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Our reference: IR

Date: 17/05/2019

AGENDA

TO: THE MEMBERS OF THE JOINT AUDIT COMMITTEE

CUMBRIA POLICE & CRIME COMMISSIONER AND CUMBRIA CONSTABULARY JOINT AUDIT COMMITTEE

A Meeting of the Joint Audit Committee will take place on **Thursday 23rd May 2019** in **Conference Room Two**, Police Headquarters, Carleton Hall, Penrith, at **10:30am**.

Vivian Stafford, Gillian Shearer
Chief Executive

Note: Members are advised that allocated car parking for the meeting is available in the Visitors' Car Park.

Please note – there will be a private meeting between members and Internal Audit from 9.30am – 10.15am

COMMITTEE MEMBERSHIP

Mrs Fiona Daley (Chair)
Mr Jack Jones
Ms Fiona Moore
Mr Malcolm Iredale

AGENDA

PART 1 – ITEMS TO BE CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC

1. APOLOGIES FOR ABSENCE

2. URGENT BUSINESS AND EXCLUSION OF PRESS AND PUBLIC

To consider (i) any urgent items of business and (ii) whether the press and public should be excluded from the Meeting during consideration of any Agenda item where there is likely disclosure of information exempt under s.100A(4) and Part I Schedule A of the Local Government Act 1972 and the public interest in not disclosing outweighs any public interest in disclosure.

3. DISCLOSURE OF PERSONAL INTERESTS

Members are invited to disclose any personal/prejudicial interest, which they may have in any of the items on the Agenda. If the personal interest is a prejudicial interest, then the individual member should not participate in a discussion of the matter and must withdraw from the meeting room unless a dispensation has previously been obtained.

4. MINUTES OF MEETING AND MATTERS ARISING

To receive and approve the minutes of the committee meeting held on 20th March 2019.

5. ACTION SHEET

To receive the action sheet from previous meetings.

6. CORPORATE UPDATE

To receive a briefing on matters relevant to the remit of the Committee.
(To be presented by the Deputy Chief Constable and OPCC Chief Executive)

7. EXTERNAL AUDIT FEES

To receive from the external auditors the proposal in respect of audit fees.
(To be presented by Grant Thornton)

8. EXTERNAL AUDIT PROGRESS REPORT

To receive from the external auditors an update report in respect of progress on the external audit plan (deferred from the March meeting). *(To be presented by Grant Thornton)*

9. RISK MANAGEMENT MONITORING

To receive an annual report from the Chief Executive on Risk Management Activity including the Commissioner's arrangements for holding the CC to account for Constabulary Risk Management. *(To be presented by the OPCC Chief Executive or Governance Manager)*

10. ANTI-FRAUD AND CORRUPTION ACTIVITIES

To receive an annual report from the Chief Executive on activity in line with the arrangements for anti-fraud and corruption. *(To be presented by the OPCC Chief Executive or Governance Manager)*

11. ETHICS AND INTEGRITY GOVERNANCE

To receive an annual report from the chair of the Ethics and Integrity Panel.

12. INTERNAL AUDIT - ANNUAL REPORT

To receive the Head of Internal Audit's Annual Report including the Annual Audit Opinion. *(To be presented by Internal Audit)*

13. INTERNAL AUDIT REPORT(S)

To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the committee. *(To be presented by the Audit Manager)*

- (i) GDRP (Constabulary) – Apr 19
- (ii) Offender Management Follow Up (Constabulary) - May 19
- (iii) Overtime Monitoring (Constabulary) - May 19
- (iv) Main Accounting System (Constabulary) - May 19

The following Internal Audit report has been completed within the last quarter and has been reviewed by the Committee members. A copy of this audit report will be available to view on the OPCC website.

14. EFFECTIVENESS OF THE ARRANGEMENTS FOR AUDIT

To receive a report from the Joint Chief Finance Officer in respect of the effectiveness of the arrangements for audit. *(To be presented by the Deputy Chief Finance Officer)*

15. JOINT AUDIT COMMITTEE – REVIEW OF EFFECTIVENESS

To receive a report reviewing the effectiveness of the Committee as a contribution to the overall effectiveness of arrangements for governance. *(To be presented by the Deputy Chief Finance Officer)*

16. ANNUAL GOVERNANCE STATEMENT**(i) Effectiveness of Governance Arrangements:**

To receive a report from the Joint CFO on the effectiveness of the PCC's and CC's arrangements for Governance.

(ii) Code of Corporate Governance:

- a) To consider the PCC Code of Corporate Governance 2019/20
- b) To consider the CC Code of Corporate Governance 2019/20

(iii) Annual Governance Statement:

To consider the PCC/CC Annual Governance Statement for the financial year and to the date of this meeting

- a) PCC Annual Governance Statement 2018/19
- b) CC Annual Governance Statement 2018/19

(To be presented by the Joint Chief Finance Officer)

17. ANNUAL STATEMENT OF ACCOUNTS

To receive the un-audited Statement of Accounts for the Commissioner and Chief Constable and Group Accounts and consider a copy of a summarised non-statutory version of the accounts.

- (i) Statement of Accounts Narrative 2018/19 – To receive a report from the Joint Chief Finance Officer outlining the statement of accounts process for 2018/19
(To be presented by the Joint Chief Finance Officer)
- (ii) PCC/Group Annual Statement of Accounts 2018/19
(To be presented by the Deputy Chief Finance Officer)
- (iii) PCC/Group Summary Statement of Accounts 2018/19
Please see pages 3-24 of the above PCC/Group Statement of Accounts 2018/19
- (iv) CC Annual Statement of Accounts 2018/19
(To be presented by the Deputy Chief Finance Officer)
- (v) CC Summary Statement of Accounts 2018/19
Please see pages 3-19 of the above CC Statement of Accounts 2018/19

18. TREASURY MANAGERMENTS ACTIVITIES

To receive for information reports on Treasury Management Activity - Quarter 4/Annual Report. *(To be presented by the Deputy Chief Finance Officer)*

19. POINT FOR CONSIDERATION BY THE COMMISSIONER AND THE CHIEF CONSTABLE

Future Meeting Dates (For Information)

25 July 2019 @ 1.00 pm – Conference Room 2
 19 September 2019 @ 10:30 am – Conference Room 2
 20 November 2019 @ 10:30 am – Conference Room 2
 18 March 2020 @ 10:30 am – Conference Room 2
 28 May 2020 @ 10:30 am – Conference Room 2

Agenda Item 4

CUMBRIA POLICE & CRIME COMMISSIONER AND CUMBRIA CONSTABULARY

JOINT AUDIT COMMITTEE

Minutes of a meeting of the Joint Audit Committee held on Wednesday 20th March 2019 in Conference Room 2, Police Headquarters, Carleton Hall, Penrith, at 10 am

PRESENT

Mrs Fiona Daley (Chair)
Mr Malcolm Iredale
Ms Fiona Moore
Mr Jack Jones

Also present:

Chief Executive, Office of the Police and Crime Commissioner (Vivian Stafford)
Chief Executive, Office of the Police and Crime Commissioner (Gillian Shearer)
Deputy Chief Constable (Mark Webster)
Joint Chief Finance Officer (Roger Marshall)
Deputy Chief Finance Officer (Michelle Bellis)
Head of Internal Audit, Cumbria Shared Internal Audit Service, Cumbria County Council (Richard McGahon)
Audit Manager, Cumbria Shared Internal audit Service, Cumbria County Council (Emma Toyne)
Audit Manager, Grant Thornton UK LLP (Lynne Johnstone)
Audit Manager, Grant Thornton UK LLP (Hannah Foster)
Financial Services Apprentice (Inge Redpath)

PART 1 – ITEMS CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC

463. APOLOGIES FOR ABSENCE

Apologies for absence were received from Robin Baker (Director Grant Thornton).
The Chair called the meeting to order and invited everyone to briefly introduce himself or herself.

464. URGENT BUSINESS AND EXCLUSION OF THE PRESS AND PUBLIC

There are no items of urgent business or exclusions of the press and public to be considered by the committee.

465. DISCLOSURE OF PERSONAL INTERESTS

The Chair declared a personal interest having been appointed as Chair of the North West Regional

Pensions Board.

466. MINUTES OF MEETING AND MATTERS ARISING

The minutes of the meeting held on 22nd November 2018 had been circulated with the agenda. The minutes were first reviewed for factual accuracy. Time of meeting shown as 10.30am and should have been 1pm, minutes to be amended in ink and initialed by chair.

The committee approved the minutes as a true record of the meeting.

RESOLVED, All items were resolved.

467. ACTION SHEET

The action sheet of the meeting held on 22nd November 2018 had been circulated with the agenda. The following comments were made:

Item 454 has now been included in the Annual Work Programme so can be closed off from the main action plan.

RESOLVED, All items were resolved.

468. CORPORATE UPDATE

The DCC gave an update explaining that the Strategic Commanders Course was due to finish soon and then the position for the ACC will be advertised on Friday 22nd March 2019. The Constabulary has one person currently on the Strategic Commanders Course but the advert will be open to all qualified candidates.

The precept consultation exercise has been undertaken and approved a £23.94 increase.

Borderlines strategy covering South Scotland and the North of England has been awarded £384million for improvements and regeneration in many areas included digitalisation.

The Police Education Qualification Framework (PEQF) contract has been awarded to UCLAN. Lancashire Constabulary have also appointed UCLAN under a separate contract and Cumbria will work in collaboration with Lancashire to provide officer training. Cumbria also have collaboration with Durham Constabulary over Red Sigma.

Extensive Brexit planning is being undertaken with the Local Resilience Forum (LRF) and internally on command and control. Focus is on force availability to support the overall National plan, but the difficulty is in planning for the unknown.

The chair asked if our officers could be deployed to other areas of the UK i.e. Dover and the south coast for Brexit. The DCC said it could happen under a mutual aid agreement with the National Police Coordination Centre, they can request mutual aid and we are obliged to provide three PSU each of which is made up of 21 staff, vehicle etc. This scenario is not likely, but more likely is a requirement for strategic input on specific elements of Brexit planning.

The CE clarified that the budget has been set and that public consultation had been undertaken. The OPCC's office have completed two pieces of commissioning work, from the 1st April 2019 there will be an integrated Victims Hub under contract with Victims Support and The Bridgeway with a contract for therapeutic services. Everything else is business as usual.

RESOLVED, that the reports be noted.

469. ANNUAL WORK PROGRAMME: ASSURANCE FORMAT

The DCFO presented the annual work programme for 2019/20 for consideration by the committee.

A members thanked the DCFO on a well set out and comprehensive document.

The committee discussed the governance and monitoring of the Police and Crime Plan and whether there is a role for JAC in reviewing the arrangements. The discussion made clear that there is a PCC Annual Review of delivery against the Police and Crime Plan and this will be presented to Police and Crime Panel on Monday 25th March 2019. A piece of work to review it has been added to the Internal Audit schedule for 2019/20. It was agreed that this PCC annual review should be brought to the committee meeting on 25th July 2019.

ACTION: DCFO to add the PCC Annual Review to the annual work programme

RESOLVED, that the reports be noted.

470. EXTERNAL AUDIT PLAN AND UPDATE REPORT

External audit presented the draft audit plan explaining that there is no change from previous years and Cumbria have similar risks to other organisations regarding: Management override of controls; Valuation of land and buildings; and Valuation of pension fund liability. These items require more audit consideration as they have a higher risk of material misstatement. External audit will be on site from next week to work to start interim testing. Grant Thornton (GT) acknowledged the appointment of Richard McGahon to Internal audit and confirmed that they have not identified any independence issues following his move from GT to Head of Internal Audit. GT have appointed Lynne Johnstone as the Audit Manager, she has not previously worked with Richard and they feel all measures are in place to remain independent.

RESOLVED, that the reports be noted.

471. VALUE FOR MONEY

The JCFO presented the Value for Money report based on the Police Objective Analysis return to HMICFRS in which the force is compared against similar forces. The JCFO explained that because

per head of population is used as the denominator and that Cumbria is a large rural area but with low population, we can appear as costly. The JCFO provided highlights of what the report's conclusions including areas such as a higher fleet costs which arise because of the rural nature of Cumbria and being a smaller force, those where we double up roles like Roads Policing and Firearms Operations which can show up anomalies and areas where costs are higher as a result of policing choices such as prioritising neighborhood policing and having police officers in the Comms Centre as first point of contact. The value for money exercise is a good indication but it does highlight the need for perhaps a central clearinghouse to explore differences and pull together a better set of profiles, which all forces could gauge themselves against.

A member asked what has the Constabulary done to determine that there is no action required against the categories as they felt that these need clarification.

ACTION: With regard to the table of categories in future, to made clearer how Cumbria has embraced the issues resulting in no action being required.

RESOLVED, that the reports be noted

472. MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS

The JCFO presented the monitoring of audit recommendations update and there were 10 recommendations put forward three of which are now complete.

There are a further three, which have been picked up by the audit report on the Command and Control and 101 calls.

The recommendation regarding the Statement of Accounts is to do with the valuation of land and properties as part of the final accounts process for which the deadline is July, so it is currently ongoing within timescale.

Duties Management now falls within a larger piece of work on business futures looking at all the business systems, to make better use and integrate them, which includes Duties, Finance and HR. This is why the deadline has been extended.

The DCC clarified that the MOU has been signed by himself and this will go to the Safeguarding Hub board on 16th April 2019 where he expects it to be signed by all parties. The committee are to visit the Hub on 12th April 2019.

Members are still keen to ensure that the MOU is finally signed.

The chair asked if it was possible to have sight of the MOU prior to the visit so they have some grounding information.

ACTION: For DCFO to get a copy of the MOU for the committee prior to the visit on 12th April 2019 to the Safeguarding Hub.

The DCC gave a verbal update regarding Vulnerability/Hate crime to say the Constabulary audit all Vulnerability/Hate crimes and incidents under the National Crime Recording Audit work already undertaken. Processes are in place for any errors found, and a large amount of dip sampling is undertaken. Checks are also done several months later to ensure that what they have said will happen is actually happening. All hate crime victims are re-visited after seven days to ask if they feel they are happy with everything the police have done to try and find a resolution.

ACTION: To update the plan with comments from Detective Superintendent Vicki Ellis

The chair asked if the monitoring report could be annotated to show in the notes the reason why an extension on the implementation deadline had been given, who agreed this and the reason why.

ACTION: To have details of the decision regarding any extension to deadlines annotated on the plan showing who made the decision, when and why.

The DCFO discussed the lack of mechanism for bringing back previously completed recommendations if a follow up report found them still outstanding. The committee agreed that these needed to be returned as re-opened actions using the previous reference numbers to retain the link.

ACTION: To include Re-opened actions following Follow-up Audit reports using the previous reference numbers for consistency.

RESOLVED, that the reports be noted

The committee asked to look at Items 473 through to 475 together and any points to be raised after item 475

473. PROPOSED INTERNAL AUDIT PLAN / INTERNAL AUDIT CHARTER

Head of Internal Audit (IA) presented the Audit Plan and Audit/Charter to the meeting explaining it has been put together as in previous years, reviewing the Constabulary and OPCC strategic risks. This year IA have done thing slightly differently looking at a broader plan spanning two years to ensure that all audit requests can be picked up with this period. Following the review of audit services there is now an element of consultancy work, this is a change to what has been done before and how thing are reported. For 2019/20, there is an agreement for 281 days of audit and that should be sufficient to give opinions on both the Constabulary and the OPCC.

474. QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

The Internal audit Manager presented the Quality Assurance and Improvements Programme explaining that it is designed to provide assurance that the work of Internal audit is undertaken in accordance with the Public Sector Internal audit Standards. These cover elements such as the ongoing monitoring of the performance of the Internal Audit activity and the periodic self-assessments or assessments by other persons within the organisation with sufficient knowledge of Internal audit practices.

475. INTERNAL AUDIT PROGRESS REPORT

Internal audit manager spoke to brief members on the Progress report to 4th March 2019 stating that audits were on schedule and progressing as planned.

Audit have removed however, the proposed audit of Emergency Services Mobile Communications Programme (ESMCP) / Emergency Services Network (ESN) as there is a national review of the programme underway.

Members' consideration of the reports at 473, 474 and 475

A member questioned if there was anything that audit should be doing regarding Emergency Services Network ESN as it appears on both risk register and what will now come off the days costed for this audit.

The Head of Internal Audit explained that because this is a national programme there is not really anything Internal audit could achieve, there is nothing to form an opinion on due to this being a national review.

The JCFO then explained that the Constabulary are well established to move forward with this programme having recently submitted a National ESN preparedness survey, and Cumbria came across as one of the best-prepared forces.

Internal audit explained that we would not be charged for days not used on this audit.

The committee sought clarification regarding the split of days between audit assurance days and those now termed consultancy, going from 281 to 236 assurance and 45 consultancy.

The Head of Internal audit clarified that the change was to try to look at difference reporting methods and presentations but assured the committee that there were still sufficient standard audit days to form an overall opinion for both the Constabulary and the OPCC.

The chair then sought assurances from management of the Constabulary and OPCC that the level of traditional audit work within the audit plan was acceptable.

The JCFO, DCC and CE all agreed the audits were now more compressive and meaningful. They all felt there was enough days of traditional audit to allow Internal Audit to form an overall

opinion for both the Constabulary and the OPCC.

ACTION: For future plans to include a report from Constabulary and the OPCC management that they are satisfied with the level of audit days provided by the plan.

ACTION: Management to monitor the value and assurance obtained from the work described as “consultancy” in the Internal Audit plan and report to the committee after one or two of the consultancy prices of work have been undertaken.

The chair sought clarification from Internal Audit about progress report Item 14 point 4.10, two of the audits will not be completed in time for the annual audit opinion and whether this would have a marked effect on the ability of Internal audit to provide a confident assurance.

Internal Audit confirmed the two pieces of work that will not be completed are Neighborhood Policing Hubs and Benefit Realisation Plan for SAAB. This is due to the work having been started by a member of staff who is currently absent. Assurances we given to the committee that there was still enough work that has been completed on the plan to form an opinion and the plan was built to allow for slippage to be taken into account.

The DCC commented that the delay in carrying out the audit of Neighborhood Policing Hubs is manageable, however if it were possible to re-prioritise the audit work and move SAAB up the timetable that would be helpful, in managing the risks, given it SAAB due to go live very soon.

The chair summarised the Committee view that while Internal Audit’s view that there is enough assurance to form an opinion the committee have concerns around the operational impact of the delay in the SAAB Audit..

ACTION: Internal Audit to liaise with the DCC and seek assurance that not undertaking the audit on Benefit Realisation Plan for SAAB will not have any operational impact.

A member raised a point regarding Item 12i(b) Draft Internal audit Plan – Body Worn Camera and Firearms which both state compliance with procedures or policies. Internal Audit were asked to confirm that these procedures and policies are right, proper and fit for purpose. Internal Audit confirmed that procedures and policies are agreed by the Constabulary and Internal Audit are checking that these procedures and policies are followed correctly, if they were to note anything that did come across are wrong then they would bring this to the attention of management.

The DCC agreed and stated that it was up to the Constabulary to ensure that the procedures and policies are up to date correct and fit for purpose. This was an ongoing issues looking at different procedures and policies and to ensure any items like GDPR are built in.

A member queried the wording on the last page of the report Item 13 Quality Assurance Improvement Plan – **Follow up** – All audits receiving less than reasonable assurance will be

followed up". He requested more clarification on timescales of when these follow up will take place.

ACTION: To add more information regarding timescales and management clarification on recommendation completion to the wording on the last page of the report Item 13 Quality Assurance Improvement Programme.

RESOLVED, that the report at 473, 474 and 475 be noted.

476. INTERNAL AUDIT REPORT(S)

The following audit report were discussed at the meeting:

- Digital Media Investigation Unit (Constabulary) - Nov 18

A member asked if management were confident that the recommendations in the report have been implemented.

The DCC assured the committee that he was confident the processes are now in place and the Forensic Regulator assesses this.

- GDPR (OPCC) – Jan 19

A member asked who was the OPCC Data Protection Officer and at what level?

The CE and DCC explained that they share the same senior middle manager as data protection officer, who reports directly to the DCC on Constabulary matters and the CE on OPCC matters.

- Follow Up Report - Stingers Final (Constabulary) - Feb 19

The committee sought further assurance from the Constabulary that the recommendations contained with the report have been addressed and implemented where necessary.

The DCC clarified that there were three main areas of concern. Firstly, around the pursuit recording forms not being submitted, all incidents are now reviewed to ensure that all forms are correctly filed. Secondly, around Chronicle, which is a way of recording driver training, the full implementation of Chronicle has been delayed but the Constabulary retain the existing methods of recording driver training. Thirdly, the briefing and debriefing and the processes are all now in place.

ACTION: For Internal audit to provide an update on the follow up in the light of the comments made by the DCC.

- Command & Control and 101 Calls (Constabulary) - Mar 19

The chair sort clarification that the CCR Business Plan is now in place as the audit report shows it as expected to be implemented by April 2019, the Constabulary Risk Register shows it as being in place now March 2019.

The DCC confirmed that the CCR Business plan is indeed in place now March 2019

- Receipt Handling and Disposal of Drugs (Constabulary) - Nov 18

The chair sought clarification on why the recommendation of “The drug destruction process should be included within the procedure and should be communicated to relevant staff” was only advisory and not higher.

ACTION: Agreed that this should be added to the Monitoring update report so assurance can be seen regarding the communication of drug destruction processes to all relevant staff.

The chair thanked Internal Audit for all the reports.

RESOLVED, that the reports be noted.

477. STRATEGIC RISK REGISTER

The CE presented the OPCC Strategic risk register and highlighted that Strategic Finance and ESN feature high on the risk register, there are no significant changes to the risk register since the last meeting and explained that these are dynamic documents, which are updated continuously.

The JCFO Presented the Constabulary Strategic risk register and again there were no significant changes, only an amendment to the risk around the Command and Control room concerning SAAB.

RESOLVED, that the reports be noted.

478. TREASURY MANAGEMENT ACTIVITIES

The DCFO presented the Treasury Management Activities quarter 3 for the period October to December 2018.

The investment income is forecast at £135k up from the budget of £70k because of the bank base rates changes over the year. There has also been some slippage on the Capital programme, which leaves more money to invest in the short term.

The report also gives assurances that the Commissioners prudential indicators set last February are all being complied with.

RESOLVED, that the report be noted.

479. CAPITAL STRATEGY 2019/20

The DCFO explained that the meeting would usually get the Treasury Management Strategy Statement and the commissioner would get the Capital Programme however; new CIPFA guidance says there should be a Capital Strategy with is an overriding document covering both the Capital Programme and the Treasury Management Strategy. Therefore, these have been brought to the meeting so the committee can see the whole picture.

Concerning the Treasury Management Strategy Statement 2019/20 & the Treasury Management Practices there is very little change from the previous years.

The DCFO asked the committee if they wished to view all the documents moving forward or simply restrict it to the remit of Treasury Management.

The chair thanked the DCFO for the opportunity to read all the documents and a member did think they were worthwhile.

ACTION: Agreed to include the Capital Strategy & the Capital Programme moving forward perhaps in the training sessions as opposed to bring them to the actual committee meetings.

RESOLVED, that the report be noted.

Meeting ended at 1pm

Due to time constraints Item 480 was brought to the training session starting at 1.45pm

480. APPRENTICESHIP GOVERNANCE

The Apprenticeship manager presented the initial Self-assessment Report and Quality Improvement Plan to the meeting.

Both the Self-assessment Report and Quality Improvement Plan are aligned to the Ofsted criteria and the Constabulary is planning to delivery its first PCSO apprenticeship cohort in March 2020 as an employer provider.

Ofsted will do a two-day visit covering several aspects including safeguarding once this training has begun.

Everything contained in the report is to prepare the Constabulary for March 2020 when the apprenticeship training will begin.

The chair asked why the delay to 2020 before the start of the apprenticeship and the JCFO explained that there is a review of the role of PCSO's currently being undertaken resulting in the Constabulary delaying recruitment.

The self-assessment report has been to the apprenticeship management group prior to being brought to committee, this report is broken down into three key questions but that will change to five when Ofsted update their criteria.

The apprenticeship manger explained that having areas of improvements is seen by Ofsted as a good thing as we have identified areas we can and will improve on to make the training in better.

This is a very new apprenticeship and Cumbria has been able to liaise with other forces and obtain training materials, but as each force has different standard and job specifications for PCSOs, Cumbria will be tailoring their own curriculum.

The chair asked how the committee would be assured that the Cumbria curriculum covers all the necessary elements.

The apprenticeship manger explained that due to the newness of the PCSO apprenticeship Cumbria is looking to doing peer review with other forces to ensure that all elements are covered.

ACTION: To add the Apprenticeship update to the development session in November 2019.

RESOLVED, that the report be noted.

481. POINT FOR CONSIDERATION BY THE COMMISSIONER AND THE CHIEF CONSTABLE

- A formal recommendation of the committee to the Commissioner for a follow-up audit on GDPR for the OPCC to be carried out once the audit of GDPR for the Constabulary is complete.
- The Committee consider their remit does not extend to formally reviewing the Commissioner's Annual Review of the Police and Crime Plan. The Committee would nonetheless be pleased to receive a copy of the Annual Review for information to help to inform its understanding of the work of the Commissioner and his view of how the Committee contributes to the overall governance arrangements.

Future Meeting Dates (For Information)

23 May 2019 @ 10:30 am – Conference Room 2

25 July 2019 @ 1.00 pm – Conference Room 2

19 September 2019 @ 10:30 am – Conference Room 2

20 November 2019 @ 10:30 am – Conference Room 2

18 March 2020 @ 10:30 am – Conference Room 2

Signed: _____

Date: _____

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Joint Audit Committee – Action Update and Plan

Minute Item	Action to be taken	Person Responsible	Target Date	Comments	Status
DATE OF MEETING: 20th March 2019					
454	Procurement Update	Head of Procurement	November 2019	To create an annual procurement report and bring this along with the dashboard to a yearly meeting – This has now been moved to the Annual Work Programme, this item is now considered closed.	Complete
469	Annual Work Programme	DCFO	July 2019	To add the PCC Annual Review to the Annual Work Programme – this has now been added to the Finalised version of the work programme for 2019/20, this item is now considered closed.	Complete
471	Value for Money Report	Director of Corporate improvement	July 2019	Regarding the table of categories to clarify how Cumbria has embraced these issues resulting in no action being required.	Ongoing
472(i)	Monitoring of Audit	DCFO	April 2019	To get a copy of the MOU for the committee prior to the visit on 12 th April 2019 to the Safeguarding Hub – Document provided to members by email on 20 th March 2019, this item is now considered closed.	Complete
472(ii)	Monitoring of Audit	DCFO	May 2019	To update the plan with comments from Detective Superintendent Vicki Ellis – The missing comments have been re-instated on the update report; this item is now considered closed.	Complete
472(iii)	Monitoring of Audit	DCFO	May 2019	To have details of the decision process regarding any extension to deadlines annotated on the plan showing who made the decision, when and why – this will be incorporated into re-designed update report going forward, this item is now considered closed.	Complete
472(iv)	Monitoring of Audit	DCFO	May 2019	To include Re-opened actions following Follow-up Audit reports using the previous reference numbers for consistency – these have been added to the re-designed update report, this item is now considered closed.	Complete

473-475(i)	Internal Audit	Internal Audit	March 2020	<p>For future plans to include a report from Constabulary and the OPCC management that they are satisfied with the level of audit days provided by the plan.</p> <p>In future audit plans a statement will be requested from both the Constabulary and the OPCC management on whether they are satisfied with the level of audit days provided by the plan and the split between assurance and consultancy / added value.</p>	Ongoing
473-475(ii)	Internal Audit	Internal Audit	Possibly November 2019	<p>To have something to monitor and value and assurance obtained from the work described as "Consultancy" in the internal audit plan and this should be brought to the committee after one or two of the consultancy prices of work have been undertaken.</p> <p>We will assess, with management, the value and assurance gained from Consultancy work as it is undertaken and report back to JAC as requested.</p>	Ongoing
473-475(iii)	Internal Audit	Internal Audit	May 2019	<p>To liaise with the DCC and seek assurance that not undertaking the audit on Benefit Realisation Plan for SAAB will not have any operational impact.</p> <p>Project support on the benefit realisation proposals for SAAB has been undertaken with early feedback provided to the Director of Corporate Improvement.</p>	Ongoing
473-475(v)	Internal Audit	Internal Audit	May 2019	<p>To add more information regarding timescales and management clarification on recommendation completion to the wording on the last page of the report Item 13 Quality Assurance Improvement Plan.</p> <p>Report updated and now reads 'Follow up – All audits receiving less than reasonable assurance will be followed up. Usually this will occur within six to twelve months of the original report being issued but will vary dependent on the agreed timescales for the recommendations to be implemented and any known implementation issues. We have added a performance indicator in the Audit Charter so the on follow up work we will report the percentage of high and medium priority audit recommendations implemented by target date'.</p>	Complete

476(iii)	Follow Up Report - Stingers Final (Constabulary) - Feb 19	Internal Audit	May 2019	For Internal audit to provide an update on the follow up to show assurances have been met. Internal Audit have reviewed information provided by the Constabulary and can confirm that actions outstanding have now been addressed.	Complete
476(vii)	Receipt Handling and Disposal of Drugs (Constabulary) - Nov 18	DCFO	May 2019	To add this to the Monitoring update report so assurance can be seen regarding the communication of drug destruction processes to all relevant staff – This has been added to the monitoring update report, this item is now considered closed.	Complete
479	Capital Strategy	DCFO	Training Session	To include the Capital Strategy & the Capital programme moving forward perhaps in the training sessions as opposed to bring them to the actual committee meetings – This has been added to the annual work programme, this item is now considered closed.	Complete
480	Apprenticeship Governance	Apprenticeship Manager	November 2019	To add the Apprenticeship update to the development session in November 2019 – This has been added to the annual work programme, this item is now considered closed.	Complete

Joint Audit Committee – Review of Effectiveness Action Plan 2019/20

Ref	Improvement Area	Planned Action	Owner	Target Date	Status
JAC1	Support and monitor the OPCC and Constabulary plans to address the stringent funding environment.	Members to maintain awareness of the national position in relation to the Funding Formula; to receive annual training on the budget and MTFP and consider as appropriate the arrangements flowing from significant changes in funding levels. JAC members to consider efficiency aspects of any recommendations or reports to Committee.	JAC	March 2020	Ongoing
JAC2	Support and challenge any new governance arrangements, for example, from restructuring and capacity reviews, greater collaboration with other organisations or joint working on delivery of services.	JAC to encourage clarity in any new arrangements; appropriate documentation and; ensure governance arrangements considered as part of the risk assessment.	JAC	March 2020	Ongoing
JAC3	Improve awareness of the work of the Police and Crime Panel and the Ethics and Integrity Panel where appropriate.	Members to continue to attend PCP meetings and seek to maintain awareness of issues and concerns of the Police and Crime Panel to the extent that they might inform the work of the JAC. JAC to consider annual report from Ethics and Integrity Panel and received updates on matters identified.	JAC	November 2019	Ongoing
JAC4	Strategic awareness of the Police and Crime Plan.	JAC members to review and consider the PCC annual report to maintain awareness and identify any potential issues or new initiatives that have a bearing on the governance work of the Audit Committee.	JAC	March 2020	Ongoing

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30 April 2019

Dear Mrs Skeer

Planned audit fee for 2019/20

The Local Audit and Accountability Act 2014 (the Act) provides the framework for local public audit. Public Sector Audit Appointments Ltd (PSAA) has been specified as an appointing person under the Act and the Local Authority (Appointing Person) Regulations 2015 and has the power to make auditor appointments for audits of opted-in local government bodies from 2018/19. The Chief Constable is an opted-in body.

For opted-in bodies PSAA's responsibilities also include setting fees and monitoring the quality of auditors' work. Further information on PSAA and its responsibilities are available on the [PSAA website](#).

Scale fee

PSAA published the 2019/20 scale fees for opted-in bodies at the end of March 2019, following a consultation process. Individual scale fees have been maintained at the same level as in 2018/19, unless there were specific circumstances which required otherwise. Further details are set out on the [PSAA website](#). The scale fee for the Chief Constable for 2019/20 has been set by PSAA at £11,550, which is the same as in 2018/19.

PSAA prescribes that 'scale fees are based on the expectation that audited bodies are able to provide the auditor with complete and materially accurate financial statements, with supporting working papers, within agreed timeframes'.

The audit planning process for 2019/20, including the risk assessment, will continue as the year progresses and fees will be reviewed and updated as necessary as our work progresses.

Scope of the audit fee

There are no changes to the overall work programme for audits of police bodies for 2019/20. Under the provisions of the Local Audit and Accountability Act 2014, the National Audit Office (NAO) is responsible for publishing the statutory Code of Audit Practice and guidance for auditors. Audits of the accounts for 2019/20 will be undertaken under this Code. Further information on the NAO Code and guidance is available on the [NAO website](#).

The scale fee covers:

- our audit of your financial statements;
 - our work to reach a conclusion on the economy, efficiency and effectiveness in your use of resources (the value for money conclusion); and
 - our work on your whole of government accounts return (if applicable).
-

PSAA will agree fees for considering objections from the point at which auditors accept an objection as valid, or any special investigations, as a variation to the scale fee.

Value for Money conclusion

The Code requires us to consider whether the Chief Constable has put in place proper arrangements for securing economy, efficiency and effectiveness in their use of resources. This is known as the Value for Money (VfM) conclusion.

The NAO issued its latest guidance for auditors on value for money work in November 2017. The guidance states that for police bodies, auditors are required to give a conclusion on whether the Chief Constable has put proper arrangements in place.

The NAO guidance identifies one single criterion for auditors to evaluate:

In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

Billing schedule

Fees will be billed as follows:

Audit fee	£
September 2019	2,888
December 2019	2,888
March 2020	2,888
June 2020	2,886
Total	11,550

Outline audit timetable

We will undertake our audit planning and interim audit procedures in December 2019 to March 2020. Upon completion of this phase of our work we will issue a detailed audit plan setting out our findings and details of our audit approach. Our final accounts audit, work on the VfM conclusion and work on the whole of government accounts return will be completed by July 2020.

Phase of work	Timing	Outputs	Comments
Audit planning and interim audit	December 2019 to March 2020	Joint Audit Plan	The plan summarises the findings of our audit planning and our approach to the audit of the Chief Constable's accounts and VfM arrangements.
Final accounts audit	June to July 2020	Joint Audit Findings Report (to the Chief Constable as 'the individual charged with governance')	This report sets out the findings of our accounts audit and VfM work for the consideration of the Chief Constable as the individual charged with governance.
VfM conclusion	December 2019 to July 2020	Joint Audit Findings Report (to the Chief Constable as 'the individual charged with governance')	As above
Whole of government accounts	July 2020	Opinion on the WGA return	This work will be completed alongside the accounts audit.



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30 April 2019

Dear Sirs

Planned audit fee for 2019/20

The Local Audit and Accountability Act 2014 (the Act) provides the framework for local public audit. Public Sector Audit Appointments Ltd (PSAA) has been specified as an appointing person under the Act and the Local Authority (Appointing Person) Regulations 2015 and has the power to make auditor appointments for audits of opted-in local government bodies from 2018/19. The Police and Crime Commissioner for Cumbria and Chief Constable for Cumbria are both opted-in bodies.

For opted-in bodies PSAA's responsibilities also include setting fees and monitoring the quality of auditors' work. Further information on PSAA and its responsibilities are available on the [PSAA website](#).

Scale fee

PSAA published the 2019/20 scale fees for opted-in bodies at the end of March 2019, following a consultation process. Individual scale fees have been maintained at the same level as in 2018/19, unless there were specific circumstances which required otherwise. Further details are set out on the [PSAA website](#). The scale fee for the Police and Crime Commissioner for 2019/20 has been set by PSAA at £23,360, which is the same as in 2018/19. The scale fee for the Chief Constable for 2019/20 has been set by PSAA at £11,550. The total scale fee for 2019/20 for the audit of the group financial statements of the Police and Crime Commissioner, including the statements of the Chief Constable, is £34,910.

PSAA prescribes that 'scale fees are based on the expectation that audited bodies are able to provide the auditor with complete and materially accurate financial statements, with supporting working papers, within agreed timeframes'.

The audit planning process for 2019/20, including the risk assessment, will continue as the year progresses and fees will be reviewed and updated as necessary as our work progresses.

Scope of the audit fee

There are no changes to the overall work programme for audits of police bodies for 2019/20. Under the provisions of the Local Audit and Accountability Act 2014, the National Audit Office (NAO) is responsible for publishing the statutory Code of Audit Practice and guidance for auditors. Audits of the accounts for 2019/20 will be undertaken under this Code. Further information on the NAO Code and guidance is available on the [NAO website](#).

The scale fee covers:

- our audit of your financial statements;
-

- our work to reach a conclusion on the economy, efficiency and effectiveness in your use of resources (the value for money conclusion); and
- our work on your whole of government accounts return (if applicable).

PSAA will agree fees for considering objections from the point at which auditors accept an objection as valid, or any special investigations, as a variation to the scale fee.

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The Code requires us to consider whether the Police and Crime Commissioner has put in place proper arrangements for securing economy, efficiency and effectiveness in their use of resources. This is known as the Value for Money (VfM) conclusion.

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The NAO guidance identifies one single criterion for auditors to evaluate:

In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

Billing schedule

Fees will be billed as follows:

Audit fee	£
September 2019	5,840
December 2019	5,840
March 2020	5,840
June 2020	5,840
Total	23,360

Outline audit timetable

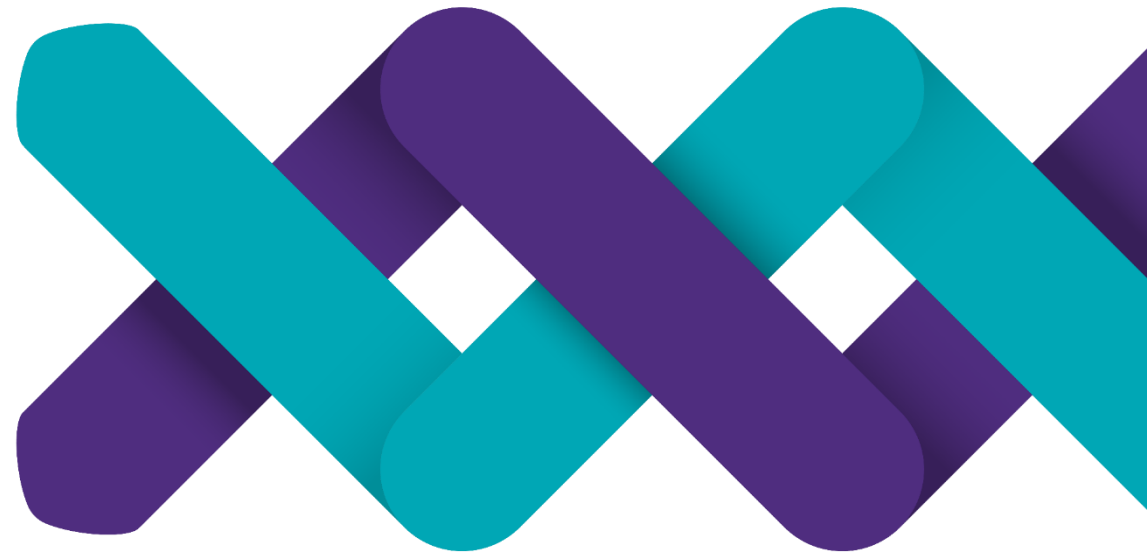
We will undertake our audit planning and interim audit procedures in December 2019 to March 2020. Upon completion of this phase of our work we will issue a detailed audit plan setting out our findings and details of our audit approach. Our final accounts audit, work on the VfM conclusion and work on the whole of government accounts return will be completed by July 2020.

Phase of work	Timing	Outputs	Comments
Audit planning and interim audit	December 2019 to March 2020	Joint Audit Plan	The plan summarises the findings of our audit planning and our approach to the audit of the Police and Crime Commissioner's accounts and VfM arrangements.
Final accounts audit	June to July 2020	Joint Audit Findings Report (to the PCC as 'the individual charged with governance')	This report sets out the findings of our accounts audit and VfM work for the consideration of the PCC as the individual charged with governance.
VfM conclusion	December 2019 to July 2020	Joint Audit Findings Report (to the PCC as 'the individual charged with governance')	As above

Audit Progress Report and Sector Update

The Police and Crime Commissioner for Cumbria and The Chief Constable for Cumbria Constabulary

10 May 2019



Contents and Introduction



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This paper provides the Joint Audit Committee with a report on progress in delivering our responsibilities as your external auditor.

The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you; and
- a number of challenge questions in respect of these emerging issues which the Committee may wish to consider (these are a tool to use, if helpful, rather than formal questions requiring responses for audit purposes)

Members of the Joint Audit Committee can find further useful material on our website where we have a section dedicated to our work in the public sector. Here you can download copies of our publications. Click on the following link to be directed to the website <https://www.grantthornton.co.uk/>.

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

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Progress at 10 May 2019

Financial Statements Audit

We undertook our interim audit in January 2019 and the key findings from this are summarised on pages 5 and 6 of this report.

We issued our Joint Audit Plan summarising our approach to the key risks for our audits of the Police and Crime Commissioner, the Chief Constable and the Group in March 2019.

In our Joint Audit Plan presented to the Joint Audit Committee in March 2019 we communicated our expectations around your responsibilities for timely production of the draft accounts supported by appropriate working papers. Should delays be experienced in the provision of these requirements or should additional work be required on our part due to complex technical issues, new arrangements and / or delays in response to queries, additional costs may be incurred.

The agreed fee for the Police and Crime Commissioner audit is £23,360 (PY: £30,338) and £11,550 (PY: £15,000) for the Chief Constable.

The final accounts audit is due to begin on the 3rd June with findings reported to you in the Joint Audit Findings Report by the deadline of 31 July 2019.

Value for Money

The scope of our work is set out in the guidance issued by the National Audit Office. The Code requires auditors to satisfy themselves that; "the authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".

The guidance confirmed the overall criterion as: "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".

The three sub criteria for assessment to be able to give a conclusion overall are:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties.

We reported the significant risks identified as a result of our initial risk assessment in in our Joint Audit Plan.

We will report the conclusions from our work in the Joint Audit Findings Report and give our Value For Money Conclusions by the deadline of 31 July 2019.

Other areas

Meetings

We meet with Finance Officers as part of our liaison meetings and continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective.

Events

We have invited key members of your finance team to attend the Police Governance Conference which this year takes place on 3 and 4 July in Daventry.

Further details of the publications that may be of interest to the members are set out in our Sector Update section of this report.

Audit Deliverables

2018/19 Deliverables	Planned Date	Status
Accounts Joint Audit Plan We are required to issue a detailed accounts joint audit plan to the Joint Audit Committee setting out our proposed approach in order to give an opinion on the Group, Police and Crime Commissioner and Chief Constable 2018-19 financial statements.	January 2019	Complete
Interim Audit Findings We will report to you the findings from our interim audit within our Progress Report.	May 2019	Included within this report
Joint Audit Findings Report The Joint Audit Findings Report will be reported to the July Joint Audit Committee.	July 2019	Not due yet
Auditors Reports These are the opinions on your financial statements, annual governance statements and value for money conclusions.	July 2019	Not due yet
Joint Annual Audit Letter This letter communicates the key issues arising from our work.	August 2019	Not due yet

Results of interim audit work

	Work performed	Conclusions and recommendations
Internal audit	We have completed a high level review of internal audit's overall arrangements. Our work has not identified any issues which we wish to bring to your attention.	<p>Overall, we considered the work of internal audit to date, to help inform our understanding of the Police and Crime Commissioner and Chief Constable's control environment and inform our audit strategy for our accounts and value for money work.</p> <p>Our review of internal audit work has not identified any weaknesses which impact on our audit approach.</p>
Entity level controls	<p>We have obtained an understanding of the overall control environment relevant to the preparation of the financial statements including:</p> <ul style="list-style-type: none"> • Communication and enforcement of integrity and ethical values • Commitment to competence • Participation by those charged with governance • Management's philosophy and operating style • Organisational structure • Assignment of authority and responsibility • Human resource policies and practices 	Our work has identified no material weaknesses which are likely to adversely impact on the Police and Crime Commissioner and Chief Constable's financial statements
Review of information technology controls	<p>Our information systems specialist performed a high level review of the general IT control environment, as part of the overall review of the internal controls system.</p> <p>IT (information technology) controls were observed to have been implemented in accordance with our documented understanding</p>	Our work to date has identified no material weaknesses which are likely to adversely impact on the Police and Crime Commissioner and Chief Constable's financial statements

Results of interim audit work (continued)

	Work performed	Conclusions and recommendations
Walkthrough testing	<p>We have completed walkthrough tests of the Police and Crime Commissioner and Chief Constable's controls operating in areas where we consider that there is a risk of material misstatement to the financial statements</p> <p>Our work has not identified any issues which we wish to bring to your attention. Internal controls have been implemented by the Police and Crime Commissioner and Chief Constable in accordance with our documented understanding</p>	Our work has not identified any weaknesses which impact on our audit approach
Journal entry controls	We have reviewed the Police and Crime Commissioner and Chief Constable's journal entry policies and procedures as part of determining our journal entry testing strategy and have not identified any material weaknesses which are likely to adversely impact on Police and Crime Commissioner and Chief Constable's control environment or financial statements.	Our work has not identified any weaknesses which impact on our audit approach.
Early substantive testing	<p>We have continued to work closely with the finance team to identify areas of the 2018/19 accounts that can be audited early. We have carried out initial audit procedures on the following areas:-</p> <p>Operating Expenses (10 months of testing) Employee Remuneration – Analytical review Other revenues (10 months of testing)</p>	Our work to date has not identified any material misstatements or issues to report.

Sector Update

Policing services are rapidly changing. Increased demand from the public and more complex crimes require a continuing drive to achieve greater efficiency in the delivery of police services. Public expectations of the service continue to rise in the wake of recent high-profile incidents, and there is an increased drive for greater collaboration between Forces and wider blue-light services.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider Police service and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- [Grant Thornton Publications](#)
- [Insights from sector specialists](#)
- [Accounting and regulatory updates](#)

More information can be found on our dedicated public sector and police sections on the Grant Thornton website by clicking on the logos below:

[Public Sector](#)

[Police](#)

Other policing news

World Class Policing Awards 2019

The World Class Policing Awards recognise exceptional performance, effective collaboration, innovative and progressive policing, beneficial outcomes for the public, as well as initiatives that improve the welfare of officers and staff to empower them to greater achievement. The Awards celebrate and share World Class Policing knowledge and practice with the whole policing community.

The Awards will this year take place on Thursday, 14th November, at a distinguished Gala Dinner in central London, honouring the very best of policing by celebrating those often unsung police officers and staff along with their collaboration partners from other public sector agencies, commercial, third sector and academic organisations.

Nominations for the awards opened on 8 April 2019. The awards timetable can be found [here](#).



Response to the Home Affairs Select Committee's report on policing for the future

The government has responded to the Home Affairs Select Committee "Policing for the future" inquiry report, outlining the actions it has taken or will take in response to each recommendation that is raised within the report.

The full response to the findings and recommendations can be accessed by [clicking here](#).

The original inquiry report can be accessed by [clicking here](#).

IOPC Youth panel: Key Findings and Recommendations 2019

The IOPC Youth Panel was established in March 2018 as a response to the findings of the IPCC's 2014 survey into public confidence in the complaints system which demonstrated that young people and people from BAME (Black Asian and Minority Ethnic) communities in particular lack confidence in the complaints system. The Youth Panel provides a means for young adults aged 16-25 years to inform the work of the IOPC, and to help the IOPC to build trust and confidence among young people.

The report contains key findings organised into five themes, which outline what the IOPC Youth Panel has found in relation to the barriers and influences affecting young people's trust and confidence in the police complaints system. Each section features analysis of young people's responses supported by verbatim quotes.

The report also contains the key recommendations that have been put forward by the IOPC Youth Panel as a result of their findings. The Youth Panel has identified these recommendations in collaboration with IOPC staff members.

The report can be accessed by clicking the report cover below.



Police Foundation publications

Data-driven policing and public value

The Police Foundation has issued their latest report which examines the relationship between data-driven policing initiatives and the ability of the police to deliver public value.

Data driven policing means the current use of a wide variety of digitised data sources to inform decision making, improve processes and increase actionable intelligence for all personnel within a police service, whether they be operating at the front-line or in positions of strategic leadership.

Public value was defined as the full value that a police force contributes to society across a number of measurable dimensions, including outcomes (e.g. crime rates and crime detection rates in a given area); efficiency gains (for example cost savings, better management of demand, improved productivity); impact on citizen satisfaction with the police (e.g. in survey data); and impact on public trust in, and perceived legitimacy of, the police.

The project aimed to generate new insights into what data driven policing initiatives are being tried in the UK and around the world; who seems to be getting it right and having an impact on the indicators that matter most to police forces and their political masters; and what lessons might be learned and best practices adopted by others as a result of those findings.

The report includes 11 recommendations designed to put UK police forces in a stronger position to embrace data-driven policing, and also includes case studies of both UK police forces and Dutch police.

The report can be accessed by clicking the link below.



Police workforce wellbeing and organisational development

This study, funded by the Police Mutual Foundation, looked at the evidence base in relation to Organisational Development. Senior leaders and experts within policing and the wider public sector were interviewed as part of this study.

The publication found that despite pressures on public sector workers such as austerity and high workloads, there was evidence that wellbeing could be significantly improved if employees had a direct say on the changes made within their organisation and how these are managed.

The research found many examples of successful change management across the whole public sector. While Organisational Development is much less developed in policing, it found some clear examples of good practice which are described within the document. A number of recommendations are also made for consideration by police leaders.

The report can be accessed by clicking the link below.



HMICFRS news

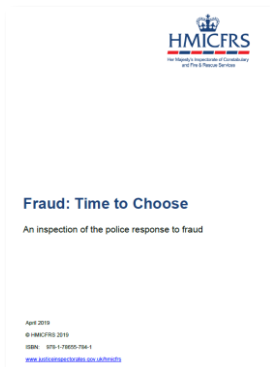


Time for police to choose how to tackle fraud

A report by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) has concluded that most victims of fraud are not receiving the level of service they deserve.

The report, 'Fraud: Time to Choose', sets out that leaders in government and the police service can either continue to respond to fraud in an inconsistent manner or they can act to ensure that there is a clearer strategy, less variation in service between forces and better communication with the public. The inspection took place between March and July 2018 and inspectors visited 11 police forces in England and Wales, all 9 regional organised crime units, the National Crime Agency, Action Fraud, the National Fraud Intelligence Bureau and Europol.

The report can be accessed through clicking the cover below.



PEEL: Police effectiveness, efficiency and legitimacy 2018/19 – group 1 force press releases

HMICFRS has published the findings for the first 14 forces inspected in the PEEL 2018/19 assessment. The individual and national press releases can be accessed [by clicking here](#). The remaining 29 forces in England and Wales are being inspected in the two subsequent groups and the findings will be released following these inspections.

The national report that accompanies the release of these findings states that Police forces in general are offering a good level of service, but are doing so under significant pressure. The release warns that given the current operational and financial context forces find themselves in, it is not clear for how long they will be able to maintain their current performance levels. For many of the forces inspected in this group, cracks in the system are widening. The national report can be accessed through the cover below.



Home Office news



Home Office

Joint review of forensics (2018) and Implementation plan

A 13-point action plan to improve police forensics was published alongside the findings of a Home Office commissioned review into the provision of forensic services in policing, such as DNA and fingerprint evidence. The Home Office carried out the review jointly with the Association of Police and Crime Commissioners (APCC) and the National Police Chiefs' Council (NPCC) and found that urgent action is required to make the current system sustainable.

Recommendations from the review include making providers adhere to the quality standards set by the Forensic Science Regulator and ensuring the market's commercial models are sustainable and open to investment. The government produced a 13-point implementation plan to set out how it would meet the recommendations.

Both the review and the implementation plan can be accessed [by clicking here](#).

£51 million of funding allocated to police forces for increased action on knife crime

The Home Office has allocated surge funding for forces worst affected by knife from the £100 million serious violence fund announced in March 2019. It will be for chief constables to decide how to utilise the additional funding, though the money is intended to be used to support visible policing in hotspot areas and was designed to help fund increased patrols and weapon sweeps, equipment for officers and overtime. Funding is being allocated to 18 forces in England and Wales.

Links

Sector Updates

Public Sector

<https://www.grantthornton.co.uk/industries/public-sector/>

Police

<https://www.grantthornton.co.uk/en/insights/?tags=police>

Other policing news

https://www.policeconduct.gov.uk/sites/default/files/Documents/research-learning/iopc_youth_panel_report_march2019.pdf

Police Foundation publications

Data-driven policing and public value

http://www.police-foundation.org.uk/2017/wp-content/uploads/2010/10/data_driven_policing_final.pdf

Police workforce wellbeing and organisational development

http://www.police-foundation.org.uk/2017/wp-content/uploads/2019/02/organisational_development_report_final.pdf

HMICFRS News

Time for police to choose how to tackle fraud

<https://www.justiceinspectorates.gov.uk/hmicfrs/wp-content/uploads/fraud-time-to-choose-an-inspection-of-the-police-response-to-fraud.pdf>

PEEL: Police effectiveness, efficiency and legitimacy 2018/19 – group 1 force press releases

<https://www.justiceinspectorates.gov.uk/hmicfrs/wp-content/uploads/peel-spotlight-report-a-system-under-pressure.pdf>

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.



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Joint Audit Committee



Title: Effectiveness of OPCC Risk Management Activity Monitoring

Date: 30 April 2019

Agenda Item No: 09

Originating Officer: Gill Shearer

Report of the Chief Executive

1. Introduction and Background

1.1 The Police and Crime Commissioner has a statutory responsibility to provide policing services for Cumbria. This takes place in a constantly changing and challenging environment and therefore the Office of the Police and Crime Commissioner (OPCC) must ensure that it has robust systems and processes in place to identify, monitor and react appropriately to risk.

2. Effectiveness of Arrangements for Risk Management

2.1 In order to ensure that the OPCC's arrangements for Risk Management are effective a number of areas of business are monitored to ensure compliance and identify any risks to the organisation.

Risk Management Strategy

2.2 The OPCC Risk Management Strategy is reviewed on a three-year cyclical basis with the next review due in 2020. That said, the strategy is considered on an annual basis to allow any appropriate changes to be made to ensure that the OPCC has robust risk management processes. No changes have been made to the strategy within 2018-19 with the Joint Audit Committee name change to be included within the 2020 review.

2.3 The strategy continues to contribute to the overall governance arrangements in place for the Office of the Police and Crime Commissioner (OPCC). It allows strategic and operational risks to be identified and provided guidance to enable staff to deal with these appropriately and effectively. Being a dynamic document it assists the consideration of risk to permeate throughout the OPCC's business when making decisions.

Risk Monitoring

2.4 During 2018-19 the risk registers continue to be reviewed and updated on a quarterly basis. The strategic and operational risk registers are now more focused with a mechanism to enable risks to be moved between the two.

2.5 On a quarterly basis within the reporting period JASC were presented with the updated strategic risk register to enable them to have oversight in line with their terms of reference. Throughout the year the strategic risks have been reviewed with some risks being elevated from the operational register due to their risk scores. The risk regarding OPCC Capacity was removed in November 2018 following proven functionality at a senior level over the previous 12 months.

2.6 During the reporting period two further risks were added to the strategic risk register, these being Information Management (GDPR compliance) and Procurement. These were as a result of identified risks to the OPCC which continue to be actively managed. The OPCC's Executive team retains oversight of the progression of risks on both the strategic and operational risk registers.

2.7 From November 2018 the OPCC now correlates its risks with the priorities contained within the Police and Crime Plan within both the strategic and operational risk registers. Although the objectives within the plan are predominantly for the Constabulary to fulfil, as it is his plan and he holds the Chief Constable to account for the provision of policing services in Cumbria it is essential that the plan is achieved.

2.8 Assurance from the Joint Audit Committee continues through the reporting of both strategic risks in full, supported by the high level register for operational risks. This provides the Committee with oversight that all expected risks are captured and being appropriately scored and monitored.

2.8 During 2018-19 the Commissioner made 25 decisions based on information provided including any areas of risks which need to be considered. The Executive Support Officer when receiving and logging decision forms ensures that this section of the form is completed to enable the Commissioner to make an informed decision. No forms have been received where this section has not been completed.

Oversight of Constabulary Strategic Risks

2.9 In addition to monitoring OPCC risks the OPCC Chief Executive and the Governance Manager also carry out monitoring of Cumbria Constabulary's strategic risks. This has taken place on a quarterly basis during 2018-19 whereby they have met with senior Constabulary staff/officers who have responsibility for the Constabulary's Strategic Risk Management. The meetings provide an opportunity to identify and discuss those risks which impacted upon both organisations and seek assurance from the Constabulary that they had correctly identified risks, had appropriate mitigation in place to deal with and monitor the risk, and no areas of concern were identified.

2.10 During 2018-19, again the risk of a change to the funding formula was present on both organisation's strategic risk registers. The 2019/20 grant settlement was more favourable than expected providing short term funding for pensions and increased flexibility to raise council tax, which was utilised in producing the 2019/20 budget. However, this does not alleviate the longer term concerns regarding the sustainability of a funding model which relies on local taxpayers to fund all cost increases and the risk score remained the same.

2.11 The national project Emergency Services Mobile Communications Programme (ESMCP) has been subject to a series of delays. Work being undertaken regionally and nationally provides some assurance, although the critical nature of this national project and delays in national implementation mean it will be a significant risk for a protracted time period.

2.12 The implementation of the General Data Protection Regulations (GDPR) within the Constabulary remained a risk whilst work continued. Delays in enactment had a knock on effect for the OPCC as it is reliant upon the Constabulary for some of its policies and procedures. Regular meetings between the Project Lead and the Governance Manager afford the OPCC reassurance that work was being progressed and therefore reducing the overall risk of non-compliance.

2.13 A new strategic risk relating to Procurement had been included within the OPCC's strategic risk register from November 2018. This was due to difficulties being experienced in recruiting a Head of Procurement and a lack of capacity and skills within the overall function. By March 2019 a new Head of Procurement was in post who had developed a strategy and action plan to address weaknesses, strengthen the team and improve procurement processes. Oversight of procurement was carried out by Collaborative Board with additional assurances provided by scrutiny of procurement by Internal Audit and JAC.

Risk Training

2.14 The Governance Manager, as OPCC lead officer for risk management, attended a 2 day refresher training course on the 13th and 14th July 2016 facilitated by our insurance risk control consultant Gallagher Bassett. The OPCC Governance Officer is due to attend a 2-day risk management training course on 30th and 31st May 2019. This will afford the OPCC additional resilience with regards to risk management.

2.15 With a number of new members of staff joining the OPCC team, a risk management training session was held on 28 February 2019. The session highlighted everyone's responsibility for risk management, how to identify, analyse and evaluate risks taking into account the OPCC's risk appetite. No areas of concern have been raised or identified by staff with regards to risk management.

Joint Audit Committee

2.13 During 2018-19 the Governance Manager presented the OPCC's strategic risk register to the Joint Audit Committee on four separate occasions. This afforded the OPCC the benefit of the committee testing the validity of the recorded risks and mitigations; reviewing the current arrangements and ensuring the integration of risk management into governance and decision making processes. Areas of concern or issues identified by the committee have been noted and addressed earlier in this report.

Lead Officer

2.14 The Governance Manager is the OPCC lead officer for risk and carried out this role throughout 2018-19. On a quarterly basis they have ensured that the OPCC's strategic and operational risk registers were updated by those members of staff who have responsibility for individual risks. No areas of concern or issues have been identified by the Governance Manager during 2018-19.

3. Internal Audit

3.1 As part of the annual audit programme for 2018-19 Internal Audit carried out reviews over a number of areas of business within the OPCC and Cumbria Constabulary. Each review evaluated any exposures to risks relating to the organisation through its governance, operation and information systems. Audit reviews undertaken during 2018-19 did not identify any new or unidentified risks to the OPCC.

4. Conclusions

4.1 From the monitoring which has taken place during 2018-19 by the Office of the Police and Crime Commissioner, no unidentified risks have been identified or occurred. When taking this into consideration assurance can be gained that the strategy, policy, systems and processes in place are working effectively.

5. Recommendations

Members of the Joint Audit Committee are asked to consider this report and:

- (i) determine whether they are satisfied with the effectiveness of the OPCC's processes and monitoring of risk.
- (ii) determine whether they wish to make any recommendations to the Commissioner with regard to future developments or improvements in those arrangements

Gill Shearer
Chief Executive

Financial Implications: the inability of the OPCC to successfully identify and manage its organisational and strategic risks could impact financially on not only the OPCC but Cumbria Constabulary and other partner organisation which are financially dependent upon it.

Risk Management Implications: if the OPCC does not identify and mitigate risks then it may mean that it cannot carry out its statutory function efficiently and effectively.

Legal Implications: the OPCC could face legal challenge on some areas of its business, therefore it is essential that these are identified at an early stage and effectively mitigated and managed.

Contact points for additional information

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Joint Audit & Standards Committee



Title: Effectiveness of OPCC Anti-Fraud and Corruption Activity Monitoring

Date: 08 May 2019

Agenda Item No: 10

Originating Officer: Gill Shearer

Report of the Chief Executive

1. Introduction and Background

1.1 The Police and Crime Commissioner has a statutory responsibility to provide policing services for Cumbria. The Office of the Police and Crime Commissioner (OPCC) must ensure that effective processes and procedures are in place to deliver that service in an environment free from fraud and corruption.

1.2 To safeguard against fraud and corruption the Commissioner and OPCC staff operate in an open and transparent environment. This is achieved by a variety of methods including making decisions in public, publishing information on its website including registers of interests, decisions, declarations of gifts and hospitality and expenses.

1.3 On a cyclical basis arrangements to prevent and detect Fraud and Corruption are reviewed and approved by the Police and Crime Commissioner. These arrangements provide clear definitions of fraud, corruption, theft and irregularity within the strategy. The arrangements were reviewed and updated in March 2018 following which a copy was provided to the Joint Audit Committee. The arrangements mirror much of the Constabulary's policy, although there are differences in relation to reporting, monitoring and any disciplinary procedures.

1.4 The Anti-Fraud and Corruption Policy provides clarity over roles, responsibilities and duties of staff within the OPCC. The Deputy Monitoring Officer undertakes an annual dip sample between the gifts and hospitality registers, the contact with supplier register and decisions made by the Commissioner.

2. Effectiveness of Arrangements for Anti-Fraud and Corruption

2.1 In order to ensure that the OPCC's arrangements for Anti-Fraud and Corruption are effective a number of areas of business are monitored to ensure compliance and identify any fraudulent or corrupt practices.

2.2 During 2018-19 and in compliance with arrangements covering gifts and hospitality the

Governance Officer has issued a notice on a monthly basis to all OPCC staff formally requesting the documentation of any gifts and hospitality offered during the previous month. Staff identified what the gift or hospitality was; who it was offered to and whether it was accepted or declined. They have made notification of 6 offers of hospitality were made, one of which was declined. Three related to light refreshments such as tea and coffee, working lunch when attending meetings with external organisations. An invitation to the CIPFA Conference dinner was afforded to the Joint Chief Finance Officer but was declined as they were not attending the conference. A place to a Westminster Briefing Event on the Implementation of the New Victims Strategy was accepted. This offer was made free of charge to the OPCC in lieu of issues encountered at a previous event. Upon completion the registers are published on the OPCC website at the beginning of the following month. The Governance Officer has not identified any areas of concern or irregularities.

2.3 The Commissioner also identifies any gifts or hospitality which has been offered and again indicates whether this is accepted or declined. During 2018-19 he made notification of 42 offers of hospitality, 13 of which were declined and the remainder accepted. These were predominantly refreshments whilst attending daytime or evening engagement events as part of his role as Police and Crime Commissioner for Cumbria. Again upon completion the registers are published on the OPCC website at the beginning of the following month. The Chief Executive has not identified any areas of concern or irregularities.

2.4 In accordance with guidelines set by the Secretary of State, the Commissioner is eligible to claim allowances and expenses whilst carrying out his role. The Commissioner on a monthly basis will complete an expenses form which includes a declaration stating that the expenses have been necessarily incurred. They are then approved or declined by the Chief Executive. In line with the Elected Local Policing Bodies (Specified Information) Order 2011 authorised expenses are published on the OPCC website. During 2018-19 the Commissioner made 6 expense claims in which no incorrectly claimed expenses were identified by the Chief Executive. A further level of assurance is provided by the fact that claims are processed and paid by the Constabulary's Central Services Department who re-check the claims against the Home Office criteria before making payment.

2.5 OPCC members of staff, independent custody visitors, members of the Joint Audit Committee and members of the Ethics and Integrity Panel are eligible to claim expenses in line with approved policies and procedures. Each individual must sign a declaration stating that the expenses claimed were necessarily incurred during the course of their agreed duties. All claimed expenses are checked for accuracy and signed off by the Chief Executive or the Governance Manager whichever is the appropriate authority to approve the expense claim. Throughout 2018-19 no irregularities or fraudulent claims were made by any of those mentioned above.

2.6 On the 26 March 2019 the Commissioner submitted a signed declaration of interest setting out any business and personal interests for which the Office should be aware in the context of the integrity of decision making. This form was published on the Commissioners website on 1 April 2019 to ensure public transparency of declarations. During 2018-19 the commissioner made 25 decisions, of which the decision forms recorded that there were no personal and prejudicial interests. The Governance Manager has undertaken a review during the year of each decision form against the published declaration of interests and has confirmed that no conflicts of interests have been identified regarding any decisions the Commissioner has made during 2018-19.

2.7 During 2018-19 and in compliance with the arrangements governing supplier contacts, the Governance Officer has issued a notice on a monthly basis to all OPCC staff formally requesting the documentation of any supplier contacts that have taken place in the previous month. Staff have made notification of 6 supplier contacts during the year through this process. These notifications form a supplier contact register that has been reviewed by the Governance Officer to provide assurance during procurement processes that there are no conflicts of interest at contract award. The Governance Manager

has confirmed that during 2018-19 no issues or areas of concern have been identified in relation to this area of work.

2.8 On behalf of the Commissioner the Ethics and Integrity Panel at their quarterly meetings review the Constabulary's performance in relation to Anti-Corruption. Reports provide information on the number, categories of reported incidents, officer and staff suspensions, ongoing cases and investigations which are being dealt with by the Constabulary. This enables the Panel to identify emerging trends or patterns which the Panel can then ensure that preventative measures are put into effect. In addition the Panel also dip sample police officer and police staff misconduct cases which have been finalised on a six monthly basis. The Panel report their findings to the Commissioner at his Public Accountability Conference meetings via the Panel minutes and their Annual Report. During 2018-19 the Panel considered six reports covering these areas of business from which no issues or areas of concern have been identified by the Panel and raised with the Commissioner.

2.9 On an annual basis the Constabulary undertakes a number of financial tasks for the OPCC including under Section 6 of the Audit Commission Act 1998 to provide relevant data for the National Fraud Initiative. The initiative uses advanced data matching techniques to tackle a broad range of fraud risks faced by the public sector. The Constabulary participates, on the OPCC's behalf within the National Fraud Initiative having completed fraud risk assessments for the financial year. No incidents of fraud were identified to the Joint Chief Finance Officer during the 2018-19 processes. As this process is undertaken following the compilation of this report the OPCC is not able to report on the outcome of the 2018-19 process. In terms of wider fraud and corruption there have been no frauds identified against Cumbria Constabulary or the OPCC in the last year.

2.10 To encourage reporting by OPCC staff of anything they are concerned about posters have been reissued throughout the offices providing up to date contact numbers if they feel apprehensive about reporting an issue to their line manager. The OPCC have not been advised of any issues being raised with external organisations.

3. Internal Audit

3.1 As part of the annual audit programme Internal Audit carry out reviews of a number of areas of business within the OPCC and Cumbria Constabulary. Each review evaluates any exposures to risks relating to the organisations governance, operation and information systems. Audit reviews undertaken during 2018-19 did not identify any risks to the OPCC in relation to fraud or corruption.

4. Conclusions

4.1 From the monitoring which has taken place during 2018-19 by the Office of the Police and Crime Commissioner, no instances of fraud or irregularity have been identified or reported. No allegations have been made against any member of staff or the Police and Crime Commissioner. When taking this into consideration assurance can be gained that the policy, systems and processes in place are working effectively.

5. Recommendations

Members of the Joint Audit Committee are asked to consider this report and:

- (i) determine whether they are satisfied with the effectiveness of the OPCC's monitoring of

- Anti-Fraud and Corruption Activity.
- (ii) determine whether they wish to make any recommendations to the Commissioner with regard to future developments or improvements in those arrangements

Gill Shearer
Chief Executive

Legal Implications: the OPCC has a statutory obligation with regard to preventing and dealing with fraud and corruption as outlined within the report.

Financial Implications: If the OPCC does not actively manage any potential or actual fraud and corruption then there is the potential for the organisation to suffer financially, therefore having an impact upon its ability to provide policing services in Cumbria.

Risk Management Implications: there is a potential for the organisation to suffer not only financially, but with regard to its reputation leading to a loss of public confidence. The OPCC could be open to legal challenge if it does not actively identify and manage fraud and corruption.

Human Rights Implications: None Identified

Race Equality / Diversity Implications: None Identified

Contact points for additional information

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Peter McCall



Forward of the Panel Chair

Welcome to the 2018/19 Annual Report of the Ethics and Integrity Panel.

The Panel is an independent body, and its purpose is to promote and influence high standards of ethical performance in all aspects of policing in Cumbria and the work carried out by the Police and Crime Commissioner's office (OPCC).

The Panel seeks to achieve this by holding the mirror up to the Constabulary and the OPCC, by investigating, dip sampling, challenging and reviewing a broad range of aspects of policy, process and performance, through the lens of ethics and integrity.

We have an annual work programme that includes both routine and thematic activities through which we seek to always promote the improvement and value adding aspects of ethical responsibility.

The work of the Panel is published on the Commissioner's website and whilst the Panel membership is drawn from a diverse range of backgrounds and experience, we have two things in common. We and our families all live in the county and are committed to seeing the area thrive. We all share a strong desire to help ensure that Cumbria Constabulary continues to deliver high quality services to the public, maintaining our county as the safe and secure place to live that it currently is.

The Chief Constable and the Commissioner fully support us in our work and are always open to challenge, feedback and suggestions for improvement. This, in itself, is an indicator of a strong ethical culture.

We hope that you find the report useful and informative. The information in this, and our other quarterly reports, helps to promote a wider understanding and awareness of the Constabulary's performance and ethical approach.

Alan Rankin

Ethics and Integrity Panel Chair

The PCC for Cumbria, Peter McCall said:

"Ensuring that the constabulary and indeed the office of PCC act with the highest levels of integrity and ethical values must be one of our highest priorities. In the extremely busy day-to-day business of policing it can be easy for our ethical standards to slip without constant attention. This is why it is so important to maintain an independent board to scrutinise, challenge and support our adherence to the highest standards. Importantly the ability of the panel to undertake in-depth scrutiny of specific areas provides not only myself but also the communities of Cumbria with additional assurance."

The Chief Constable, Michelle Skeer said:

The Police Code of Ethics underpins the principles and standards expected of us all within Cumbria Constabulary. It is important that our compliance with the code is independently monitored. I am reassured by the scrutiny of the panel that we are transparent and they support our desire to uphold the highest standards in delivering an excellent policing service to keep Cumbria safe."

1. Introduction & Background

The purpose of the Ethics and Integrity Panel is to promote and influence high standards of professional ethics, to challenge; encourage and support the Commissioner and the Chief Constable in their work by monitoring and dealing with issues of ethics and integrity in their organisations. The Panel's role is to identify issues and monitor change where required. It has no decision-making powers, although it is able to make recommendations to the Commissioner and the Chief Constable. It considers questions of ethics and integrity within both organisations and provides strategic advice, challenge and support in relation to such issues.

This report provides an overview of the work that the panel has carried out during 2018.

The Panel meets on a quarterly basis in private but its agenda and reports are published on the Commissioner's website following each meeting, with only sensitive or confidential information being excluded. Reports are provided by the Panel to the Commissioner's public meeting to provide information about the Constabulary's performance in areas that relate to ethics and integrity. The purpose of this is to promote public confidence.

An annual work programme is agreed to enable it to fulfil its terms of reference and scrutiny role. The programme fixes the tasks to be undertaken by the Panel at each of its scheduled meetings and has been set to ensure whenever possible that meetings are balanced in terms of the volume of work.

The work of the Panel has continued to develop during 2018 and the 2019 work programme revised to reflect such changes. Again there are to be two thematic sessions held during the year.

Further information regarding the Panel, its membership and the work it carries out can be found on the Commissioner's website:

<https://cumbria-pcc.gov.uk/what-we-do/ethics-integrity-panel/>

Membership of the Panel currently stands as:

- Ms Lesley Horton
- Mr Alan Rankin (Chair)
- Mr Michael Duff
- Mr Alex Rocke

2. Public Complaints and Quality of Service

Schedule 14 of the Police Reform and Social Responsibility Act 2011 provides Police and Crime Commissioners with a role to play in overseeing police complaints, including the ability to direct a chief officer of police to comply with obligations. The Police and Crime Commissioner for Cumbria utilises the Ethics and Integrity Panel to fulfil this function on his behalf. Therefore gaining assurance from their independence.

Over the reporting period, the Panel reviewed 32 complaint files. 2018 saw the introduction of a paperless system within the Professional Standards Department resulting in the Panel carrying out dip samples directly via the Centurion system. This enables the members to view all information, actions and outcomes on the live system.

The Panel noted that the standard of the Constabulary's public complaint files had been maintained throughout the year following previous recommendations made by the Panel. The Panel continued to review complaint files on a six monthly basis to ensure standards were retained. At each dip sample session any recommendations or comments are collated within an action sheet to ensure that they are completed and where appropriate implemented in a timely manner. Some of these include:

- Managing a complainant's expectations at the beginning of the process was an important part of dealing with the complaint. The 'There and Then' process was going some way to achieving this. It provided a quicker service for some of the more low-level complaints with positive feedback received from members of the public.
- The more extensive use of Body Worn Video by officers was proving to be a useful tool in providing independent evidence to either support or negate complaints made by members of the public.

Monitoring of the action plans by the Panel at their next dip sample session to ensure that they are completed and where appropriate implemented in a timely manner.

The Panel has also been asked by the Police and Crime Commissioner to look at some specific complaint files following communication to him from members of the public. They undertook reviews and concluded that on each occasion the complaint had been dealt with fairly, proportionately and in line with statutory guidance. The outcomes of these reviews were then conveyed to the individuals to provide assurance that the complaints they raised were dealt with appropriately.

At quarterly meetings the Panel receive performance data from the Constabulary on the number of complaints received and how these have subsequently been managed, including whether this was in line with required timescales. Cumbria has remained the lowest within its Most Similar Force group regarding complaints per 1000 employees. Over the 12-month period the number of allegations received reduced by 17.5% with the largest decrease in complaints about unprofessional conduct. The number of Force Appeals received had increased from 22 in 2017 to 42, with IOPC appeals increasing by 11%. The Panel have carried out reviews on an increased number of Appeals to seek assurance that they are being processed fairly, which they have found.

Towards the end of 2018 the 'There and Then' process was starting to have an impact on the workload of the Professional Standards Department. As complaints were resolved at the earliest opportunity this was now affording staff the ability to concentrate on the more complex complaints and their investigation.

The Panel also reviewed work undertaken by the Office of the Police & Crime Commissioner in relation to complaints and quality of service. During 2018 there was a 30% increase in the number of people contacting the Commissioner regarding policing issues. Members of the public write to the Commissioner and the OPCC and through raising these issues with the Chief Constable's staff office have facilitated individuals to receive a written response answering their questions or queries.



3. Police Officer and Police Staff Misconduct

As part of their work programme the Panel have reviewed police officer and police staff misconduct files prior to both their May and November 2018 meetings. During their sessions the Panel review all completed files, providing views and recommendations for any improvement in the way information was provided or public perception of the handling of such cases. They were pleased to note that the quality of the files had improved and that following their comments a template had been created to assist managers in recording their findings and detailing what actions have taken place or training to be completed.



The Panel receive information on a quarterly basis relating to police officer misconduct from the Constabulary’s Anti-Fraud and Corruption Unit and information relating to police staff misconduct on a six monthly basis. This enables the Panel to monitor performance in relation to these areas of business and consider any patterns or trends.

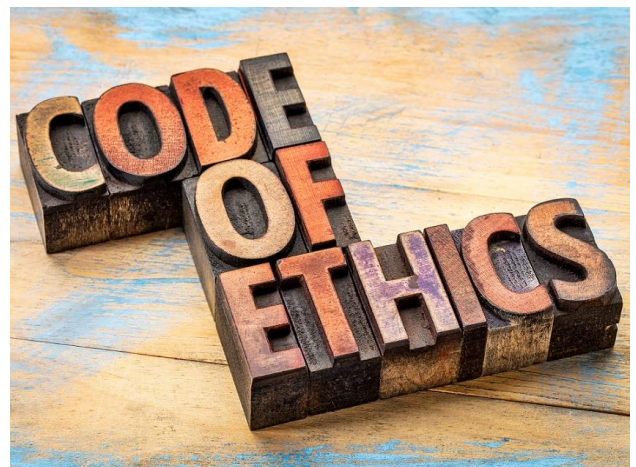
Having reviewed all completed files, the Panel have gained assurance that the Constabulary are dealing with misconduct and complaints in a professional manner. At no time did the Panel disagree with the outcome of any of the files. Where they provided advice or recommendations, this was to improve the service provided or the process being undertaken.

4. Code of Ethics and Code of Conduct

As part of the Panel’s role it seeks to ensure that both the Constabulary and the Police and Crime Commissioner have embedded within their organisations the **Code of Ethics** and **Code of Conduct** respectively.

The Panel have been provided with assurance whilst carrying out their role that both organisations take the ethos of the Code of Ethics and Code of Conduct extremely seriously and this has been evident in the reviews and dip samples they have undertaken in other areas of business. During their various dip sample sessions the Panel saw first-hand that policies and procedures within the Constabulary had the ethos of the Code of Ethics embedded within them.

Similarly, the Commissioner upon taking office in May 2016 swore an oath to act with integrity and signed a Code of Conduct and Ethics. It sets out how the Commissioner has agreed to abide by the seven standards of conduct recognised as the Nolan Principles. This Ethical Framework allows transparency in all areas of work of the Police and Crime Commissioner. These principles encompass the Commissioner’s work locally and whilst representing Cumbria in national forums. During 2018 the Panel did not identify any complaints received from either members of staff or the Commissioner regarding conduct or integrity.



5. Grievances and Civil Claims

Grievances

On a six monthly basis the Panel have reviewed **Grievances** being processed by the Constabulary during agreed reporting periods.

Since May 2018 the HR Department are now responsible for dealing with grievances providing a broader overview of staffing issues. Generally, the grievances were regarding policies and procedures or regarding action taken against an individual. The Panel raised the issue of low numbers and the dangers of informal resolution as any organisational learning would not necessarily be captured or progressed. A new Grievance Procedure had been developed with the intention of conveying the positive changes which could occur by using the grievance process. The new form to be completed asked what the individual would wish the outcome to be to gain an understanding of the issues that they raised at an early stage in the process.



Civil Claims

On behalf of the Police and Crime Commissioner the Panel also monitor **Civil Claims** being processed by the Constabulary's Legal Department. They received information about the types of claims being made, the stage the proceedings had reached and about the claims that had been resolved. As part of this oversight the Panel seek assurance that any trends are being identified and how the organisation learnt from particular cases disseminating information throughout the organisation to avoid future risks and claims.

To date the Panel have not identified any issues or concerns in either area of business. On a national and local level the Constabulary, along with other forces, are in the process of dealing with employment tribunals in relation to police pensions. Currently there were over 114 claims following the Constabulary implementation of the national pension regulations being co-ordinated nationally by Hertfordshire Constabulary. This matter was unlikely to be concluded until 2019.

The Panel raised concerns as to whether the claims were causing any internal issues or anxiety due the length of time taken for the matter to be concluded. Assurance was provided that the Legal Department and the Police Federation were working closely with the affected officers to try and resolve the claims.

In 2018 all civil claims were dealt with by the Legal Department thus allowing any issues, trends or organisational learning to be identified more easily. The Panel undertook to monitor these improvements on a six monthly basis.



6. Thematic Inspections

The Panel have reviewed three areas of thematic work during February and August 2018. In February the Panel visited the Constabulary's Communications Centre to ascertain how the **Professional Discretionary Framework** had been implemented and was being utilised by officers and staff. The members spent over an hour listening in to telephone calls received and how they were handled by officers and staff. There was a mixture of the types of calls received but it was noted that there was a recurring theme of mental health issues and vulnerability. Officers were very good at handling them, polite and firm with the non-999 calls, identifying any vulnerability for future records.

17% of the calls received related to crimes, with the rest being mostly public safety issues. It has been a step-change for the Constabulary to put officers into the Comms Centre, however early identification of vulnerability had been commented upon by HMIC. The officers provided instant problem solving for the caller with 30% less deployment for front line officers; leaving them free to deal with more complex jobs.

The Panel dip sampled cases dealt with under the discretionary framework to ensure it had been applied correctly. They identified that in one instance the framework could have legitimately been applied. This had been in relation to a theft from a shop in a very rural location. The officers involved judged that an officer speaking with the owner was of a greater benefit to the community. The Panel welcomed that as an indication that the framework is applied in a proportionate and pragmatic way. Generally they found that the recording of the use of the framework was detailed, appropriate, at the right level and volume.

Some of the matters reviewed related to safeguarding of vulnerable people. Utilising safeguarding resources now within the Comms Centre, enabled matters to be dealt with quickly, taking pressure off the hubs and assisting officers at ground level. During the previous year demand relating to mental health matters had increased by 177%. It was important multi-agency solutions were sought. Hubs across the county have partners co-located which look at how issues can be problem solved.

The Panel felt able to reiterate their assurance that the professional discretion framework was working

well within the Comms Centre and was being appropriately applied.

In August the Panel undertook a dip sample of **Stop and Search** forms to ensure that their completion had been maintained. There was a theme of cannabis being found within the 50 forms reviewed. Some of the forms were not illustrating the exact nature of suspicion to warrant the stop and the Panel asked how assurance was gained that officers were providing legitimate reasons. This was raised as a training issue to ensure that legitimate reasons were provided and they fully understood any repercussions or consequences if not. With increased usage of Body Worn Video across police officers this supported or negated any subsequent complaints following the stop and search process which is viewed as a positive step.

Also in August the Panel received a demonstration on the new **Body Worn Video** equipment being rolled out across the Constabulary. The equipment was easy for officers to use and robust to withstand policing incidents. All front line officers were receiving the new BWV, which must be worn at all times for operational policing purposes. All recorded footage was date and time stamped and stored for 31 days unless it was marked for evidential purposes. The members were pleased with the integrity of the system and the audit processes in place to enable supervision to review footage and access to it. There were also safeguards in place when footage related to a complaint or investigation.

The Panel dip sampled footage captured during the first few weeks of the roll out. They reviewed seven items of footage covering a diverse range of incidents. These included dealing with a fight in Carlisle, a vulnerable youth, people with mental health issues and a safeguarding issue. In each instance, the officers conducted themselves appropriately to the situation they were dealing with. They displayed good levels of civility and respectfulness, dealing with situations in a sensitive and caring manner when required. The attitude of each officer in every incident, showed sensitivity and civility in some very challenging and upsetting incidents. This reinforces the strong and positive link between the use of Body Worn Video to collate evidence and the ability to quickly resolve issues.

A review of the system was to be carried out in December 2018 with the Panel being provided with the outcomes at their February 2019 meeting.

7. Conclusion

The Panel continues to develop their role, expanding into other areas of business to assist not only the Constabulary but enable the Police and Crime Commissioner to have further and more detailed oversight of the work of the Constabulary.

Recommendations and guidance given by the Panel have been welcomed by both the Constabulary and OPCC; resulting in a number of positive changes and developments to processes and procedures. The future work of the Panel will continue to be reviewed and developed to ensure that the Panel remain an independent body in their oversight of the Constabulary and OPCC.



CUMBRIA POLICE & CRIME COMMISSIONER AND CUMBRIA CONSTABULARY JOINT AUDIT COMMITTEE

Meeting date: 23 May 2019

From: Audit Manager (Cumbria Shared Internal Audit Service)

INTERNAL AUDIT: ANNUAL REPORT 2018/19

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides a summary of the outcomes of the work of internal audit for 2018/19 and includes the Head of Internal Audit's opinion on the effectiveness of the Police and Crime Commissioner and the Chief Constable's arrangements for risk management, governance and internal control in accordance with the requirements of the Public Sector Internal Audit Standards (PSIAS).
- 1.2 Key points from internal audit's annual report are:
- The annual opinion of the Head of Internal Audit: based on work undertaken by Internal Audit during the year, the Audit Manager is able to provide Reasonable assurance over the effectiveness of the Police and Crime Commissioner and the Chief Constable's arrangements for governance, risk management and internal control.
 - Overall 94% of finalised audits resulted in Reasonable or Substantial assurance.
 - The work of Internal Audit is considered to have provided an appropriate level of coverage to provide the opinion, and there have been no threats to Internal Audit's independence in the year to which this opinion relates.
- 1.3 All audits have received a positive response from management with agreed action plans in place to address all recommendations.

- 1.4 Four follow ups have been finalised during the year. The assurance levels for Multi-agency Safeguarding Hub, Receipt, handling, storage & disposal of drugs, and Offender Management were revised to Reasonable based on action taken to address the recommendations. The level of assurance for the follow up audit of Stingers remained partial. Senior management provided assurances to the March 2019 Joint Audit Committee that the issues identified in the follow up report have now been addressed. Internal Audit can confirm that the outstanding issues have been addressed.
- 1.5 Summaries of the outcomes of all completed audits during the year are included at Appendix 1. The text shaded in grey has been reported to Joint Audit Committee through regular progress reports during the year.
- 1.6 Appendix 2 shows progress against the 2018/19 Internal Audit plan.

2.0 OVERVIEW

- 2.1 Internal Audit's assessment of internal control forms part of the annual assessment of the system of governance, risk management and internal control, which is now a mandatory requirement.
- 2.2 The Audit Plan aims to match internal audit coverage with the PCC and the Chief Constable's corporate risk assessment.
- 2.3 Internal Audit must conform to the Public Sector Internal Audit Standards which require the preparation by the Head of Internal Audit of an annual opinion on the overall systems of governance, risk management and control. Regular reporting to Joint Audit Committee enables emerging issues to be identified during the year.

3.0 RECOMMENDATION

- 3.1 Joint Audit Committee members are asked to note:
 - The progress in delivering the 2018/19 audit plan.
 - The Head of Internal Audit's opinion and assurance statement on the PCC and the Chief Constable's overall systems of governance, risk management and internal control for the year ended 31st March 2019.
 - The Head of Internal Audit's declaration of conformance with the mandatory Public Sector Internal Audit Standards.
 - The results of the Quality Assurance and Improvement programme

- The Head of Internal Audit's declaration of Internal Audit independence as required by the PSIAS.

4.0 BACKGROUND

- 4.1 The PCC and Chief Constable must make proper provision for Internal Audit in line with the 1972 Local Government Act. The Accounts and Audit Regulations 2015 require that the PCC and Chief Constable must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account Public Sector Internal Audit Standards or guidance.
- 4.2 Internal audit is responsible for providing independent assurance to the PCC and Chief Constable and to the Joint Audit Committee on the systems of governance, risk management and internal control.
- 4.3 It is management's responsibility to establish and maintain internal control systems and to ensure that resources are properly applied, risks appropriately managed and that outcomes are achieved. Management is responsible for the system of internal control and should set in place policies and procedures to ensure that controls are operating effectively.

Internal Audit Opinion

- 4.4 The purpose of this report is to give my opinion as the Head of Internal Audit for the PCC and the Chief Constable on the adequacy and effectiveness of both organisations' systems of risk management, governance and internal control from the work undertaken by internal audit for the year ended 31st March 2019. The annual opinion from the designated Head of the Internal Audit function is a requirement of the Public Sector Internal Audit Standards.
- 4.5 This report is a key contributor to the PCC and the Chief Constable's Annual Governance Statements.
- 4.6 In giving this opinion, it should be noted that assurance can never be absolute and it is not possible to give complete assurance that there are no major control weaknesses. My opinion is based on the work undertaken by internal audit during the year, including the outcomes of follow up work.

Risk Management

PCC

- 4.7 Internal Audit's review of the PCC's risk management arrangements concluded that they are effective.

- 4.8 The OPCC's risk management strategy was updated in April 2017. The strategy comprehensively sets out the approach, objectives, framework, methodology and responsibilities in respect of risk management. The OPCC reviews its strategic and operational risks on a quarterly basis and meets with Officers within the Constabulary to review their strategic risks and any potential impact on the OPCC as part of the PCC's responsibility to hold the Chief Constable to account. The strategic risk register is presented to the Joint Audit Committee for review and scrutiny during the year.
- 4.9 Audit work undertaken during the year confirms that operational risks are being managed on a regular basis and have been captured in accordance with the risk management policy.
- 4.10 To support the OPCC's development of assurance mapping we have provided examples used in Local Government and the NHS.

Constabulary

- 4.11 Our work undertaken on the Constabulary's risk management arrangements concluded that they are operating effectively.
- 4.12 The Constabulary's risk management policy in place in 2018/19 was approved in September 2014. The policy sets out the Constabulary's approach to risk management and the arrangements in place to manage risk within the organisation. The risk appetite for the force is defined within the policy alongside risk tolerance, risk categories, methodology, roles and responsibilities and accountability and governance arrangements.
- 4.13 The Constabulary's strategic risk register has been presented and discussed at Joint Audit Committee meetings during the year.
- 4.14 Various audits, undertaken during the year, have identified that operational risks are being managed on a regular basis and have been captured in accordance with the risk management policy, thereby demonstrating application of the policy in practice.
- 4.15 During 2018/19 the Constabulary has been working on a refreshed risk management policy, which is due to be approved in May 2019. Changes in the refreshed policy include revised corporate objectives, core policing deliverables, Vision 25 and the revised corporate governance structure. An appendix to the policy sets out in diagrammatic form the strategic and operational mechanisms used by the Constabulary to manage risks, showing how all the elements contribute to effective risk management. The refreshed risk management policy includes an 'Assurance Landscape for Policing' as an appendix which sets out the regular and proactive inspections, audits and

compliance checks undertaken by external and regulatory bodies that provide the force with independent assurance. We have shared examples of assurance mapping used in Local Government and the NHS with the Constabulary.

Governance

- 4.16 Both organisations have a suite of documents setting out the governance arrangements in place. Cyclical reviews of the documents are timetabled to ensure the documents are kept under review and are current. These are subject to independent scrutiny by the Joint Audit Committee.
- 4.17 The corporate governance arrangements within the OPCC and Constabulary are based on the core principles of good governance set out by CIPFA/SOLACE and in line with the Nolan Principles.
- 4.18 Both organisations have Codes of Conduct setting expectations required of staff/officers.
- 4.19 Both organisations have an anti-fraud and corruption strategy in place.
- 4.20 Formal mechanisms are in place to engage with stakeholders (examples being Public Accountability Conferences, Collaborative Board meetings, events held / attended by the PCC, etc.).

Internal Control

- 4.21 From work undertaken in 2018/19, all but one review for both organisations, received either substantial or reasonable assurance supporting our view that there are no significant control issues. One Constabulary review was given partial assurance (follow up of stingers). This highlighted that pursuit recording forms were not always provided to driver training, there were delays in fully implementing the Chronicle system and briefing and de-briefing processes. Assurances have been provided by the DCC that these issues have now been addressed and we have reviewed information provided by the Constabulary and can confirm that the outstanding issues have been addressed.

Internal Audit Opinion 2018/19

- 4.22 I am satisfied that sufficient internal audit work has been undertaken to allow me to give a conclusion on the adequacy and effectiveness of risk management, governance and internal control. I can also report that there has been no threat to the independence of internal audit that would impact on the provision of my annual opinion statement.
- 4.23 In my opinion, the PCC and the Chief Constable's frameworks of governance, risk management and internal control are reasonable and audit testing has

confirmed that controls are generally working effectively in practice. Where internal audit work has identified scope for improvements, the management response has been positive with agreed action plans in place to address all recommendations.

- 4.24 The Shared Service Group Audit Manager has undertaken review of all internal audit work contributing to the annual opinion statement and is able to confirm that all work has been undertaken in accordance with the Public Sector Internal Audit Standards and with the Quality Assurance and Improvement Programme. All audit work has been reviewed at key stages by the Audit Manager or nominated deputy and is supported by appropriate evidence.
- 4.25 The Group Audit Manager supports the assurance opinion provided in this report.

Internal audit performance

- 4.26 A suite of performance measures was used to monitor Internal Audit's performance during 2018/19. The results are shown at Appendix 3.

Internal audit coverage and outputs

- 4.27 17 reviews contributing to the assurance rating have been finalised.
- 4.28 All audits relating to the OPCC have received an assurance level of substantial or reasonable.
- 4.29 Ten Constabulary reviews were assessed as providing reasonable or substantial assurance with all reviews of financial systems, covering both organisations and operated by the Constabulary, receiving reasonable assurance or higher. One Constabulary follow up audit received partial assurance. Senior management provided assurances to the March 2019 Joint Audit Committee that the issues identified in the Stingers audit follow up have been addressed. Internal Audit have reviewed information provided by the Constabulary and can confirm that the outstanding issues have been addressed.
- 4.30 Management responses to Internal Audit reports and recommendations have been positive.
- 4.31 Progress in implementing Internal Audit recommendations are monitored by the Joint Audit Committee at each meeting.
- 4.32 The following table summarises the total number of audit evaluations made during 2018/19 for the Constabulary, OPCC and systems operated jointly for both organisations for finalised reports.

Assurance level	Constabulary	OPCC	Joint	Total
Substantial	3	2	2	7
Reasonable	7	1	1	9
Partial	1	-	-	1
No / limited	-	-	-	-
Total	11	3	3	17

4.33 In addition to the 17 finalised reviews we have also issued one draft report and undertaken the following other work:

Audit	Date of issue of draft report	Initial audit assessment
Debtors	03/05/19	Reasonable assurance
We have also undertaken work on risk management for both organisations. The outcome is set out in paragraphs 4.7- 4.15 of this report and has been reflected within the annual opinion.		
Advice has been provided on the current proposals for benefits realisation for the SAAB project before the system goes live in June 2019.		

4.34 Appendix 1 provides the detail of audit work undertaken from the 2018/19 internal audit plan including work in progress from the 2017/18 plan. Text that is shaded in grey has been reported to Joint Audit Committee during the year and is included here for completeness.

Results of the Quality Assurance and Improvement Programme

4.35 The QAIP was presented to the March 2019 JAC. We can confirm that the QAIP was followed in 2018/19.

Statement of Conformance with Public Sector Internal Audit Standards

4.36 The risk based approach has been designed to ensure internal audit work is conducted in accordance with the Public Sector Internal Audit Standards. All audit work has been conducted in line with the agreed audit methodology and has been subject to quality assurance checks by Internal Audit management.

Emma Toyne
Audit Manager
13th May 2019

APPENDICES

Appendix 1: Final reports issued to 13th May 2019

Appendix 2: Progress on all risk based audits from the 2018/19 plan including work in progress from the 2017/18 plan

Appendix 3: Internal audit performance measures to 13th May 2019

Contact: Emma Toyne, 01228 226261, emma.toyne@cumbria.gov.uk

Appendix 1 – Final reports issued to 13th May 2019

Assignments	Status	Assessment
Creditors	Report presented to Joint Audit Committee at 19 th July 2018 meeting. Report included in Committee papers and available on the Commissioner's website.	Reasonable
Information Security (OPCC)	Report presented to Joint Audit Committee at 19 th July 2018 meeting. Report included in Committee papers and available on the Commissioner's website.	Reasonable
Follow up – Multi-agency safeguarding hub (2017/18 WIP)	Report presented to Joint Audit Committee at 12 th September 2018 meeting. Report included in Committee papers and available on the Commissioner's website.	Reasonable
Specified Information Order (OPCC)	Report presented to Joint Audit Committee at 22 nd November 2018 meeting. Report included in Committee papers and available on the Commissioner's website.	Substantial
Workforce Planning	Report circulated to members of the Joint Audit Committee and included in Committee papers for discussion at the meeting if required. Report available on the Commissioner's website.	Substantial
General Data Protection Regulation (GDPR) - OPCC	Report presented to Joint Audit Committee at 20 th March 2019 meeting. Report included in Committee papers and available on the Commissioner's website.	Substantial
Digital Media Investigation Unit	Report presented to Joint Audit Committee at 20 th March 2019 meeting. Report included in Committee papers and available on the Commissioner's website.	Reasonable
Payroll	Report circulated to members of Joint Audit Committee for consideration. Report available on the Commissioner's website (20 th March 2019 meeting).	Substantial

Appendix 1 – Final reports issued to 13th May 2019

Assignments	Status	Assessment
Pensions	Report presented to Joint Audit Committee at 20th March 2019 meeting. Report included in Committee papers and available on the Commissioner's website.	Reasonable
Follow up - Stingers	Report presented to Joint Audit Committee at 20 th March 2019 meeting. Report included in Committee papers and available on the Commissioner's website.	Partial
Follow up – Receipt, handling, storage and disposal of drugs	Report circulated to members of Joint Audit Committee for consideration. Report available on the Commissioner's website (20th March 2019 meeting).	Reasonable
Command and Control & 101 Calls	Report circulated to members of the Joint Audit Committee and included in Committee papers for discussion at the meeting if required. Report available on the Commissioner's website (20th March 2019 meeting).	Reasonable
Victims Code of Practice	Report circulated to members of the Joint Audit Committee and included in Committee papers for discussion at the meeting if required. Report available on the Commissioner's website (20th March 2019 meeting).	Substantial
General Data Protection Regulation (GDPR) - Constabulary	Report presented to Joint Audit Committee at 23 rd May 2019 meeting. Report included in Committee papers and available on the Commissioner's website.	Reasonable
Follow up – Offender Management	Report circulated to members of the Joint Audit Committee and included in Committee papers for discussion at the meeting if required. Report available on the Commissioner's website (23 rd May 2019 meeting).	Reasonable
Main Accounting System	Report circulated to members of the Joint Audit Committee and included in Committee papers for discussion at the meeting if required. Report available on the Commissioner's website (23rd May 2019 meeting).	Substantial

Appendix 1 – Final reports issued to 13th May 2019

Assignments	Status	Assessment
Processes for monitoring police overtime	Report circulated to members of the Joint Audit Committee and included in Committee papers for discussion at the meeting if required. Report available on the Commissioner's website (23rd May 2019 meeting).	Substantial

Appendix 2 – Progress on 18/19 Audit Plan, including 2017/18 work in progress

OPCC / Constabulary Review	Audit	Stage	Feedback form returned
Joint	Creditors (2017/18 WIP)	Complete	Yes
OPCC	Information security (2017/18 WIP)	Complete	Yes
Constabulary	Follow up – Multi-agency safeguarding hub (2017/18 WIP)	Complete	N/A
Constabulary	Risk Management	Complete - our work in this area has informed the 2018/19 annual opinion and is reported within the narrative of the annual report of the Head of Internal Audit.	N/A
OPCC	Risk Management	Complete - our work in this area has informed the 2018/19 annual opinion and is reported within the narrative of the annual report of the Head of Internal Audit.	N/A
Constabulary	Emergency Services Mobile Communications Programme (ESMCP) and Emergency Services Network (ESN)	Audit removed from the plan as the risk is a national issue with a national review of the ESMCP programme being undertaken. We do not consider that an internal audit of this area would add value at this time.	N/A

Appendix 2 – Progress on 18/19 Audit Plan, including 2017/18 work in progress

OPCC / Constabulary Review	Audit	Stage	Feedback form returned
Constabulary	Governance Structure	Work in progress. Initially delayed due to unplanned auditor absence and then availability of key contacts.	N/A
Constabulary	General Data Protection Regulation (GDPR)	Complete	No – reminder issued 29/04/19. Key contact currently on leave.
OPCC	General Data Protection Regulation (GDPR)	Complete	Yes
OPCC	Specified Information Order	Complete	Yes
Constabulary	Digital Media Investigation Unit	Complete	Yes
Constabulary	Command and Control Room and 101	Complete	Yes
Constabulary	Neighbourhood Policing Hubs	Work in progress. Audit will recommence in May 2019.	N/A
Constabulary	Processes for monitoring overtime	Complete	N/A – form issued on 09/05/19
Constabulary	Workforce Planning	Complete	Yes
Constabulary	Force Tasking and Co-ordination	Fieldwork	N/A

Appendix 2 – Progress on 18/19 Audit Plan, including 2017/18 work in progress

OPCC / Constabulary Review	Audit	Stage	Feedback form returned
OPCC	Victims Code of Practice	Complete	Yes
Joint	Main Accounting System	Complete	N/A – form issued 10/05/19
Joint	Debtors	Draft report issued.	N/A
Joint	Payroll	Complete	Yes
Joint	Pensions	Complete	Yes
Constabulary	Follow up – Offender Management	Complete	N/A
Constabulary	Follow up – Criminal Justice Unit	Work in progress. Audit commenced in March 2019 when the Constabulary reported to JAC that all actions had been completed.	N/A
Constabulary	Follow up - Stingers	Complete	N/A
Constabulary	Follow up – Receipt, handling, storage and disposal of drugs	Complete	N/A
N/A	Project support / consultancy. Internal Audit time will focus on a short, high level review of the SAAB project benefits realisation plan.	We have reviewed the proposals in place to manage and monitor benefits realisation at this stage of the project and have met and	N/A

Appendix 2 – Progress on 18/19 Audit Plan, including 2017/18 work in progress

OPCC / Constabulary Review	Audit	Stage	Feedback form returned
		liaised with the Director of Corporate Improvement to discuss suggested improvements. A formal assurance review is included in the 2019/20 Internal Audit plan.	
N/A	Attendance at Police Audit Training & Development event	Event took place on 12 th & 13 th July 2018	N/A

Key: Complete Work in progress Not yet started

Appendix 3 – Internal audit performance measures

Measure	Description	Target	Actual	Explanations for variances / remedial action required
Completion of audit plan	% of audits completed to final report	95% (annual target)	77%	<p>Seventeen audits have been finalised during the year.</p> <p>One audit has been issued in draft.</p> <p>Four audits are work in progress and will be reported as part of our 2019/20 programme of work. Reasons for delays in these pieces of work are:</p> <ul style="list-style-type: none"> • Internal Audit team sickness • Availability of key contacts • Follow up work (Criminal Justice Unit) - only commenced once confirmation provided to JAC (March 2019) that recommendations have been implemented.
	<p>Number of planned days delivered</p> <p>*281 days in 18/19 plan as per the shared service agreement.</p> <p>18/19 plan days reduced by 15 days due to removal of ESMCP / ESN audit from the plan.</p> <p>15 days c/f from 17/18 for Digital Media Investigation Unit were delivered.</p>	281*	255	<p>26 planned days remaining will be delivered to complete the fieldwork on Governance Structure, Neighbourhood Policing Hubs, Force Tasking & Co-ordination and the follow up of Criminal Justice Unit.</p>

Appendix 3 – Internal audit performance measures

Measure	Description	Target	Actual	Explanations for variances / remedial action required
Audit scopes agreed	Scoping meeting to be held for every risk based audit and client notification issued prior to commencement of fieldwork.	100%	100%	
Draft reports issued by agreed deadline	Draft reports to be issued in line with agreed deadline or formally approved revised deadline where issues arise during fieldwork.	70%	100%	
Timeliness of final reports	% of final reports issued for Chief Officer / Director comments within five working days of management response or closeout meeting.	90%	100%	
Recommendations agreed	% of recommendations accepted by management	95%	100%	
Assignment completion	% of individual reviews completed to required standard within target days or prior approval of extension by audit manager.	75%	100%	
Quality assurance checks completed	% of QA checks completed	100%	100%	
Customer Feedback	% of customer satisfaction surveys returned	100%	91%	Eleven forms returned. Three relate to audits reported in the 2017/18 annual report and eight reported in 2018/19.

Appendix 3 – Internal audit performance measures

Measure	Description	Target	Actual	Explanations for variances / remedial action required
Customer Feedback	% of customer satisfaction survey scoring the service as good.	80%	100%	Based on the eleven forms returned.
Chargeable time	% of available auditor time directly chargeable to audit jobs.	80%	80%	

Cumbria Shared Internal Audit Service

Internal Audit Report for Cumbria Constabulary



Audit of the General Data Protection Regulation (GDPR)

Draft Report Issued: **28th January 2019**

Final Report Issued: **29th March 2019**

Audit Resources

Title	Name	Email	Telephone
Audit Manager	Emma Toyne	emma.toyne@cumbria.gov.uk	01228 226261
Lead Auditor(s)	Sarah Fitzpatrick	Sarah.fitzpatrick@cumbria.gov.uk	01228 226255

Audit Report Distribution

For Action:	David Cherry (Force Disclosure Manager) Lesley Johnson (Project Manager)
For Information:	Sarah Jackson (Superintendent People Department) Stephen Kirkpatrick (Director of Corporate Support)
Audit Committee	The Joint Audit & Standards Committee, which is due to be held on 23 rd May 2019, will receive the report.

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Audit Manager.

Cumbria Shared Internal Audit Service



Images courtesy of Carlisle City Council except: Parks (Chinese Gardens), www.sjstudios.co.uk, Monument (Market Cross), Jason Friend, The Courts (Citadel), Jonathan Becker

Executive Summary

1. Background

- 1.1. This report summarises the findings from the audit of General Data Protection Regulation (GDPR) compliance. This was a planned audit assignment which was undertaken in accordance with the 2018/19 Audit Plan.
- 1.2. The General Data Protection Regulation (GDPR) is Europe's new framework for data protection laws that came into force on 25 May 2018. It is important to Cumbria Constabulary because it places additional obligations on organisations in respect of the security and privacy of personal data, offers greater protection and rights to individuals and imposes higher monetary penalties for non-compliance and data breaches. The regulation is intended to strengthen and unify data protection for all individuals within the EU and is integral to the UK's Data Protection Act 2018.
- 1.3. Cumbria Constabulary established a Data Protection Project Team in May 2018 to implement a plan for achieving GDPR compliance. Approval has recently been given to extend the project until the end of March 2019 to fully deliver the plan. It is generally accepted that the Information Commissioner's Office (ICO) acknowledge the scale of the undertaking, did not expect full compliance on 25th May 2018 and viewed the task as work in progress at this time. For this reason they are expected to take a more lenient view of data breaches in the immediate period following implementation of the Act, where it can be demonstrated that an action plan and resources are in place to achieve full compliance in a timely manner. The Act has now been operational for seven months and reports to the Constabulary's Business Support Board indicate that a further three months of Project Team activity are required to achieve full compliance. This delay leaves the Constabulary exposed to a greater risk of enforcement action by the Information Commissioner, the levying of a monetary penalty and reputational damage in the event of a data protection breach.

2. Audit Approach

2.1. Audit Objectives and Methodology

- 2.1.1. Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems. A risk based audit approach has been applied which aligns to the five key audit control objectives which are outlined in section 4; detailed findings and recommendations are reported within section 5 of this report.

2.2. Audit Scope and Limitations

- 2.2.1 The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was the Director of Corporate Support. The agreed scope of the audit was to provide assurance over management’s arrangements for governance, risk management and internal control around the Constabulary’s plan for achieving GDPR compliance.
- 2.2.2 There were no instances whereby the audit work undertaken was impaired by the availability of information.

3 Assurance Opinion

- 3.2 Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A**.
- 3.3 From the areas examined and tested as part of this audit review, we consider the current controls operating around the Constabulary’s plan for achieving GDPR compliance provide **reasonable** assurance.

Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

4 Summary of Recommendations, Audit Findings and Report Distribution

- 4.2 There are three levels of audit recommendation; the definition for each level is explained in **Appendix B**.
- 4.3 There are **2** audit recommendations arising from this audit review and these can be summarised as follows:

Control Objective	No. of recommendations		
	High	Medium	Advisory
1. Management - achievement of the organisation’s strategic objectives (see section 5.1.)	-	1	1

2. Regulatory - compliance with laws, regulations, policies, procedures and contracts (see section 5.2.)	-	-	-
3. Information - reliability and integrity of financial and operational information (see section 5.3)	-	-	-
4. Security - safeguarding of assets (see section 5.4)	-	-	-
5. Value - effectiveness and efficiency of operations and programmes (see section 5.5)	-	-	--
Total Number of Recommendations	-	1	1

4.4 **Strengths:** The following areas of good practice were identified during the course of the audit:

- The Constabulary has a designated Data Protection Officer which is a statutory requirement of the new legislation.
- Senior management are committed to awareness raising activity across the force to ensure full understanding of GDPR and the changes it introduces.
- The risks of non-compliance with new data protection legislation are included on the strategic risk register for ongoing monitoring and management.
- Arrangements are in place for staying abreast of GDPR legislation and best practice.
- Senior management have approved dedicated resources through to March 2019 to undertake the necessary work to achieve GDPR compliance.
- Monthly meetings are held with the OPCC to review and discuss progress against the GDPR compliance plan.

4.5 **Areas for development:** Improvements in the following areas are necessary in order to strengthen existing control arrangements:

4.5.1 *High priority issues:* none identified.

4.5.2 *Medium priority issues:*

- Project management methodology and project governance arrangements are not fully developed.

4.5.3 *Advisory issues:*

- There have been issues with the quality of the data provided by the College of Policing in respect of completion of national GDPR training.

Comment from the Director of Corporate Support:

I am content with the findings of this Internal Audit review of the Constabulary's compliance with General Data Protection Regulations (GDPR) and feel that a level of reasonable assurance is a fair reflection of the position at the time the audit was undertaken.

As detailed within the report findings, the Constabulary have put a dedicated project team in place to address the requirements of the new GDPR regulations. Good progress has been made, however it is recognised that further work is required, including a review of the longer term resourcing requirements. The project team has been extended for a further six months period from April 2019. The Constabulary have also instigated a wider review of Information Management which will cover relevant aspects of Authorised Professional Practice relating to Information Management, specifically including GDPR, Management of Police Information (MOPI), Freedom of Information (FOI), Data Protection Act (DPA) etc.

The strengths articulated within the audit illustrate that the Constabulary are committed to meeting the requirements of the revised data protection legislation. With regards to the two recommendations made, the Constabulary has received assurances from the College of Policing regarding resolution of the technical NCALT issues and are making strong progress with relevant staff undertaking the required training. A revised project plan has also been developed which, together with introducing stronger project management disciplines, will address the concerns raised regarding the project governance.

As already detailed, the longer term processes and structures regarding GDPR will be addressed as part of the Information Management review.

Management Action Plan

5 Matters Arising / Agreed Action Plan

5.1 Management - achievement of the organisation's strategic objectives.

● **Advisory Issue**

Audit finding

(a) **GDPR Training**

The National Centre for Applied Learning Technologies (NCALT) developed a Managing Information E-Learning package with the College of Policing to assist police forces across England and Wales. It explains how to handle, record and share information and covers the changes introduced by GDPR and the Law Enforcement Directive.

Chief Officer Group decided in April 2018 that all police officers, police staff (including agency personnel) and PCSOs would be required to complete the national Managing Information E-Learning package before commencement of the new legislation on 25th May 2018. Business Support Board received a GDPR update report from the GDPR Project Manager on 4th December 2018 stating that just over 90% of personnel have now completed the course.

There have been technical difficulties nationally with the E-Learning package and for a period of time an alternative PDF version of the training was put in place. The technical issues are monitored by the national co-ordinator for Data Protection Reform and she updates all Data Protection Officers and Heads of Information Management across the service on a monthly basis. It is understood from the national co-ordinator that the Information Commissioner's Office has also been made aware of the issues. The GDPR Project Team has found that the technical issues have impacted on the reliability of course completion data available to forces.

The data provided from the NCALT system (via the College of Policing) has to be compared to establishment information in Origin HR to establish the course completion rate and provide details

Management response

Agreed management action:

All technical issues have now been fixed and monthly reports on completion are received from the National Team.

Regular reminders are issued to those whose GDPR e-learning completion is outstanding in order to further increase the over 90% completion rate. GDPR e-learning is now part of the induction process which will help to ensure that all new starters complete the training within their first week.

<p>of employees who haven't completed the course for follow up. This task is necessary because there is no link from the NCALT system to the Origin HR system to update individual training records. Reliance is therefore placed on the training information provided by the College of Policing. The comparison activity is largely manual, which could further affect the quality of information produced and reported to management each month via Project Status dashboards.</p> <p>It is the responsibility of Data Controllers to ensure that all officers and staff complete an appropriate level of data protection training. Reliable data on course completion is necessary for ongoing monitoring and management, of the completion of initial training and any subsequent refresher training.</p>	
<p>Recommendation 1: Assurance should be sought from the College of Policing regarding the resolution of technical issues with the NCALT e-learning package and the quality of training data now available for monitoring and reporting purposes.</p>	
<p>Risk exposure if not addressed:</p> <ul style="list-style-type: none"> • Data breaches arising from misunderstandings because of inadequate training. • Sanctions arising from non-compliance with data protection legislation. • Reputational damage arising from non-compliance with data protection legislation. 	<p>Responsible manager for implementing: Project Manager - GDPR</p> <p>Date to be implemented: 07/2019</p>

• **Medium priority**

Audit finding	Management response
<p>(b) Project Governance A paper was presented to Chief Officer Group in April 2018 setting out some basic governance arrangements around the establishment of a Data Protection Project Team and nomination of a Data Protection Officer. However management are unable to demonstrate that established project</p>	<p>Agreed management action: Project governance has been further developed since the audit: Roles and responsibilities have been clarified, the</p>

management methodology is being followed and that governance arrangements have been fully developed. For example:

- There is limited clarity around the roles and responsibilities of the Project Manager and Project Assistant within the Project Team, their relationship with the Force Disclosure Manager and leadership roles.
- Terms of reference for the project have not been fully developed to establish as a minimum: project objectives, work plan, monitoring and reporting arrangements (frequency & recipients), required level of stakeholder involvement, key phases of the project and resources.
- A project risk register has not been developed to identify, monitor and manage risks that impact on the delivery of the plan on an ongoing basis, with escalation arrangements.
- Management have not set out their expectations in respect of monitoring information to monitor and manage project progress on a timely basis. Good quality data is required for effective challenge of progress / performance and agreement of actions to address any slippage.
- Project management software is not utilised across the project team (e.g. MS Project). A series of separate spreadsheets are used making it difficult to develop a comprehensive plan of activity, prioritise tasks, assign resources and responsibilities to tasks, establish timescales, review workloads and monitor progress.
- The project team does not have designated office space making close and regular communication more difficult. This increases the likelihood of duplication and some tasks being missed altogether. Furthermore the Force Disclosure Manager remains within the Disclosure Unit and it is understood that business as usual in the unit can have an impact

project plan has been reviewed and reprioritised. This will be presented to Business Support Board on 10th April 2019.

A wider review of Information Management will take place and will include processes and structures around GDPR.

<p>upon his time, and therefore the project.</p> <ul style="list-style-type: none"> • RAG status ratings on project work plans are not used effectively to indicate progress against time targets and highlight where intervention is needed. They are being used to indicate if a task has not been started, is underway or complete. <p>Fully established project management methodology and governance arrangements would strengthen project management arrangements, improve project oversight and support assurances regarding full and effective project delivery.</p>	
<p>Recommendation 2: Management should ensure that project management methodology and project governance are fully developed.</p>	
<p>Risk exposure if not addressed:</p> <ul style="list-style-type: none"> • Failure to achieve full compliance in a timely manner. • Reputational damage arising from non-compliance with data protection legislation. • Sanctions arising from non-compliance with data protection legislation. 	<p>Responsible manager for implementing: Project Manager - GDPR Date to be implemented: 04/2019</p>

Appendix A

Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	<p>The controls tested are being consistently applied and no weaknesses were identified.</p> <p>Recommendations, if any, are of an advisory nature in context of the systems and operating controls & management of risks.</p>
Reasonable	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	<p>Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed.</p> <p>Recommendations are no greater than medium priority.</p>
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	<p>There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified.</p> <p>Recommendations may include high and medium priority matters for address.</p>
Limited / None	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	<p>Significant non-compliance with basic controls which leaves the system open to error and/or abuse.</p> <p>Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority matters may also be present.</p>

Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are three levels of audit recommendations used; high, medium and advisory, the definitions of which are explained below.

Definition:		
High	●	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	●	Some risk exposure identified from a weakness in the system of internal control
Advisory	●	Minor risk exposure / suggested improvement to enhance the system of control

Recommendation Follow Up Arrangements:

- High priority recommendations will be formally followed up by Internal Audit and reported within the defined follow up timescales. This follow up work may include additional audit verification and testing to ensure the agreed actions have been effectively implemented.
- Medium priority recommendations will be followed with the responsible officer within the defined timescales.
- Advisory issues are for management consideration.

Cumbria Shared Internal Audit Service Internal Audit Report for Cumbria Constabulary



Audit Follow up of Offender Management

Draft Report Issued: **17 April 2019**

Final Report Issued: **9 May 2019**

Audit Resources

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Audit Report Distribution

For Action:	Dean Holden – Chief Superintendent, Crime Command
For Information:	Andy Slattery – Assistant Chief Constable
Audit Committee	The Joint Audit Committee, which is due to be held on 23rd May 2019, will receive the report.

Cumbria Shared Internal Audit Service



Images courtesy of Carlisle City Council except: Parks (Chinese Gardens), www.sjstudios.co.uk, Monument (Market Cross), Jason Friend, The Courts (Citadel), Jonathan Becker

Executive Summary

1. Background

- 1.1. An audit of Offender Management was previously carried out in August 2017. Based on the evidence provided at that time, the audit concluded that the controls in operation provided Partial assurance. Improvements were agreed in the following areas:
- **Service objectives** - An Integrated Offender Management (IOM) Delivery Plan to be developed and agreed.
 - **Record of decisions taken on identified risks and performance reports** – Arrangements to be put in place to record decisions and actions arising from review of identified risks and performance reports.
 - **Performance managing and reporting** - Progress delivery of two overdue HMIC inspection recommendations.
 - **Roles and responsibilities** - Police Staff Offender Management job descriptions to be reviewed and updated
 - **Appraisals** - Performance relating to roles and responsibilities to be assessed and evaluated.
 - **Memorandum of Understanding** - Review and update of Cumbria MAPPA Memorandum of Understanding “MOU”.
 - **Checks on ARMs risk assessments and risk management plans** - Arrangements for monitoring and reporting ARMs risk assessments and risk management plans.
- 1.2. Internal Audit has recently undertaken a formal follow up audit to provide updated assurance to senior management and the Joint Audit Committee that the previously agreed actions to address each recommendation have been fully implemented and all controls are working effectively to mitigate the risks previously identified.

2. Audit Approach

2.1. Follow up Methodology

- 2.1.1. The Internal Audit follow up process involved completing an update statement based on what has been reported to the Joint Audit Committee and then undertaking testing as necessary to confirm that the actions have been fully implemented and that controls are working as intended to mitigate risk.
- 2.1.2. It is the responsibility of management to continue to monitor the effectiveness of internal controls to ensure they continue to operate effectively.

3. Assurance Opinion

- 3.1. Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A**.
- 3.2. Where the outcomes of the follow up confirm that actions have been successfully implemented and controls are working effectively, the internal audit assurance opinion may be revised from that provided by the original audit.
- 3.3. From the areas examined and tested as part of this follow up review we now consider the current controls operating for Offender Management provide **reasonable** assurance. This has been revised from the original opinion of partial assurance. The revised audit opinion assumes that controls assessed as adequate and effective in the original report have not changed and these have not been revisited as part of the follow up.

4. Summary of Recommendations and Audit Findings

- 4.1. There are three levels of audit recommendation. The definition for each level is explained in **Appendix B**.
- 4.2. The previous audit raised **7** audit recommendations for action. All **7** recommendations have been successfully implemented (summarised at Section 4.3).
- 4.3. **Recommendations fully implemented:** Progress on these recommendations is summarised as follows:
 - **Service objectives** - An Integrated Offender Management (IOM) Delivery Plan is now in place that includes the activities/actions required to deliver the 5 specific aims in the IOM Strategy 2016-2020. There is regular review of the progress updates against the IOM Delivery Plan at the Vulnerability Meetings.
 - **Record of decisions taken on identified risks and performance reports** - A process is now in place via the Vulnerability Meetings to review by exception the MAPPA risks that relate to the Constabulary and to regularly review the monthly performance reports. There is now a record of the actions arising from these reviews. The risk register is now a standing agenda item on the Vulnerability & Crime Command SMT and a process has been put in place to escalate outcomes / issues from Vulnerability Meetings to the SMT.
 - **Performance managing and reporting** - The two overdue HMIC inspection recommendations have been completed and closed.

- **Roles and responsibilities** – There has been a full review of the Police Staff Offender Manager’s job profile / description with the updates defining staff roles and responsibilities for offender management and a schedule of designated powers is now included.
- **Appraisals** - A Strength Based Conversation process has replaced the 15 weekly reviews to evaluate staff’s performance. Procedures and guidance on Strength Based Conversations is in place. Awareness and training on the new process has been provided and attended by staff involved in offender management via a 2 day training course for supervisors and team meetings for staff. There is a record of staff completing Strength Based Conversations and regular reports are provided to managers to monitor their completion.
- **Memorandum of Understanding** – The Cumbria MAPPA Memorandum of Understanding “MOU” has been fully refreshed and updated to include the Constabulary’s responsibilities and accountability. Arrangements are now in place for the MOU to be reviewed every 2 years. There is a record of MAPPA SMB discussions and actions arising relating to the new MOU and of the Constabulary and all partners’ approval.
- **Checks on ARMs risk assessments and risk management plans** – There is now a process in place each month to review all ARMS Risk Assessments and Risk Management Plans. There is a list of minimum checks that are required; as each review is bespoke to the individuals that are monitored. Monthly quality assurance audits are now in place with the outcomes of these feedback to staff and relevant corrective action taken where necessary.

Comment from the Assistant Chief Constable

I am satisfied that all the recommendations made in the initial audit report have now been fully implemented.

The report can now be finalised and reported in summary to the next meeting of the Audit & Assurance Committee via the internal audit quarterly progress report.

**Andrew Slattery
Assistant Chief Constable
9/5/19**

Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	<p>The controls tested are being consistently applied and no weaknesses were identified.</p> <p>Recommendations, if any, are of an advisory nature in context of the systems and operating controls & management of risks.</p>
Reasonable	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	<p>Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed.</p> <p>Recommendations are no greater than medium priority.</p>
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	<p>There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified.</p> <p>Recommendations may include high and medium priority matters for address.</p>
Limited / None	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	<p>Significant non-compliance with basic controls which leaves the system open to error and/or abuse.</p> <p>Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority matters may also be present.</p>

Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are three levels of audit recommendations used; high, medium and advisory, the definitions of which are explained below.

Definition:		
High	●	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	●	Some risk exposure identified from a weakness in the system of internal control
Advisory	●	Minor risk exposure / suggested improvement to enhance the system of control

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Cumbria Shared Internal Audit Service Internal Audit Report for Cumbria Constabulary



Audit of processes for monitoring Police Overtime

Draft Report Issued: **24th April 2019**

Final Report Issued: **9th May 2019**

Audit Resources

Title	Name	Email	Telephone
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Audit Report Distribution

For Action:	Sue Clasper – Financial Services Officer
For Information:	Rob O'Connor – Temporary Chief Superintendent, Territorial Policing Command. Andy Slattery – Assistant Chief Constable.
Audit Committee	The Joint Audit Committee which is due to be held on 23 rd May 2019 will receive this report.

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Audit Manager.

Cumbria Shared Internal Audit Service

Images courtesy of Carlisle City Council except: Parks (Chinese Gardens), www.sjstudios.co.uk, Monument (Market Cross), Jason Friend, The Courts (Citadel), Jonathan Becker



Executive Summary

1. Background

- 1.1. This report summarises the findings from the audit of Overtime Monitoring Processes. This was a planned audit assignment which was undertaken in accordance with the 2018/19 Audit Plan.
- 1.2. One of the priorities set out in the Police and Crime Plan is to spend money wisely. It is therefore essential to the organisation that there are effective arrangements in place to control and monitor finances and this includes the monitoring of overtime.
- 1.3. The Constabulary has an overtime budget for the current financial year, in the region of £2.3M. This is for Police Officer, Police Staff and PCSO overtime.
- 1.4. Monitoring of overtime budgets changed at the start of 2018 in order to allow budget holders and senior management to better understand the reasons why overtime budgets were being overspent. Finance, together with the Senior Leadership Team, developed the level of detail contained in monitoring reports for budget holders to provide more insight to the reasons overtime was high and whether there were any trends etc. As a result a new framework for monitoring overtime was developed.

2. Audit Approach

2.1. Audit Objectives and Methodology

- 2.1.1. Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems. A risk based audit approach has been applied which aligns to the five key audit control objectives which are outlined in section 4; detailed findings and recommendations are reported within section 5 of this report.

2.2. Audit Scope and Limitations

- 2.2.1. The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was the Temporary Chief Superintendent Territorial Policing Command. The agreed scope of the audit was to provide assurance over management's arrangements for governance, risk management and internal control in the following areas:

- New arrangements for monitoring overtime

2.2.2. There were no instances whereby the audit work undertaken was impaired by the availability of information.

3. Assurance Opinion

3.1. Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A**.

3.2. From the areas examined and tested as part of this audit review, we consider the current controls operating for the new overtime monitoring processes provide **substantial** assurance.

Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

4. Summary of Recommendations, Audit Findings and Report Distribution

4.1. There are three levels of audit recommendation; the definition for each level is explained in **Appendix B**.

4.2. There is 1 audit recommendation arising from this audit review and this can be summarised as follows:

Control Objective	No. of recommendations		
	High	Medium	Advisory
1. Management - achievement of the organisation's strategic objectives	-	-	-
2. Regulatory - compliance with laws, regulations, policies, procedures and contracts	-	-	-
3. Information - reliability and integrity of financial and operational information (see section 5.1.)	-	-	1

4. Security - safeguarding of assets	-	-	-
5. Value - effectiveness and efficiency of operations and programmes	-	-	-
Total Number of Recommendations	-	-	1

4.3. **Strengths:** The following areas of good practice were identified during the course of the audit:

- There is a framework for reporting and monitoring overtime. Responsibilities have been clearly defined for both budget holders and finance staff.
- Processes have been documented for staff to follow.
- When the new arrangements were introduced in 2018 finance provided support to budget holders and meetings took place to explain what the monitoring reports meant and how to use the information provided. Where budget holders change finance meet with the new post holder to explain the process.
- Regular discussion and liaison takes place between finance and budget holders as part of the budget monitoring process and this includes overtime. Established monthly meetings take place alongside more frequent meetings when required, an example being the weekly Operations overtime meeting which was set up to focus on areas where overtime was high.
- In order to ensure that overtime for specific operations are correctly coded, finance provide the operation specific cost centre code alongside the category code and officers are made aware of the arrangements. Finance undertake checks on coding to ensure that overtime costs are correctly reflected and recharges can be made as appropriate.
- Finance is a standing agenda item at Territorial Policing and Crime Command Senior Leadership Team meetings. Overtime monitoring reports for police officer overtime have been developed and the report for Territorial Policing includes a dashboard to summarise the key information and provide information such as a comparison with previous years, reasons for the overtime, spend by day and the top overtime earners. The meetings are attended by the Financial Services Officer.
- As a result of the new reporting arrangements, opportunities have been taken to further improve the way in which monitoring is carried out, this includes:
 - The Financial Services Officer has introduced a weekly report from the Duty Management System, the hours recorded are used to calculate an estimate of costs for planned overtime. The aim of this is to provide a more accurate estimate of Police Officer overtime commitments for Territorial Policing Operations.

- The Chief Superintendent Operations has introduced a weekly meeting to review and monitor overtime in Operational Support. This includes a look ahead at events for overtime planning and forecasting purposes; and to discuss any possible resourcing gaps that may need to be covered and could be accommodated through means other than overtime.

4.4. **Areas for development:** Improvements in the following areas are necessary in order to strengthen existing control arrangements:

4.4.1. *High priority issues:*

- None Identified

4.4.2. *Medium priority issues:*

- None Identified

4.4.3. *Advisory issues:*

- Finance hold regular meetings with the Superintendents from the Areas and Operational Support where overtime reports are discussed. However, there is no record retained of discussions held or of any decisions taken at the meetings.

Comment from the Assistant Chief Constable

I am aware of the content of this report, the action the constabulary has signed up to and have arrangements in place to monitor implementation of the control measure identified, namely the recording of budget monitoring discussions between operational Commands and Finance Dept.

I am satisfied that the action identified addresses the issue and risk identified within the audit to an acceptable level.

The report can now be finalised and reported in summary to the next meeting of the Joint Audit Committee via the internal audit quarterly progress report.

Andrew Slattery

Assistant Chief Constable

Management Action Plan

5. Matters Arising / Agreed Action Plan

5.1. Information - reliability and integrity of financial and operational information.

● **Advisory issue**

Audit finding	Management response
<p>(a) Evidence of Discussions / Decisions</p> <p>Detailed overtime monitoring reports are prepared by the Financial Services Officer (FSO) in respect of Territorial Policing, Operations. The reports which include details of police officer overtime, are provided to the budget holders for review, each month in advance of the full management accounts.</p> <p>Internal Audit were advised that meetings are held meetings with the Superintendents from the Areas and Operational Support to go through the management accounts and overtime reports and discuss the figures in more detail. Looking at daily costs, areas of high spend and planned spend etc. to include in future forecasting.</p> <p>There is no record retained of discussions held or the decisions taken at the meetings in relation to overtime.</p> <p>Examination of the Overtime reports noted that they include Comments boxes for Finance and the relevant Department. However, discussions with the FSO indicated that the boxes are not generally used to record discussions, as any comments or feedback is verbal.</p>	<p>Agreed management action:</p> <p>Discussions and decisions made in meetings to be recorded commencing May 2019 when first accounts are produced.</p>
<p>Recommendation 1:</p> <p>In order to provide a permanent record of any decisions made or action required by Financial Services or the Department as a result of overtime monitoring consideration should be given to</p>	

completing the comments box included on the TP overtime reports.	
<p>Risk exposure if not addressed:</p> <ul style="list-style-type: none">• There is no evidence of decisions made or who has made them.• Possible issues or errors are not recorded or addressed.	<p>Responsible manager for implementing: Financial Services Officer</p> <p>Date to be implemented: 05/2019</p>

Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	<p>The controls tested are being consistently applied and no weaknesses were identified.</p> <p>Recommendations, if any, are of an advisory nature in context of the systems and operating controls & management of risks.</p>
Reasonable	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	<p>Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed.</p> <p>Recommendations are no greater than medium priority.</p>
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	<p>There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified.</p> <p>Recommendations may include high and medium priority matters for address.</p>
Limited / None	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	<p>Significant non-compliance with basic controls which leaves the system open to error and/or abuse.</p> <p>Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority matters may also be present.</p>

Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are three levels of audit recommendations used; high, medium and advisory, the definitions of which are explained below.

Definition:		
High	●	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	●	Some risk exposure identified from a weakness in the system of internal control
Advisory	●	Minor risk exposure / suggested improvement to enhance the system of control

Recommendation Follow Up Arrangements:

- High priority recommendations will be formally followed up by Internal Audit and reported within the defined follow up timescales. This follow up work may include additional audit verification and testing to ensure the agreed actions have been effectively implemented.
- Medium priority recommendations will be followed with the responsible officer within the defined timescales.
- Advisory issues are for management consideration.

Cumbria Shared Internal Audit Service

Internal Audit Report for Cumbria Constabulary



Audit of the Main Accounting System

Draft Report Issued: **23rd April 2019**

Final Report Issued: **10th May 2019**

Audit Resources

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Audit Report Distribution

For Action:	Keeley Hayton, Financial Services Manager
For Information:	Stephen Kirkpatrick, Director of Corporate Support Roger Marshall, Joint Chief Finance Officer Michelle Bellis, Deputy Chief Finance Officer
Audit Committee	The Joint Audit Committee, which is due to be held on 23 rd May 2019, will receive the report.

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Audit Manager.

Cumbria Shared Internal Audit Service

Images courtesy of Carlisle City Council except: Parks (Chinese Gardens), www.sjstudios.co.uk, Monument (Market Cross), Jason Friend, The Courts (Citadel), Jonathan Becker



Executive Summary

1. Background

- 1.1. This report summarises the findings from the audit of the **Main Accounting System**. This was a planned audit assignment which was undertaken in accordance with the 2018/19 Audit Plan.
- 1.2. The main financial accounting system is the mechanism by which the PCC and Constabulary manage their financial affairs and record all financial transactions using Oracle. The Joint Chief Finance Officer is responsible for ensuring the financial affairs of the PCC and Chief Constable are properly administered and that financial regulations are observed.

2. Audit Approach

2.1. Audit Objectives and Methodology

- 2.1.1. Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems. A risk based audit approach has been applied which aligns to the five key audit control objectives which are outlined in section 4; detailed findings and recommendations are reported within section 5 of this report.

2.2. Audit Scope and Limitations

- 2.2.1. The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was the Deputy Chief Finance Officer. The agreed scope of the audit was to provide assurance over management's arrangements for governance, risk management and internal control in the following areas:
 - Follow up of previous recommendation from the 2016/17 audit
 - Operational policies and procedures
 - Budgetary Control
 - Coding Structure
 - Feeder Systems
 - Control Accounts
 - Bank Reconciliations

2.2.2. There were no instances whereby the audit work undertaken was impaired by the availability of information.

3. Assurance Opinion

3.1. Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A**.

3.2. From the areas examined and tested as part of this audit review, we consider the current controls operating within Main Accounting System provide **substantial** assurance.

Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

4. Summary of Recommendations, Audit Findings and Report Distribution

4.1. There are three levels of audit recommendation; the definition for each level is explained in **Appendix B**.

4.2. The previous audit raised one recommendation regarding the arrangements for ensuring virements comply with financial regulations and financial rules. A copy of the Virement Listing spreadsheet 2018/19 was obtained and a sample of 10 virements was randomly selected for testing to confirm all were appropriately signed by an authorised budget holder and countersigned in accordance with financial rules, valid codes were used and the virements netted to zero. Testing confirmed that procedures are in place as per the agreed management actions and they address the original audit recommendation.

4.3. There are no audit recommendations arising from this audit review.

4.4. **Strengths:** The following areas of good practice were identified during the course of the audit:

- Comprehensive financial policies and procedures are in place, they are reviewed regularly and readily available to budget holders;
- An annual budget setting timetable and a Financial Period Ends timetable are established; adherence to deadlines is monitored;

- Budget holders accept their delegated budget responsibilities on an annual basis and evidence of this is retained. Our testing identified that where budget holders change, new budget holders are required to sign and accept delegated budget responsibility;
- Each business area has a designated Financial Services Officer who hold monthly meetings with budget holders;
- A Chart of Accounts is produced showing all valid cost, main, analysis and project codes for the year. Within the Chart of Accounts an audit trail is maintained showing amendments to the coding structure during the year. The accounting system does not accept invalid codes;
- Feeder systems information from Trent and Tranman are uploaded to the accounts on a monthly basis. The files are checked for coding accuracy and any miscoding is corrected prior to upload to the general ledger.
- There are a number of control accounts in use e.g. payroll, deductions, debtors, returned cheques, etc. The Financial Period Ends timetable identifies deadlines for monthly bank account and control account reconciliations. We tested April 2018 to February 2019 Bank Account, Payroll and Deductions reconciliations; testing confirmed that these were undertaken in a timely manner, in line with monthly deadlines and were independently reviewed. Compliance with monthly deadlines is monitored via a Control Account Reconciliation Monitoring spreadsheet;
- Access to the finance system is limited to named individuals with monthly reviews in place to ensure that access is current. The monthly audit of system access for February 2019 was reviewed; it contained 8 access removal and 3 new access requests relating to 5 employees. Testing confirmed that access change requests were authorised by the users' line manager and approved by Finance. Requests for changes to access, which may result in segregation of duties issues, are challenged.

Comment from the Joint Chief Finance Officer

The main accounting system and the associated procedures to ensure the integrity of financial records are the bedrock of financial management and the production of the financial statements. In this context, I am delighted the audit gives substantial assurance that financial controls are operating effectively, that the recommendation from the previous audit has been addressed and that there are no new recommendations. Thank you to all staff involved.

Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	<p>The controls tested are being consistently applied and no weaknesses were identified.</p> <p>Recommendations, if any, are of an advisory nature in context of the systems and operating controls & management of risks.</p>
Reasonable	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable.	<p>Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed.</p> <p>Recommendations are no greater than medium priority.</p>
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk.	<p>There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified.</p> <p>Recommendations may include high and medium priority matters for address.</p>
Limited / None	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	<p>Significant non-compliance with basic controls which leaves the system open to error and/or abuse.</p> <p>Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority</p>

		matters may also be present.
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Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are three levels of audit recommendations used; high, medium and advisory, the definitions of which are explained below.

Definition:		
High	●	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	●	Some risk exposure identified from a weakness in the system of internal control
Advisory	●	Minor risk exposure / suggested improvement to enhance the system of control

Recommendation Follow Up Arrangements:

- High priority recommendations will be formally followed up by Internal Audit and reported within the defined follow up timescales. This follow up work may include additional audit verification and testing to ensure the agreed actions have been effectively implemented.
- Medium priority recommendations will be followed with the responsible officer within the defined timescales.
- Advisory issues are for management consideration.



Cumbria Office of the Police and Crime Commissioner

Joint Audit Committee 23 May 2019: Agenda Item 14
Public Accountability Conference 9 May 2019: Agenda Item 11a

Review of effectiveness of the arrangements for Audit 2018/19

A Joint Report by the Chief Executive and Joint Chief Finance Officer of the Police and Crime Commissioner and Chief Constable

1. Introduction and Background

- 1.1. The Accounts and Audit Regulations 2015 removed the requirement within the 2011 Regulations to conduct an annual review of the effectiveness of the arrangements for audit. Assurances in respect of the arrangements for audit are however part of a robust governance framework. They support the Commissioner in placing reliance on the opinion of the Group Audit Manager (Head of Internal Audit) and support the Joint Audit Committee in placing reliance on the work and reports of the internal auditors. An effective internal audit service is also a characteristic within the seven principles of the CIPFA 2016 Good Governance Framework.
- 1.2. The Chartered Institute of Public Finance and Accountancy (CIPFA) defines the system of Internal Audit as the entirety of the arrangements for audit put in place by the entity, including the activities of any oversight committee. This report sets out an overall judgment, based on that review. The review comprises the arrangements for internal audit, detailed within this report and the arrangements for the Joint Audit Committee, detailed in the Committee's Review of Effectiveness accompanying this item on the agenda.
- 1.3. The review process seeks to provide assurance that the arrangements are adequate and effective. This is based on a judgment made following an assessment of compliance with

relevant codes and standards. For internal audit the review is undertaken against the Public Sector Internal Audit Standard (PSIAS). The review of the effectiveness of the arrangements for the Joint Audit Committee is undertaken in line with the CIPFA 2018 guidance¹ that provides an evaluation self-assessment framework and a checklist of good practice.

2. Effectiveness of the Internal Audit Function

- 2.1. The effectiveness of the internal audit function is reviewed on the basis of compliance by the Internal Audit shared service provider with the PSIAS. The Group Audit Manager is required under the PSIAS to include within his annual report, a statement of conformance with the Standards. Any instances of non-conformance must be reported to the Joint Audit Committee. Furthermore, any significant non-conformance should be considered for inclusion within the Commissioner and Chief Constable's respective Annual Governance Statements.
- 2.2. The Public Sector Audit Standards support audit effectiveness by setting out a set of requirements for the governance, management and delivery of internal audit. This includes a requirement to develop and maintain a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of internal audit activity. Key elements of the QAIP include on-going monitoring of the performance of the internal audit activity, periodic assessment or self-assessment and external assessment. The QAIP also ensures that reasonable assurance is provided that Internal Audit is performing its work in accordance with its Internal Audit Charter, which is consistent with the PSIAS and that it operates in an effective and efficient manner.
- 2.3. The QAIP was presented to members of the Joint Audit Committee at their meeting 20 March 2019 for review. The QAIP report set out what was in place during 2018/19 and what is envisaged to be in place during 2019/20. The QAIP set out for members how audit engagements are supervised, how work including final reports are reviewed, arrangements for the audit manual and performance measures. The QAIP also includes the annual assessment of Internal Audit's conformance with its Charter and annual completion of the CIPFA checklist for assessing conformance with the PSIAS. At the same meeting members received the Internal Audit Charter. The Internal Audit Charter sets out the purpose, authority, responsibility and objectives of Internal Audit, providing clarity on how Audit works, its scope, lines of reporting and requirements in respect of objectivity and independence. The Charter, alongside the QAIP,

¹ audit committees\Practical Guidance for Local Authorities and Police

supports the organisation and its auditors in ensuring the delivery of arrangements for Internal Audit that are effective. During the year members of the Joint Audit Committee have also received monitoring reports on actual performance against Internal Audit's performance framework at their quarterly meetings.

- 2.4. The summary of the outcomes of the completed self-assessment is attached to this report at Appendix A and is further supported by an evaluation of the role of the Group Audit Manager (Head of Internal Audit) against the CIPFA standard at Appendix B. The full 48 page checklist is retained on file for review by the External Auditors. The Annual Report of the Group Audit Manager (Head of Internal Audit), provided within this agenda, confirms that the Standards within the PSIAS have been complied with.
- 2.5. In November 2017, the first external quality assessment (EQA) of the internal audit function was carried out in line with the requirement of PSIAS to have an external assessment at least every five years. The outcome of this process was reported to members of the Joint Audit and Standards Committee at its meeting on 21 March 2018. The overall assessment was that the shared internal audit service "generally conforms" to the standards and this represents the highest of three possible outcomes. An action plan has been developed to address the seven recommendations contained within the EQA report.
- 2.6. Whilst the review of internal audit against the PSIAS provides the primary source of assurance, further assurance of the effectiveness of internal audit is taken from the opinion provided by the external auditors. The external auditor (Grant Thornton) has as in previous years, completed a high level review of internal audit's overall arrangements. Their work has not identified any issues that they wish to bring the Commissioner or Chief Constable's attention. Overall, they conclude that the internal audit service continues to provide an independent and satisfactory service to the Commissioner and the Chief Constable and that internal audit work contributes to an effective internal control environment at both entities.

3. Effectiveness of arrangements for an Audit Committee

- 3.1. The effectiveness of the arrangements for an audit committee have been assessed by reviewing the arrangements for the Joint Audit Committee against the assessment criteria and checklist provided by CIPFA in its 2018 updated publication "audit committees, Practical Guidance for Local Authorities and Police". The guidance document provides a detailed regulatory framework against which the work and activity of the committee, in addition to the overall

arrangements, can be assessed and consideration given to areas for improvement and development. The key messages arising from the review are that:

- ◆ The Committee has continued to build on the firm foundations put in place at the inception of the OPCC, expanding and refining its remit in the light of changing circumstances and emerging trends.
- ◆ Members are recruited appropriately and the range of skills has been strengthened through recent appointments.
- ◆ The Committee's remit complies with best practice.
- ◆ The Committee is supported by key members of the OPCC and Chief Constable's management teams at all Committee meetings to ensure that members are appropriately informed when considering the issues.
- ◆ Audit Committee members have carried out their duties diligently, achieving 96% attendance, have made a valued contribution to governance arrangements and have taken action on specific issues.
- ◆ Members have continued to increase their formal and informal training and development activities.

3.2. The overall conclusion and assessment from the review is that the Joint Audit Committee is effective in its operation. The review has demonstrated that within the areas of the self-assessment the Committee can evidence substantial support, influence and persuasion in carrying out its functions. These are the elements defined by CIPFA as being evidence of effectiveness. Against the self-assessment checklist the committee achieves a consistent grade of the maximum score of 5 across all areas. The full report of the review of effectiveness is included on the agenda to this meeting.

4. Conclusions

4.1. From the reviews described above, it is concluded that:

- i. The review of the internal audit shared service against the PSIAS, and supported by the review of the role of the Head of Internal Audit, demonstrates that the service is effective.

- ii. The annual review of the arrangements for an audit committee in accordance with the guidance, assessment criteria and checklists defined by CIPFA, demonstrates that the Joint Audit Committee is effective in its operation
- 4.2. When taken together, there are no material shortcomings in the effectiveness of the entirety of the Internal Audit arrangements for the year to 31 March 2019, or to the date of this meeting.

5. Recommendations

5.1. Members of the Joint Audit Committee are asked to consider this report and:

- i. Determine whether they are satisfied with the effectiveness of Internal Audit for the year to 31 March 2019 and to the date of this meeting, and
- ii. Consider any areas where they might wish to make recommendations to the Commissioner and Chief Constable for improvements in 2019/20.

5.2. The Commissioner and Chief Constable are asked to consider this report and:

- i. Determine whether they are satisfied with the effectiveness of Internal Audit for the year to 31 March 2019 and to the date of this meeting, taking into account the views of the Joint Audit Committee, and
- ii. Consider any areas where they might wish to see improvements or changes in 2019/20.

Gill Shearer
Commissioner's Chief Executive

Roger Marshall
Joint Chief Finance Officer
09 May 2019

Human Rights Implications: None Identified

Race Equality / Diversity Implications: None Identified

Personnel Implications: None Identified

Financial Implications: None Identified

Risk Management Implications:

The Annual Governance Statement and the underpinning reviews, including the effectiveness of arrangements for audit are designed and intended to provide assurance on and compliance with high standards of corporate governance, including effective control and mitigation of the risk environment in which the Commissioner and Chief Constable discharge their respective responsibilities.

Contact points for additional information

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Review of Internal Audit Effectiveness

1. Definition of Internal Auditing

- 1.1. Internal audit work is carried out in line with the definition of internal auditing so as to provide independent assurance on the Commissioner's and Chief Constable's systems of risk management, governance and internal control.
- 1.2. All internal audit reviews result in an audit report detailing the level of assurance that can be given. Standard definitions are in place to ensure consistency in the assurance levels across the service.
- 1.3. Internal audit does not have any operational responsibilities, thereby ensuring its ability to independently review all of the Commissioner and Chief Constable's systems, processes and operations

2. Code of Ethics

- 2.1. The internal audit team have been made aware of the mandatory code of ethics within the PSIAS and have the opportunity to discuss this at team meetings.
- 2.2. All internal audit work is performed with independence and objectivity and all staff are aware of the need for them to declare any relevant business interests in order that any potential conflict of interest or compromise to audit objectivity is effectively managed.
- 2.3. Staff are aware of their responsibilities in relation to confidentiality and information governance.
- 2.4. Arrangements are in place to ensure that work is performed by staff with the appropriate skills, knowledge and experience and that training and development needs are identified through annual appraisals and six month reviews.

3. Purpose, Authority and Responsibility

- 3.1. An internal audit charter is in place which defines the purpose, authority and responsibility of internal audit as well as its rights of access to all information, premises and personnel for the purpose of completing internal audit reviews.
- 3.2. The charter sets out the functional reporting line of the Group Audit Manager / Audit Manager to the Joint Audit Committee to ensure internal audit independence.
- 3.3. The Audit Manager attends all meetings of the Joint Audit Committee.
- 3.4. The Audit Manager has direct access to the Chief Officer Group, the Chief Executive, the Commissioner and the Joint Audit Committee Chair.
- 3.5. The reporting lines for the Audit Manager ensure that internal audit independence is maintained and in line with the Standards, the Audit Manager reports directly to the Joint Chief Finance Officer (S151 Officer) who is a member of the Public Accountability Conference.
- 3.6. There have been no identified threats to internal audit independence or objectivity during the year.
- 3.7. The Standards refer to the arrangements for the Audit Manager's appraisal. Input and feedback should be obtained from the Chief Executive or equivalent and Chair of the Joint Audit Committee. This is a requirement of the employing organisation designed to protect the independence of the Audit Manager in relation to those audits that may be subject to undue influence, being within the area of the appraiser's responsibility. Whilst this is not a requirement for either the Commissioner or the Chief Constable, the Joint Chief Finance Officer, on behalf of both entities, will provide feedback on the performance of the Audit Manger as part of the arrangements for management of the shared audit service.

4. Proficiency and Due Professional Care

- 4.1. The Audit Manager is professionally qualified and experienced to deliver an effective internal audit service.
- 4.2. Job descriptions and person specifications reflect the duties required to deliver the risk-based approach to internal auditing and the skills needed to undertake the roles.

- 4.3. The team has a wide range of skills and experience brought about in part by the creation of the Shared Internal Audit Service which brought together a number of existing internal audit teams into a single service.
- 4.4. All audit work is undertaken with due professional care and reviewed by an Audit Manager to ensure that the work undertaken supports conclusions reached.
- 4.5. A Quality Assurance and Improvement Programme (QAIP) has been in place during 2018/19. The programme has been formally documented and was reported to the Joint Audit Committee on 20 March 2019. This includes the adoption of a comprehensive performance framework that is incorporated within the audit charter. The Joint Audit Committee have received quarterly reports monitoring actual performance against the framework.

5. Performance Standards

- 5.1. Internal audit work is undertaken to support the purpose of internal audit as defined within the audit charter. Management arrangements are in place to ensure that all work is delivered in accordance with the charter and to deliver relevant assurance to management, the Joint Audit Committee, the Commissioner and Chief Constable.
- 5.2. Risk based audit plans have been developed across the shared internal audit service. The plans have been developed to enable an overall annual opinion to be provided on the arrangements for governance, risk management and internal control.
- 5.3. In developing the plans, account has been taken of the organisation's risk management frameworks, the expectations of senior management and emerging national and local issues.
- 5.4. Audit plans have been developed based on a documented risk assessment. Arrangements are in place to report required amendments to audit plans to the Joint Audit Committee should this become necessary.
- 5.5. The plans identify the audit resources required to deliver them and arrangements are in place to allocate the workload across the audit team in advance to ensure all plans can be delivered.
- 5.6. Arrangements are in place to ensure the audit manual is continually updated as working practices continue to be reviewed.

5.7. Internal audit contributes to improving the Commissioner and Chief Constable's operations through delivery of approved audit plans. Internal audit recommendations are aimed at strengthening performance and risk management, governance and ethical policies and values and internal controls.

6. Engagement Planning

6.1. All internal audit reviews are scoped and a brief prepared setting out the scope and objectives of the audit work together. This process ensures that management input to the scope of each audit. A standard client notification document has been designed and has been used for all audit reviews. Audit scopes include consideration of systems, records, personnel and premises.

6.2. The audit planning process includes a preliminary assessment of risk for each audit included in the plan. Auditors then undertake research as part of planning individual audit reviews to identify specific risks within the area under review. Within the risk based approach, once the scope of an audit is agreed, a full risk identification exercise is undertaken as part of the audit fieldwork. This ensures that risk is considered throughout the audit process.

6.3. The Internal Audit management review process ensures that work plans are prepared for each audit that document how the audit objectives will be met and that sufficient audit work is undertaken to support conclusions reached.

6.4. There is a document retention policy in place to manage audit records.

6.5. All internal audit work is subject to management review, and there is a consistent approach in place to documenting and retaining evidence of this review.

6.6. All internal audit reports are issued in draft for management comments and agreement of the factual accuracy and completion of the action plan. Clients have the opportunity to discuss the draft reports with the auditor.

6.7. Audit final reports issued in relation to 2018/19 audit plans were accurate, comprehensive and complete. All contained an assurance statement and agreed action plan.

6.8. The Audit Manager produces an annual report to the Joint Audit Committee and the Public Accountability Conference, which includes the overall opinion on the arrangements for

governance, risk management and internal control. The report includes a summary of the work undertaken in support of the opinion.

7. Monitoring Progress

- 7.1. Arrangements are in place for follow up of agreed actions arising from internal audit reports and the outcome of these is reported to the Joint Audit Committee within the quarterly progress reports.

8. Communication of the Acceptance of Risks

- 8.1. Arrangements are in place to ensure that where key risks are accepted by management, this is discussed with senior management. Should the Audit Manager consider that the organisation is accepting a level of risk that may be unacceptable, this would be reported to the Joint Audit Committee and the Public Accountability Conference.

CIPFA Statement on the Role of the Head of Internal Audit 2010

1 Introduction

- 1.1 In 2010, CIPFA published a Statement on the Role of the HIA in Public Sector Organisations in recognition of the critical position occupied by the HIA within any organisation in helping it to achieve its objectives by giving assurance on its internal control arrangements and playing a key role in promoting good corporate governance. CIPFA introduced a 'comply or explain' requirement which has been formally set out within the CIPFA / SOLACE publication 'Delivering Good Governance in Local Governance: Framework Addendum (2012)'.
- 1.2 The Addendum sets out 21 key elements of the typical systems and processes that comprise the PCC's and Chief Constable's governance arrangements and requires that the PCC's and Chief Constable's review of effectiveness of its governance arrangements makes reference to each of these key elements.
- 1.3 In relation to the role of the Head of Internal Audit, the Addendum states that a key element of governance includes the arrangements for:
"Ensuring the authority's assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010) and where they do not, explain why and how they deliver the same impact."
- 1.4 In order to make a public declaration of conformance with the Statement, it is recommended that a self-assessment is undertaken against the detailed requirements set out within the publication and signed off by the Chief Financial Officer / Management Team.

2 The Five Principles

- 2.1 The Statement sets out how the requirements of legislation and professional standards should be fulfilled by HIAs in carrying out their role and is structured under five core principles.

2.2 The Head of Internal Audit in a public service organisation plays a critical role in delivering the organisation's strategic objectives by:

- championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on responses to emerging risks and proposed developments; and
- giving an objective and evidence based opinion on all aspects of governance, risk management and internal control.

2.3 To perform this role, the Head of Audit:

- must be a senior manager with regular and open engagement across the organisation, particularly with the Leadership Team and with the Audit Committee
- must lead and direct an internal audit service that is resourced to be fit for purpose; and
- must be professionally qualified and suitably experienced

2.4 A completed self-assessment template is provided below for appropriate sign off.

Ref	Governance Requirement	PCC / Chief Constable arrangement and any required actions	Assessment of conformance		
			Y	N	P
Principle 1: The HIA in a public service organisation plays a critical role in delivering the organisation's strategic objectives by championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on responses to emerging risks and proposed developments					
1.1	Set out the HIA's role in good governance and how this fits with the role of others.	HIA Role Profile sets out the contribution of the annual report of the HIA to the Annual Governance Statement.	✓		
1.2	Ensure that the importance of good governance is stressed to all in the organisation, through policies, procedures and training	Code of Corporate Governance sets out the frameworks that are in place to support the overall arrangements. There are individual codes for the COPCC and Constabulary.	✓		
1.3	Ensure that the HIA is consulted on all proposed major projects, programmes and policy initiatives.	Major projects, programmes and policy initiatives were considered during the planning stage and incorporated into the plan as appropriate.	✓		
Principle 2: The HIA in a public service organisation plays a critical role in delivering the organisation's strategic objectives by giving an objective and evidence based opinion on all aspects of governance, risk management and internal control					
2.1	Set out the responsibilities of the HIA, which should not include the management of operational areas.	Responsibilities of the HIA are set out in the Role Profile and do not include any operational responsibilities.	✓		
2.2	Ensure that internal audit is independent of external audit.	Internal audit is independent of external audit. IA plans will be shared with external audit, but will not be in any way directed by external audit.	✓		
2.3	Where the HIA does have operational responsibilities the HIA's line manager and the Audit Committee should specifically approve the IA strategy for these and	n/a			

Ref	Governance Requirement	PCC / Chief Constable arrangement and any required actions	Assessment of conformance		
			Y	N	P
	associated plans and reports and ensure the work is independently managed.				
2.4	Establish clear lines of responsibility for those with an interest in governance (e.g. Chief Executive, Chief Legal Officer, Chief Financial Officer, Audit Committee, non-executive directors/elected representatives). This covers responsibilities for drawing up and reviewing key corporate strategies, statements and policies	Clear lines of responsibility are set out in job roles, the scheme of delegation and key supporting governance documents e.g. financial regulations, procurement regulations, grant regulations. The Joint Audit and Standards Committee has a clear terms of reference consistent with the CIPFA guidance.	✓		
2.5	Establish clear lines of reporting to the Leadership Team and to the Audit Committee where the HIA has significant concerns	Reporting lines are defined within the Internal Audit Charter which has been agreed by the Board.	✓		
2.6	Agree the terms of reference for internal audit with the HIA and the Audit Committee as well as with the Leadership Team	Internal audit charter sets out internal audit's terms of reference. Charter has been approved by Board and presented to Joint Audit Committee.	✓		
2.7	Set out the basis on which the HIA can give assurances to other organisations and the basis on which the HIA can place reliance on assurances from others.	The basis of assurances provided to other organisations is set out within the Shared Services agreement. Various sources of assurance have been taken into consideration in preparing audit plans to ensure optimum audit coverage.	✓		
2.8	Ensure that comprehensive governance arrangements are in place, with supporting documents covering e.g. risk management, corporate planning, anti-fraud and corruption and whistleblowing.	Key governance documents include the Code of Corporate Governance, scheme of delegation, Anti-fraud and corruption strategy, policy and procedure. Risk management arrangements are in place and the corporate	✓		

Ref	Governance Requirement	PCC / Chief Constable arrangement and any required actions	Assessment of conformance		
			Y	N	P
		risk register for each organisation is reported to Joint Audit Committee.			
2.9	Ensure that the annual internal audit opinion and report are issued in the name of the HIA.	Annual report of the Head of Internal Audit contains the internal audit opinion. This report is presented to Joint Audit Committee by the Head of Internal Audit.	✓		
2.10	Include awareness of governance in the competencies required by members of the Leadership Team.	Role profiles for the Chief Executive, Joint CFO and deputy monitoring officer are based on the relevant professional standards and include governance responsibilities. Constabulary Chief Officers are trained on governance matters as part of their professional qualification.	✓		
2.11	Set out the framework of assurance that supports the annual governance report and identify internal audit's role within it. The HIA should not be responsible for preparing the report	The framework of assurance that supports the annual governance statement is documented within the Statement itself. HIA is not responsible for preparing the AGS.	✓		
2.12	Ensure that the internal audit strategy is approved by the Audit Committee and endorsed by the Leadership Team.	IA is no longer required to produce a strategy. This was a requirement of the CIPFA Code of Practice for IA (2006) which has been replaced by the Public Sector Internal Audit Standards (PSIAS) which now require the annual internal audit plan to contain a high level statement of how the service is to be delivered. This was included within the Internal Audit annual plan for 2018/19.	✓		

Ref	Governance Requirement	PCC / Chief Constable arrangement and any required actions	Assessment of conformance		
			Y	N	P
Principle 3: The HIA in a public service organisation must be a senior manager with regular and open engagement across the organisation, particularly with the Leadership Team and with the Audit Committee.					
3.1	Designate a named individual as HIA in line with the principles in this Statement. The individual could be someone from another organisation where internal audit is contracted out or shared. Where this is the case then the roles of the HIA and the client manager must be clearly set out in the contract or agreement.	The Audit Manager is the designated HIA for the PCC/Chief Constable.	✓		
3.2	Ensure that where the HIA is an employee that they are sufficiently senior and independent within the organisation's structure to allow them to carry out their role effectively and be able to provide credibly constructive challenge to the Management Team.	N/A			
3.3	Ensure that where the HIA is an employee the HIA is line managed by a member of the Management Team. Where the HIA is not an employee then the reporting line must be clearly set out in the contract or agreement with the internal audit supplier.	N/A			
3.4	Establish an Audit Committee in line with guidance and good practice.	There is a Joint OPCC / Constabulary Audit Committee which is the recommended approach in the Financial Management Code of Practice for the Police Forces of England and Wales. OPCC / Constabulary to confirm that the Joint Audit Committee has undertaken an annual self-assessment against the CIPFA practical guidance checklist and has assessed itself as performing appropriately.	✓		

Ref	Governance Requirement	PCC / Chief Constable arrangement and any required actions	Assessment of conformance		
			Y	N	P
3.5	Set out the HIA's relationship with the Audit Committee and its Chair, including the Committee's role (if any) in appointing the HIA.	The relationship is set out in the Internal Audit Charter.	✓		
3.6	Ensure that the organisation's governance arrangements allow the HIA: – to bring influence to bear on material decisions reflecting governance; – direct access to the Chief Executive, other Leadership Team members, the Audit Committee and external audit; and – to attend meetings of the Leadership Team and Management Team where the HIA considers this to be appropriate.	There are appropriate arrangements in place to allow the HIA to perform these functions appropriately.	✓		
3.7	Set out unfettered rights of access for internal audit to all papers and all people in the organisation, as well as appropriate access in (significant) partner organisations.	This is defined within the Internal Audit Charter	✓		
3.8	Set out the HIA's responsibilities relating to partners including joint ventures and outsourced and shared services.	The HIA responsibilities are defined within the approved audit charter.	✓		
Principle 4: The HIA in a public service organisation must lead and direct an internal audit service that is resourced to be fit for purpose.					
4.1	Provide the HIA with the resources, expertise and systems necessary to perform their role effectively.	Internal audit is considered to be adequately resourced to deliver the level of service currently required.	✓		

Ref	Governance Requirement	PCC / Chief Constable arrangement and any required actions	Assessment of conformance		
			Y	N	P
4.2	Ensure that the Audit Committee sets out a performance framework for the HIA and their team and assesses performance and takes action as appropriate.	A range of performance measures has been reported quarterly to the Joint Audit Committee.	✓		
4.3	Ensure that there is a regular external review of internal audit quality	The PSiAs introduced a requirement for formal external inspection of internal audit. External inspection took place in November 2017 and the outcome discussed with Collaborative Board and reported to the Joint Audit Committee.	✓		
4.4	Ensure that where the HIA is from another organisation that they do not also provide the external audit service	The Shared Internal Audit Service does not provide the external audit service.	✓		
Principle 5: The HIA in a public service organisation must be professionally qualified and suitably experienced					
5.1	Appoint a professionally qualified HIA whose core responsibilities include those set out under the other principles in this Statement and ensure that these are properly understood throughout the organisation.	HIA is ACCA qualified. HIA responsibilities are defined within the role profile for the post.	✓		
5.2	Ensure that the HIA has the skills, knowledge, experience and resources to perform effectively in his or her role.	HIA has over 20 years' internal audit experience within Local Government and undertakes CPD to keep her skills up to date.	✓		

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Peter McCall



Joint Audit Committee
Review of Effectiveness 2018/19

Executive Summary

The purpose of an audit committee is to provide those charged with governance¹ independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes.

Best practice dictates that governance, risk management and strong financial controls be embedded in the daily and regular business of an organisation. The existence of an audit committee does not remove responsibility from senior managers or leaders, but provides an opportunity and resource to focus on these issues.

Audit committees are a key component of the governance framework.

CIPFA notes the importance of the capacity of the Committee to promote good governance, making things better, not just reviewing what has happened in the past.

CIPFA's guidance document, Audit Committee's Practical Guidance for Local Authorities and Police (2018 edition), recommends that audit committees review their effectiveness annually. The Annual Report of the Committee sets out the conclusions of that review and provides a commentary on the effectiveness of the Committee in fulfilling its purpose.

The review covers four areas, Core Committee Functions, Wider Functions, Independence and Accountability and Membership and Effectiveness. For each area under review, the overall conclusions are assessed against an evaluation key with a score of 1-5, with 5 indicating the highest level of effectiveness.

The overall conclusions from the assessment is that the committee is effective in its operation. The key messages arising from the review are that:

- The Committee has continued to build on the firm foundations put in place at the inception of the OPCC, expanding and refining its remit in the light of changing circumstances and emerging trends.
- Members were appointed based on their skills and experience, are politically neutral.
- The Committee's remit complies with best practice and members are clear about their role and focus of attention.
- The Committee is supported by key members of the OPCC and Chief Constable's management teams at all Committee meetings to ensure that members are appropriately informed when considering the issues.
- Joint Audit Committee members have carried out their duties diligently, achieving 96% attendance at meetings, have made valued contribution to governance arrangements and have taken action on specific issues.
- Members have maintained formal and informal training and development activities to enhance their understanding of the Constabulary and OPCC.

¹ The Commissioner and the Chief Constable
Corporate Support / Financial Services / MB

The committee achieves a consistent grade of 5 across all areas of the assessment against the Core Functions and a grade 5 assessment against the Wider Functions of Ethical Values and Treasury Management. Independence and Accountability and Membership and Effectiveness both score a grade 5, being evidenced as fully compliant with best practice requirements.

The Committee continues to strive for improvements across all areas of its activities. The Committee has identified four priority areas within its wider programme where in 2019/20 it will seek to have impact: These priorities are included in an action plan and comprise efforts to:

- Support and monitor the OPCC and Constabulary plans to address the increasingly stringent funding environment.
- Support and challenge any new governance arrangements, for example, from restructuring and capacity reviews, greater collaboration with other organisations or joint working on delivery of services.
- Improve awareness of the work of the Police and Crime Panel and the Ethics and Integrity Panel where appropriate.
- Strategic awareness of the Police and Crime Plan.

In carrying out the review Committee members have been able to evidence numerous examples of their impact. This has included:

- Attendance at Police and Crime Panel meetings as an observer.
- Sharing the Cumbria approach to audit committees with other policing bodies thereby developing and sharing areas of best practice.
- By making recommendations to the Chief Constable and Commissioner with regards to the governance arrangements for the safeguarding hub, the committee were able to assist by providing impetus to getting the MOU signed and approved by all partner organisations. The committee were able to visit the safeguarding hub in early April 2019 and were pleased to see first hand the partnership working arrangements and were impressed by the dedicated staff and the improvement made following the internal audit report.

The review of the effectiveness of the arrangements has demonstrated that the Committee can evidence substantial support, influence and persuasion in carrying out its functions. These are the elements defined by CIPFA as the factors that evidence the Committee's effectiveness.

The Committee's review of Effectiveness provides information on the assessment process and CIPFA standards, this together with the Committee's Terms and Reference and detailed work programme for 2018/19 can be found

on the Commissioner’s website at <https://cumbria-pcc.gov.uk/finance-governance/budget-finance/joint-audit-and-standards-committee/>. The Joint Audit Committee holds public meetings, Committee papers and audit reports are all available on the Commissioner’s website using the above link.

Introduction

The purpose of an audit committee is to provide those charged with governance² independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes.

The Influential Audit Committee

The audit committee has the potential to be a valuable resource to the whole organisation. Where it operates effectively, an audit committee can add value to its organisation by supporting improvement across a range of objectives. To achieve wide-ranging influence, an audit committee will need commitment and energy from membership together with support and openness from the organisation.



CIPFA’s document, Audit Committee’s Practical Guidance for Local Authorities and Police, recommends that audit committees review annually their effectiveness. This report sets out for the Commissioner and Chief

² The Commissioner and the Chief Constable
Corporate Support / Financial Services / MB

Constable’s Joint Audit Committee the conclusions of that review and provides a commentary on the effectiveness of the Committee in fulfilling its purpose.

Review of Effectiveness

The review has been undertaken against the framework of the CIPFA document. It reviews the activities and impact of the Committee against the guidance in relation to the purpose and functions for Audit Committees and a checklist for effectiveness. The full range of activities undertaken by the Committee during 2018/19 is also set out in Appendix A as a consolidated summary of the work of the Committee in fulfilling its functions. For each of the areas in the CIPFA guidance, an assessment is made to award a grade in accordance with the CIPFA standard, based on the conclusions of the review. The grades are set out in table one below. In addition to consideration of Committee activity the review of effectiveness is also supported by consideration of the issues of Committee independence and objectivity and the skills and experience of members. Audit Committee members have further agreed a self-assessment checklist for good practice, included with the CIPFA document to support the annual review.

Table One: CIPFA Effectiveness Evaluation Assessment Key

Score	Assessment Key
5	Clear evidence is available from a number of sources that the committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.
4	Clear evidence from some sources that the committee is actively and effectively supporting improvements across some aspects of this area.
3	The committee has had mixed experience in supporting improvement in this area. This is some evidence that demonstrates their impact but there are also significant gaps.
2	There is some evidence that the committee has supported improvements, but the impact of this support is limited.
1	No evidence can be found that the audit committee has supported improvements in this area.

Overall Conclusions and Assessment

The overall conclusion and assessment is that the Joint Audit Committee is extremely effective in its operation.

The review has demonstrated that within the areas of the self-assessment the Committee can evidence the effective use of substantial support, influence and persuasion in carrying out its functions. These are the elements defined by CIPFA as being evidence of effectiveness. The committee achieves a consistent grade of 5 in all 10 areas of the assessment against the Core Functions and a grade 5 assessment against the Wider Functions of

Ethical Values and Treasury Management. Independence and Accountability score a grade 5 and Membership and Effectiveness also score a grade 5. The key messages arising from the review are that:

- Committee members have carried out their duties diligently, meetings are well attended and members have made an effective contribution to governance arrangements
- Members have kept up to date with training and developments. During 2018/19 these arrangements have continued to include a corporate briefing as part of Committee meetings and for 2018/19 specific development sessions covering treasury management, ICT security, the police and crime plan and the budget/MTFF.
- In 2016/17 Members were provided with an “Induction Pack and Handbook” which provides a number of useful documents in one handbook and includes details of structures, key individuals and governance arrangements within the OPCC and Constabulary, these handbooks are updated on a periodic basis to include latest information.

As part of the overall assessment process the Commissioner and Chief Constable were asked to comment on the effectiveness of the Committee, their comments were as follows:

The Police and Crime Commissioner for Cumbria Comment

The Joint Audit Committee provide essential and independent professional assurance that both the Constabulary and the OPCC are delivering their functions with due regard to governance and financial robustness. The Committee have raised appropriate concerns when they have not been assured, I welcome this, no system is perfect and this is why we have such scrutiny, where concerns have been raised this has resulted in immediate action being taken to address them. The service supports both the OPCC and Chief Constable and is complimentary to the work of internal audit, the public accountability process and the work of Her Majesty’s Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS). I am pleased that the committee have a wide range of skills covering a broad knowledge base which allows for detailed scrutiny to take place and further give me the assurance that I require on behalf of the public of Cumbria.

Chief Constable for Cumbria Constabulary Comment

I value the work of the Joint Audit Committee in providing assurance that governance within the Constabulary is effective and supports the delivery of an outstanding policing service for the people of Cumbria. The independence, complimentary skills and conscientious approach of the committee to their role facilitates robust scrutiny and challenge which contributes to the Constabulary achieving its objectives, and being an efficient and effective policing service.

The rest of this report sets out the requirements of the CIPFA guidance, the arrangements for the Committee and the evidence and conclusions of the review. It is set out in four sections with supporting appendices:

- **Section One:** Core Committee Functions and the Effectiveness Checklist page 8-24
- **Section Two:** Possible Wider Functions of an Audit Committee page 25-26
- **Section Three:** Independence and Accountability page 27-28
- **Section Four:** Membership and Effectiveness page 29-31
- **Appendix A:** Committee Activities 2018/19 page 32-34
- **Appendix B:** Committee Terms of Reference Assurance Framework page 35-42
- **Appendix C:** Governance Documents Review Schedule page 43
- **Appendix D:** Committee Attendance page 44
- **Appendix E:** Committee Chair and Member Role Profiles page 45-48
- **Appendix F:** CIPFA Good Practice Checklist page 49-51

Section One: Core Committee Functions and the Effectiveness Checklist

Good Governance and the Annual Governance Statement

CIPFA notes the importance of the capacity of the Committee to promote good governance, making things better, not just reviewing what has happened in the past.

CIPFA guidance makes clear that Audit Committees should address governance principles in the course of its regular business rather than governance being limited to a once a year reporting process.

There should be a local code of governance setting out how the principles of the CIPFA SOLACE good governance framework are applied, that should be reviewed by the Committee. Police Audit Committees should review the Annual Governance statement (AGS) of both the Commissioner and the Chief Constable prior to approval. The CIPFA guidance provides that to meaningfully review the AGS, the Committee should be in a position to draw on their knowledge of the governance arrangements as they are established and on assurances of their operation in practice. It should

also ensure that the AGS is underpinned by a framework of assurance.

Over the course of the year the Committee should receive reports and assurances over the application of the governance framework, monitor action plans and recommendations and consider the application of governance principles to other agenda items. CIPFA notes the importance of the capacity of the Committee to promote good governance, making things better, not just reviewing what happened in the past.

Self-evaluation, examples, areas of strength and weakness

The Committee's annual work programme includes an independent cyclical review of the Commissioner and Chief Constable's governance framework and all material governance arrangements. During 2018/19 the work of the Committee has included:

- Reviewing and advising on revisions to the financial regulations, financial rules, joint procurement regulations and the OPCC treasury management strategies and practices. The review of treasury management included a briefing by external treasury management advisors (Arlingclose) in respect of changes to the wider economic environment and associated implications for the operation of the treasury management function within the OPCC, following which members were able to robustly challenge changes in the approach to investment strategy. Members input to joint procurement regulations has resulted in improvements to the overall wording of the document and greater clarity being provided.

- A review of the role of the Joint Chief Finance Officer against the CIPFA guidance for police and consideration of the Joint Chief Finance Officer's review of the effectiveness of arrangements for governance, including internal audit and a review of the role of the Head of Internal Audit against CIPFA guidance.
- In line with CIPFA recommendations, the Committee reviewed the Chief Constable and Commissioner's AGS in May, prior to the publication of the unaudited statement and again in July prior to publication alongside the audited accounts. Alongside the AGS, members reviewed the Commissioner and Chief Constables Code of Corporate Governance. In addition, members review progress against the respective AGS action plans mid way through the financial year.
- The Committee receive all audit internal reports in full, at the point at which they were finalised, with members requesting that reports with significant issues are tabled at Committee meetings. Members have given specific focus to audit reports covering duty management, ICT capacity, vulnerability/hate crime, cash receipting, creditors, ICT security, safeguarding hub, digital media investigation unit, GDPR, pensions, command and control and 101, and follow up reports on procurement and the use of stingers.
- The scope of the internal audit plan has been significantly developed since 2014/15 to ensure it provides wider governance assurance in addition to that provided on core financial systems and financial governance. The audit areas covered in 2018/19 are highlighted in the bullet above. During 2019/20 the approved audit plan will focus on financial sustainability, benefits realisation, procurement, collaboration, police and crime plan, body worn video, trauma risk incident management (TRIM), firearms and training. In addition, internal audit will undertake some pieces of consultancy work on vehicle utilisation, the custody medical contract and seized dogs.
- At their meeting in May 2018 internal audit provided members with a draft annual audit opinion providing assurance from the group Audit Manager (Head of Internal Audit). Members also receive further assurance at each meeting through reports from the external auditors. This included the Audit Findings Report presented to members in July 2018 setting out the external auditor's un-qualified opinion on the financial statements and an un-qualified value for money conclusion.

Through these arrangements and their prior experience and skills, members develop a robust understanding of governance across the OPCC and Constabulary and the extent to which those arrangements are well embedded. This provided the basis on which Committee members provided assurance and add value with regard to governance.

Conclusion and Overall Assessment: Assessment Grade 5.

The Committee is fully compliant with the CIPFA guidance. Clear evidence is available from a number of sources that the Committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.

Internal Audit

CIPFA guidance makes clear that the Audit Committee has a clear role in relation to oversight of the internal audit function.

The Audit Charter is a key governance document setting out the purpose, authority, responsibilities and objectives of Internal Audit.

Within policing, the advisory role of the Committee means that this responsibility is managed through support and review of the arrangements for internal audit. These arrangements are set out under the requirements of the Public Sector Internal Audit Standard (PSIAS) and the supporting Local Government Application Note (LGAN) within an Audit Charter.

The Audit Charter sets out the functional reporting arrangements between Internal Audit, the Board³ and the Joint Audit Committee. CIPFA guidance sets out a number of roles for the committee as part of the support and review arrangements. These are to oversee Internal Audit's independence, objectivity, performance and professionalism, support the effectiveness of the internal audit process and promote the effective use of

internal audit within the assurance framework.

Self-evaluation, examples, areas of strength and weakness

The Committee's annual work programme, in line with the CIPFA guidance, includes a review of the Internal Audit Charter and a review of a risk based internal audit plan including the audit budget and number of audit days within the plan. The report that incorporates the Plan and Charter was received by members in March 2018 in respect of the 2018/19 financial year. In March 2019 members approved the Plan and Charter for 2019/20 which has seen the number of audit days revert to the standard 281 in 2019/20. The plan sets out the process undertaken to assess risks and develop a programme of audit in accordance with the risk based approach of the PSIAS.

The Audit Charter, in compliance with the PSIAS, makes a number of statements setting out how the arrangements for Internal Audit provide assurance with regard to ethics, independence and objectivity, including arrangements for resourcing and ensuring proficiency and due professional care. The Committee receive an annual statement on conformance with the PSIAS and LGAN. In reviewing the Audit Charter Committee members are able to assess and challenge the robustness of these arrangements.

The Committee meets annually and independently with the Internal Auditors and receives an annual report and opinion from the Chief Internal Auditor

The Committee meets annually and independently with the Internal Auditors and receives an annual report and opinion from the Chief Internal Auditor on the adequacy and effectiveness of governance, risk management and

³ The Executive Board comprising the Commissioner, the Chief Constable, the Commissioner's Chief Executive and the Commissioner's Chief Finance Officer
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internal control. The report includes a summary of the audit work on which the opinion is based. This is supported by a report from the Joint Chief Finance Officer on the overall effectiveness of the arrangements for internal audit including the opinion of the external auditor.

The Committee receives all internal and external audit reports in full supporting assurance on the overall control environment. The reporting format of internal audit reports was improved in 2014/15 to provide a stronger link between audit recommendations and control objectives. The reports also aim to focus attention on internal control strengths and recommendations. Members have considered reports across a diverse range of Constabulary and OPCC business including duty management, ICT capacity, vulnerability/hate crime, cash receipting, creditors, ICT security, safeguarding hub, digital media investigation unit, GDPR, pensions, command and control and 101, and follow up reports on procurement and the use of stingers.

Monitoring against performance measures and benchmarks for the Internal Audit service was introduced in 2014/15 and has continued throughout 2018/19. Proposed performance measures are reviewed at the start of the financial year and have been included within the Internal Audit Charter on the recommendation of the Committee. Members have received a quarterly monitoring report assessing actual performance against the benchmark.

The terms of reference of the Committee and associated annual work programme fully complies with the detailed CIPFA guidance. Collectively these arrangements ensure members are able to make effective judgements on the effectiveness of internal controls and Internal Audit provision, making recommendations with regards to improvement.

Conclusion and Overall Assessment: **Assessment Grade 5.**

The Committee is fully compliant with the CIPFA guidance. Clear evidence is available from a number of sources that the Committee is actively supporting improvements across all aspects of this area.

Internal Audit's work is designed to provide assurance to management and members that effective systems of governance, risk management and internal control are in place in support of the delivery of the Commissioner and Chief Constable's objectives

Risk Management

CIPFA guidance references that Police Audit Committees are directed in the Home Office Financial Management Code of Practice to advise the Commissioner and Chief Constable on the adoption of appropriate risk management arrangements.

It also notes the assurance that risk management provides in respect of the AGS and when reviewing the risk based internal audit plan. The guidance describes governance of risk as the arrangements for leadership, integration of risk management arrangements, ownership and accountability. The role of the audit committee in relation to risk management covers three major areas:

- Assurance over the governance of risk, including leadership, integration of risk management into wider governance arrangements and the top level ownership and accountability for risks.
- Keeping up to date with the risk profile and the effectiveness of risk management actions.
- Monitoring the effectiveness of risk management arrangements and supporting the development and embedding of good practice in risk management.

The Risk Management Strategy is a comprehensive document that provides the basis for members to challenge and provide assurance over how risks are governed and managed.

Self-evaluation, examples, areas of strength and weakness

In accordance with the CIPFA guidance, specific actions undertaken by the Committee during 2018/19 included:

- Receipt at the Committee's meeting in May of a report from the Chief Executive setting out the OPCC arrangements for monitoring the effectiveness of risk management. This was the fifth annual report on the arrangements for risk management following a recommendation made by the Committee in 2013/14.
- Reviewing the arrangements for risk management within the Constabulary and making specific recommendations regarding improving the openness and transparency of those arrangements. This in previous years has resulted in agenda items on risk management being moved from the private agenda to the public meetings.
- Review of the Commissioner's annual Risk Management Strategy. The strategy is a comprehensive document that provides the basis for members to challenge and provide assurance over how risks are governed and managed. The strategy now includes on recommendation from the Committee arrangements for determining risk appetite. The review of Risk Management Strategy is supported by a quarterly review of strategic risk registers that set out the most

The Committee has nominated a lead member for risk who provides prior input and advice on the Risk Management Strategy prior to its consideration by the full Committee

significant risks facing the Commissioner and Constabulary and the mitigations in accordance with the methodology within the strategy. This ensures the Committee has an effective understanding of the significant risks facing both organisations and can hold risk managers to account.

In accordance with best practice, the Committee also compiles and maintains a separate, dedicated risk register to manage risks relating to the Committee's own activities.

Conclusion and Overall Assessment: **Assessment Grade 5.**

The Committee is fully compliant with the CIPFA guidance. Clear evidence is available from a number of sources that the Committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.

Assurance Frameworks and Assurance Planning

CIPFA guidance explains assurance frameworks as a description that typically outlines the key areas of assurance required by the Joint Audit Committee that supports the AGS and is available to enable the Committee to meet its terms of reference.

A framework will support the ability to ensure that assurance is planned and delivered efficiently and effectively, avoiding duplication and with independence across a range of assurance providers. It also ensures that the Committee is clear on the extent to which assurance is reliant on the arrangements for Internal Audit.

The Joint Audit Committee operates with an assurance-based work programme aligned to its terms of reference

Self-evaluation, examples, areas of strength and weakness

The Joint Audit Committee operates with an assurance-based work programme aligned to its terms of reference and that, in line with the guidance, forms an appropriate balance between cost and risk. The assurance framework that was in place for 2018/19 is set out at appendix B and includes assurances from management, Chief Officers, internal and external audit and external inspectorates. During 2018/19 and in recognition of CIPFA's updated guidance for Audit Committees, members have:

- Improved the arrangements for assurance in relation to a number of areas within the work programme. This included receipt at the May meeting of monitoring reports covering the areas of risk management anti-fraud and corruption monitoring. At their March meeting the Committee received a report covering the Chief Constable's arrangements for providing value for money (the PCC no longer falls under the inspection regime of HMICFRS).
- The improved efficiency and focus of assurance gathering continued at formal meetings of the Committee by the continuance of the early review of all internal audit reports which enabled members to select which internal audit reports to include on the agenda for specific discussion.
- Received an assurance report from the Joint Chief Finance Officer in respect of the sources of assurance members can place reliance on in respect of their review of the statement of accounts.
- Maintained the number of committee meetings at 5 per year to ensure that members can give appropriate time and consideration to agenda items in the context of the widening of the assurance framework.

Conclusion and Overall Assessment: **Assessment Grade 5**

The Committee is fully compliant with the CIPFA guidance. Clear evidence is available from a number of sources that the Committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.

Value for Money and Best Value

The CIPFA guidance notes that in the Police sector it is the Chief Constable that has statutory responsibility for securing value for money and that the Commissioner's responsibility is to hold the Chief Constable to account for this duty.

The Joint Audit Committee role is to support both the Commissioner and Chief Constable to fulfil their responsibilities through the assurance process. This should focus on arrangements to ensure value for money and the progress in achieving value for money. This includes how performance in value for money is evaluated as part of the AGS and the Committee's consideration of the external audit opinion on value for money. The AGS should be focused on outcomes and value for money. The Committee should also consider what other assurances are available.

The Constabulary has developed and agreed a Continuous Improvement, Efficiency and Value for Money Strategy, which sets out the principles the Constabulary will follow and specific reviews which aim to secure maximum value from the resources available to it.

Self-evaluation, examples, areas of strength and weakness

The overall arrangements for value for money are concluded on by the external auditors who provide for the Committee their opinion on value for money. The conclusion for 2017/18 was positive.

The Commissioner's Code of Corporate Governance and AGS sets out the arrangements for securing the achievement of the goals and objectives set out within the Police and Crime Plan. This includes a performance framework that supports the Commissioner in holding the Chief Constable to account for VFM. These documents also reference the receipt annually of HMICFRS value for money profiles and inspection reports that further support VFM accountability.

The Chief Constable's Code of Corporate Governance provides reference for the Committee to the Constabulary Continuous Improvement, Efficiency and Value for Money Strategy, which sets out the principles the Constabulary will follow and specific reviews, which aim to secure maximum value from the resources available to it. The AGS references the specific reviews that have been undertaken during the year and the improvements in efficiency and effectiveness arising from that work.

The work of the Committee further supports value for money in providing an overview of the treasury management strategy and activities that helps to promote value in the treasury function. This will have greater impact in future years, when decisions will need to be made in respect of borrowing. The timing of decisions will be instrumental to the value for money achieved from the balance between borrowing costs and investment returns.

The overall arrangements for value for money are concluded on by the external auditors who provide for the Committee their opinion on value for money. The conclusion for 2017/18, received by the Committee in the External Auditor's July 2018 Audit Findings Report was positive.

From 2014/15 the format internal audit reports have supported wider assurance for members by covering a specific control objective on 'value: the effectiveness and efficiency of operations and programmes.' Specific audit recommendations with value for money implications are categorised within audit reports under this heading.

Following a review by the Committee during 2013/14 that identified limited 'other' sources of assurance with regard to value for money and securing best value, the Committee now routinely receives a number of reports from the OPCC and Constabulary with a specific focus on value for money. This has included an analysis of HMICFRS value for money profiles for the Constabulary (the OPCC no longer falls under the remit of HMICFRS), and the outcome of the HMICFRS PEEL review of efficiency, effectiveness and legitimacy. As part of the review of the arrangements for value for money, members also sought assurances regarding the approach to the management of reserves, the reserves strategy was included as part of the member development session on the budget, medium term financial strategy and change programme provided in March 2019.

Conclusion and Overall Assessment: **Assessment Grade 5**

The Committee is fully compliant with the CIPFA guidance. Clear evidence is available from a number of sources that the Committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.

Countering Fraud and Corruption

CIPFA guidance states that the role of the Audit Committee is to have oversight of counter-fraud strategy, assessing whether it meets recommended practice, governance standards and complies with legislation.

The Committee should understand the level of fraud risk to which the organisation is exposed and the implications for the wider control environment. The guidance also recognises the link to ethical standards and the role of the committee in championing good counter-fraud practice. The committee should also monitor performance on counter fraud activity including monitoring action plans and overseeing any major areas of fraud.

The Commissioner and Chief Constable have responsibilities for the effective stewardship of public money and for safeguarding against losses due to fraud and corruption.

Self-evaluation, examples, areas of strength and weakness

The Joint Audit Committee undertakes a cyclical review of counter-fraud strategy, policy and action plans as part of the arrangements for review of all core strategic governance documents. This provides an opportunity for members to consider the approach to counter-fraud within the context of the wider governance arrangements and internal controls that support the anti-fraud approach. These arrangements include those covering codes of conduct and ethical behaviour.

During 2017/18 members reviewed and provided constructive feedback on the overall arrangements for anti-fraud and corruption which had been updated to incorporate the abuse of authority for sexual gain. As a result of feedback provided by members changes and improvements have been made to support the clarity of key documents. As part of the cyclical review of governance arrangements for anti-fraud are reviewed on a bi-ennial basis and as such were not subject to review in 2018/19.

In May 2018 members received a report from the Chief Executive monitoring the anti-fraud and corruption arrangements within the OPCC. The report sets out the activity that takes place during the year in line with the strategy and policy and to ensure anti-fraud arrangements are well embedded. The report covered the 2017/18 financial year and members will receive in May 2019 a report covering the 2018/19 financial year.

In July 2018, as part of the arrangements for the financial statements, members received copies of the Commissioner and Chief Constable's letter of management assurance. These are prepared by the Joint Chief Finance Officer and include a full fraud risk assessment. Within the assessment members are briefed on any actual or suspect fraud that has taken place during the year and any changes to the control environment as a consequence of that fraud.

Members further support their understanding of the control environment through receipt of audit reports. During 2018/19 members received a variety of audit reports with judgements of substantial (5), reasonable (8) and partial (3) assurance. The audit reports in relation to major financial systems in respect of payroll provided substantial assurance, those on the cash receipting and pensions provided reasonable assurance. Members receive the full report on all audits supporting a wider understanding of internal controls that can be gained from summary reports.

During 2018/19 the Committee has operated as a Standards Committee for the Commissioner. This has included monitoring the effectiveness of the Commissioner's Code of Conduct and PCC/Officer Protocol, supporting the approach to ethical standards. In 2015/16 the Commissioner and Constabulary established an independent Ethics and Integrity Panel to facilitate a more in-depth scrutiny of arrangements for ethics and integrity including Constabulary conduct matters and the handling of complaints. The fourth annual report of the Ethics and Integrity Panel was provided to members of the Joint Audit Committee in May 2018.

Conclusion and Overall Assessment: **Assessment Grade 5**

The Committee is fully compliant with the CIPFA guidance. Clear evidence is available from a number of sources that the Committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.

External Audit & Inspection

CIPFA guidance states that the Audit Committees have a role to play in relation to the appointment of external auditors.

In England organisations have the option to appoint auditors themselves via means of an auditor panel or through Public Sector Audit Appointments (PSAA) which has been established by the Local Government Association and specified as an “appointing person”. The Commissioner and Chief Constable have appointed the external auditor via the PSAA route. The audit committee’s role is in providing assurance that the external audit team maintains independence and objectivity. The audit committee has a vital role to play in guarding against threats to independence.

CIPFA guidance states that Audit Committees have a role to play in receiving and considering the work of the external auditor.

This includes receiving the planned work programme and reports following completion of the audit work such that the committee is able to make judgements on audit resources, assess the effectiveness and quality of the audit (this may include feedback from key people e.g. CFO) and report to the Commissioner or Chief Constable where appropriate. The Committee should also support the implementation of external audit recommendations, review any non-audit work undertaken and have the opportunity to meet separately and privately with the external auditors. The guidance also recognises the assurance that can be provided from reports about financial management and governance from wider inspection agencies.

Self-evaluation, examples, areas of strength and weakness

The Joint Audit Committee receive all reports of the External Auditors and conduct an annual private meeting with the External Auditors. During 2018/19 the External Auditors have attended 3 out of the 5 Committee meetings. The Committee’s terms of reference are fully compliant with the CIPFA guidance and provide for an annual private meeting with the External Auditors. The Committee receives inspection reports from other agencies where these are relevant to the Committee’s functions. Recommendations arising from audit and inspection are monitored for implementation by the Committee.

Membership of the Joint Audit Committee includes the skills and experience of a former district auditor and former S151 officers, and also a qualified lawyer. All members have significant experience of committees fulfilling audit and governance functions. This ensures that the Committee have the skills and experience to assess the work of the external auditors and will have clear expectations regarding the requirements in respect of seniority, quality and experience of audit staff. During 2018/19 members have:

- Attended the PSAA Local Audit Quality Forum, an annual conference for audit committee chairs and DoFs to discuss and share thinking on the challenges in public sector audit (with speakers from NAO, etc)
- Undertaken robust scrutiny of the external audit plan, including questioning the robustness of work that will be carried out in respect of the value for money conclusion and the assurance it can provide.
- Received the External Auditors Annual Fee letter.
- Received the External Auditors Audit Findings report covering the financial statements, matters of governance and the value for money conclusion in respect of the 2017/18 financial year.
- Scrutinised published HMICFRS reports covering value for money (HMICFRS annual profiles). Members have also received as part of the corporate update from the Deputy Chief Constable updates covering the full HMICFRS inspection programme for the Constabulary and issues that need to be brought the attention of members.
- In 2014/15 Members agreed a change to their terms of reference to incorporate responsibility as an audit panel, to oversee the appointment of external auditors for the Commissioner, at the time the relevant provisions of the 2014 Local Audit and Accountability Act come into effect.

Conclusion⁴ : Assessment Grade 5

The Committee is compliant with the CIPFA guidance through a combination of the activity undertaken and the particular specialist mix of skills and experience within the Committee membership.

⁴ This assessment of effectiveness is undertaken against the core functions of the committee with the CIPFA guidance; it is not included in the effectiveness checklist but has been graded on a similar basis.

Financial Reporting

For policing bodies the draft financial statements must be signed off by 31 May, as the 30 working day period for the exercise of public rights must include the first 10 days in June.

The latest date for publication of the audited statements is 31 July.

The guidance from CIFPA recommends that it is good practice for the accounts and the AGS to be reviewed by the audit committee prior to the commencement of the external audit.

Audit committees may undertake a review of the statements and satisfy themselves that appropriate steps have been taken to meet statutory and recommended professional practices. This is recommended to include reviewing the narrative report to ensure consistency with the statements and the financial challenges and risks facing the organisation in the future. The guidance also notes that the Committee should give consideration to the accessibility, readability and understandability of the statements to the lay person e.g. use of plain English and key messages. The Committee should review the financial statements prior to approval, although best practice is to review the accounts prior to the commencement of the audit.

Self-evaluation, examples, areas of strength and weakness

The statement of accounts is presented to the Joint Audit Committee prior to formal approval and at a joint meeting of the Committee and the Public Accountability Conference. This facilitates members in undertaking their review of financial statements and providing assurances to the Commissioner and Chief Constable.

The financial statements are supported by a report from the Joint Chief Finance Officer that consolidates for members all key areas of assurance on which they can place reliance in respect of the statements and details significant areas of risk and the basis of material judgments. This dialogue assists in explaining a number of complex transactions within the 2017/18 statements arising from changes in legislation that have impacted on how the Chief Constables financial position is presented. During 2018/19 the draft unaudited accounts for 2017/18 were again, for the second time, reported to the Committee in May 2018, prior to publication on the website, in order to provide members with an early opportunity to review and scrutinise the accounts. The subsequent audited accounts were presented in July alongside the External Auditors Audit Findings report.

The financial statements are supported by a report that consolidates all key areas of assurance and details significant areas of risk and the basis of material judgments.

The revised arrangements for the earlier production of the annual financial statements come into effect from the Statement of Accounts for 2017/18. The revised arrangements (implemented during 2017/18) mean that the committee will now receive the draft subject to audit statements at the May meeting and the audited statements at their meeting in July.

Conclusion and Overall Assessment: **Assessment Grade 5**

The Committee is now fully compliant with the CIPFA guidance and best practice standards in relation to its contribution to financial reporting. This is as a result of the change, introduced in 2017/18 for the 2016/17 financial statements, and was repeated in 2018/19 for the 2017/18 financial statements whereby the committee received the draft Statement of Accounts at the May meeting, prior to audit and publication on the website.

Partnership Governance and Collaboration Agreements

Organisations commonly have a wide range of partnership and collaborative arrangements including strategic relationships with other public sector organisations, shared service arrangements, commercial relationships and a range of service delivery arrangements. CIFPA guidance recognises that ensuring the adequacy of governance and risk management over such arrangements can be complicated, but it is important as accountability for performance and stewardship of public funds remains with the organisation.

The audit committee's role should be to consider the assurance available on whether the partnership or collaboration arrangements are satisfactorily established and are operating effectively. The committee should satisfy itself that the principles of good governance underpin the partnership arrangements. For example, the audit committee should seek assurance that the organisation has appropriate arrangements to identify and manage risks, ensure good governance and obtain assurance on compliance. The committee may also want to know what arrangements have been put in place to maintain accountability to stakeholders and ensure transparency of decision making and standards or probity are maintained.

The Committee should consider how assurances of governance are gained in respect of partnership arrangements and may seek to consider these assurances through processes for the AGS.

The arrangements in respect of governance for partnerships are set out in the appropriate governance documents that are presented to the Committee for cyclical review as part of their review of governance. During 2018/19 members reviewed and contributed to the further development of the Role of the Joint CFO, the Joint Procurement Regulations, Financial Regulations and Financial Rules.

The overall arrangements for partnerships are set out within the Commissioner and Chief Constable's Code of Corporate Governance which was received by members in May 2018 alongside the AGS, setting out how those arrangements have been complied with.

Conclusion and Overall Assessment: **Assessment Grade 5**

In respect of partnership governance the Committee receives assurance from a number of sources within the overall arrangements for governance. The conclusion is that there is clear evidence from some sources that the Committee is actively and effectively supporting improvements across some aspects of this area.

Governance and Ethical Values

Public sector entities are accountable not only for how much they spend but also the ways they use resources with which they are entrusted.

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

With its core role of supporting good governance, support for the ethical framework of the organisation is also important for the audit committee. In addition, public sector organisations have an overarching mission to serve the public interest in adhering to the requirements of legislation and government policies. This makes it essential that the entire entity can demonstrate the integrity of all its actions and has mechanisms in place that encourage and enforce a strong commitment to ethical values and legal compliance at all levels. As part of its review of governance arrangements, the audit committee should be satisfied that there are adequate arrangements to achieve this. All organisations should have regard to the Seven Principles of Public Life, known as the Nolan Principles. Within policing, this is further enforced by the College of Policing's Code of Ethics.

As part of the annual governance review, the audit committee should consider how effectively the seven principles and code of ethics are supported.

The arrangements for ethics and integrity are covered within the AGS. In addition, the audit committee review on a cyclical basis the arrangements for anti-fraud and corruption which include sections in relation to abuse of authority for sexual gain and arrangements in place for whistle-blowing.

Conclusion and Overall Assessment: **Assessment Grade 5**

In respect of governance and ethical values the Committee receives assurance from a number of sources within the overall arrangements for governance. The conclusion is that there is clear evidence from some sources that the Committee is actively and effectively supporting improvements across some aspects of this area.

Section Two: Possible Wider Functions of an Audit Committee

Ethical Values and Treasury Management

The Committee has received and reviewed the Treasury Management Strategy, including related investment and borrowing policies and a comprehensive document covering treasury management practices

The Joint Audit Committee undertake two areas of work that CIPFA guidance acknowledges are appropriate to the role of the Committee but not a core function. These areas are Ethical Values and Treasury Management.

In relation to ethical values the guidance acknowledges the role of the Committee in promoting high standards and that it may take on the role and responsibilities of a standards committee.

With regards to Treasury Management the Committee may be nominated as the responsible body for ensuring effective scrutiny of the Treasury Management Strategy and policies. The guidance is clear that this excludes executive and decision making roles in relation to this function. Scrutiny involves developing an understanding of treasury matters and receiving treasury activity reports to support this, reviewing policies and procedures, treasury risks and assurances.

Self-evaluation, examples, areas of strength and weakness

Evaluation of the role of the Committee in respect of ethical values is covered in the section on good governance & countering fraud and corruption⁵. In respect of treasury management the Committee received and reviewed at its March 2018 meeting the treasury management strategy, including related investment and borrowing policies and a comprehensive document covering treasury management practices that would apply to the 2018/19 financial year.

During 2018/19 members have also received and reviewed the arrangements for Treasury Management proposed for 2019/20. This included a robust scrutiny of the strategy, where members have been keen to ensure an appropriate balance between risk and return in respect of the range of permissible investment counterparties and increased risk in the more traditional banking investments.

To ensure members sufficiently understand treasury matters, training has been provided by the Commissioner's treasury management advisors and treasury management activities reports are presented to the Committee at every regular meeting. This understanding is further supported by the skills and experience profile of members

⁵ The conclusion and assessment of that review is a grade 5
Corporate Support / Financial Services / MB

of the Committee. During 2018/19 members also received a further internally led development session on Treasury Management and Prudential Indicators to supplement the information provided annually by the Commissioners treasury advisors.

Conclusion⁶ : Assessment Grade 5

The Committee is fully compliant with the CIPFA guidance through a combination of the activity undertaken and the; particular specialist mix of skills and experience within the Committee membership.

⁶ This assessment of effectiveness is undertaken against the core functions of the committee with the CIPFA guidance; it is not included in the effectiveness checklist but has been graded on a similar basis.
Corporate Support / Financial Services / MB

Section Three: Independence and Accountability

CIPFA guidance sets out a position statement that covers the key features that should be evidenced within all Audit Committees.

Outside of this statement arrangements should reflect local circumstances and focus on factors promoting effectiveness. The Committee is fully compliant with the requirements within the CIPFA guidance to ensure independence and accountability. Specifically:

- The Committee acts as the principal non-executive advisory function supporting those charged with governance⁷ and is independent of executive and operational responsibilities. The Committee has access to and is accountable to the Commissioner, the Chief Constable and the respective Chief Officers of both entities, meets at least 5 times a year and operates with a set of Committee standing orders to regulate business including matters received in public and those to be considered in private.
- The Committee meets privately and independently with both the external auditors and the internal auditors (separately) as part of its annual agenda.
- The Chief Officers⁸ or appropriate senior substitutes of the Commissioner and Chief Constable attend all meetings of the Committee. Internal audit and external audit are in attendance in addition to other officers as appropriate to the agenda. The Committee is able to call on other officers as required. The Committee is well attended, attendance for 2018/19 is set out at Appendix C.
- This report constitutes the Annual Report on the assessment of the Committee's performance and is reported to the Public Accountability Conference and the Police and Crime Panel.
- The arrangements for the Committee comply with the guidance set out within the Home Office Financial Management Code of Practice. The Code states that the Commissioner and Chief Constable should establish an independent Audit Committee. It is recommended that this is a joint committee and that the Commissioner and Chief Constable should have regard to the CIPFA Guidance on Audit Committees.
- The Committee maintains its independence by ensuring a focus through the work programme on oversight of governance, risk, control and the audit process. It has no delegated decision

⁷ The Commissioner and the Chief Constable

⁸ Joint Chief Finance Officer, Chief Executive, Deputy Chief Constable
Corporate Support / Financial Services / MB

making or approval powers from the Commissioner or Chief Constable.

- Agenda items are planned up to 12 months in advance through the development of an annual work programme agreed by the Committee in March and developed from the assurances needed to fulfil the Committee's terms of reference.
- The relationship between the Committee and the Joint Chief Finance Officer is one of reciprocal support and constructive challenge.
- The Committee receives full audit reports at the point in which they are agreed, determining those that should be considered as part of the formal Committee agenda on the grounds of the materiality and significance of audit findings.
- All meetings of the Committee are held in public and members have actively challenged the reasons for any issues being discussed in private. Agendas and papers are published on the Commissioner's website supporting accountability and transparency.
- The work program of the Committee ensures it can be effective in holding to account those officers who are responsible for implementing recommendations and actions arising from review. This is achieved through monitoring reports presented at each Committee meeting.
- The assurance format of the Committee's work programme and this Annual Report ensure that the Committee itself is effectively held to account for its own performance.

Conclusion⁹ : Assessment Grade 5

The Committee is fully compliant with the CIPFA guidance in respect of independence and accountability. This is based on the arrangements for the Committee that ensures independence, compliance with regulatory requirements and public accountability.

⁹ This assessment of effectiveness is undertaken against the core functions of the committee with the CIPFA guidance; it is not included in the

effectiveness checklist but has been graded on a similar basis.

Section Four: Membership and Effectiveness

CIPFA guidance recognises that the membership, composition and operation of the audit committee is a key factor in achieving the characteristics of a good audit committee.

Police audit committees should comprise between three and five members who are independent of the Commissioner and Chief Constable

These are defined as:

- Membership that is balanced, objective, independent of mind, knowledgeable and properly trained to fulfil their role.
- Membership that is supportive of good governance principles and their practical application towards the achievement of organisational objectives
- A strong, independently minded chair, displaying a depth of knowledge, skills and interest
- Unbiased attitudes – treating auditors, the executive and management fairly
- The ability to challenge the executive and senior managers when required.

Police audit committees should comprise between three and five members who are independent of the Commissioner and Chief Constable. Recruitment should be publically advertised with a job description that sets out requirements for knowledge and expertise. Candidates should be able to demonstrate their political independence. Appointments should be for a fixed term and formally approved by the Commissioner and Chief Constable and members should follow a Code of Conduct. The guidance acknowledges that the role of Chair may be advertised specifically and will need to take into account the characteristics required by an effective Chair. Induction training and other briefing and training updates should form part of a programme informed by a review of knowledge and skills.

Self-evaluation, examples, areas of strength and weakness

Membership, composition and operation of the Joint Audit Committee comply with the CIPFA guidance. The Committee comprises four independent members, appointed through public advert for a tenure of 4 years, with a potential to extend to a maximum of 8 years in compliance with the practices recommended by Standards for England. Independence and objectivity, including political independence is secured through restrictions on membership. Specifically membership excludes:

- Serving elected members/officers of a Council/Local Authority represented on the Cumbria Police and Crime Panel and/or similar Cumbria public sector bodies
- Former elected members/officers of the above Council/bodies (time restricted to 3 years)
- Serving Police Officers and Police staff and former Police Officers/staff (time restricted to 3 years)

- Individuals active in local or national politics
- Individuals who have significant business or personal dealings with the Constabulary/OPCC
- Individuals who have close relationships with any of the above including immediate family members

In addition, standard disqualifications apply to ensure the avoidance of any reputational embarrassment, for example individuals who have been removed from a trusteeship of a charity, anyone under a disqualification order under the Company Directors Disqualification Act. Appointed committee Members are required to abide by a Code of Conduct and Member/Officer Protocol.

The requisite skills and experience of members are secured through the recruitment process based on a role profile. The profiles distinguish between the experience and skills expected of the Committee Chair and those expected of Committee members. The role profile is supported by a person specification that sets out essential and desirable skills, experience and ability across a range of governance, risk, finance and audit requirements. The person specification requirements are set out below. The role profiles for committee members, which were updated in November 2018 are set out at appendix E.

Essential experience and knowledge	Special aptitudes, intelligence and skills	Desirable experience and knowledge
<ul style="list-style-type: none"> • <i>Experience in Chairing at Committee/Board level.</i> • Sound experience of strategic planning, risk management and performance management. • Ability to assure financial and statistical information • Experience of leading or conducting or reviewing audit activity. • Experience of scrutinising financial information and processes. • Knowledge of best practices in governance and internal control • Good understanding of the roles of Internal and External Audit. 	<ul style="list-style-type: none"> • <i>Be able to demonstrate leadership skills to fulfil the responsibilities of the Audit Committee Chair.</i> • Ability and confidence to challenge and hold to account. • Treat auditors, executives and management equally and with respect. • To maintain an up to date knowledge and awareness of national and local policing and crime issues. • To have high ethical standards • Good communication skills, both written and oral, with the ability to actively contribute to discussion and debate 	<ul style="list-style-type: none"> • Practical experience in the financial and/or general management of businesses or public sector organisations. • Experience of a Local Government Environment. • Audit Committee/Standards Committee (or equivalent) experience. • Professional Financial Qualification (CCAB or Audit based)

Note – text in italic relates to skill relevant only to the committee chair.

Members are recruited independently of the Commissioner and Chief Constable but are subject to their approval. During 2018/19 there have been no changes to the committee membership, one member came to the end of their initial four year tenure and was approved for a second four year term. During 2020/21 one independent member will come to the end of their initial four year tenure and two members will reach the end of their second four year tenure period and as a result will have to leave the committee. Arrangements for recruitment will be put in place early in 2020/21 to ensure the smooth continuation of the committee.

The work programme for members has again for 2018/19 included formalised development seminars prior to Committee meetings, these sessions support members with a more in-depth understanding of areas within the remit of the Committee's terms of reference. During 2018/19 the development sessions have included treasury management (with the Commissioner's external advisors), Prudential Indications, ICT Security, the Police and Crime Plan, the budget and the medium term financial forecast. Over the course of the year each committee member has attended a meeting of the Police and crime Panel as an observer. In addition, in April 2019 members visited the Safeguarding hub and received presentations from police and childrens' services representatives, members were also given the opportunity to talk to staff working within the hub from all partner organisations. Throughout 2018/19, the meeting agenda has continued to include a corporate update from both the Constabulary and the OPCC, this update is usually provided by the Deputy Chief Constable/Joint Chief Finance Officer and Chief Executive and provides a flavour of the key issues facing the Constabulary/OPCC at the time. In December, the committee chair attended the Public Sector Audit Appointments (PSAA) Local Audit Quality Forum. For 2019/20, members have specifically requested an additional internal development session on Apprenticeship as part of the Police Education Qualification Framework (PEQF).

Conclusion¹⁰ : Assessment Grade 5

The Committee is compliant with the CIPFA guidance in respect of effective membership. This is based on the arrangements for the composition, recruitment and operation of the Committee that ensures independence and a specialist mix of skills and experience that make the Committee members effective in their roles. Effectiveness of members scrutiny function has been enhanced during 2018/19 through the continuation of a more structured approach to member development and the regular inclusion of a corporate update on the agenda for all meetings. In addition, copies of all HMICFRS inspection reports are now routinely provided to members and the opportunity to discuss these reports and receive an update regarding report recommendations is included on the agenda for meetings.

¹⁰ This assessment of effectiveness is undertaken against the core functions of the committee with the CIPFA guidance; it is not included in the effectiveness checklist but has been graded on a similar basis.

Joint Audit Committee 2018/19 Activities

Thursday 24 May 18	Thursday 19 July 18	Wednesday 12 September 18	Thursday 22 November 18	Wednesday 20 March 19
PRIVATE INTERNAL AUDIT MEETING: Confidential meeting of Committee members only and the Internal Auditors. (IA)	PRIVATE EXTERNAL AUDIT MEETING: Confidential meeting of Committee members only and the external auditors. (GT)	PRIVATE DEVELOPMENT SESSION: Part 1 - JASC Action Plan Part 2 -Grant Thornton Event Feedback Part 3 -Police & Crime Plan	PRIVATE DEVELOPMENT SESSION: , Part 1 - Arlingclose LTD, to provide an update on Treasury Management developments (DCFO). Part 2 - ICT and PSD to provide a briefing on ICT Security.	PRIVATE DEVELOPMENT SESSION: Medium Term Financial Forecast, change programme & value for money (CFO)
Regular Reports				
CORPORATE UPDATE: To receive a briefing on matters relevant to the remit of the Committee (DCC & CE)	CORPORATE UPDATE: To receive a briefing on matters relevant to the remit of the Committee (DCC & CE)	CORPORATE UPDATE: To receive a briefing on matters relevant to the remit of the Committee (DCC & CE)	CORPORATE UPDATE: To receive a briefing on matters relevant to the remit of the Committee (DCC & CE)	CORPORATE UPDATE: To receive a briefing on matters relevant to the remit of the Committee (DCC & CE)
TREASURY MANAGEMENT ACTIVITIES: To receive for information reports on Treasury Management Activity - Quarter 4/Annual Report (DCFO)	N/A	TREASURY MANAGEMENT ACTIVITIES: To receive for information reports on Treasury Management Activity - Quarter 1 (DCFO)	TREASURY MANAGEMENT ACTIVITIES: To receive for information reports on Treasury Management Activity - Quarter 2 (DCFO)	TREASURY MANAGEMENT ACTIVITIES: To receive for information reports on Treasury Management Activity - Quarter 3 (DCFO)
N/A	INTERNAL AUDIT – PROGRESS REPORT: To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan. (IA)	INTERNAL AUDIT – PROGRESS REPORT: To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan. (IA)	INTERNAL AUDIT – PROGRESS REPORT: To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan. (IA)	INTERNAL AUDIT – PROGRESS REPORT: To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan. (IA)
INTERNAL AUDIT REPORT(S): To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee. (IA)	INTERNAL AUDIT REPORT(S): To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee. (IA)	INTERNAL AUDIT REPORT(S): To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee. (IA)	INTERNAL AUDIT REPORT(S): To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee. (IA)	INTERNAL AUDIT REPORT(S): To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee. (IA)
N/A	STRATEGIC RISK REGISTER: To consider the OPCC and Constabulary strategic risk register as part of the Risk Management Strategy. (CE/GM & DCC)	STRATEGIC RISK REGISTER: To consider the OPCC strategic risk register as part of the Risk Management Strategy. (CE/GM)	STRATEGIC RISK REGISTER: To consider the OPCC and Constabulary strategic risk register as part of the Risk Management Strategy. (CE or GM & DCC)	STRATEGIC RISK REGISTER: To consider the OPCC and Constabulary strategic risk register as part of the Risk Management Strategy. (CE/GM & DCC)
N/A	MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS: To receive an updated summary of actions implemented in response to audit and inspection recommendations. (CFO)	MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS: To receive an updated summary of actions implemented in response to audit and inspection recommendations. (CFO)	MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS: To receive an updated summary of actions implemented in response to audit and inspection recommendations. (CFO)	MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS: To receive an updated summary of actions implemented in response to audit and inspection recommendations. (CFO)
Cyclical/Annual Reports				
EXTERNAL AUDIT FEES: To receive from the external auditors the proposal in respect of audit fees. (GT)	AUDIT FINDINGS REPORT: To receive from the external auditors the Audit Findings Report in respect of the annual audit of the financial statements and incorporating the External Auditor's Value for Money Conclusion. (GT)	ANNUAL AUDIT LETTER: To receive from the External Auditors the Annual Audit Letter and reports (GT).	ANNUAL REVIEW OF GOVERNANCE: To review the OPCC and Constabulary arrangements for governance; cyclical review over a three years. (Relevant Chief Officers)	TREASURY MANAGEMENT STRATEGY AND TREASURY MANAGEMENT PRACTICES: To review the annual Treasury Management Strategy incorporating the policy on investment and borrowing activity and treasury management practices. (DCFO)

Joint Audit Committee 2018/19 Activities

Thursday 24 May 18	Thursday 19 July 18	Wednesday 12 September 18	Thursday 22 November 18	Wednesday 20 March 19
Cyclical/Annual Reports (continued)				
RISK MANAGEMENT MONITORING: To receive an annual report from the Chief Executive on Risk Management Activity including the Commissioner's arrangements for holding the CC to account for Constabulary Risk Management. (CE/GM)	ASSURANCE FRAMEWORK STATEMENT OF ACCOUNTS: To receive a report from the Joint CFO in respect of the PCC's and CC's framework of assurance. (CFO)		ANNUAL GOVERNANCE STATEMENT DEVELOPMENT AND IMPROVEMENT PLAN UPDATE: To receive an update on progress against the development and improvement plan within the annual governance statement (CFO)	RISK MANAGEMENT STRATEGY: To provide the tri-ennial review of the COPCC (CE/GM) and Constabulary (DCC) Risk Management Strategies. (next due 2020)
ANTI-FRAUD AND CORRUPTION ACTIVITIES: To receive an annual report from the Chief Executive on activity in line with the arrangements for anti-fraud and corruption. (CE/GM)	ANNUAL STATEMENT OF ACCOUNTS: To receive the audited Statement of Accounts for the Commissioner and Chief Constable and Group Accounts and consider a copy of a summarised non-statutory version of the accounts (DCFO)			ANNUAL WORK PROGRAMME: ASSURANCE FORMAT: To review and approve an annual work programme covering the framework of assurance against the Committee's terms of reference. (DCFO)
ETHICS AND INTEGRITY GOVERNANCE: To receive an annual report from the chair of the Ethics and Integrity Panel.	PCC ANNUAL REPORT To receive a copy of the PCCs annual report. (CE)			EXTERNAL AUDIT PLAN: To receive from the external auditors the Joint Annual External Audit Plan. (GT)
INTERNAL AUDIT –ANNUAL REPORT: To receive the Head of Internal Audit's Annual Report including the Annual Audit Opinion. (IA)				EXTERNAL AUDIT UPDATE REPORT: To receive from the external auditors an update report in respect of progress on the external audit plan. (GT)
EFFECTIVENESS OF INTERNAL AUDIT: To receive a report from the Joint Chief Finance Officer in respect of the effectiveness of internal audit. (DCFO)				PROPOSED INTERNAL AUDIT PLAN/ INTERNAL AUDIT CHARTER: To receive a report from the Internal Auditors on the proposed Internal Audit Annual Plan and any proposed revisions. To receive a copy of the internal audit charter from the Internal Auditors. (IA)
JOINT AUDIT AND STANDARDS COMMITTEE - REVIEW OF EFFECTIVENESS: To receive a report reviewing the effectiveness of the Committee as a contribution to the overall effectiveness of arrangements for governance. (DCFO)	JOINT AUDIT AND STANDARDS COMMITTEE - ANNUAL REPORT: To receive an annual report of the Committee. Once approved this annual report will be presented to the Police and Crime Panel by the chair of JASC. (DCFO)			QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME: To receive from the Internal Auditors a report setting out the arrangements for quality assurance and improvement. (IA)

Joint Audit Committee 2018/19 Activities

Thursday 24 May 18	Thursday 19 July 18	Wednesday 12 September 18	Thursday 22 November 18	Wednesday 20 March 19
Cyclical/Annual Reports (continued)				
<p>ANNUAL GOVERNANCE STATEMENT</p> <ul style="list-style-type: none"> ▪ Effectiveness of Governance Arrangements: To receive a report from the Joint CFO on the effectiveness of the PCC's and CC's arrangements for Governance. ▪ Code of Corporate Governance: To consider the PCC/CC Code of Corporate Governance ▪ Annual Governance Statement: To consider the PCC/CC Annual Governance Statement for the financial year and to the date of this meeting 				<p>VALUE FOR MONEY: To receive an annual report on Value for Money within the OPCC and Constabulary. (DCI)</p>
<p>ANNUAL STATEMENT OF ACCOUNTS: To receive the un-audited Statement of Accounts for the Commissioner and Chief Constable and Group Accounts and consider a copy of a summarised non-statutory version of the accounts (DCFO)</p>				<p>INTERNAL AUDIT: External Quality Assessment (5 yearly, next one due 2023)</p>
Ad Hoc Reports				
<p>ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, INSPECTION: To consider any other reports falling within the remit of the Committee's terms of reference</p>	<p>ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, INSPECTION: To consider any other reports falling within the remit of the Committee's terms of reference</p>	<p>ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, INSPECTION: To consider any other reports falling within the remit of the Committee's terms of reference</p>	<p>ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, INSPECTION: To consider any other reports falling within the remit of the Committee's terms of reference</p>	<p>ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, INSPECTION: To consider any other reports falling within the remit of the Committee's terms of reference</p>
<p>EXTERNAL AUDIT UPDATE REPORT: To receive from the external auditors an update report in respect of progress on the external audit plan. <i>Deferred from March'18 (GT)</i></p>			<p>Update on Procurement (requested 23/07 meeting). New Head of Procurement in Post 01/10/18. How are things progressing, recruitment update, housekeeping etc.</p>	
<p>JOINT PROCUREMENT REGULATIONS: To review the Joint Procurement Regulations as part of cyclical arrangements for governance. <i>Deferred from Nov'17 (DCS)</i></p>			<p>OPCC Restructure Report and update on CE Role, to go to JASC following report to PCP in Oct'18 at next meeting (requested 23/07/18).</p>	
<p>JOINT CHIEF FINANCE OFFICER: To receive a report from the Joint Chief Finance Officer providing an update on how the arrangements for a shared Joint Chief Finance Officer are working. (JCFO)</p>				

Joint Audit Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: Governance, Risk and Control		
2.1) Review the corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance. Note - Underlined governance documents are scheduled for review in 2019.	May (Ethics and Integrity Annual Report)	ETHICS AND INTEGRITY GOVERNANCE: To receive an annual report from the Chair of the Ethics and Integrity Panel, advising the Committee of the work of the Panel over the previous year and matters pertaining to governance in respect of the arrangements for ethics and integrity.
	November: (All governance reviews excluding ethics and integrity)	ANNUAL REVIEW OF GOVERNANCE: To review the COPCC and Constabulary arrangements for governance; cyclical review over a three years covering: <ul style="list-style-type: none"> ▪ <u>Role of the Chief Finance Officer: annual review (2019)</u> ▪ <u>Financial Regulations & Financial Rules: bi-ennial review (2020)</u> ▪ <u>Grant Regulations: tri-annual review (2019)</u> ▪ <u>Scheme of Delegation/Consent: annual review (2019)</u> ▪ <u>Joint Procurement Regulations: bi-ennial review (2019)</u> ▪ <u>Risk Management Strategy: tri-ennial review (2020)</u> ▪ <u>Joint Audit Committee Terms of Reference & Role Profiles: tri-ennial review (2021)</u> ▪ <u>Arrangements for Anti-Fraud and Corruption /whistleblowing: bi-ennial review (2019)</u>
2.2) Review the Annual Governance Statements prior to approval and consider whether they properly reflect the governance, risk and control environment and supporting assurances and identify any actions required for improvement	May	ANNUAL GOVERNANCE STATEMENT
	July (updated governance statement prior to approval and publication)	<ul style="list-style-type: none"> ▪ Effectiveness of Governance Arrangements: To receive a report from the Joint CFO on the effectiveness of the PCC's and Chief Constable's arrangements for Governance. ▪ Codes of Corporate Governance: To consider the PCC/CC Codes of Corporate Governance ▪ Annual Governance Statements: To consider the PCC/CC Annual Governance Statements for the financial year and to the date of this meeting
	November	ANNUAL GOVERNANCE STATEMENT DEVELOPMENT AND IMPROVEMENT PLAN UPDATE: To receive an update on progress against the development and improvement plan within the annual governance statement.

Joint Audit Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: Governance, Risk and Control		
2.3) Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements	Every meeting excluding May	INTERNAL AUDIT REPORT: To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee <i>(NB audit work in compliance with PSIAS will cover a specific control objective on 'value: the effectiveness and efficiency of operations and programmes'. Specific audit recommendations will be categorised within audit reports under this heading.)</i>
	March	To receive an annual report on Value for Money within both the Office of the Police and Crime Commissioner and the Constabulary.
	July	AUDIT FINDINGS REPORT: To receive from the external auditors the Annual Audit Findings Report incorporating the External Auditor's Value for Money Conclusion.
2.4) Consider the framework of assurance and ensure that it adequately addresses the risks and priorities of the OPCC and Constabulary	March	ANNUAL WORK PROGRAMME: ASSURANCE FORMAT: To review and approve an annual work programme covering the framework of assurance against the Committee's terms of reference.
	July	FRAMEWORK OF ASSURANCE: STATEMENT OF ACCOUNTS: To receive a report from the Joint CFO in respect of the PCC's and CC's framework of assurance.
2.5) Monitor the effective development and operation of risk management, review the risk profile, and monitor progress of the Police and Crime Commissioner and the Chief Constable in addressing risk-related issues reported to them	March	RISK MANAGEMENT STRATEGY: To provide the cyclical (3yr) review of the OPCC and Constabulary Risk Management Strategies. (NB. Next due in March 2020)
	May	RISK MANAGEMENT MONITORING: To receive an annual report from the Chief Executive on Risk Management Activity including the Commissioner's arrangements for holding the CC to account for Constabulary Risk Management.
	Every meeting excluding May	STRATEGIC RISK REGISTER: To consider the OPCC and Constabulary strategic risk register as part of the Risk Management Strategy.
2.6) Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions	Every meeting excluding May	INTERNAL AUDIT REPORT: To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee.
		MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS: To receive an updated summary of actions implemented in response to audit and inspection recommendations.

Joint Audit Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: Governance, Risk and Control (Continued)		
2.7) Review arrangements for the assessment of fraud risks and potential harm from fraud and corruption and monitor the effectiveness of the counter-fraud strategy, actions and resources	November – cyclically when updated	ARRANGEMENTS FOR ANTI-FRAUD AND CORRUPTION: To receive the OPCC and Constabulary strategy, policy and fraud response plan.
	May	ANTI-FRAUD AND CORRUPTION ACTIVITIES: To receive an annual report from the Chief Executive on activity in line with the arrangements for anti-fraud and corruption.
2.8) To review the governance and assurance arrangements for significant partnerships or collaborations.	Ad-hoc	To receive reports on proposed governance arrangements when significant new partnerships or collaborations are entered into.
Terms of Reference: Internal Audit		
3.1) Annually review the internal audit charter and resources	March	INTERNAL AUDIT CHARTER: To receive a copy of the internal audit charter from the Internal Auditors.
3.2) Review the internal audit plan and any proposed revisions to the internal audit plan	March/Ad-hoc	PROPOSED INTERNAL AUDIT PLAN: To receive a report from the Internal Auditors on the proposed Internal Audit Annual Plan and any proposed revisions.
3.3) Oversee the appointment and consider the adequacy of the performance of the internal audit service and its independence	March	QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME: To receive from the Internal Auditors a report setting out the arrangements for quality assurance and improvement.
	May	EFFECTIVENESS OF INTERNAL AUDIT: To receive a report from the Joint Chief Finance Officer in respect of the effectiveness of internal audit.
	Quarterly	INTERNAL AUDIT PERFORMANCE: To receive from the Internal Auditors quarterly reports on the performance of the service against a framework of performance indicators <i>(provided within the internal audit progress reports and annual report.)</i>
	May	PRIVATE INTERNAL AUDIT MEETING: Confidential meeting of Committee members only and the Internal Auditors
3.4) Consider the Head of Internal audit's annual report and opinion, and a regular summary of the progress of internal audit activity against the audit plan, and the level of assurance it can give over corporate governance arrangements	May	INTERNAL AUDIT –ANNUAL REPORT: To receive the Head of Internal Audit's Annual Report including the Annual Audit Opinion and details of compliance with PSIAS and LGAN.
	Every meeting excluding May	INTERNAL AUDIT – PROGRESS REPORT: To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan.

Joint Audit Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: Internal Audit (Continued)		
3.5) To consider the Head of Internal Audit's statement of the level of conformance with the Public Sector Audit Standards (PSIAS) and Local Government Application Note (LGAN) and the result of the Quality Assurance and Improvement Programme (QAIP) that support that statement - these will indicate the reliability of the conclusions of internal audit.	March	QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME: To receive from the Internal Auditors a report setting out the arrangements for quality assurance and improvement.
	May	INTERNAL AUDIT –ANNUAL REPORT: To receive the Head of Internal Audit's Annual Report including the Annual Audit Opinion and details of compliance with PSIAS and LGAN.
3.6) Consider summaries of internal audit reports and such detailed reports as the Committee may request from the Police and Crime Commissioner and the Chief Constable, including issues raised or recommendations made by the internal audit service, management response and progress with agreed actions	Every meeting	INTERNAL AUDIT REPORTS: To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee.
3.7) Consider a report on the effectiveness of internal audit to support the Annual Governance Statement	May	EFFECTIVENESS OF INTERNAL AUDIT: To consider a report of the Joint Chief Finance Officer reviewing the effectiveness of Internal Audit.
3.8) To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Head of Internal Audit. To make recommendations on safeguards to limit such impairments and periodically review their operation.	May	INTERNAL AUDIT –ANNUAL REPORT: To receive the Head of Internal Audit's Annual Report including relevant disclosures regarding impairments to independence or objectivity arising from additional roles or responsibilities outside internal auditing of the Head of Internal Audit.

Joint Audit Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: External Audit/External Inspection		
4.1) Advise on the selection of external auditors.	Ad-hoc	To receive a report on the proposed selection process for the appointment of new external auditors.
4.2) Support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised either by Public Sector Audit Appointments (PSAA) or the auditor panel as appropriate.	July	AUDIT FINDINGS REPORT: To receive from the external auditors the Audit Findings Report in respect of the annual audit of the financial statements and incorporating the External Auditor's Value for Money Conclusion. This also includes a statement with regard to Independence.
4.3) Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money	March	EXTERNAL AUDIT PLAN: To receive from the external auditors the Annual External Audit Plan
	May	EXTERNAL AUDIT FEES: To receive from the external auditors the proposal in respect of audit fees.
4.4) Consider the external auditor's annual management letter, relevant reports and the report to those charged with governance	November/Ad-hoc	ANNUAL AUDIT LETTER: To receive from the External Auditors the Annual Audit Letter and reports
	March	EXTERNAL AUDIT PLAN UPDATE: To receive from the external auditors an update report in respect of progress on the external audit plan
4.5) Consider specific reports as agreed with the external auditors/specific inspection reports e.g. HMICFRS, relevant to the Committee's terms of reference	Every meeting excluding May	ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, HMICFRS/INSPECTION: To consider any other reports falling within the remit of the Committee's terms of reference
4.6) Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies and relevant bodies	July	PRIVATE EXTERNAL AUDIT MEETING: Confidential meeting of Committee members only and the external auditors

Joint Audit Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: Financial Reporting		
5.1) Review the Annual Statement of Accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit of the financial statements that need to be brought to the attention of the Commissioner and/or the Chief Constable	July	ASSURANCE FRAMEWORK: STATEMENT OF ACCOUNTS: To receive a report from the joint CFO in respect of the PCC’s framework of assurance; To receive a report from the Deputy Chief Constable/CC in respect of the CC’s framework of assurance.
	July	ANNUAL STATEMENT OF ACCOUNTS: To receive the audited Statement of Accounts for the Commissioner and Chief Constable and Group Accounts and consider a copy of a summarised non-statutory version of the accounts
5.2) Consider the external auditor’s report to those charged with governance on issues arising from the audit of the financial statements	July and September (final report)	AUDIT FINDINGS REPORT: To receive from the external auditors the Audit Findings Report in respect of the annual audit of the financial statements and incorporating the External Auditor’s Value for Money Conclusion.
Terms of Reference: Accountability Arrangements		
6.1) On a timely basis report to the Commissioner and the Chief Constable with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management	Every meeting (where appropriate)	To be discussed in Committee meetings and noted as feedback in the minutes.
6.2) Report to the Commissioner and the Chief Constable on its findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks; financial reporting arrangements and internal and external audit functions	Every meeting (where appropriate)	To be discussed in Committee meetings and noted as feedback in the minutes.

Joint Audit Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: Accountability Arrangements		
6.3) Review its performance against its terms of reference, objectives and compliance with CIPFA best practice on the role of the Audit Committee. Report the results of this review to the Commissioner and the Chief Constable by means of an Annual Report including where appropriate an action plan detailing future planned improvements.	May	JAC Review of Effectiveness: To receive a report reviewing the effectiveness of the committee against the CIPFA framework as a contribution to the overall effectiveness of arrangements for governance
	July	JAC Annual Report: To receive the annual report of the committee (following the review of effectiveness undertaken in May). Following approval, the Annual Report will be presented to the Police and Crime Panel meeting in October by the chair of JAC.
6.4) Publish an annual report on the work of the committee.	July	JAC Annual Report: To receive the annual report of the committee (following the review of effectiveness undertaken in May). Following approval, the Annual Report will be presented to the Police and Crime Panel meeting in October by the chair of JAC.
6.5) Seek feedback from the Commissioner and Chief Constable on the performance of the audit committee and include this within the annual report of the committee.	July	JAC Annual Report: To receive the annual report of the committee (following the review of effectiveness undertaken in May). Following approval, the Annual Report will be presented to the Police and Crime Panel meeting in October by the chair of JAC.
6.6) To provide scrutiny of the Commissioners treasury management policy and processes in compliance with the CIPFA Code of Practice for Treasury Management, advising on risk and controls where appropriate.	March	TREASURY MANAGEMENT STRATEGY AND TREASURY MANAGEMENT PRACTICES: To review the annual Treasury Management Strategy incorporating the policy on investment and borrowing activity and treasury management practices.
6.7) To provide external scrutiny of the Constabulary's training arrangements as an employer provider for the PCSO apprenticeship scheme.	March	Apprenticeship Governance: To receive the annual Self-Assessment Report and accompanying Quality Improvement Plan.
	September	Apprenticeship Governance: To receive the mid year update on the Quality Improvement Plan.

Joint Audit Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: Treasury Management		
7.1) Review the Treasury Management policy and procedures to be satisfied that controls are satisfactory	March	TREASURY MANAGEMENT STRATEGY AND TREASURY MANAGEMENT PRACTICES: To review the annual Treasury Management Strategy incorporating the policy on investment and borrowing activity and treasury management practices.
7.3) Review the Treasury risk profile and adequacy of treasury risk management processes		
7.2) Receive regular reports on activities, issues and trends to support the Committee’s understanding of Treasury Management activities; the Committee is not responsible for the regular monitoring of activity	Every meeting excluding July	TREASURY MANAGEMENT ANNUAL REPORT/ACTIVITIES: To receive for information the treasury management annual report and an update on Treasury Management Activity.
	November	TREASURY MANAGEMENT ADVISORS: To receive briefings/training from the Commissioner’s Treasury Management advisors.
7.4) Review assurances on Treasury Management (for example, an internal audit report, external or other reports).	Every meeting excluding May (where applicable)	INTERNAL AUDIT REPORTS: To receive reports from Internal Audit Unit in respect of specific audits conducted since the last meeting of the Committee
Terms of Reference: Apprenticeship Scheme		
8.1) To provide external scrutiny, challenge and recommendations with regard to apprenticeships delivered by the Constabulary as an employer provider to meet the requirements of the Education Skills Funding Agency (ESFA) and Ofsted.	March	Apprenticeship Governance: To receive the annual Self-Assessment Report and accompanying Quality Improvement Plan.
	September	Apprenticeship Governance: To receive the mid year update on the Quality Improvement Plan.
8.2) receive regular reports in relation to the annual self-assessment report and quality improvement		

Governance Documents Review Schedule

Documents	Review Cycle	Lead Officer	November 2016	November 2017	March 2018	March 2019	March 2020	March 2021	March 2022
OPCC Risk Management Strategy	tri-ennial (from 2017 onwards)	Governance Manager Joanne Head	✓	✓	✗	✗	✓	✗	✗
Constabulary Risk Management Strategy	tri-ennial (from 2017 onwards)	Director of Corporate Improvement Jane Sauntson	✓	✓	✗	✗	✓	✗	✗
			November 2016	November 2017	November 2018	November 2019	November 2020	November 2021	November 2022
Role of the Joint Chief Finance Officer	annual	Deputy CFO Michelle Bellis	✓	✓	✓	✓	✓	✓	✓
Joint Procurement Regulations	bi-ennial	Head of Procurement Barry Leighton	✗	✓	✗	✓	✗	✓	✗
Scheme of Delegation/Consent	annual	Chief Executive/Communications & Engagement Executive, Gillian Shearer and/or Governance Manager, Joanne Head	✓	✓	✓	✓	✓	✓	✓
OPCC Arrangements for Anti-fraud & Corruption/Whistleblowing	bi-ennial	Chief Executive/Communications & Engagement Executive, Gillian Shearer and/or Governance Manager, Joanne Head	✗	✓	✗	✓	✗	✓	✗
Constabulary Arrangements for Anti-fraud & Corruption/Whistleblowing	bi-ennial	Head of People, Supt. Sarah Jackson and/or Head of Professional Standards	-	✓	✗	✓	✗	✓	✗
Financial Regulations & Financial Rules	bi-ennial	Deputy CFO Michelle Bellis	✓	✗	✓	✗	✓	✗	✓
Joint Audit Committee Terms of Reference and Role Profiles	tri-ennial	Deputy CFO Michelle Bellis	-	-	✓	✗	✗	✓	✗
Grant Regulations	tri-ennial	Chief Executive/Head of Partnerships and Commissioning, Vivian Stafford	✓	✗	✗	✓	✗	✗	✓

Attendance Listing for Joint Audit Committee Meetings 2018/19

	24 May 2018	19 July 2018	12 Sept 2018	22 Nov 2018	20 Mar 2019
Independent Members					
Mrs Fiona Daley (Chair)	✓	✓	✓	✓	✓
Mr Jack Jones	✓	✓		✓	✓
Mrs Fiona Moore	✓	✓	✓	✓	✓
Mr Malcolm Iredale	✓	✓	✓	✓	✓
Commissioner's Officers					
Police & Crime Commissioner for Cumbria (Peter McCall)		✓			
Chief Executive (Vivian Stafford)	✓			✓	✓
Chief Executive (Gillian Shearer)		✓	✓	✓	✓
Governance and Business Services Manager (Joanne Head)	✓			✓	
Constabulary Officers					
Chief Constable (Michelle Skeer)		✓			
Deputy Chief Constable (Mark Webster)	✓			✓	✓
Joint Chief Finance Officer (Roger Marshall)	✓	✓	✓	✓	✓
Constabulary Director of Corporate Support (Stephen Kirkpatrick)	✓	✓		✓	
Deputy Chief Finance Officer (Michelle Bellis)	✓	✓	✓	✓	✓
Financial Services Manager (Lorraine Holme)		✓			
Financial Services Trainee (Dawn Cowperthwaite /Monika Demczuk/Inge Redpath)	✓	✓	✓	✓	✓
Head of Procurement (Barry Leighton)				✓	
Detective Inspector (Safeguarding Hub) (Daniel StQuintin)				✓	
Apprenticeship Manager (Elaine Flowers)				✓	
Internal Audit					
Head of Internal Audit, Shared Internal Audit Services, Cumbria County Council (Richard McGahon)					✓
Audit Manager, Management Audit Unit, Cumbria County Council (Emma Toyne)	✓		✓	✓	✓
Principal Auditor shared Internal Audit Services, Cumbria County Council (Sarah Fitzpatrick)		✓			
External Audit					
Senior Manager, Grant Thornton LLP (Robin Baker)		✓		✓	
Auditor Manager, Grant Thornton LLP (Lynne Johnstone)					✓
Auditor Manager, Grant Thornton LLP (Hannah Foster)					✓

Joint Audit Committee - Role Profile

Job Title: Committee Chair

1. Job purpose / key responsibilities - Chair

- 1.1. The Chair of the committee is responsible for providing leadership to the committee in effectively discharging its duties and responsibilities as set out in the committee terms of reference.
- 1.2. Ensuring that the committee achieves its purpose of providing an independent assurance function for the governance, internal control, risk and financial and non-financial performance of the Constabulary and OPCC.
- 1.3. The Chair must create and manage effective working relationships among the committee, the Commissioner, the Chief Constable, Section 151 officer (Joint Chief Finance Officer) and both internal and external auditors.
- 1.4. Meet separately with the Section 151 officer and External Auditor to discuss risk compliance and governance issues arising as a result of external or internal audit activity.
- 1.5. Act as the committee's spokesperson using his or her best efforts to see that the committee receives all material to be discussed at the meeting at least one week before the meeting to ensure sufficient time to review information.

2. Conduct of Committee Meetings

- 2.1. Act as the chair of each committee meeting ensuring the appropriate conduct of business in accordance with the committee terms of reference.
- 2.2. Conduct the business of each committee meeting in a manner which will result in all matters on the agenda being dealt with effectively and appropriately.
- 2.3. Propose the termination of discussion on any matter when he or she is of the opinion that the matter has been thoroughly canvassed and discussed and that no new points of view or information are being presented.

- 2.4. Attempt to achieve resolution of all issues discussed at the meeting in respect of which a decision is required and members express conflicting positions, views, or advice, but such attempt should in no way inhibit a member from maintaining a different position, view, or advice.
- 2.5. Ensure that all members who wish to address a matter at a meeting are afforded a reasonable opportunity to do so.
- 2.6. In any case where a member of the committee has an interest or potential conflict in respect of a matter to be discussed at a meeting, arrange for that member to excuse himself/herself from all or a portion of the committee discussion.

3. Committee Culture

- 3.1. Provide leadership in promoting and supporting a committee culture characterised by:
 - i) The willingness of each member to use his or her best efforts in carrying out his or her duties as a member of the committee;
 - ii) The committee's insistence on the highest level of integrity accountability and honesty in the actions of the committee and of the Commissioner, Chief Constable and the other officers of the OPCC/Constabulary;
 - iii) Respect and dignity among the members, officers and the external and internal auditor;
 - iv) The candid and timely sharing of information among the members of the committee, management and the external auditor;
 - v) Acceptance by all members of the committee of the right of every member to hold and express a dissenting opinion; and
 - vi) A commitment to best governance practices and standards practices.

4. Miscellaneous Matters

- 4.1. Assist the committee and management to understand and respect the responsibilities of each.
- 4.2. Whenever necessary or desirable, to facilitate the effective performance of the committee's duties, attend other meetings and committees including those to facilitate governance of the internal audit shared service.

Joint Audit Committee - Role Profile

Job Title: Committee Members

1. Job purpose / key responsibilities – Committee Member

- 1.1. To contribute to the effective discharge of the duties and responsibilities of the committee as set out in the committee terms of reference.
- 1.2. To maintain effective working relationships with committee members, the Police and Crime Commissioner, the Chief Constable, Section 151 officer (Joint Chief Finance Officer) and both internal and external auditors.
- 1.3. To be diligent in preparing for committee meetings and making an effective contribution to those meetings to provide independent assurance of the governance, internal control and finance, risk and performance management arrangements of the OPCC and Constabulary.

2. Conduct of Committee Meetings

- 2.1. Contribute to the business of each committee meeting in a manner which supports all matters on the agenda being dealt with effectively and appropriately.
- 2.2. Address the committee on all matters where an opinion or decision is required and in such a manner that does not inhibit other members of the committee wishing to express a different opinion.
- 2.3. Advise the committee Chair where an interest or potential conflict of interest may exist in respect of a matter to be discussed at a meeting and act on the advice of the Chair.

3. Committee Culture

- 3.1. As a member of the committee, contribute to a culture that supports:
 - i) Each member to use his or her best efforts in carrying out his or her duties as a member of the Committee;
 - ii) The highest level of integrity accountability and honesty in the actions of the committee and of the Commissioner, Chief Constable and the other officers of the OPCC/Constabulary;
 - iii) Respect and dignity among the members, officers and the external and internal auditor;

iv) The candid and timely sharing of information among the members of the committee, management and the external auditor;

v) Acceptance by all members of the committee of the right of every member to hold and express a dissenting opinion; and

vi) A commitment to best governance practices.

4. Miscellaneous Matters

4.1. When necessary or desirable, to facilitate the effective performance of the committee's duties, attend other meetings and committees.

CIPFA Self-assessment of Good Practice

Good Practice Questions	Yes	Partly	No
Audit committee purpose and governance			
Does the Commissioner/Chief Constable have a dedicated audit committee?	✓		
Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?	✓		
Is the role and purpose of the audit committee understood and accepted within the OPCC & Constabulary?	✓		
Does the audit committee provide support to the OPCC & Constabulary in meeting the requirements of good governance?	✓		
Are the arrangements to hold the committee to account for its performance operating satisfactorily?	✓		
Functions of the committee			
Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?	✓		
good governance	✓		
assurance framework, including partnerships and collaboration arrangements	✓		
internal audit	✓		
external audit	✓		
financial reporting	✓		
risk management	✓		

value for money or best value	✓		
counter-fraud and corruption	✓		
Supporting the ethical framework	✓		
Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?	✓		
Has the audit committee considered the wider areas identified in CIPFA's Position Statement and whether it would be appropriate for the committee to undertake them?	✓		
Where coverage of core areas has been found to be limited, are plans in place to address this?	✓		
Has the committee maintained its non-advisory role by not taking on any decision-making powers that are not in line with its core purpose?	✓		
Membership and support			
Has an effective audit committee structure and composition of the committee been selected? This should include:	✓		
separation from the executive	✓		
an appropriate mix of knowledge and skills among the membership	✓		
a size of committee this is not unwieldy	✓		
where independent members are used, that they have been appointed using an appropriate process	✓		
Does the chair of the committee have appropriate knowledge and skills?	✓		
Are arrangements in place to support the committee with briefings and training?	✓		
Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?	✓		

Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief finance officer?	✓		
Is adequate secretariat and administrative support to the committee provided?	✓		
Effectiveness of the committee			
Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	✓		
Are meetings effective with a good level of discussion and engagement from all the members?	✓		
Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?	✓		
Does the committee make recommendations for the improvement of governance, risk and control and are those acted on?	✓		
Has the committee evaluated whether and how it is adding value to the organisation?	✓		
Does the committee have an action plan to improve any areas of weakness?	✓		
Does the committee publish an annual report to account for its performance and explain its work?	✓		

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Joint Audit Committee 23 May 2019 item 16 (i)
Public Accountability Conference 09 May 2019 item 12a

Cumbria Office of the Police and Crime Commissioner and The Chief Constable for Cumbria Constabulary

Effectiveness of Governance Arrangements 2018/19

Report of the Chief Executive and Joint Chief Finance Officer

1. Introduction and background

- 1.1 In previous years a separate report on the effectiveness of arrangements for governance has been produced for the separate legal entities of The Police and Crime Commissioner and The Chief Constable for Cumbria Constabulary. In an effort to streamline processes, this report has been prepared as a joint report to cover both entities with details appropriate to each organisation as required.
- 1.2 Each local government body operates through a governance framework which brings together an underlying set of legislative requirements, governance principles and management processes. The 2015 Accounts and Audit Regulations place a requirement on those bodies to conduct a review of the effectiveness of the system of internal control and prepare an Annual Governance Statement (AGS). The Commissioner and Chief Constable are required to consider the findings of that review, approve the respective AGS and publish (which must include publication on the Commissioner's and Constabulary's respective websites) the Statements alongside the Statement of Accounts. The AGS are prepared in accordance with the CIPFA/SOLACE Good Governance framework that defines 'proper practices' for discharging accountability for the proper conduct of public business through the publication of an Annual Governance Statement that makes those practices open and explicit.
- 1.3 The Police and Crime Commissioner approves a Code of Corporate Governance, 'The Code', setting out his corporate governance framework. The Code is subject to review and updated annually alongside the process to review the arrangements for governance and prepare an Annual Governance Statement. The 2018/19 Code was subject to review by the Joint Audit Committee prior to approval by the Commissioner. It is the compliance with this Code by the Commissioner, together with an assessment of its effectiveness, which is reflected in the 2018/19 Annual Governance Statement.

1.4 The Chief Constable approves a Code of Corporate Governance, 'The Code', setting out her corporate governance framework. The Code is subject to review and updated annually alongside the process to review the arrangements for governance and prepare an Annual Governance Statement. The 2018/19 Code was subject to review by the Joint Audit Committee prior to approval by the Chief Constable. It is the compliance with this Code by the Chief Constable, together with an assessment of its effectiveness, which is reflected in the 2018/19 Annual Governance Statement.

2. Governance Framework & Effectiveness

- 2.1 The annual review of the arrangements for governance and their effectiveness support the production of the respective Annual Governance Statements for both the Police and Crime Commissioner and the Chief Constable. The review provides assurance on governance arrangements and the controls in place to achieve the organisational objectives. The review has been prepared by the Commissioner's Chief Executive, the Joint Chief Finance Officer and Constabulary Senior Officers in accordance with the CIPFA delivering good governance in local government guidance note for Police 2016. The guidance supports the application of the CIPFA/SOLACE Good Governance Framework to Policing, recognising the specific structure and governance responsibilities arising from the 2011 Police Reform and Social Responsibility Act.
- 2.2 Within the OPCC, the approach to the production of the statement has been to use the CIPFA guidance, and particularly the guidance section on core governance principles. Those core principles and the arrangements that support them are set out in the 2018/19 Code of Corporate Governance approved by the Commissioner following review by the Joint Audit and Standards Committee in May 2018. The development of the Annual Government Statement is an integral part of the review, setting out how the Code has been complied with over the course of the year. Where the review has identified areas where developments are planned or improvements can be made, the AGS sets out an action plan to deliver those changes. The statement also highlights areas where further assurance is gained, such as the work of internal audit and the reports of the external auditors. The Commissioner's Annual Governance Statement setting out the review of governance arrangements for 2018/19 and to the date of this meeting, is presented to the Joint Audit Committee for review, prior to being received by the Commissioner for endorsement and publication alongside the Statement of Accounts.
- 2.3 Within the Constabulary, the approach to the production of the statement has been to use the CIPFA guidance, and particularly the guidance section on core governance principles. These have been used as a review checklist. The first stage of the process has been to ensure that the Chief Constable's Code of Corporate Governance adequately reflects all the requirements of the framework. The second stage of the process has been to ensure that the Governance Statement has evidence of the arrangements and practices in place to comply with the framework. Where the review has identified areas where developments are

planned or it is identified that improvements can be made, the intended actions are outlined in the 'Areas for Further Development and Improvement' for each core principle. The statement also highlights areas where further assurance is gained, such as the work of internal audit, the reports of the external auditors and the results of inspections carried out by Her Majesty's Inspector of Constabularies, Fire and Rescue Services (HMICFRS). The Chief Constable's Governance Statement setting out the review of governance arrangements for 2018/19 and to the date of this meeting is presented to the Joint Audit Committee for review, prior to being received by the Chief Officer Group for endorsement and publication alongside the Statement of Accounts.

- 2.4 In previous year both internal audit and members of the Joint Audit Committee have raised concerns that the structure and length of the AGS made it difficult to read and reduced its accessibility to readers. In 2016/17 a summary AGS was produced for each entity which met the fundamental requirements of the statement in demonstrating governance arrangements and compliance with the respective Codes of Corporate Governance. The summary AGS was less closely aligned to each principle within CIPFA's guidance but had the benefit of reducing repetition. Members of the Joint Audit Committee were supportive of the new format. The Commissioner and Chief Constable therefore both decided to adopt the more summarised AGS as the principal document for 2017/18. In preparing the summarized AGS cognisance was taken of Grant Thornton's AGS checklist to ensure that both documents continue to deliver the essential requirements of the statement. The same summarised AGS format has been adopted by both organisations for 2018/19.
- 2.5 Whilst the above review of arrangements has been specific to the production of the Annual Governance Statements, this is supported by wider reviews of the arrangements for governance that take place during the financial year. This includes cyclical review and updates to core elements of the governance framework. During 2018/19 this has included a review and update of the Joint Procurement Regulations, Financial Regulations, Financial Rules and a review of the Joint Audit Committee terms of reference. In addition, the Public Sector Internal Audit Standards and guidance from CIPFA in respect of Audit Committees forms the basis of further reviews of the overall arrangements for audit, with action plans being put in place where potential for improvement and development have been identified. This is supplemented by specific assessments on compliance by the Joint Chief Finance Officer and Head of Internal Audit with the requirements of the CIPFA statement for these roles. The governance review is also supported by an annually developed comprehensive audit plan from internal and external audit and an opinion from the Head of Internal Audit on the arrangements for internal control and risk. Management assurances are obtained for all financial systems on an annual basis. These requirements, whilst challenging, has enabled an approach that has sought to ensure all arrangements take account of best practice, codes and guidance.

3. The Effectiveness of Internal Audit

- 3.1 A separate report reviewing the effectiveness of the arrangements for Audit is set out elsewhere on the agenda and includes a review of the effectiveness of the internal audit function and the effectiveness of the Joint Audit Committee. The report demonstrates the effectiveness of the arrangements for Audit against independent and objective criteria as a contribution to good governance. In doing so it concludes the process of providing the necessary assurances that the governance arrangements set out in the respective Codes of Corporate Governance are working as intended and are effective.

4. The Code of Corporate Governance 2019/20

- 4.1 On an annual basis the respective Codes of Corporate Governance are reviewed and updated, setting out the framework for governance within the OPCC and Constabulary. The 2019/20 Codes of Corporate Governance applies the standards set out in the Delivering Good Governance in Local Governance Framework published by CIPFA in 2016, with particular reference to the guidance notes for policing bodies, which recognise the governance implications of the structural differences between policing and other areas of local government. The CIPFA good governance framework is the best practice standard for Public Sector governance. The 2016 governance framework is based on seven principles, as set out in the respective codes and has a much broader focus on delivering value for money, including outcomes and demonstrating effective performance, often working in partnership to achieve this in comparison with the previous code.

5. Recommendations

- 5.1 Members of the Joint Audit Committee are asked to:

(i) Review the respective Codes of Corporate Governance 2019/20

(ii) Review the respective Annual Governance Statements 2018/19

(iii) Make any recommendations with regard to the respective Codes, Statements and arrangements for governance for consideration by the Commissioner and Chief Constable prior to publication alongside the financial statements

- 5.2 The Commissioner and Chief Constable are asked to:

(i) Where applicable, consider the recommendations of the Joint Audit Committee, determining any actions and/or amendments to the respective Codes of Corporate Governance 2019/20 and Annual Governance Statements 2018/19.

(ii) Approve for signature, where applicable with amendments, the respective Annual Governance Statements for 2018/19 and to the date of this meeting, which will then accompany the respective Statements of Account for 2018/19.

Gillian Shearer

Roger Marshall

Chief Executive

Joint Chief Finance Officer

Human Rights Implications: None Identified

Race Equality / Diversity Implications: None Identified

Personnel Implications: None Identified

Financial Implications: None Identified

Risk Management Implications: The Governance Statement and the underpinning reviews, including the Effectiveness of Internal Audit are designed and intended to provide assurance on and compliance with high standards of corporate governance, including effective control and mitigation of the risk environment in which the Commissioner discharges his respective responsibilities.

Contact points for additional information:

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Cumbria Office of the Police and Crime Commissioner

Code of Corporate Governance 2019/20

Foreword

Welcome and thank you for taking the time to read the Police and Crime Commissioner for Cumbria's Code of Corporate Governance. I am pleased to introduce this Code, which sets out the Commissioner's commitment to continue to uphold the highest possible standards of good governance. This document clearly demonstrates his drive to ensure that this is in place. Good governance is about how the Commissioner will ensure that he is doing the right things, in the right way, for the communities he serves, in a timely, inclusive, open, honest and accountable way.

The Code provides clarity about how the Commissioner and Chief Constable will govern their organisations both jointly and separately, in accordance with their statutory responsibilities. It will do this by highlighting the key enablers for ensuring good governance. The Code sets out how the organisations will govern, using the seven good governance principles as the structure for setting out the statutory framework and local arrangements.

Robust governance enables the Commissioner to pursue his vision effectively as well as underpinning that vision with mechanisms for control and management of risk.

Gill Shearer
Chief Executive and Monitoring Officer
Office of the Police and Crime Commissioner

Introduction

The Police Reform and Social Responsibility Act 2011 (PR&SRA) established Police and Crime Commissioners as elected officials with statutory functions and responsibilities for Policing and Crime within their area. Those responsibilities include: setting the strategic direction and objectives for policing and crime and disorder reduction in their area; maintaining the police force; and holding the Chief Constable to account. Police and Crime Commissioners also have wider responsibility for community safety, enhancing criminal justice and supporting victims.

The statutory and regulatory framework setting out the responsibilities, powers and duties of Police and Crime Commissioners is continually developing. The PR&SRA is supported by the Policing Protocol Order 2011, the Home Office Strategic Policing Requirement 2015 and the Home Office Financial Management Code of Practice 2018. The Anti-Social Behaviour, Crime and Policing Act 2014 has developed and conferred further powers in respect of the wider responsibilities of Police and Crime Commissioners. These powers have been extended through the Policing and Crime Act 2017.

The Police and Crime Commissioner for Cumbria (the Commissioner) is responsible for ensuring that business is conducted in accordance with this statutory and regulatory framework and in accordance with proper standards. This includes ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. In fulfilling this overall responsibility, the Commissioner is responsible for putting in place proper arrangements for governance, including risk management and the arrangements for ensuring the delivery of the functions and duties of his office.

In doing this, the Commissioner approves and adopts annually this Code of Corporate Governance, 'The Code'. The Code gives clarity to the way the Commissioner governs and sets out the frameworks that are in place to support the overall arrangements for the Cumbria Office of the Police and Crime Commissioner (COPCC). The Code is based on the core principles of governance set out within the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016. The Code is appended with a schematic that sets out diagrammatically all the key elements of the governance framework.

On an annual basis the Commissioner will produce an Annual Governance Statement (AGS). The AGS reviews the effectiveness of the arrangements for governance and sets out how this Code of Corporate Governance has been complied with.

The Code of Corporate Governance

This code of corporate governance sets out how the Police and Crime Commissioner will govern. It is based on the seven good governance core principles highlighted by the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016, and supported by the Nolan Principles of Public Life. This Code uses those principles of governance as the structure for setting out the statutory framework and local arrangements that are in place to achieve them.

The seven good governance principles are:

- Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Principle B: Ensuring openness and comprehensive stakeholder engagement
- Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits
- Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes
- Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it
- Principle F: Managing risks and performance through robust internal control and strong public financial management
- Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

NOLAN PRINCIPLES OF PUBLIC LIFE

SELFLESSNESS: Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

INTEGRITY: Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

OBJECTIVITY: In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

ACCOUNTABILITY: Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

OPENNESS: Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands it.

HONESTY: Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

LEADERSHIP: Holders of public office should promote and support these principles by leadership and example.

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Police and Crime Commissioners are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Business Code of Conduct: Staff shall:

Maintain the highest possible standards of probity in all commercial relationships;

Reject business practice which might reasonably be deemed improper and never use authority for personal gain;

Enhance the proficiency and stature of the organisation by acquiring and maintaining technical knowledge and the highest standards of behaviour;

Ensure the highest possible standards of professional competence, including technical and commercial knowledge;

Optimise the use of resources to provide the maximum benefit to the organisation.

INTEGRITY: *Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.*

Ethics and Integrity

The arrangements for governance within the Office of the Police and Crime Commissioner are based on a culture of ethics, integrity and acting in the public interest. This is demonstrated and communicated through a number of policies and codes that set out the standards of conduct and personal behaviour expected in the Commissioner's office. Specifically:

- A Code of Conduct commits to the Nolan Principles of Public Life. The Code sets out

commitments with regard to how people will be treated, the use of resources, disclosure and conflicts of interest, disclosure of information and transparency.

- A Code of Ethics developed by the Association of Police and Crime Commissioners (APCC) has also been adopted by the Commissioner. It sets out how the Commissioner has agreed to abide by the seven standards of conduct recognised as the Nolan Principles. This Ethical Framework allows

transparency in all areas of work of the Police and Crime Commissioner. These principles encompass the Commissioner's work locally and whilst representing Cumbria in national forums. The principles are listed in the Code of Ethics with examples of how these are achieved.

- The Commissioner's arrangements for anti-fraud and corruption make clear the duty everyone has with regard to their own conduct and those of others. The arrangements incorporate an anti-fraud and corruption policy and plan covering the culture expected within the organisation and provide contact information for confidential reporting (whistleblowing).

- Anti-fraud and corruption procedures cover arrangements for integrity in respect of gifts and hospitality, completion of a register of interests, supplier contact and declarations of related party transactions. These ensure staff avoid being engaged in any activity where an actual or perceived conflict may exist and that there is transparency in respect of any personal or business relationships. Staff are reminded on a monthly basis of the need to make declarations.

- The Office of Cumbria Police & Crime Commissioner is responsible for investigating complaints about the Chief Constable, any appointed Deputy Commissioner, the Office of Cumbria Police & Crime Commissioner's own staff and Independent Custody Visitors. A formal process exists for dealing with complaints. The arrangements are clearly set out, including the role of the Police and Crime Panel, on the 'contact us' section within the Commissioner's website. The protocol for managing complaints is set out in the Commissioner's Complaints Policy and reinforces

the commitment to upholding the highest ethical standards.

- Complaints against the Police & Crime Commissioner are referred by the Commissioner's Monitoring Officer to Cumbria County Council's Monitoring Officer who investigates the complaints and then seeks to either resolve them locally with the complainant, refers them to the Police and Crime Panel or the Independent Police Complaints Commission.

- A Business Code of Conduct supports the Procurement Regulations, re-enforcing the integrity requirements within the anti-fraud and corruption policy in the context of procurement activity.

- Financial Regulations make arrangements for the proper administration of financial affairs. They also seek to reinforce the standards of conduct in public life, particularly the need for openness, accountability and integrity.

- Grant regulations are based on a framework that provides minimum standards and terms and conditions for the grant award process that seek to ensure grants are awarded within the public interest.

- The Commissioner and all staff are required to sign up to an anti-discrimination code that sets out values and standards with regard to the prevention of any kind of discrimination.

All policies and codes are reviewed on a cyclical basis to ensure they are operating effectively. Independent external assurance is provided through the work of an Ethics and Integrity Panel and Joint Audit Committee. The purpose of the Ethics and Integrity Panel is to promote and influence professional ethics in all aspects of

policing and within both organisations. It provides scrutiny and review in respect of the arrangements for codes of conduct, integrity and complaints. It also provides assurance to the public that any issues or concerns are highlighted and monitored.

The Joint Audit Committee provides scrutiny and review in respect of the Commissioner's arrangements for anti-fraud and corruption and financial, procurement and grant regulations. Agendas and papers are available to the public on the Commissioner's website to aid transparency.

The leadership values for the organisation have been developed by our staff to support good governance and advocate high standards of integrity and ethical behaviour. They are set out in our Corporate Plan. All staff within the OPCC have been appointed following open and transparent appointment processes. Following appointment staff commit to the various codes of conduct and ethical standards that are in place for the OPCC. All staff also undertake a structured induction process arranged by the Governance Manager.

Respecting the Rule of Law

The Chief Executive is the Commissioner's Monitoring Officer with responsibility for ensuring that the Commissioner and staff of the Office of the Police and Crime Commissioner do not contravene any rule of law or engage in any activity that constitutes maladministration or injustice. The responsibilities of the Chief Executive are codified within legislation, within the Commissioner's scheme of delegation and within the documents comprising the Commissioner's wider governance framework. The Chief Executive is responsible to the Commissioner for ensuring that agreed procedures are followed and that all applicable

Our Values

We are a single team with a culture of trust and confidence

We develop the capacity and capability of our office to be effective and recognise high performance

We have empowered staff who are high performing, professional and have high levels of satisfaction in their roles

We embrace and deliver change, achieve national recognition for what we do and are exemplars of best practice

We hold ourselves to account for what we deliver, measuring our outcomes, customer satisfaction and value for money, striving for continuous improvement

We promote our values and demonstrate the values of good governance through upholding high standards of conduct and behaviour

statutes and regulations are complied with. The Chief Executive is supported by an internal legal team and will instruct external legal advisers where there are significant legal complexities or legal risk. The office structure provides for a post of a deputy Monitoring Officer to ensure continuity in the delivery of this role in the absence of the Chief Executive.

Principle B: Ensuring openness and comprehensive stakeholder engagement

Police and Crime Commissioners and their Offices are run for the public good, they therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Openness

The Commissioner operates in accordance with the Elected Local Policing Bodies (Specified Information) Orders 2011, 2012 & 2013 and the guidance provided by the Information Commissioner. This is demonstrated, documented and communicated through an information publication scheme that ensures the openness of all key information to the public and wider stakeholders. This includes information in respect of the Commissioner, his staff, income and expenditure, property, decisions, policies and the independent custody visiting scheme. The Commissioner's Monitoring Officer has overall responsibility for ensuring compliance with the Orders and Scheme.

To ensure transparency of decision making, all decisions are recorded and published on the Commissioner's website for public scrutiny. The Police and Crime Panel may call in any decisions for further public scrutiny.

The Commissioner adopts rigorous standards in his decision-making and all decisions are taken solely in the public interest. This is achieved by adherence to a decision-making policy that sets out the parameters and the application of a set of principles that guide decision making. The approach within the policy adheres to the Good Governance Standard for Public Services and the Good Administrative Practice 2.

Reports for decision are based on a template that ensures the consequences of any recommendations are clearly explained and that there is clear

Decision Making Policy: Principles of Decision Making

Decision-making will be well informed

The decision-making process will be open and transparent

To have 'due regard' within the decision making process

Be rigorous and transparent about how the decisions are taken

All decisions of significant public interest will be recorded and published.

The PCC will uphold the highest standards of integrity and honesty when taking decisions, as set out in the Nolan Principles.

reasoning and evidence for decisions. This includes relevant financial, legal, human resources, equality, procurement, IT and risk management advice.

Engaging Comprehensively with Institutional Stakeholders

The Police and Crime Plan recognises the importance of stakeholder engagement and collaborative working in developing and delivering priorities for the future direction of policing, crime

reduction, and supporting victims. The process for development of the Plan includes consultation with the Police and Crime Panel, wider partners and the Constabulary. Consultation processes support the development of objectives and outcomes prior to the formal approval and publication of the Plan on the Commissioner's website.

The Plan recognises that in preventing crime and supporting victims a commitment to collaborative working is needed from a range of organisations involved in policing, community safety and criminal justice. The Plan commits to utilising the existing partnership structures across the County to do this wherever possible. This enables the Commissioner and partners to build commitment to shared priorities and to exercise oversight of the delivery of shared outcomes.

As part of these arrangements the Commissioner has signed up to the Cumbria Compact, an agreement and set of principles that govern effective relationships between public and third sector organisations.

Grant agreements govern the funding arrangements with partners and the third sector and set out the purpose, objectives and shared outcomes which that funding is planned to deliver.

Joint boards, collaborative procurement and third sector partnerships are central to the Commissioning Strategy that seeks to efficiently and effectively deliver the Police and Crime Plan. The underlying Commissioning Plan uses commissioning approaches and a grant framework that enable partners to determine interventions that will be appropriate and effective in delivering outcomes.

Engaging Stakeholders Effectively including Citizens and Service Users

A Public Engagement Strategy sets out how the Commissioner will make arrangements for obtaining the views of the community on policing and for obtaining the views of victims of crime. The strategy aims to ensure clear channels of communication are in place with all sections of the community and other stakeholders. As part of the Public Engagement Strategy, the Commissioner undertakes formal consultation with the public, partners and other stakeholders in respect of the Police and Crime Plan and the budget.

The OPCC is instrumental in giving the people of Cumbria the ability to communicate with the Commissioner and plays a key role in ensuring public opinion can influence the Commissioner's decision making. The Office ensures a wide range of engagement approaches so that the Commissioner actively listens, considers and effectively uses the views of the people of Cumbria. The office plays a critical role in ensuring that two-way communication with communities take place and that the Commissioner is publically available to speak to communities and individuals.

The OPCC has responsibility for keeping people informed, ensuring that activities and decisions are transparent and that effective, transparent and accessible arrangements are in place for providing feedback. A wide range of communication tools are used to achieve open and transparent communication with communities. This includes the statutory requirement of producing and publishing an Annual Report setting out what has been achieved in a 12-month period.

The OPCC also supports the Commissioner around

public affairs, if necessary, highlighting the impacts on policing and people in Cumbria.

A complaints process and quality of service procedure provides clarity over the arrangements to respond to the breadth of concerns raised by local people. If trends are identified these are used to improve customer service from the Constabulary and influence the decisions of the Police and Crime Commissioner.

Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

The long-term nature and impact of many of the Police and Crime Commissioners' responsibilities mean that they should define and plan outcomes and that these should be sustainable. Decisions should contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available

The Commissioner's Police and Crime Plan can be found on our website at www.cumbria-pcc.gov.uk

Defining Outcomes

The Police Reform and Social Responsibility Act (PRSR) 2011 and the Policing Protocol Order set out the purpose of the Police and Crime Commissioner, conferring statutory duties and responsibilities. These include the requirement to issue a Police and Crime Plan. The Plan sets out the vision and strategic direction for policing and reducing crime for the local area. It outlines police and crime objectives, priorities and outcomes for policing and victims that the Commissioner will focus on in carrying out his purpose.

Key performance indicators are set to support the objectives within the Police and Crime Plan. This is supported by a comprehensive performance management framework, which is embedded within a robust accountability and governance structure. The performance framework and HMICFRS inspection and value for money reports support the Commissioner in holding the Chief Constable to account for the performance of the force and its efficiency and effectiveness. User

Satisfaction Performance measures are included in the Performance Management Framework.

The Police and Crime Plan is developed alongside a Medium Term Financial Strategy that ensures funding is aligned to the resources needed to deliver priorities and outcomes. The forecast supports the Commissioner in setting a robust budget and in his purpose of maintaining the force for the Cumbria police area.

A Commissioning Strategy and framework supports the delivery of the Commissioner's wider duties and responsibilities and the objectives and outcomes within the Police and Crime Plan. The strategy sets out how the Commissioner will work with partners, including community and voluntary sector groups, to deliver activity and interventions that will support victims, improve community safety, reduce crime and enhance criminal justice. The strategy is underpinned by a commissioned services budget and programme.

Sustainable economic, social and environmental benefits

A process is in place to support policy and strategy development. Oversight of the central policy record, including compliance with procedure and equality impact assessments, is managed by the Executive Team. This ensures that the sustainability of policies and strategies and the wider benefits and interrelationships across the business are fully understood.

When developing strategies, policies or business plans the Office of the Police and Crime Commissioner will seek to impact assess such documents prior to their development. The outcomes of these assessments will inform development work and be taken into consideration when policies and strategies are approved. In this way, our policies and strategies provide a framework to support decision making.

The process for making decisions, particularly those that involve expenditure, includes an assessment of the longer term impact of proposals to ensure sustainability. Decisions on human resource planning, the most significant factor influencing the delivery of sustainable economic, social and environmental benefits, take account of the longer term financial outlook alongside projections of future turnover. This enables workforce planning and recruitment in a way that supports the economic management of training and supervision requirements and maximizes the benefits to the business.

All decision reports include a section which allows the author to identify any equality issues. These will be taken into account by the Commissioner when considering the decision.

To manage risk and ensure transparency of interests in decision making, the Commissioner and officers are required to make declarations where there are or may be perceived to be conflicts of interest. The role of the Monitoring Officer and the Commissioner's Oath of Office further supports decisions being made in the wider interest of the people of Cumbria, rather than representing any particular political interests.

The Police and Crime Plan and the policy and strategy documents that support it are developed to cover a four-year rolling timeframe and take into account feedback from public consultation and engagement.

All of these documents and the outcomes from consultation are published and are publicly available on the Commissioner's website. Information is published in a variety of mediums. The OPCC website has the functionality to assist in the access to information held. The COPCC would look to assist with translation of information or send information to a third party who can assist them. The COPCC website has the ability to translate into the main languages.



Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.

Police and Crime Commissioners achieve their intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice and Commissioners have to make sure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

Determining Interventions

The Commissioner sets the strategic direction for Policing and wider interventions within the Police and Crime Plan. The Plan is reviewed annually to ensure decision making on activity and outcomes remains robust. The Commissioner's decision making policy adopts a set of principles to ensure all decision making is well informed, that options are rigorously considered and information is provided on potential risks.

The Constabulary is the primary provider of policing services and the recipient of the substantial proportion of funding from the Commissioner to deliver the Police and Crime Plan. Achieving best value through the delivery of an effective policing strategy is a condition of the arrangements for funding between the Commissioner and the Constabulary. Decisions are made annually on the level of resources and how they should be directed as part of the Commissioner's budget setting process.

The performance, outcomes and costs of the Constabulary are monitored through a framework that includes external comparators (HMICFRS Value for Money Profiles), Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection reports and an annual Value for Money Conclusion from the External Auditors. Recommendations from PEEL inspections are used to review decisions in year on resources and determine whether intervention are needed to respond to inspection findings.

Grant and Procurement Regulations set out a framework for commissioning and procurement activity that supports the achievement of best value and practical interventions to support Police and Crime Plan outcomes within wider commissioned services. A review of value for money arrangements is reported annually to the Joint Audit Committee, focused on the Constabulary's activities. This provides external oversight of staffing and wider financial resources committed to fulfilling legal and regulatory requirements of the service.

Medium Term Financial Strategy Objectives

To deliver a robust and balanced medium term financial plan and annual budget supported by an in-year reporting framework that monitors its delivery.

To ensure arrangements for funding between the Commissioner and Constabulary deliver value for money and support the priorities of the Police and Crime Plan

To ensure capital expenditure plans are robustly scrutinised, fully funded for a minimum of four years and are supported by capital strategies that meet the needs of the business

To maintain a risk assessed level of reserves to meet unplanned expenditure and to provide revenue budget smoothing for intermittent costs.

To ensure treasury management activities provide for the security of the Commissioner's funds whilst meeting the cash management needs of the Commissioner and Constabulary

To provide a framework for financial governance that ensures the proper administration of the Commissioner's financial affairs

The Medium Term Financial Strategy sets out the financial plans for revenue and capital expenditure. An annual funding arrangement for the Chief Constable codifies the amounts and conditions of funding based on a financial proposal from the Constabulary. It sets out how the budget will be monitored including financial information and reporting requirements. Financial reporting provides a control to assess the extent to which planning assumptions for the budget have been matched by actual activity and expenditure in year. Further controls over the management of income and expenditure are detailed in the Commissioner's financial regulations. Key financial performance indicators for example prudential indicators, are set as part of the budget process, and monitored on a quarterly basis to ensure they are being met.

The Medium Term Financial Strategy sets out revenue forecasts of income and expenditure and the key financial assumptions and policies on which the forecasts are based. This supports a strategic approach to operational planning, savings requirements and decision making in support of the objectives within the Police and Crime Plan. It also ensures that the financial liabilities, risks and the level of provision and reserves within the budget are fully understood. The budget includes a 10 year capital programme aligned to plans for ICT, the estate and fleet, ensuring resources are balanced in the medium and longer term to meet the requirements of the business.

Financial, operational and commissioning plans are developed taking into account the feedback from the public and wider stakeholders. The Engagement Strategy sets out how the Commissioner will engage with a wide range of people and partners encompassing and including diversity within the

Planning Interventions

A Commissioning Strategy and joint Procurement Regulations set out how services will be planned, procured and delivered. The Safer Cumbria Partnership provides a flexible and supportive mechanism through which services can be developed and delivered with shared risk. Grant and contract management arrangements are in place to monitor and review service quality.

County. The Commissioner in his role of consulting with the public uses the guiding principles of we asked, you said, we did as many engagement activities personally involve the Commissioner. To formally support the role of two-way engagement a six-monthly paper is presented to the Commissioner outlining trends from the various forms of engagement and this information is used as an integral part in the process of any key decisions. Further communication tools are used to ensure target audiences are kept up to date of developments and key decisions for the Commissioner.

Optimising Achievement of Intended Outcomes

The Medium Term Financial Forecast integrates the budget and funding arrangements for the Constabulary with the Commissioner's directly managed budgets. The totality of estimated funding forms the basis for considerations regarding the trade-off between resources for commissioning and resources for policing to optimise outcomes within the Police and Crime Plan. Strategic priorities within the Plan support decision making on the respective policing and commissioning strategies. This determines for example, the number of police officers, the balance between people resources verses equipment and the balance between supporting victim's verses crime prevention activity.

The budget process is based on a proposal from the Constabulary. It takes a zero-based approach, working closely with the business to forecast operational requirements over 4 years for revenue expenditure and 10 years for capital expenditure. This includes a series of 'star chambers' providing

Chief Officers with the forum through which budget holders can be challenged. Through the budget process targets and plans are developed for savings and consideration is given to growth bids to resource new and changing requirements.

The Medium Term Financial Strategy includes information on national financial settlements for policing and what is known about settlements in future years. It also sets out the key financial risks that could impact on funding and expenditure nationally and locally. Sensitivity analysis provides information on the potential impact of changes to assumptions. Collectively this supports decisions on resources, services, performance and outcomes and ensures the business has a robust understanding of risks to the affordability of future plans. The Strategy incorporates information on plans for savings and the impact of funding changes for the number of police officers, PCSO's and police staff. This supports an on-going dialogue and monitoring between the Commissioner and Constabulary in respect of the necessary business change and its impact on outcomes and performance.

Through our Commissioning Strategy we engage and consult with the wider community on support and service provision gaps, this ensures that commissioning objectives and outcomes align with the needs of the local community as well as creating an opportunity for providers to innovate. Commissioning to local based providers ensures the economic, social and environmental well-being of the wider Community. Awarding of Contracts or Grant Agreements are based on the social outcomes and measures which meet local priorities and needs as opposed to financial gains and benefits.

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Police and Crime Commissioners need appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. Commissioners must ensure that they have both the capacity to fulfil their mandate and to make certain that there are policies in place to guarantee that management has the operational capacity for the entity as a whole. Both the individuals involved and the environment in which Commissioners operate will change over time, and there will be a continuous need to develop its capacity as well as the skills and experience of the leadership and individual staff members. Leadership is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of their communities

Developing the entity's capacity

Legislation provides that the Commissioner must appoint a Chief Executive and a Chief Finance Officer (statutory officers). The Chief Executive is the Commissioner's Head of Staff with responsibility for overall management of the Commissioner's office. The Chief Finance Officer (CFO) operates on a shared basis acting as CFO for both the Commissioner and the Chief Constable. Both the Chief Executive and Chief Finance Officer have statutory responsibilities with regards to determining the requirements in respect of staffing resources.

The Chief Executive is a member of the Association of Police and Crime Chief Executives (APACCE) and operates within the APACCE statement on the role of the Chief Executive and Monitoring Officers for Police and Crime Commissioners. The Chief Executive's job profile is based on the APACCE model to ensure the right skills, experience and qualifications for the role. The role of Chief

Executive is undertaken on a six-month rotating basis with the Deputy Chief Executive.

The role and functions of the Chief Finance Officer to support the Commissioner's mandate is set out within the Home Office Financial Management Code of Practice and by the Chartered Institute of Public Finance and Accountancy (CIPFA), the CIPFA statement. The job profile for this role is based on the CIPFA Statement. Compliance with the statement is self-assessed on an annual basis and reviewed by the Joint Audit and Standards Committee. Professional body subscriptions ensure the Chief Finance Officer has access to up to date Codes of Practice, guidance and professional standards

The structure and arrangements for staffing ensures the Chief Executive has management of overall staffing as Head of Paid Service with responsibility for effective succession planning and resilience on matters of business within a small team.

A framework for the development and review of the corporate plan and underlying business plans ensures action plans and performance targets are delivered to support continuous improvement. The

The costs of the Constabulary are benchmarked annually with reports presented for scrutiny to the Joint Audit Committee. Comparisons to most similar group policing areas are used to inform the budget savings programme and reduce costs.

Procurement regulations are developed jointly with the Constabulary and supported by a procurement strategy. The regulations incorporate procurement policy and procedures that aim to support the understanding and skills of all staff engaged in the procurement process. The procurement strategy sets out how the function will develop to deliver best value from procurement activity. The procurement regulations are supported by a set of grant regulations governing commissioning activity through a grant based process.

Developing the entity's leadership

The key functions and roles of the Commissioner, the Chief Executive/Monitoring Office and Chief Finance Officer are set out in the Police Reform and Social Responsibility Act 2011 (PRSRA) and the Policing Protocol Order 2011 (PPO). These functions and roles define the responsibilities for leadership and are codified in the Commissioner's Scheme of Delegation and wider documents within the Corporate Governance Framework.

The Chief Executive is the Commissioner's lead advisor. Key responsibilities include working with the Commissioner to enable delivery against his vision, strategy and identified priorities and facilitating the accurate and appropriate scrutiny of

Key functions and role of the Commissioner

Sets strategic direction & objectives of the force, issues the Police and Crime Plan (the Plan) & an annual report

Holds the Chief Constable to account for the exercise of his/her functions and force performance; Monitors complaints.

Receives all funding, decides the budget & precept; allocates funding to maintain an efficient and effective police force

Provides the link between the police and communities; publishes information on Commissioner and force performance

Responsible for the delivery of community safety, crime reduction, the enhancement of criminal justice and victim support

the Constabulary's activities. The Chief Executive is also the Commissioner's statutory Monitoring Officer, providing support to ensure the Commissioner's functions are carried out and has specific legal, financial and governance duties in addition to those which derive from statutory responsibilities. The Chief Executive operates in accordance with professional standards and the legislative and fiduciary responsibilities of the statutory office.

The Chief Finance Officer is the lead financial advisor to the Commissioner and has statutory responsibility to ensure that the financial affairs of the Commissioner are properly administered. The CFO provides all financial advice, provides a statutory report on the robustness of the budget and ensures systems of internal financial control are effective.

The Commissioner's Scheme of Delegation is part of a wider governance framework that further details specific decision making and wider responsibilities of key officers in relation to areas of governance and ensure all staff have a shared understanding of

the roles, responsibilities and decision making authority within the Commissioner's Office. All governance documents are regularly reviewed and updated as roles develop to respond to changing legislation, regulations and other new requirements.

A member/officer protocol further sets out the roles of political office holders (the Commissioner/Deputy Commissioner) and non-political office holders (staff employees) to provide clarification on respective responsibilities and expectations around how relationships are anticipated to work. This is supported by arrangements for the declaration of interests to ensure the Commissioner, members and staff are free from relationships that would materially interfere with decisions making and their roles.

Members of the Joint Audit Committee are recruited for their specific skills and experience to fulfil the role of the Committee. Role profiles include a person specification that requires applicants to demonstrate a sound understanding and relevant professional experience. The Committee has clear terms of reference and membership that is consistent with the requirements of the Home Office Financial Management Code of Practice, and CIPFA guidance. Development sessions, access to relevant publications and CIPFA/Grant Thornton external workshops support members continued development.

The Cumbria ICV Scheme comprises of four panels of volunteer Custody Visitors. Every new volunteer is required to undertake a half-day basic induction course, followed by an accompanied night observation visit; thereafter, new visitors are trained "on the job" by attending visits in the

company of a more experienced colleague for the first six months. On-going ICV training is provided at the regular panel meetings and annual local and regional conferences.

In 2016 the OPCC became a member of the Independent Custody Visitors Association (ICVA) to which it pays an annual subscription. ICVA is a Home Office funded organisation set up to promote and support the effective provision of custody visiting nationally. ICVA works closely with government and criminal justice organisations providing advice on best practice for independent custody visiting schemes nationally; training; and publicity to Police and Crime Commissioner and custody visitors.

The Police and Crime Commissioner subscribes as a member of the Association of Police and Crime Commissioners (APCC). The APCC delivers daily written briefings received by the Commissioner and office staff, covering press and parliamentary reporting on those areas within the Commissioner's responsibilities to ensure the Office is kept updated on current developments.

The APCC and APACCE deliver national events to ensure Commissioners and their Chief Executives remain informed and have the opportunity to discuss significant issues and develop collective approaches. There are also bi-monthly regional meetings of Chief Executives and quarterly regional meetings of Commissioners and Chief Executives. The Chief Executive/Monitoring Officer leads for the Commissioner on ensuring that appropriate policies and procedures are adopted and followed to ensure the COPCC complies with relevant statutes and regulations and has the capacity to deliver across these requirements.

The CFO subscribes to the Police and Crime Commissioners' Treasurers' Society (PaCCTS), supporting continuous development and ensuring the CFO maintains a breadth of understanding on policing finance. Further capacity and expertise is commissioned to support specialist services for treasury management, taxation and insurance brokerage.

Arrangements for staff appraisal provide the opportunity to discuss and review individual performance and training and development needs.

Developing the capability of individuals within the entity

The Commissioner has adopted a number of joint personnel policies with the Constabulary in addition to operating within a suite of COPCC specific policies that provide a framework for all issues related to employee management, terms and conditions. This includes policies on how staff and staff associations will be engaged in any change processes. There is a general principle for on-going consultation and engagement during any areas of business change, creating an environment where staff can perform well and where ideas and suggestions are welcomed.

Personnel policies aim to promote a motivated and competent workforce whilst supporting the health

and well-being of staff. They include arrangements for work-life balance through a scheme of flexible working and facilitate access to wider benefits e.g. special leave at times of specific personal need.

Business is carried out supported by policies and procedures that support the full range of human resource management responsibilities and all policies are subject to cyclical review in accordance with the Commissioner's policy framework. This supports continuous improvement, ensuring updated guidance is available for staff on how to carry out their roles and the wider responsibilities they should take into account.

All officers have clearly defined role descriptions and reporting lines based on the roles and the functions for which they are accountable, to ensure service delivery responsibilities are clear and can be monitored. Individual capabilities, performance and development requirements are assessed annually through a review process to agree the support, training and development staff need to carry out their duties and responsibilities.

Professional staff undertake continued professional development in line with the requirements of their professional bodies. The budget setting process provides for training and development budgets to support mandatory and discretionary training and development requirements.

Principle F: Managing risks and performance through robust internal control and strong public financial management

Police and Crime Commissioners need to ensure that the entities and governance structures that they oversee have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management, business continuity and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. They consist of an ongoing process designed to identify and address significant risks involved in achieving outcomes. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

Managing risk

The Commissioner's Risk Management Strategy sets out the overall arrangements for managing risk including the arrangements for holding to account the Chief Constable in respect of those risks that fall within his functions. The Strategy establishes how risk is embedded throughout the various elements of corporate governance of the COPCC, whether operating solely or jointly with the Constabulary. The Strategy incorporates a clear framework of objectives, designates roles and responsibilities for risk management and provides a mechanism for evaluating and scoring risks, and supporting decision making in respect of mitigating action.

The strategy and risk registers are regularly reviewed to ensure a clear alignment between risk management activity and the organisation's objectives. Reporting formats ensure arrangements are dynamic and support the early identification of strategic and operational risks. Identified risks are logged on a risk register with clear ownership and are reviewed cyclically based on a score that

denotes the severity and impact of the risk should it occur. Every project run by the COPCC has a separate risk register. All decision and report forms include a section for the author to complete in which to identify any risks or potential risks. To ensure effective ownership and monitoring of risks, the Office of the Police and Crime Commissioner provides risk management training to all staff.

The arrangements for risk management are subject to on-going monitoring and review to ensure their continued effectiveness. This comprises review by internal audit and review by the Joint Audit Committee. The strategic risk register is presented to the Committee at each quarterly meeting. The Committee also receives the Risk Management Strategy on a quarterly basis and a report from the Chief Executive annually reporting on the effectiveness of arrangements for managing risk.

Managing performance

The Commissioner holds Public Accountability Conferences, which facilitates the arrangements for monitoring service delivery and holding the Chief Constable to account. This is supported by regular one to one briefings between the Commissioner and Chief Constable and an office level Collaborative Board. Senior Officers within the OPCC attend strategic Constabulary meetings to provide challenge and oversight of the arrangements that support decision making, delivery of key areas of business and the allocation of resources.

The Police and Crime Panel is the statutory body that provides the public accountability checks and balances in relation to the performance of the Commissioner and scrutiny of any decision made. The Panel receives cyclical information and reports on service delivery plans and progress towards outcomes. The Panel is consulted on the development of the Police and Crime Plan and budget, with a power of veto over the Commissioner's precept. The panel receives an Annual Report setting out what has been achieved in respect of delivery of the Police and Crime Plan objectives, and a financial outturn report comparing actual expenditure against the budget and including summary financial statements.

Robust internal control

The Commissioner is responsible for reviewing the effectiveness of his governance framework including the system of internal control. This work is informed by the work of Chief Officers and Senior Managers who undertake an overarching review of key controls and governance arrangements in support of the key principles in this Code.

Police and Crime Panel Functions

The functions of the Police and Crime Panel include reviewing the draft police and crime plan, public scrutiny of the annual report and the power of veto over the level of the Commissioner's proposed precept

Senior Managers with responsibility for financial systems provide annual management assurances using a CIPFA internal control framework as part of this process. This is further supported by an annual fraud risk assessment completed by the Chief Finance Officer and reviewed by the external auditors. Arrangements for anti-fraud and corruption are subject to cyclical internal audit review.

An independent internal audit service is commissioned through shared service arrangements with the county council. Internal audit develops and delivers a risk based annual audit plan of work that reviews internal controls. This supports an annual opinion from the Chief Internal Auditor on the overall adequacy and effectiveness of the framework of governance, risk management and control.

An independent Joint Audit Committee assures cyclical internal reviews of key governance documents (e.g. financial regulations, arrangements for anti-fraud and corruption and the risk management strategy) at its November meeting and receives annual reports reviewing the effectiveness of arrangements for risk, governance and internal control in May and July. The Joint Audit Committee receive a copy of all internal and external audit reports, can table reports for discussion and monitor the implementation of audit recommendations. The Committee undertakes an annual self-assessment to ensure

on-going compliance with the CIPFA framework for Police Audit Committees.

Managing Data

The Office of the Police and Crime Commissioner operates within the parameters of legislation, such as the Data Protection Act. It ensures that all data, including personal data, is appropriately stored and shared where necessary. Data is held in accordance with the COPCC Retention Schedule, removed or destroyed appropriately and access to information is restricted where appropriate to relevant members of staff. Data will not be held for longer than is necessary. Appropriate security measures are taken for both electronic and physical data. All staff are aware of their responsibilities when handling and storing both electronic and physical data and the need to comply with General Data Protection Regulations.

Strong public financial management

Arrangements for financial management support for the Commissioner in achieving outcomes and delivering strong operational and financial performance by ensuring that resources are used in accordance with approved plans for service delivery and investment. The arrangements for financial management are codified within a suite of financial governance documents and comply with the relevant CIPFA Codes of Practice and guidance. Financial management controls ensure expenditure is only committed in accordance with the approved budget and the purpose for which approvals have

been given. Financial monitoring supports the early identification of variances between actual expenditure and income, supporting timely decision making on remedial action.

A funding arrangement between the Commissioner and Constabulary sets out the consents and arrangements for financial management between the Commissioner and Chief Constable. This ensures funding within the Constabulary is directed toward the achievement of the Policing Strategy and priority outcomes within the Police and Crime Plan.

Financial regulations set out the role and responsibilities of Chief Officers and senior staff for financial management and governance. They include financial management standards to be adhered to by all staff across the organisation and the wider framework of controls including the arrangements for the statement of accounts.

Financial risks and mitigations are set out within the Medium Term Financial Strategy and are managed within the Commissioner's overall framework for managing risk. The Joint Chief Finance Officer takes ownership of all financial risks and reports to the Joint Audit and Standards Committee on the management of strategic financial risks. Arrangements for financial management are cyclically reviewed by the internal auditors for assurance and form part of the arrangements reviewed by the external auditors in forming their conclusions on the financial statements and value for money.

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Implementing good practice in transparency

The Commissioner's annual report is the primary communication through which the public can access and understand the performance and activities of the Commissioner and his Office. Design work for the report is commissioned from external media and communication professionals which alongside the written style aims to support transparency and public accessibility of the report.

All public documents are published on the COPCC website and are available in accessible formats. Further options can be offered on request. The intention is to ensure that all documents are written in such a way as to make them accessible to readers that may not have a detailed knowledge of the subject matter, though with some complex issues this is not always possible. The publication of key documents, such as the Police and Crime Plan, is supported by a media release to raise awareness of the document and its purpose.

Arrangements for financial reporting aim to ensure the accessibility of financial information for readers and users of financial reports. On complex matters of communication, for example consultation on budget, precept and services, professional support

has been procured to ensure a robust public understanding of complex issues.

Implementing good practices in reporting

The Office publishes an annual report, scrutinised by the Police and Crime Panel, to communicate the Commissioner's activities, achievements and performance and that of the Chief Constable and the force. The annual report presents the performance outcomes achieved against an agreed framework of targets and measures.

The Commissioner is subject to the Accounts and Audit (England) Regulations 2015 and prepares a set of accounts in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting. Compliance with the Code of Practice ensures the comparability of financial information within the statements with other similar entities and their publication in accordance with statutory timeframes. The financial statements include a comprehensive income and expenditure statement, which is aligned to in year financial reporting and monitoring. A narrative statement by the Chief Finance Officer sets out the overall financial and business performance for the year within an accessible summary statement. The

financial statements include the external auditors report setting out the overall opinion and conclusions on value for money.

The Commissioner's overall arrangements for governance are reviewed annually against this Code of Corporate Governance with a report made on how it has been complied with. This 'Annual Governance Statement (AGS)' is subject to review by the Joint Audit and Standards Committee. The AGS includes an action plan setting out the work that will be undertaken over the following year to support continuous improvement in line with the principles of this Code and the CIPFA good governance framework.

The Commissioner and the Joint Audit Committee receive annually a report reviewing the governance arrangements for internal audit against the requirements of the Public Sector Internal Audit Standard (PSIAS).

Assurance and effective accountability

Grant Thornton UK LLP are the external auditors appointed to both the Police and Crime Commissioner for Cumbria and the Chief Constable for Cumbria Constabulary, to report key matters arising from audits of the Commissioner and Chief Constable's financial statements. The external auditors also reach a formal conclusion on whether the Commissioner and Chief and Constable have put in place proper arrangements to secure economy, efficiency and effectiveness in the use of resources. The audit findings report is published in the financial statements and presented to the Commissioner and Joint Audit Committee for

review. The Joint Audit Committee monitors the implementation of recommendations arising from the audit and have the expertise to challenge the external audit approach, supporting assurance of its effectiveness.

Further accountability is provided through the arrangements for internal audit. Internal audit is delivered through a shared service and in accordance with an Internal Audit Charter that ensures compliance with the PSIAS. An annual review of the effectiveness of the internal audit service, including the arrangements for the Joint Audit Committee, is undertaken annually by the Joint Chief Finance Officer against CIPFA best practice standards. The report is published on the Commissioner's website to support assurances on internal control.

The arrangements for accountability further incorporate challenge, reviews and inspections from HMICFRS. Whilst these are primarily aimed at Constabulary performance, elements of specific reviews include jointly delivered activities and specifically commissioned reports that cover governance across both organisations. Recommendations are reported to and monitored by the Commissioner and Joint Audit Committee.

The Ethics and Integrity Panel also monitors and reports on some specific areas of activity, such as complaint handling and ethical issues. The Panel has carried out a series of thematic inspections into specific areas of Constabulary activity. The Panel are able to look objectively at these areas and provide valuable independent scrutiny and feedback to the Constabulary on their findings.

The arrangements in this document set out our framework for governance in accordance with CIPFA's Good Governance Principles and guidance. Annex A to this Code sets out our governance schematic, summarising the arrangements we have in place internally and sources of external guidance and support. Further information on the arrangements for Governance can be found on the Commissioner's website under the tab headed Governance and Transparency.



We welcome your views on the Commissioner's Code of Corporate Governance. You can do this by using the contact information below:

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The Chief Constable for Cumbria Constabulary

Code of Corporate Governance 2019/2020

Introduction

The statutory responsibilities of the Chief Constable 'to maintain the Queen's Peace' are outlined in various Police Acts. The Police and Social Responsibility Act 2011 (PR&SRA), which introduced Police and Crime Commissioners, re-enforced the operational independence of the Chief Constable and clarified her role in supporting the delivery of the Commissioner's Police and Crime Plan.

The PR&SRA also established the Chief Constable for Cumbria Constabulary (the Constabulary) as a separate corporate sole. Accordingly, the Chief Constable is responsible for ensuring that business of the Constabulary is conducted in accordance with this statutory and regulatory framework and in accordance with proper standards. This includes ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. In fulfilling this overall responsibility, the Chief Constable is responsible for putting in place proper arrangements for governance, including risk management and the arrangements for ensuring the delivery of the functions and duties of her office.

In doing this, the Chief Constable approves and adopts annually this Code of Corporate Governance, 'The Code'. The Code gives clarity to the way the Chief Constable governs and sets out the frameworks that are in place to support the overall arrangements for Cumbria Constabulary. The Code is based on the core principles of governance set out within the CIPFA/SOLACE good governance standard for public services which has 'proper practices' status.

On an annual basis the Chief Constable will produce an Annual Governance Statement (AGS). The AGS reviews the effectiveness of the arrangements for governance and sets out how this Code of Corporate Governance has been complied with.

The Code of Corporate Governance

This code of corporate governance sets out how the Chief Constable will govern. It is based on the seven good governance principles highlighted by the good governance standard for the public service. This code uses those principles as the structure for setting out the statutory framework and local arrangements that are in place to achieve them.

Those principles are:

- A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
- B. Ensuring openness and comprehensive stakeholder engagement.
- C. Defining outcomes in terms of sustainable, economic, social and environmental benefits.
- D. Determining the interventions necessary to optimise the achievement of intended outcomes.
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- F. Managing risks and performance through robust internal control and strong public financial management.
- G. Implementing good practices in transparency, reporting and audit to deliver effective accountability.

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.

Chief Constables are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Ethics and Integrity

The Chief Constable and Chief Officer Group recognise that to operate legitimately it is essential that the Constabulary is able to demonstrate the highest standards of integrity in all its activities.

Officers and staff employed by the Constabulary are expected to adhere to the highest standards of conduct and personal behaviour. The requirements of officers are set out in Schedule 2 of the Police (Conduct) Regulations 2012. The requirements of Police staff are set out in the Police Staff Council Standards of Professional Behaviour document.

The Constabulary has adopted and provided training on the Code of Ethics produced by the College of Policing and all officers and staff are required to abide by its provisions.

The Constabulary has an Anti-fraud and Corruption Policy and Procedures, which set out clear definitions of fraud and corruption. The policy embodies the values of the Code of Ethics based on the 7 Nolan Principles for Public Life and makes clear the duty of everyone with regard to their own

actions and conduct and those of others to protect the organisation against fraudulent and corrupt acts. The procedure includes guidance for integrity in respect of gifts and hospitality, completion of a register of interests and declarations of related party transactions. These ensure that staff avoid being engaged in any activity where an actual or perceived conflict may exist and that there is transparency in respect of any personal or business relationships.

Ethics and integrity issues are specifically covered in the Constabulary's fifteen week and performance development review processes, in which all officers and staff are required to participate.

The Home Office Financial Management Code of Practice requires the Chief Constable to ensure that governance principles are embedded within the way the organisation operates. This is achieved through the Chief Constable's arrangements for corporate governance, which embody the principles of openness, accountability and integrity in the conduct of the Constabulary's business

The Joint Financial Regulations set out the internal framework and procedures for financial regulation and administration. They set out the arrangements for the proper administration of financial affairs ensuring these are conducted properly and in compliance with all necessary requirements. They also seek to reinforce the standards of conduct in public life, particularly the need for openness, accountability and integrity. The Financial Regulations also re-enforce the anti-fraud and corruption policy, covering the culture expected within the organisation, responsibilities and measures in place to prevent fraud and corruption and how it will be detected and investigated.

The Joint Procurement Regulations, re-enforce the integrity requirements within the anti-fraud and corruption policy in the context of procurement activity and interactions with commercial suppliers. They provide a guide to staff and suppliers in respect of the principles that will be followed in the conduct of business and the processes we expect staff to comply with when buying goods and services. Provisions within the tendering process re-enforce the requirement for suppliers to act in an ethical manner.

The Constabulary maintains arrangements for confidential reporting (whistleblowing) and guidance for managers with regard to how any reporting will be responded to. These are contained in the Anti- Fraud and Corruption Policy and Procedures and the Professional Standards Confidential Reporting Policy and Procedure. The confidential reporting policies and procedures are supported by a regularly publicised confidential phone line and e-mail reporting system on which individuals can leave anonymous information. The

Constabulary also subscribes to and publicises 'Public Concern at Work' (PCaW), an independent authority on public interest whistleblowing to allow employees the facility to report externally to the Constabulary if required.

The Police and Crime Commissioner and Chief Constable have established an Ethics and Integrity Panel to ensure that arrangements for integrity, standards, conduct and behaviour are subject to independent external scrutiny. As part of its role the Panel reviews performance across agreed indicators of integrity, including public complaints. The Panel's findings are reported annually to the Commissioner's Public Accountability Conference to ensure good practice is recognised and encouraged, while any potential areas requiring improvement can be identified and dealt with accordingly to enhance performance.

The Joint Audit Committee operates within Standing Orders for the regulation of its business. The orders include expectations in respect of the conduct of members and how any conflicts of interest should be managed. Members of the Committee are independent and will scrutinise and monitor the operation and effectiveness the arrangements for governance including arrangements for anti-fraud and corruption.

Respecting the Rule of Law

The Chief Constable recognises that in fulfilling her duty to 'Maintain the Queen's Peace' it is essential that the Constabulary as an organisation is able to demonstrate respect for the law.

The Chief Constable is committed to operating an environment where open debate and transparent

governance is the norm, allowing senior officers to carry out their responsibilities in delivering the Constabulary's objectives.

The Director of Legal Services, who is a qualified solicitor, provides advice to the Constabulary on all legal matters and is consulted on all strategic decisions to ensure that laws are not contravened.

As part of their training police officers receive specific training on the law and its applicability to policing services.

The Constabulary has a People Department, which includes a Professional Standards function, whose role is to promote proper standards of conduct and monitor compliance with codes. The function actively liaises with management teams and other groups with the aim of maintaining high standards of conduct and produces regular reports, which set out details of non-compliance with standards and codes. The function has its own intranet site to facilitate demonstration of best practice and produces a newsletter highlighting areas of concern, guidance, learning and signposts officers and staff to those that can provide welfare / support. The Professional Standards function has an anti-corruption unit whose role is to investigate information and intelligence received concerning the conduct of officers and members of police staff.

The Professional Standards function also oversees all complaints, local resolutions and non IOPC appeals from the public, ensuring compliance with Police Reform Act 2002 and the Police (Complaints and Misconduct) Regulations 2012. These complaints are reported to and audited periodically by the Office of the Police and Crime Commissioner.

The Chief Constable also has a procedure in place to receive and investigate complaints made to it about the conduct of Association of Chief Police Officers (with the exception of the Chief Constable who is accountable to the Commissioner) under the relevant conduct regulations.

B. Ensuring openness and comprehensive stakeholder engagement.

Constabularies are run for the public good, they therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Openness

All decision making operates within the specific legislative and regulatory frameworks that confer on the Chief Constable duties, powers and responsibility. The significant elements of the statutory framework for decision making comprise:

- Various Police Acts, which outline the responsibilities of the Chief Constable and provide clarity on her operational independence.
- The Police Reform and Social Responsibility Act 2011 (PR&SRA) providing the legal framework for decision-making.
- The Policing Protocol Order 2011 setting out the framework within which the PCC & CC should work and requiring all parties to abide by the Nolan Principles.
- The Home Office Financial Management Code of Practice for the Police Service embedding the principles of good governance into the way the Chief Constable operates.

Challenge and scrutiny contribute to good governance by being part of accountable decision making, policy making and review. The implementation of a robust decision making process ensures that the right decisions are taken for the right reason at the right time. The Chief Constable adopts rigorous standards of probity, regularity and transparency in decision making and all decisions are

taken solely in the public interest and to maintain the Queen's peace.

The Constabulary has a Chief Officer Group, which has responsibility for strategic decision making and is supported by subsidiary boards organised around delivery of priorities within the future strategic vision outlined in Cumbria Vision 2025, with defined terms of reference. Formal Chief Officer Group meetings are minuted. Decisions of the Chief Officer Group and strategic boards are recorded and made available to key internal stakeholders. All significant strategic decisions are referred to the Chief Officer Group. A forward plan and standing items ensure that all significant areas of Constabulary business are considered on a regular and planned basis. Reports for decisions are prepared on a standard template, which ensures that the implications of all decisions are clearly understood. This includes a requirement to acquire relevant financial, legal, human resources, equality, procurement, ICT and risk management advice. The Director of Legal Services, in conjunction with the Chief Finance Officer has responsibility for the lawfulness of Chief Officer Group decisions.

Items of Constabulary business falling under the remit of the Police and Crime Commissioner or of a strategic nature are referred to the Commissioner from the Chief Officer Group. Decisions for financial investment are subject to a fully developed business

case that provides a clear justification for the expenditure. The Commissioner's decision making policy sets out the decision making process and how decisions will be recorded and published to ensure transparency of all decisions taken. A Code of Conduct provides advice with regard to potential conflict and declarations of interest.

The Constabulary's wider governance framework details specific responsibilities of key officers in relation to areas of governance. The framework includes financial regulations and rules, procurement regulations, anti-fraud and corruption policies, a scheme of delegation and codes of conduct. These documents ensure all officers and staff have a shared understanding of their roles, responsibilities and decision making authority within the organisation.

The Constabulary has also agreed a media protocol with the Commissioner, setting out who is responsible for communicating information and clearly identifying whether there is a single lead organisation, a joint responsibility or a supporting responsibility.

The Chief Constable complies with guidance provided by the Information Commissioner in respect of an information publication scheme. This ensures key information to ensure public accountability is available through the Constabulary's website.

Engaging Effectively with Institutional Stakeholders

The Police and Crime Plan sets out a Pan-Cumbrian vision. The vision recognises that, in preventing crime, commitment is needed from a range of

organisations involved in policing, community safety and criminal justice. The Constabulary works in partnership with a number of public, private and third sector partners to do this. The Chief Constable reports details of actual and planned collaborative ventures to the Commissioner on a regular basis.

The financial and procurement regulations, together with the Constabulary's financial rules provide for the regulation of partnership arrangements and to ensure that the purpose of such partnerships is evaluated and risks assessed, before the Constabulary agrees to participate. The Constabulary also undertakes a Value for Money assessment on its major strategic partnerships.

Significant partnership working arrangements are supported by memorandums of understanding, strategic plans and operating protocols which clearly state the respective responsibilities expectations of each partner.

Engaging stakeholders effectively, including citizens and service users

The Constabulary has a Community Engagement and Consultation Strategy, which is reported through the Local Policing and Specialist Capabilities Gold Board. This includes a consultation action plan, which co-ordinates all on-going consultation activities and is reviewed and refreshed on an annual basis to continually improve consultation arrangements.

The Constabulary engages with local communities through the work of its Neighbourhood Policing Teams through the Local Focus Hubs, operating Engagement Plans, which use a range of methods that are specific to urban and rural community

needs. The plans ensure that community priorities, concerns and areas for improvement are identified and dealt with.

The Constabulary has a marketing and communications strategy aimed at establishing clear channels of communication and engagement with all sections of the community. This includes alternatives to traditional communication methods including the force website to provide key information to the public and undertake surveys. Social media and pro-active media coverage of events are used to provide accurate messages and re-assurance and, to receive direct community feedback to the Neighbourhood Policing Teams.

The Strategic Independent Advisory Group (IAG) meets regularly to discuss emerging issues of strategy and policy both nationally and locally and to support, scrutinise and challenge the Constabulary on how it conducts its policing activity.

The Constabulary meets its requirements under the Equality Act 2010 by setting equality objectives every four years and publishing equality information via its website every three months.

The Constabulary surveys victims of crime and anti-social behaviour to ensure that the Victims' Code of Practice is complied with and to use the feedback to improve the experience of victims and the services provided. Service recovery is part of this process.

Local crime data is published at a community level via the Constabulary's website and nationally via police.uk to increase the transparency of crime and performance data.

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits.

The long-term nature and impact of many of Chief Constables' responsibilities mean that they should define and plan outcomes and that these should be sustainable. Decisions should further the purpose of Police and Crime Commissioners, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

Defining Outcomes

The Chief Constable determines the strategic direction and objectives for the Constabulary. This supports the Police and Crime Commissioner in developing his Police and Crime Plan. The Commissioner approves policing objectives, which are incorporated into the plan, which is available on the Commissioners website at www.cumbria.pcc.gov.uk

In developing the Constabulary's vision and strategic priorities the Chief Constable takes into consideration her statutory responsibilities for maintaining the Queen's Peace, the Home Secretary's Strategic Policing Requirement, the Constabulary's Strategic Assessment, based on operational intelligence, and the views of a range of stakeholders including the community, staff and partners. Performance outcomes, operational intelligence, strategic risks, the Force Management Statement and the results of audits and inspections are also taken into consideration when setting strategic priorities.

The Constabulary has developed a Plan on a Page, which highlights its seven operational priorities for

the forthcoming year in delivering the over-arching objective of 'Keeping Cumbria Safe'. The plan also outlines key support activities, its policing style and leadership standards. The presentation of the Plan on a Page provides a concise and easily understood overview designed to focus officers and staff on the Chief Constable's mission.

The Constabulary has developed a longer term Cumbria Vision 2025 plan, which is aligned to the national policing vision 2025. Cumbria 2025 aims to bring together the Constabulary's operational, business, change and financial planning in a single co-ordinated plan, which outlines how it will deliver an effective policing service and respond to changing service demands over the longer term within available resources.

The Constabulary's medium term financial forecasts supports both the Commissioner's medium term financial strategy and the Chief Constable's policing vision by aligning resources with policing priorities over a four year time period, which ensures that a sustainable approach to service delivery is adopted.

Sustainable economic, social and environmental benefits

A wide range of information and stakeholder opinions taken into consideration in developing the Chief Constable's policing vision. This ensures that balanced and comprehensive consideration is given to all aspects of the potential impact of policing policy decisions on the local community.

All decisions by the Chief Constable are taken in the public interest. To manage risk and ensure transparency employees are required to make declarations where there may be or may be perceived to be a conflict of interest

The Constabulary adopts a medium term outlook aligned to the medium term financial planning period when developing business plans, ensuring that the sustainability of service provision is considered as a key element of the business planning process. Due to their long term impact capital expenditure plans are developed over a ten year forecast period.

It is recognised that the Constabulary's officers and staff are its greatest asset and that effective human resource planning is the most significant factor influencing the delivery of sustainable economic, social and environmental benefits. The Constabulary's People Strategy, encompasses a range of strategic themes to ensure that the Constabulary nurtures, cares for and gets the best from its workforce. In addition the People Strategy supports the effective planning, deployment and training of staffing resources.

Themes include :-

- Well-being
- Workforce Planning
- Learning & Development
- Resourcing, succession and talent management
- Reward & recognition
- Performance management
- Supporting change & engagement
- Equality & diversity
- Health & Safety.

The Constabulary complies with the Equalities Act 2010. In doing so all policies, strategic decisions, functions and practices are assessed against the general and specific duties of the Act with the aim of ensuring that we evaluate, document and foster good relations and advance equality of opportunity.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.

Chief Constables achieve their intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of interventions is a critically important strategic choice and Chief Constables have to make to ensure they achieve their intended outcomes. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

Planning Interventions

The Constabulary develops a work programme to deliver its priorities. The work programme is based on

- Cumbria Vision 2025.
- The Strategic Assessment (a document which sets out the Chief Constable's operational priorities based upon performance and intelligence)
- The regional strategic threat risk assessment
- The results of PEEL & Thematic Inspections by Her Majesty's Inspectorate of Constabularies.
- The Change Strategy, which sets out how the Constabulary will improve and deliver savings to balance its budget.
- Business Strategies, which describe what and how the Constabulary will deliver essential support functions including ICT, HR, training, fleet, estates and procurement.
- The Workforce Plan, which describes how the Constabulary will provide the officers and staff required to deliver operational and other policing services.

- The Force Management Statement, which determines resources required to meet current and future demand based on an extensive analysis of operational demand
- The views of the public and other stakeholders.

The work programme supports and informs the Police and Crime Plan and is underpinned by a Medium Term Financial Forecast, which ensures that funding is aligned to the resources required to deliver policing priorities over a sustainable period.

The Constabulary reviews its vision and strategic activities annually to ensure that they continue to support the Police and Crime Plan and the Constabulary's priorities. To support this process strategic and financial planning within the Constabulary are co-ordinated to ensure that the Commissioner's reporting requirements and decision making processes form part of the overall planning cycle of the Constabulary and support the development of the Commissioner's wider Medium Term Financial Strategy.

The Constabulary's monitoring processes enable emerging issues and threats to the achievement of objectives to be quickly identified and appropriate remedial action taken.

Key performance measures are set to support the objectives within the Police and Crime Plan and the Constabulary's own priorities. This is supported by a comprehensive performance management framework, which is developed jointly with the Commissioner. The performance framework supports the Commissioner in holding the Chief Constable to account for the performance of the Constabulary and is also used to direct and manage activity within the Constabulary through the work programme.

The principles of risk management are fully embedded within the strategy development planning and performance monitoring processes linked to the achievement of organisational objectives. Where specific risks are identified they are integrated with the Constabulary's overall risk management processes.

The Constabulary reviews its governance arrangements on a regular basis to reflect development in the Police and Crime Plan and to support delivery of its own vision and priorities, making adjustments as necessary.

Determining Interventions

The funding agreement between the Commissioner and Constabulary sets out the consents and arrangements for governance between the Commissioner and the Chief Constable, including

specific consents in respect of financial management of the Constabulary budget.

The Constabulary has a Chief Officer Group, which is its strategic decision making body and this is supported by a clearly defined board structure. There are established terms of reference and clear reporting lines to the Chief Officer Group. Reports are presented to Boards on a standard template, which includes details of options evaluation and consultation with all affected business areas to ensure that decisions are robust and the implications fully understood.

Task and Finish Groups and Steering Groups are set up to ensure that specific priorities are delivered. Members of these groups include police staff and officers from all ranks and level, representing decision makers and practitioners. The groups report into the permanent governance framework to ensure effective and co-ordinated decision making.

The decision making authority and duties to be carried out by individual officers on behalf of the Chief Constable are set out in the Chief Constable's Scheme of Delegation, budget management responsibilities and budget protocols.

In the operational environment the Constabulary utilises the National Decision Model (developed by the NPCC Ethics Portfolio and National Risk Co-ordination Group) supported by the THRIVESC (threat, harm, risk, investigative opportunity, vulnerability engagement, safeguarding and ethical crime recording) principles when determining actions. This is a risk assessment framework and decision making process which is used by all police

forces across the country. It provides a logical, evidence based approach to making policing decisions and is used by all police officers in their daily work. Further guidance and support to operational decision making is provided through operational policies and standard operating procedures.

The National Intelligence Model (NIM) is a business model for law enforcement and it takes an intelligence-led approach to policing. The tasking and co-ordination process within NIM provides police managers with a decision making mechanism to manage their business both strategically (national, regional and constabulary level) and tactically (territorial policing area level). Pro-active leadership is an essential requirement of the tasking and co-ordinating process. Management decisions are based on a full understanding of the problems faced and enable managers to prioritise the deployment of resources at their disposal.

The day to day allocation of resources across operational policing is directed by a daily force-wide operational review meeting linked to daily management meetings. These forums operate under the 'THRIVE' principles and soft boundaries to ensure flexibility to respond to priorities across the whole force area.

Performance, outcomes and costs are monitored and benchmarked through a framework which includes external comparators based on HMICFRS Value for Money Profiles, Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection reports and an Annual Value for Money Conclusion from the External Auditors. The results of these inspections are used to inform and plan both

medium and longer term resource allocation processes principally through the Change Programme and more immediate interventions in response to inspection findings.

Optimising achievement of intended outcomes

The Constabulary's Medium Term Financial Planning process is fully integrated with the Commissioner's Medium Term Financial Strategy and wider business planning within the Constabulary. Consistent planning assumptions particularly in relation to the estimation of overall funding are utilised to ensure that the development of business strategies takes place in the context of the resources available and support the development of the Commissioner's wider Medium Term Financial Strategy.

The Constabulary prepares a detailed budget proposal for the Commissioner. The proposal is based upon a zero based budget approach, working closely with the business and functional managers to forecast operational requirements over 4 years for revenue budgets and 10 years for capital expenditure. This includes a series of 'star chambers' providing Chief Officers with the forum through which budget-holders can be challenged on their requirements.

In the current financial climate the Constabulary's Change Programme, which sits across all workstreams within the Cumbria Vision 2025 plan and is delivered by the Business Improvement Unit, is critical to the delivery of a balanced and sustainable budget and is subject to detailed financial scrutiny as part of the budget planning process.

The final budget proposal is developed through an iterative process of on-going dialogue between the Commissioner and Chief Constable in producing the Medium Term Financial Strategy, which takes into consideration

- Estimates of funding both through government grant settlements and council tax.
- Service priorities and delivery plans.
- Financial and business risks.
- Change Programme savings.
- The impact on numbers of Officers, PCSOs and staff.

Ultimately, the Medium Term Financial Planning process seeks to align resources to strategic priorities, ensure that decisions on resources, services, performance and expected outcomes are based on a robust understanding of risks to and affordability of future plans.

Principle E: Developing the entity's capacity including the capability of its leadership and the individuals within it.

Constabularies need appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. Chief Constables must ensure that they have both the capacity to fulfil their mandate and to make certain that there are policies in place to guarantee that management has the operational capacity for the entity as a whole. Because both individuals and the environment in which Chief Constables operate will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of their communities.

Developing the Entity's capacity

The Constabulary has developed and agreed a Continuous Improvement, Efficiency and Value for Money Strategy, which sets out the principles the Constabulary will follow and specific reviews, which aim to secure maximum value from the resources available to it. The strategy utilises HMICFRS Value for Money profiles and Police Objective Analysis data, to benchmark resources allocations across all functions in relation to other forces. The conclusions of this work are reported to the Chief Officer Group and the Joint Audit Committee and are used as a basis for identifying areas with the potential to deliver savings through the Change Programme.

The Force Management Statement is reviewed annually and establishes the resources required across all functions based on current demand and identified future demand trends. The process is the

cornerstone of the annual resource allocation process and identifies the numbers and type of resource required for the short and medium term. The results inform workforce and training planning.

The Constabulary's services are subject to independent review by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) and by internal audit, which is provided by the Cumbria Shared Internal Audit Service. A Business Improvement Unit has been established re-enforces the work of external inspectorates through a programme of self assessments and internal inspections, which ensure that both internally identified service improvements and recommendations from external reviews are acted upon.

The Constabulary is open to the idea of collaboration with other forces and organisations as a means of delivering more efficient services.

Collaborative opportunities which deliver benefits to Cumbria are actively pursued.

The Chief Constable's Chief Finance Officer (CFO) is shared with the Police and Crime Commissioner and is a member of the Chartered Institute of Public Finance and Accountancy (CIPFA). The CFO operates within the guidance set out in the CIPFA Statement on the Role of the Chief Finance Officer of the Constabulary.

Procurement regulations are developed jointly with the Commissioner and supported by a procurement strategy. The regulations incorporate procurement policy and procedures that aim to ensure best value in the use of public money. The regulations also promote an open and transparent approach to procurement and the highest standards of integrity and ethical behaviour for all those involved.

Developing the Entity's Leadership

The key functions and roles of the Chief Constable and the Police and Crime Commissioner are set out in the Police Reform and Social Responsibility Act 2011 (PRSA) and the Policing Protocol Order 2011 (PPO). The PRSA and the PPO also set out the function and roles of statutory officers.

The Constabulary's uniformed Statutory Officers are required to complete the Association of Chief Police Officers Strategic Command Course before they are permitted to undertake Chief Officer roles on a permanent basis. This course is designed to ensure that senior officers are equipped with the requisite leadership skills and competencies to undertake senior officer roles.

Other senior officers and staff posts have clear and accurate job descriptions and are recruited to on the basis of relevant knowledge, experience and qualifications.

The Constabulary fully utilises the College of Policing leadership programmes to develop its senior officers and staff. The Constabulary ensures that senior uniformed officers maintain their national accreditation to provide operational command for major and critical incidents.

The Chief Constable is statutorily required to appoint a Chief Finance Officer (CFO). The CFO's responsibilities and job profile are based on the Home Office Financial Management Code of Practice and the CIPFA 2016 Statement on the Role of the CFO. The CFO is the financial advisor to the Chief Constable and has statutory responsibility to ensure that the financial affairs of the Chief Constable are properly administered, having regard to their probity, legality and appropriate standards. The CFO provides all financial advice and ensures systems of internal financial control are effective. The CFO is shared with the Commissioner.

The Chief Constable is supported by the Director of Legal Services, who is a qualified solicitor, member of the Law Society and member of the Solicitor's Regulatory Authority. The Director of Legal Services is a member of the Chief Officer Group and has responsibility for advising the Chief Constable on legal matters. As a member of the Chief Officer Group, the Director of Legal Services is able to scrutinise the legal implications of all strategic decisions.

Members of the Joint Audit Committee and Ethics and Integrity Panel are recruited for the specific skills and experience requirements to fulfil their respective roles. These bodies have clear terms of reference and membership which are consistent with best practice. Members are supported in their professional development through provision of seminars prior to meetings, access to relevant publications and external training.

The Constabulary has a leadership development programme which aims to ensure that managers at all levels within the organisation equipped with the knowledge and skills required to lead the organisation. In addition, the leadership & skills programme aims to provide officers and staff with both the operational skills and knowledge that they require in order to undertake their role and provide supervisors and managers with the necessary leadership & managerial skills to engage, support and manage their staff.

In the longer term the Constabulary will put in place a long term, sustainable Leadership and Skills Programme for all staff, which supports the national leadership review of policing.

Developing the Capability of Individuals within the entity.

The Constabulary has a range of human resources policies which provide a framework to ensure that officers and staff are treated in a fair and transparent way in accordance with employment legislation. A Workforce Group meets on a weekly basis to consider staffing changes. Part of the terms of reference of this group is to ensure that

promotions and appointments processes are equitable.

All personnel policies are reviewed on a periodic basis to ensure that they remain fit for purpose and support officers and staff in working effectively.

The Constabulary has a well-defined organisational structure with clear reporting lines. All officers and staff within the Constabulary have job profiles, which define their roles and include the policing professional framework.

There are national pay scales for police officers and police staff. Terms and conditions of employment are approved nationally for Police Officers, via Police Regulations and locally for police staff, in conjunction with employee representatives. The Constabulary operates an approved job evaluation scheme.

All Constabulary posts are recruited to on the basis of accurate role profiles. The profiles specify appropriate essential and desirable skills, experience and qualifications to ensure that employees are able to deliver their responsibilities effectively. Membership of relevant professional bodies ensure access to up to date Codes of Practice, guidance and professional standards in all areas of business.

The Constabulary is committed to the principles of 'equal opportunities' in relation to the recruitment of officers and staff, accordingly promotion and appointments are undertaken in an open and transparent way in accordance with HR policies.

Staff Associations are represented at the Constabulary's Chief Officer Group meetings, which ensures that they are consulted on all strategic decisions. The Constabulary and Commissioner have adopted joint personnel policies to provide a framework for all issues related to employee management and terms and conditions. This includes policies on how staff and staff associations will be engaged in any change process. Trade unions and staff associations are consulted during any reviews of personnel policies. There is a general principle of on-going consultation and engagement during any business change, which encourages employees to contribute ideas and suggestions to improve performance.

The Constabulary is committed to ensuring that the capacity and capability of its officers and staff are developed to enable them to operate effectively through the People Strategy.

Police Officer and Police Community Support Officer recruits are provided with rigorous initial training on operational policing and the values and standards of conduct expected of them.

The Constabulary's PDR processes for officer and staff enable training and development requirements to be identified and managed, which are aligned to the role or agreed objectives and actions.

The Constabulary has an approved training plan, which is updated on a regular basis and aims to address the development needs of officers and staff. The training programme also seeks to provide

refresher courses, which ensure that specialist skills are maintained in accordance with relevant best practice.

Areas of corporate training and development need are addressed by a range of training solutions including e-learning, classroom and assessed qualifications, which can be accessed by all officers and staff.

A Performance Development & Review (PDR) process has been introduced for all staff within Cumbria Constabulary. The PDR is based around strengths based conversations and a national competency and values framework linking the current 15 week review process already in place with national PDR requirements.

The Constabulary recognises the importance of supporting the health and well-being of employees in contributing to an effective workforce. As part of the People Strategy all HR policies take account of employee welfare for example provision, where possible for flexible working for staff and officers. The Health and Safety department provide on-going monitoring and advice in relation to safety within the workplace. The Constabulary maintains an occupational health function, which provides advice and support to managers and staff in relation to specific psychological and physiotherapy issues.

Principle F: Managing risks and performance through robust internal control and strong public financial management.

Chief Constables need to ensure that the entities and governance structures that they oversee have implemented—and can sustain—an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. They consist of an ongoing process designed to identify and address significant risks involved in achieving outcomes. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

Managing risk

The Constabulary's risk management policy sets out the overall arrangements for managing risk within the Constabulary and is based on good practice identified by the Institute of Risk Management. The policy incorporates a clear framework of objectives, designated roles and responsibilities for risk management and provides a mechanism for evaluating and scoring risks to support decision making in respect of mitigating action. Identified risks are logged on a risk register with clear ownership and reviewed regularly as a standing item at strategic and management meetings. Individual project boards, departments and commands each maintain risk registers, which are updated on a quarterly basis and integrated with the corporate risk management process. Specific risks can be escalated to a strategic risk register for consideration by the Chief Officer Group.

Arrangements for risk management are subject to review by the Joint Audit Committee. The

Constabulary's Strategic Risk Register is presented to the Committee at each quarterly meeting.

The Constabulary maintains comprehensive business continuity plans for all service areas, which aim to ensure that critical activities are maintained in a range of adverse scenarios.

Managing performance

Clear lines of accountability and processes are in place within the Constabulary to monitor and manage delivery of operational and business objectives including :-

- A board structure linked to the delivery of strategic priorities with clear terms of reference / areas of responsibility.
- Chief Officer's holding managers to account for delivery of the work programme in Performance Development Conferences.
- Performance management figures which are published on a dashboard available to all Constabulary officers and staff and the Commissioner, which are updated daily. These

figures are subject to statistical analysis to identify areas where significant change is occurring.

- Regular meetings between chief officers and their senior management to discuss progress on the work programme.
- A bi-monthly report to Chief Officers on progress on the work programme.
- A Daily Operational Review Meeting which ensures that a tactical level operational resources are continuously prioritised and directed towards meeting force objectives.
- Six monthly performance reports which are presented to the Chief Officer Group and the Commissioner's Public Accountability Conference.
- Thematic performance reports which are presented to the Chief Officer Group, Collaborative Board and the Commissioner's Public Accountability Conference and published on the Commissioner's website.
- An individual Officer Performance Dashboard has been developed and implemented. This enables sergeants to quickly view their officers' workload and form the basis of regular one to one performance meetings, improving supervision and productivity.
- Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) also continuously monitors Constabulary performance against other forces and carries out an annual overarching Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection of the Constabulary together with thematic inspections agreed with the Home Secretary. Action plans are developed in

response to inspections and are subject to regular review.

- User Satisfaction Performance measures are included in the Performance Management Framework. The Constabulary also pursues strategies to engage effectively with service users including crime surveys and community meetings, with the aim of better meeting the needs of users. A procedure for complaints enables the public to raise concerns about services.
- The Constabulary has developed a Business Improvement Unit and Strategy with the aim of providing assurance that operational systems and processes are operating effectively to deliver a high quality policing service.
- A Cumbria Constabulary Improvement Plan (CCIP) which collates all improvement actions from internal and external sources. The plan is managed by the Business Improvement Unit, which requests and coordinates progress updates from action owners and reports results to senior management.
- A funding arrangement is in place between the Police and Crime Commissioner and the Constabulary, which clearly defines the purpose of the funding and sets out information and monitoring requirements to ensure funding is targeted on activities that support the priorities and outcomes within the Police and Crime Plan.

Reports are produced on a standard template with the aim of providing appropriate information to decision makers including evaluation of options, consideration of risks and consultation from

specialist support functions to ensure that the full implications of decisions are understood.

The Police and Crime Plan recognises the importance of partnership working between the Chief Constable and the Commissioner to develop the future direction of policing policy and strategy that takes account of public priorities. A Collaborative Board structure comprising the Deputy Chief Constable, Assistant Chief Constable, Directors, the Commissioner's Chief Executive and Deputy Chief Executive and the Joint Chief Finance Officer supports joint working and facilitates the arrangements for accountability and performance monitoring. The board provides a mechanism through which the Chief Constable provides briefings on matters or investigations over which the PCC may need to provide public assurance.

The Constabulary's Change Programme is critical to the delivery of an effective policing service at a time of scarce resource. All changes proposals are developed in accordance with principles set out in the Constabulary Change Management policy, which includes comprehensive consultation with all stakeholders and scrutiny through the Vision 2025 thematic boards. All changes are subject to post implementation review.

Robust internal control

The Chief Constable is responsible for reviewing her governance framework and including the system of internal control. This work is informed by the work of Chief Officers and senior managers who undertake an over-arching review of key controls and governance arrangements in support of the key principles in this code.

The Constabulary's arrangements for risk management, internal control and anti-fraud and corruption are reviewed on a cyclical basis through the wider arrangements for assurance of the governance framework.

Senior managers with responsibility for financial systems provide annual management assurances using a CIPFA internal control framework as part of this process. An annual fraud risk assessment is undertaken as part of the accounts closure process by the Chief Finance Officer and reviewed by external auditors.

A joint internal audit service is commissioned in conjunction with the Commissioner, which is provided by the Cumbria Shared Internal Audit Service. This provides assurance in relation to the Constabulary's internal control environment, arrangements for risk management and governance. The internal audit plan is developed on a risk basis following consultation with stakeholders and covers all areas of operation. The Head of Internal Audit provides an annual overall opinion of the adequacy and effectiveness robustness of the internal control framework.

A Joint Audit Committee operates in line with Chartered Institute of Public Finance and Accountancy Code of Practice and the Home Office Financial Management Code of Practice. In line with the Home Office Code, the Committee fulfils the functions of an Audit Committee for both the Commissioner and the Chief Constable. As part its terms of reference the committee reviews

- The Constabulary's key governance documents on a cyclical basis.

- The Constabulary's risk management arrangements.
- Annual reviews of the effectiveness of arrangements for risk, governance and internal control.
- internal and external audit reports and updates on progress in implementing audit recommendations.

The committee undertakes an annual self-assessment to ensure on-going compliance with the CIPFA framework for Police Audit Committees.

Managing Data

The Constabulary has adopted an Information Management Strategy which has the principal objectives of ensuring that information is managed

- within a framework for identifying, considering and owning information and information risk.
- consistently across the organisation.
- to support policing objectives by providing reliable information at the point of need.
- in compliance with relevant legislation concerning the handling and use of data. For example General Data Protection Regulations. In particular data will only be collected or held for either 'lawful policing purposes' as defined by the Management of Police Information (MOPI) Code of Practice (2005) or to support administrative functions.
- Providing guidance to personnel on the correct use of data, sharing it lawfully and protecting it from compromise.

The Constabulary maintains appropriate physical and digital safeguards to protect data from unauthorised access and misuse. An Information Security Board meets regularly to respond to emerging issues and threats in relation to the management and sharing of data.

The accuracy of police data is critical to the achievement of policing objectives and maintaining public confidence. To ensure that data is managed in an accurate and timely manner, the Constabulary maintains a number of specialist units including :-

- a Crime and Incident Registrar supported by a team whose role is to ensure that crimes are recorded in compliance with National Crime Reporting Standards and, incidents in compliance with National Standards of Incident Recording.
- officers and a criminal justice unit whose role is to support the criminal justice process and to ensure the timely and effective progression of criminal cases through the criminal justice system meeting the evidential requirements of both magistrates and crown courts.
- an Information Management Services team who ensure that performance data is collated and reported on a consistent basis.
- a Central Services Department which manages transactional data on behalf of a number of support functions.

Strong public financial management

Arrangements for financial management support the Chief Constable in achieving objectives and de-

delivering strong operational and financial performance. The arrangements for financial management are codified within a suite of financial governance documents, which comply with CIPFA Codes of Practice and ensure that all officers and staff are aware of their responsibilities in this regard.

The governance documents include a funding arrangement between the Commissioner and Constabulary, which sets out the financial consents and responsibilities for financial management between the Commissioner and Chief Constable. This ensures that funding provided to the Chief Constable is directed towards the policing strategy and priorities set out in the Police and Crime Plan.

The Constabulary's budget and medium term financial position provide a framework for all Constabulary decisions. The Joint Chief Finance Officer is a member of the Chief Officer Group ensuring that the financial position and risks are clearly understood and support the operational decision making process.

The Constabulary and Commissioner have a shared finance team which provides a full spectrum of financial management services to both organisations including budget planning, budget monitoring, preparation of the statutory financial

statements and treasury management. There is financial representation at all decision making and project boards and report templates incorporate the financial implications of proposals.

The management of all Constabulary budgets (including capital projects) are assigned to named budget-holders, who are required to formally accept their responsibilities including any arrangements for sub-delegation. These responsibilities require regular monitoring and reporting of financial information, enabling early identification of variances. Each budget-holder receives support from a designated member of the financial services team.

The financial services team works closely with both operational and support functions to ensure that business planning and financial planning processes, such as workforce planning and the preparation of strategies are fully integrated.

All financial systems and process are subject to risk based cyclical review by internal audit to provide assurance that financial controls are operating effectively, which also forms part of the arrangements reviewed by external audit in forming their conclusions on the financial statements and value for money.

Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability.

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Implementing good practice in transparency

In all communications to the public the Constabulary seeks to ensure that the content and reporting style are as clear and easily understandable as possible. A number of different forms of media are often utilised to maximise public engagement.

The Constabulary's website, Facebook and Twitter accounts aim to provide key information to the public in a readily accessible format.

The Constabulary is committed to open and transparent governance and complies with the Freedom of Information Act 2000. A dedicated function within the Constabulary's Professional Standards Department aims to ensure that requests for information under the Act are responded to promptly, proportionately and accurately.

The Constabulary complies with the Government's transparency agenda in respect of publishing details of all expenditure over £500.

Implementing good practices in reporting

The principal means by which the Chief Constable formally reports to the public is through the Commissioner's Annual Report, which incorporates activities, performance and achievements of the Constabulary. The annual report presents outcomes achieved against an agreed framework of targets and measures.

The Constabulary publishes an Annual Governance Statement (AGS) alongside its Statement of Accounts. This document outlines the measures in place to ensure compliance with its Code of Corporate Governance. The AGS also incorporates an action plan of work which will be undertaken in the following financial year to enhance its governance arrangements. The AGS is subject to scrutiny by the Joint Audit Committee prior to publication.

The Constabulary is subject to the Accounts and Audit (England) Regulations 2015 and prepares a set of single entity accounts in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting and are subject to external audit.

The Constabulary's financial statements include a narrative statement, which provides an overview of financial and organizational performance in a concise and easily understandable format.

Assurance and effective accountability

Grant Thornton UK LLP are the external auditors appointed to both the Police and Crime Commissioner for Cumbria and the Chief Constable for Cumbria Constabulary to report key matters arising from the audits of the Commissioner and Chief Constable's financial statements. The external auditors also reach a formal conclusion on whether the Commissioner and Chief Constable have put in place proper arrangements to secure economy, efficiency and effectiveness in the use of resources. The audit findings report is published in the financial statements and presented to the Chief Officer Group, Commissioner's Public Accountability Conference and Joint Audit Committee for review. The Joint Audit Committee monitors the implementation of recommendations arising from the audit.

The Constabulary has joint arrangements for internal audit in place in conjunction with the Commissioner. This service is provided by the Cumbria Shared Internal Audit Service. Central to this function is an annual risk based audit plan,

which complies with the Public Sector Internal Audit Standard. The Chief Internal Auditor reports to the Joint Audit Committee on its findings, including recommendations for improvements. The Committee monitors the implementation of audit recommendations. Internal Audit makes an annual assessment and reports on the overall internal control environment and arrangements for risk management.

The Constabulary is subject to review by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS), who produced themed reviews and an annual overall assessment of Police Efficiency, Effectiveness and Legitimacy (PEEL). HMICFRS reports are reviewed by the Joint Audit Committee. Action plans are developed to respond to HMICFRS recommendations. Where appropriate the Constabulary engages peer reviews of specific activities or functions to provide additional assurance. The Constabulary's Business Improvement Unit monitors the implementation of recommendations, which are also reported to the Commissioner's Public Accountability Conference and the Joint Audit Committee.

The Ethics and Integrity Panel also monitors and reports on specific areas of activity, such as complaints handling and ethical issues.



Police and Crime Commissioner for Cumbria

Annual Governance Statement 2018/19

INTRODUCTION AND SCOPE OF RESPONSIBILITIES

The Police and Crime Commissioner for Cumbria (the Commissioner) is responsible for ensuring business is carried out in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

To meet this overall responsibility, the Commissioner has put in place proper arrangements for overseeing what we do. This is what we mean by governance. These arrangements are intended to make sure that we do the right things, in the right way and are fair, open, honest and accountable.

Our arrangements for governance are set out within a Code of Corporate Governance ('The Code'). The Code explains the way the Commissioner governs and the frameworks that are in place to support the overall arrangements for fulfilling his functions. The Code of Corporate Governance is published alongside the Annual Governance Statement on the Commissioner's website at www.cumbria-pcc.gov.uk

This Annual Governance Statement (AGS) describes how the Commissioner has followed The Code. It also meets the requirements of regulation 6(1) and 10(1) of the

Accounts and Audit Regulations 2015. The regulations say that we must prepare and publish an Annual Governance Statement (AGS) to accompany the Commissioner's statement of accounts.

REVIEW OF EFFECTIVENESS

The key systems and processes that comprise the Commissioner's governance arrangements for 2018/19 have been guided by the seven core principles of Corporate Governance from the CIPFA/Solace Governance Framework applicable to the 2018/19 financial year. This is the standard against which all local government bodies, including police, should assess themselves.

The Commissioner has responsibility for conducting, at least annually, a review of the effectiveness of his governance framework including the system of internal control. The review of effectiveness is informed by the work of Chief Officers and senior managers who have responsibility for the development and maintenance of the governance environment. The review process comprises:

- A cyclical detailed review of the key documents within the Commissioner's governance framework.
- A review of the governance arrangements in place to support each core principle, culminating in an updated Code of Corporate governance.
- A review of what has happened during the past year to evidence how the governance framework has been complied with.
- A review of the effectiveness of the arrangements for Internal Audit. The review is supported by consideration of the opinion of the Chief Internal Auditor, as set out in his annual report.
- A review of the effectiveness of the Joint Audit and Standards Committee against CIPFA guidance on Audit Committees for Police.

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Ethics and Integrity

The Commissioner has in place arrangements for anti-fraud and corruption, which have been reviewed in 2018/19 by the Governance Manager, the conclusions of which were reported to the Joint Audit Committee in May 2019. The review concluded that arrangements are effective. Whilst fraud risk remains low within the OPCC office, matters of integrity are re-enforced including enhanced arrangements in respect of recording gifts and hospitality and/or supplier contact. The anti-fraud and corruption arrangements also highlight mechanisms for confidential reporting and whistleblowing.

The process of commissioning services and award of grants present a potentially high risk with regard to integrity. Grant Regulations are in place to ensure that

grant awards are made in a fair, transparent and consistent manner and that appropriate conditions are attached to safeguard public money. An internal audit review in 2017/18, which focussed on the award of open grants, provided reasonable assurance and during 2018/19 recommendations arising from the audit have been implemented.

A fraud risk assessment undertaken by the Joint Chief Finance Officer in compliance with International Financial Reporting Standards did not reveal serious concerns.

In respect of the arrangements for standards, ethics and integrity, no complaints have been received against the Commissioner or members of his office in relation to matters of integrity.

During 2018/19 the Ethics and Integrity Panel have carried out dip sample processes and thematic inspections for a number of different areas of business including, adherence with the Code of Ethics and Code of Conduct, public complaints, police misconduct and staff misconduct cases, all of which were found to support high standards of ethics and integrity. This enabled the Police and Crime Commissioner to fulfil his statutory duty to have oversight of the Constabulary's complaints and misconduct processes.

The scope of the Panel's work has developed during 2018/19 through the completion of three thematic inspections, which began in 2017/18, in relation to the use of Stop and Stop/Search, the use of Body Worn Video and the operation of the Professional Discretionary Framework within the Constabulary's Communications Centre. The findings of the Panel's work, including recommendations, have been reported to the Commissioner's Public Accountability Conference to improve transparency and support public scrutiny.

The Joint Audit and Standards Committee received the 2018/19 annual report of the Ethics & Integrity Panel in May 2019 to support assurances in respect of arrangements for standards and ethical governance.

During 2017/18 new legislation giving Commissioner's explicit responsibility for the performance of the local complaints system and hearing misconduct appeals was expected to be enacted. The implementation of the new requirements has now been deferred awaiting legislation being approved by Parliament.

Respecting the rule of law

Officers within the OPCC receive updates on changes in legislation through their professional bodies, APACCE, PACTS, the APCC and from the government. The

Commissioner provides funding to the Constabulary's Legal Services Department, who deliver support to the OPCC on legal matters.

During the year formal reviews has been undertaken of the role of the Commissioner's Chief Finance Officer and the Head of Internal Audit (HIA) and the Joint Audit and Standards Committee against the respective CIPFA statements, which concluded there was full compliance.

Principle B: Ensuring openness and Comprehensive stakeholder engagement

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Openness

Openness is a key element of the role of the Commissioner and is not just about publishing information, but listening and influencing as well. The Commissioner operates in accordance with the Elected Local Policing Bodies (Specified Information) Orders of 2011, 2012, 2013 and the guidance provided by the Information Commissioner. This is demonstrated, documented and communicated through an information

publication scheme that ensures the openness of all key information to the public. Examples of information that is published includes agendas and reports of public meetings, guidance on the Commissioner's funds, freedom of information requests, financial information and details of key decisions. A range of communications media are used including the Commissioner's website and social media.

The Commissioner is highly committed to be the voice of the people of Cumbria. This is demonstrated through a wide range of engagement opportunities for the public to make contact so their views are heard and responded to. The Commissioner has held public meetings where the public have expressed local feelings about a specific issue, as was experienced following this year's Appleby Horse Fair.

The Commissioner also publishes information for the public to see how he is representing their views and holding the force to account through his Public Accountability Conferences.

To promote openness and transparency, all Public Accountability Conferences have been advertised to allow members of the press and public to attend, and all minutes arising from these meetings are published

subsequently. An Annual Report, outlining the work of the Commissioner, is published annually.

Engaging Comprehensively with Institutional Stakeholders

The Commissioner is actively engaged with a wide range of bodies to encourage a multi-agency approach to matters within his remit including:

- Chairing the Safer Cumbria Delivery Board, which is both the county-wide Community Safety Partnership and Criminal Justice Board for Cumbria.
- Membership of the Cumbria Leaders' Board.
- Chairing the Blue Light Collaboration Executive Leaders Board.

During 2018/19 the Commissioner has led a range of partnership working initiatives to deliver the Commissioning Strategy and ensure arrangements are in place for victims support services. This has included:

- Refinement of a Quality Assessment Framework to monitor compliance with the Victims Code in Cumbria and drive improvements in specific areas through this process.
- Working with Cumbria County Council and other statutory partners through Safer Cumbria,

commissioning a new model of victims service, combining emotional and practical support for those affected by all types of crime with specialist domestic and sexual abuse services, to improve ease of access to the right support service.

- Recommissioning a therapeutic service for people who have experienced sexual abuse and sexual assault, on behalf of partner agencies which contribute to The Bridgeway Sexual Assault Support Service budget.
- Continued to work in collaboration with Get Safe Online and through local Community Safety Partnership to deliver a range of community events and workshops to prevent local people and businesses becoming victims of online crime.
- Funded Community Safety Partnerships to continue to work with communities and partners on issues impacting on their specific areas of Cumbria, including alcohol-related violence and antisocial behaviour.

Engaging Stakeholders Effectively including Citizens and Service Users

The Policing Protocol Order highlights the accountability of the Police and Crime Commissioner to local people. This responsibility is delivered through the OPCC to

ensure a wide range of engagement approaches so that the Commissioner actively listens, considers and effectively uses the views of the people of Cumbria to influence decisions.

The Commissioner is directly involved in all of the engagement activities and encourages the Commissioner's ethos of 'we, not they' to emphasise that communities, stakeholders and partners need to all work together to help deliver the Police and Crime Plan, to make Cumbria even safer.

During 2018/19 engagement included:

- Public surgeries/drop-ins at various locations - with a focus on going to where people.
- Numerous speaking engagements and attendance at public events.
- Meetings with a diverse range of community groups.
- Media engagements.
- Public consultation on setting the council tax percept and identify policing priorities.
- Cumbria Community Messaging.
- The Commissioner's website.
- Social media: Twitter, Facebook and YouTube.
- a bi-monthly newsletter.

- Campaign focusing on safer driving.

The Commissioner's Public Accountability Conference is open to the public and supports engagement.

The Commissioner launched public consultation on the proposal to increase the policing part of the council tax precept. More than 70% of the respondents (over 2,000) agreed with raising the council tax for example this would be for a Band D property an increase of just under £24 per year. The Commissioner also undertook a survey in summer 2019 to determine the priorities of the public in relation to police and crime matters and as a result launched the campaign for safer driving.

The OPCC logs all quality of service issues that are raised with the Commissioner, which are tracked and escalated with the Chief Constable where appropriate. This feedback is also used by the Constabulary to assess what lessons can be learned from examples of poor or unsatisfactory service, to make improvements. As a result of public feedback improvements have been made to the telephone 101 service in order to reduce call waiting times.

In summary, the engagement with all stakeholders allows the Commissioner to develop a vision for policing services,

which in turn is incorporated within the Police and Crime Plan.

Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Defining Outcomes

The Police Reform and Social Responsibility Act (PR&SRA) requires the Commissioner to produce a Police and Crime Plan setting the vision and strategic direction for policing, crime reduction and community safety. A new Police and Crime Plan was launched in November 2016, following the appointment of a new Police and Crime Commissioner for Cumbria.

The Police and Crime Plan 2016-2020 contains the police and crime objectives which all contribute toward achieving the PCC's overall aim 'to make Cumbria an even safer place'. Each objective is supported by actions that the Constabulary and/or partners will undertake to contribute to successful outcomes. These objectives and actions are underpinned by performance measures used

to assess how well the objectives are being achieved, which are set out in the PCC's Performance Management Framework.

The priorities within the plan are:

- 1 Your Priorities For Cumbria
- 2 A Visible and Effective Police Presence
- 3 Tackle Crime and Anti-Social Behaviour
- 4 Ensure Offenders Face A Consequence For Their Crime
- 5 Always Put Victims First
- 6 Focus our Police on Online and Sexual Crime
- 7 Spend your Money Wisely
- 8 Supporting Young People

An action plan setting out how the objectives of the Police and Crime Plan has been developed within the OPCC. This is reviewed annually to ensure it reflects key activity and takes into consideration any emerging issues.

Key performance indicators were also set with the Chief Constable at the start of the financial year to support the objectives within the Police and Crime Plan. A comprehensive Accountability Framework, Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services HMICFRS Inspections and Value for Money Reports

further support the Commissioner in holding the Chief Constable to account for performance of the force.

The PCC regularly reviews progress against his police and crime objectives. Where grants have been awarded, the awards are made against agreed timescales and milestones for delivery and include success criteria or performance measures.

During 2018/2019 a detailed programme of work has been developed with the Police and Crime Panel to facilitate effective scrutiny of delivery of the plan's objectives. Progress reports are presented to the Panel on a quarterly basis supported by thematic reports, which are agreed at the start of the year.

The Chief Constable is held to account for delivery of policing objectives through the PCC's Public Accountability Conferences (PACs). These meetings are divided into two key areas of business: performance and finance. A reporting schedule for these meetings is agreed annually with the Constabulary and ensures the PCC monitors performance in a number of areas of policing. During 2018/19 thematic reports provided assurance on anti-social behaviour, criminal justice, domestic abuse, hate crime, uniformed policing visibility, serious crime, cyber-crime, investigation of sexual offences, offender management and the policing of

Appleby Fair. In addition, reports were also received covering equality and diversity, financial monitoring, and ethics.

The Police and Crime Act 2017 conferred a duty on Commissioners to collaborate on the delivery of emergency services. During 2018/19 the Commissioner negotiated a collaboration agreement and governance structure with Cumbria Constabulary, Cumbria County Council, Cumbria Fire & Rescue Service and the North West Ambulance Service to develop work streams around Blue Light collaboration. The PCC chairs the Blue Light Collaboration Executive Leaders Board, which oversees the work.

The Commissioning Strategy sets out the processes by which the Commissioner will identify and fund services to support his priorities. This was reviewed and updated in 2017/18.

Sustainable economic, social and environmental benefits

The Head of Partnerships and Commissioning ensures that the services commissioned are consistent with the PCC's objectives as set out in the Police and Crime Plan 2016-2020. For the financial year 2018/19, the PCC committed over £2.6m to projects and initiatives aimed at reducing offending and re-offending and supporting

victims of crime. A significant proportion of that funding has been committed to supporting the reduction in domestic abuse and sexual violence.

A review of the Joint Procurement Regulations between the Office of Police and Crime Commissioner and Constabulary Procurement Department. A Social Value policy incorporating a modern slavery statement has been drafted and, once approved, will support procurement and commissioning activity.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Planning & Determining Interventions

During the course of 2018/19 the Commissioner's Public Accountability Conference received Constabulary assurance covering a range of areas of performance including Her Majesty's Inspectorate of Constabulary and

Fire & Rescue Services (HMICFRS) performance recommendations to support police effectiveness, efficiency and legitimacy (PEEL). This enabled the Commissioner to hold the Chief Constable to account. Crime levels, public satisfaction and police performance have also been regularly monitored

The OPCC's Head of Partnerships and Commissioning chairs the Cumbria 'Out of Court (OoCDs) Disposal Scrutiny Panel'. OoCDs allow the police to deal quickly and proportionately with low level, often first time, offending, which can be appropriately resolved without a prosecution at court. The Panel seeks to increase the public's understanding and confidence in how the Constabulary uses OoCDs. Inappropriate and inconsistent disposals associated with domestic abuse cases have been almost eliminated following Panel feedback. In some cases where concerns are raised by the Panel, guidance and advice is feedback to officers and decision makers which has then contributed to training and changes to policy.

During the last year, the Commissioner has continued to build on partnership working to address priorities in the Police and Crime Plan. Projects have included:

- Putting in place a new integrated domestic and sexual abuse crisis support service, bringing together two

previously separate services, working with Cumbria County Council and Cumbria Constabulary.

- Commissioning a victim service, which integrates support for people who have experienced all types of crime, working with Cumbria County Council, NHS and Local Authority partners.
- Leading the implementation of the Quality Assessment Framework developed in 2017-18 to review and improve how criminal justice and support agencies comply with national standards for working with victims.
- The Commissioner has negotiated a collaboration agreement and governance structure between Cumbria County Council, Cumbria Fire & Rescue Service, the Constabulary and the North West Ambulance Service to develop a number of streams of work around Blue Light Service Collaboration.
- Working with Cumbria's three Community Safety Partnerships and Get Safe Online to raise public knowledge of how to protect themselves against fraud and other crimes committed via the internet.
- Bringing together a range of agencies, working with the Constabulary and through Safer Cumbria, to develop understanding of the threat of serious and organised crime in the county and gain support to address this.

- Working with the Constabulary and Crimestoppers to develop a year-long Safer Driving Campaign, in response to what local residents have said is one of their main local concerns. The campaign highlights the many aspects of safer driving, focusing on a dedicated theme each month.

The policing grant settlement, received in December 2019, protected police grant funding, but only on a cash basis. The Government also provided Commissioner's with greater flexibility to increase council tax. Following a public consultation exercise, the Commissioner approved the 2018/19 budget in February 2018 based on a council tax increase of 10.29%. The £130m provided to the Constabulary has primarily allowed services to be maintained against a background of rising costs, but has also supported a modest increase in frontline officers who will be directed into priority areas consistent with the Police and Crime Plan's principal objective of keeping Cumbria safe.

In the context of a new Government Comprehensive Spending Review, which is due to report in the autumn of 2019 and the potential economic impact of Brexit, the future financial outlook is uncertain, although it is likely that funding constraints will remain. The OPCC and Constabulary are jointly modelling a range of financial

scenarios and are working to better understand and manage demands for service and realise benefits from investment in new technology, with the aim of delivering a sustainable policing service in the County.

Optimising Achievement of Intended Outcomes

All planning is undertaken in the context of a four year medium term financial strategy, incorporating financial modelling, operational plans and capital strategies.

Recommendations contained in a victim's needs assessment, conducted by the Victims Advocate in 2016/17, have provided a clear focus of activity for the PCC and partners' work and future commissioning strategy to keep victims safe and at the heart of the Criminal Justice system. During 2018/19 the Commissioner has:

- Provided restorative services, enabling victims to inform offenders of the impact a crime has had on them.
- Funded 'Chelsea's Choice', a production for children raising awareness of Child Sexual Exploitation.
- Together with Cumbria County Council, funded an Integrated Independent Domestic Abuse & Sexual Abuse Crisis Support Service.

- Working with Cumbria County Council, the Constabulary, NHS England, Local District Councils and other agencies, developed the support available for people who have been affected by crime and abuse by bringing together a number of services, previously commissioned separately, to commission a service which will provide a 'gateway' through which people can access emotional, practical and advocacy support services.
- Continued to develop and fund Cumbria Youth Commission, ensuring young people across the county have a voice on the issues and problems impacting on them.
- Funded support for people with dementia to help reduce calls to the police.
- Commissioned Victim Support to provide emotional, practical, advocacy and signposting services.
- Continued to develop and fund the Bridgeway Sexual Assault Support Services.
- Funded county-wide Perpetrator Programmes "Turning the Spotlight" for domestic abuse and "Step Up" for families experiencing child-on-parent or guardian violence.
- Funded 'I Feel the Hate' Hate Crime production for secondary school pupils.

- Reviewed and developed further the **Cumbria Together website**.
- Through his Innovation, Community and Property Funds continued to provide financial support for numerous projects working with victims across Cumbria.
- Supported his Victims' Advocate who continues to champion the cause for victims, and importantly, help drive up standards. The Victims' Advocate has worked with Cumbria County Council to dip-sample high and medium risk domestic abuse cases referred into Victim Support to evaluate the quality of service provided. Also, the Victims' Advocate coordinated and chaired quarterly meetings with victims of antisocial behaviour and crime receiving, first hand feedback on their personal experience and acting as a sound board for potential service developments.
- Worked closely with the Constabulary to inform the development of their new Victims' Booklet providing information on the criminal justice process and support available for all victims of crime.

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Developing the entity's capacity

The key functions and roles of the Commissioner and the Chief Constable are set out in the Police Reform and Social Responsibility Act 2011 (PRORA). The PRORA also sets out the function and roles of statutory officers, namely the Monitoring Officer (Chief Executive) and the Chief Finance Officer (CFO). The monitoring officer has specific legal, financial and governance duties in addition to a statutory responsibility for the lawfulness of decision making. The functions and roles set out in legislation and guidance are codified in the Commissioner's scheme of delegation.

During 2018/19 the final stages of the re-structure of the OPCC took place. Overall, the re-structure has provided greater capacity and flexibility to respond to changes in demand particularly in relation to public engagement

activities. The changes have also delivered financial savings. The OPCC is a small team and works together to address any issues arising from natural movement of staff into and out of the office.

Following the re-structure of the OPCC, the Commissioner and Chief Constable have agreed to a shared Chief Finance Officer arrangement. A protocol and range of safeguards have been put in place to handle potential conflicts of interest arising from the joint role. A review of the operation of the Joint Chief Finance Officer arrangement has been conducted aligned to the CIPFA statement on the Role of the Chief Finance Officer. This exercise has shown full compliance and has not revealed any significant issues.

The temporary arrangement of the Head of Partnerships and Commissioning and Head of Communications and Business Services performing the roles of Chief Executive and Deputy Chief Executive on a six month rotating basis became permanent following approval by the Police and Crime Panel in October 2018.

Developing the entity's leadership

The Chief Executive receives support through the Association of Police and Crime Commissioner Chief Executives (APACCE), while the Chief Finance Officer

continues to receive support from the Police and Crime Commissioner's Treasurer's Society (PaCCTS) and the associated technical information service.

During 2018/19 development activity for members of the Audit and Standards Committee included development sessions on the Police and Crime Plan, ICT Security, treasury management and the budget and medium term financial forecast. A formal review of effectiveness of the Committee against the new CIPFA guidance for Audit Committees evidenced compliance with CIPFA guidance and elements constituting best practice. The full report of the Committee can be found on the Commissioner's website at:

<http://www.cumbria-pcc.gov.uk/governance-transparency/audit-committee.aspx>.

The four Independent Custody Visiting Panels continue to operate. Developments during the year included:

- Weekly visits to each of the four custody suites
- Recruitment campaigns to attract new candidates Carlisle, Kendal and West Cumbria.
- Induction training courses.

- Delivery of on-going ICVA thematic training packages for existing members. In 2018-19 the theme was Equality and Diversity.
- Membership of the Independent Custody Visitors Association (ICVA).
- Attendance at national, regional and local conferences
- Under the Animal Welfare Scheme, monthly visits to Cumbria Constabulary and the Civil Nuclear Constabulary to ensure the welfare of police dogs

Developing the capability of individuals within the entity

During 2018/19 arrangements to support staff in tasking and performance have been reviewed and some aspects of activity have been piloted for example:

- Weekly tasking meetings attended by all staff.
- Monthly team meetings focused on policy and procedures.
- Arrangements for performance reviews have also been reviewed and will be embedded in 2019/20.

A monthly informal team catch-up also takes place where staff can share information about their role or themselves in a less formal environment.

During 2018/19 specific training has been provided for staff in the areas of stress management, team building workshop, OneNote, Code of Ethics, risk management and the budget. Individual staff have attended conferences, workshops and specific training events to help them develop within their roles.

Principle F: Managing risks and performance through robust internal control and strong public financial management

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Managing risk

The Commissioner's Risk Management Strategy is reviewed on a 3-year cyclical basis and is next due for review in 2020. A high level review is undertaken annually to ensure that the strategy reflects the current risk environment. Any changes are presented to the Joint Audit Committee.

Risk has become embedded within the everyday work of the OPCC, staff continually assess risks within their roles. Both strategic and operational risks are reviewed on a quarterly basis and appropriate updates made. The Commissioner also provides scrutiny of the Constabulary's management of strategic risks.

The strategic risk register is updated on a quarterly basis and currently incorporates risks in relation to future funding, financial and operational risks regarding the implementation of the Emergency Services Network, capacity within the Procurement function and compliance with General Data Protection Regulations.

The Commissioner's arrangements for Risk Management include procedures for Business Continuity, which are reviewed and tested throughout the year.

Managing Performance

The Public Accountability Conferences facilitate arrangements for the scrutiny of quarterly performance updates and thematic reports around priority areas of policing including, domestic abuse, child sexual exploitation, sexual offences, anti-social behaviour and reducing reoffending. The Commissioner also receives updates on how the Constabulary is supporting victims of crime and antisocial behaviour and monitors the

implementation of actions and recommendations arising from inspections, including those undertaken by HMICFRS. This is supported by regular one to one meetings between the Chief Constable and Commissioner. Senior officers within the OPCC also attend strategic Constabulary meetings to provide challenge and oversight of the arrangements that support decision making, delivery of key areas of business and the allocation of resources.

The Police and Crime Panel have met five times during 2018/19. All meetings are held in public, providing an open and transparent process for scrutinising the decisions and work of the Commissioner. During 2018/19 the Panel has placed a significant focus on monitoring delivery of the Police and Crime Plan, receiving progress reports at every meeting supported by thematic reports against priority areas. The Panel has also reviewed the arrangements of the Joint Chief Finance Officer, the work progressing as part of Blue Light Collaboration and supported the Commissioner's proposed precept for 2019/20.

Robust Internal Control

During 2018/19 a number of areas of the corporate governance framework have been subject to cyclical review and update. This process is supported by the

professional advice of the Joint Audit and Standards Committee. During 2018/19 the Committee has considered and provided scrutiny of the Joint Financial Regulations and Rules, the Joint Procurement Regulations, the Commissioner's, the Code of Corporate Governance, the Internal Audit Charter, Treasury Management Strategy, Statement of Accounts and Annual Governance Statement.

Internal controls have also been reviewed through the annual process of management assurances and the annual internal audit plan. Of seventeen audits completed to date in 2018/19 covering the activities of the OPCC and Constabulary, 82% provided either substantial or reasonable assurance. All audits relating specifically to the OPCC provided substantial assurance.

Managing Data

The OPCC operates within the parameters of legislation governing the protection of data, ensuring that all data is appropriately stored and shared where necessary. Information is provided to members of the public under the Freedom of Information Act, with requests and responses published on the Commissioner's website. The Ethics and Integrity Panel provide additional assurance in this respect. Physical data within the OPCC is held securely with appropriate office and cabinet security provided. An

action plan has been developed with the aim of ensuring that the OPCC meets the requirements of the General Data Protection Regulations (GDPR) introduced in May 2018.

Internal audit carried out a review of the OPCC's compliance with GDPR, which provided Substantial Assurance.

Strong Public Financial Management

At the Public Accountability Conference on the 14th February 2018, the Commissioner set the 2018/19 annual budget and precept in the context of a medium term financial strategy 2018-2022. In line with his duty to maintain the police force the Commissioner agreed a net revenue budget of £117m and a capital budget of £7m for the Chief Constable for the 2018/19 financial year and a funding arrangement that codifies the terms for that funding, including arrangements for financial management. The budget for 2018/19 also included £0.7m for the operation of the Office of the Police and Crime Commissioner and £2.2m funding within a commissioned services budget for victims, community safety and crime reduction.

During 2018/19 the Commissioner received regular financial reports including revenue and capital budget

monitoring and treasury management. A summary format of financial reports incorporating tables and graphs, wherever appropriate, is used to improve accessibility. Financial reports are published on the Commissioner's website.

The outcome of all audits of financial arrangements during 2018/19 was an opinion that provided either reasonable or substantial assurance.

During 2018/19 financial sustainability in the context of increasing costs and service pressures, flat government funding and the potential impact of a future review of the police funding formula, has remained on the Commissioner's strategic risk register. A number of mitigation measures have been put in place including the detailed medium term financial forecast and development of savings plans in conjunction with the Constabulary.

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Implementing good practice in transparency

The Commissioner has published an annual report covering 2017/18. The report, entitled "Making Cumbria an Even Safer Place", includes information on how the Commissioner has responded to issues raised during community engagement activity and how engagement has informed future priorities.

Throughout the year the Commissioner has published regular financial monitoring information in a short and succinct format that aims to increase the transparency and accessibility of financial information. Further to this, the reported financial statements published in May 2018 include the statutory Chief Finance Officers' Narrative Report. The Narrative report incorporates a more accessible summary of the statements and financial and performance information alongside a business review.

Implementing good practices in reporting

The Commissioner's activities, performance and achievements have been published in an annual report, which can be found on the Commissioner's website at www.cumbria-pcc.gov.uk. It highlights the commissioner's key achievements during his third year in

office, including:

- Continuing to fund numerous community projects and support services to tackle the key priorities in the Police and Crime Plan, including on line safety, protecting vulnerable members of the community, supporting victims of domestic abuse and sexual violence, and empowering victims by providing the chance for them to meet or communicate with their offender to explain the real impact of the crime.
- Setting the policing budget for 2019/20, maintaining the additional 25 police officers from the previous year and increasing by a further 20 police officers to support operational policing that is often not seen by the public but crucial in keeping the county safe.
- Improved youth engagement through the work of the Cumbria Youth Commission, Mini Police and Cadets.
- Prioritised and supported work to address the top public concerns raised with him namely, police visibility, anti-social behaviour, driving and Appleby Fair.

A revised and updated Code of Corporate Governance was adopted in line with the 2016 CIPFA Good Governance Framework for Local Government.

A review of the arrangements for internal audit have confirmed that the service meets the requirements of the Public Sector Internal Audit Standards (PSIAS) during 2018/19.

The Commissioner's unaudited financial statements for 2017/18 were released in May, with the final version published in July, thus meeting new deadlines for financial reporting. The External Auditor's Audit Findings report noted that the accounts were supported by excellent working papers.

Assurance and effective accountability

The external auditor's opinion for the 2017/18 financial year was that the Commissioner's Financial Statements provided a true and fair view of the financial position and that they have been properly prepared in accordance with the Code of Practice on Local Authority Accounting. The

auditors further confirmed in their Annual Audit Letter that that the Commissioner had proper arrangements in place for securing economy, efficiency and effectiveness in the use of resources.

Implementation of recommendations arising from the internal audit plan, external audit reports and HMICFRS are monitored by the Joint Audit Committee.

The Ethics and Integrity Panel monitors and reports on some specific areas of activity, such as complaint handling and ethical issues.

FURTHER INFORMATION

Further information on the arrangements for Governance can be found on the Commissioner's website under the tab headed Governance and Transparency.

We welcome your views on the Commissioner's Annual Governance Statement. You can do this by using the contact information below:

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Police and Crime Commissioner for Cumbria

*Gill Shearer
Chief Executive

*Roger Marshall
Chief Finance Officer

09 May 2019

*Signatures are removed for the purposes of Publication on the website

Appendix A – Update on 2018/19 Development and Improvement Plan

Ref	Action	Lead Officer	Action Update at 31 March 2019	Implementation by	Revised Implementation Date	Status
Core Principle A: Focusing on behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.						
CPA/1	Implement systems and processes to facilitate the OPCC's new responsibility for administering local appeals	Governance Manager	Home Office have advised that they are unable to lay the five statutory instruments before Parliament by February 2019, thereby the implementation will be delayed beyond 1 April 2019. Once layed there will be a 6 months period for arrangements to be made prior to implementation	31st March 2019	31st March 2020 (To be confirmed by Home Office)	Ongoing (original timescale extended)
Core Principle B: Focusing on ensuring openness and comprehensive stakeholder engagement.						
CPB/1	To refresh the Engagement Strategy to reflect the increase in capacity as a result of the new Engagement Officer post.	Head of Communications and Business Services	Capacity was increased in the team during 2019/19 however, capacity was subsequently reduced following a member of staff resigning. The engagement activities are still relevant within the existing plan. The strategy will be brought up to date as a priority.	31st March 2019	30th September 2019	Ongoing (original timescale extended)
Core Principle C: Focusing on defining outcomes in terms of sustainable, economic, social and environmental benefits						
CPC/1	Implement an over-arching governance framework for the OPCC.	Head of Communications and Business Services	A new governance framework has been produced in draft and is being consulted on within the OPCC.	31st March 2019	30th June 2019	Ongoing (original timescale extended)
CPC/2	In collaboration with stakeholders produce a vision for developing Emergency Services collaboration in the County for the remainder of the Police and Crime Plan period, supported by a detailed action plan.	Blue-light Collaboration Manager	Blue Light Collaboration agreement signed by PCC, CFRS, Cumbria Constabulary, CCC, and NWS. This sets out a clear vision and plan, for the ambitious programme of work. Governance Structure in place with Exec Leaders Board, Programme Board, and Working Group, which drives the programme, providing scrutiny and oversight. There is a detailed TOR for each project within the wider programme. Updates provided monthly to the working group and programme board, and quarterly to the Exec Leaders Board.	30th September 2018		Completed
Core Principle D: Focusing on determining the interventions necessary to optimise the achievement of intended outcomes.						
CPD/1	Embed a new integrated Independent Domestic Violence and Sexual Violence Advisory Service.	Head of Partnerships and Commissioning	Procurement has taken place and a contract has been awarded. The Integrated Service is operating across the county. Dip sampling of cases has been conducted and learning shared with the Provider.	31st March 2019		Completed
CPD/2	Collaborate with partner bodies to develop a consistent approach to the delivery of Womens' Centres across the County.	Head of Partnerships and Commissioning	Grant agreements that support a consistent service delivery are in place with the Women's Centre's in the North and South of the County. A business case, supported by the PCC, has been developed by a third sector organisation to open a women's centre in West Cumbria. The OPCC is working collaboratively with Copeland BC and Time to Change to develop the WoW (Women out West) Centre.	31st March 2019	30th September 2019	Ongoing (original timescale extended)
CPD/3	Implement a joint Social Value Policy with the Constabulary	Head of Partnerships and Commissioning	The OPCC has worked with the Constabulary's Head of Procurement to produce a Social Value Policy, which will complement the Joint Procurement Regulations. A draft has been developed which is currently being consulted on. Social value has been incorporated into the evaluation of recent tenders.	30th September 2018	30th September 2019	Ongoing (original timescale extended)

Appendix A – Update on 2018/19 Development and Improvement Plan

Ref	Action	Lead Officer	Action Update at 31 March 2019	Implementation by	Revised Implementation Date	Status
Core Principle E: Focusing on developing the entity's capacity, including the capability of its leadership and the individuals within it.						
CPE/1	Complete the staffing re-structure of the Office of the Police and Crime Commissioner.	Head of Communications and Business Services	The staffing re-structure has been completed. The new structure came into place from 1 July with new staff recruited for September. The Police and Crime Panel approved the permanent CEO arrangements in October.	30th September 2018		Completed
CPE/2	Evaluate options and implement a formal PDR process for all OPCC staff.	Head of Communications and Business Services	A structure is in place for annual PDRs, supported by Strength Based Competency meetings on a 12 week basis within work 1-2-1s on a monthly basis. Line managers have attended a training session and all staff have been briefed.	31st December 2018		Completed
CPE/3	Develop a rolling training and development programme for all OPCC staff incorporating for example ethics and integrity, risk, well-being and health and safety.	Head of Communications and Business Services	The first Tuesday of every month has been allocated as a two hour training session for all staff. This is supported by a time table of training requirements.	31st March 2019		Completed
CPE/4	Develop a vision for the delivery of Procurement within the Constabulary and OPCC to meet organisational needs.	Director of Corporate Support	A three year Commercial Strategy has been agreed detailing the future vision and approach for the service. The Strategy is based on three phases - Mandatory, Transformation and Ambition and ultimately aims to reach a point where Procurement can be accredited to professional standards. It is anticipated that the mandatory phase, which will ensure compliance with Procurement Regulations, will be completed by mid 2019/20.	30th September 2018	30th September 2019	Ongoing (original timescale extended)
Core Principle F: Focusing on managing risks and performance through internal control and strong public financial management.						
CPF/1	Work with the Constabulary to develop a revised public accountability framework.	Head of Partnerships and Commissioning	A development of a revised framework has been overseen by the OPCC Chief Executive and the Deputy Chief Constable and approved by Collaborative Board.	31st March 2019		Completed
CPF/2	Implement an action plan to ensure that the OPCC complies with new General Data Protection Regulations	Governance Manager	The OPCC is interdependent upon the constabulary for some policies, strategies and data sharing agreements. An action plan has been completed for the OPCC. Monthly monitoring meetings take place the findings from which are reported to the OPCC Exec Team	31st December 2018	31st March 2019	Completed

Ref	Action	Lead Officer	Implementation by
Core Principle A: Focusing on behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.			
CPA/1	Implement systems and processes to facilitate the OPCC's new responsibility for administering local appeals	Governance Manager	31st March 2020 (To be confirmed by Home Office)
Core Principle B: Focusing on ensuring openness and comprehensive stakeholder engagement.			
CPB/1	Review and evaluate Communications and Engagement arrangements.	Head of Communications and Business Services	31st December 2019
CPB/2	Arising from the review of communications and engagement, develop an Engagement Strategy 2020-2024	Head of Communications and Business Services	30th June 2020
Core Principle C: Focusing on defining outcomes in terms of sustainable, economic, social and environmental benefits			
CPC/1	Implement and embed an over-arching governance framework for the OPCC.	Head of Communications and Business Services	30th June 2019
CPC/2	Undertake a review of how the OPCC works in Partnership (formal / informal) to allow resources to be used more efficiently and outcomes achieved more effectively.	Head of Partnerships and Commissioning	31st March 2020
Core Principle D: Focusing on determining the interventions necessary to optimise the achievement of intended outcomes.			
CPD/1	Working with Cumbria County Council, the Constabulary, NHS England, Local District Councils, and other agencies, embed a new integrated Victims Service.	Head of Partnerships and Commissioning	31st March 2020
CPD/2	Continue to collaborate with partner bodies to develop a consistent and join-up approach to the delivery of Womens' Centres across the County.	Head of Partnerships and Commissioning	31st March 2020
CPD/3	Implement a joint Social Value Policy with the Constabulary including a Modern Slavery Statement	Head of Partnerships and Commissioning	30th September 2019

Ref	Action	Lead Officer	Implementation by
Core Principle E: Focusing on developing the entity's capacity, including the capability of its leadership and the individuals within it.			
CPE/1	Implement a programme of training and development programme within the OPCC. safety.	Head of Communications and Business Services	30th September 2019
CPE/2	Review contract management arrangements and implement recommendations.	Head of Partnerships and Commissioning	31st March 2020
CPE/3	Develop a vision for the delivery of Procurement within the Constabulary and OPCC to meet organisational needs.	Director of Corporate Support	30th September 2019
Core Principle F: Focusing on managing risks and performance through internal control and strong public financial management.			
CPF/1	Scope the approach and put in place arrangements to support the development of the Police & Crime Plan 2020/2024.	Head of Partnerships and Commissioning	31st January 2020

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The Chief Constable for Cumbria Constabulary

Summary Annual Governance Statement 2018/19

INTRODUCTION AND SCOPE OF RESPONSIBILITIES

The Chief Constable for Cumbria Constabulary (the Chief Constable) is responsible for ensuring business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

In discharging this overall responsibility, the Chief Constable is responsible for putting in place proper arrangements for the governance of affairs and facilitating the exercise of functions, which includes arrangements for the management of risk.

The key elements of the system and processes that comprise the Chief Constable's governance arrangements are detailed in this document. The elements are based on the seven core principles of Corporate Governance from the CIPFA/Solace Governance Framework, the standard against which all local government bodies, including police, should assess themselves.

The Chief Constable has approved and adopted a Code of Corporate Governance 'The Code'. The Code gives clarity to the way the Chief Constable governs and sets out the frameworks that are in place to support the overall arrangements that are in place for fulfilling the Chief Constable's functions. This statement explains how the

Chief Constable has complied with The Code. It also meets the requirements of regulation 6(1) and 10(1) of the Accounts and Audit (England) Regulations 2015 in relation to the publication of an annual governance statement, which must accompany the Chief Constable's statement of accounts.

THE REVIEW OF EFFECTIVENESS

The Chief Constable has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of Chief Officers and senior managers within the organisation who have responsibility for the development and maintenance of the governance environment. The review comprises

- A cyclical detailed review of the key documents within the Chief Constable's governance framework e.g. Financial Regulations.
- An overarching review of the governance arrangements in place to support each core principle within the CIPFA Solace guidance.
- A review of what has happened during the past year to evidence how the Code has been complied with, which is articulated in the Annual Governance Statement.

- A review of the effectiveness of the arrangements for internal audit against the Public Sector Internal Audit Standards and the Internal Audit Charter.
- Formal reviews of the role of the Chief Constable's Chief Finance Officer and the Head of Internal Audit (HIA) against the respective CIPFA statements, which demonstrated full compliance.
- A review of the effectiveness of the Joint Audit Committee against CIPFA guidance.

Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.

REVIEW OF REQUIREMENTS AND ARRANGEMENTS
Ethics and Integrity & Respecting the Rule of Law

The following paragraphs constitute the Annual Governance Statement, demonstrating how the Chief Constable has complied with the governance framework, set out within the Code, to meet each of the seven governance principles. The Annual Governance Statement is published alongside the Statement of Accounts and also incorporates an action plan of planned future improvements for governance arrangements.

During 2018/19 the Constabulary took a pro-active approach to communicating and promoting the highest standards of integrity in all elements of its business. Work has continued to embed and develop ethical behaviour based on:

- The Constabulary's Corporate Values
- The College of Policing Code of Ethics.
- Preventing the abuse of authority for sexual gain.
- The Constabulary's Anti-Fraud and Corruption Policy and Procedures.

These arrangements are supported by the Director of Legal Services, who is a qualified solicitor and acts as the Chief Constable's 'Monitoring Officer', providing advice to the Constabulary on all legal matters and is consulted on all strategic decisions to ensure that laws are not contravened.

The Constabulary's Professional Standards Department is central to the maintenance of high standards of conduct and behaviour within the organisation. The priorities of the Constabulary's Professional Standards Department are shaped by a People Control Strategy, which seeks to predict future risks to integrity in relation to workforce. The People Control Strategy is broken down into four main areas, people we know, areas we go, standards of professional behaviour and systems we use.

Key priorities which are currently identified are

- People - vulnerable associations, abuse of position for sexual purposes and vetting.
- Areas – security
- Standards -disclosure of information / confidentiality and discreditable conduct.
- Systems – misuse of force systems and social media.

Two emerging themes have also been identified as further employee vulnerability and financial matters.

The Professional Standards Department operate a preventative approach designed to ensure all officers and staff are aware of their responsibilities and potential consequences if their conduct falls below required professional standards. This includes the issue of PASS newsletters, which provide guidance on matters of integrity. Subjects covered in 2018/19 have included

Michelle Skeer

Chief Constable

14 May 2019

Signatures have been removed for the purposes of publication on the website

Roger Marshall

Joint Chief Finance Officer

advice on business interests and additional occupations, advice on security of personal information, how good record keeping and access to CCTV can prevent the need to record a complaint, advice following the outcome of penetration testing of the Constabulary estate and advice following the outcome of misconduct hearings.

During 2018/19 Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) conducted a Legitimacy inspection of the Constabulary as part of the force's PEEL Inspection, this covered the conduct and behaviour of the force. The report graded Cumbria as good and made a minor recommendations for improvement in relation to:

- external scrutiny of use of force and stop and search powers
- capacity to pro-actively monitor potential corruption.

During 2018/19 the Professional Standards has continued pro-active work with all officers and staff in support of the preventative approach, including

- 7 minute briefings on data protection, confidentiality and abuse of power for sexual purposes.

- Training and presentations to new student officers and refresher workshops for sergeants and inspectors.
- Strategic level briefings on APSP to the Adult Social Care Board and Local Safeguarding Children's Board.
- Internal and external poster campaigns promoting ethical behaviour.
- Use of the NPCC risk assessment tool to help identify officers and staff at risk of perpetrating ASAP offences and further health checks if vulnerability is revealed.
- Detailed guidance on the use of social media.

The number of intelligence reports into the anti-corruption unit has remained steady with a wide range of issues reported including self referrals, data protection issues and associations.

In relation to complaints, the Constabulary remains committed to delivering effective customer service. To make the complaints process more accessible for all, a Information for Complainants (Help and Advice) booklet and an easy read version of the online complaint form have been introduced on the website. Further developments to the website to make it easier for the public to consider alternative options for resolving issues have been made during 2018/19.

The Constabulary demonstrates a progressive attitude towards failure / mistakes. A key element of any PSD investigation is to highlight any actions which could prevent similar mistakes being repeated. To this end following every investigation the lead officer carries out a rigorous assessment to determine key actions and lessons, which may include

- Low level misconduct – practice requires improvement.
- Systemic breakdown – change in policy / reminder to all staff via a PASS newsletter.
- Official misconduct proceedings.

In the interests of openness and transparency, police gross misconduct hearings are now held in public. Two public misconduct hearings took place in 2018/19; as a result of which two officers received final written warnings. All such hearings are presided over by a legally qualified chair. The outcomes of misconduct hearings are publicised on the Constabulary website.

The Ethics and Integrity Panel continue to provide independent oversight for the OPCC and Constabulary in relation to standards, ethics and integrity. During 2018/19 the Panel completed three thematic inspections, which began in 2017/18, in relation to the Professional Discretion Framework, the use of Stop and Stop/Search

and use of body worn cameras. The Panel also reviews 'Quality of Service and Policing Issues' raised by members of the public including public complaints, police misconduct and staff misconduct cases. The Panel's work is reported to the Commissioner's Public Accountability Conference to improve transparency and support public scrutiny. Whilst the Panel's conclusions provide assurance regarding high standards of ethics and integrity, where applicable, recommendations to enhance or improve the level of service provided by the Constabulary have been made.

Core Principle B: Ensuring openness and comprehensive stakeholder engagement.

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Openness

To support transparency and ensure that the Chief Constable's vision is clearly communicated, the Chief Officer Group have held strategy days for senior management and road shows across the county, which were open to all officers and staff. This has been supported by a range of communications across the force through various mediums including the internal intranet site and noticeboards. As part of the implementation of

Cumbria Vision 2025, the Chief Constable sent the Vision 25 document to all supervisors in the Constabulary, with an accompanying letter, thanking everyone for their contribution and hard work and, setting out her vision for the Constabulary and services to the public and her expectations of managers and staff.

Engaging Effectively with Institutional Stakeholders

The Constabulary works closely with the Office of the Police and Crime Commissioner (OPCC) through formal mechanisms (such as Public Accountability Conferences and Collaborative Board meetings) and informally through one to one meetings with senior staff from both organisations.

The Constabulary recognises that working with partners can deliver a more effective policing service to the public and meet the aims of the Commissioner's Police and Crime Plan. Accordingly, the Constabulary actively participates in a range of partnership activities and functions in collaboration with other agencies, both at a strategic and tactical level. Examples include:

- the Local Resilience Forum (major incident planning)
- the CRASH partnership (road safety)
- the Safer Cumbria Action Board
- the Local Safeguarding Board (child protection)
- Community Safety Partnerships

- The Cumbria Alcohol Board (countering alcohol abuse)
- Combating anti-social behaviour
- County Council
- Further development of links with criminal justice and mental health agencies and other blue-light partners.
- Local Focus Hubs in each area, where the Constabulary works closely with a range of local agencies to prevent and solve problems at the earliest opportunity.
- Collaborations with Lancashire Constabulary (training) and Durham Constabulary (ICT)

In accordance with the Joint Financial Regulations and Rules, arrangements are in place to ensure that for significant partnerships and joint working relationships there is appropriate governance including, a legal power to engage, appropriate approval by the Chief Constable and Commissioner, clear objectives, documentation of financial and other resource commitments and risk assessment.

Engaging stakeholders effectively, including citizens and service users

The Constabulary has a Community Engagement and Consultation Strategy, which co-ordinates all on-going consultation activities and is refreshed on an annual basis to understand the needs of service users. During the year, the Constabulary consulted with the public to find out their priorities, how confident they felt, how they would like to be engaged and their areas of concern. These informed the development of the Constabulary's and Commissioner's plans.

The Constabulary has developed a marketing and communications strategy aimed at establishing clear channels of communication with all sections of the community, providing crime prevention and safety advice as well as information about services. Access to information has been developed to include community messaging and all social media. The Constabulary's e-community has grown and is now at more than 210,000 followers.

Engagement with the public is pivotal to the work of Neighbourhood Policing Teams (NPTs) embedded in Local Focus Hubs in determining local priorities. This is achieved through Community Engagement Plans, which detail contact with all stakeholders particularly those that

are hard to reach or with protected characteristics. The Community Engagement Strategy includes:

- Clear communications with schools
- Attendance at Town Council meetings
- Holding community/partnership meetings
- Police Desks
- Use of web and social media
- Specific engagement plans for the 15 geographical areas, which are available on the intranet for officers and on the website for the public.
- Publication of local crime and performance data on the Constabulary's website to aid transparency.

These arrangements are supported by a toolkit, which is available to officers.

Specific initiatives in relation to diversity and equality and hate crime provide cross cutting engagement support across all areas of activities.

The Constabulary uses Community Impact Assessments to identify issues that may affect a community's confidence in the ability of the police to respond effectively to their needs, thereby enhancing the police response, particularly after major incidents.

The Constabulary has further improved its internal communications strategy by:

- Refining the tiered approach based on priorities, which ensures that the most important messages are communicated effectively to the frontline
- aligning with training and internal inspection to ensure that all officers and staff have the information they need to provide the best service for the public.

Core Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits.

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Defining Outcomes

The Chief Constable determined the strategic direction for the Constabulary, which is *'Keeping Cumbria Safe'*. Following consultation, the Chief Constable refined the Plan on a Page. This plan outlined the Constabulary's core policing priorities:

- Responding to the public
- Prevention and deterrence
- Investigation
- Protecting vulnerable people
- Monitoring dangerous and repeat offenders

- Disrupting organised crime
- Responding to major incidents

Each key function or specialism within those priorities is the responsibility of a Professional Lead at senior level and improvement actions are included in the Constabulary's Improvement Plan.

The Commissioner approved these key objectives and incorporated them into his Police & Crime Plan to complement his aims.

In addition, the Plan on a Page identifies our values, our approach (how we will support officers and staff to deliver), our culture and future challenges, which are outlined in Vision 25.

The Plan on a Page shows how everyone in the organisation contributes to the overall aim of *Keeping Cumbria Safe* and improves knowledge and understanding by linking strategic objectives to operational and business daily activity on the ground and maintaining performance.

[Sustainable economic, social and environmental benefits](#)

During 2018/19, significant work has started to deliver the local policing Vision 25, which complements the Constabulary's priorities, builds on achievements to date

and provides a roadmap to transform policing to meet the challenges of delivering an effective service for communities into the mid 2020s.

Cumbria Vision 25 has five key themes:

- Local Policing
- Specialist Capabilities
- Digital Policing
- Workforce
- Business Support

Each theme has an accompanying work programme outlined in the Vision 25 document. Business planning and governance has been organised around these core themes, each of which is headed by a senior business lead. Progress against the programme is reported bi-monthly to Chief Officer Group.

During 2018/19 the Commissioner incorporated the Constabulary's budget proposals into his 2019/20 budget in the context of a medium term financial forecast (MTFF) covering four years to 2022/23.

The 2018/19 grant settlement provided flat formula grant funding for 2019/20 and greater flexibility to increase council tax. Following public consultation the budget was agreed, which will allow services to be maintained and modest investment in recruiting an additional 20 officers, who will be deployed to work in priority operational

policing areas, principally in relation crime investigation, offender management, protecting vulnerable people and tackling antisocial driving behaviour

The proposed Home Office review of the police funding formula has been deferred until the next spending review period from 2021/22, however financial uncertainties remain in relation to the outcome of the next Comprehensive Spending Review, the sustainability of the current police funding model and the level of future pay increases. In response a range of financial scenarios are being modelled over the medium term, however it is likely that further savings of £4m will be required to balance the budget by 2022/23. A major theme of each of the Cumbria Vision 2025 work-streams is to develop savings options and realise business benefits, particularly in areas where investment in new technology has been made, as a means of balancing the budget.

During 2018/19 the Business Improvement Unit undertook extensive demand analysis to inform the financial and work plans for future years and to allocate resources to the priority areas. Demand has continued to increase and become more complex.

During 2018/19 the Constabulary has continued to develop its business planning aligned to the MTFF. Refreshed strategies in relation to people, ICT, fleet,

estates and procurement have been produced and agreed by the Commissioner.

Innovative development of mobile and digital technology to increase the productivity of officers continued to be delivered during 2019/20. This has included replacement of the crime system with 'Red Sigma', automation of the annual leave process and, improvements to mobile working in conjunction with national programmes. Body worn video has been introduced and is used across the operational frontline.

Benefits management and delivery has been introduced to ensure that productivity gains and financial benefits are delivered from the investment of all the programmes of work in Vision 25.

In relation to Estates, a new deployment centre for the Eden Neighbourhood Policing team, which also includes hostel and conferencing facilities is progressing well and on target for completion in autumn 2019.

During 2018/19 the fleet replacement programme has been further reviewed to meet emerging operational needs, whilst ensuring that efficiencies are realised.

Following the development of the People Strategy, initiatives in 2018/19 have included:

- Investment in further Wellbeing initiatives in the Constabulary and the training of Mental Health First Siders who can signpost staff for early help and support .
- Investment in a Strength Based Conversation model that promotes a coaching approach by managers, and helps to build resilience in our employees.
- Streamlined processes in duty management so staff can access automated leave systems
- Investment in anti-corruption software and resources to safeguard the safety and wellbeing of our workforce.
- Revision of our grievance and mediation handling services to that the constabulary can positively support staff in the workplace

Core Principle D: Determining the interventions necessary to optimise the achievement of intended outcomes.

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Planning Interventions

The Chief Officer Group is the Constabulary's strategic decision making forum. In the last 12 months key decisions have included considering and approving:

- Demand reviews
- Business strategies
- Resource allocation
- Financial updates (including the budget proposal)
- Governance documents
- Business cases in relation to operational and support functions and investment in ICT systems.

All decisions support delivery of the Chief Constable's vision. Decisions are minuted and subject to scrutiny by the Commissioner. To improve communication and transparency all COG decisions are published on a decision log, which is made available to key stakeholders. Members of the Chief Officer Group have also attended meetings of the Police and Crime Panel to provide context to Commissioner's precept proposal.

Determining Interventions & Optimising Outcomes

The Constabulary worked with the Office of the Police and Crime Commissioner (OPCC) to develop the performance framework. This set of measures and targets supports delivery of the Police and Crime Plan and is the

mechanism used by the Commissioner to hold the Chief Constable to account. Progress against these measures has been reported to the Commissioner every quarter at the Public Accountability Conference.

Performance for all crime types, antisocial behaviour, road collisions, user satisfaction and productivity is monitored through the performance management conference arrangements, where issues are identified and discussed. Potential solutions and actions required are developed and allocated to individuals to implement.

This is supported by thematic reports for specific areas of activity, which are discussed at the Commissioner's Public Accountability Conference. Reports in 2017/18 included domestic abuse, child sexual exploitation, sexual offences, anti-social behaviour and reducing reoffending.

In the operational environment, on a monthly basis, senior police officers carry out a full assessment of operational risk, harm and threat to communities and an assessment of performance changes and their root causes. This encompasses consideration of vulnerable people, repeat offenders, vulnerable missing from home, significant domestic abuse, prison issues, organised crime groups, threats to life, crime and anti-social behaviour

trends. Action has been taken and resources tasked to deal with the operational issues raised.

Every day, officers in each Territorial Policing Area hold a Daily Management Meeting, which identifies the crimes and incidents that have occurred over the previous 24 hours and any vulnerable or high profile incident. A supporting force-wide Daily Operational Review Meeting ensures that resources are directed to meet strategic priorities across the county.

As part of the Constabulary's work on managing demand, the principles of THRIVESC (threat, harm, risk, investigative opportunity, vulnerability, engagement, safeguarding and ethical crime recording) have been introduced within the communications room when grading calls for service and, as part of the National Decision Making Model, deciding whether to deploy officers to incidents.

Core Principle E: Developing entity's capacity including the capability of its leadership and the individuals within it.

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Developing the Entity's capacity & leadership

The key functions and roles of the Chief Constable and the Police and Crime Commissioner are set out in the Police Reform and Social Responsibility Act 2011 (PRsRA) and the Policing Protocol Order 2011 (PPO). The Chief Constable's statutory responsibilities for maintaining the Queen's Peace are set out in various Police Acts. Both the Chief Constable and Commissioner are statutorily required to employ a Chief Finance Officer.

The arrangement for the Commissioner and Chief Constable to operate with a shared Chief Finance Officer is now well embedded. To date no issues have been identified, however, a protocol and range of safeguards remain in place to handle potential conflicts of interest arising from the joint role. A review of the operation of the Joint Chief Finance Officer arrangement has been conducted and aligned to the CIPFA statement on the Role of the Chief Finance Officer. This exercise has shown full compliance and has not revealed any significant issues.

The Constabulary has used HMICFRS Value for Money profiles and Police Objective Analysis to inform its Change Programme and applied zero based budgeting, with robust financial challenge to budget holders, to secure maximum value from the resources available. Although

there are difficulties in ensuring true comparisons, in general, the VFM work has shown the Constabulary to benchmark well, although, in some instances costs may appear to be relatively high when measured per head of population. This is principally attributable to the logistics of providing an effective policing service over such a geographically sparse county.

Developing the Capability of Individuals within the entity

The Constabulary's annual training plan for mandatory training was developed in early 2018/19 in conjunction with operational leadership teams in the context of best practice guidance from the National Police Chief's Council.

The training plan was delivered through a strategic training collaboration with Lancashire Police.

During the year force-wide training has been delivered to all frontline officers to increase workforce skills and operational capabilities in key areas:

- National crime recording standards
- Mental Health

Newly appointed Sergeants have attended a development course designed specifically to equip them with the skills they need to effectively manage and

develop their teams as new leaders, widening their thinking and understanding of what it means to be a leader in the organisation responsible not only for their own skills development but for that of their team. A programme for newly appointed Inspectors has also been developed and is being rolled out.

A team of ICT trainers have been appointed to co-ordinate delivery of training for the force's major IT projects, to ensure the workforce has the skills they need to use the new systems in their roles. In 2018/19 24 area based training sessions were undertaken attended by 660 officers and staff. Systems covered included :

- Safe (Command & Control)
- Red Sigma
- Office 365
- Business Futures (booking annual leave)

The force applying to become a Supporting Provider for Apprenticeships, this enables the force to recoup some of the apprenticeship levy paid to the government by working in collaboration with the Education Skills Funding Agency (ESFA) and local education providers. An apprenticeship strategy has been agreed which sets out the constabulary's commitment to identify skills gaps and increase the capabilities both of our current and future

workforce and implementation of the action plan is ongoing.

In 2018/19 the force went through procured the services of a university partner to work together on designing, developing and delivering a Police Constable Degree Apprenticeship (PCDA) and a Degree Holder Entry Programme (DHEP). These, along with the university led Pre-join Policing Degree will be the programmes to support new officers joining policing through the new entry routes from January 2020. The partnership blends the academic rigour of a university programme with the operational requirements of a serving police officer.

During 2018/19 a strengths-based conversations approach to Performance Development Review (PDR) was rolled out and extensive training provided to managers and supervisors across the force. The approach is based on the national College of Policing model focusing on personal responsibility for development built around a central competency framework (including individual objectives). A suite of continuing professional development resources and events have also been delivered, allowing all employees to take responsibility for developing themselves in their own time and at their own pace using a variety of methods.

Core Principle F: Managing risks and performance through robust internal controls and strong public sector management.

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Managing risk

The Constabulary has a risk management strategy, which stresses that it is the responsibility of all officers and staff to identify and manage risk.

Risk management is a standing agenda item on all Constabulary boards, including programme and project management boards. Mitigating actions are identified and tracked to ensure that risks are minimised.

During 2018/19, specific risks associated with the potential reduction in funding as a result of future funding constraints, the introduction of the Emergency Services Network and the Constabulary's capacity to implement change have continued to feature prominently on the Constabulary's strategic risk register. Emerging strategic risks in relation to digital crime, the delivery of Vision 25, procurement capacity and compliance with General Data Protection Regulations have also been recognised.

Managing performance

A strategy entitled – 'Performance management in Cumbria Constabulary' *Managing our resources to improve outcomes for the people of Cumbria* outlines is embedded within the Constabulary. This is achieved mainly through the use of:

- Specific focus on performance in relation to protecting vulnerable people through the Vulnerability Steering Board .
- Performance Development Conferences every four months, where all functions are held accountable for performance. The approach has been refined over the past 12 months so that PDCs are appropriately focussed on priorities, for example violent crime.
- Reviewing performance at Strategy Days.
- Metrics have been developed to support the new governance structure and Chief Officer Group. This work will be further developed in 2019/20 as part of the Business Intelligence Programme of work
- A performance report for Vision 25 work programme is provided to Chief Officer Group every two months.
- Accessible daily performance figures.
- An individual officer performance dashboard and performance meetings every 15 weeks.
- A formal performance development and review (PDR) process for all officers and staff, in accordance with College of Policing guidance. This is an annual

process and determines the competence of individual officers and staff, based on the Police Professional Framework.

The Constabulary has a 'Delivering Excellence' Strategy, which aims to embed continuous improvement across the Constabulary and has three key areas of work:

- Development of Business Improvement Plans based on our priorities and all HMICFRS recommendations
- Improving on standards and quality across policing activities known as the Quality Counts initiative.
- Harnessing ideas and suggestions for improvement
- Developing and delivering the Change Programme

In addition during 2018/19, Business Improvement Unit has a designated responsibility in the benefits realisation process where it checks the delivery and impact of benefits from changes.

During 2018/19, Business Improvement Unit has provided reassurance to chief officers that:

- Priorities and recommendations from inspection bodies are being progressed through reality checking. These are tracked through the Cumbria Constabulary Improvement Plan.
- Systems and processes are working effectively.
- Crime recording is to a national standard.

Key work undertaken in 2018/19 has been in relation to understanding of current and future demand upon the Constabulary, which has supported the completion of the Force Management Statement. This is a self-assessment that Chief Constables prepare and provide to HMICFRS every year and explains; current and future demand over four years, performance of the force, improvement activity and the money the force expects to have to deliver policing services. To support this work an 'understanding demand' review was completed, and included an in-depth analysis of incidents reported to the control room, and activities linked to these incidents across the Constabulary. A review of demand relating to serious and complex crimes, including a 'Day in the Life' study of Crime and Safeguarding Teams which determined the number of detectives and other specialist officers needed over the next two years.

Other significant pieces of work undertaken by the unit in 2018/19 in support of the Constabulary's objectives include:

- Testing officer and staff knowledge on
 - the abuse of position for gain
 - management of police information, and recording, retention and disposal of information
 - fraud identification and response

- Auditing all 'stop and search' completed in the Constabulary, providing feedback to officers and supervisors, together with an assessment as to whether the Constabulary disproportionality uses stop and search powers, to ensure police powers are being used proportionately.
- In conjunction with the Professional Standards Department, an audit of officers' use of force, involving the reviewing of Body Worn Video, providing direct feedback to officers and supervisors, and broader performance monitoring through the Constabulary Use of Force Board, and the Cumbria Strategic Independent Advisory Group.
- Audit of Body Worn Video to maximise the use of this new technology, and the advantages associated with it.
- Vulnerable victims audit, which has involved ensuring that the 'Voice of the child' is recorded to ensure learning is captured and services improved.
- Domestic Abuse quality of service audits, involving 1300 incidents of domestic abuse being reviewed to ensure that officers are adhering to investigative standards, safeguarding practices and the victims code of practice. Individual feedback is provided to officers and their supervisors where necessary.
- National Crime Recording Standards audits of sexual offences, violence, domestic abuse, stalking and

harassment. This resulted in 5,892 calls for service being reviewed, to ensure all crimes have been identified and recorded.

- An audit of the Command and Control Rooms Call Management and Resolution use of the THRIVESC assessment tool.
- A hate crime audit to ensure officers are adhering to the constabulary hate crime procedure.
- Audit of E-learning completion, to ensure officers and staff are maximising the benefits of electronic learning opportunities.
- Review of the following policy and procedure:
 - Wanted persons process, to maximise the number of offenders being brought to justice.
 - Domestic abuse, to ensure the constabulary adheres to national best practice
 - Vulnerable adults procedure to ensure some of the most vulnerable in society are protected.
- Undertaking a Custody inspection against the HMICFRS inspection criteria.
- Development and implementation of the Crime Recording Action Plan, which has supported the Constabulary in preparation for the HMICFRS Crime Data Integrity Inspection
- Preparation for the following external inspections: HMICFRS PEEL, fraud, counter terrorism, crime data Integrity

Completion of the Constabulary's Force Management Statement.

- Engaging in the National Modern Slavery and Human Trafficking Transformation Project.
- Managing the staff suggestion scheme.

Robust internal control

The Constabulary maintains robust internal controls systems. Assurance with regard to internal controls is provided by:

- A risk based internal audit plan. 93% of audits completed in 2018/19, including all those relating to finance, were graded as providing either substantial or reasonable assurance. One audit in relation to the use of stingers received only partial assurance. A robust management action plan has been put in place to address the recommendations made.
- The Chief Internal Auditor's overall opinion that the Chief Constable's frameworks for governance, risk and internal control are reasonable and that there are no significant control issues.
- Action plans to respond to recommendations, the implementation of which are monitored by the Joint Audit Committee.
- An Joint Audit Committee, which is self assessed against CIPFA guidance, and is judged as being highly effective in its role.

Managing Data

During 2018/19 arrangements for managing data have been strengthened as follows:

- Core information security and records management strategies have been reviewed and updated.
- Work remains ongoing to identify and implement relevant policies and procedures to ensure the Constabulary is compliant with Data Protection Act 2018
- Agreement that a review of 'information governance' should be undertaken to ensure that relevant areas are adequately resourced, taking into account level of risk acceptable to Chief Officers. This work will be ongoing during 2018/19.
- Mandatory requirement for all Constabulary personnel to complete NCALT Managing Information e-learning course.
- A unit, established in 2018, remains in place and continues to review existing practices of 'review, retention and disposal' of information in compliance with MOPI, reporting to Business Support Board on a regular basis highlighting risks and areas where improvements can be made

Strong public financial management

Strong financial management provides a framework for all business decision making and planning within the Constabulary. This includes the Joint Chief Finance Officer

being a member of the leadership team and finance representation at all significant decision making forums. Regular financial reporting, clear budget ownership and responsibilities (as set out in the Chief Constable's Scheme of Delegation and scheme of budget management) and consideration of the medium term financial position in all strategic decision making are also key features of the financial management framework wuithin the force.

The Constabulary's unaudited financial statements for 2017/18 were released in May, with the final version published in July, thus meeting new tighter deadlines for financial reporting. The External Auditor's Audit Findings report gave an unqualified audit opinion and noted that the accounts were supported by excellent working papers.

Core Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability.

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Implementing good practice in Transparency & Reporting

The principal means by which the Constabulary reports to the public are through themed presentations to the Commissioner's Public Accountability Conferences, which are open to the public. Reports are also available through the Commissioner's website.

During 2018/19 work has been undertaken to improve the presentation of these reports to make them more accessible and readable for members of the public.

The external auditor's opinion for the 2017/18 financial year was that the Chief Constable's Financial Statements provided a true and fair view of the financial position and that they have been properly prepared in accordance with the Code of Practice on Local Authority Accounting. The auditors further confirmed in their Annual Audit Letter that the Chief Constable had proper arrangements in place for securing economy, efficiency and effectiveness in the use of resources.

Assurance & Effective Accountability

During 2018/19 the Constabulary has been inspected by HMICFRS in relation to police efficiency, effectiveness and legitimacy (known as PEEL). There are four grades that

can be achieved - outstanding, good, requires improvement and inadequate.

The Constabulary has been rated as good for all aspects efficiency, effectiveness and legitimacy. Areas inspected included:

- Preventing crime & tackling ASB
- Investigating crime
- Protecting vulnerable people
- Tackling serious and organised crime
- Armed policing
- Meeting current demands and using resources
- Planning for the future
- Treating the public fairly
- Ethical and lawful workforce behaviour
- Treating the workforce fairly

During 2018/19, HMICFRS TO BE COMPLETED

During 2018/19 the Chief Constable received assurances with regard to the Constabulary's arrangements for risk management, internal control and governance from a number of sources which included:

- The CFOs annual review of internal audit.
- The Head of Internal Audit and Joint CFO's assessment of the internal audit service against Public Sector Internal Audit Standards.

- The Head of Internal Audit's opinion on the framework of governance, risk management and internal control.
- A review of the effectiveness of the Joint Audit Committee against CIPFA guidelines.
- Monitoring of the implementation of actions in response to HMICFRS, internal and external audit recommendations through the Joint Audit Committee.
- Management assurances in respect of financial systems and processes.
- The CFO's fraud risk assessment.

All of the sources above indicated that systems and processes are operating effectively and have raised no significant concerns.

Appendix A – Update on 2018/19 Development and Improvement Plan

Ref	Action	Lead Officer	Action Update as at 31 March 2019	Implementation by	Revised Implementation Date	Status
Core Principle A: Focusing on behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.						
CPA/1	Complete outstanding vetting checks to ensure compliance with new enhanced vetting requirements and ensure arrangements are sustainable.	Head of People	All vetting checks in the constabulary have now been now completed and we are 100% compliant	30th September 2018		Completed
Core Principle B: Focusing on ensuring openness and comprehensive stakeholder engagement.						
CPB/1	Evaluate the requirements and implement the Single On-Line Home external website in conjunction with the National Police Chiefs Council to improve public contact and access to services.	Director of Corporate Improvement	The national project has rebased its programme of work and, as a result, the timetable for forces to be included in the project has changed. Latest intelligence suggests that the revised schedule of work will be available by the end November 2019.	30th June 2019 subject to adoption by the national project.	TBA	Ongoing (original timescale extended)
CPB/2	Hold engagement and consultation events within the Constabulary in relation to Vision 2025	Director of Corporate Improvement	Completed	31st March 2019		Completed
CPB/3	Complete the review of policy management arrangements and make recommendations for streamlining the process, the products and their accessibility.	Director of Corporate Improvement	Due to competing requirements for resources, this work has been reprioritised and will start later in the year	31st July 2018	31st March 2019	Overdue / timescale exceeded
CPB/4	The Constabulary will review the Independent Advisory Group arrangements at strategic and local level with a view to strengthening their impact.	Director of Corporate Improvement	Completed	30th June 2018		Completed
Core Principle C: Focusing on defining outcomes in terms of sustainable economic, social and environmental benefits						
CPC/1	Develop and deliver a detailed action plan for the Vision 2025 strategy.	Deputy Chief Constable	The action plans have been developed and circulated to all senior staff and supervisors and is available on the Constabulary intranet.	31st March 2019		Completed
CPC/2	Embed revised meetings and governance arrangements in support of Vision 2025	Director of Corporate Improvement	Completed. An evaluation is planned during this financial year.	30th September 2018		Completed
CPC/3	Implement Local Focus Hubs across the County including agreed objectives, governance, performance framework and developing collaboration opportunities.	Superintendent - West	The NPT and Local Focus Project has now moved into the formal implementation phase. The key deliverables include : A Constabulary Neighbourhood Policing Strategy. A Revised Local Focus Hub Operating model for the county's 6 districts. A Prevention and Deterrence Strategy. The Adoption of the Connected Communities framework. A bespoke Performance Management Framework and agreed metrics. Revised role profiles for all roles connected with Local Policing and Partnership working , Community safety. A Local Policing T&CG process implemented Nov 2018. Bespoke Training and Development programme for local staff, partners and volunteers (Nov 2018). The Local focus Hubs are now the Tactical CSPs for the county and work to the three Strategic CSPs using combined data to identify and agree their priorities. The only outstanding action from the remit remains the provision of a Common data platform , work is currently ongoing through ICT to utilise Microsoft 365 in this regards following initial work by Deloitte on behalf of the National ICT Programme. All other actions can be listed as complete.	30th September 2018		Completed

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Ref	Action	Lead Officer	Action Update as at 31 March 2019	Implementation by	Revised Implementation Date	Status
Core Principle D: Focusing on determining the interventions necessary to optimise the achievement of intended outcomes.						
CPD/1	Embed changes to the scope of the Business Improvement Unit's role to deliver change and business benefits.	Director of Corporate Improvement	The change management portfolio of work has moved into BIU. The process for business benefits has been agreed and work has started to quantify these benefits.	31st March 2019		Completed
CPD/2	Incorporate the production of Force Management Statements into business planning and re-align processes to drive benefits.	Director of Corporate Improvement	Completed. The FMS is part of the Constabulary's resource allocation process, which has been agreed and implemented	30th September 2018		Completed
CPD/3	Undertake further analysis of current and future demand to inform strategic business planning.	Director of Corporate Improvement	Completed as part of FMS work plus additional activity and demand analysis to inform the resource allocation process.	31st March 2019		Completed
CPD/4	Plan and implement actions to demonstrate increased visibility to communities.	Deputy Chief Constable / Director of Corporate Improvement	A performance framework for visibility has been agreed and work is ongoing to include this as part of the Business intelligence product suite. The product will be continuously improved as more IT systems come online. - it will be completed once Control Room systems are able to provide location data.	31st March 2019	30th September 2020	Ongoing (original timescale extended)
CPD/5	Re-design business processes in relation to the Control Room as part of the implementation of the Safe system to deliver business benefits.	Superintendent - Organisational Business Delivery	Work on implementing the SAFE system in the control room is progressing in line with the project plan, as part of the overall plan business processes will be re-designed.	30th September 2019		Ongoing (within original timescale)
CPD/6	Roll out and provide training for Body Worn Video for Officers	Superintendent - Organisational Business Delivery	The roll out and training for BWV was completed in the period April to July 2018. Support staff have also been trained over a longer time period. The roll out includes the deployment of 664 body cams and 137 flex cameras and the training of 1,096 users on evidence.com.	31st July 2018		Completed
CPD/7	In conjunction with the OPCC and other stakeholders, plan, evaluate and implement initiatives to improve emergency services inter-operability, including urgent care desk, tri service officers brought forward from 2017/18	Assistant Chief Constable	Blue Light Collaboration agreement signed by PCC, CFRS, Cumbria Constabulary, CCC, and NWAS. This sets out a clear vision and plan, for the ambitious programme of work. Governance Structure in place with Exec Leaders Board, Programme Board, and Working Group, which drives the programme, providing scrutiny and oversight. There is a detailed TOR for each project within the wider programme. Updates provided monthly to the working group and programme board, and quarterly to the Exec Leaders Board.	31st March 2019		Completed

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Ref	Action	Lead Officer	Action Update as at 31 March 2019	Implementation by	Revised Implementation Date	Status
Core Principle E: Focusing on developing the entity's capacity, including the capability of its leadership and individuals within it.						
CPE/1	Implement the College of Policing PDR process and provide associated training.	Head of People	Our new PDR / Strengths Based Conversation model has now been launched and is business as usual. Training is almost completed.	31st March 2019		Completed
CPE/2	Evaluate the requirements and prepare an action plan in relation to the introduction of the College of Policing PEQF requirements.	Head of Learning and Development	A full implementation plan was drawn up and progress against it is monitored through the PEQF/Apprenticeship Management Board. We have regular contact with CoP to check progress against key milestones. A procurement exercise has been undertaken with the University of Lancashire appointed as preferred supplier subject to contracts which are being finalised at present. Initial PCDA intake planned for February 2020.	31st December 2018		Completed
CPE/3	Develop and begin implementing the action plan supporting the Apprenticeship Strategy	Apprenticeship Manager	The Apprenticeship Strategy Implementation Plan has been developed and actions are being progressed as per the plan. Process and procedures are being developed inline with the plan. To date there has been limited success in the number of apprentices within Constabulary, impacting on the ability of the Constabulary to meet the Governments target for apprenticeships in the Public Sector. A PEQF Implementation Plan for the introduction of the PCDA and PCSO Apprenticeships in to the Constabulary, sits alongside the Apprenticeship Strategy. Going forward the action plan which supports the Apprenticeship Strategy will be reviewed to reflect the now proposed date of May 2020 for the implementation of the PCSO apprenticeship and how apprenticeship opportunities can be further promoted. Progress towards the plan is monitored at the PEQF Implementation and Apprenticeship Management Group.	31st March 2019	31st March 2019	Completed
CPE/4	Develop an action plan arising from the Well-Being survey.	Head of People	The force has re-established the Wellbeing Board headed up by the DCC. The wellbeing action plan is being formulated as per the national Oscar Kilo programme. We are also working to the Time to Change national pledge/ action plan and the Better Health at Work Bronze award. All will need a significant lead in time to complete	31st July 2018	31st July 2019	Ongoing (original timescale extended)
CPE/5	Develop a vision for the delivery of Procurement within the Constabulary and OPCC to meet organisational needs.	Director of Corporate Support	A three year Commercial Strategy has been agreed detailing the future vision and approach for the service. The Strategy is based on three phases Mandatory, Transformation and Ambition and ultimately aims to reach a point where Procurement can be accredited to professional standards. It is anticipated that the mandatory phase, which will ensure compliance with Procurement Regulations, will be completed by mid 2019/20.	30th September 2018	30th September 2019	Ongoing (original timescale extended)

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Ref	Action	Lead Officer	Action Update as at 31 March 2019	Implementation by	Revised Implementation Date	Status
Core Principle F: Focusing on managing risks and performance through internal control and strong public financial management.						
CPF/1	Develop the balanced scorecard approach to performance management and embed this within the Vision 2025 governance arrangements.	Director of Corporate Improvement	The balanced scorecards have been developed for whole organisation, workforce, business support and specialist capability strands have been developed and agreed. Constraining factors include data available in the data warehouse and, the plan for inclusion has had to be rescheduled to accommodate iterative development of Red Sigma and SAFE delivery dates. It is anticipated that products will be available in their initial form by the specified date.	31st March 2019	30th September 2019	Ongoing (original timescale extended)
CPF/2	Further develop the strategic resource management performance framework to drive improvements in our use of resources, and ensure that the benefits of significant investment in change and ICT are delivered.	Director of Corporate Improvement	The framework is a combination of resource allocation (completed) benefits realisation (ongoing and on schedule and the balanced scorecards (see above)	31st March 2019	30th September 2019	Ongoing (original timescale extended)
CPF/3	Work with the OPCC to develop a revised public accountability framework.	Director of Corporate Improvement	A development of a revised framework has been overseen by the OPCC Chief Executive and the Deputy Chief Constable and approved by Collaborative Board.	31st March 2019		Completed
CPF/4	Implement an action plan to ensure that the OPCC complies with new General Data Protection Regulations	Head of People	The national self assessment template has been completed and forms the basis for action taken. Additional resources have been invested in GDPR. The longer term GDPR action plan is being developed and activities scheduled over the next six months.	31st December 2018	30th April 2019	Ongoing (original timescale extended)
CPF/5	Further develop the Business Intelligence Strategy to inform future ICT developments, improve the information available to managers for effective decision making, to support improvements in services for the public and, develop and improve the dashboards available to officers and staff.	Director of Corporate Improvement / Director of Corporate Support	The business case has been approved and the BI strategy will be developed as part of that project. Early developments for reporting are underway. The project has been delayed by recruitment difficulties for requisite skills.	31st March 2019	31st March 2020	Ongoing (original timescale extended)

Ref	Action	Lead Officer	Implementation by
Core Principle A: Focusing on behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.			
CPA/1	Undertake review of the PSD function.	Head of People	31st March 2020
Core Principle B: Focusing on ensuring openness and comprehensive stakeholder engagement.			
CPB/1	Evaluate the requirements and implement the Single On-Line Home external website in conjunction with the National Police Chiefs Council to improve public contact and access to services.	Director of Corporate Improvement	TBA
CPB/2	Complete the review of policy management arrangements and make recommendations for streamlining the process, the products and their accessibility.	Director of Corporate Improvement	31st March 2020
CPB/3	Develop the current internal communications strategy to include internal social media channels, that provide enhanced engagement and involvement in organisational decision making and policy development.	Director of Corporate Improvement	31st March 2020
CPB/4	Review the public consultation arrangements to improve the timeliness and relevance of information from the public that can inform Constabulary decision-making and policy development	Director of Corporate Improvement	30th September 2019
Core Principle C: Focusing on defining outcomes in terms of sustainable economic, social and environmental benefits			
CPC/1	Develop a Strategy for the affordable storage of Digital Data		31st March 2020
CPC/2	Conduct an options evaluation for future Estates provision in West Cumbria	Head of Estates and Fleet	30th June 2020

Appendix B – 2019/20 Development and Improvement Plan

Ref	Action	Lead Officer	Implementation by
Core Principle D: Focusing on determining the interventions necessary to optimise the achievement of intended outcomes.			
CPD/1	Re-design business processes in relation to the Control Room as part of the implementation of the Safe system to deliver business benefits.	Superintendent - Organisational Business Delivery	31st March 2020
CPD/2	Undertake further analysis of current and future demand to inform strategic business planning, the Force management Statement and the resource allocation process for 2020/21.	Director of Corporate Improvement	31st March 2020
CPD/3	Evaluate the Local Focus Hubs and their effectiveness in reducing demand and dealing with vulnerability issues in the local area	Director of Corporate Improvement	31st March 2020
Core Principle E: Focusing on developing the entity's capacity, including the capability of its leadership and individuals within it.			
CPE/1	Develop and deliver the strategy to improve digital capability in the organisation and, deliver improvements to productivity	Director Corporate Improvement	31st March 2020
CPE/2	Develop an action plan arising from the Well-Being survey.	Head of People	31st July 2019
CPE/3	Develop a vision for the delivery of Procurement within the Constabulary and OPCC to meet organisational needs.	Director of Corporate Support	30th September 2019
CPE/4	In conjunction with Higher Education partners, implement the new PEQF arrangements for new officer recruits.	Head of Learning & Development	30th September 2020

Appendix B – 2019/20 Development and Improvement Plan

Ref	Action	Lead Officer	Implementation by
Core Principle F: Focusing on managing risks and performance through internal control and strong public financial management.			
CPF/1	Review the current risk management arrangements to ensure relevance and effectiveness	Director Corporate Improvement	30th September 2019
CPF/2	Develop the balanced scorecard approach to performance management and embed this within the Vision 2025 governance arrangements.	Director of Corporate Improvement	31st March 2020
CPF/3	Further develop the strategic resource management performance framework to drive improvements in our use of resources, and ensure that the benefits of significant investment in change and ICT are delivered.	Director of Corporate Improvement	31st March 2020
CPF/4	Implement an action plan to ensure that the OPCC complies with new General Data Protection Regulations	Head of People	31st March 2020
CPF/5	Further develop the Business Intelligence Strategy to inform future ICT developments, improve the information available to managers for effective decision making, to support improvements in services for the public and, develop and improve the dashboards available to officers and staff.	Director of Corporate Improvement / Director of Corporate Support	31st March 2020
CPF/6	Undertake a review of Data Management arrangements and resourcing covering information security, GDPR and MOPI	Director of Corporate Improvement	30th September 2019