating the rates to be charged or that all income receivable has been identified. The review will also consider the effectiveness and success of the approach in meeting targets.	
Detailed scope will consider:	Directed Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation. Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register. Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Delivery Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner. Sustainability: The impact on the organisation's sustainability agenda has been considered. Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.
Requested additions to scope:	(if required then please provide brief detail)	
Exclusions from scope:		

Planned Start Date:	28/11/2022	**Exit Meeting Date:**	09/12/2022	**Exit Meeting to be held with:**	Deputy CFO, Central Services Team Leader, Financial Services Manager

SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	**Y/N (if Y then please provide brief details separately)**
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N

Agenda Item 13a

Internal Audit

FINAL

PCC Cumbria & Cumbria Constabulary

Assurance Review of Domestic Violence Protection Orders

2022/23

November 2022

Executive Summary

OVERALL ASSESSMENT

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Included in Audit Plan 2022/23

KEY STRATEGIC FINDINGS

The process was found to align with statutory requirements and approved practice, but internal procedures are inconsistent, leading to inefficiencies.

A success rate of 94% was confirmed for the full year 2021/22 for protection order (DVPO) applications to Magistrates' Courts.

The completeness and correctness of documentation received by Legal Services is highly variable, causing considerable re-work within tight timescales.

Multiple versions of exemplar evidence bundles are in use, including some that are out-of-date and relating to other forces, leading to confusion and delays.

GOOD PRACTICE IDENTIFIED

All Domestic Violence Protection Notices (DVPN) sampled were found to be compliant with the legal requirements, guidance and approved practice.

Arrangements for representation at court and for applications for costs were found to be appropriate and justified.

SCOPE

The review set out to provide assurance to the Joint Audit Committee that the organisation has robust arrangements in place and operating for Domestic Violence Protection Orders:

- The process is directed by appropriate and up-to-date policy and procedures;
- Guidance is in place and available to all staff to ensure that the process runs as efficiently as possible;
- Risks are appropriately identified and mitigated through the process;
- Authorisation procedures are in place and adhered to;
- Documentation is completed fully and accurately to aid with the preparation of court bundles.

ACTION POINTS

Urgent	Important	Routine	Operational
0	2	2	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	It was established through staff interviews that the process followed for DVPNs and subsequent DVPO applications has differed between the different territorial policing areas (which are currently undergoing a reorganisation). Within some areas, all information on authorised DVPNs has been routed through the safeguarding teams, so that they can work with Legal Services to prepare the court bundle for the DVPO hearing. Due to the same safeguarding staff regularly dealing with the cases, a good level of consistency and quality was reported from this process. In other force areas, it was determined that DVPN documentation and associated information for court bundles generally are prepared by CID officers (rather than the safeguarding teams) before going directly to Legal Services, bypassing the safeguarding teams. This approach can result in inexperienced officers having to prepare the DVPN documentation and associated information and therefore less consistency in the paperwork. In such circumstances, Legal Services noted more frequent instances of incomplete or incorrect documentation, which can result in difficulties achieving the statutory 48 hour deadline for the court hearing.	A consistent workflow be established across the force for the process following the DVPN approval, in preparation of the DVPO court bundles. Staff feedback indicates that routing cases via safeguarding teams results in greater consistency and quality, and should therefore be considered as the most effective approach.	2	*S -Process flow chart to be amended to specify that the DVPO court bundle MUST be prepared by a DC from the area Safeguarding team /CID with SG oversight, and be clear on the process map at which point this handover takes place. This will improve consistency of file standard and quality* *M – This will be quantified by the reduced level of intervention needed by Legal Services once they have received the court bundle* *A – by amendment to the DVPN/O application process map, and liaison with area SG teams to ensure they have sufficient resilience/resources to meet this demand* *R – this will directly address the issues of consistency and quality highlighted by the audit, by ensuring a small team of specially trained officers will be ringfenced to deal with these case files* *T – To be implemented by 31/12/22*	*31/12/22*	*Det Supt PPU*

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	Although example court bundles are available via the intranet as reference material for officers, it was confirmed that some examples are outdated and from a different force. It was also established through Legal Services that questions received from officers indicate that a range of other example bundles are being used by different teams across the force. This variety was found to lead to poor practice being followed, including the preparation of unnecessary documents or the omission of essential items. This can lead to delays and difficulties in meeting court deadlines. These assertions were supported by the review of a sample of six court bundles (10% of annual cases) and associated evidence and correspondence (each of 60-130 documents). In all cases examined, there was evidence of considerable discussion between Legal Services and officers due to incomplete, inaccurate or delayed information arising from unclear or incorrect exemplars.	Clear, definitive exemplar court bundle(s) be developed for use by officers, which are up-to-date and relevant to Cumbria's needs. This be communicated across the force, with an instruction to delete any alternative reference materials and to follow this definitive model in future.	2	*Legal Services will develop a new definitive exemplar court bundle for use by Officers across the Constabulary. To ensure Officers use the correct and current exemplar court bundle it will be dated and version controlled. Once developed, a Constabulary wide communication will be circulated to ask that all old Constabulary templates/DVPO reference material are deleted and not referenced going forward and that the new exemplar court bundle be the point of reference. As and when this exemplar bundle is amended instruction will be provided to delete the previous version and to use the new version going forward.*	*28/02/23*	*Director of Legal Services*
2	Directed	Through conversations with Legal Services, it was determined that they do not always find out promptly about DVPNs that have been issued. This can cause considerable problems given the extremely tight deadlines. In one case quoted, Legal Services were informed of	The development of an online form or application be explored and developed, so that officers are guided through the process, key information is recorded, and the relevant teams are	3	*S - Design and implementation of an online app-based application process for DVPN, to improve the consistency of information required for application process, increased auditable capability,*	*30/06/23*	*Det Supt PPU*

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
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3	ROUTINE	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
		a pending DVPO hearing by the Court rather than by internal staff. Given the large number of officers across the force and the relatively small number of approximately 60 DVPN/Os per year, it is inevitable that many officers will rarely encounter the process. Given the often challenging circumstances and the tight deadlines involved, a process that relies on the subject knowledge of individual officers regarding whom to inform is vulnerable to errors. Management indicated that discussions have begun on the development of an application / online form to record key information on DVPN/Os, establish an improved audit trail, and provide some automation to the notification procedure, with the aim to provide a more reliable line of communication to all key departments.	notified of DVPNs in a semi-automated fashion.		*and consistent notification procedure to the relevant departments* *M – By successful IT build, launch and training around the use of an appropriate tool to enable efficient application, recording and notification of a DVPN process.* *A - The design and build of a new app will require an IT capability, which has already been applied for via the appropriate channels (CI Nick Oliver leading on this) Previous similar processes have already been completed in relation to different area of business, and this is an entirely achievable target once the appropriate resources to manufacture have been allocated.* *R - The online app will improve consistency of applications, accountability, enable effective auditing, and increase efficiency around the process notification requirements* *T – Similar products have been built for other areas of business – estimated time to build product, install on IT systems, conduct testing and then onward training of officers to effectively utilise is 7 months*		

PRIORITY GRADINGS

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Delivery	During walk-throughs of the process with operational staff, it was noted that court bundles are generally printed in hard copy, with multiple bundles for each case. The Legal Advisor confirmed that one paper copy must always be available to be provided to the subject of the order, but that the court is able to use electronic copies for other administrative purposes. It was also established that documents are generally paginated by hand rather than electronically. It emerged through discussions that new Adobe software has recently been acquired, which can streamline the preparation of electronic bundles and also reduce the number of hard copies required. Management confirmed that training has yet to be widely rolled out on how to use the new software, which is likely to be of use in a wider range of processes across the force's operations.	Training be made available to staff on how to use the recently acquired Adobe software, in particular for use in the preparation of electronic court bundles for DVPN/Os.	3	*S – Liaison with the Court service to establish local viability of paperless court bundles for DVPN/O applications. Whilst legal advisor advice is for electronic the courts are still requesting paper copies. Once this has been agreed with the Courts, the specialist cohort as identified by the change of process generated from action 1 can be trained to use the new software applications, to ensure maximum efficiency across the constabulary resources when preparing DVPN bundles for court.* *M – once in place, the time taken to prepare and review DVPN/O applications should be reduced – this will be a tangible factor which can easily be measured and evaluated.* *A - dependant on the agreement with the Court service re admission of paperless bundles. If this is agreed, then the training and implementation of paperless bundles should be easily achievable by a small amount of training re the new Adobe software, to the specialist officers, and this will enable the paperless bundles to be realised with minimum impact to service.*	*31/03/23*	*Det Supt PPU*

PRIORITY GRADINGS

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
					T – timeliness would be entirely dependant on the courts agreeing to the new presentation of bundles. Once agreed with the court, a training package and delivery should take no more than 4 months.		

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Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
There were no operational effectiveness matters identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings

Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	**Governance Framework**	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Partially in place	1, 2, & 3	-
RM	**Risk Mitigation**	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	**Compliance**	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	In place	-	-

Other Findings
Regulations and guidance are available to officers and other staff via a variety of sources, including national guidance on gov.uk and the College of Policing website. The Force's own procedures are documented and are available on the intranet as a Quick Guide for officers dealing with incidents where it may not be practical to consult the full detailed regulations. These internal procedures were reviewed and confirmed as aligned with the approved national guidance.
The force's forms relating to the DVPN process were reviewed in detail, including the superintendent's authorisation form and the DVPN itself. These were found to be compliant and to match the requirements of the national guidance.
The process for the use of and approval of DVPNs was analysed through walk-throughs, review of procedural guidance and examination of evidence from a sample of six cases. The requirement to have the DVPNs authorised at the superintendent level is clearly stated within the procedure and compliance was confirmed in the cases reviewed, with detailed justification recorded on the appropriate form.
Through interviews with the safeguarding team, it was established that their role includes serving the DVPO on the perpetrator and have frank conversations with both the perpetrator and the victim as to the implications of the order. Signposting is made to organisations offering support and referrals are made to outside agencies where appropriate to the specific circumstances.

Other Findings

It was confirmed that there have been many new officers join the force in recent times, along with a large number of internal moves. This has resulted in a larger number of officers who have never experienced the DVPN process. From discussions with the safeguarding team, it was determined that there is no universal formal training requirement for DVPNs and that most training would be "on the job" with more experienced officers. Safeguarding team members confirmed that DVPNs have been covered from time to time in some areas' periodic training sessions, but that these are organised locally so would not be consistent across the force.

Given the infrequent nature of DVPNs, questions were raised by interviewees regarding the value of investing significant time in training all officers on the detail of the DVPN process. The recommendation to route all DVPNs via safeguarding teams (see MAP recommendation 1) may provide the opportunity for efficiencies, in focusing training on these teams who deal with the process regularly, rather than all officers across the force.

Across the sample of cases reviewed in detail, it was confirmed that the criteria for a DVPN to be issued were complied with and clearly documented on the Superintendent's authorisation form, i.e. the perpetrator being 18 or over, evidence of violence or threats of violence and the necessity of the DVPN to protect the victim. It was noted that, in one instance, the magistrate did not agree that the DVPN was necessary and so did not grant the subsequent DVPO; correspondence records confirm, however, that Legal Services and the relevant officers did have reasonable grounds for presenting the application. Records also confirmed that learning points from this case were identified to guide future similar applications.

The content of the DVPN notices was also reviewed in detail for compliance with the legal requirements. All were confirmed as complying with the following: i) state the reasons for issuing the notice; ii) warn the suspect that he or she can be arrested if there are reasonable grounds to believe the notice has been breached; iii) state that an application for a DVPO will be made within 48 hours and that notice of the hearing will be given separately; iv) state that the DVPN will remain in force until a decision has been made on the application; and v) set out the likely terms of a DVPO.

A further requirement is for the DVPN to be served personally in writing, or for appropriate efforts to be made to do so. In four cases, the notice confirmed that the notice had been served in person. In the remaining two cases, a signature was available to confirm that the officer had been unable to locate the perpetrator and had therefore hand delivered the notice to their residential address. These were therefore confirmed as compliant with the requirements.

Correspondence records and documentation confirmed that appropriate representation at the Magistrates' Court was arranged for each of the cases examined. Arrangements were made in each case for an appropriate officer to attend, with representation from either Legal Services staff or a barrister. The evidence confirmed that the decision around the nature of the representation was taken on a reasonable basis, with due consideration of workload and the practicalities of travel to the court. Requests for attendance via video link were also made in a consistent and reasonable manner.

Court records and email correspondence from the cases sampled confirm that costs were applied for where allowable by the court, i.e. where the application was contested.

Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	Sustainability	The impact on the organisation's sustainability agenda has been considered.	Partially in place	4	-
R	Resilience	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Findings

Routine reporting of performance data is not required for the DVPN/O process. In line with other civil orders, outcomes are monitored by Legal Services and any adverse trends would be raised if identified. Data for the last full year April 2021-March 2022 shows that 53 DVPO applications were made to the Magistrates' Courts, with 50 of these being granted. This is considered an excellent record of success, given that there is a considerable level of judgement involved in applying the necessary tests and 100% success in such applications is highly unlikely.

The DVPO application process was shown to be both time-consuming and highly time-critical due to the 48 hour deadline for applications to go before the Magistrates' Court. Nevertheless, no instances were identified of this deadline being missed; hence it was concluded that resources within Legal Services and throughout the force are appropriately managed to meet its obligations. Within the sample of cases reviewed, several were identified where an external barrister was engaged to present the application, where pressures on internal resources were prohibitive. Although such measures have cost implications, the ability make sure arrangements does increase the overall resilience of the process.

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	26th September 2022	26th September 2022
Draft Report:	19th October 2022	11th November 2022
Final Report:	11th November 2022	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	PCC Cumbria & Cumbria Constabulary		
Review:	Domestic Violence Protection Orders		
Type of Review:	Assurance	**Audit Lead:**	Stuart Whittingham

Outline scope (per Annual Plan):	A reactive rather than proactive process may lead to a less efficient use of time for Legal Services staff and Constabulary staff. Scope The review considers the arrangements for identifying, requesting and obtaining Domestic Violence Protection Orders.
Detailed scope will consider:	The review will set out to provide assurance to the Joint Audit Committee that the organisation has robust arrangements in place and operating for Domestic Violence Protection Orders: • The process is directed by appropriate and up-to-date policy and procedures. • Guidance is in place and available to all staff to ensure that the process runs as efficiently as possible. • Risks are appropriately identified and mitigated through the process. • Authorisation procedures are in place and adhered to. • Documentation is completed fully and accurately to aid with the preparation of court bundles.

Planned Start Date:	26/09/2022	**Exit Meeting Date:**	13/10/2022	**Exit Meeting to be held with:**	Director of Legal Services

SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	**Y/N (if Y then please provide brief details separately)**
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc.?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N

Agenda Item 13b

Internal Audit

FINAL

PCC Cumbria & Cumbria Constabulary

Assurance Review of Estates – Buildings Health and Safety

2022/23

November 2022

Executive Summary

OVERALL ASSESSMENT

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Included in Audit Plan 2022/23

KEY STRATEGIC FINDINGS

Although policy and procedures are in place, the audit identified gaps in content and some inconsistency with current operations.

Some remedial works were identified as remaining outstanding for several years. An improved tracking and monitoring process has recently been adopted.

It was established that there is no routine reporting schedule regarding the status of Estates compliance to the PCC as the legal owner of the estate.

Inconsistency was identified within weekly fire alarm testing records, with data for four locations showing under 50% of tests being recorded during 2022.

GOOD PRACTICE IDENTIFIED

Tracking and monitoring of routine maintenance and health and safety tasks has been improved recently, with online records retained and central oversight.

A new staff member during 2022 was asked to review operations based on good practice seen elsewhere. This has led to improved practice in several areas.

SCOPE

The review considered how the organisation monitors and meets its health and safety obligations in relation to: water hygiene; fire risk assessments; asbestos; and periodic electrical testing. An additional focus was requested on health and safety in relation to buildings that have had reduced use during the Pandemic.

ACTION POINTS

Urgent	Important	Routine	Operational
0	4	7	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Directed	A sample of eight water risk assessments from 2019 was selected and all high priority actions were investigated. Most of these were routine monthly, quarterly and annual activities such as sampling, testing, flushing, and temperature checking, all of which were found to be in place and monitored through a robust and detailed tracking process. Only one high priority recommendation from the sample involved Estates works - the removal of dead ends identified at the HQ Stable Block, noted for action within 28 days. The Estates Maintenance Officer confirmed following a visual inspection during the audit that this action had not been carried out. No record was available for why this was not actioned when raised in 2019. The Estates Maintenance Officer stated that it will now be addressed. Management confirmed that a more robust process will be introduced to track the outcomes of the scheduled 2022 risk assessments, whereby all recommendations will be reviewed and assessed for incorporation into the annual maintenance plan as appropriate based on the level of risk and priority.	All recommendations arising from the upcoming Legionella risk assessments be subject to the intended robust monitoring and tracking process through to their implementation. Any items identified as remaining unaddressed from the 2019 risk assessments should be given particular attention. The monitoring process should include a record of any items where it is decided not to take the recommended action, along with the justification.	2	*An action plan is in place capturing the outstanding actions from the current risk assessment review. Actions from the commissioned risk assessments will be added to this plan to be tracked to completion.* *There were delays on the completions of the previous outstanding actions as a result of Covid preventing contractors entering sites for a considerable period of time.* *A robust Action tracker was introduced prior to the audit being in place. The department has an effective monitoring regime implemented and fully actioned as evidenced by the combined tracking sheet.* *In our opinion this would be a Routine (3) classification.*	*Closure of action findings* *31/3/2023 (depending on the findings identified)*	*Estates Officer*

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
7	Directed	Routine fire safety checks, tests and evacuation drills are undertaken by nominated individuals for each location. Central monitoring processes are in place and were demonstrated via video call, with records indicating that most regular checks are generally carried out with the expected frequency. Management stated that regular missed actions prompt further investigation to address underlying issues. A dedicated monitoring system is in place for weekly fire alarm testing. Responsible staff are required to enter details of the weekly tests via an online form, which is monitored centrally. A review of the submitted data found that four properties (Appleby, Barrow Island, Kendal Main Building and Kirkby Stephen) had recorded fewer than 50% of the expected tests during 2022. No details were available to explain the reasons for these missed tests and there was no investigation outcome regarding these data gaps. The Head of Fleet and Estates noted that some staff may have issues using the online form and that the figures provided may not accurately reflect the true extent of testing.	The procedure for carrying out and recording weekly fire alarm tests be re-communicated with training provided to staff having difficulty using the system, so that the data collected can be relied upon as a true reflection of the extent of testing. Where individuals or locations are identified with regular non-compliance, these should be prioritised for investigation as to the root causes.	2	*Unfortunately, due to unforeseen circumstances the Audit did not allow adequate time to supply these at time of the audit.* *We accept that some records were missing on the online tracker but upon investigation it was identified that the majority of the tests had been completed and logged in the paper records on site. Copies of these can be provided if required.* *We will recommunicate the procedure and update any training. We are also reviewing the recording of our fire alarm tests and whether this will be in paper format or electronic.* *In light of the above it should be considered for a Routine (3) classification.*	*31/12/22*	*Estates Officer*

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
8	Directed	The Asbestos Management Plan specifies that "all buildings, constructed before 2000, will be surveyed annually". Management confirmed that these annual surveys are not carried out, as they are not considered feasible in terms of resourcing, nor seen as proportionate to the risk. Estates staff undertake general observations of known areas of risk during their regular activities, but that this does not represent a formal comprehensive inspection programme. Building users, when aware of the presence of asbestos, are also known to report any concerns about the condition of these areas through the estates helpdesk. It was confirmed that surveys are undertaken in advance of refurbishment works or other significant activity, in order to address the most significant risks.	The Asbestos Management Plan be reviewed and updated, to ensure the survey and/or inspection frequency is proportionate to the risk profile of the estate. Once these standards have been established and approved, compliance with the new Management Plan be monitored and reported.	2	*This finding is based on what is set out in a policy and whilst it is accepted the practice differs from that set out in the policy there is adherence to statutory requirements. The technical team have an embedded practice of regularly observing when visiting individual sites.* *As confirmed within the audit asbestos surveys are undertaken prior to any work commencing on buildings.* *Annual monitoring isn't a mandatory requirement and we feel, at least in part, that our practice satisfies the 'best practice' criteria.* *As such we feel this category would best be reflected as 3 score as no gaps in compliance is present, it is variation to policy only, similar to a later finding in this audit.*	*28/02/2023*	*Senior Estates Officer*

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
11	Delivery	The estate includes a combination of owned, leased and PFI buildings. The force monitors the management of these buildings in a variety of ways, based on the risk associated with the workforce based there. For leased buildings, management stated that an annual check is conducted of the key health and safety areas. No record could be provided of examples of this check, however, which had been conducted by a former staff member. The compliance of these properties could not therefore be verified. The PFI site at Workington has similar arrangements, including regular meetings and the provision of status updates, although again no evidence was available of an overall annual check or review to verify that all key elements are in place. The PFI site contact commented in correspondence that this is common practice among their other clients.	Arrangements be formalised and documented for the provision and formal recording of assurance around estates compliance and health and safety from third parties providing PFI or leased buildings housing constabulary staff, such as an annual assurance review of all relevant activity. Records be retained in an accessible location, as these may be required in the event of an incident involving force staff, to demonstrate that reasonable care had been taken.	2	*In part this finding is accepted but due to the short timescale and limited notice of the scope of the audit the team did not have sufficient time to find the relevant documentation.* *The post holder who had these duties has left the team. It is correct that some records were held locally to the post holder and this is something we have now changed and a new method of recording is in place.* *Regular inspections of the lease hold property is undertaken and can be demonstrated through diary entries, work orders and requests for work being made to suppliers and landlords. Active management and inspections are undertaken. An annual inspection of landlord's compliance with H&S is undertaken but records could not be found and measures are being introduced to explore holding this information on the asset management system.* *The new post holder has these duties captured within their role and is actively managing this wok, including data recording.*	*31/3/2022*	*Head of Estates and Fleet / Senior Estates Officer*

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	The Legionella Management Plan does not specify the required frequency for professional external Legionella risk assessments to be conducted. The HSE L8 ACOP no longer details a required statutory timeframe, but common practice is to continue with the previous requirement of a two yearly cycle. The force is due to obtain new risk assessments at the end of 2022, following the previous review in April 2019.	The Legionella Management Plan be updated to include the expected frequency for conducting Legionella Risk Assessments.	3	*There are no designated time frames for the frequency of risk assessments. They should however be reviewed as and when the risks change which is normally as a result of any changes to the H&C water system.* *We will update the current Legionella Management Plan to reflect the current review frequency.* *Our current frequency for assessments is 3 years and as no issues have been identified in recent decades, we see no reason to deviate from this practice with no discernible benefit or enhanced risks to the building users. The next cycle of risk assessments is due to be carried out and the team will be developing an action plan to close out any findings from this exercise.*	*Completion of assessments* *31/01/23* *Closure of action findings* *31/3/2023 (depending on the findings identified)*	*Estates Officer*

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	Fire Safety is currently included within the overarching Health and Safety Policy, with supporting guidance for staff available via the intranet. Given the breadth and variety of activities required in the realm of fire safety, which involve a range of staff within different functions (including Health and Safety, Estates, on-site managers and fire wardens), there is a need to set out clear roles, responsibilities and expectations. It is therefore good practice to have a dedicated Fire Safety Policy, where all of the expected standards can be fully detailed. Management stated that a plan is in place to develop such a policy.	A dedicated Fire Safety policy be developed and introduced, covering all relevant activities, roles and responsibilities, and the standards required to comply with legal obligations and approved practice.	3	*A full overarching Fire Safety Policy is in development and the Estates team will review and align our internal fire management procedures to this document once published.*	*31/03/2023*	*Health & Safety Adviser*

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	The Fire Safety guidance provided for the audit did not indicate how often professional external fire risk assessments should be carried out. Management stated that these are done on a three-yearly cycle, although most assessments completed during 2022 referred to the previous version dating from 2017. While this is not an unreasonable gap for the nature of the force's estate and workforce, the required timescale should be established and documented within the dedicated Fire Safety Policy (currently in development). Management confirmed that fire risk assessments are reviewed whenever the Estates or Health and Safety team become aware of a change in the building or its use. For some properties, such changes may be rare, or central teams may not be made aware of changes in use. It is therefore highly recommended to undertake an annual review of each risk assessment, which may include a desktop review and floor walk with key building users, to ensure that any issues are captured and appropriately addressed. A record of this annual review should be retained.	The required frequency of fire risk assessments and inspections be explicitly stated within the relevant policy. This should include both the schedule for full external reviews and also a requirement for an annual internal review with key building users of existing risk assessments.	3	*We accept the recommendation and will confirm the frequency of the audits by the end of January 2023 after the Force Health and Safety Committee Board where we will agree the frequency of both the external reviews and the internal reviews.*	*31/03/2023*	*Health & Safety Adviser*

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Directed	Throughout the Force's fire risk assessments, there are frequent comments from the assessor stating "as per previous assessment", where no change was identified since the 2017 assessment. Where there are no hazards or significant observations this may be reasonable, but the 2022 assessment for Longtown Police Station point 4.1 notes that Housekeeping and Maintenance are "not adequate" and that deficiencies are "all as per previous assessment". The 2022 assessment does not re-state the deficiencies and later notes that all previous recommendations have been satisfactorily addressed, which appears to contradict the earlier "not adequate" statement. Failure to clearly state all deficiencies within the latest risk assessment increases the risk of confusion or misunderstanding, along with the potential for deficiencies to not be properly addressed.	The provider of future fire risk assessments be instructed that all deficiencies be clearly identified within each new risk assessment, rather than referencing a previous document.	3	*We accept the recommendation and will have implemented within the force by the end of January 2023. Even though these assessments are completed externally we will as a force add the requirement to our policy that there is to be a summary sheet included at the time of each new assessment outlining all the previous findings so that we can refer back as in when required.*	*30/01/2023*	*Health and Safety Officer*

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
6	Directed	Recommendations from fire risk assessments are recorded on a central tracker. One tracker was created for the last set of risk assessments from 2017, with a new one established for the new assessments in 2022. Within a sample of 10 2022 fire risk assessments reviewed, 21 actions had been identified by the external assessor as not having been implemented following recommendation in 2017. 10 of these related to regular checks and policy actions overseen by Health and Safety, some of which were required across multiple sites. All have now been addressed during 2022, but there was no record of why they were not addressed in 2017. Of the 11 Estates recommendations within the sample noted as not implemented between 2017 and 2022, four were recorded on the 2017 Action Plan as "reviewed and found unreasonable". Management confirmed that this would be on the basis of a risk assessment, considering the nature of the risk and of building usage. There was no record of why the remaining seven items had remained outstanding since 2017. All actions arising from the 2022 risk assessments were found to be accurately recorded with their current status on the new tracker, which appears to be considerably more robust. As the 2022 actions are recent, many remain in progress.	The recommendations arising from the 2022 fire risk assessments continue to be monitored and tracked closely, until all are either implemented or a clear justification is agreed and documented for not doing so. Particular attention should be given to those items that were previously identified in 2017 and have not yet been addressed.	3	*We accept the recommendation in relation to the 2017 risk assessments.* *However, a robust tracker has been in place prior to the audit and is being monitored for closure on all open items from the 2017 and 2022 risk assessment reviews as evidenced during the audit.* *The audit finds that all 2022 risk assessments are completed with actions agreed demonstrating effective current practices.*	*Closure of action findings* *31/3/2023 (depending on the findings identified)*	*Estates Officer* *Health & Safety Adviser*

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
9	Directed	Details of asbestos containing materials (ACMs) identified through surveys are held within the "OakLeaf" database, along with any recommended actions. Where an ACM is removed as part of any Estates upgrade works or similar, the record is updated to reflect this. The current database does not have the facility to record any actions or mitigations short of removal. In one example reviewed, a label was required to be applied to the ACM to alert building users. As there was no way of recording whether this had been done, assurance could not be gained on this point. Management stated that they are currently in discussions with the software provided regarding the adoption of an updated version of Oakleaf, so this represents an opportunity to request additional functionality.	The facility to record the implementation of recommended actions to address or mitigate the risks of ACMs (short of removal) be explored and implemented if possible in the next version of the Oakleaf database.	3	*Fully accept the recommendation.* *We are currently in the process of completing a trial with the new version of OakLeaf and will have made a decision on the future use of it by the end of the 2022 financial year.*	*31/03/2023*	*Senior Estates Officer*

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
10	Delivery	Management reporting for this area is managed separately for Health and Safety and Estates matters, with Health and Safety issues reported to the quarterly Health and Safety Committee. The Head of Fleet and Estates confirmed that routine reports on Estates matters used to be presented to the Office of the PCC (which owns the estate), but that this ceased during the COVID disruption and has not recommenced. Given the broad range of areas of compliance and the associated costs involved, it is important that at least periodic reporting is reintroduced, such as an annual overview of key metrics to ensure accountability and to allow for appropriate review and challenge.	Reporting to the Office of the PCC on Estates and related compliance matters be re-introduced. This should be at a frequency and level of detail to be agreed, but should ideally incorporate at least an annual summary of key activity.	3	*Accept the recommendation and it was the Head of Estates and Fleet who raised this as he considers this is a gap and raised it as an area he would like to strengthened / reintroduced. I* *It is noted this is graded yellow (routine), however, the control is not in place. Earlier findings for which controls and actions are in place are graded important, it does not appear consistent with the gradings set out earlier in the document and strengthens the comments made within this document around the grading of the findings.*	*31/03/2023*	*Head of Estates and Fleet*

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
There were no operational effectiveness matters identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings

Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	**Governance Framework**	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Partially in place	1, 2, 3, & 4	-
RM	**Risk Mitigation**	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	**Compliance**	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	5, 6, 7, 8, & 9	-

Other Findings
Arrangements for the appointment of contractors were discussed with management. The Head of Fleet and Estates provided assurances that these were all subject to the Force's standard procurement rules, while the staff member responsible for each area was able to confirm the requirements and standards required for the relevant contractors covering that aspect of the estate. A review of the contractors in place according to recent certificates and documentation confirmed that these are all well-established within their fields.
The Health and Safety Adviser confirmed that mandatory annual Fire Safety Awareness training has been reintroduced for all staff in 2022/23. The completion rate is being regularly monitored and reported, although staff have until March 2023 to complete the training.
The Health and Safety Adviser confirmed that personal emergency evacuation plans are in the process of being prepared for all relevant staff, so support the fire arrangements in their work locations. Constabulary response – These are already in place.

Other Findings

It was confirmed that EICR electrical inspections are carried out on a five year cycle for all boards across the estate. A review of a sample of eight certificates provided evidence that they were all within the required five year limit. The future schedule for the planned date of re-inspection for this sample also indicated that their next inspection would be within a five-year timeframe. The Estates Engineering Officer noted that a small number of historical EICR certificates for Kendal could not currently be located. If they cannot be found promptly, copies will be requested from the contractor.

All observations graded as C2 (urgent) from the sample of EICR test certificates were reviewed for appropriate remedial action. There were no C1 (dangerous) items among the sample. All of these remedial works were found to be being monitored. Evidence was available in most cases of the item having been rectified or quotations received with the works pending. For several other items, details were provided of thorough risk assessments of the nature and usage of the area of the building, along with a review of the relevant regulatory standards and detailed discussion with the contractor, before a decision was made that implementation was not appropriate or necessary.

Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	**Performance Monitoring**	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	Partially in place	10, & 11	-
S	**Sustainability**	The impact on the organisation's sustainability agenda has been considered.	In place	-	-
R	**Resilience**	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Findings
Upon appointment in early 2022, the new Estates Maintenance Officer was asked to review key management arrangements within Estates, based on their experience of good practice elsewhere. Recommendations arising from that report were confirmed during this audit to have been introduced, including improved record keeping and monitoring on recommendations from external inspections and risk assessments.
Across the various areas of Estates health and safety work, a move from paper-based records to shared electronic documents was identified. As well as being more sustainable in terms of use of resources, this should also provide longer-term efficiencies in the need for space for physical filing and storage.
Through interviews with various members of the Estates team, it was established that there is a strong understanding among the group of each colleagues' role and expertise, with increasingly standardised monitoring processes in place. This provides greater resilience for the overall Estates Health and Safety activity through the ability to cover absences.
Management confirmed that there had been no reduction in compliance or health and safety activity during the pandemic, and that routine tasks had continued irrespective of any reduced rates of occupancy during lockdowns. The evidence reviewed during the audit supported this assertion, as no significant variation in delivery was identified in this respect.

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	26th September 2022	26th September 2022
Draft Report:	19th October 2022	11th November 2022
Final Report:	14th November 2022	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	PCC Cumbria & Cumbria Constabulary		
Review:	Estates – Buildings Health and Safety		
Type of Review:	Assurance	**Audit Lead:**	Stuart Whittingham

Outline scope (per Annual Plan):	The review considers how the organisation monitors and meets its health and safety obligations in relation to: water hygiene; fire risk assessments; asbestos; and periodic electrical testing. |There will be an additional focus on health and safety in relation to buildings that have had reduced use during the Pandemic.
Detailed scope will consider:	The review will set out to provide assurance to the Joint Audit Committee that the organisation has robust arrangements in place and operating for Estates – Property Compliance. • The organisation has robust policies and procedures in place to ensure that compliance with statutory and regulatory requirements is met and can be demonstrated. • The organisation has considered the risks associated with (non-)compliance and appropriate mitigating controls are identified and operated. • Robust records are maintained to evidence that the required assessments and monitoring activities are carried out with timely action to address issues identified. • Performance is reported in sufficient detail to senior management allowing for appropriate challenge and scrutiny on non-performing areas of the service. • Budgets are set for the service and regularly monitored throughout the year.

Planned Start Date:	28/09/2022	**Exit Meeting Date:**	13/10/2022	**Exit Meeting to be held with:**	Head of Estates and Fleet; Health and Safety Manager; Senior Estates & Facilities Maintenance Manager

SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc.?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N

Internal Audit

FINAL

Police and Crime Commissioner Cumbria & Cumbria Constabulary

Assurance Review of Financial Sustainability – Business Planning

2022/23

April 2023

Executive Summary

OVERALL ASSESSMENT

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

R1 - Strategic Finance

KEY STRATEGIC FINDINGS

The legal requirement for the Police and Crime Commissioner to set a balanced budget for the year was met in both 2022/23 and in 2023/24.

The Medium-Term Budget 2023 to 2028 identifies increasing Net Savings Requirements, rising year-on-year to £15,960K by 2027/28.

To help meet the identified Net Savings Requirements the savings plan noted at the Savings and Efficiencies Day should be completed and regularly monitored.

The Cumbria Constabulary – Financial Summary 2022/23 as at 31st January 2023 reports an overall forecasted underspend of £72K (0.05%).

GOOD PRACTICE IDENTIFIED

The Financial Regulations set out the internal framework and procedures for financial administration and control within the COPCC.

Financial governance around budget preparation is strong, with regular monitoring and reporting.

SCOPE

The review considered the action taken to identify savings in the Medium-Term Financial Forecast, the monitoring of progress against the targeted savings and how financial sustainability will be achieved during this period of financial uncertainty for the Constabulary.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	0	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Delivery	The 'Budget 2023/24 and Financial Forecasts 2024/25 to 2027/28' identifies a Net Savings Requirement for 2024/25 of £4,999K, rising year-on-year to £15,960K by 2027/28. In response to this, a savings and efficiencies planning programme of work has been developed, one part of which was a Savings and Efficiencies Day held in February 2023. The savings plan noted at the Savings and Efficiencies Day is yet to be completed. It is imperative that this be completed as a matter of priority and continually monitored and reported at a sufficiently high level. Any changes to financial forecasts need to be fed into the savings plan, which should be flexible and revised as required. Total reserves are planned to almost halve by March 2028 to £12.5M. The ongoing use of reserves to help fund the Net Savings Requirement is clearly not a sustainable option and also restricts other operational aspirations.	The savings plan noted at the Savings and Efficiencies Day in February 2023 be completed and regularly monitored and reported to the appropriate body.	2	***Specific*** *The development of the Savings & Efficiency Plan (S&E) will be an evolving process throughout the financial year as suggestions are validated and progressed. The formulation of an enhanced S&E Plan is being given the highest priority within the constabulary under the leadership of the DCC with the support of the ACO and a specific project team.* ***Measurable*** *The S&E plan will be reported through the Strategic Change Board which is chaired by the DCC and is readily quantifiable by the amount of savings generated/removed from the future MTFF.* ***Achievable*** *The development of the S&E plan is being given the highest level of priority within the Constabulary under the leadership of the DCC. Work is already underway and although the quantum*	*31/03/2024*	*Dan St.Quintin Supt. Savings and Efficiencies Programme*

PRIORITY GRADINGS

1	**URGENT**	Fundamental control issue on which action should be taken immediately.
2	**IMPORTANT**	Control issue on which action should be taken at the earliest opportunity.
3	**ROUTINE**	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
					of savings to be found is significant, the Constabulary remains confident that these can be achieved. ***Relevant/Realistic*** *All savings plans will be validated by the Financial Services team to ensure that they are achievable and that once approved they are removed from the future budgets as part of the MTFF process.* ***Timely*** *The budget for 2023/24 is balanced, the S&E Plan will be progressed during 2023/24 to ensure a balanced budget for 2024/25 and further developed to meet the savings requirement for future years.*		

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No Operational Effectiveness Matters were identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Assignment Engagement Details

TIAA Auditors	Title	Contact Email	Telephone
Ian Goodwin	Principal Auditor	Ian.Goodwin@tiaa.co.uk	07867 526292
Andrew McCulloch	Director of Audit	Andrew.McCulloch@tiaa.co.uk	07980787926

Exit Meeting Date	27th March 2023
Attendees	Roger Marshall, Joint Chief Finance Officer Michelle Bellis, Deputy Chief Finance Officer

Director/Commander Comment	I am pleased to note that the audit found that the systems and processes under pinning the preparation of the budget and MTFF are robust. The importance of the Savings and Efficiency Plan in balancing the budget over the medium term is understood and the Deputy Chief Constable is taking personal responsibility for delivery of the plan. Roger Marshall – Joint Chief Finance Officer 31/03/2023
Deputy Chief Constable Comment	I concur with the comments made within the report. The Savings and Efficiency Plan will be the subject of a Peer Review conducted by colleagues from Merseyside. A dedicated team will ensure that the plan is effectively delivered via the corporate governance framework outlined within the report. I am confident that these arrangements will deliver the savings required to meet the Medium-Term Financial Forecast, monitor progress against the targeted savings and ensure that financial sustainability will be achieved during this period. Rob Carden – Deputy Chief Constable 19/04/2023
Considered for Risk Escalation	No

Findings

Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	**Governance Framework**	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	**Risk Mitigation**	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	**Compliance**	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	In place	-	-

Other Findings

The Financial Regulations are dated March 2021 and set out the internal framework and procedures for financial administration and control within the Cumbria Office of the Police and Crime Commissioner (OPCC). They state that, when considering budget levels, the Police and Crime Commissioner should ensure that ongoing resource requirements are not dependent on a significant number of uncertain or volatile income sources and should have due regard to sustainable and future year service delivery. They also note that capital investment can be undertaken providing the spending plans are affordable, prudent, and sustainable. The Financial Rules, also dated March 2021, are the detailed supporting guidance and instructions that accompany the Regulations.

At a meeting of the Joint Audit Committee on 2nd November 2022 a paper was presented entitled OPCC Risk Management Monitoring, which noted that the OPCC must ensure that it has robust systems and processes in place to monitor and react appropriately to risk. Appended to the report is the OPCC's strategic risk register; one of the four identified risks in which is R1 - Strategic Finance. The risk's Total Score remains at 9. The Risk Owner is the Chief Executive and the Action Owner is the Joint Chief Finance Officer. An 'Actions to be completed' column notes that the risk will be subject to continual monitoring during the budget and MTFF setting process through the autumn and will be re-evaluated once the 2023/24 grant settlement is known. An updated strategic risk register was presented to the Joint Audit Committee on 22nd March 2023. The risk is stated to link to six of the seven Policing and Crime Objectives.

Other Findings

A report of the Joint Chief Finance Officer entitled 'Budget 2022/23 and Financial Forecasts 2023/24 to 2026/27' was presented at the Public Accountability Conference on 16th February 2022. A table showing the Medium-Term Budget 2022 to 2027 showed a balanced budget for 2022/23 and identified a Net Savings Requirement for 2023/24 of £2,238K, rising year-on-year to £6,620K by 2026/27. It is a legal requirement for the Police and Crime Commissioner to annually set a balanced budget and to allocate funds to the Chief Constable to secure the maintenance of the Police Force for Cumbria. The report notes that the key driver in the level of savings requirements is inflationary pressure, with the budget and medium-term forecast being based on assumed increase for general inflation and pay inflation at 3.5% in 2022/23, 2.5% in 2023/24 and 2% thereafter in line with Bank of England estimates. It is further noted that, over the life of the financial forecast, total reserves are planned to reduce from £22M at the start of 2022/23 to £14.9M by March 2027, largely due to provision of funding to support the capital programme. The 2022/23 budget is balanced based on a precept increase of £9.99 for a band D property which equates to an increase of 3.67%.

A report of the Joint Chief Finance Officer entitled 'Budget 2023/24 and Financial Forecasts 2024/25 to 2027/28' was presented at the Public Accountability Conference on 16th February 2023. A table showing the Medium-Term Budget 2023 to 2028 showed a balanced budget for 2023/24 and identified a Net Savings Requirement for 2024/25 of £4,999K, rising year-on-year to £15,960K by 2027/28. As in the prior year, the report again notes that the key driver in the level of savings requirements is inflationary pressure. The budget and medium-term forecast is based on an assumed increase for pay inflation at 3% in 2023/24, and 2% per annum thereafter. General inflation is included at 5% in 2023/24, 3% in 2024/25 and 2% thereafter in line with Bank of England estimates. It is further noted that, over the life of the financial forecast, total reserves are planned to reduce from £24.1M at the start of 2023/24 to £12.5M by March 2028, again largely due to provision of funding to support the capital programme. The 2023/24 budget is balanced based on a precept increase of £14.94 for a band D property which equates to an increase of 5.3%.

A detailed comparison of the two Financial Forecasts presented above highlighted that the single biggest change from forecasts reported in 2022 to those reported in 2023 was in 'Police Pay - Police Officer Pay and Allowances'. This increased in 2023/24 by £1,790K (2.3%) in the Budget 2023/24 over the corresponding figure reported in the 'Financial Forecasts 2023/24 to 2026/27'. Thereafter, the forecast change rises year-on-year to an increase in 2026/27 of £4,841 (5.6%) in the 'Financial Forecasts 2024/25 to 2027/28' over the corresponding figure reported in the 'Financial Forecasts 2023/24 to 2026/27'. Employee-related costs are approximately 80% of 'Total Expenditure'. The main income sources are the Formula Grant, representing approximately 45% of 'Total Income / Funding', and Council Tax Income representing approximately 31% in 2022/23, which is forecast to rise to approximately 36% in 2027/28.

Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	Sustainability	The impact on the organisation's sustainability agenda has been considered.	In place	-	-
R	Resilience	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	Partially in place	1	-

Other Findings

A document entitled 'Potential Impacts of Inflation on 2022/23 Budgets' was presented to the Chief Officer Group on 4th April 2022. Supported by an extract from Bank of England Monetary Policy Report February 2022, the document notes the budget for 2022/23 was based on an assumption that the inflation peak would be short-lived and then return to more normal levels by the end of 2022. A high-level analysis was then provided of the 2022/23 budget, inflation levels included in base budgets and a sensitivity analysis around the impact of an increase (or decrease) in inflation by 1% over what has been included in the budget. This concluded the total potential Capital and Revenue Impact in 2022/23 to be £968K.

The Cumbria Constabulary – Financial Summary 2022/23 (as at 31st January 2023) was presented by the Deputy Chief Finance Officer to the Chief Officer Group on 24th February 2023. The Executive Summary noted that the combined forecast revenue underspend for the PCC and Constabulary as at the end of January is £94K (compared to a forecast overspend of £71K at the end of December). It further notes that the change in the constabulary forecast underspend from December 2022 to January 2023 is a decrease of £109K; the main reasons being decreases in training and additional income which are partially offset by increases in supplies and services and increases in third party payments. One of the 'Key Themes' reported is an overall forecasted underspend of £72K (0.05%).

A Briefing Paper on the Financial Impact of the 2022/23 Police Officer Pay Award was presented by the Deputy Chief Finance Officer to the Chief Officer Group on 25th July 2022. A table highlighted the estimated financial impact of the Police Officer pay award 2022. The net estimated impact on Constabulary budgets for 2023/24 and beyond was shown as £8,000. The Paper notes a "re-opener" clause whereby, if police officers receive more than a 3% pay award, the pay award for police staff would be re-visited. A further table then showed the estimated combined financial impact of the Police Officer pay award 2022 and the potential impact on Police Staff if the pay settlement is reviewed. The net estimated impact on Constabulary budgets for 2023/24 and beyond was shown as £568,000

Other Findings

The Budget 2022/23 and Financial Forecasts 2023/24 to 2026/27 presented at the Public Accountability Conference on 16th February 2022 notes that, recognising the need to make further budget savings in the medium term in order to deliver a balanced budget, the Commissioner and Chief Constable have engaged in a number of discussions to consider areas of the budget that will be targeted for reductions in expenditure. Whilst no firm decisions have been made, initiatives, which will continue to be explored as part of the Constabulary's Vision 2025 Strategy, include: adjusting the workforce mix; consolidating functions to provide greater resilience; collaboration with other forces and public sector bodies; and, realising benefits from investment in new technology.

A Savings and Efficiencies Day was held on 13th February 2023. The related briefing paper highlighted six areas: Background and Actions Taken to Date; Budget Line Review; Exploring Initial S&Es – circa £2.2M; Recovery & Renewal and Value For Money Profiles; Key S&E Themes to Explore; and Income Generation Ideas. The paper notes that the Constabulary has the requirement to identify £16M of savings over the next five years, with the Constabulary having recognised the need to create a robust savings plan that sets out how these savings and efficiencies will be made. To drive this work, a project team has been created, led by a Detective Superintendent dedicated to this work. The project team includes staff from Business Change, Finance, HR, and Marketing & Comms. The Key S&E Themes to Explore section summarises 32 Areas to Explore. It is anticipated that the savings plan will be written and approved by the end of March 2023, in readiness for the new financial year. The Income Generation Ideas section identifies 15 areas to explore around income generation.

The Joint Chief Finance Officer reports to the Chief Constable, with a reporting line to the Assistant Chief Officer and the OPCC. The Assistant Chief Officer reports to the Deputy Chief Constable. The Deputy Chief Finance Officer reports to the Joint Chief Finance Officer, who in turn reports to the Assistant Chief Officer.

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	27th February 2023	27th February 2023
Discussion Draft Report:	28th March 2023	31st March 2023
Draft Report:	17th April 2023	20th April 2023
Final Report:	21st April 2023	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	PCC Cumbria & Cumbria Constabulary		
Review:	Financial Sustainability – Business Planning		
Type of Review:	Assurance	**Audit Lead:**	Ian Goodwin

Outline scope (per Annual Plan):	Financial pressures for the OPCC and Force are identified in the Strategic Risk Register. Scope: The review will consider the action taken to identify savings in the Medium-Term Financial Forecast, the monitoring of progress against the targeted savings and how financial sustainability will be achieved during this period of financial uncertainty for the Constabulary.	
Detailed scope will consider:	Directed Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation. Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register. Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Delivery Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner. Sustainability: The impact on the organisation's sustainability agenda has been considered. Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.
Requested additions to scope:	None	
Exclusions from scope:	None	

Planned Start Date:	27/02/2023	**Exit Meeting Date:**	27/03/2023	**Exit Meeting to be held with:**	Michelle Bellis Roger Marshall

SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	**Y/N (if Y then please provide brief details separately)**
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N

Internal Audit

FINAL

Police and Crime Commissioner Cumbria and Cumbria Constabulary

Assurance Review of Firearms Licensing

2022/23

March 2023

Executive Summary

OVERALL ASSESSMENT

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

CC Risk 54 - That lawfully held firearms are not sufficiently tracked and traced as per FAL APP and other national guidelines.

KEY STRATEGIC FINDINGS

The Force follows Statutory Guidance but does not have a documented policy for its full arrangements for firearms licensing.

Process maps and guidance was found to detailed and in place but was not dated or version controlled.

Application and associated documentation was found to be well controlled and, for the areas tested, provided a robust audit trail of actions and decisions.

There are no performance indicators in place for the firearms licensing process and no formal reporting of activities.

GOOD PRACTICE IDENTIFIED

Robust and controlled access to the Firearms Licensing Unit is in place.

The move to an electronic system for applications will reduce the risk of hardcopy data loss through an event such as flooding or fire.

SCOPE

Recent incidents in England have highlighted the risk in relation to the licencing of firearms and the heightened associated reputational risk. In addition, new Statutory Guidance was introduced in November 2021.Scope The review assessed compliance with the Statutory Guidance that came into force in November 2021 and Force policy for Firearms Licensing.

ACTION POINTS

Urgent	Important	Routine	Operational
0	4	0	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	Whilst there is Statutory Guidance issued, it was noted that the Force does not have a documented policy that sets out its own specific arrangements, for example, delegated approval routes, processing priority and areas such as refusals and revocations.	A Firearms Licensing Policy be agreed, documented and introduced.	2	***Specific*** *A Force Policy is in the process of being produced, and once completed will be taken to the ACC's Operational Board for review and consultation. If supported, it will then be remitted to the Strategic Management Board for Chief Officer approval.* ***Measurable*** *The policy will be produced and once approved, will be stored within the force policy library to ensure its continually reviewed and updated.* ***Achievable*** *The work to create the policy is already* *In progress* ***Realistic*** *As above, work is already underway and will be delivered by the timescales indicated* ***Timely*** *This will be achieved by 30th April 2023.*	*30/04/23*	*Ch/Supt Bird*

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	A review of the process maps noted that documents are not version controlled or dated and that expected timeframes for each stage of the process, where applicable, are not recorded. It is acknowledged that a new online system is being introduced in May 2023 and that process maps will be reviewed to coincide with this change to arrangements.	Process maps that are developed for the new Firearms Licensing system be dated, version controlled and include timeframes for actions, where appropriate.	2	***Specific*** *This work is already commissioned and will form part of the work the project team will complete under the CycFirearms case management system implementation.* ***Measurable*** *The process maps will be documented and recorded alongside all other relevant information being compiled by the project team.* ***Achievable*** *The work is already factored into the CycFirearms implementation work and will be governed through the project board which is chaired by Ch/Supt Bird.* ***Realistic*** *As above, work is already underway and will be delivered by the timescales indicated* ***Timely*** *This will be achieved by 31st May 2023. The project delivery is currently on track for the 22nd May 2023.*	*31/05/23*	*Ch/Supt Bird*

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Delivery	It was established that there are currently no performance targets identified and set for the firearms licensing process. The introduction of performance targets would allow the Firearms Licensing Unit to better monitor applications received, progress, backlog and also identify which parts of the process may be the cause of any delays.	Key Performance Indicators be agreed and introduced to allow performance of the Firearms Licensing Unit to be monitored.	2	***Specific*** *The introduction of the new case management system will facilitate the ability to produce much needed performance information to hold regular accountability over the FAL team. The metrics and indicators that will be used are a strand of work under the current project, overseen by Ch/Supt Bird* ***Measurable*** *The availability of performance data that is subsequently fed into the force governance arrangements will improve accountability and visibility for the performance of the unit.* ***Achievable*** *The work to create the metrics and agree the indicators is already in progress as a strand of the project delivery. The system is expected to be delivered 22nd May 2023.* ***Realistic*** *As above, work is already underway and will be delivered by the timescales indicated* ***Timely*** *This will be achieved by 31st July 2023. Once the system is delivered, there will*	*31/07/23*	*Ch/Supt Bird*

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
					need to be at least once month of operational use to provide a reporting data set. This data will be fed into the Operations Board in July 2023 and ever month thereafter for accountability.		
4	Delivery	Discussions with the Firearms Licensing Manager noted that there is no formal reporting on the Unit's activities, for example applications received, approved, refused and backlog performance.	Reporting on the activities and performance of the Firearms Licensing Unit be introduced.	2	***Specific*** *The accountability and governance of the FAL unit will be via bi-weekly SLT meetings in the SPI Command and into Operations Board (monthly) chaired by the ACC.* ***Measurable*** *The availability of performance data that is subsequently fed into the force governance arrangements will improve accountability and visibility for the performance of the unit. The minutes and actions recorded within the Op's board will be testament to that.* ***Achievable*** *The work to create the metrics and agree the indicators is already in progress as a strand of the project delivery. The system is expected to be delivered 22nd May 2023. The first opportunity to present the data will be in July's Operations Board* ***Realistic***	*31/07/23*	*Ch/Supt Bird*

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
					As above, work is already underway and will be delivered by the timescales indicated ***Timely*** *This will be achieved by 31st July 2023. Once the system is delivered, there will need to be at least once month of operational use to provide a reporting data set. This data will be fed into the Operations Board in July 2023 and ever month thereafter for accountability.*		

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
There were no operational effectiveness matters identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Assignment Engagement Details

TIAA Auditors	Title	Contact Email	Telephone
Andrew McCulloch	Director of Audit	Andrew.McCulloch@tiaa.co.uk	07980787926
David Robinson	Audit Manager	David.Robinson@tiaa.co.uk	07766553339

Exit Meeting Date	17th February 2023
Attendees	Karen Morland, Firearms licensing Manager

Director/Commander Comment	I welcome this report and acknowledge the actions and recommendations raised. Many of the actions are already in progress as part of the project to deliver a new case management system to aid efficiency of process in addition to visible performance data to hold the function to account. I have updated the actions above to indicate how and when they will be delivered. As the actions are already in train and a plan to resolve, I see no reason to escalate the risks identified.
Considered for Risk Escalation	No

Findings

Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	**Governance Framework**	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Partially in place	1, & 2	-
RM	**Risk Mitigation**	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	**Compliance**	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	In place	-	-

Other Findings
The arrangements for Firearms Licensing are subject to Statutory Guidance published by the Home Office (Statutory Guidance for Chief Officers of Police on Firearms Licensing). Prior to the audit the most recent published guidance was in November 2021, however, a revision was issued during the fieldwork stage of the audit. The Firearms Licensing Manager was aware of the new guidance and an appropriate review was to be undertaken. The new guidance did not affect the testing undertaken during this audit.
Cumbria Police has procedural guides that cover all aspects of the process, which include new grants, renewals, revocations, variations and other changes. Procedures are held in the form of process maps that set out each stage of the individual process required to be carried out.
The risk that “lawfully held firearms are not sufficiently tracked and traced as per FAL APP and other national guidelines” was recently added to the Force's Strategic Risk Register. A Gold Group chaired by the Assistant Chief Constable has been set up and actions in relation to the backlog of applications, temporary certification and the new system are being progressed and monitored.
Formal delegated authority documentation signed by the Chief Constable was evidenced for the issuing and signing of certification, passes and permits. It was noted that some of the job/role titles had changed since the documents were originally issued in 2012. This was corrected during the audit with new documents being issued to reflect the current roles and responsibilities.

Other Findings

A sample of five new licences issued was selected for review. The sample included three shotgun applications and two application for shotgun and firearms.

Documentation was confirmed as being held to support the receipt, processing and issuing of each application reviewed. This was held in hardcopy format in a secure building with electronic restricted access. All documentation for each application was held together and no issues were identified with the information retained to support each application. The Firearms Licensing Manager had signed off each of the licences/certificates reviewed in accordance with their delegated authority.

A sample of five renewal applications was selected for review. This included two Firearms renewal applications and three Shotgun renewal applications, one of which was co-terminus.

Hardcopy files were evidenced for each application that were readily available and held all of the relevant documentation to allow the renewal to take place.

It was identified that no formal record is held on the hardcopy files for approval, with the signing of the certificate acting as this. Following discussions with the Firearms Licensing Manager it was agreed that a hardcopy sign off would be introduced immediately as the new system would record this automatically when it goes live in May 2023. (A recommendation was not raised for this action)

A sample of five temporary licences issued due to the delays in processing caused by Covid restrictions was selected for review. All documentation was held for each temporary licence reviewed and accorded with the required process.

Two application refusals and one revocation of shotgun and firearms licences were reviewed. In each instance the appropriate checks had been undertaken and supporting documentation was held to support the decision. Each of the three cases reviewed was confirmed as having been presented to the Assistant Chief Constable for approval in accordance with the delegated authority levels.

Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	Partially in place	3, & 4	-
S	Sustainability	The impact on the organisation's sustainability agenda has been considered.	In place	-	-
R	Resilience	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Findings
The current process relies heavily on paper records. These were found to be appropriately stored in a secure manner in a building that had restricted electronic access. A new online system is being introduced in May 2023 which will allow electronic storage of data, electronic approval, work queues to monitor application progress and a reporting function.
As a result of Covid restrictions the Force was unable to process applications and renewals for significant periods over a prolonged period. Suitable actions were confirmed as being taken to undertake activity to allow extension permits to be issued. At the time of the audit there was backlog of circa 1,600 applications, which equates to approximately 11 months. It was confirmed that this had reduced by around one month over the previous six months and further progress is expected with the introduction of CycFirearms, the new electronic system.
The existing process is heavily reliant on a paper/hardcopy submission and hardcopy records retention. CycFirearms will significantly reduce the volumes of paper being used for this process.
The Firearms Licensing Unit's current structure is appropriate to the usual level of demand. It was, however, noted that additional work required to get existing documentation prepared for scanning for the new system and the backlog were utilising additional overtime to facilitate the need. The Gold Group referenced earlier in this report are considering resourcing as part of its monitoring and action plan.

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	7th February 2023	7th February 2023
Discussions Draft Report:	3rd March 2023	9th March 2023
Final Report:	9th March 2023	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	PCC Cumbria & Cumbria Constabulary		
Review:	Firearms Licensing		
Type of Review:	Assurance	**Audit Lead:**	Andrew McCulloch

Outline scope (per Annual Plan):	Recent incidents in England have highlighted the risk in relation to the licencing of firearms and the heightened associated reputational risk. In addition, new Statutory Guidance was introduced in November 2021.Scope The review will assess compliance with the Statutory Guidance that came into force in November 2021 and Force policy for Firearms Licensing.
	The review will set out to provide assurance to JAC that the organisation has robust controls in relation to the firearms licensing arrangements, including: • Policy and Procedures are up to date and clearly define the process and align with statutory guidance issued by the Home Office; • A robust audit trail of documentation is prepared and retained to support all actions and decisions; • Certification and Licence issuing is accordance with delegated authorities; • Regular performance monitoring of FL unit activities is reviewed and reported.; • Risks associated with licensing have been considered and appropriately mitigated.
Requested additions to scope:	(if required then please provide brief detail)
Exclusions from scope:	

Planned Start Date: Fieldwork	13/02/2023	**Exit Meeting Date:**	17/02/2023	**Exit Meeting to be held with:**	Karen Morland-Firearms Licensing Manager

SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	**Y/N (if Y then please provide brief details separately)**
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N

Internal Audit

FINAL

Police and Crime Commissioner Cumbria & Cumbria Constabulary

Assurance Review of Management of Overtime

2022/23

April 2023

Executive Summary

OVERALL ASSESSMENT

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Included in 2022/23 audit plan

KEY STRATEGIC FINDINGS

The Constabulary's overtime spend is significantly over budget for 2022/23. Meeting the 2023/24 budget will require considerable focus from across the force.

The recording, authorisation and processing of overtime hours and payments were found to be subject to robust management controls.

Detailed system reports are available to managers to monitor staff overtime, but it was noted that these are not yet used as widely as intended.

A limited number of overtime shifts were entered many months after being worked. Such cases are subject to additional scrutiny, but present a control risk.

GOOD PRACTICE IDENTIFIED

The planning process for major events or mutual aid includes a focus on minimising overtime through identifying the most cost-effective resourcing solutions.

System parameters and staff procedures were found to be aligned with police regulations and staff conditions, in respect of the overtime rates and entitlements.

SCOPE

The review considered the strategic arrangements for the management of overtime including: overtime policy and processes, use of the Crown system, auto approvals, overtime planning arrangements and changes to planned overtime.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	2	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Delivery	The Constabulary Financial Summary to 31st January 2023 confirms that the police officer overtime budget was forecast to be overspent by £1,127k (45%) by the year end. Although annual comparisons are difficult due to the timing of significant operations, the pattern towards the end of 2022 was for lower costs than in the equivalent month in 2021. The Deputy Chief Finance Officer confirmed that overtime expenditure now receives significant attention at Chief Officer level and has become a financial priority for the constabulary. The leadership of each command or directorate has a finance officer providing support and attending key meetings to ensure that financial matters, including overtime, are discussed and that appropriate support is available to managers. It was reported that the force-wide cultural change required to meet the very challenging overtime budget in 2023/24 has begun to make progress but that the momentum and focus in this area must be maintained if this is to be achieved.	Close attention be maintained to performance against the overtime budget during 2023/24, to give the Constabulary the opportunity to avoid the significant overspend seen in 2022/23. The continued provision of management information and guidance from the Finance team, in combination with accountability for budget holders and managers, will be key in meeting budgetary objectives.	2	***Specific*** *Overtime will continue to be monitored and reported at the highest level to COG and the PCC as it is now. In addition, a suite of reports for individual Command and Directorate SLTs will be developed and provided on a monthly basis. Furthermore, reporting will be developed for Strategic Performance Board meetings and Local Accountability Meeting Performance Presentation (LAMPP).* ***Measurable*** *The management action is measurable in that the physical production of the reports can be proven. The ultimate test of this action is that the desired result, being that of controlled overtime spend that is within budget, is achieved for the 2023/24 financial year and beyond.*	*30th June 2023 for initial reports but maintained throughout 2023/24 and beyond.*	*Michelle Bellis – Constabulary Chief Finance Officer*

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
					Achievable *In recent months, the overtime spend is showing signs of slowing which is assumed to be as a direct result of the enhanced chief officer scrutiny of this area of spend. Enhanced financial reporting across all commands/directorates is being developed which will include specific focus on overtime where required.* ***Realistic/Relevant*** *The preparation work in relation to enhanced reporting is already underway and the format of reports is to be agreed by colleague in Standards Insight and Performance Command prior to wider roll out.* ***Timely*** *The enhanced reporting is currently being developed and is intended to be in place by June 2023 for the period ended 31/05/23 which is the first set of management accounting reporting in a year.*		

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	Analysis of payroll data showed that there were 298 overtime entries across January and February 2023 relating to hours worked earlier than November 2022 (4.5% of the total), including five cases from 2021 or earlier. When hours are booked promptly, payment is made the following month. Although there are relatively few cases, the delayed entry of overtime hours can increase the potential for error or fraud as memory or records may be less reliable. It was confirmed that claims from earlier periods are subject to additional checks for authorisation and duplication. It was also noted that some circumstances are more likely to entail delayed claims, such as comprehensive reporting on major operations or mutual aid. Management confirmed that there is no time limit on the claiming of overtime and that a formal consultation would be required if this were to be introduced. Resource coordination staff identified that the introduction of overtime processing via Crown bookings has been a major change and that significant work has been made on understanding the new processes. This has led to a reduction of 66% of system exceptions in recent months, including fewer late claims, so the trend is a positive one.	Any staff and managers entering overtime hours with a significant delay be reminded of the need to record hours promptly, to minimise the risk of error or fraud. The resource coordination team should remain alert to such cases and continue to apply additional scrutiny regarding authorisation and accuracy of records.	3	***Specific*** *The Resource Coordination Inspector to introduce a 3-month cut off point for overtime claims, after which, Superintendents authority is required.* ***Measurable*** *This is measurable by the number and frequency of overtime claims in excess of 3 months.* ***Achievable*** *This proposal is achievable with support from the Police Federation and Unison. There will need to be a consultation on this proposal with these two Staff Associations. Once consulted, the rule will be written into the Resource Coordination Principles and taken to Work Force Board for ratification at Chief Officer level.* ***Realistic/Relevant*** *The report by TIAA clearly shows that late overtime claims reduce control and can increase the potential for mistakes or fraud, and this is a gap that needs to be remedied.*	*3rd April for the consultation with Staff Associations.* *Replies by 17th April 2023* *Proposal to Silver by 25th April 2023* *Work Force Board by 10th May 2023*	*Diane Bradbury, Resource Coordination Team Inspector*

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
					Timely *The consultation with Staff Associations commenced on the 3rd April 2023 with a response time requested of two weeks. In more strategic terms, the Force's focus on expenditure and over time provides the perfect opportunity to place controls around over time claim timescales.*		
2	Delivery	Since the introduction of the Crown bookings system to record overtime, the reporting framework has been evolving to better meet the needs of the constabulary and to complement the regular management accounts data. Bronze meetings within command units receive detailed reports showing every instance of overtime within the area of responsibility, providing management with total visibility. Individual supervisors are responsible for ensuring the validity of the overtime records of their own teams, through access to a suite of reports within Crown. Management indicated that the use of these tools has yet to reach the levels expected for a culture of full manager accountability, and that education and awareness-raising remains ongoing.	Development be continued on the framework for reporting of overtime, both in further encouraging individual supervisors to fully utilise the reporting capabilities available to them in managing their team's overtime, and in the development of additional reporting on the reasons behind overtime working.	3	***Specific*** *We continue to roll out and publicise OT analysis and reporting tools for supervisors through the Forces Marketing and Media office and by commencing a series of 'master classes' online focussing on reporting functionality.* ***Measurable*** *This activity is measurable in a number of ways; through the number of views and comments on the on-line material, through attendance at the maser- class sessions and through the comparison of Overtime spends at team, and quadrant level via the bronze meetings.*	*Informational video created by Marketing and Communications filmed 22nd March 2023 and published week commencing 3rd April 2023* *The master class sessions will commence after Appleby Fair, the King's Coronation and other national operations, in June 2023.* *Proposal to Senior Leadership teams*	*Diane Bradbury – Resource Coordination Team Inspector*

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
		Since early 2023 the procedure has been changed so that overtime reasons are now entered into Crown. This will allow more granular analysis of the drivers for overtime costs. Development of management reporting utilising this information was in its early stages at the time of the audit.			***Achievable*** *Educational videos are already part of the Crown information strategy since autumn 2022. This will continue and the mater classes will commence by May 2023. The focus on finance in the Bronze meetings will continue with SLTs being encouraged to place ownership on team focussed reporting at first- and second-line manager level. The aim being to include team overtime spend in Team Performance Meetings. This will be proposed at Silver and Work Force Board processes.* ***Realistic/Relevant*** *The focus on overtime and expenditure is a Force priority and it is entirely realistic and relevant that the Force encourages, and expects, oversight and reporting at team level.* ***Timely*** *The focus on over time and expenditure is encouraging and raising awareness regarding financial efficacy. The Resource Coordination team already have a robust checking system and these measures, at this time, will contribute to a changing culture of*	*that team OT focus forms a part of team Performance meetings in July 2023 once the education strategy has embedded.*	

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
					accountability and financial mindfulness.		

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No operational effectiveness matters were identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings

Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	**Governance Framework**	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	**Risk Mitigation**	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	**Compliance**	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	1	-

Other Findings

Authorisation to approve overtime working and payments is delegated to budget holders and line managers in accordance with the principles set out within the Financial Regulations. Rules governing entitlements to payment at specified rates for overtime working are set out within the Police Federation Regulations and Police Staff Terms and Conditions. The current procedures were found to be aligned with the requirements of these governing documents, with the entitlements and rates of pay accurately reflected within the Crown system. Scenarios where Crown is unable to automatically apply the correct rates have been identified and manual workarounds applied.

Detailed guidance is in place defining the required level of permission required for different types of overtime, including staff versus officers, planned versus casual, and other common scenarios. Records confirm that casual overtime was originally approved to be paid automatically without prior approval up to 10 hours by the Chief Officer Group following the implementation of the Crown system. This limit was subsequently reduced to four hours by the Head of Resource Coordination (Chief Superintendent), to enhance controls. The guidance is clear that line managers retain responsibility for any overtime that has been automatically approved, requiring their regular review of Crown reports to validate all hours worked.

Other Findings

Minimising overtime costs is a key focus of the resource coordination team. For regular patrol shifts, forward planning allows for swapping of shifts and rest days to fill resourcing gaps without using paid overtime.

Where the force becomes aware of major events requiring additional resource, planning is undertaken up to a year in advance. Rather than using overtime as standard to provide additional resource, the most cost-effective solution is identified in each case, most commonly changing officers' rest days. The largest events may also carry leave restrictions to ensure a sufficient pool of officers is available. Planning for mutual aid follows a similar process. The need for officers with specialist skills to be on duty is a significant consideration in such cases and can often result in overtime being the only option.

Where event organisers are to be charged for policing support, this would generally be provided through offering overtime to officers because the costs will be recovered. This approach avoids many of the subsequent downstream scheduling challenges resulting from changing rest days.

A detailed review was undertaken of one example of mutual aid and one special operation. These were found to have been planned appropriately with due consideration given to the resourcing requirements and overtime was only used as necessary.

The risk of fraud or error resulting from human or system oversight is carefully considered within the procedures for management of overtime. Detailed process maps are in place within both resource coordination and corporate support (CSD), alongside a comprehensive checklist of reports and controls to be carried out on a monthly basis before payment. Close collaboration between the two functions ensures that queries or discrepancies should be identified and resolved well before the payroll run is committed.

An extract from Crown was reviewed containing 2986 lines relating to casual overtime for police officers in December 2022 and 2023. In all but three cases an entry was present confirming that the first 30 minutes had not been paid, as per the police regulations. Upon further investigation, it was confirmed that the three remaining cases related to bookings crossing into a new police day; hence regulations confirm that the 30 minutes unpaid does not apply to the second day. No errors relating to casual overtime were identified.

From a total of 204 entries identified relating to higher band police staff overtime, a sample of eight cases was investigated in detail. Evidence was provided for each of these that they were either a) on the list of specified post holders entitled to overtime, with a copy of authorisation from management, or b) carrying out on-call activity attracting overtime payment in line with policy. No errors relating to higher band staff were identified.

All data extracted from the Crown duty management system was compared against that submitted to Payroll. Several types of differences were identified within the raw data, and an example of each category investigated in detail. These were found to relate to either manual workarounds required due to the limitations of the Crown system, or in one case an officer deciding to take TOIL rather than payment. In each case the underlying evidence was examined and the resulting payment records found to be accurate in relation to the regulations and the hours worked.

Overtime payments processed via payroll in January and February 2023 were analysed against data from Crown covering the equivalent periods. 94 differences were identified out of a total of 6300 entries (1.5%). These were reviewed, including six cases that were investigated in detail. Through discussions with CSD and the resource coordination team, along with supporting evidence, it was established that these differences were due to a small population of employees for whom manual entries are required in the payroll system for activities that cannot be handled adequately through Crown. In most cases these are staff on temporary secondment or promotion carrying out overtime for a role different from their current position and therefore requiring a different rate of pay. These entries are made manually by payroll following management authorisation. Appropriate records were available for the cases reviewed and payments were found to have been correctly applied.

Other Findings

Planned overtime must be confirmed as such, so that the first half hour is payable (casual overtime is not payable for the first 30 minutes). Approval is accepted through an email to the resource coordination team, either from an inspector or from the individual copying in the relevant supervisor. A sample of ten instances of overtime classified as planned was reviewed for the appropriate authorisation. In nine cases this was in place.

The final case was verified as on-call overtime, which is automatically classed and paid as planned overtime. The inspector was not, however, copied on the confirmation email to resource coordination. In discussion with management and review of the associated records, this was confirmed as an oversight. The on-call overtime was clearly valid according to the system activity records so there was no potential for a fraudulent claim to have been made through this process. Management confirmed that colleagues will be reminded of the need for the inspector to be copied on such communications.

Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	**Performance Monitoring**	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	Partially in place	2	-
S	**Sustainability**	The impact on the organisation's sustainability agenda has been considered.	Partially in place	3	-
R	**Resilience**	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Findings

A key development that may ease some of the pressure on overtime budgets is the point at which trainee officers will become fully operational during 2023/24. Although the largest overtime costs are currently seen within response, it was noted that other specialist areas also require additional resource and response officers may be needed to move into those roles over the coming months. Additional fully operational officers should nevertheless contribute towards compliance with the overtime budget across the force as a whole.

Assignment Engagement Details

TIAA Auditors	Title	Contact Email	Telephone
Stuart Whittingham	Principal Auditor	Stuart.Whittingham@tiaa.co.uk	07768888793
David Robinson	Audit Manager	David.Robinson@tiaa.co.uk	07766553339
Andrew McCulloch	Director of Audit	Andrew.McCulloch@tiaa.co.uk	07980787926

Exit Meeting Date	16th March 2023
Staff Consulted During Audit	Diane Bradbury, Resource Coordination Team Inspector Karen Thompson and Anne Holme, Team Leaders Resource Coordination Team Michelle Bellis, Deputy Chief Finance Officer Sue Hyde, Finance Services Officer Abi Whitbread, Data Reporting and Systems Officer, Corporate Support Directorate

Director/Commander Comment	The situation described in this audit is recognised by the Chief Officer Team and has been the focus of significant activity over the last 6 months. We are encouraged that this additional scrutiny has started to slow the usage of overtime. This coincides with the force achieving its Operation Uplift target. As such, the Force remains optimistic that spending during 23/24 will be within profile now that staffing levels have been optimised. **Nancie Shackleton – Assistant Chief Officer 03/04/2023**

Deputy Chief Constable Comment	I welcome this report and its findings, in addition to the leads response to the issues raised. I also support and welcome the comments from ACO Shackleton as articulated above. The ACO rightly highlights the focus the Chief Officer Team has placed on the management of overtime in the last 6 months, and of the expected reduction in overtime spending now we have achieved our Operation Uplift target. From the extensive work I have led to restructure the Force, we now have the required platform to exact enhanced levels of scrutiny to aid performance management, and effective financial management (including overtime spending) is a key focus. Whilst financial updates have always been regularly presented to the Chief Officer Team, they are now regularly heard within the new governance meetings, specifically in the monthly Strategic Management and Strategic Change Boards. This provides situational awareness for all senior managers relating to our fiscal challenges, whilst providing a forum for accountability. Performance products to support the new governance arrangements have also been developed and used since the Autumn of 2022 which supports Commanders and their SLT's to understand their performance, whilst assisting Chief Officer Chairs to hold accountability (Strategic Performance and Local Accountability meetings). In addition, my team and I have just completed our first round of Performance Development Conferences (PDC's), my bi—annual deep dive of Command performance, during which financial management is scrutinised. I am also leading on the production and oversight of the Force Savings and Efficiency Plan which will ensure the Constabulary meets its fiscal challenges over the next 5 years. One of the elements of the strategy is to reduce overtime spending across Commands. Rob Carden – Deputy Chief Constable
Considered for Risk Escalation	No

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	10th January 2023	10th January 2023
Discussion Draft Report:	21st March 2023	11th April 2023
Draft Report:	17th April 2023	19th April 2023
Final Report:	21st April 2023	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	PCC Cumbria & Cumbria Constabulary		
Review:	Management of Overtime		
Type of Review:	Assurance	**Audit Lead:**	Stuart Whittingham

Outline scope (per Annual Plan):	Overtime is a significant area of expenditure and potential overspend for the Constabulary. The review will consider the strategic arrangements for the management of overtime including: Overtime Policy and Processes, use of the Crown system, auto approvals, overtime planning arrangements and changes to planned overtime.
Detailed scope will consider:	The review will set out to provide assurance to the Joint Audit Committee that the organisation has robust arrangements in place and operating for the management of overtime: • The process is directed by appropriate policy and procedures. • Overtime is actively managed to control costs and consequential budgetary overspend. • Out-of-policy overtime is investigated and justified before payment. • Appropriate authorisation is in place for payments, in accordance with financial regulations. • Reporting and analysis is carried out on overtime payments, to allow for challenge and scrutiny.

Planned Start Date:	06/03/2023	**Exit Meeting Date:**	16/03/2023	**Exit Meeting to be held with:**	Resource Coordination Team Inspector

SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	**Y/N (if Y then please provide brief details separately)**
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N

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Internal Audit

FINAL

Police and Crime Commissioner Cumbria and Cumbria Constabulary

Assurance Review of Performance and Insight

2022/23

March 2023

Executive Summary

OVERALL ASSESSMENT

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

No strategic risk in Constabulary Strategic Risk register.

A new Performance and Insight Team is being put in place.

KEY STRATEGIC FINDINGS

The latest PEEL inspection report from April 2022 contained comments regarding issues with operational governance and performance scrutiny.

A presentation was delivered to HMICFRS in January 2023 that covered the intended new governance arrangements.

A series of groups have been put in pace including the Strategic Management Board, Strategic Performance Board, Information Management Board and the Strategic Change Board.

GOOD PRACTICE IDENTIFIED

Appropriate data and supporting commentary is included within the reporting provided to the Strategic Performance Board.

SCOPE

The review considered the way in which key performance data is collated to inform effective decision making, taking in to account the accuracy, integrity and consistency of data.

ACTION POINTS

Urgent	Important	Routine	Operational
0	0	0	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
No recommendations were made.							

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No operational effectiveness matters were identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Assignment Engagement Details

TIAA Auditors	Title	Contact Email	Telephone
David Robinson	Audit Manager	David.Robinson@tiaa.co.uk	07766553339
Andrew McCulloch	Director of Audit	Andrew.McCulloch@tiaa.co.uk	07980787926

Exit Meeting Date	1st March 2023
Attendees	Mick Bird T/Chief Superintendent, Performance, Standards and Insight Command

Director/Commander Comment	I have read and welcome this report and the overall assessment of substantial assurance. A significant amount of work has been done to research, design, and implement a new performance framework and governance structure in a short space of time. Although there are no identified actions or recommendations arising from this report to address, the performance framework and governance arrangements will be reviewed annually to ensure they remain fit for purpose, with amendments or identified changes being presented to the Strategic Management Board for approval.
Considered for Risk Escalation	No

Findings

Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	**Governance Framework**	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	**Risk Mitigation**	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	Out of scope	-	-
C	**Compliance**	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	In place	-	-

Other Findings

The latest Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection report, published in April 2022, rated the Constabulary, under the heading of Strategic Planning, Organisational Management and Value for Money, as "adequate". However, a number of comments were made within the report, such as:

- Operational governance and performance scrutiny was less structured than strategic governance; and
- Performance scrutiny isn't taking place consistently in all the territorial policing areas, and the force doesn't have a performance framework in place for neighbourhood policing. The force recognises there is some work to do, and at the time of inspecting it was reviewing operational governance arrangements.

The Temporary Chief Superintendent (Performance, Standards and Insight Command) also stated that organisational plans did not align to the strategic assessment or Force Management Statement.

In order to address these issues and to provide assurance that these are being dealt with, a presentation was delivered to HMICFRS in January 2023. This covered the intended new governance arrangements with the Strategic Management Board at the top, through strategic and tactical areas to a number of operational delivery areas. This demonstrated that the new performance management framework extended down to incorporate local delivery, which was not previously in place.

A restructure was implemented during 2022 with a move to a geographical Basic Command Unit (BCU) composition to put in place clear lines of accountability.

In addition to the new Boards and performance meeting arrangements, as there was no structured organisational or business change management team in place, a Strategic Change Board (SCB) was created.

Other Findings

The required actions within the Corporate Governance - Project Delivery Schedule were placed into a Gant chart under the heading of internal consultation, communication briefings, review the 'as is', develop the required documentation, development of the intranet page and go live meetings. The T/Chief Superintendent Performance, Standards and Insight Command confirmed that these actions have been implemented.

Terms of Reference (ToR) have been developed for each of the boards and groups. Of particular note are the ToR of the:

Strategic Management Board. The purpose is to set the organisational vision and strategic intent. Objectives include to monitor critical aspects of performance and oversight of Governance Boards and exception reporting dashboards;

Strategic Performance Board, whose purpose is to drive organisational performance and delivery of outcomes and benefits, includes the objectives to drive organisational improvement and to understand thematic performance;

Information Management Board. The purpose is to provide governance in relation to data and information related matters. The objectives include to provide a forum to understand data and information related issues and a decision-making forum in relation to how data and information is treated.

A review of the agenda for a sample of meetings showed that topics discussed include:

Strategic Management Board

Updates relating to performance, HMICFRS and change management and a review of the Strategic Risk Register.

Strategic Performance Board

The focus of this group is to review and evaluate the performance of the constabulary. This includes data in relation to:

- The number of crimes recorded and a breakdown of crimes by offence group and comparisons against the previous year and national data;
- The number and percentage of recorded crime cases open, closed (not resolved) and resolved;
- A detailed breakdown of crime statistics;
- National outcomes and National Crime and Policing Measures;
- Positive outcome ratios;
- The level of police assaults;
- Custody data;
- Youth arrests;
- Control room performance;
- Service level and dispatch times; and
- Crime victim satisfaction.

A review of the Strategic Performance Board report for February 2023 showed that this contained appropriate commentary in support of the data.

Strategic Change Board

An overview of progress made in relation to current projects and programmes, incorporating exceptions, decisions that have been escalated to the SCB and a review of new project change requests and the benefits register.

HMIC Board.

This new Board meet monthly and review all recommendations, through the tracker, that were included in the latest HMICFRS inspection report.

Meeting agenda items include progress made in implementing the recommendations included within the HMICFRS report and the Forces Improvement Plan, national and local HMICFRS activity influencing or impacting upon the Constabulary and progress updates regarding any ongoing inspections.

Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	**Performance Monitoring**	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	Out of scope	-	-
S	**Sustainability**	The impact on the organisation's sustainability agenda has been considered.	Out of scope	-	-
R	**Resilience**	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Findings

Performance management is more than just reporting information. It is concerned with setting clear objectives and priorities, carrying out a number of specific and targeted actions, monitoring performance in those areas, gaining management information and using this to highlight areas for improvement.

Establishing a governance structure surrounding the performance management system allows the Constabulary to ensure that performance insights are used to prompt action and information sharing across organisational levels.

In our opinion the revised performance management governance structure is appropriate and should assist in rectifying the issues noted in the latest PEEL report.

It should be noted that the new structure has only been in place for a short period of time and therefore only limited information and reporting that aligns to the new arrangements has been available for audit review and testing

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	n/a – through discussions	n/a – through discussions
Draft Report:	3rd March 2023	9th March 2023
Final Report:	9th March 2023	

AUDIT PLANNING MEMORANDUM (for dates, personnel only) Appendix B

Client:	PCC Cumbria & Cumbria Constabulary		
Review:	Performance and Insight CC Assurance		
Type of Review:	Assurance	**Audit Lead:**	David Robinson

Outline scope (per Annual Plan):	A new Performance and Insight Team is being put in place. Scope. The review will consider the way in which key performance data is collated to inform effective decision making, taking in to account the accuracy, integrity and consistency of data.	
Detailed scope will consider:	Directed Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation. Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register. Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Delivery Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner. Sustainability: The impact on the organisation's sustainability agenda has been considered. Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.
Requested additions to scope:	(if required then please provide brief detail)	
Exclusions from scope:		

Planned Start Date:	26/01/2023	**Exit Meeting Date:**	01/03/2023	**Exit Meeting to be held with:**	T/Chief Superintendent Performance, Standards and Insight Command

SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	**Y/N (if Y then please provide brief details separately)**
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N

Agenda Item 09a

Internal Audit

FINAL

Police and Crime Commissioner for Cumbria and Cumbria Constabulary

Assurance Review of Force - Personal Safety Training

2022/23

September 2022

Executive Summary

OVERALL ASSESSMENT

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

There is a risk that officers will use force on members of the public while being out of date with their mandatory Personal Safety Training (PST) and Job-Related Fitness Test (JRFT).

KEY STRATEGIC FINDINGS

Approximately 500 officers have not completed their personal safety training (PST) within the last 12 months. This includes circa 150 who are currently recorded by Occupational Health as unfit to undertake the training.

175 staff with overdue training have not yet been booked onto a future course.

Resource co-ordinating meetings monitor the progress made in completing actions undertaken that are aimed at reducing the number of staff with overdue training.

GOOD PRACTICE IDENTIFIED

The police job-related fitness test (JRFT), which officers are required to complete prior to undertaking any personal safety training, is undertaken on the first day of the PST course.

SCOPE

The review considered the delivery of Personal Safety Training (PST) in accordance with the College of Policing Guidance on PST. The review also assessed the actions taken to address the reduced training provided during the pandemic to bring training delivery back to the expected level.

ACTION POINTS

Urgent	Important	Routine	Operational
0	2	0	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	A spreadsheet provided by the Specialist Training Manager contained the expiry dates of individual staff personal safety training (PST) courses. This highlighted where the PST had expired and showed that 483 staff had expired PST (including 146 where occupation health had noted that they were unfit to undertake the training) – a net position of 337 eligible members of staff overdue. Analysis of these staff showed that 175 did not have a future course date booked. This represents approximately 52% of the staff with overdue training. The majority of the remaining staff were booked onto courses in July and August 2022. An exercise should be undertaken to prioritise those officers with expired training to ensure that courses are booked at the earliest opportunity. This will assist in providing assurance to Workforce Bronze that the force will achieve a fully compliant position with regards to PST training.	Course dates be booked without delay for all officers with expired PST.	2	*Courses are scheduled up to the end of March 2023, and a potential training plan for 2023/24 has been produced, pending approval.* *There is course availability for all officers that have expired or due to expire until the end of March 2023.* *Resource Coordinators have recently been restructured to have more oversight on course bookings. However, they have recently prioritised changes to Crown and force restructure due to Government reform. Officers shift patterns have also been reviewed and changed. This has also taken priority over PST bookings.* *Once all the changes to Crown have been made due to LGR and change in shift pattern, Resource Coordinators will be able to look to book officers on to courses that are currently out of date, or due to expire. Regular L&D and Resource Coordination meetings will review the list of Officers with expired skills.*	*To be raised and actioned at the next L&D and Resource Coordination meeting 16th September 2022*	*C/Insp Charlotte Nutter*

PRIORITY GRADINGS

1	**URGENT**	Fundamental control issue on which action should be taken immediately.
2	**IMPORTANT**	Control issue on which action should be taken at the earliest opportunity.
3	**ROUTINE**	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	Although course dates are held within Chronicle, the spreadsheet provided and used by the Specialist Training Manager did not contain the date that the training expired. It was therefore not possible to establish how overdue officers' PST was. This data should be utilised to prioritise those whose PST course expired first.	The expiry date of PST courses be logged within the spreadsheet to enable those officers with the oldest course dates to be identified and prioritised when booking onto courses.	2	*Chronicle Manager currently provides a list to duties of when officer's skills will expire so they can be booked on the course in a timely manner.* *Chronicle is able to produce a list of all police officers and their PST expiry date. At present Chronicle will not show how long an officer's skills have been expired for.* *Determining a list of officer's priority is multi-faceted depending on role, specialist skills, operational commitments and various other aspects. These need to be considered when booking courses.* *Streamlining the system so there are not as many spreadsheets for Resource Coordinators to look at will simplify the process.* *From 5th September, when the force structure changes, the current spreadsheet will need revising to match the new structure.* *L&D are looking to produce Teams solution to simplify the management of expiry dates.*	*To be raised and actioned at the next L&D and Resource Coordination meeting 16th September 2022*	*C/Insp Charlotte Nutter*

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No operational effectiveness matters were identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings

Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	**Governance Framework**	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	**Risk Mitigation**	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	**Compliance**	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	1 & 2	-

Other Findings

There had previously been no forward planning of PST courses with these being booked at relatively short notice, albeit allowing six weeks' notice in order for officers to ensure that their physical condition was sufficient to pass the fitness test.

The new arrangements involve staff being booked onto a course 12/13 months after taking their current course.

Course dates are created by the Specialist Training Manager and provided to the Chronicle Team who book officers onto the course. The PST course dates booked will also be entered onto Crown, which will enable officers' duties to be scheduled with the knowledge of who will be unavailable for duty due to attending a course. This should alleviate staff not being able to attend a course due to operational needs.

Prior to undertaking any personal safety training (PST), officers are required to complete and pass the police job-related fitness test (JRFT). This is to ensure that officers have a minimum level of fitness to be able to undertake the PST. Discussions with the Specialist Training Manager identified that the fitness test is scheduled to be undertaken on the first day of the PST and has a failure rate of approximately 1%

Other Findings

The Learning and Development Risk Register contains the following entry: "There is a risk that officers will use force on members of the public while being out of date with their mandatory Personal Safety Training (PST) and Job-Related Fitness Test (JRFT), caused by training being postponed due to the Covid pandemic resulting in officers authorisation expiring and reputational risk to the Constabulary". The latest update relating to mitigating actions, dated February 2022, records that PST delegate numbers have been increased from 12 to 20 to try and reduce the numbers of officers out of authorisation and the current number of officers out of authorisation was 398.

It was noted that an action recorded within the Risk Register was to "take a risk-based approach to prioritising training with response officers being the highest priority". It was established that this is a manual process carried out by the Resource Co-ordinators who take into consideration the skills and specialisms held by officers when booking in course dates.

Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	**Performance Monitoring**	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	**Sustainability**	The impact on the organisation's sustainability agenda has been considered.	Out of scope	-	-
R	**Resilience**	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Findings

Resource co-ordinating meetings are held approximately every two weeks in order to monitor the progress made in completing actions undertaken that are aimed at reducing the number of staff with overdue training. Attendees at these meetings include the Specialist Training Manager, the Resource Coordinator Team Supervisor, Chronicle Manager, Strategic Development Manager, Inspector in charge of resource coordination, the Superintendent managing the Police Office shift review and the Chief Inspector (Head of People).

A review of the minutes/notes of the initial meeting in February 2022 and subsequent meetings in April and May showed that subjects discussed included:

- Planning for the next 12-18 months and to establish the aims and purpose of the group (for information the define purpose of the group is to "devise a co-ordinated and tactical approach to create and deliver a training calendar planned on duties with a 12-month advance");
- How the process currently works including what systems are used and how training notifications are communicated;
- Ensuring that the disruption to training is minimised by the effect of external events such as the Appleby Horse Fair and the Commonwealth Games; and
- The option to co-ordinate PST with first aid training.

The latest data available from Chronicle showed that there are 540 Officers with out of date PST (from a total of 1,338 officers), however this includes 257 that are not eligible for PST due to a restriction or on recuperative duties. The adjusted figure is therefore 283/1,081 or approximately 26% out of date. The Specialist Training Manager stated that prior to the Covid-19 pandemic, approximately 90% of officers had completed their PST. For information, an action contained within the Risk Register is for officers that are exempt from JRFT or PST due to being either long- or short-term injury/restriction to be removed from the list of expired officers. This cannot be recorded within Chronicle and therefore the performance figures have to be manually adjusted.

Other Findings

At the meeting undertaken in February 2022 it was agreed that the main reason for staff not attending their booked PST course was 'operational demand'. A discussion took place at the meeting regarding when this is acceptable and what elements are cultural. It was also stated that "there was an agreed protocol that officers needed their Chief Inspector's permission to miss PST. This needs to be re-invigorated and agreed as a process across the Force". Discussions with the Specialist Training Manager identified that, with the exception of some officers with specific skills, for example firearms or Taser, who would lose their skill if they did not complete the PST, although a list of officers who have not turning up for their course is discussed at the Workforce Bronze meetings, there is currently no consequence to an officer for failing to ensure that their PST remains in date.

The Specialist Training Manager stated that although up to 18 places were previously available for each PST course, only around 12 officers actually attend. Although data to substantial this assertion could not be obtained, this would result in one additional course having to be booked for each three previously taking place (to accommodate the six non-attendees for each course). Courses are now, however, planned on the basis that 12 attend.

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	17th June 2022	17th June 2022
Draft Report:	15th August 2022	13th September 2022
Final Report:	13th September 2022	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	PCC Cumbria & Cumbria Constabulary		
Review:	Force – Personal Safety Training		
Type of Review:	Assurance	**Audit Lead:**	David Robinson

Outline scope (per Annual Plan):	The review will consider the delivery of Personal Safety Training (PST) in accordance with the College of Policing Guidance on PST. The review will also assess the actions taken to address the reduced training provided during the pandemic to bring training delivery back to the expected level.	
Detailed scope will consider:	Directed Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation. Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register. Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Delivery Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner. Sustainability: The impact on the organisation's sustainability agenda has been considered. Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.

Planned Start Date:	20/06/2022	**Exit Meeting Date:**	19/07/2022	**Exit Meeting to be held with:**	Specialist Training Team Manager

SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	**Y/N (if Y then please provide brief details separately)**
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N

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Internal Audit

FINAL

PCC Cumbria & Cumbria Constabulary

Assurance Review of Resource Planning

2022/23

March 2023

Executive Summary

OVERALL ASSESSMENT

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Included in the audit plan 2022/23

KEY STRATEGIC FINDINGS

The planning of response resources has been subject to substantial analysis and enhancement over the past year, with further improvements planned.

Process improvements remain ongoing and are still to be fully embedded within the organisational culture, while some areas also need to be fully documented.

Changes to shifts and reasonable service levels (RSL) remain in development and consultation for neighbourhood policing, CID and PCSOs.

Staffing in relation to agreed service levels is monitored day-to-day by management, but performance data is not recorded regarding overall compliance levels.

GOOD PRACTICE IDENTIFIED

A detailed review of planned and completed shifts found the only cases of unmet service levels to be due to short-notice absences.

Extensive work has been undertaken to improve forward planning of resources around major events and training.

SCOPE

The review considered the arrangements in place for the duty management system and the arrangements to identify demand and allocate appropriate resources to ensure the effective and efficient delivery of services.

ACTION POINTS

Urgent	Important	Routine	Operational
0	2	1	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	The process for resource co-ordination was confirmed to have undergone significant change over the year prior to this audit. The updated overarching process is documented within the Resource Coordination Principles, designed to define twenty different aspects of resource planning. Several of the elements recently introduced have yet to be documented due to the ongoing changes to the procedures. It is expected that these may continue to evolve as the new approaches become fully embedded across the Force and form part of its wider ongoing culture. The full documentation of these principles and procedures will be important in achieving this cultural change and long-term consistency in the process, including through any future changes in systems and personnel.	The Resource Co-ordination Principles document be completed and approved, to ensure a common understanding throughout the force of how these processes are to be managed. This document, as it evolves, can be used to underpin the continuing efforts to embed all aspects of resource coordination across the organisation and within its culture.	2	*Recommendation agreed and accepted.* ***Specific*** *- The Resource Coordination principles document is in the final stages of development following the peer review undertaken with Humberside.* ***Measurable*** *– Will be seen in the daily application of the principles. This document will be used as the ultimate guide for resource coordination practices for the business.* ***Achievable*** *– Yes, this document consolidates all current working practices.* ***Relevant*** *– Because the force requires a guiding document. Once complete it will be updated as a reflexive document as and when required.* ***Timeliness*** *– Complete by 31/03/23.*	*31/03/23*	*Inspector Bradbury*

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	The decision to prioritise the response function for updates in resource planning has resulted in significant improvements in that area (see further findings within this report). Management acknowledged that there remains similar work to be completed for other areas: - New shift patterns for neighbourhood policing teams (NPT) were in the process of being agreed at the time of the audit, following substantial review and scrutiny. - PCSO shift patterns were confirmed as in need of updating following major staffing changes over recent years. At the time of the audit, proposals had been developed and were under discussion. - Inefficiencies had been identified with CID shift patterns, however it had been recognised that these cannot be addressed until CID staffing is increased. This will only be possible once response has achieved its target operating model, which will then allow for recruitment into other specialist areas.	The work undertaken to achieve improvements in resource planning for response officers be replicated where appropriate for other areas across the Force, including NPT, PCSO and CID. Where these initiatives are in progress, or envisaged for the future, target dates for implementation of improvements and subsequent monitoring of success criteria should be identified.	2	*Recommendation agreed and accepted.* ***Specific** – NPT shift patterns are in the final stages of consultation with Community Beat Officers (CBOs) and Sergeants with go-live date of 17/06/23. NPT inspectors go-live date of 03/05/23. PCSO shift pattern model is currently with Finance for costing with go-live envisaged to coincide with CBOs and Sergeants. CID shift pattern review scheduled to commence upon achievement of full Response Target Operating Model (TOM).* ***Measurable** -Through the implementation of the duties via the Crown DMS.* ***Achievable** – 1/3 complete with dates scheduled for other areas.* ***Relevant** – Supports the new force structure and the work undertaken so far on the patrol structures; shift pattern, RSLs and annual leave criteria.* ***Timely** – Consecutive planning as detailed above.*	*NPT (CBO / Sergeant) 17/06/23* *NPT (Inspectors) 03/05/23* *PCSO still being consulted on, anticipate similar to CBO/Sergeant.* *CID target for agreement once Response TOM achieved (envisage late Summer 23).*	*NPT – D/Supt. StQuintin.* *CID – DI Lamb.*

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Delivery	Progress on improvement work in resource planning is monitored via monthly review at the Workforce Silver meeting, and periodically at the Workforce Board. This provides an opportunity for updates from the Resource Coordination Team, along with the sharing of feedback received by other members of management. The Resource Coordination Team Inspector confirmed that there are no KPIs or metrics that are routinely reported specifically around RSLs and how often these are being met, but that this is monitored on a day-to-day basis within the daily meetings within the basic command units (BCUs). As RSLs and shift patterns continue to be refined for additional functions, the development of analysis and reporting of data in this area would provide management with valuable performance information, which could highlight areas of good practice or where intervention is required.	Performance metrics around resource planning be established once current process improvement work has been more widely embedded, so that assurance on the consistent achievement of RSLs can be routinely provided. This may be of particular value once the resource planning improvement work moves into a 'business as usual' phase, where progress may be monitored less closely.	3	*Recommendation agreed and accepted.* *RSLs are discussed every morning (9am) across the force at pacesetter for that day.* ***Specific** – A Power BI reporting mechanism will be requested as a thematic information management tool.* ***Measurable** – Through the implementation and use of the metric.* ***Achievable** – Through agreement by Workforce Board with priority assigned to purpose, development and use.* ***Relevant** – Will allow the force to measure the achievement of RSLs on a thematic basis against the agreed Target Operating Model implemented with the new force structure.* ***Timely** – To be implemented within 12 months of the new structure going live (04/09/23).*	*04/09/23*	*Director of Corporate Support for gaining agreement for development.* *Inspector Bradbury to support development.*

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
There were no operational effectiveness matters identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Assignment Engagement Details

TIAA Auditors	Title	Contact Email	Telephone
Stuart Whittingham	Principal Auditor	Stuart.Whittingham@tiaa.co.uk	07768888793
David Robinson	Audit Manager	David.Robinson@tiaa.co.uk	07766553339
Andrew McCulloch	Director of Audit	Andrew.McCulloch@tiaa.co.uk	07980787926

Exit Meeting Date	22nd February 2023
Attendees	Chief Inspector Charlotte Nutter; Diane Bradbury, Resource Coordination Team Inspector Karen Thompson and Anne Holme, Team Leaders Resource Coordination Team Written Comments/Email Stephen Kirkpatrick, Director of Corporate Support Assistant Chief Officer Nancie Shackleton

Director/Commander Comment	I welcome this report and fully accept the observations and recommendations made with SMART responses attached. The report observed the significant progress already made whilst recognising the further efforts required to embed and further improve practices. The key findings and good practices identified, together with the many other findings, detailed within the report demonstrate the excellent work undertaken within the resource Coordination team who have welcomed and embraced external review and challenge. I am confident that the Resource Coordination service will continue to effectively support and enable operational policing within Cumrbria.
Considered for Risk Escalation	No

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings

Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	**Governance Framework**	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Partially in place	1, & 2	-
RM	**Risk Mitigation**	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	**Compliance**	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	In place	-	-

Other Findings

The Resource Coordination Team Inspector confirmed that theirs is a new role, added to the Resource Coordination Team, working alongside the two Resource Coordination Team Leaders and the wider team. The additional resource has enabled substantial process improvement work to be undertaken, while the existing team has been able to continue close management of the day-to-day resource planning process.

The review of response resourcing needs was undertaken through Operation Catalyst in late 2021. This incorporated a combination of activity analysis (shadowing of officers), and detailed review of 501 incident logs covering all categories of incident and the total time required for each. Through a process of mathematical modelling, consultation and sense checking using experienced officers' professional judgement, reasonable service levels (RSLs) were established for each hour of the week in every quadrant.

The established RSLs were analysed in combination with abstraction patterns, which were determined following analysis of scenarios such as training and absences from work. This process resulted in a far greater understanding of the true levels of abstractions and their impact on the front line, allowing for improved planning. This analysis provided a required number of response officers for each shift in each quadrant, allowing for expected abstraction rates.

It was noted that shifts are not staffed at levels that ensure 100% coverage at all times. Rather, it is understood that some shifts will be short-staffed and require additional cover to be identified, or occasionally a shift may be able to operate below the RSL following risk assessment by a local supervisor. This management by exception was confirmed as a cost-effective approach that balances the resources available with the need to deliver safe and effective service.

Management confirmed that RSLs are continually reviewed in response to feedback, including one quadrant where the RSL has been increased in response to safety concerns due to its remote geography.

Other Findings

Through a process walk-through for planning of response resources, it was confirmed that resource coordinators monitor via the Crown Duty Management System the resourcing across teams in their areas up to a month in advance. Where a shift is identified with coverage below the RSL, this is addressed according to approved backfill hierarchies, including changing individuals' shifts, finding cover from other teams, or requesting the use of overtime. This is an ongoing process up to the shift start time, as additional abstractions may be added to the system at any point depending on operational requirements or personal circumstances. Close liaison between shift supervisors and resource coordinators is critical, to ensure a full understanding of staffing and any changes.

A walk-through of the procedure for resourcing events was undertaken with the Resource Coordination Team. It was established that all events are captured on a Force events calendar, providing visibility and awareness at all levels.

Major events are closely coordinated with the Civil Contingencies Unit to establish which of these require a full Gold, Silver or Bronze command structure. Commanders are now identified on an annual basis where events are known well in advance, or as soon as possible where less notice is given. Commanders have responsibility for identifying the required resources and work with the Resource Coordination Team to ensure that these are fulfilled, working up to a year ahead of the event to aid planning.

Resource planning requirements and methodology were reviewed in detail for Appleby Fair and key football matches and found to be robust and clearly communicated, with ongoing use of intelligence to refine staffing requirements, specialist skills and leave restrictions, in order to appropriately balance the operational, financial, safety and welfare aspects.

A comprehensive training calendar has been created, to enhance awareness for all colleagues around upcoming activities and associated abstractions. Through close collaboration between the Resource Coordination, Training, Chronicle and Occupational Health teams, a new process has been introduced for the approval of new training activities, where a performance needs analysis form is completed to identify the required timing, resources, staffing and other aspects of the proposed course. This facilitates a discussion between key staff and the Resource Coordination Team around how this can be scheduled with adequate notice, with due consideration of other scheduled training, major events and any other restrictions on availability. Data from the first months of the new process indicate increased attendance at public and personal safety training, from 55-70% during most of 2022, to 85% (December 2022) and 91% (January 2023)

Workforce planning boards are in place with input and direction from ACO level, allowing for strategic consideration of changes in the establishment and their implications for resource planning. These meetings also allow for intelligence gained from management of RSLs to be fed into future workforce requirements. This joined up approach has provided greater insight into the timing of promotion rounds, understanding of student policing programmes, and the decision on delaying moving resource away from response teams to specialist functions until target operating models are achieved, so that this can be done without impacting compliance with RSLs. The Director of Corporate Support noted that there is substantial additional work required within the workforce planning area, with a focus on the skills and capability of the workforce and the future implications for training.

The staffing of eight weeks of patrol shifts was reviewed, covering all four quadrants between December 2022 and February 2023 (a total of 168 shifts). 16 shifts (9.5%) were found to have been carried out with staffing lower than the RSL. From detailed review of records in Crown, there was evidence in each of these cases of short-notice absences (e.g. sickness), which could not have been planned for. It was confirmed that local supervisors would assess in these situations the risk of operating below the RSL against the cost of bringing in staff on overtime. This decision making is part of supervisors' constant and dynamic assessment of risks and as such is not formally documented, so could not be reviewed within the audit. It was noted, however, that a report is issued daily from Crown to BCU leadership providing details on staffing, allowing for any concerns or queries to be raised with local supervisors. It was therefore determined that there are adequate controls over ensuring appropriate response staffing levels on a day-to-day basis.

The planned shifts for all four quadrants were reviewed for the two weeks following the audit (w/c 20th and 27th February), a further 168 shifts. Five shifts were found to be projected to be staffed below RSLs at the time of this data being extracted. Due to the ongoing monitoring process, however, four of these gaps had been filled by the time they were reviewed with the team leader. In the final case, the gap was shown to be for two hours on a weekday morning. It was confirmed that this would be discussed with the local supervisor for their risk assessment, with the likelihood that this would be deemed acceptable for that short period and not requiring additional overtime resource.

It was noted that there were many shifts where staffing was considerably above the defined RSLs, in particular during night shifts. It was explained that this is due to the lower demand during those hours across much of the week. Various examples were provided of how additional officers are deployed in these cases, including bail checks, targeted patrols and specific interventions such as farm watch activity.

Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	**Performance Monitoring**	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	Partially in place	3	-
S	**Sustainability**	The impact on the organisation's sustainability agenda has been considered.	In place	-	-
R	**Resilience**	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Findings

In 2022 the Force commissioned Humberside Police to undertake a review of resource planning, involving staff working in Humberside's Resource Coordination function. A detailed report and recommendations were produced, the majority of which were accepted and developed into an Action Plan to be led by the Resource Coordination Team Inspector from the second half of 2022. Detailed progress reports are maintained and presented to a core group on a weekly basis, with periodic updates to the Workforce Silver Board. It was noted that several additional actions have been added to the plan as the work has evolved, while other items have been removed as not being appropriate for Cumbria. A significant majority of items at the time of the audit were recorded as either Complete or On Track, with clear next steps identified for all outstanding actions.

Management confirmed that overtime has been a significant cost to the Force in recent years, in particular since the COVID-19 pandemic. More effective planning of resources has enabled greater cost control, but there will be a continuing need for overtime until officers in training become fully operational and the target operating model is reached. The Director of Corporate Support noted that overtime is expected to reduce during 2023/24. Management of overtime will be subject to a dedicated upcoming audit review.

It was confirmed that the methodology for demand analysis had been designed principally by one Chief Superintendent with specialist knowledge in this area. Through Operation Catalyst, a substantial amount of this knowledge has been shared with the Resource Coordination Team. Through the addition of the inspector role into this team and the inclusion of the team leaders in key planning and process improvement work, a deeper understanding of the resource planning process has been gained by a wider range of colleagues, providing greater long-term resilience for the Force.

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	10th January 2023	10th January 2023
Draft Report:	6th March 2023	10th March 2023
Final Report:	10th March 2023	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	PCC Cumbria & Cumbria Constabulary		
Review:	Resource Planning		
Type of Review:	Assurance	**Audit Lead:**	Stuart Whittingham

Outline scope (per Annual Plan):	Effective planning and identification of needs is key in ensuring the services are delivered in an efficient and cost appropriate manner. Scope The review will consider the arrangements in place for the duty management system and the arrangements to identify demand and allocate appropriate resources to ensure the effective and efficient delivery of services.
Detailed scope will consider:	The review will set out to provide assurance to the Joint Audit Committee that the organisation has robust arrangements in place and operating for resource planning: • The process is directed by appropriate policy and procedures. • Resourcing needs are identified through a robust process, to ensure sufficient, but not excessive headcount for operational requirements. • Planning is effective in minimising the need for unplanned overtime. • Planning systems are employed effectively and consistently across the force, with sharing of best practice to achieve a resilient service. • Appropriate authorisation is in place for exceptions, along with robust reporting and analysis.

Planned Start Date:	13/02/2023	**Exit Meeting Date:**	22/02/2023	**Exit Meeting to be held with:**	Resource Coordination Team Inspector

SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	**Y/N (if Y then please provide brief details separately)**
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	Y
Are there any particular matters/periods of time you would like the review to consider?	N

Internal Audit

FINAL

Police and Crime Commissioner Cumbria & Cumbria Constabulary

Assurance Review of Risk Management Framework

2022/23

May 2023

Executive Summary

OVERALL ASSESSMENT

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Risk management is a key activity required to assist an organisation in achieving its objectives.

KEY STRATEGIC FINDINGS

The OPCC and Constabulary risk arrangements are well directed with regular review of risk strategy, policy and processes.

Robust risk review processes are in place in both organisations to ensure timely updating and the identification of emerging or increasing risks.

Reporting was found to be thorough and subject to appropriate scrutiny and review.

GOOD PRACTICE IDENTIFIED

Effectiveness reviews of risk management are undertaken and reported to Joint Audit Committee

SCOPE

The review considered the overall arrangements for managing risk within the organisation, including the risk management framework, risk strategy and appetite, identification, monitoring and reporting of risk. The scope of the review did not include providing assurance that all the business significant risks have been correctly prioritised.

ACTION POINTS

Urgent	Important	Routine	Operational
0	0	2	1

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	Regular review of both registers was confirmed as being undertaken. With regard to the OPCC Strategic Risk Register, it was noted that whilst the scores are clearly recorded, they are not colour coded back to the RAG rating. Including this in the risk score columns for the unmitigated and mitigated risk columns would provide a better visual guide to the severity of risks.	Colour coding of unmitigated and mitigated risk scores in line with the RAG ratings be included in the OPCC Strategic Risk Register.	3	*The colour coding of risk scores to reflect their RAG rating has now been implemented within both the OPFCC Strategic and Operational risk registers*	*15/05/23*	*Governance Manager*
2	Directed	Additional mitigating actions are identified in both the OPCC and Constabulary Risk Registers although these do not have any associated dates to identify when further controls will be in place.	Dates be used to show when the identified further mitigating actions will be in place in the OPCC and Constabulary risk registers.	3	*OPFCC – this practice will be adopted as part of the risk review process. Dates will be inserted when providing future updates on the risks*	*30/06/23*	*Governance Manager*

PRIORITY GRADINGS

1	**URGENT**	Fundamental control issue on which action should be taken immediately.
2	**IMPORTANT**	Control issue on which action should be taken at the earliest opportunity.
3	**ROUTINE**	Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Directed	Risk Registers for the OPCC and the Constabulary are presented to the Joint Audit Committee for review. Having different matrix sizes may lead to less clarity for the reader when trying to assess the risk levels. Consideration should be given to both registers being recorded on the same size matrix.	Consideration be given to recording the OPCC and the Constabulary Risk Registers on the same matrix size to ensure consistent understanding for those seeking assurance from both registers.	*OPFCC – the recommendation has been noted and the OPFCC Executive Team will consider it.*

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings

Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	**Governance Framework**	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	1
RM	**Risk Mitigation**	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	**Compliance**	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	In place	1, & 2	-

Other Findings

A Risk Management Strategy for the Office of the Police and Crime Commissioner (OPCC) is documented and covers the period 2020-23, being approved in March 2020. The Strategy recognises that Police and Crime reduction services are delivered in a high risk environment and that the OPCC approach to risk management ensures that a structured approach is in place to manage risks. The OPCC sees itself as risk aware.

The Strategy sets out the objectives, methodology, framework and responsibilities for risk management within the OPCC. There are four objectives:

- Risk management is part of the process for delivering policing and crime reduction in Cumbria through the Constabulary and our wider Partners.
- The organisation is risk aware and that arrangements for risk management comply with best practice.
- There is clear ownership and accountability for risks.
- Provide a framework for evaluating and responding to risks that is easy to understand and supports decision making.

Responsibilities are defined in the Strategy and cover Police and Crime Commissioner, OPCC Executive Team, OPCC Managers and Staff, Project Managers, Joint Audit Committee and Lead Officer for Risk

Other Findings

	Risks are classified into three areas, Strategic Risk, Operational Risks and Project Risks, which determines who is responsible for the risks and how they are managed.
	Risks are scored using a 4 x 4 matrix for Likelihood and Magnitude of Impact and are then RAG rated with scores of 1-3 being Green, 4-6 being Amber and 8-16 being Red. Each of the RAG ratings attract a Risk Management Action Level, which is articulated in the Strategy.
	Descriptions for scoring are documented for Likelihood and for Impact, with the impact descriptions covering different areas of impact, being Service Objectives, Financial, People, Duration and Reputation. This allows impact to be consistently scored for risks that affect different elements of the operations.
	Reference is made to risk appetite in the Strategy with the OPCC understanding that a range of appetites is required for different risks faced by the organisation.
	A Risk Register template is also documented within the Strategy and incorporates risk mitigation strategies as well as showing Unmitigated and Mitigated scores, current controls and further actions to be taken, where applicable.
	The Constabulary Risk Management Policy was originally approved in May 2019 and was last reviewed in March 2023.
	The Policy provides guidance in relation to risk management and sets out terms and definitions used within it. Risks are categorised as Strategic or Operational with the Strategic Risks being managed by the Chief Officer Group.
	Risk appetite is rated using standard definitions and the default risk appetite is recorded as 'Cautious', although the policy acknowledges that an 'Open' appetite may be appropriate for a particular department, project or piece of work. Should this be the case then it must be recorded within the business case and explain the benefits that would arise.
	Roles and responsibilities are recorded and cover Chief Officer Group, Commanders, Directors, Board Chairs and Heads of Departments, and programme and project managers. It also highlights that all staff have a responsibility in identifying, managing and reporting risks.
	The Risk Register for the Constabulary uses a 5 x 5 matrix for scoring risks using a RAG rating that categorises risks as Green, scoring 1-3, Amber being 4-12 and Red for those scoring 15-25. Likelihood and Impact scoring is well documented with clear categorisation/assessment for impact set down for Service Provision, Financial, People, Duration and Reputation.
	A review of both organisation's Risk Registers was undertaken and the detail provided was found to be appropriate and subject to regular review and updating.
	Formats include a direction of travel and Operational Risk Registers sit under the Strategic Risk Registers providing a mechanism to identify any operational risks that may be starting to escalate and warrant inclusion on the strategic registers.

Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In Place	-	-
S	Sustainability	The impact on the organisation's sustainability agenda has been considered.	Out of scope	-	-
R	Resilience	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In Place	-	-

Other Findings	
	As referenced earlier in this review, a robust process operates to review and update the risk registers across both the OPCC and Constabulary. Detailed Operational Risk Registers support the Strategic Risk Registers of both organisations.
	Appropriate challenge from the Joint Audit Committee was evident in meeting minutes and risk papers were found to be comprehensive on their updates to members.
	Appropriate resources were seen to be in place for a robust and regular review and documentation of risk management activities with staff involved being knowledgeable on the subject.

Assignment Engagement Details

TIAA Auditors	Title	Contact Email	Telephone
Andrew McCulloch	Director of Audit	Andrew.McCulloch@tiaa.co.uk	07980787926
Jane Butterfield	Director Risk and Assurance	Jane.butterfield@tiaa.co.uk	07580164521

Exit Meeting Date	April 2023
Staff Consulted During Audit	Claire Griggs, Performance Consultant, Performance & Policing Futures Joanne Head, Governance Manager

Director/Commander Comment	I welcome the findings of this audit and note the overall assessment of 'substantial assurance'. The management of our strategic risk register was reviewed recently as part of changes made to our performance and governance arrangements, in support of the new Target Operating Model. The SRR is now reviewed monthly in the Strategic Management Board, which provides a more frequent review by the Chief Officer Team to any changes or amendments required. This continues to be supported by the production of our quarterly assessment document which feeds into COG and ultimately the Joint Audit Committee for oversight. I note the action points above, moreover that two have already been implemented between the force and the OPFCC's office. The final action point is currently being considered by the OPFCC's office. Gill Shearer, OPFCC Chief Executive
Deputy Chief Constable Comment	I welcome this report which confirms that risk management, both within the OPFCC and the Constabulary, is well managed. I am reassured that two additional action points have already been addressed and that a final one is under review by the OPFCC's office. I am grateful to the audit team for their work, but also to the staff who manage our risk management processes. This vital work allows the Chief Officer Group to effectively manage and support key organisational and operational risk, holding strategic leads to account as required. Rob Carden, Deputy Chief Constable
Considered for Risk Escalation	N/a

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	1st June 2022	1st June 2022
Draft Report:	12th May 2023	22nd May 2023
Final Report:	22nd May 2023	
Revised Final Report:	22nd May 2023	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	PCC Cumbria & Cumbria Constabulary		
Review:	Risk Management Framework		
Type of Review:	Assurance	**Audit Lead:**	Andrew McCulloch

Outline scope (per Annual Plan):	The review considers the overall arrangements for managing risk within the organisation, including the risk management framework, risk strategy and appetite, identification, monitoring and reporting of risk. The scope of the review does not include providing assurance that all the business significant risks have been correctly prioritised.	
Detailed scope will consider:	Directed Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation. Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register. Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Delivery Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner. Sustainability: The impact on the organisation's sustainability agenda has been considered. Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.
Requested additions to scope:	(if required then please provide brief detail)	
Exclusions from scope:		

Planned Start Date:	22/03/2023	**Exit Meeting Date:**	27/04/2023	**Exit Meeting to be held with:**	Joanne Head, Claire Griggs

SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N

Agenda Item 09(b)

Internal Audit

FINAL

PCC Cumbria & Cumbria Constabulary

Compliance Review of Security of Seized Proceeds of Crime (Cash and Assets)

2022/23

September 2022

Executive Summary

OVERALL ASSESSMENT

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Seized property and monies are not held securely and details are not properly recorded.

KEY STRATEGIC FINDINGS

Clear processes are in place to effectively manage recovered property and seized monies and controls are operating effectively.

Testing confirmed details of recovered property and seized monies held on site are in agreement with the item's corresponding entry in the property register.

Each Area should undertake, record and monitor periodic, systematic reconciliations of their records with seized property and monies being held.

A Form 51 does not always accompany the seized cash received at Area offices. Differences in the way such cash is subsequently stored should be eliminated.

GOOD PRACTICE IDENTIFIED

Appropriate Regulations, Rules, Policies and Procedures are in place and are being followed at Headquarters and across each Area.

Staff at Headquarters and at each Area were seen to be very security-conscious when handling, storing and recording seized property and monies.

SCOPE

The audit considered the effectiveness of controls for dealing with recovered property, including evidential property and in particular the arrangements for securing and storing of seized monies and the processing of items.

ACTION POINTS

Urgent	Important	Routine	Operational
0	2	0	1

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	Testing highlighted that reconciliations are being undertaken at each site of items on hand against details recorded in the property register, including a complete stock-take of property at Kendal within the past year and ongoing checking at each site of longer-held items with a view to clearing these from the stores or safes. Best practice would be that existing arrangements be formalised into ongoing periodic checking of a sample of items, selected both from the property register and from the stores and safes, to minimise the risk that records are no longer in agreement with items on hand. Such checking should be recorded separately such that the percentage of items checked can be established and monitored on an ongoing basis.	Existing arrangements at each site for the periodic checking of a sample of items, selected both from the property register and from the stores and safes, be formalised and recorded separately. The percentage of items so checked be established and monitored on an ongoing basis.	2	*A review of wider front counter operations is currently being undertaken. The audit recommendation regarding establishing arrangements for periodic checking and recording of property records will be considered as part of the future standard operating procedures for the property stores.*	*31/12/22*	*Matt Pearman Superintendent Westmorland & Furness*

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	The Financial Rules state that responsibilities of all Commanders, Directors, Heads of Service and Senior Managers include that, in relation to cash seized under the Proceeds of Crime Act 2002, a seized cash form should be completed on seizure of the cash. Discussions with staff indicated that such form is referred to as a Form 51. Testing revealed that a Form 51 is not always received together with the related seized cash when the cash is delivered to the Area offices. Area variations were noted as to how the seized cash is then stored if not accompanied by a Form 51. For example, Carlisle does not accept cash being transferred to the main safe until such form is received to accompany the cash, whereas Workington does.	Area variations be eliminated regarding the storage of seized cash which is not accompanied by a Form 51 at the time of receipt of the cash.	2	*It should be noted that Form 51 is always received prior to any cash being transferred to Headquarters for disposal to ensure compliance with the Proceeds of Crime Act.* *A meeting will be arranged with all Area staff involved in the seized cash process to discuss, agree, and document a consistent process across all areas, with the focus on ensuring the safe storage of cash.*	*30/09/22*	*Sarah Bradley, Central Services Team Leader*

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Directed	It was noted during testing that there are Area variations in the way the Seized Cash spreadsheets are being completed. For example, not all Areas consistently record the exhibit number or the value of monies seized. Whilst these are not key controls, best practice would be to have all Areas operating in an agreed and consistent manner. A meeting of staff across each site was held in late 2021 to raise consistency of operations. A further such meeting would be beneficial in addressing any remaining inconsistencies.	A further meeting should be held between the relevant staff from each site with a view to eliminating Area variations in the way the Seized Cash spreadsheets are being completed.	*Sarah Bradley, Central Services Team Leader will arrange a further meeting with all area staff involved in the Seized cash process to review and standardise record keeping and remove any inconsistencies in the way the area seized cash spreadsheets are completed.* *This meeting will be held before the end of September 2022.*

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings

Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	**Governance Framework**	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	**Risk Mitigation**	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	**Compliance**	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially In place	1, & 2	1

Other Findings

The PCC Cumbria Financial Regulations were approved by the Police and Crime Commissioner in February 2019 and are available online. Section C is Management of Risks and Resources. Within this, Section C12 relates to Evidential and Non-Evidential Property. This states the responsibilities of the Chief Constable and the Joint Chief Finance Officer, one of which is to issue separate financial procedures for dealing with cash, including seized cash under the Proceeds of Crime Act 2002.

The PCC Cumbria Financial Rules are dated January 2017 and are also available on the website of the CPCC. Section C12, Evidential and Non-Evidential Property, states that the Chief Constable is required to exercise a duty of care and safeguard found or seized property pending decisions on its ownership, or private property of an individual e.g. a suspect in custody. Stated responsibilities of all Commanders, Directors, Heads of Service and Senior Managers include adequate measures to ensure the safekeeping of the private property of a person under his guardianship or supervision, including found or seized property in accordance with the Seized and Evidential Property Policy and Standard Operating Procedures. Such measure are to include: a register of all property held; a secure and appropriate storage arrangement to ensure property is not damaged; and, cash held temporarily should be held in a locked safe and should not, in total, exceed the insurance limit.

Other Findings

	The Seizure, Management, Retention and Disposal of Personal Property Policy was approved by the Operations Board in July 2014, with a review date of November 2025. It notes that matters under the Policy are dealt with through Standard Operating Procedures. It states that property should only be seized or retained: for use as evidence at a trial for an offence; for forensic examination or investigation in connection with an offence or suspected offence; or, in order to establish its lawful owner where there are reasons for believing that it has been obtained as a result of an offence.
	Standard Operating Procedures for the Seizure, Management, Retention and Disposal of Personal Property were evidenced. The owner is the Superintendent Public Contact and Engagement. Several revisions are documented, with the next review dated stated to be July 2024. Appended to the Procedures are 12 flowcharts, including for: Crime and Evidence Seizure; Crime and Evidence Movement and Continuity; Crime and Evidence Retention; Property Disposal; and, Money. Property Responsibilities are also Appended, including that Enquiry Desk Staff should create the initial Property Register record and update the Register with movements in and out of the main store, as well as maintain security of the main property store at all times. The Enquiry Desk Staff Supervisor should conduct/manage regular audits of property stores and facilities.
	A total of 90 items were sampled across five sites: Headquarters, Barrow, Carlisle, Kendal, and, Workington. The sample comprised 40 items of seized property and 50 items of seized monies. No seized property is held at Headquarters. Of the total sampled, 45 were chosen from items held on site and traced to the property register. The other 45 of the total sampled were chosen from the property register and traced to items held on site. For seized monies, the regional Seized Cash spreadsheets were used as an additional resource to trace from items on the property register to items held on site. Testing was successful in that each sampled item was able to be traced promptly, with the sampled data fields held in the property register agreeing with corresponding data fields attached to the corresponding items held on site. Arrangements at each site were seen to be in compliance with the related provisions of the Financial Rules detailing the responsibilities of all Commanders, Directors, Heads of Service and Senior Managers and also the responsibilities of all Officers and Staff.
	From an overall review of arrangements across each site it was confirmed that cash, unless required for evidential purposes, was banked or otherwise disposed of as soon as practicable, in compliance with the provisions of the Financial Rules.
	Testing confirmed that seized items are stored in a secure and appropriate manner with relevant access restrictions. In particular, access to property stores is restricted to a very small number of staff via key-cards and access to safes is similarly restricted by the use of one or more keys; which were seen to be stored securely at all times.
	Suitable insurance limits were seen to be in place at each site relating to the value of seized cash that can be held within safes. From an overall review of amounts on hand it was determined that each safe holds amounts within its insured limit.
	Across all sites visited it was noted from an overall review of processes that, for property no longer required to be held, records are updated in a timely manner and such property is stored separately awaiting collection. Items held in this manner depend upon the relevant individual arriving in person to request their property. Whilst letters are sent to these individuals in a timely manner informing them that their property can be collected, it is outside the control of the Constabulary as to when the person arrives to reclaim their property. Such property can be legally destroyed if not collected within a reasonable timeframe.

Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	**Performance Monitoring**	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	**Sustainability**	The impact on the organisation's sustainability agenda has been considered.	Out of scope	-	-
R	**Resilience**	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Findings
The Financial Rules state that part of the responsibilities of all Commanders, Directors, Heads of Service and Senior Managers is ensuring that officers' performance in relation to the handling of seized and evidential property is monitored as part of the performance management process.
It was observed throughout this review that all staff members interviewed were very security-conscious when handling, storing and recording seized property and monies and were thoroughly engaged in the proper operation of processes in relation to such items.

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	28th July 2022	28th July 2022
Draft Report:	17th August 2022	14th September 2022
Final Report:	14th September 2022	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	PCC Cumbria & Cumbria Constabulary		
Review:	Security of Seized Proceeds of Crime (Cash and Assets)		
Type of Review:	Assurance	**Audit Lead:**	Ian Goodwin

Outline scope (per Annual Plan):	Clear processes are required to effectively manage recovered property and seized monies. Scope The audit will appraise the effectiveness of controls for dealing with recovered property and in particular the arrangements for securing and storing of seized monies.
Detailed scope will consider:	The review will set out to provide assurance to the Joint Audit Committee that the organisation has robust arrangements in place and operating for seized proceeds of crime (cash and assets). • The process is directed by appropriate policy and procedures. • Appropriate records are maintained to record the items seized • Seized items are stored in a secure and appropriate manner with relevant access restrictions • Items are returned promptly and records updated in a timely manner when they are no longer required to be held. • Regular reconciliations of assets held against records are undertaken.
Requested additions to scope:	None
Exclusions from scope:	None

Planned Start Date:	01/08/2022	**Exit Meeting Date:**	15/08/2022	**Exit Meeting to be held with:**	Ann Dobinson

SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc.?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N

Internal Audit

FINAL

PCC Cumbria & Cumbria Constabulary

Assurance Review of Treasury Management and Banking

2022/23

March 2023

Executive Summary

OVERALL ASSESSMENT

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

In the PCC's treasury management activities, administered by the Financial Services Team, that an investment counterparty defaults on repayment of a loan.

KEY STRATEGIC FINDINGS

The treasury and banking arrangements are directed by appropriate and up to date policies and procedures that have been developed in accordance with the CIPFA codes of practice.

The bank reconciliations tested for May and July 2022 were not reviewed until five to seven weeks following their completion.

Daily cashflow forecasts are produced to aid the investment decision making process.

All investments made were in line with the requirements of the Treasury Management Strategy Statement.

GOOD PRACTICE IDENTIFIED

Regular reporting is provided to the Joint Audit Committee on the treasury activities of the Commissioner. This includes a dashboard and supporting commentary.

SCOPE

The review considered the arrangements for controlling the investment and borrowing arrangements; compliance with the organisation's overall policy; banking arrangements; reconciliations and the reporting to committee. The scope of the review did not include consideration of the appropriateness of any individual financial institution or broker or of individual investment decisions made by the organisation.

ACTION POINTS

Urgent	Important	Routine	Operational
0	0	1	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	A review of the bank reconciliations undertaken for March, May, July, September and October 2022 for the Main Fund, Police Property Act account and Investment Interest ledgers showed that, whilst the accounts had been reconciled within a short period of the month end, a number of these had not been reviewed by another officer until the following month or no evidence was held to demonstrate that a review had taken place. These were: • May 2022 - Main Account reconciled on 2nd June, Investment Interest reconciled 21st June, both were reviewed on 25th July. • July 2022 - Main Account reconciled on 2nd August, Investment Interest reconciled 15th August, both reviewed on 7th September. • Police Property Act Accounts for May and October - a review of these accounts has not been documented.	It be ensured that bank reconciliations are promptly reviewed following these being completed and documented as an audit trail.	3	*The findings of the audit are accepted. I am pleased to note that the auditors found that the bank reconciliation had been completed on a timely basis, whilst it is disappointing that the control measure of an independent review was not always as prompt as it could be. Having said that, I feel confident that if a problem had been identified with a bank reconciliation it would have been brought to the Financial Services Manager's attention straight away.* ***Specific*** *The importance of the independent review has been reinforced with the Financial Services Team and efforts will be made to ensure that the independent review of bank reconciliations will be carried out on a timely basis from now on (within 2 weeks of reconciliation).* ***Measurable*** *Through the sign off of the existing bank reconciliation control sheet.*	*31/12/22*	*Financial Services Manager*

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
					Achievable *Yes, this action reinforces the existing agreed process.* ***Realistic*** *Yes, the instruction to all relevant staff has already been issued.* ***Timely*** *Yes, this action was completed by 31/12/2022. The instruction has been provided that all future reconciliations must be countersigned by the Manager within 2 weeks of completion.*		

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
3	ROUTINE	Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No operational effectiveness matters were identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Assignment Engagement Details

TIAA Auditors	Title	Contact Email	Telephone
David Robinson	Audit Manager	David.Robinson@tiaa.co.uk	07766553339
Andrew McCulloch	Director of Audit	Andrew.McCulloch@tiaa.co.uk	07980787926

Exit Meeting Date	18th November 2022
Attendees	Lorraine Holme, Financial Services Manager Angela Evans, Financial Services Officer Michelle Bellis, Deputy Chief Finance Officer

Director/Commander Comment	I am pleased to note the audit findings that processes and controls in relation to treasury management and banking are operating effectively and as designed, in what is an inherently risky activity. Bank reconciliation is a fundamental requirement of good financial management and whilst I accept that any problems would have been highlighted to management, the recommendation to undertake more prompt review will be acted upon. As the action has already been completed, I see no reason to escalate the risks identified. Roger Marshall, Joint Chief Financial Officer
Considered for Risk Escalation	No

Findings

Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	Risk Mitigation	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	1	-

Other Findings

The treasury management and banking arrangements are set out in the Financial Regulations, which were last reviewed and approved by the Joint Audit Committee in March 2021. Further details of the required controls and responsibilities of management and officers, in addition to those relating to the Joint Audit Committee, are contained in the Financial Rules, which were also reviewed in March 2021.

The Borrowing, Treasury Management, Investment and MRP Strategy 2022/23 was presented to the Joint Audit Committee in March 2022 having previously been approved by the Commissioner in February 2022. This comprehensive document, developed in accordance with the CIPFA codes of practice, sets out the requirements and required reporting in relation to cash flow forecasting, interest rate forecasting, the investment strategy and references the associated Treasury Management Practices, prudential indicators and counterparty investment rules.

The Strategy is supported by a set of Treasury Management Practices (TMP) that are reviewed annually. These are in relation to the following areas: Risk management; Performance measurement; Decision making and analysis; Approved instruments, methods and techniques; Organisation, clarity, segregation of responsibilities and dealing arrangements; Reporting requirements and management information arrangements; Budgeting, accounting and audit arrangements; Cash and cash flow management; Money laundering; Training and qualifications; Use of external service providers; and Corporate governance.

The risk of "In the PCC's treasury management activities, administered by the Financial Services Team an investment counterparty defaults on repayment of a loan" has been recorded within the Finance Risk Register. The general controls in relation to this risk are referenced in the Treasury Management Strategy Statement, however further details are recorded in TMP 1 Risk Management. These include the specific controls in relation to risks concerning liquidity, interest rates, counterparties, refinancing, fraud and the market value of investments.

Other Findings

Cash flow forecasts are produced showing daily balances up to the end of the 2022/23 financial year. This utilises actual, known funding and expenditure information where available and estimates based on historical data. These include payroll, Inland Revenue and pension payments, and precept and Home Office grant receipts. The daily balances inform the investment decision making with deposits and withdrawals being actioned accordingly. An outline forecast for 2023/24 has been produced with longer term cash requirements contained in the Medium-Term Financial Forecast to 2026/27 and the Capital Programme to 2032.

In relation to placing funds into the interest-bearing NatWest account, this is generally undertaken on a Friday following the weekly creditor payments batch being paid. Discussions with the Financial Services Officer identified that, due to the very low interest rates offered on this account, this has rarely been utilised. Investments into the Money Market Funds have, however continued.

Transactions are processed through the ICD Portal. Appropriate segregation of duties is in place whereby the Financial Services Officer is able to execute a deal, and this generates emails to the other users of the portal, who are the Financial Services Manager and another Financial Services Officer. The actual payment to the investment fund is then set up by the Financial Services Officer using a payment template that will only allow the payment to be made to an approved institution. A series of further checks and approvals are subsequently undertaken prior to the payment being authorised by an officer in line with the bank mandate.

A sample of current investments was selected for testing and confirmation was received to demonstrate that these had been appropriately authorised.

Confirmation was received from the Deputy Chief Finance Officer, supported by an examination of the internal reporting and the published Statement of Accounts 2021/22, that there is no external debt. In March 2022 the Commissioner borrowed from the local authority for a short term until the Pension Grant of approximately £20M was received from the Home Office.

A review of the Treasury Management Activities report for 2022/23 quarter two showed that the following investments were in place: Category one (banks unsecured) - £8,510,676; Category three (Government) - £7,621,885; Category five (pooled funds) - £5,900,000. It was confirmed that the individual investments with each institution were in accordance with the Counterparty Groupings and Associated Limits schedule contained within the Treasury Management Strategy Statement 2022/23.

There are a total of seven bank accounts operated by the PCC. These include a range of current and interest-bearing deposit accounts. Details of these, and the balances as at 15th November 2022 are as follows:

Main Fund - current account £63,667.

Liquidity Select Overnight (interest bearing for short term deposits) - £10,000.

Business Continuity Current Account (used in the event of a business continuity incident with cards held by select staff) - £nil.

Police Property Act Fund (for holding balances of funds awarded by the courts to the PCC. The PCC is permitted to distribute these funds to local groups and organisations) - £20,836.

CHIS Bank Current Account - £6,855.

Seized Cash Current Account - £2,989.

Liquidity Select Seized Cash - £87,978.

Confirmation was received from NatWest Bank that the authorised signatories for these accounts are the Deputy Chief Finance Officer, Head of Central Services, Director of Legal Services, Director of Corporate Support, Joint Chief Finance Officer, Chief Executive and the Deputy Chief Executive.

A number of the performance indicators contained within the 2022/23 quarter two Treasury Management Activities report were verified against the source data contained within the cashflow spreadsheets. These included the average daily balance, investment balance at 30/09/22 and the days in credit/overdrawn.

Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	**Performance Monitoring**	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	**Sustainability**	The impact on the organisation's sustainability agenda has been considered.	Out of scope	-	-
R	**Resilience**	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Findings

Quarterly Treasury Management Activities reports are provided to the Commissioner's Public Accountability Conference and the Joint Audit Committee. These provided the Commissioner and Members with:

- A snapshot of the investment balance as at the end of the quarter and the average daily balance;
- The investment interest budget and forecast;
- A schedule showing the values invested;
- Performance data showing the number of days the bank accounts were in credit and overdrawn; and
- Commentary confirming compliance with the Treasury and Prudential Indicators. Further commentary is provided in relation to each of these Indicators.

The quarter four Treasury Management Activities Report, presented to the Commissioner's Public Accountability Conference and the Joint Audit Committee in June 2022, also contains the Annual Report for 2021/22. This incorporated additional detail and commentary than the standard quarterly reports including charts and comparisons to the previous year where relevant.

There are a number of staff in place within the Financial Services Team, including Financial Service Officers and Assistants, who are able to undertake treasury and banking activities. This provides resilience in times of staff absence.

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	7th November 2022	10th November 2022
Discussion Draft Report:	28th November 2022	1st December 2022
Draft Report:	5th December 2022	9th December 2022
Final Report:	12th December 2022	
Revised Final Report:	10th March 2023	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	PCC Cumbria & Cumbria Constabulary		
Review:	Treasury Management and Banking		
Type of Review:	Assurance	**Audit Lead:**	David Robinson

Outline scope (per Annual Plan):	The review considers the arrangements for controlling the investment and borrowing arrangements; compliance with the organisation's overall policy; banking arrangements; reconciliations and the reporting to committee. The scope of the review does not include consideration of the appropriateness of any individual financial institution or broker or of individual investment decisions made by the organisation.
Detailed scope will consider:	The review will set out to provide assurance to JAC that the organisation has robust controls in relation to the treasury management and banking arrangements, including: • Policy and Procedures are up to date and clearly define the process for the treasury management arrangements; • Appropriate segregation of duties is in place; • Investments and loans are appropriately authorised; • Cash Flow is monitored; • Loan covenant compliance is monitored and reported upon. • Relevant Committees are presented with Treasury Management activity reports.

Planned Start Date:	14/11/2022	**Exit Meeting Date:**	18/11/2022	**Exit Meeting to be held with:**	Deputy Chief Finance Officer, Financial Services Manager, Financial Services Officer

SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	**Y/N (if Y then please provide brief details separately)**
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N

Michelle Bellis – Dep CFO

Angela Evans – Financial Services Officer

Lorraine Holme FS Manager

Exit meeting all 3 -18/11/22