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Our reference: JAC/IR

Date: 11th September 2023

AGENDA

TO: THE MEMBERS OF THE JOINT AUDIT COMMITTEE

CUMBRIA POLICE, FIRE & CRIME COMMISSIONER AND CUMBRIA CONSTABULARY JOINT AUDIT COMMITTEE

A Meeting of the Joint Audit Committee will take place on **Wednesday 20th September 2023** in the **Control Room, Fire HQ Penrith**, at **10:30am**.

Please note – there will be a JAC Development Session on Fire Governance following the main meeting.

**Vivian Stafford, Gill Shearer
Chief Executive**

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

Note: If members of the public wish to participate in this meeting please contact inge.redpath@cumbria.police.uk by 13th September 2023 for an invitation.

COMMITTEE MEMBERSHIP

Mrs Fiona Moore (Chair)
Mr Malcolm Iredale
Wing Commander (Retired) Tim Mann
Mr Jake Cornthwaite
Mr Mike Roper

AGENDA

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

Note – Items to be considered by exception, it is assumed that members will have read all papers before the meeting.

Agenda Item	Agenda Item	Officer/Lead	Time (Est)
1	APOLOGIES FOR ABSENCE	Chair	10.30
2	<p>URGENT BUSINESS AND EXCLUSION OF PRESS AND PUBLIC</p> <p>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.</p> <p>Items for Exclusion of Press and Public</p> <p style="padding-left: 40px;">i. Statutory Accounts Audit – Enquiries of Management</p>	Chair	10.30
3	<p>DISCLOSURE OF PERSONAL INTERESTS</p> <p>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.</p>	Chair	10.40
4	<p>MINUTES OF MEETING AND MATTERS ARISING</p> <p>To receive and approve the minutes of the committee meeting held on 30th May 2023.</p>	Chair	10.45
5	<p>ACTION SHEET</p> <p>To receive the action sheet from previous meetings.</p> <p>a) Fire & Rescue Welcome Pack for Members</p>	Chair Chief Fire Officer	10.50
6	<p>CORPORATE UPDATE</p> <p>To receive a briefing on matters relevant to the remit of the Committee.</p> <p>a) Constabulary b) The OPFCC c) Fire & Rescue d) Finance</p>	DCC OPFCC Chief Exec Chief Fire Officer PFCC or CC Chief Finance Officer	10.55 11.00 11.05 11.10

7	<p>INTERNAL AUDIT – SUMMARY INTERNAL CONTROLS ASSURANCE REPORT</p> <p>To receive the Internal Auditors the Summary Internal Controls Assurance (SICA) Report. To include arrangements for Quality Assurance and Improvement.</p> <p>a) PFCC/Constabulary b) Fire & Rescue – Awaiting discussions with PCC</p>	Director of Audit TIAA Ltd	11:15
8	<p>INTERNAL AUDIT REPORT(S)</p> <p>To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the committee.</p> <p>a) PFCC/Constabulary i. None b) Fire & Rescue i. None</p>	Director of Audit TIAA Ltd	11.25
9	<p>MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS</p> <p>To receive an updated summary of actions implemented in response to audit and inspection recommendations.</p> <p>a) PFCC/Constabulary b) Fire & Rescue – N/A</p>	Director of Audit TIAA Ltd	11.35
10	<p>AUDIT FINDINGS REPORT</p> <p>To receive the audit findings report from External Audit in respect of the annual audit of the financial statements</p> <p>a) PFCC/Constabulary b) Fire & Rescue (N/A for 2022/23)</p> <p>Note – this item has been deferred to the November meeting as the audit of the statutory statements has not been completed. GT may provide a verbal update on progress to date.</p>	Engagement Lead Grant Thornton	
11	<p>AUDIT ANNUAL REPORT</p> <p>To receive the audit annual report from External Audit for the years to 31st March 2023.</p> <p>a) PFCC/Constabulary b) Fire & Rescue (N/A for 2022/23)</p>	Engagement Lead Grant Thornton	
12	<p>STRATEGIC RISK REGISTERS</p> <p>To consider the strategic risk register as part of the Risk management Strategy.</p> <p>a) OPFCC i. OPFCC Risk Management Monitoring ii. OPFCC Strategic Risk Register iii. OPFCC Operational Risk Register b) PFCC/Constabulary c) Fire & Rescue</p>	OPFCC Chief Exec T/Chief Supt. Head of Safety and Assurance	11.45

13	PFCC ANNUAL REPORT To receive a copy of the PFCCs annual report.	OPFCC Chief Exec	12.00
14	JAC ANNUAL REPORT To receive the annual report of the joint audit committee following the committees review of effectiveness. Note – this item has been deferred to the November meeting as the 360’ Review of JAC has not yet been completed.	CC Chief Finance Officer	
15	ANNUAL STATEMENT OF ACCOUNTS To receive the audited Statement of Accounts and consider a copy of a summarised non-statutory version of the accounts. a) The Police and Crime Commissioner for Cumbria (PCC/Constabulary Group) b) The Chief Constable of Cumbria Constabulary c) Cumbria Fire & Rescue (N/A for 2022/23) Note – this item has been deferred to the November meeting as the audit of the statutory statements has not been completed. GT may provide a verbal update on progress to date.	PFCC Chief Finance Officer Constabulary Chief Finance Officer	
16	ASSURANCE FRAMEWORK STATEMENT OF ACCOUNTS To receive a report from the PFCC CFO in respect of the PFCC, Constabulary and Fire framework of assurance. Note – this item has been deferred to the November meeting as the audit of the statutory statements has not been completed. GT may provide a verbal update on progress to date.	PFCC Chief Finance Officer	
17	TREASURY MANagements ACTIVITIES To receive for information reports on Treasury Management Activity - Quarter 1. a) The Police and Crime Commissioner for Cumbria (PFCC/Constabulary Group) b) Cumbria Commissioner Fire & Rescue Authority	Constabulary Chief Finance Officer	12:10
18	POINTS FOR CONSIDERATION BY THE COMMISSIONER AND THE CHIEF CONSTABLE		12:20

Future JAC Meeting Dates (For Information)

22nd November 2023 @ 10.30 – Conference Room 1

20th March 2024 @ 10.30 – Fire HQ Penrith

26th June 2024 @ 10.30 – Conference Room 1

25th September 2024 @ 10.30– Fire HQ Penrith

27th November 2024 @ 10.30 – Conference Room 1

26th March 2025 @ 10.30– Fire HQ Penrith

Future Police, Fire and Crime Panel Meeting Dates (For Information)

9th October 2023 - Committee Room1, County Hall, Kendal.

31st January 2024 – Conference Room A/B, Cumbria House, Carlisle.

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Agenda Item 4 – Part 1

CUMBRIA POLICE, FIRE & CRIME COMMISSIONER AND CUMBRIA CONSTABULARY

JOINT AUDIT COMMITTEE

Minutes of a meeting of the Joint Audit Committee held on Wednesday 30th May 2023
Conference Room 1, Police Headquarters, Carleton Hall, Penrith, at 10.30am.

PRESENT

Mr Malcolm Iredale – Acting Chair
Wing Commander (Retired) Tim Mann
Mr Jake Cornthwaite
Mr Mike Roper

Also present:

Office of the PCC

Chief Executive (CE), Office of the Police and Crime Commissioner (Vivian Stafford)
PFCC Chief Finance Officer (PFCC CFO), (Steven Tickner)

Cumbria Constabulary

Assistant Chief Constable (ACC), (Jonny Blackwell)
Chief Finance Officer (CC CFO), (Michelle Bellis)
Sergeant (Sgt), (Jack Stabler)
Financial Services Assistant (FSA), (Inge Redpath)

Cumbria Fire & Rescue Service

Deputy Chief Fire Officer (DCFO), (Brian Steadman)
Head of Performance and Assurance (HPA), (Mark Clement)

Internal Audit

Audit Manager(AM), TIAA, (Andrew McCulloch)

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

The Chair called the meeting to order at 10.30am and in the absence of the chair Mr Malcolm Iredale adopted the role of acting chair.

791. APOLOGIES FOR ABSENCE

Apologies were received from:

Fiona Moore – Chair
Engagement Manager(EM), Grant Thornton LLP, (Gareth Winstanley)
Chief Superintendent (CS), (Michael Bird)
Chief Fire Officer (CFO), (John Beard) – now retired

792. URGENT BUSINESS AND EXCLUSION OF PRESS AND PUBLIC

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

793. DISCLOSURE OF PERSONAL INTERESTS

There were no disclosures of any personal interest relating to any item on the agenda.

794. MINUTES OF THE PREVIOUS MEETING

The Committee received and reviewed the minutes of the meeting held 22nd March 2023.

RESOLVED, that the minutes be recorded as a true record of the meeting held on 22nd March 2023.

795. MATTERS ARISING

A member asked about the creation of KPI's, page 7 Internal Audit report on Firearms Licensing and how achievable and valuable are these.

The ACC responded saying that KPI's are valuable however the complexity of ensuring public safety when issuing a firearms license outweighs any speed of issue.

796. ACTION UPDATE AND PLAN

The Action Update and Plan has been reviewed by committee and the following point were noted:

Action 775 "For the CC CFO to create a mechanism for monitoring and reporting audit recommendations from External Audit"

The CC CFO gave a verbal update on the four-actions required:

1. Around assets on the assets register with no net book value and either removed if they have been disposed of or review the life if they are still being used, this has been completed.
2. The use of automatic accruals, a decision has been made to turn off the facility of automatic accruals as there are issues around receipting goods for example if an order covers a several year contract, someone could receipt all the years at once and the machine would then automatically accrue there as in year expenditure which would be incorrect, more training with budget holders will be taking places and once there is a better understanding around the receipting of goods then the system will be turned back on.
3. The lack of 3rd party assurance from Midland ITrent. Midland ITrent have provided 3rd party assurance but moving forward they want to charge £9k for this report so this is still in a discussion stage.
4. The final one was around the IT audit done by Grant Thornton giving three recommendations:

- a. Around the number of superusers with access to multiple areas of the system, this has now been reduced.
- b. Audit logging and this has now been switched on.
- c. The timely removal of leavers, Grant Thornton recommend that this is done within 24 hours however this is not always appropriate as sometime people change and come back and it is very hard to re-instate collar numbers once removed so our starters, transfers and leavers policy states that staff will be removed from all systems with 7 days and this is a national policy, staff will always have passes and laptops removed when a staff member leaves.

ACTION, for the CC CFO to formalise a report covering last year's recommendations and this year if there are any.

The Chair asked about colouring the squares to reflect items which are not late or have been deliberately put back to a different meeting.

ACTION, for the CC CFO to look at the colouring of the action log to reflect items which are not late or have been deliberately put back to a different meeting.

RESOLVED, all other items were resolved.

797. CORPORATE UPDATES

a) The Constabulary

The ACC gave the Constabulary corporate update, highlighting that HMICFRS inspectors are now on in force and governance meetings are taking place. There is a post implementation review on the BCU model, and it is good to do a demand review to see how things are working. The 999 and 101 performances are extremely good we have been sitting in the top 5 forces for the past 7 to 8 months. The grade 1 and 2 response times to incidents, and we are current about 80/90% for grade 1 and 2 response attendance compared with a year ago.

We are looking at "right care, right person" following the decision from the Met to withdraw officers from mental health attendance unless there is a significant risk to life, Cumbria has started the same process but using the Humberside model, but this is at a very early stage.

Upcoming there is Appleby Fair which has started and will go on until mid-June.

Finally as broadcast in the press Mrs Skeer the Chief Constable is retiring.

The chair asked about the ongoing pressures around overtime with the upcoming Appleby Fair?

The ACC appreciate that it is a strain not only the constabularies finances but on officer wellbeing when rest days are cancelled but with the competition of Op Uplift this has given more officers for deployment.

b) The OPFCC

The CE gave the update from the OPFCC, referencing that both the Chief Constable and the Chief Fire Officer are both retiring, adverts are all out and there have been applications for both posts so there will be competition in both areas, application close then end of this week and interview are next week and the committee will be updated once the successfully candidate have been appointed.

c) Fire & Rescue Service

The DCFO gave the update for Cumbria Fire Service. Starting with the retirement of John Beard the Chief Fire Officer.

Service level agreements remain in place with the 2 unitary authorities and the main priorities are around estates and fleet.

Along with the retirement of the Chief Fire Officer the Fire service have also lost a comms officer which is a major role to fill.

Following the HMI review the service is undertaking a gap analysis and working on a number of key policies, specifically maternity, grievance, bullying and harassment.

In terms of recruitment, working with the PFCC's office we are currently 15 under establishment and we aim to take 4 on in July and a further 8 in September followed by another whole-time fire fighter course for succession planning.

The HMI released a report last week which lift the two main causes of concern following a large amount of work from all concerned, which was undertaken while going through the governance changes.

The budget position for 2022/23 was £26k overspent however this included £104K unexpected cost for Fleet so the budget should have come in under budget for the second year running.

The Fire Service has also move to a 2 BCU format in line with the unitary authorities and the Constabulary.

Incident of note are sadly the drowning in the river Eden at the weekend, a discharge of chemicals and effluent at Langwathby, the unfortunate entrapment at the Kong Adventure Centre in Keswick and a suicide in Barrow where an individual had ingested chemicals.

d) Finance

The PFCC CFO gave the financial update and explained that Fire is still awaiting the final balance sheet showing the disaggregation of reserves from the old Cumbria County Council which will give the fire Service their share.

CIFPA have acknowledged the challenges around final accounts production and the wellbeing of finance team members and made a formal notice to ensure that staff are being looked after and senior managers are kept informed.

The CC CFO added a brief update on the OPFCC/Constabulary final accounts for 2022/23 which show a £836k underspend, and in terms of balancing the welfare concerns for staff and the CIPFA deadline the draft accounts should be complete by mid-June.

798. JOINT AUDIT COMMITTEE – UPDATED TERMS OF REFERENCE

The CC CFO explained that following the inclusion of Fire to the JAC work schedule a decision has been made to increase the time paid to committee to read the papers so that moving forward the papers will no longer be presented and will only be discussed by exception.

The Chair raised the following points:

Para 4.5 Appendix A “Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies” and asked for the other inspection agencies element to be removed following the previous discussion with the DCC around the HMIC Inspection.

Para 5.1 Appendix A “to consider whether appropriate accounting policies have been followed” could the working be looked at as the JAC committee are not expected to be familiar with the current accounting policies.

ACTION: for the CC CFO to amend para 4.5 and 5.1 to convey clearer meanings.

RESOLVED, that the report be noted.

799. INTERNAL AUDIT REPORT(S)

All internal audit reports have been reviewed by the Committee prior to this meeting.

- a) PCC/Constabulary
 - i. Risk Management Framework

No comments noted on this report.

- ii. Management of Overtime

A member asked how easy it was to drill down and see what areas the overtime was spent on.

The ACC explained that it was for large events like Appleby Fair but when it comes to officers who have to stay past their shift end time due to an incident it is not so easy, but staff are working to improve the reporting so that these areas will become clearer. The ACC then clarified that following the Uplift programme there are more officers on shift albeit some still doing training so this should reduce the overtime burden on staffing.

A member then asked about wellbeing of staff in light of the large amount of overtime undertaken and was this taken into consideration when compiling this report?

The AM explained that there was a wellbeing audit in the schedule and the ACC explained about the current wellbeing survey being done by all staff to give the organisation a starting point to look at how best to look after staff.

iii. Financial Sustainability – Business Planning

No comments noted on this report.

b) Fire & Rescue

i. No finalised audits to date

RESOLVED, that the report be noted.

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

a) PCC/Constabulary

Unfortunately, this report was never received.

ACTION, for the CC CFO to send this report to committee once received.

b) Fire and Rescue – N/A for Fire at this stage

801. INTERNAL AUDIT – ANNUAL REPORT

The Internal Audit Annual Report have been received and reviewed by committee; the committee have also had a pre-meet with Internal Audit just prior to today's meeting.

The Chair commended both TIAA and the Constabulary finance team on how well this first year appears to have gone and is there anything that could be done to make it better or stronger?

The CC CFO explained that there are regular meetings with TIAA to identify any issue that might arise.

The DCFO explained that the HMI action plan belongs to the Fire and Rescue Service in the same way as the HMIC Inspection of the Constabulary, but an overview will be brought to JAC.

RESOLVED, that the report be noted

802. PROPOSED INTERNAL AUDIT PLAN/INTERNAL AUDIT CHARTER

Both the Proposed Internal Audit Plans and Internal Audit Charters have been received and reviewed by committee.

a) Fire and Rescue – PCC & Constabulary - Finalised Audit Plan 2023/24

No comments noted on this report.

b) Fire & Rescue Internal Audit Plan 2023/24

A member asked who would be signing the audit report as the DCC signed off all the Constabulary internal audit reports?

The DCFO confirmed that he would be signing off all Fire and Rescue internal audit reports.

The Chair asked if the option for using shared facilities for Estates and Fleet with other blue light organisation/councils would be considered in the audit?

The AM clarifies that these could be discussed in the pre meeting before the audit starts.

The Chair asked in regard to the HR recruitment audit was there anything around vetting included?

The DCFO confirmed that a bill was going through parliament to say that all firefighters will be DBS checked.

RESOLVED, that the report be noted

11:55 The Chair called a break to the meeting

12:05 The Chair called the meeting back to order

803. RISK MANAGEMENT MONITORING

The annual report on Risk Management Activity including the Commissioner's arrangements for holding the Chief Constable to account for Constabulary Risk Management has been received and reviewed by committee.

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

(i) Determine whether they are satisfied with the effectiveness of the OPFCC'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 No comments noted on this report.

RESOLVED, that the report be noted, and the committee are satisfied with the effectiveness of the OPFCC's processes and monitoring of risk.

There were no recommendations to the Commissioner.

804. VALUE FOR MONEY

The Value for Money report has been received and reviewed by committee.

A member asked what is the usefulness if this report?

The CC CFO explained that this report is pulled together from data provided to the Home Office and it is used to see where the force sits against other forces and where the force might be outliers and the reason this might occur.

The ACC also added that unfortunately it is not as easy as comparing like for like as each force has different priorities. For example we spend more in the force control room due a decision to place police officers in the control room above police staff and this has now proved to be extremely effective in dealing with calls at the first point of contact, so much so that other forces are now looking to replicate this.

The DCFO confirmed that the Fire and Rescue Service have a very similar Value for Money report with many of the same issues being a rural service being benchmarked against an urban service.

RESOLVED, that the report be noted

805. ANTI-FRAUD AND CORRUPTION ACTIVITIES

The Anti-Fraud and Corruption Activities report has been received and reviewed by committee.

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

(i) Determine whether they are satisfied with the effectiveness of the OPFCC'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.

RESOLVED, that the report be noted, and the committee are satisfied with the effectiveness of the OPFCC's monitoring of Anti-Fraud and Corruption Activity.

There were no recommendations to the Commissioner.

806. ETHICS AND INTEGRITY GOVERNANCE

The Ethics and Integrity Committee Annual Report has been received and reviewed by committee.

The Chair commented about misconduct incidents while officers were off duty and has extra training been undertaken around conduct.

The ACC explained that the Professional Standard Department (PSD) now speak to students about their conduct both on and off duty during officers training and PSD go out to station to reinforce the message around standards and conduct.

RESOLVED, that the report be noted

807. EFFECTIVENESS OF AUDIT

The Effectiveness of Audit Report has been received and reviewed by committee.

No comments noted on this report.

RESOLVED, that the report be noted

808. ANNUAL GOVERNANCE STATEMENT

The Annual Governance Statements have been received and reviewed by committee.

Members of the Joint Audit Committee are asked to:

(i) Review the respective Codes of Corporate Governance 2023/24.

(ii) Review the respective Annual Governance Statements 2022/23.

(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.

- a) The Police & Crime Commissioner for Cumbria
 - i. Code of Corporate Governance 2023/24.

The Chair referred to page 5 which refers to the Cumbria County Council's Monitoring Officer and should this not now be Cumberland and Westmorland and Furness?

The Chair also asked if reference should be made to the new Deputy PCC as he will have certain right in the absence of the commissioner?

- ii. Annual Governance Statement 2022/23.

The Chair confirmed that he has sent an email to both the OPFCC Chief Finance Officer and the CE with his points of note.

A member noted that there appeared to be a great many actions with extended timescales and there did not appear to be reasons as to why these had been extended.

The CE explained that this was still a draft document and there were updates to be made so when the document was finalised most of the actions would be completed.

- b) The Chief Constable of Cumbria Constabulary
 - i. Code of Corporate Governance 2023/24.

No comments noted on this report.

- ii. Annual Governance Statement 2022/23.

No comments noted on this report.

ACTION, for The PFCC CFO/CE to amend the Code of Corporate Governance 2023/24 item 18a)i in view of the comments made by the Chair.

RESOLVED, that the reports be noted

There were no recommendations to the Commissioner or the Chief Constable.

809. ANNUAL STATEMENT OF ACCOUNTS

The draft Annual Statement of Accounts were unfortunately not ready for the JAC Meeting, and these will be sent out to committee both electronically and hard copies by the end of June 2023.

- a) The Police & Crime Commissioner for Cumbria (PFCC/Constabulary Group)
- b) The Chief Constable of Cumbria Constabulary

810. TREASURY MANAGEMENT ACTIVITIES

The Treasury Management Activity for Qtr4 to 31st March 2023 and Annual report have been received and reviewed by committee.

No comments noted on this report.

RESOLVED, that the report be noted

811. POINT FOR CONSIDERATION BY THE COMMISSIONER, THE CHIEF CONSTABLE, AND THE CHIEF FIRE OFFICER

There were no points for consideration for the Commissioner, the Chief Constable, and the Chief Fire Officer.

812. AOB

The CC CFO asked about the 360 review of effectiveness and would the committee like to review the question set.

ACTION: for the CC CFO to circulate the 360 Review question to committee for comment.

Meeting ended at 12:50

Future JAC Meeting Dates (For Information)

20th September 2023 @ 10.30– Fire HQ Penrith
22nd November 2023 @ 10.30– Conference Room 1
20th March 2024 @ 10.30– Fire HQ Penrith

Future Police, Fire and Crime Panel Meeting Dates (For Information)

24 May 2023 – Venue TBC

Signature _____

Date _____

Joint Audit Committee – Action Update and Plan

Minute Item and date	Action to be taken	Person Responsible	Target Date	Comments	Status
775 (22/03/23)	Action Plan	TIAA	05/04/23	To produce a manual report on the Monitoring of Audit, Internal Audit and Other Recommendations and Action Plans with in the next three weeks for circulation to committee. September 2023 – TIAA to provide an update at the meeting	Ongoing with original timescale extended
775 (22/03/23) (30/05/23)	Action Plan	Constabulary CFO	12/04/23 Sep 23	For the Constabulary CFO to create a mechanism for monitoring and reporting audit recommendations from External Audit. May 2023 – A verbal update will be provided at the meeting. For the Constabulary CFO to formalise a report covering last year’s recommendations and this year if there are any. September 2023 – A formal update is included within Grant Thornton’s Joint Audit Plan at Item 11 on the agenda, see pages 14-17.	Completed
776 (22/03/23)	Corporate Update	DCC	May 23 Sep 23	For the DCC to provide a short briefing on the impact on the force from the high-profile murders in the press and the accusations about the MET Police. September 2023 – The new temp. DCC Darren Martland has researched the background of this action and will provide a verbal update at the meeting.	Ongoing with original timescale extended
776 (22/03/23)	Corporate Update	CE & Deputy Chief Fire Officer	May 23 Jun 23	For the CE and Deputy Chief Fire Officer to compile a welcome pack with organisation chart and accountability and governance framework. May 2023 – An update to the JAC member pack is currently being developed and will incorporate PCC, Constabulary and Fire relevant information. Will aim for the packs to be issued in June 2023. September 2023 – The welcome pack for Fire is attached at agenda item 05a.	Completed
776 (22/03/23)	Corporate Update	Constabulary CFO	Nov’23	September 2023 - The equivalent document for OPFCC/Constabulary will be issued before the November JAC meeting.	Ongoing with original timescale extended
777 (22/03/23)	Internal Audit – Summary Internal Controls Assurance Report	DCC	TBC	For the DCC to create a presentation on the governance of HMICFRS to link to JAC4 Review of Effectiveness Action Plan 2022/23. September 2023 – The new temp. DCC Darren Martland has researched the background of this action and will provide an update at the meeting.	Ongoing within original timescale

Minute Item and date	Action to be taken	Person Responsible	Target Date	Comments	Status
782(d) (22/03/23)	Constabulary Strategic Risk Register	Ch Supt Mick Bird	May 23 Sep 23	For the CS to investigate the impact scores on Risks 28 and Risk 2 to see why they have been reduced? September 2023 – The relevant risks have been reviewed by COG on 01/09/23 and it has been agreed that these risks should now be closed.	Completed
783(a) (22/03/23)	Risk Management Strategy	PFCC CE	Sep 23	For the CE to provide context as to where fire governance fits within the OPCC Risk Management Strategy September 2023 - how the OPFCC achieves oversight of fire risks has been included within the OPFCC's risk management strategy. Risks are reviewed quarterly at the Strategic Finance and Governance Board with a standard agenda item at monthly meetings for operational risks to be escalated and discussed where necessary.	Completed
783(b) (22/03/23)	Risk Management Strategy	Constabulary CFO	Sep 23 Nov 23	The Constabulary CFO to look making clearer descriptions around the actual risk and then what mitigations have been put in place that will now reduce the risk. May 2023 – This will be incorporated into the next report in September. September 2023 – A meeting is to be held later in September between the Constabulary CFO and Ch Supt Bird with a view to aligning the terminology in the Constabulary Risk Register updates and the bi-annual risk management updates. The meeting has not yet taken place due to diary commitments.	Ongoing with original timescale extended
796 (30/05/23)	Action Update and Plan	Constabulary CFO	Sep 23	For the Constabulary CFO to look at the colouring of the action log to reflect items which are not late or have been deliberately put back to a different meeting. September 2023 – Colours updated from this version of the action plan as follows: Completed Ongoing within Original Timescale Ongoing with original timescale extended Overdue	Completed

Minute Item and date	Action to be taken	Person Responsible	Target Date	Comments	Status
798 (30/05/23)	Joint Audit Committee – Updated Terms of Reference	Constabulary CFO	Sep 23	<p>For the Constabulary CFO to amend para 4.5 and 5.1 to convey clearer meanings. September 2023 – the wording is taken from the CIPFA publication “AUDIT COMMITTEES: PRACTICAL GUIDANCE FOR LOCAL AUTHORITIES AND POLICE \ 2018 EDITION”.</p> <ul style="list-style-type: none"> • Para 4.5 reads as follows and the part of concern to members is highlighted in green “Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.” • Para 5.1 reads as follows and the part of concern to members is highlighted in green 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. <p>It is felt that these paragraphs should remain, in relation to 4.5, this is to give JAC members the potential to raise concerns if they feel that the PFCC/CC relationship with the HMICFRS is not effective. Members receive updates on HMICFRS reports, all of which are published on the HMICFRS website. In relation to 5.1, the accounting policies are published as part of the SoA, this is to give members the opportunity to question if they feel that an accounting policy is not appropriate. The CFOs will provide overall assurance that the accounting policies are in their professional opinion appropriate and have been followed.</p>	Ongoing within original timescale
800(a) (30/05/23)	Monitoring of Audit, Internal Audit and other Recommendations and Action Plans	Constabulary CFO	Sep 23	<p>For the Constabulary CFO to send the PCC/Constabulary Monitoring of Audit, Internal Audit and other Recommendations and Action Plans report to committee once received.</p> <p>September 2023 – Agenda Item 9a September Meeting</p>	Completed
808(a)i (30/05/23)	Annual Governance Statement	PFCC CFO/CE	Sep 23	<p>For the PFCC CFO/CE to amend the Code of Corporate Governance 2023/24 item 18a) in view of the comments made by the Chair</p> <p>September 2023 – Comments have been taken onboard and work is underway to review the format and layout for the 2024/25 document.</p>	Completed
812 (30/05/23)	AOB	Constabulary CFO		<p>For the Constabulary CFO to circulate the 360 Review question to committee for comment.</p> <p>September 2023 – Question template circulated to members 05/07/23, responses received from 3 members so far.</p>	Completed

Joint Audit Committee – Review of Effectiveness Action Plan 2022/23

Note – we are still awaiting an updated plan from JAC members for 2023/24.

Ref	Improvement Area	Planned Action	Owner	Review Date	Status
JAC1	Support and monitor the OPCC and Constabulary plans to address the ongoing funding environment and sustainability.	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 2023	Ongoing
JAC2	Support and challenge any new governance arrangements for example arising from restructuring and capacity reviews; Local Government Reorganisation and Fire; greater collaboration with other organisations; joint working on delivery of services.	JAC to seek assurance regarding the sufficiency of all new arrangements supported by appropriate documentation including Financial Regulations and ensure governance arrangements are considered as part of the risk assessment process. To receive specific briefings on all re-structuring, particularly as a result of Local Government Reorganisation and its impact on the Police and Crime Plan. To receive specific briefings on Fire Governance arrangements.	JAC	March 2023	Ongoing
JAC3	Achieve a greater understanding of partnerships the PCC and Constabulary are involved with.	The DCFO to organise and introduction day for all members and this would include visits to different stations and a presentation on partnerships.	JAC	March 2023	Ongoing
JAC4	Achieve a greater understanding of the findings of HMICFRS reports; how these are reflected in the risk registers and evidence of benefit realisation following implementation of inspection findings.	The DCC to brief JAC members at the November meeting on HMICFRS as the first part of the understanding/integration process for inclusion in the risk register and continuous improvement loop.	JAC	March 2023	Ongoing
JAC5	To improve engagement with the Chief Constable of Police and Crime Commissioner (Committee Chair) and attend Police and Crime Panel Meetings and other governance committees as necessary/considered beneficial to enhance the work of JAC.	Update August 2022 – Appointments have been arranged for the Chair of the committee to meet the Chief Executive & Assistant Chief Officer (13/09/22 @ 14:00), Commissioner (13/09/22 @ 14:30) and Chief Constable 13/09/22 @ 15:00)	JAC	March 2023	Ongoing

Service Induction 2023

Making Cumbria a safer place for all



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Service Profile

Prior to 1947, there was the National Fire Service and before that there were various independent services run by volunteers in villages, towns and cities throughout the country. Cumbria Fire Service was formed in 1974 after local government was reorganised. It took in Cumberland Fire Service, Westmorland Fire Service, Carlisle and Barrow Services and parts of Lancashire and Yorkshire. In 2005, the service changed its name to Cumbria Fire & Rescue Service, and in 2012 it moved its headquarters from Cockermouth to Penrith

In 2023, during the period of Local Government Reform, there were a number of options available for the future governance of the Fire Service. One of these options was the PCC taking responsibility for the governance of the Service. To achieve this, the process as set out in statute was followed, which involved public consultation, the preparation of a business case and finally approval by the Home Secretary. The PCC became responsible for the governance of the Service from 1st April 2023.

Vision

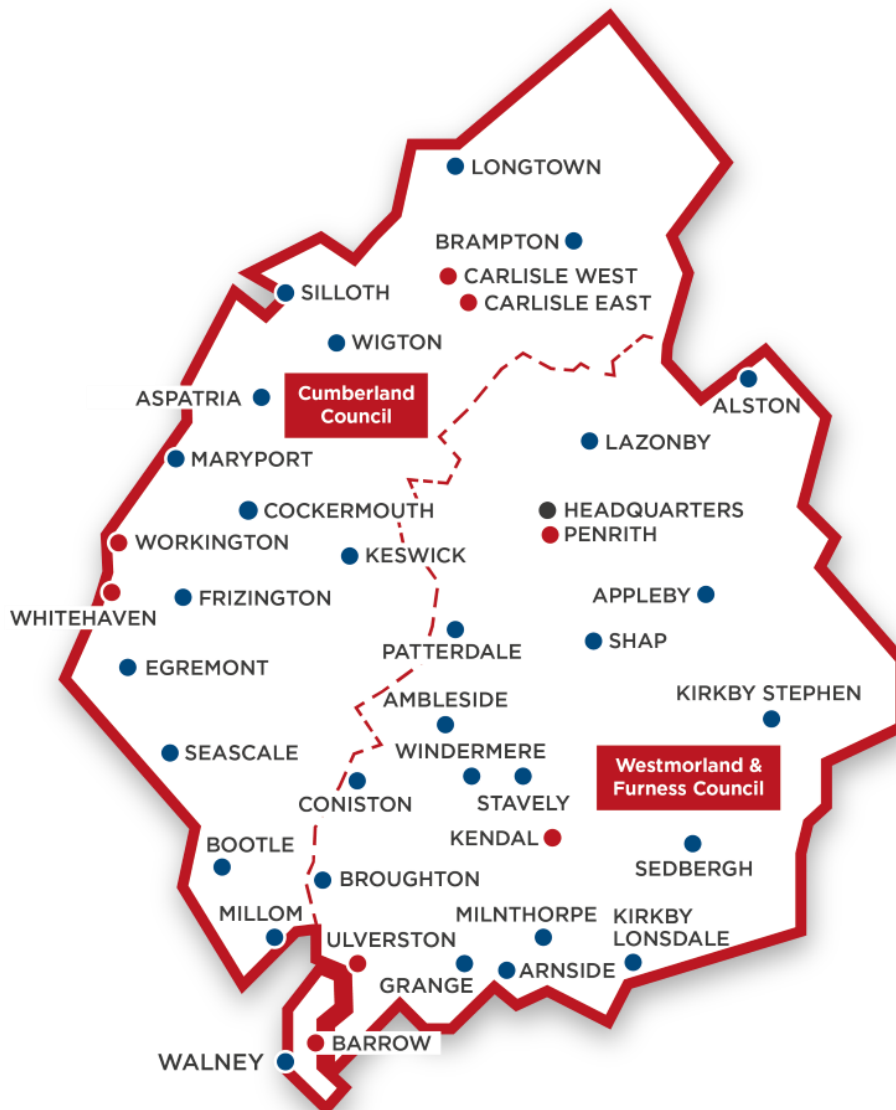
A community-focused, professional, and trusted Fire and Rescue Service that makes Cumbria a safer place for all.

Values

We believe passionately in the delivery of excellent public services to make Cumbria a safer place for all. To do that we need to be clear about the values and behaviours that we need to drive change and achieve our high standards. Within the Service we have adopted the National Core Code of ethics:

- **Putting our communities first** – We put the interest of the public, the community, and service users first.
- **Dignity and respect** – We treat people with dignity and respect, making decisions objectively based on evidence, without discrimination or bias.
- **Equality, diversity, and inclusion** – We continually recognise and promote the value of equality, diversity, and inclusion, both within the fire and rescue service and the wider communities in which we serve.
- **Integrity** - We act with integrity including being open, honest, and consistent in everything that we do.
- **Leadership** - We are all positive role models, always demonstrating flexible and resilient leadership.

Stations



Within Cumbria we operate a mix of 38 Wholetime and On-call stations. Wholetime firefighters work a variety of duty systems, but are contracted to work for the fire service as their primary employer. On-call staff provide a certain level of cover per week, and will respond to incidents either from their primary employment or from home.

Currently within Cumbria there are 213 Wholetime staff and 349 On-call staff.

Operational delivery is only possible because of the corporate support functions. These include finance, fleet, performance, health and safety amongst many others. As a result of the LGR process, some corporate functions are delivered through fire, whilst a significant number are provided on a Service Level Agreement (SLA) basis with Cumberland or Westmorland local authority, we continue to work on our transformation which may include further disaggregation of some of the SLA's

Currently within the Service there are 72 corporate staff employed. A number of these staff also support the delivery of the Prevention and Protection areas within the Service.

The fire service operates a rank structure similar to the Constabulary, whilst there is no exact match, the table below gives an illustration of how they compare in broad terms of responsibility assigned

Fire and Rescue	Constabulary
Chief Fire Officer	Chief Constable
Deputy Chief Fire Officer	Deputy Chief Constable
Assistant Chief Fire Officer	Assistant Chief Constable
Area Manager	Chief Superintendent
Group Manager	Superintendent
Station Manager	Chief Inspector
Watch Manager	Inspector
Crew Manager	Sergeant
Firefighter	Constable

Our Vehicles

The Service maintains a varied fleet, delivering an operational response to a wide range of incidents while meeting the challenges of Cumbria's road network.

A full breakdown of our fleet can be found at <https://www.cumbriafire.gov.uk/our-fleet-and-equipment>.

In delivering for the people of Cumbria, the outputs of the Service can be categorised as Prevention, Protection and Operational Response all underpinned by People.

Prevention

Prevention activity is concerned with delivering interventions that reduce risk and support safer and healthier communities. This can be in many forms including:

- delivering Safe and Well visits in people's homes
- educating the community to reduce their risk and vulnerability to fires and other emergencies
- targeting road traffic collision training at high risk groups
- collaborating and working in partnership with other agencies and community groups

Protection

The activity that the Service delivers under in regard to protection is largely governed by legislation, namely The Regulatory Reform (Fire Safety) Order 2005 which provides a framework for regulating fire safety in all non-domestic premises including workplaces and the parts of multi-occupied residential buildings used in common in England and Wales

<https://www.legislation.gov.uk/ukxi/2005/1541/contents/made>

Protection activity is aimed at improving the safety and wellbeing of communities by reducing risks and incidents in the built environment. This is achieved by:

- educating and regulating those responsible for keeping buildings safe to adopt safer behaviours
- delivering a comprehensive inspection programme based on risk based modelling through working in partnership with other agencies to target high risk properties
- ensuring all staff have access to the latest information and training opportunities

Operational Response

Whilst Prevention and Protection are pro active activities, response is reactive when an appliance leaves the building. However there is significant preparatory work carried out to ensure the crew can respond to the emergency to the best of their ability. This includes:

- ensuring all operational crews are competent to deal with the situations they encounter
- have access to appropriate resources, vehicles, equipment and systems
- supported by comprehensive operational policies, procedures, tailored guidance and training

Co-ordination of operational response is done by North West Fire Control. North West Fire Control is a public sector company set up exclusively by the Fire Services in the North West to jointly handle all 999 emergency calls and be responsible for mobilising firefighters and fire engines to incidents in Cumbria, Lancashire, Greater Manchester and Cheshire.

Internal Facing

Statutory legislation

There are two pieces of Primary Legislation that set out the roles and responsibilities of the Fire Authority / Fire Service

The first of these is the Fire and Rescue Act 2004

<https://www.legislation.gov.uk/ukpga/2004/21/contents>

There are four key responsibilities for Fire and Rescue Authorities (FRAs) that they must ensure that they make provision for including:

- extinguishing fires in their area
- protecting life and property in the event of fires in their area
- rescuing and protecting people in the event of a road traffic collision
- rescuing and protecting people in the event of other emergencies

FRAs also need to collect information to assess risk in their areas as well as protect the health and safety of their workers. The Fire and Rescue Services Act 2004 also gives the Government responsibility for producing the Fire and Rescue National Framework which outlines the Government's high level priorities and objectives for FRAs in England.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/705060/National_Framework_-_final_for_web.pdf

The National Framework's priorities for FRAs are

- make appropriate provision for fire prevention and protection activities and response to fire and rescue related incidents
- identify and assess the full range of fire and rescue related risks their areas face
- collaborate with emergency services and other local and national partners to increase the efficiency and effectiveness of the service they provide
- be accountable to communities for the service they provide
- develop and maintain a workforce that is professional, resilient, skilled, flexible and diverse

The second piece of legislation is the Civil Contingencies Act which sets out how the FRA should respond to emergencies as a Category 1 responder.

<https://www.legislation.gov.uk/ukpga/2004/36/contents>

Subsequent legislation established the parameters for a Police and Crime Commissioner to take on the responsibility of a FRA. In doing so they must fulfil the above requirements as well as

- putting in place arrangements to deliver an efficient and effective fire and rescue service
- setting the fire and rescue objectives for their area through a Fire and Rescue Plan
- appointing the Chief Fire Officer, hold them to account for delivery of objectives, and if necessary dismiss them
- setting the service budget and determine the precept

Community Risk Management Planning (CRMP)

The CRMP process is at the heart of everything a service does. The aim of the process is to ensure services assess foreseeable community related risks and use this knowledge to decide how those risks will be mitigated. In delivering this process a Service must

- Be able to demonstrate how protection, prevention and response activities have and will be used collectively to prevent and/or reduce the impact on its residents, businesses and communities
- Effectively consult and engage (in line with its governance arrangements) with communities, FRS staff and stakeholders at appropriate stages of the community risk management planning process
- Use a robust risk analysis process (giving due regard to existing and emerging local, regional and national hazards) to support evidenced, transparent and inclusive decision-making regarding resource deployment
- Ensure resource deployment decisions are balanced against an assessment of internal and external resource availability (including collaborative and cross-border working opportunities and via national resilience) and other key organisational influences that inform the overall strategic planning process; and

Currently the Service has a one year plan that can be found on its website at

<https://www.cumbriafire.gov.uk/information-and-publications>

along with a number of other strategic documents.

The one year plan was put in place to ensure a smooth transition from the previous model of governance to the PFCC model. The CRMP would normally cover a 3-5year period and one is currently being developed ready for approval by 1st April 2024.

Structure



Rick Ogden
Chief Fire Officer



Brian Steadman
Deputy Chief Fire Officer



Brian Massie
Assistant Chief Fire Officer



Kristine Ward
Head of People and Talent



Mark Clement
Head of Safety and Assurance



Lewis Thomas
Head of Infrastructure



Stuart Hook
Head of Learning, Development & Assurance



Steven Tickner
Section 151 Officer



Andy Lee
Area Manager



Jo Richardson
Transformation Lead



Mohammed Dhalech
EDI Manager



Mike Scott
Finance Manager

Highlighted below is the Service Leadership team along with a short summary of those areas they are responsible for.

Rick Ogden – Chief Fire Officer

The Chief Fire Officer (CFO) is the head of the Service and is responsible for ensuring effective delivery of all our duties.

Brian Steadman – Deputy Chief Fire Officer

Deputy Chief Fire Officers are strategically responsible for the operational functions of the Service and will deputise for the Chief Fire Officer.

Brian Massie – Assistant Chief Fire Officer

Assistant Chief Fire Officers are strategically responsible for all the corporate functions of the Service.

Stuart Hook – Area Manager

Leads on and has strategic responsibility for Learning, Development and the Operational Assurance of all response activity

Steven Tickner – Section 151 Officer

A statutory post that has responsibility for the proper administration of all financial affairs. Currently shared with the Office of the Police, Fire and Crime Commissioner

Andy Lee – Area Manager

A senior manager within the Fire Service. Area Managers are strategically responsible for a number of areas to meet the needs of the Service

Kristine Ward – Head of People and Talent

Responsible for Human Resources, Workforce Development, Fitness and Pensions

Mark Clement – Head of Safety and Assurance

Responsible for the performance team, health and safety, business support and corporate governance

Lewis Thomas – Head of Corporate Services

Responsible for the service estate, appliances and other hardware. Also responsible for the Service Level Agreements that exist between the service and the two new local authorities.

Jo Richardson – Transformation Lead

Jo is the Programme Lead and has led on the work on behalf of the Service to transition Fire to the CCFRA which is now focused on the disaggregation of the remaining hosted functions.

Mohammed Dhalech – EDI Manager

Mohammed leads on the Equality Diversity and Inclusion Agenda for the Service, with the aim of creating an inclusive service for the communities of Cumbria and Fire Service staff.

Mike Scott – Finance Manager

Mike works closely with the Section 151 officer and is the finance lead for the Service.

Performance Framework

Understanding Performance is fundamental to both the day to day management of the Service and the Community Risk Management Planning process which drives the strategic direction of the Service.

Internally the Service has a suite of performance dashboards that provide staff with the information they need to make informed decisions. These dashboards cover a wide range of indicators from response times of appliances to the number of road traffic collision training sessions delivered.

Externally the Service is expected to provide data on a regular basis to a wide range of organisations including the Home Office, HMICFRS, Local Government Association, National Fire Chiefs Council and others. As well as deal with numerous ad hoc requests.

The Service Leadership team has agreed a suite of indicators that it receives monthly updates on. These are

- Sickness
- Home Fire Safety Checks
- Station availability
- 10-minute response time - primary, property fires
- 15-minute response time - all other
- All fires
- Fire-related fatalities
- Accidental primary dwelling fires
- Number of Community Engagement initiatives.
- Road Traffic Collisions including fatalities
- Accidents reported to the Health and Safety Executive (RIDDOR)
- Fire Protection Audits

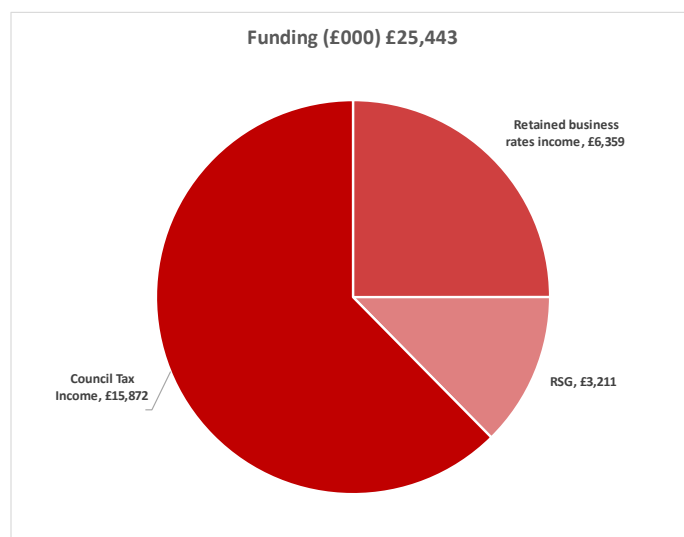
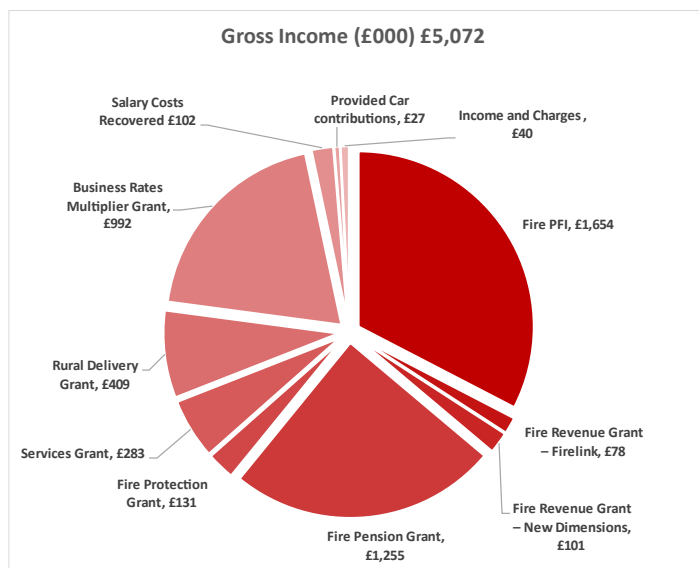
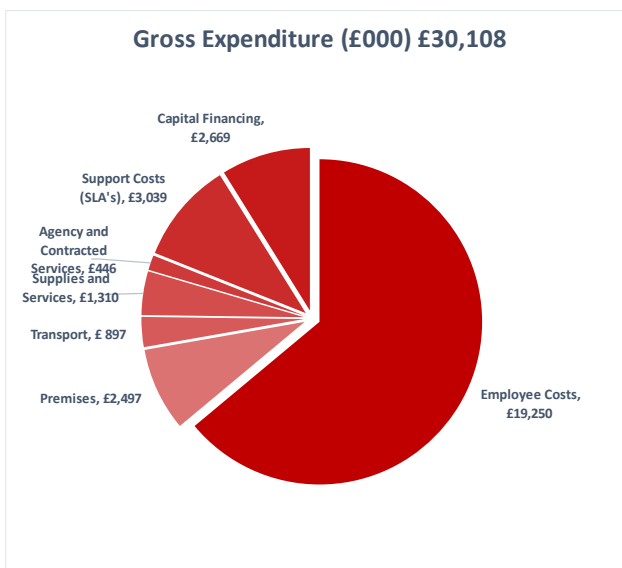
In the last financial year, for those indicators where targets were set, the Service saw good performance with regard to 15 minute response times, all fires, road traffic collisions and fire protection audits.

Performance against station availability and home fire safety checks were below target, however still significantly better than the national picture.

Performance against the 10 minute response time target is below target. The Service understands the reasons behind this, and is taking steps within the next Community Risk Management Process to address it.

Budget

The current Fire Service budget was arrived at as a result of the Local Government Reform process. The charts below highlight Gross Expenditure, Gross Income and Funding Streams as set out in the Medium Term Financial Plan.



Learning and Incidents of Note

It is crucial the Fire Service is a learning organisation. This means not just learning from operational incidents internally, but from wider learning across the country. Key to this is the National Operational Learning (NOL), and Joint Operational Learning (JOL) approach.

The NOL system provides a vehicle to identify new or emerging risks, monitor trends within the sector, recommend remedial actions, promote best practice and share learning across all UK fire and rescue services.

The JOL system is very similar but refers to any learning gained through joint working with partner organisations.

In addition to this approach, the Service is subject to Rule 43 Coroner notices. These notices are issued when an inquest identifies such circumstances as might exist in any Service across the country that might lead to death or serious injury. When such a notice is received, then the Service has a responsibility to consider it and respond.

Out with these formal processes sometimes incidents of a national importance may occur, for example Grenfell Tower, or the MEN Arena terrorist attack. In these cases, the NFCC, or HMICFRS may issue a gap analysis tool to all Services with the expectation that any gaps identified are addressed.

Training

The Service's approach to training recognises that staff development and training is an integral part of an organisation's strategic planning. This ensures that all members of staff can perform their current roles effectively and be further developed toward promotion opportunities, in doing so ensuring that the organisation meets its' strategic objectives.

Each job role within the Service has required competence and skill set detailed as a separate document or as part of the person specification. Individuals training record and qualification history are kept on file and updated following new training received or new competence and experience accrued.

The ongoing appraisal system, the implementation of new equipment or an asset, and changes to legislation are just a few of the drivers which inform the training and development needs of a particular department or the Service as a whole. It is the function of the training department to identify any new training requirements and then plan and provide training for staff as required.

In order to ensure that training is effective, it is subject to regular evaluation. The Operational Assurance team within the Service attend live incidents to not only ensure that the training has become embedded, but also to identify future training needs.

Workforce Development Group (WDG)

The aim of the WDG is to attract, develop and maintain a professional, resilient, skilled, flexible and diverse workforce that promotes a community focused and inclusive culture. Having the workforce in place allows the Service to deliver on both its Vision and key objectives as set out in its Community Risk Management Plan.

The group is made up of a variety of Senior Managers from different disciplines within the organisation and considers a number of themes including

- Recruitment
- Succession Planning
- Suitable Career Pathways for all staff
- Promotions

External Facing

National Fire Chiefs Council (NFCC)

The vision of the NFCC is to improve safety in communities by working collaboratively with fire and rescue services, promoting national approaches where they work best. This is achieved through four key commitments that run through everything the NFCC delivers, these are

- Reduce community risk and vulnerability through a number of programmes that will support fire and rescue services in the improvement of their deployment and service delivery through their risk management plans
- Remain focused on people. The greatest asset in fire and rescue services is people. The NFCC is working with members on a wide range of projects related to improving the way services recruit, train, lead, manage and support their employees.
- To lead on digital and data solutions to drive transformation. This will enable services to improve the way they collect, store, use and present data, manage information, and make best use of digital technology.
- To be an efficient and financially sustainable organisation that is collaborative and works in partnership with others for the benefit of all members.

The NFCC runs several national pieces of work that are led by and contributed to by senior officers across the country. Currently within Cumbria officers sit on the Safeguarding and On-call working groups. The Assistant Chief Fire Officer is the national lead on the NFCC Driving group.

Fire Standards Board

The Fire Standards Board has been set up to oversee the identification, organisation, development and maintenance of professional Standards for fire and rescue services in England.

The Board is responsible for approving Standards and the approach to their development. It sets the priorities for Standards development work. It commissions work based on proposals from third parties, monitors progress with ongoing work and approves completed work. Currently there are 16 Standards that have been agreed by the Board, these are

- Emergency Response Driving

- Operational Competence
- Operational Learning
- Operational Preparedness
- Community Risk Management Planning
- Code of Ethics
- Prevention
- Protection
- Safeguarding
- Fire Investigation
- Emergency Preparation and Resilience
- Data Management
- Leading and Developing People
- Leading the Service
- Fire Control
- Communication and Engagement

Under each Standard, the Board sets out what it expects Services to be delivering to meet the Standard, and what the expected benefits are.

Further details about the Board can be found at

<https://www.firestandards.org/>

His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS)

HMICFRS independently assesses and reports on the effectiveness and efficiency of both fire services and police forces in the public interest.

Whilst HMICFRS can carry out thematic reviews, or can be instructed to carry out detailed inspections at the behest of the Home Secretary, the main thrust of their work is to carry out inspections every two years.

These inspections consider a large number of key lines of enquiry (KLOE) loosely grouped into

Effectiveness – How well the fire and rescue service understands its current and future risks, works to prevent fires and other risks, protects the public through the regulation of fire safety, and responds to fires and other emergencies, including major and multi-agency incidents.

Efficiency – How well the fire and rescue service uses its resources to manage risk, and secures an affordable way of providing its service, now and in the future.

People - How well the fire and rescue service promotes its values and culture, trains its staff and ensures that they have the necessary skills, ensures fairness and diversity for its workforce, and develops leaders

And against each section and KLOE services are judged as either Outstanding, Good, Requires Improvement or Inadequate. If HMICFRS has immediate concerns as a result of an inspection then a Cause for Concern is issued that the Service is meant to address immediately.

In the last inspection, the Service was judged to be Requires Improvement for Effectiveness and People, and Inadequate for Efficiency. Two Causes for Concern were Issued although these have now been addressed, and subsequently lifted by HMICFRS.

Full details of all reports can be found on the HMICFRS website at

<https://www.justiceinspectorates.gov.uk/hmicfrs/>

Local Government Association (LGA)

The LGA is the national membership body for local authorities and works on behalf of member councils to support, promote and improve local government.

It is a politically-led, cross-party organisation that works on behalf of councils to ensure local government has a strong, credible voice with national government.

Until the first of April, Cumbria Fire and Rescue Service was part of Cumbria County Council and benefitted from the support of the LGA. There are currently twelve other services that remain part of local authorities.

Whilst not now currently part of the LGA, the service can benefit from a number of documents that are produced by the Fire Committee within the LGA. These documents can be found at

<https://www.local.gov.uk/topics/fire-and-rescue>

Trade Unions

There are six trade unions currently operating with the Service. The first three are open to all members of the Service, however traditionally represent middle managers, On-call firefighters and Wholetime firefighters

Middle managers	-	Fire Officers Association (FOA) https://www.fireofficers.org.uk/
On-call	-	Fire and Rescue Services Association (FRSA) https://www.frsa.org.uk/
Wholetime Firefighters	-	Fire Brigade Union (FBU) https://www.fbu.org.uk/

All Firefighters are generally referred to as “Grey book” members of staff in reference to their terms and conditions.

All other staff that provide the wide range of services that are essential to allow the Service to function are often referred to as “Green book” members of staff and are represented by

Unison <https://www.unison.org.uk/>

Unite <https://www.unitetheunion.org/>

GMB <https://www.gmb.org.uk/>

The Service holds monthly Joint Consultative Group (JCG) meetings chaired by the Deputy Chief Fire Officer, and representatives from all trade unions have an open invitation to attend. These meetings facilitate regular engagement that allows good industrial relations to be fostered.

Trade union representatives are also invited to sit on the Services quarterly health and safety meeting, chaired by the Head of Assurance and Performance.

Throughout this document, and in other fire service publications, abbreviations, terms commonly used in the service and acronyms are often used. The glossary of terms on our website explains some of the more commonly used ones.

[Glossary | Cumbria Fire & Rescue Service](#)

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Internal Audit

FINAL

Police and Crime Commissioner for Cumbria and Cumbria Constabulary

Summary Internal Controls Assurance (SICA) Report

2023/24

September 2023

Summary Internal Controls Assurance

Introduction

1. This summary controls assurance report provides the Joint Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at the Police and Crime Commissioner for Cumbria and Cumbria Constabulary as at 6th September 2023.

Whistleblowing - driving the conversation

2. **The importance of a healthy culture.**

We have seen, over the last few months, the publication of several high-profile reports such as the Metropolitan Police (Casey Review March 2023), University Hospitals Birmingham (Bewick Report March 2023) and Plaid Cymru's review (conducted by Nerys Evans May 2023) where a common theme for each organisation was reported around the treatment of whistleblowers as well as 'poor' organisational culture, failures in leadership and poor whistleblowing reporting mechanisms.

There are so many high-profile incidents that have arisen over the last few years across many sectors and industries, perhaps most notably the #METOO campaign which highlighted sexual abuse in the entertainment industry spanning decades, where, despite there being many reported incidents, the individuals were ignored, ostracised or simply closed down and the matter covered up.

There is a real drive within government to look at the Whistleblowing Laws in the UK to drive through change. It is anticipated that there will be greater onus on organisations to improve their culture and to provide greater support and protection for whistleblowers. The outcome of the government's research is due for completion by the Autumn 2023.

In anticipation of the key messages coming out from the government, we in TIAA are using our expertise and knowledge to support organisations by:

1. Working with organisations to 'health check' organisational culture in respect of whistleblowing;
2. Providing a platform for those responsible for governance, raising concerns, whistleblowing and freedom to speak up guardians to share knowledge expertise, good practice in a forum event.
3. Examining poor practice and looking at the lessons to be learnt from recent incidents in webinar events and through consultation exercises such as online surveys.
4. Sharing the information through benchmarking reports and roundtable events.

Please use this link to keep up to date with our campaign and/or to be part of the conversation and drive through real change and improvement in this important area.

<https://www.ttaa.co.uk/publications/ttaa-organisational-culture-and-whistleblowing-webinar/>

Audits completed since the last SICA report to the Audit Committee

3. There have been no finalised reports since the previous meeting of the Joint Audit Committee.

Progress against the 2023/24 Annual Plan

4. Our progress against the Annual Plan for 2023/24 is set out in Appendix A.

Changes to the Annual Plan 2023/24

5. There are no proposed changes to the planned work for 2023/24.

Progress in actioning priority 1 & 2 recommendations

6. We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA.

Frauds/Irregularities

7. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

Other Matters

8. We have issued a number of briefing notes and fraud digests, shown in Appendix B, since the previous SICA report.


Responsibility/Disclaimer


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

Progress against Annual Plan


System	Planned Quarter	Current Status	Comments
Absence Management	1	Draft report issued	Completion delayed due to availability of TIAA and CC staff
Vetting	1	Fieldwork completed	Completion delayed due to availability of TIAA and CC staff
Fleet - Strategy and Management of Fleet	1	Fieldwork completed	Completion delayed due to availability of TIAA and CC staff
Grievance Reporting and Management	2	Proposed start date 10 th October 2023	
Corporate Health and Safety	2	Proposed start date 2 nd October 2023	
Use of Social Media	2	To be arranged	
Risk - Insurance	3	Proposed start date 2 nd October 2023	
Recruitment - Induction	3	Proposed start date 30 th October 2023	
ANPR Cameras	3	Proposed start date 9 th October 2023	
Accounts Payable (Creditors)	3	Proposed start date 2 nd November 2023	
Risk –Mitigating Controls (Deep Dive)	3	Proposed start date 27 th November 2023	
Partnerships and LGR	4	To be arranged	
Victim Support Services	4	To be arranged	
General Ledger	4	To be arranged	
Follow-up	1 – 4	To be arranged	

KEY:

 To be commenced

 Site work commenced

 Draft report issued


 Final report issued

Briefings on developments in Governance, Risk and Control

TIAA produces regular briefing notes to summarise new developments in Governance, Risk and Control which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those CBNs issued in the last three months which may be of relevance to the Police and Crime Commissioner for Cumbria and Cumbria Constabulary is given below. Copies of any CBNs are available on request from your local TIAA team.

Summary of recent Client Briefing Notes (CBNs)

CBN Ref	Subject	Status	TIAA Comments
CBN - 20009	Guidance issued by HMRC on tax avoidance schemes		<p>Action Required</p> <p>Raise the profile of tax avoidance across networks and communication channels Support HMRC by sharing the following link with stakeholders to help raise awareness among workers in the health and social care sectors, and to warn them of the risks of getting involved in tax avoidance.</p> <p>Link: https://taxavoidanceexplained.campaign.gov.uk/</p>
July 2023	Insider Invoice Fraud		<p>Action Required</p> <p>The City of London Police were contacted by the organisation that the fraudster had targeted following their discovery that 29 fake invoices had been received and processed through their accounts department. All of the fake invoices had been received as attachments within e-mails that were purportedly sent from the PA of the CEO, and were found in the shared email inbox within the organisation’s accounts department. The invoices were identified as fake as none of the companies requesting funds were legitimate. In addition, each of the invoices had what appeared to be the CEO’s signature authorising payment. All of the fake invoices were processed by a member of staff and evidence was found that linked the insider to the scam.</p> <p>The member of staff, the insider, was instrumental in this fraud being carried out. Insider invoice fraud refers to cases of fraud in which an insider’s access to the organisation’s systems and processes are essential in committing the fraud. Examples of insider invoice frauds, which are likely to increase during this period of increased financial pressures and the rising cost of living include:</p> <ul style="list-style-type: none"> • False payment requests typically during busy periods • Overbilling a debtor and pocketing the difference • Recording false credits or refunds • Creating fictitious suppliers or shell companies for fraudulent payments • Forging signatures on payment authorisations <p>Submitting false invoices from fictitious or actual suppliers for payments.</p>

CBN Ref	Subject	Status	TIAA Comments
June 2023	Payment Systems Regulator confirms new requirements for Authorised Push Payment fraud reimbursement		<p>Action Required</p> <p>This alert provides information and advice to staff about fraud and economic crime, and the risks associated with it. If you think that your organisation has been a victim of APP fraud, contact your Anti-Crime Specialist immediately for advice.</p> <p>The Payment Systems Regulator (PSR) confirms new requirements for banks and payment companies that will ensure more people will get their money back if they are a victim of Authorised Push Payment (APP) fraud; prompting more action to prevent these frauds from happening in the first place.</p> <p>The Financial Services and Markets Bill, which is currently making its way through Parliament, will remove current barriers and allow the PSR to direct firms to reimburse customers. The Bill is expected to receive Royal Assent in 2023, after which the PSR will be able to enforce its requirements on payment firms.</p> <p>Full details at: https://www.psr.org.uk/news-and-updates/latest-news/news/psrconfirms-new-requirements-for-app-fraud-reimbursement/</p>



Internal Audit

FINAL

PCC Cumbria & Cumbria Constabulary

Follow Up Review

2022/23

September 2023

Executive Summary

Introduction

1. This follow up review by TIAA established the management action that has been taken in respect of the recommendations arising from the internal audit reviews listed below at the OPCC Cumbria and Cumbria Constabulary. The review was carried out in April and May 2023.

Review
Establishment Process - Recruitment
Digital Leadership Programme
Financial Sustainability
Transformation Project

Key Findings & Action Points

2. The follow up review considered whether the management action taken addresses the control issues that gave rise to the recommendations. The implementation of these recommendations can only provide reasonable and not absolute assurance against misstatement or loss. From the work carried out the following evaluations of the progress of the management actions taken to date have been identified.

Evaluation	Number of Recommendations
Implemented	8
Outstanding	-
Considered but not Implemented	-
Not Implemented	-

3. There were two recommendations where evidence was not provided to support implementation relating to the reviews of Inventory and Benefits Delivery Process. These will be considered at the quarterly Follow Up reviews commencing in July 2023.

Scope and Limitations of the Review

4. The review considered the progress made in implementing the recommendations made in the previous internal audit reports and established the extent to which management has taken the necessary actions to address the control issues that gave rise to the internal audit recommendations.
5. The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.
6. For the purposes of this review reliance was placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.

Disclaimer

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

Release of Report

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

Date draft report issued:	22 nd May 2023
Date final report issued:	7 th September 2023

Executive Summary

Follow Up

9. Management representations were obtained on the action taken to address the recommendations and limited testing has been carried out to confirm these management representations. The following recommendations have been reviewed and are considered implemented.

Audit Title	Recommendation	Priority	Responsible Officer	Due Date
Establishment Process - Recruitment	Ensure that required recruitment reports are developed and that the review of benefits realised is undertaken.	Medium	Reporting facilities – Alison Hunter Business Benefits – Di Johnson & Ann Dobinson	31/08/2022
Establishment Process - Recruitment	Ensure that once ongoing recruitment process / system developments are implemented that they are fully embedded and working as intended. Further sample testing, at a later date, would help confirm compliance with the requirements and that relevant supporting evidence and documentation has been retained and is readily available for review.	Medium	HR Manager – Di Johnson	31/10/2022
Digital Leadership Programme	There are lessons to be learnt from the implementation of the DLP programme regarding the ability to demonstrate good governance arrangements. These lessons should be applied to future collaborative projects.	Medium	ACC Blackwell	30/09/2022
Digital Leadership Programme	Measures to demonstrate the impact of training and development in the workplace should be considered during the development of future training programmes.	Medium	ACC Blackwell	30/09/2022
Financial Sustainability	Management should closely monitor inflation rates and assess their additional impact, beyond that already included in the 2022/23 and 2023/24 budgets. Given the current rates of inflation management should consider extending to extend the top end of the range used to 2% to 5%.	Medium	Joint Chief Finance Officer	30/06/2022
Financial Sustainability	Ensure that when considering options to address the longer term sustainability of the capital programme that all potential factors are considered e.g. likely impact of the review of the police funding formula (scheduled for implementation by 2023/24).	Medium	Joint Chief Finance Officer	31/12/2022
Financial Sustainability	Ensure that the financial summary reports that go to Public Accountability Conference (PAC) are produced on a quarterly basis and are always attached to the agendas so that taxpayers are able to get an overview of the overall financial position.	Medium	Joint Chief Finance Officer	30/06/2022
Transformation Project	Management should ensure that project risks are reviewed on a regularly basis and a final report on outcomes and benefits realised is presented to the Management Board.	Medium	Joint Chief Finance Officer	31/07/2022



Police and Crime Commissioner for Cumbria and Chief Constable for Cumbria Joint Audit Plan

Year ending 31 March 2023

24 July 2023



Contents



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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 planning 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 the Police and Crime Commissioner and Chief Constable or all 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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Key matters



National context

For the general population, rising inflation, in particular for critical commodities such as energy, food and fuel, is pushing many households into poverty and financial hardship, including those in employment. At a national government level, recent political changes have seen an emphasis on controls on spending, which in turn is placing pressure on public services to manage within limited budgets.

The spiralling cost of living could make things even more challenging and jeopardising progress made in tackling violent crime. Funding continues to be stretched with increasing cost pressures due to the cost of living crisis, increasing pay demands, higher agency costs and increases in supplies and services.

Our recent value for money work has highlighted a number of governance and financial stability issues at a national level, which is a further indication of the mounting pressure on audited bodies to keep delivering services, whilst also managing transformation and making savings at the same time. In planning our audit, we will take account of this context in designing a local audit programme which is tailored to your risks and circumstances.

Audit Reporting Delays

In a report published in January 2023 the NAO have highlighted that since 2017-18 there has been a significant decline in the number of local government body accounts including an audit opinion published by the deadlines set by government. The NAO outline a number of reasons for this and proposed actions. In our view, it is critical to early sign off that draft local authority accounts are prepared to a high standard and supported by strong working papers.

Local Context

Locally, Cumbria Police has been successful in meeting its target to recruit an additional 169 police officers as part of the Government's national operation uplift programme of recruiting 20,000 new officers.

There have been changes within Cumbria Police's finance team with the Joint Chief Finance Officer retiring and two separate new posts being created, namely a Constabulary Chief Finance Officer and a PCC and Fire Chief Finance Officer, to address the impact of the PFCC becoming responsible for the Cumbria Fire and Rescue Service from April 2023.

Key matters



Our Responses

- As a firm, we are absolutely committed to audit quality and financial reporting in the local government sector. Our proposed work and fee, as set out further in our Audit Plan, has been agreed with the Constabulary Chief Finance Officer and the Chief Finance Officer representing the PCC and Fire and Rescue Service.
- We will consider your arrangements for managing and reporting your financial resources as part of our audit in completing our Value for Money work.
- Our value for money work will also consider your arrangements relating to governance and improving economy, efficiency and effectiveness.
- We will continue to provide you and your Joint Audit Committee with sector updates providing our insight on issues from a range of sources and other sector commentators via our Audit Committee updates.
- We hold annual financial reporting workshops for our clients to access the latest technical guidance and interpretation, discuss issues with our experts and create networking links with other clients to support consistent and accurate financial reporting across the sector.

Introduction and headlines

Purpose

This document provides an overview of the planned scope and timing of the statutory audits of both the Police and Crime Commissioner for Cumbria ('the PCC') and the Chief Constable for Cumbria ('the Chief Constable') for those charged with governance. Those charged with governance are the PCC and the Chief Constable.

Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the *Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA)*, the body responsible for appointing us as auditor of the PCC and the Chief Constable. We draw your attention to both of these documents.



Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the PCC, Chief Constable and group's financial statements that have been prepared by management with the oversight of those charged with governance (the PCC and the Chief Constable); and we consider whether there are sufficient arrangements in place at each body for securing economy, efficiency and effectiveness in your use of resources.

The audit of the financial statements does not relieve management or the PCC and the Chief Constable of your responsibilities. It is the responsibility of the PCC and the Chief Constable to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the PCC and the Chief Constable are fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the PCC and the Chief Constable's business and is risk based.

Introduction and headlines

Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- management override of controls;
- valuation of property, plant and equipment; and
- valuation of net pension liability

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Group Audit

Cumbria Police is required to prepare group financial statements that consolidate the financial information of the PCC and CC.

Materiality

We have determined planning materiality to be £3.268m (PY £3.166m) for the group, the PCC and the Chief Constable, which equates to 2% of the Chief Constable's prior year gross expenditure for the year.

We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. As part of our risk assessment, we have considered the impact of unadjusted prior period errors. There were two unadjusted errors in 2021/22 in relation to income from Council Tax and Pension actuarial asset values. We do not consider it necessary to change our materiality level for 2022/23.

Clearly trivial has been set at £0.163m (PY £0.156m).

Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money has not identified any risks of significant weaknesses from our initial planning work. We will continue our review of your arrangements, including reviewing your Annual Governance Statement, before we issue our Auditor's Annual Report.

New Auditing Standards

There are two auditing standards which have been significantly updated this year. These are ISA 315 (Identifying and assessing the risks of material misstatement) and ISA 240 (the auditor's responsibilities relating to fraud in an audit of financial statements). We provide more detail on the work required later in this plan.

Audit logistics

Our audit planning took place during April and May with our final accounts audit occurring in July – September. Our key deliverables are this Audit Plan, our Audit Findings Report and Auditor's Annual Report.

Our proposed fee for the audit will be £46,498 (PY: £46,185) for the PCC and £22,213 (PY: £20,463) for the Chief Constable, subject to the bodies delivering a good set of financial statements and working papers. We have complied with the Financial Reporting Council's Ethical Standard (revised 2019) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
ISA24: Presumed risk of fraud in revenue recognition	Chief Constable, PCC and Group	<p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p> <p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams of the PCC and the Chief Constable, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition; • opportunities to manipulate revenue recognition are very limited; • all revenue received by the Chief Constable comes from the PCC; and • the culture and ethical frameworks of public sector bodies, including the Chief Constable and Police and Crime Commissioner for Cumbria, mean that all forms of fraud are seen as unacceptable. <p>Therefore we do not consider this to be a significant risk for the Chief Constable, PCC or Group.</p>	<p>N/a</p> <p>We have rebutted the presumed risk but we will continue to consider throughout the audit and will perform sample testing of material revenue streams as part of the audit.</p>

'Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, due to either size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty.' [ISA (UK) 315]

Significant risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Risk of fraud related to expenditure recognition - Practice Note 10	Chief Constable, PCC and Group	<p>In line with the Public Audit Forum Practice Note 10, in the public sector, auditors must also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period). As most public bodies are net spending bodies, then the risk of material misstatement due to fraud related to expenditure recognition may in some cases be greater than the risk of material misstatements due to fraud related to revenue recognition.</p> <p>Having considered the nature of the expenditure streams of each of the Chief Constable, PCC and Group, we have determined that there is no significant risk of material misstatement arising from improper expenditure recognition.</p>	<p>N/a</p> <p>We have rebutted the presumed risk but we will continue to consider throughout the audit and will perform sample testing of material expenditure streams as part of the audit.</p>

Significant risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Management over-ride of controls	Chief Constable, PCC and Group	<p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. The PCC and Chief Constable face external scrutiny of its spending and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate the design effectiveness of management controls over journals; • analyse the journals listing and determine the criteria for selecting high risk unusual journals; • test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration; • gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence; and • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.

Significant risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of land and buildings	PCC and Group	<p>The PCC and Group revalue their land and buildings on a rolling two-yearly basis. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved, £59.6 million as at 31 March 2022 and the sensitivity of this estimate to changes in key assumptions. Management will need to ensure the carrying value in the PCC and Group financial statements is not materially different from the current value or the fair value (for surplus assets) at the financial statements date, where a rolling programme is used.</p> <p>We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work; • evaluate the competence, capabilities and objectivity of the valuation expert; • write to the valuer to confirm the basis on which the valuation was carried out to ensure that the requirements of the Code are met; • challenge the information and assumptions used by the valuer to assess the completeness and consistency with our understanding; • Evaluate the valuer's report to identify assets that have large and unusual changes and/or approaches to the valuation – these assets will be substantively tested to ensure the valuations are reasonable • test a selection of other asset revaluations made during the year to see if they had been input correctly into the PCC and Group asset register, revaluation reserve and Comprehensive Income and Expenditure Statement; and • evaluate the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different from current value at year end.

Significant risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of the pension fund net liability	Chief Constable and Group	<p>The group's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£1.557 billion in the group's balance sheet) and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of the group's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • update our understanding of the processes and controls put in place by management to ensure that the group's pension fund net liability is not materially misstated and evaluate the design of the associated controls; • evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work; • assess the competence, capabilities and objectivity of the actuary who carried out the group's pension fund valuation; • assess the accuracy and completeness of the information provided by the group to the actuary to estimate the liability; • test the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; • undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and • obtain assurances from the auditor of Cumbria Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

Management should expect engagement teams to challenge management in areas that are complex, significant or highly judgmental which may be the case for accounting estimates and similar areas. Management should also expect to provide to engagement teams with sufficient evidence to support their judgments and the approach they have adopted for key accounting policies referenced to accounting standards or changes thereto.

Where estimates are used in the preparation of the financial statements management should expect teams to challenge management's assumptions and request evidence to support those assumptions.

Group audit scope and risk assessment

Component	Individually Significant?	Level of response required under ISA (UK) 600	Risks identified	Planned audit approach
Police and Crime Commissioner for Cumbria	Yes		<ul style="list-style-type: none"> Management override of controls Valuation of Land and Buildings 	Full scope audit performed by Grant Thornton UK LLP
Chief Constable for Cumbria	Yes		<ul style="list-style-type: none"> Management override of control Valuation of net pension fund liability 	Full scope audit performed by Grant Thornton UK LLP

Nb: We will use the lowest materiality of the Group, CC or PCC as the basis for our testing

Audit scope

- Audit of the financial information of the component using component materiality
- Audit of one more classes of transactions, account balances or disclosures relating to significant risks of material misstatement of the group financial statements
- Review of component's financial information
- Specified audit procedures relating to risks of material misstatement of the group financial statements
- Analytical procedures at group level

Other matters

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Reports and Annual Governance Statements and any other information published alongside your financial statements to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the PCC and the Chief Constable.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement[s] are in line with requirements set by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
 - giving electors the opportunity to raise questions about your 2021/22 financial statements, consider and decide upon any objections received in relation to the 2021/22 financial statements;
 - issuing a report in the public interest or written recommendations to the PCC or the Chief Constable under section 24 of the Local Audit and Accountability Act 2014 (the Act).
 - application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act
 - issuing an advisory notice under section 29 of the Act
- We certify completion of our audits.

Other material balances and transactions

Under International Standards on Auditing, 'irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure'. All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.



Progress against prior year audit recommendations

We identified the following issues in our 2021/22 audit:

Issue and risk previously communicated

Assets with no remaining asset life yet still in asset register

Our review of the asset register identified a number of IT, Vehicle and Furniture, Equipment and Plant assets which had been fully depreciated and had no remaining asset life yet were potentially still in use. The impact of this is that the gross book value of these asset categories in disclosure Note 9 could be overstated. Assets are not automatically separately identified on the asset register with some grouped together making it difficult to quantify the value of assets which remain in use or have been disposed.

Where adaptations have been made to vehicle assets these are shown in total for the year rather than allocated or apportioned across the PCC's asset base. The adaptations have been allocated a one year life, rather than the asset life associated with the asset they relate to.

Update on actions taken to address the issue

In preparation for the 2022/23 closure of accounts a full review of all Vehicle, ICT and Intangible assets was undertaken.

All assets that were fully depreciated and had reached the end of their asset lives were written out of the asset register. In addition, the remaining lives of vehicle and ICT assets have been re-assessed for accuracy and adjustments made where required.

Specifically in relation to vehicles a new methodology for the allocation of adaptation costs has been developed. This allocated the total cost of adaptation in the year over the vehicles purchased in the year so that in future, when a vehicle is disposed of, an appropriate proportion of the adaptation cost is also removed. This also means that the adaptation costs are now depreciated over the life of vehicles rather than in a single year (the year following purchase).

Progress against prior year audit recommendations

Issue and risk previously communicated

Automatic accruals

With the introduction of the new Oracle Fusion system in October 2020 automatic accruals for any goods received not invoiced (GRNI) were adopted. The accruals are made on a monthly basis and then reversed out the following month. Additionally at year end a list of open orders is reviewed by the relevant Financial Services Officer (FSO) to ensure that there are no open orders where receipting has potentially been missed.

From our review of journals we identified that a regular monthly journal for a significant amount which was reversed out the following month, in some months this was as large as £300m. This has been happening as the automatic accrual function on the new system had not been correctly understood.

A decision was made to switch off automatic accruals as at 31/03/22 until they could be certain that they were accurate. Procedures were put in place to ensure that the accruals were correct at year end, including running a report of all invoices over £10k and FSOs individually checking to ensure that all items are posted in the correct year.

Update on actions taken to address the issue

There is still an ongoing issue with regards to automatic accruals and as such these have not yet been reinstated. Financial services staff check open orders on a regular basis and advise the Commercial team where adjustments/corrections are required.

Full use is made of the regular GRNI reports and in particular at year end these are used to inform the manual accruals process to ensure the accounting ledger accurately records transactions in the correct year.

During 2023/24 it is intended that some financial training will be provided to budget holders, this will include a refresher on what their responsibilities are in relation to order and receipting of goods and services.

Progress against prior year audit recommendations

Issue and risk previously communicated

Lack of third party assurance report for iTrent.

The CC and PCC outsources the hosting of its payroll system, iTrent, to the vendor, Midland HR.

Our audit identified that there was no third party assurance report (ISAE 3000 or ISAE 3402) available to provide independent assurance over the controls operated by Midland HR.

Specifically, the PCC/CC and ourselves are unable to gain assurance over the appropriateness of privileged access to the iTrent database hosted by Midland HR, which if breached could lead to erroneous payroll transactions being made.

Please note that an ISO 27001 certification or an IT Health Check does not provide the required level of assurance.

Update on actions taken to address the issue

The Head of Central Services is currently negotiating with MHR to obtain a copy of the ISAE 3000 report for 2022/23. MHR are currently requesting a payment of £6,000 for this report. The Head of Central Services is challenging why we should pay for this report when it should be being provided as part of MHR demonstrating the robustness of their system.

In future contracts with MHR (or any subsequent supplier of payroll services), the requirement to provide this assurance report will be included.

Progress against prior year audit recommendations

Issue and risk previously communicated

IT Audit Findings

The following IT recommendations were made:

1. The PCC and CC should consider reducing the levels of access for three users with the Application Implementation Consultant role and replacing it with a less privileged role for day-to-day activities.

2. It is recommended that the PCC and CC implement audit logging for financially critical areas including, but not limited to:

- Accounts Payable (including Suppliers);
- Cash Management;
- Accounts Receivable; and
- General Ledger.

The auditing should be sufficiently detailed to capture any changes made to Oracle Cloud such as changes to workflow approval rules or system configurations.

3. It is recommended that the PCC and CC implement a process to ensure that leaver's access to Oracle Cloud is terminated within one working day of their termination date.

The Force should also consider setting up the Import User Login History Process in Oracle Cloud. This will enable the Force to identify the last login date of individual users.

Update on actions taken to address the issue

1. The access to the application implementation consultant role has been restricted to one user (Financial Services Manager (Systems)). The other users have now been moved onto the lower administrator user access. This change was delivered during 2022/23.

The 2023 IT Audit raised a new issue with regards to the self-assignment of a privileged access role within DDAT to fix an issue with a user account under the guidance of oracle. The IT audit found that the role had not subsequently been removed. A process has now been added on a monthly basis to monitor and review role access.

2. The audit logging facility has been switched on and again, the recommendation has been removed from the most recent Grant Thornton IT Audit Report in April 2023.

3. This action has been raised again as part of Grant Thornton's April 2023 IT audit.

The DDAT directorate feel that it is unreasonable to expect system access to be revoked within 24 hours, particularly as we operate in a 24/7 environment. When a person leaves their access to buildings is revoked via the PAC (door control) system and ICT equipment such as laptops and handheld devices is returned. For this reason DDAT feel that the risk is low and that removing system access within a week should be sufficient.

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Description	Planned audit procedures
<p>Determination</p> <p>We have determined financial statement materiality based on a proportion of the gross expenditure of the group, the PCC and the Chief Constable for the financial year. In the prior year we used the same benchmark. For our audit testing purposes we apply the lowest of these materiality's, which is £3.268m (PY £3.166m), which equates to 2% of the Chief Constable's prior year gross expenditure for the year.</p>	<p>We determine planning materiality in order to:</p> <ul style="list-style-type: none"> – establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements – assist in establishing the scope of our audit engagement and audit tests – determine sample sizes and – assist in evaluating the effect of known and likely misstatements in the financial statements
<p>Other factors</p> <p>An item does not necessarily have to be large to be considered to have a material effect on the financial statements.</p>	<p>An item may be considered to be material by nature where it may affect instances when greater precision is required.</p> <p>We have identified senior officer remuneration as a balance where we will apply a lower materiality level, as these are considered sensitive disclosures. We have set a materiality at 2% of the note value for senior officer remuneration.</p>

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Description	Planned audit procedures
<p>Reassessment of materiality</p> <p>Our assessment of materiality is kept under review throughout the audit process.</p>	<p>We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.</p>
<p>Other communications relating to materiality we will report to the Joint Audit Committee</p> <p>Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the PCC and the Chief Constable any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) ‘Communication with those charged with governance’, we are obliged to report uncorrected omissions or misstatements other than those which are ‘clearly trivial’ to those charged with governance.</p> <p>ISA 260 (UK) defines ‘clearly trivial’ as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.</p>	<p>We report to the Joint Audit Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.</p> <p>In the context of the group, the PCC and the Chief Constable, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £0.163m (PY £0.156m).</p> <p>If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Joint Audit Committee to assist it in fulfilling its governance responsibilities.</p>

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

	Amount	Qualitative factors considered
Materiality for the Cumbria Police's financial statements	£3.268m	Materiality equates to 2% of your prior year gross expenditure for the Chief Constable. This assessment reflects the fact that you operate in a stable, publicly funded environment and no significant control deficiencies have been identified. Whilst we calculate separate materiality for the Group, PCC and CC, we use the lowest of the three for our overall financial statements planning.
Performance materiality	£2.451m	75% of materiality, this reflects that there is no history of deficiencies or large number of misstatements.
Trivial matters	£0.163m	5% of materiality.
Materiality for senior officer remuneration	2% of the note value for senior officer remuneration.	This reflects public sensitivity in the pay of senior officers in the public sector.



IT audit strategy

In accordance with ISA (UK) 315 Revised, we are required to obtain an understanding of the relevant IT and technical infrastructure and details of the processes that operate within the IT environment. We are also required to consider the information captured to identify any audit relevant risks and design appropriate audit procedures in response. As part of this we obtain an understanding of the controls operating over relevant Information Technology (IT) systems i.e., IT general controls (ITGCs). Our audit will include completing an assessment of the design and implementation of relevant ITGCs. We say more about ISA 315 Revised on slide 23.

The following IT systems have been judged to be in scope for our audit and based on the planned financial statement audit approach we will perform the indicated level of assessment:

IT system	Audit area	Planned level IT audit assessment
Oracle Fusion	Financial reporting	<ul style="list-style-type: none"> We will test the design and implementation of the ITGCs

Value for Money arrangements

Approach to Value for Money work for the period ended 31 March 2023

The National Audit Office issued its latest Value for Money guidance to auditors in January 2023. The Code expects auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are expected to report any significant weaknesses in the body's arrangements, should they come to their attention. In undertaking their work, auditors are expected to have regard to three specified reporting criteria. These are as set out below:



Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.



Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services.



Governance

How the body ensures that it makes informed decisions and properly manages its risks.

We have not identified any risks of significant weaknesses from our initial planning work. We will continue our review of your arrangements, including reviewing your Annual Governance Statement, before we issue our auditor's annual report.

Audit logistics and team



Michael Green, Key Audit Partner

Michael will be the main point of contact for the PCC, Chief Constable and Committee members. He will share his wealth of knowledge and experience across the sector. Michael will ensure our audit is tailored specifically to you, and he is responsible for the overall quality of our audit work. Michael will sign your audit opinion.

Gareth Winstanley, Audit Manager

Gareth will work with senior members of the finance team ensuring testing is delivered and any accounting issues are addressed on a timely basis. Gareth will also be responsible for the delivery of our value for money work.

Ed Blackburn , Audit In-charge

Ed will lead the team and be the day to day contact for the audit. Ed will monitor the deliverables, manage the query log with your finance team and highlight any significant issues and adjustments to senior management.

Audited Entity responsibilities

Where audited bodies do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other audited bodies. Where the elapsed time to complete an audit exceeds that agreed due to an entity not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to an entity not meeting their obligations we are not able to guarantee the delivery of the audit to the agreed timescales. In addition, delayed audits will incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit, you need to :

- ensure that you produce draft financial statements of good quality by the deadline you have agreed with us, including all notes, the Annual Report and the Annual Governance Statement
- ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you
- ensure that the agreed data reports are available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples for testing
- ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit
- respond promptly and adequately to audit queries.

Audit fees and updated Auditing Standards including ISA 315 Revised

In most cases 2017, PSAA awarded a contract of audit for Cumbria PCC and CC to begin with effect from 2018/19. The fee agreed in the contract was £23,360 for the PCC and £11,550 for the Chief Constable. Since that time, there have been a number of developments, particularly in relation to the revised Code and ISA's which are relevant for the 2022/23 audit. For details of the changes which impacted on years up to 2021/22 please see our prior year Audit Plans.

The major change impacting on our audit for 2022/23 is the introduction of ISA (UK) 315 (Revised) - Identifying and assessing the risks of material misstatement ('ISA 315'). There are a number of significant changes that will impact the nature and extent of our risk assessment procedures and the work we perform to respond to these identified risks. Key changes include:

- Enhanced requirements around understanding the PCC and CC's IT Infrastructure and IT environment. From this we will then identify any risks arising from the use of IT. We are then required to identify the IT General Controls ('ITGCs') that address those risks and test the design and implementation of ITGCs that address the risks arising from the use of IT.
- Additional documentation of our understanding of the PCC and CC's business model, which may result in us needing to perform additional inquiries to understand the end-to-end processes over more classes of transactions, balances and disclosures.
- We are required to identify controls within a business process and identify which of those controls are controls relevant to the audit. These include, but are not limited to, controls over significant risks and journal entries. We will need to identify the risks arising from the use of IT and the general IT controls (ITGCs) as part of obtaining an understanding of relevant controls.
- Where we do not test the operating effectiveness of controls, the assessment of risk will be the inherent risk, this means that our sample sizes may be larger than in previous years.

These are significant changes which will require us to increase the scope, nature and extent of our audit documentation, particularly in respect of your business processes, and your IT controls. We will be unable to determine the full fee impact until we have undertaken further work in respect of the above areas. However, for an authority of your size, we estimate an initial increase of £2,500. We will let you know if our work in respect of business processes and IT controls identifies any issues requiring further audit testing. There is likely to be an ongoing requirement for a fee increase in future years, although we are unable yet to quantify that.

The other major change to Auditing Standards in 2022/23 is in respect of ISA 240 which deals with the auditor's responsibilities relating to fraud in an audit of financial statements. This Standard gives more prominence to the risk of fraud in the audit planning process. We will let you know during the course of the audit should we be required to undertake any additional work in this area which will impact on your fee.

Taking into account the above, our proposed work and fee for 2022/23, as set out below, is detailed overleaf and has been agreed with the Constabulary Chief Finance Officer and the Chief Finance Officer representing the PCC and Fire and Rescue Service.

Audit fees

	Actual Fee 2021/22	Proposed fee 2022/23
PCC Audit	£46,185	£46,498
Chief Constable Audit	£20,463	£22,213
Total audit fees (excluding VAT)	£66,648	£68,711

Assumptions

In setting the above fees, we have assumed that the PCC and Chief Constable will:

- prepare a good quality set of accounts, supported by comprehensive and well-presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements.

Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard \(revised 2019\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

Audit fees – detailed analysis

	CC	PCC
2022/23 Scale fee published by PSAA	£14,363	£28,048
Additional work on Value for Money (VfM) under the new NAO Code	£2,000	£7,000
Increased audit requirements of revised ISA 540	£600	£1,200
Enhanced audit procedures on journals testing	£1,000	£2,000
Payroll change of circumstances	£500	£-
Additional IT related review and procedures for Oracle ledger	£2,500	£7,000
Increased audit requirements of revised ISAs 315/ 240	£1,250	£1,250
Total audit fees 2022/23 (excluding VAT)	£22,213	£46,498

Independence and non-audit services

Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons, relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

We confirm that we have implemented policies and procedures to meet the requirements of the Ethical Standard. For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the PCC and Chief Constable.

Communication of audit matters with those charged with governance – PCC and CC

Our communication plan	Audit Plan	Audit Findings	
Respective responsibilities of auditor and management/those charged with governance	•		<p>ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.</p> <p>This document, the Audit Plan, outlines our audit strategy and plan to deliver the audit, while the Audit Findings will be issued prior to approval of the financial statements and will present key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.</p> <p>We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via an audit progress memorandum.</p> <p>Respective responsibilities</p> <p>As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.</p> <p>The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.</p>
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	•		
Confirmation of independence and objectivity of the firm, the engagement team members and all other indirectly covered persons	•	•	
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•	
Significant matters in relation to going concern	•	•	
Significant findings from the audit		•	
Significant matters and issue arising during the audit and written representations that have been sought		•	
Significant difficulties encountered during the audit		•	
Significant deficiencies in internal control identified during the audit		•	
Significant matters arising in connection with related parties		•	
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		•	
Non-compliance with laws and regulations		•	
Unadjusted misstatements and material disclosure omissions		•	
Expected modifications to the auditor's report, or emphasis of matter		•	



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Joint Audit Committee



Title: OPFCC Risk Management Monitoring

Date: 23 August 2023

Agenda Item No: 12(a)i

Originating Officer: Joanne Head, OPFCC Governance Manager

CC:

Executive Summary:

The Office of the Police, Fire and Crime Commissioner (OPFCC) is responsible for providing policing and fire services within Cumbria. This takes place in a constantly changing and challenging environment and the OPFCC must ensure that it has robust systems and processes in place to monitor and react appropriately to risk.

Recommendation:

That, the committee notes the changes regarding the OPFCC's strategic risk register, the oversight undertaken of Cumbria Constabulary and Cumbria Fire and Rescue Service's risk management; and the front sheet of the OPFCC's operational risk register.

1. Introduction & Background

- 1.1 The Office of the Police, Fire and Crime Commissioner (OPFCC) is responsible for providing policing and fire services within Cumbria. To enable it to carry out this function effectively it must monitor and react appropriately to risks. The Joint Audit Committee as part of their role, ensures that the OPFCC is actively managing strategic risks and one member of the committee has been appointed as the lead member for risk.
- 1.2 As part of the 2022 Internal Audit of Risk some recommendations were made which the OPFCC have considered and implemented. This includes colour coding of risk scores to reflect their RAG rating; updates to risks to include the date they are made and risk being recorded on a 5x5 matrix.

2. Issues for Consideration

Strategic Risk Register

- 2.1 Appended to this report at [Appendix 1](#) is the OPFCC's strategic risk register, which has been reviewed and updated since it was last presented to the Committee. There are two identified risks, these being:

- R1 - Strategic Finance
- R2 - Fire and Rescue Service – Hosted Service Arrangements

- 2.2 The scoring for R1 remains at 12. The 2023/24 grant settlement was broadly in line with expectations although additional flexibility was afforded to PCCs to increase council tax by up to £15 was provided. However, the additional funding was inadequate to cover the recent increases in inflation and as a result the savings requirement over the MTFP has increased significantly. Savings in the MTFP have been reprofiled so mitigate the shorter-term uncertainties around funding and providing more time to create a robust savings and efficiency plan.
- 2.3 The scoring for R2 remains at 16. A number of core support services are delivered through the unitary authorities. The Chief Finance Officer and the Blue Light Collaboration Manager are working with the unitaries to finalise costs for 2023/2024, and discussions are on-going. The PFCC has written to the Chief Executives/Leaders of the unitary authorities to resolve this as a matter of urgency. A methodology for costing the hosted services arrangements for 2024/2025 needs to be negotiated between the unitary authorities and the CCFRA. Future options for delivery of the areas of support provided through the SLA's to be progressed to ensure the best options for Fire are implemented

Operational Risk Register

- 2.6 The OPFCC has also reviewed its operational risk register, rationalising it to reflect the operational risks it faces. A review of the operational risk register is carried out on a quarterly basis with all staff being required to review their own risks and make any necessary changes and updates. The OPFCC Executive Team consider both the strategic and operational risk registers every quarter as part of their meetings. A copy of the front sheet is attached at [Appendix 2](#). This illustrates whether the scores for the individual risks have risen, remained the same or decreased and assists the Committee to understand how the risks are managed.
- 2.7 A number of low scoring operational risks remain on the register, these being Risks 3 Financial Governance, Risk 4 Shared Services, and Risk 5 Asset management. They remain to show illustrated monitoring of these areas of business which are important to the OPFCC's overall Governance regime.
- 2.8 Risk 08 for Partnerships and Commissioning and the funding for the Bridgeway and Victim Services (domestic abuse) contracts for 2024-25 and beyond has increased and is now scored at 12. The PFCC has written to Council Leaders with a funding request and visits have been arranged for key Cabinet Members to support buy-in to the services. ICBS are being engaged to encourage them to take on responsibility for therapeutic services. All contracts except the SARC end in March 2024 so the PFCC will only commission services which it can afford.

Risk Oversight

- 2.10 As part of the OPFCC's oversight of Cumbria Constabulary's strategic risks, the OPFCC Chief Executive met with the Constabulary's Lead for Risk Management on 6 September 2023.
- 2.11 Discussions took place in relation to the two separate risk registers, the risks identified therein and any risks that may impact upon the other organisation which may need to be recorded within the relevant strategic risk register if it does not already appear. Both the OPFCC and Constabulary's strategic risk registers retained risks in relation to Strategic Finance with appropriate scoring. The Constabulary will report further on their strategic risk register at the meeting.
- 2.12 Oversight of Cumbria Fire and Rescue Services' strategic risks is carried out at the OPFCC/CCFRA Strategic Finance and Governance Board meetings. Cumbria Fire and Rescue Service will report further on their strategic risk register at the meeting.

3. Implications

- 3.1 Financial - the inability of the OPFCC to successfully identify and manage its organisational and strategic risks could impact financially on not only the OPFCC but Cumbria Constabulary, Cumbria Fire and Rescue Service and other partner organisations which are financially dependent.
- 3.2 Legal - the OPFCC 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.
- 3.3 Risk - if the OPFCC does not identify and mitigate risks then it may mean that the OPFCC cannot carry out its statutory function efficiently and effectively.

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OFFICE OF THE POLICE, FIRE & CRIME COMMISSIONER – STRATEGIC RISK REGISTER

Risk Mitigation Strategies:	
Avoid	Stop the risk completely or stop it having an impact.
Reduce	Reduce the likelihood and/or impact of the risk
Transfer	Outsource, use contractors or insure against things going wrong
Accept	The risk is tolerable/accepted

Risk Score	Impact	Likelihood – over the next 4 years
1	Very Low	Very unlikely to happen
2	Low	Not expected to happen, but is possible
3	Medium	May happen occasionally
4	High	Will probably happen, but not a persistent issue
5	Very High	Will undoubtedly happen, possibly frequently

Scores:

15 to 25	Review within 3 months
5 to 12	Review within 6 months
4 or less	Review within 12 months

				Risk Owner		Actions		Reviews
Risk No.	Risk Title	Risk relates to Policing or Fire	Total Score	Risk Owner	Action Owner	Any outstanding actions YES/NO	Actions to be completed	Date of next review
R1	Strategic Finance	Policing	12	Chief Executive	Chief Finance Officer	No	Savings in the MTFP have been reprofiled so mitigate the shorter-term uncertainties around funding and providing more time to create a robust savings and efficiency plan	February 2023
R2	Fire & Rescue Service – Hosted Service Arrangements	Fire	16	OPCC Chief Executive Team and Chief Fire Officer	Chief Executive & Chief Finance Officer	On-going	A methodology for costing the hosted services arrangements for 2024/2025 needs to be negotiated between the unitary authorities and the CCFRA. Future options for delivery of the areas of support provided through the SLA's to be progressed to ensure the best options for Fire are implemented.	December 2023

POLICING AND CRIME OBJECTIVES



Risk No: R1	Risk Title: STRATEGIC FINANCE	The Police and Crime Commissioner is required to set a balanced budget. Resources from central Government formula grant provide the significant majority of funding to deliver police services. Real term reductions in that funding will have a substantial impact on the level of policing that can be provided and on the potential to deliver the Commissioner's wider responsibilities. Police & Crime Plan Objectives – 1 Focus on Crime & Causes of Crime; 2 Visible & Effective Police Presence; 3 Focus on Victims; 4 Prevent Offending & Reduce Reoffending; 6 Ensuring the Police are at the Forefront of the Response; 7 Integrating Blue Light Services
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Risk Mitigation Strategies:	
Avoid	Stop the risk completely or stop it having an impact.
Reduce	Reduce the likelihood and/or impact of the risk
Transfer	Outsource, use contractors or insure against things going wrong
Accept	The risk is tolerable/accepted

Risk Score	Impact	Likelihood – over the next 4 years
1	Very Low	Very unlikely to happen
2	Low	Not expected to happen, but is possible
3	Medium	May happen occasionally
4	High	Will probably happen, but not a persistent issue
5	Very High	Will undoubtedly happen, possibly frequently

What is the cause of the risk? (Lack offailure to.....)	What is the consequence of the described risk? (Results in.....leads to.....)	Unmitigated Score			Mitigated Score			Risk Owner & Mitigation Strategy (Avoid, reduce, transfer, accept)	Current Controls in Place to Mitigate the Risk	Actions			Action Owner(s)	Next Review Date
		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score			Assurances	Future or further actions to be taken			
Reduction in real term resources within the medium-term time horizon to provide sufficient funding for the Commissioner and Constabulary to deliver current levels of policing service. Current government funding protection is only provided in cash terms, requiring the Commissioner to meet inflation and other service pressures from increased precept or savings. This risk may be impacted as a result of the announcement that the Home Office intends to undertake a review of the Police Funding Formula for implementation in 2023/24, but as the make-up of the formula are unknown at this stage the risk score has not been amended.	This risk may lead to a reduction in the level of police services and/or result in Cumbria Constabulary not being viable as an independent force. Alternative options for delivering a police service in Cumbria may have to be considered. This may impact on the extent to which services respond to local needs in Cumbria. During the period of change there may be reductions in public assurance/confidence.	4	4	16	3	4	12	Chief Executive (Reduce)	The budget and medium term financial forecast (MTFF) are reviewed and updated on a regular basis. The budget has been balanced in the short term and reserves provide additional security. Date: 10/08/2023 The 2023/24 grant settlement was broadly in line with expectations although additional flexibility was afforded to PCCs to increase council tax by up to £15 was provided. However, the additional funding was inadequate to cover the recent increases in inflation and as a result the savings requirement over the MTFF has increased significantly.	Budget monitoring processes and internal controls are in place to manage financial commitments. The financial control environment is tested annually by internal and external audit. HMIC Peel inspections and external auditors review overall financial resilience and the track record of delivering savings. The most recent audit review of preparedness for funding cuts provided reasonable assurance.	Continued review of the MTFF as part of the budgeting process. Further development and refinement of savings options in conjunction with the Constabulary. In response to the increased risk the Constabulary has committed to preparing an enhanced savings and efficiencies plan headed by the DCC. Date: 10/08/2023 Savings in the MTFP have been reprofiled so mitigate the shorter-term uncertainties around funding and providing more time to create a robust savings and efficiency plan	Chief Finance Officer	February 2024	

Risk Number: R2	Risk Title: Hosted Service Arrangements	Several CFRS support services are provided through the unitary authorities: Cumberland Unitary Authority and/or Westmorland & Furness Unitary Authority. A Joint Officer Group including representatives across all organisations, as well as the CCFRA, has been established to monitor each of the Service Level Agreements in place to support delivery of the services.
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Risk Mitigation Strategies:	
Avoid	Stop the risk completely or stop it having an impact.
Reduce	Reduce the likelihood and/or impact of the risk
Transfer	Outsource, use contractors or insure against things going wrong
Accept	The risk is tolerable/accepted

Risk Score	Impact	Likelihood – over the next 4 years
1	Very Low	Very unlikely to happen
2	Low	Not expected to happen, but is possible
3	Medium	May happen occasionally
4	High	Will probably happen, but not a persistent issue
5	Very High	Will undoubtedly happen, possibly frequently

What is the cause of the risk? (Lack offailure to.....)	What is the consequence of the described risk? (Results in.....leads to.....)	Unmitigated Score			Mitigated Score			Risk Owner & Mitigation Strategy (Avoid, reduce, transfer, accept)	Current Controls in Place to Mitigate the Risk	Assurances	Future or further actions to be taken	Action Owner(s)	Next Review Date
		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score						
A number of core support services are delivered through the unitary authorities. At present the final costs for delivering services in 2023/2024 and 2024/2025 have not been agreed.	This will result in growing and uncertain financial pressure on the CFRS revenue budget, potentially leading to savings having to be identified from other areas of the business.	4	5	20	4	4	16	Chief Finance Officer Reduce	Date: 10/08/2023 The Chief Finance Officer and the CFRS Programme Lead for Transition are working with the unitaries to finalise costs for 2023/2024, and discussions are on-going. The PFCC has written to the Chief Executives/Leaders of the unitary authorities to resolve this as a matter of urgency.	Date: 10/08/2023 This will be monitored through the Strategic Finance & Governance Board, chaired by the PFCC.	Date: 10/08/2023 A methodology for costing the hosted services arrangements for 2024/2025 needs to be negotiated between the unitary authorities and the CCFRA. Future options for delivery of the areas of support provided through the SLA's to be progressed to ensure the best options for Fire are implemented	CFRS Programme Lead	Dec 2023

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OFFICE OF THE POLICE & CRIME COMMISSIONER – OPERATIONAL RISK REGISTER

Risk Mitigation Strategies:	
Avoid	Stop the risk completely or stop it having an impact.
Reduce	Reduce the likelihood and/or impact of the risk
Transfer	Outsource, use contractors or insure against things going wrong
Accept	The risk is tolerable/accepted

Risk Score	Impact	Likelihood – over the next 4 years
1	Very Low	Very unlikely to happen
2	Low	Not expected to happen, but is possible
3	Medium	May happen occasionally
4	High	Will probably happen, but not a persistent issue
5	Very High	Will undoubtedly happen, possibly frequently

Scores:

15 to 25	Review within 3 months
5 to 12	Review within 6 months
4 or less	Review within 12 months

				Risk Owner		Actions		Reviews
Risk No.	Risk Title	Risk relates to Policing or Fire	Total Score	Risk Owner	Action Owner	Any outstanding actions	Actions and dates to be completed	Date of Next Review
FINANCE								
01	Budget Management		6	OPFCC Chief Finance Officer	CC CFO	No	Current forecasts indicate expenditure for 2021/22 is broadly on budget.	Dec 2023
02	Investment Counterparty Risk		3	OPFCC Chief Finance Officer	CC CFO	No	None	Dec 2023
03	Financial Governance		2	OPFCC Chief Finance Officer	CC CFO	No	None	Dec 2023
04	Shared Services		2	Chief Executive	Deputy Chief Executive	No	Governance agreements will be reviewed on an on-going basis.	Dec 2023
05	Asset Management		2	Chief Executive	OPFCC Chief Finance Officer	No	None	Dec 2023
06	Insurance		4	Chief Executive	OPFCC Chief Finance Officer	No	None	Dec 2023
PARTNERSHIPS & COMMISSIONING								
08	Partnerships & Collaboration -		12	Chief Executive	Partnerships and Strategy Manager	Yes	Once funding position of Councils and ICBs clearer, engage them (if possible) and other partners as appropriate to understand and mitigate implications and get them to take responsibility for impacts, plan communications with providers and public, confirm 'exit plans' with providers.	February 2024
COMMUNICATION AND BUSINESS SERVICES								

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POLICING AND CRIME OBJECTIVES





Joint Audit Committee

TITLE OF REPORT: Constabulary Risk Management Update

DATE OF MEETING: 20th September 2023

ORIGINATING OFFICER: Claire Griggs, Standards, Insight and Performance Command

PART 1 or PART 2 PAPER: PART 1 (OPEN)

Executive Summary:

The purpose of this paper is to provide the Joint Audit Committee with an update on the Constabulary's risk management arrangements, including a review of the current strategic risk register.

As part of this process, quarterly quality assurance checks of all departmental and operational risk registers are completed, to ensure that risk is effectively managed across the organisation. The Strategic Risk Register was reviewed by the Strategic Management Board on 7th September 2023.

At this meeting the Board agreed the following changes to the Constabulary's Strategic Risk Register:

Risk	Decision
Risk 2 (Vision 25)	Close Risk
Risk 48 (ESMCP & ESN)	Reduce impact score from 3 to 2. Reducing the overall score from 6 to 4.
Risk 51 (LGR)	Close Risk
Risk 52 (TP Resourcing)	Close Risk
Risk 54 (Deployable AFO Resilience)	Increase the impact score from 2 to 3, and likelihood score from 3 to 4, increasing the overall score from 6 to 12.
Risk 54 (Firearms Licensing)	Reduce the impact score from 4 to 3, and the likelihood score from 4 to 2. Reducing the overall score from 16 to 6.
Risk 56 (Operational Analytics & Research Capability and Capacity)	Reduce the likelihood score from 5 to 4. Reducing the overall score from 20 to 16.

Recommendations:

That the Joint Audit Committee:

Note the progress made in managing the Constabulary's current strategic risks.

MAIN SECTION

1. Introduction and Background

1.1 Strategic Risks

Risk is the threat that an event or action will affect the Constabulary's ability to achieve its organisational aim and objectives.

Each risk is managed at the level where the control to manage the risk resides. Strategic risks are managed by the Strategic Management Board, significant operational risks are managed by the Operations, Scrutiny and Oversight Board, and significant strategic business risks are managed in the relevant directorate or by nominated senior managers. Projects and programmes also have their own risks that are managed by the project / programme teams.

Strategic risks are those affecting the medium to long term objectives of the Constabulary and are the key, high level and most critical risks that the Constabulary faces. Best practice indicates that the number should be between 5 and 10. Currently the Constabulary has 7 strategic risks.

The Constabulary's mission is to deliver an outstanding police service to Keep Cumbria Safe.

The strategic risks identified by the Constabulary are concerned with:

1. The implications of longer-term reduction in budget and the level of savings required.
2. Serious Crime within the Constabulary will not be investigated by trained and accredited PIP 2 detectives.
3. ESMCP and ESN potentially breaching the Constabulary's risk capacity, the lack of timelines, costs, and solution creates significant difficulty to manage the risk.
4. Lack of deployable AFO resilience – wellbeing of officers.
5. Firearms Licensing - lawfully held firearms are not sufficiently tracked and traced as per FAL APP and other national guidelines.
6. The Constabulary is occasionally operating outside the National Negotiator Deployment Model
7. The operational Intelligence Analytical capacity within Crime Command is insufficient to service current and future demand - NEW

The table on page three outlines the Constabulary's seven open strategic risks and provides the RAG rating (Red, Amber, and Green) for each risk (**RAG risk rating = impact x likelihood**). It also indicates which of the Constabulary's core policing objectives the risks link to.

The table also provides detail of those risks closed since the last Joint Audit Committee Meeting, and the rationale for that decision.

Strategic Risk Register

Risk Ref No	Responsible Officer(s)	Risk Description	Initial Score			Latest Score			Link to Strategic Objectives	Summary of mitigating actions already taken - update
			Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		
28	Chief Financial Officer / Director of Corporate Support	<p>There may be a detrimental and significant impact on the available budget and a requirement for substantially increased savings, as a result of:</p> <ul style="list-style-type: none"> a combination of the inflationary pressures on police budgets particularly pay the lack of provision for inflation in Government grant allocation proposed changes to police pension contributions the impact of national projects and initiatives such as ESN and PEQF, and potential changes to the police funding formula (including the removal of damping funding) <p>This would result in a compromise to public safety, significant loss of public confidence and serious damage to the Constabulary's reputation.</p>	5	5	25	4	5	20	All	Preparation for the 2024/25 budget and MTF to 2028/29 is currently underway with a mid-year review of the MTF to be prepared Sept/Oct'23. Budget pressures are continuing, and the Constabulary is forecasting an overspend in 2023/24 at the end of quarter 1 (June '23) of £1.2m. No change proposed to the score at this stage.
2	Director of Corporate Improvement & Director of Corporate Support	The Constabulary may not have the capacity to deliver the Cumbria Vision 25 and its associated Efficiency Plans. If this risk occurs the Constabulary would have to find further savings.	5	2	10	0	0	0	All	Vision 30 has been reviewed as part of the development of the new Chief Constables strategy (Plan on a Page) and the 5 strands of Vision 30 have been incorporated within it. As such, there is no requirement for a separate Vision 30 strategy. Additionally, the strands of Vision 25 as they current exist, were engrained into our performance and governance arrangements following the work completed in Sept 2022, to support the introduction of our new Target Operating Model. The savings and efficiencies that were to be realised from this programme of work have been fed into the savings and efficiency plan which is being managed by SPI Command under the control of the DCC. The governance for this work is via our monthly Strategic Change Board (SCB),

Risk Ref No	Responsible Officer(s)	Risk Description	Initial Score			Latest Score			Link to Strategic Objectives	Summary of mitigating actions already taken - update
			Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		
										<p>which will provide updates into the Strategic Management Board (SMB) as required. There is also a monthly savings and efficiency programme board in which the project team are held accountable for their progress by the DCC, and this also supports the agenda for the SCB. There are no longer any concerns with regards to the Constabularies ability to manage Vision 25 or to deliver a Vision 30 strategy. Equally there are no concerns in respect of the governance arrangements or resourcing required to managing the savings and efficiency programme.</p> <p>Decision taken to Close this risk.</p>
46	Det Supt Crime	Serious Crime within the Constabulary might not be investigated by trained and accredited PIP 2 detectives, caused by an insufficient number, which may result in a poor service to victims, staff welfare concerns, and reputational damage.	4	3	12	3	3	9	All	<p>There are a number of causes associated with this risk. An update against each is provided below.</p> <ul style="list-style-type: none"> Insufficient number of Detectives on CAST teams: <p>In terms of the W&F area the risk in terms of numbers if detectives in the CID teams has been further exacerbated by the inability to retain staff within the department in conjunction with a period of staff seeking to join the dept being unable to be released by TPA. This has meant the numbers have dropped across the whole CID area especially in Eden office. There has been recent step to move 4 accredited DC's from Cumberland to W&F to provide short term resilience.</p> <p>The Cumberland BCU is currently healthier in terms of overall numbers of officers within the two respective CID departments. While not at establishment in terms of deployable staff due to acting secondments and recent movement of staff they are within acceptable levels.</p>

Risk Ref No	Responsible Officer(s)	Risk Description	Initial Score			Latest Score			Link to Strategic Objectives	Summary of mitigating actions already taken - update
			Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		
									<p>While Cumberland does have sufficient numbers many of these staff are as yet not fully accredited with associated risk of carrying serious cases while not full detectives. This is mitigated with process of staff only getting these cases when being assessed as competent after three-month aid and having mentor and DS oversight.</p> <ul style="list-style-type: none"> officers seconded to other duties: <p>The majority of current secondments within CID is for acting roles within the department or other areas of CID. There is internal secondment off staff between TPA area's but this is to provide mitigation for overall force risk.</p> <ul style="list-style-type: none"> poor recruitment and retention in some areas <p>The current issues around retention is significantly impacting W&F more than Cumberland. The Cumberland CID while losing staff from the department is considered to be in the normal pattern of moves. The officers are moving into other specialist CID roles within the force or leaving for personal reasons. The W&F BCU is having substantial retention issues due to demand and the start-up factors of the LGR. The means officer within CID are leaving for non-traditional roles DC's left CID for in the police such as community officers or resigning as police officers.</p> <p>Recruitment is currently strong in Cumberland and is considered to be since the reduction in establishment numbers in C&W office moving to a point where there are enough applicants to cover the vacancies. There are also applicants within the W&F area but the ability to release them has compounded this issue. As more DC's have left the</p>	

Risk Ref No	Responsible Officer(s)	Risk Description	Initial Score			Latest Score			Link to Strategic Objectives	Summary of mitigating actions already taken - update
			Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		
									<p>dept without being replaced the demand has fallen on smaller pool of staff.</p> <ul style="list-style-type: none"> This is exacerbated by not getting those officers who are through (ICIDP/PIP 2) interview released to CAST in a timely manner: <p>Officers who are trained in ICIDP and PIP 2 not being released does not present a significant issue. This is due to officers working toward their ICIDP already being in CID when put forward for the course. The release of staff to CID is an issue but only within the W&F area currently.</p> <ul style="list-style-type: none"> Officers who move to CC will automatically lose RD and Money as the unsocial hour's allowances favour those on full shifts <p>This in ongoing and national scheme where Federation and Chief Officer groups with responsibility for this area are siting as issue. There is a discussion around seeking to try and obtain pay parity for detectives to make the role more attractive to join and remain in due to the loss of earnings officers face when leaving section especially. This is ongoing area under consideration and national recommendations may provide some direction.</p>	
48	ESMCP Programme Executive	ESMCP and ESN have the potential to breach the Constabulary's risk capacity, caused by unknowns around the device security, device availability, H&S concerns, and the availability of in-building coverage.	3	3	9	2	2	4	All	<p>All NW ESN activities ceased on 31/03/23 and the Cumbria project closed on 16th Feb 2023.</p> <p>The National Coverage Assessment (NCA) Project has over the last 5 months worked through our previously assessed Critical operational locations. This activity is reaching a conclusion with all but 5 locations surveyed and assessed and</p>

Risk Ref No	Responsible Officer(s)	Risk Description	Initial Score			Latest Score			Link to Strategic Objectives	Summary of mitigating actions already taken - update
			Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		
										we are now escalating gaps to the Home Office to commission fixes by the programme. Expect project closure by 05/11/23. Impact score reduced from 3 to 2. Reducing the overall score from 6 to 4.
51	DCC	As a result of local government reform multi-agency / partnership working will need to be redefined; existing relationships could be lost, and mismanagement of information may occur during the changeover period. This is the realigning of council boundaries in moving to 2 unitary authorities and could result in lack of information sharing and vulnerable people being exposed to an increased risk of harm.	4	5	20	2	1	2	All	There have been no issues raised and our partnership working arrangements are stronger than they were previously. Decision taken to Close this risk.
52	ACO	Resourcing is unable to meet demand levels with the potential that we fail to resource calls for service. This is caused by PEQF abstraction rates; high numbers of movements to other departments; mutual aid requests; increased training abstractions; organisational restructure. It could result in loss of public confidence, and reputational damage to the Constabulary. Damage to officer wellbeing and organisational risk around retention of officers. Financial cost in increased overtime payments. Reduction in performance and compliance. Restricted capability in neighbourhood policing. Increased pressure on duties management and reduced levels of service to the public and partners.	4	4	16	3	3	9	All	<ul style="list-style-type: none"> The Uplift target has been met and exceeded IPLDP has been reintroduced meaning less PEQF abstractions Abstractions are monitored on a weekly basis at a Monday morning resource meeting Decision taken to Close this risk.
53	Supt Operations	There is a risk of a detrimental effect on officer wellbeing, caused by regular variations on shift	4	4	16	4	4	12	All	The Constabulary currently has 80 AFO, with the APSTRA being 84, so the numbers are 'healthy' at this time. However,

Risk Ref No	Responsible Officer(s)	Risk Description	Initial Score			Latest Score			Link to Strategic Objectives	Summary of mitigating actions already taken - update
			Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		
		patterns to ensure the Constabulary has consistent and robust resources to maintain adequate Armed Response Vehicle provision in line with STRA.								<p>over the next few months AFO numbers will decrease with 4 transferring to Roads Policing Unit, 4 undertaking the Sergeant promotion process, 1 being stood down as they are no longer in an AFO role – BCU Patrol Sergeant, 6 in the process of transferring out of force, and 2 retirements. Whilst it is unlikely all 17 will occur a significant number will.</p> <p>To mitigate against this a report is being submitted to the ACC with a view of putting on an Initial Firearms Course in September for 10 officers, with a further course in February 2024.</p> <p>Update 30/08/23 - approval has been given by the DCC, following a report submitted by C/Supt Patrick and endorsement from T/ACC Stalker.</p> <p>Impact score has increased from 2 to 3 Likelihood score has increased from 3 to 4 Increasing the overall score from 6 to 12.</p>
54	T/Ch Supt Standards, Insight & Performance	That lawfully held firearms are not sufficiently tracked and traced as per FAL APP and other national guidelines. Caused by legacy staffing shortages in the department which is exacerbated by records currently being held on a paper based system and compounded by the Covid pandemic. This has led to insufficient resource at present to remedy demand.	4	5	20	3	2	6	All	<p>The digitalised systems for the FAL unit have now been delivered. Whilst Single-On-line-Home was delivered in March this year, the Cyc Firearms case management system was delivered in July. All paper-based records have been scanned and are accessible on the new system, enabling mobility.</p> <p>Additional resourcing was agreed by the Executive and will ensure that the unit is capable of meeting future demands. The backlog for renewals is down to 9 months and there are now 1100 temporary permits, as opposed to 1787 in January</p>

Risk Ref No	Responsible Officer(s)	Risk Description	Initial Score			Latest Score			Link to Strategic Objectives	Summary of mitigating actions already taken - update
			Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		
					9			9		<p>this year. The force is still sending progress updates to the Policing Minister on a monthly basis on this matter.</p> <p>All weapons transfers are now up to date and the force has reviewed all decisions to return seized firearms over the last 5 years, as requested by the Coroner leading the Plymouth shooting enquiry.</p> <p>Work progresses to reduce backlogs further, and it is expected to progress well over the next few months now that the digitalisation is complete.</p> <p>Impact score reduced from 4 to 3 Likelihood score reduced from 4 to 2 Reducing the overall score from 16 to 6.</p>
55	Supt (Westmorland & Furness)	<p>There is a risk that the Constabulary is occasionally operating outside the national negotiator deployment model.</p> <p>Caused by a series of retirement / resignations of experienced negotiators, and inexperienced new cadre base and the availability of national courses.</p>	3	3	9	3	3	9	All	<p>A paper went to the Nov 22 Ops Board to raise awareness at Chief Officer level.</p> <p>Negotiator recruitment campaign undertaken during Jan 2023 with 7 successful candidates.</p> <p>2 successful completions of Negotiator Co-ordinator courses during Feb 2023 have increased resilience.</p> <p>2 further Negotiator Co-ordinator places in April.</p> <p>National Negotiator course places secured in Sept and November 2023. On numerous cancellation lists if other courses become available.</p> <p>Budget agreed with finance.</p>

Risk Ref No	Responsible Officer(s)	Risk Description	Initial Score			Latest Score			Link to Strategic Objectives	Summary of mitigating actions already taken - update
			Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		
56	Det Chief Supt	There is a risk that the operational Intelligence Analytical capacity within Crime Command is insufficient to service current and future demand. This is caused by insufficient Intelligence analytical and research capacity to service current and future demand. National and regional reporting requirements are increasing and currently outstrips available resource.	4	5	20	4	4	16		<p>NEW RISK</p> <p>Since this risk has been raised, the Chief Officer Team have approved additional posts within the analytical functions, including the two researcher and analyst posts. In addition, the force has recruited a Principal Analyst who is expected to start in force circa October 23.</p> <p>A full business change review of all analytical functions within the force is being led by Director Louise Kane, and will address appropriate structure, capacity and capability for the function.</p> <p>Likelihood score reduced from 5 to 4. Reducing the overall score from 20 to 16</p>

Risk Tolerance Levels

<p><u>Risk Score 1-4</u> Acceptable. No action is required but continue monitoring.</p>	<p><u>Risk Score 5-12</u> Tolerable risks but action is required to avoid a Red status. Investigate to verify and understand underlying causes and consider ways to mitigate or avoid within a specified time period.</p>	<p><u>Risk Score 15-25</u> Unacceptable. Urgent attention is required. Investigate and take steps to mitigate or avoid within a specified short term.</p>
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1.2 Drivers for Change

Effective risk management is a key component of effective corporate governance. Managing risk will contribute towards delivery of the strategic priorities. There are potential significant consequences from not managing risk effectively.

Robust risk management will help improve decision-making and drive corporate activity that represents value for money. Effective risk management will help protect the reputation of the Constabulary and the Office of the Police and Crime Commissioner, safeguard against financial loss and minimise service disruption.

1.3 Consultation processes conducted or which needs to be conducted

Individual risk owners have been consulted as part of the standard risk management arrangements.

1.4 Impact assessments and implications on services delivered

Not applicable- described in the risk register where appropriate.

1.5 Timescales for decision required

Not applicable to this report.

1.6 Internal or external communications required

None.

2. Financial Implications and Comments

Any financial implications are described in the relevant risks outlined within this report.

3. Legal Implications and Comments

Any legal implications are described in the relevant risks outlined within this report.

4. Risk Implications

The Constabulary's risks are described in section one of this report.

5. HR / Equality Implications and Comments

Any HR / Equality implications are described in the relevant risks outlined within this report.

6. ICT Implications and Comments

Any ICT implications are described in the relevant risks outlined within this report.

7. Procurement Implications and Comments

Any procurement implications are described in the relevant risks outlined within this report.

8. Supplementary Information

8.1 List any relevant documents and attach to report

Appendix 1	Risk Scoring Matrix
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8.2 List persons consulted during the preparation of report

- All Departmental risk owners.
- Territorial Policing and Crime Command risk owners.
- Chief Officer Group.

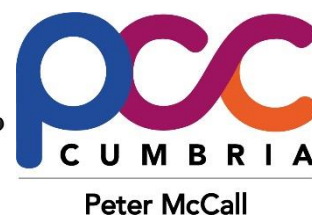
Risk Scoring Matrix

Impact Score	Description					
		IMPACT ON SERVICE PROVISION	FINANCIAL IMPACT	IMPACT ON PEOPLE	DURATION OF IMPACT	IMPACT ON REPUTATION
5	Very High	Unable to function, inability to fulfil obligations	Severe financial loss > £3M	Multiple fatalities	In excess of 2 years	Highly damaging, severe loss of public confidence or being declared a failing Force
4	High	Significant impact on service provision	Major financial loss £1M to £3M	Fatality	Between 1 year - 2 years	National publicity, major loss of confidence or serious IPCC complaint upheld
3	Medium	Service provision is disrupted	Significant financial loss £500k to £1M	Serious injury, RIDDOR reportable	Between six months to 1 year	Some adverse local publicity, legal implications, some loss of confidence
2	Low	Slight impact on service provision	Moderate financial loss £100k to £500k	Slight medical treatment required	2 to 6 months	Some public embarrassment, or more than 1 complaint
1	Very Low	Insignificant impact, no service disruption	Insignificant financial loss < £100k	First Aid treatment only No obvious harm/injury	Minimal - up to 2 months to recover	No interest to the press, internal only

Likelihood Score	Tolerance Levels – Likelihood Assessment	
5	Very High	A risk has a very high score if there is a 90% or more chance of it happening every year. This means that it is almost certain to happen regularly.
4	High	A risk has a high score if there is a 65% to 90% likelihood of it happening at some point over the next 3 years. Basically, it probably will happen but it won't be too often.
3	Medium	A risk has a medium score if the likelihood of it happening is between 20% and 65% over the next 10 years. This means it may happen occasionally.
2	Low	A risk has a low score if the likelihood of it happening is between 5% and 25% at some point in the next 25years. This means it is not expected to happen but it is possible.
1	Very Low	A risk has a very low score if the likelihood of it happening is less than 5% over 100 years. Basically, it could happen but it is most likely that this would never happen.

		Impact	Impact	Impact	Impact	Impact
		Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)
Likelihood	Very High (5)	5	10	15	20	25
Likelihood	High (4)	4	8	12	16	20
Likelihood	Medium (3)	3	6	9	12	15
Likelihood	Low (2)	2	4	6	8	10
Likelihood	Very Low (1)	1	2	3	4	5
		Impact	Impact	Impact	Impact	Impact

Joint Audit Committee



Title: Risk Management Update

Date: 20th September 2023

Agenda Item No: 12c

Originating Officer: Deputy Chief Fire Officer

CC:

Executive Summary:

- 1.1 The purpose of the report is to provide the Joint Audit Committee with an update on the Fire Services risk management arrangements, including a review of the current strategic risk register.
- 1.2 Following the Local Government Reform (LGR) process, Cumbria Fire and Rescue Service (CFRS) has undertaken to review its key policies and documentation. Given the significant differences in risk appetite between Cumbria County Council and the Office of the Police and Crime Commissioner this has necessitated a review of the approach to risk management.
- 1.3 This report provides details of the risk management approach and provides the Audit Committee with an understanding of the risks present on the current risk register.

Recommendation:

- 2.1 The Joint Audit Committee is asked to note the current and future approach to risk management within CFRS.

3. Introduction & Background

- 3.1 Risk management in fire and rescue services is a critical component of ensuring the safety of firefighters and the public during emergency situations. The primary goal of risk management in this context is to identify, assess, and mitigate potential risks to minimize injuries, property damage, and loss of life.

- 3.2 Key components of the risk management process include
- Risk Assessment
 - Risk Mitigation
 - Planning and Preparedness
 - Safety Measures
 - Legal and Regulatory Compliance
- 3.3 Effective risk management in fire and rescue services is an ongoing process that requires collaboration, training, and a commitment to continuous improvement. By identifying and addressing potential risks proactively, fire and rescue services can enhance their ability to protect the communities they serve.
- 3.4 Risk Management is considered at different levels within CFRS.
- 3.5 Operational Risk is considered on a daily basis through a number of different processes including
- National Operational Guidance
 - Business Continuity Planning
 - Training Risk Profiles
 - Health and Safety
- 3.6 These processes contribute to the ability of firefighters to work in a safe environment and ensure that operational risks are addressed in an efficient and effective manner.
- 3.7 At the other end of the spectrum, emerging risks over a longer period (usually years) are considered through the Community Risk Management Process.
- 3.8 Within that spectrum, strategic risks are considered at the CFRS programme board, chaired by a member of the Service Leadership Team. Strategic risks are those affecting the medium to long term objectives of the Service and are the high level critical risks the Service faces.
- 3.9 Historically strategic risks were judged against seven criteria, those were
- Organisation / Service
 - Operational Performance
 - Finance
 - Reputation
 - Legal
 - Health and Safety
 - EDI

- 3.10 Whilst these categories will be used going forward, the Service needs to consider the different levels of risk appetite between the previous model (Cumbria County Council) and new model (Police, Fire and Crime Commissioner). Most areas will remain similar, however the approach to finance risk and reputational risk may change considerably.
- 3.11 The new approach will be agreed through the Joint Strategic Finance and Governance group.

Current Risks

- 3.12 The following are the strategic risks currently identified by the Service
- The Service does not have suitable and sufficient arrangements in place to undertake Fire Investigation activities for the police to be able to use for legal cases
 - The Service is unable to provide trained emergency response drivers to enable a blue light response to emergency calls
 - The Service does not effectively manage its budget and forecast spend
 - The Service has insufficient numbers of staff available to crew appliances in line with the degradation plan
 - CFRS does not have the workforce capacity to deliver the service and meet its duties
 - Firefighter safety may be compromised by untested equipment being left on an appliance
- 3.13 Overleaf the table provides a summary of the key risks. When the new approach is agreed, these risks will be re evaluated against the new criteria.

Risk Ref	Risk Owner	Risk Description	Current Impact	Current Likelihood	Current Score	End of Year Target	Mitigation already taken place
30	ACFO Brian Massie	<p>The Service does not have suitable and sufficient arrangements in place to undertake Fire Investigation activities for the police to be able to use for legal cases caused by</p> <ul style="list-style-type: none"> • Failure to comply with ISO 17020 by October 2023 • Failure to follow the Code of Practice for Investigators of fires • Failure to comply with NFCC Competency Framework <p>Which may impact on the</p> <ul style="list-style-type: none"> • Reputation of the Service and Fire Authority • Loss of operational intelligence relating to fire causation • Potential for issuing of prohibition notice on CFRS • Impact on the ability of police to use CFRS evidence in investigations and prosecutions 	3	3	9	6	<p>Formation of a Section 22a (Police Act 1996) collaboration agreement with Cumbria Constabulary</p> <p>Review of current CFRS fire investigation practices against the CoP and more recent SOPs produced by the Forensics Capability Network (FCN)</p> <p>Review of current competency needs of existing CFRS fire investigators</p>

Risk Ref	Risk Owner	Risk Description	Current Impact	Current Likelihood	Current Score	End of Year Target	Mitigation already taken place
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32	AM Stuart Hook	<p>The Service is unable to provide trained emergency response drivers to enable a blue light response to emergency calls caused by</p> <ul style="list-style-type: none"> • Sickness and resignations • Impact of LGR • Changes to Legislation <p>Which may impact on</p> <ul style="list-style-type: none"> • Safety of the public • Reputational Impact on Service • Failure to delivery against CRMP Commitments • Additional financial burden 	4	3	12	4	<p>GM Response agrees delivery plan with Driver training lead to prioritise need</p> <p>All course capacity allocated to potential ERD drivers</p> <p>Driver Training team embedded into CFRS with a realistic programme in place to ensure services are delivered Risk recommended for closure at date of next review</p>
8	DCFO Brian Steadman	<p>The Service does not effectively manage its budget and forecast spend caused by a</p> <ul style="list-style-type: none"> • Lack of governance and control over expenditure <p>Which may impact on</p> <ul style="list-style-type: none"> • Financial impact of an overspend requiring resources to be diverted • Reputational impact on Service and PFCC • Non delivery of agreed programmes and priorities • Failure to recruit to key positions 	4	3	12	8	<p>Weekly 1 -1 with S 151 Officer</p> <p>Implementation of Strategic Finance Board</p> <p>Review of SLAs</p> <p>Budgets reconfigured following reshaping to align with BCUs</p> <p>Detailed budget planning work</p> <p>Additional funding allocated to offset inflation</p> <p>Attendance at Joint Audit Committee</p>
Risk Ref	Risk Owner	Risk Description	Current Impact	Current Likelihood	Current Score	End of Year Target	Mitigation already taken place
21	ACFO Brian Massie, GM Ian Seel	<p>The Service has insufficient numbers of staff available to crew appliances in line with the degradation plan caused by</p> <ul style="list-style-type: none"> • Lack of agreement on national pay • National pension dispute 	3	2	6	6	<p>Business continuity and degradation plans in place.</p> <p>Single time list to be refreshed</p>

		<ul style="list-style-type: none"> Lack of agreement with TUs re proposed changes to working arrangements in Cumbria Withdrawal of all staff members willing to undertake additional shifts at single time Large numbers of staff unable to work due to pandemic flu <p>Which may impact on</p> <ul style="list-style-type: none"> Unable to provide a safe Service Financial impact – training, cover, legal action Safety of firefighters and public Reputation of Service and Fire Authority Impact on environment 					<p>Dedicated pension advisor appointed following LGR</p> <p>Regular consultation and negotiation meetings with rep bodies</p> <p>Dedicated HR team now in place to lead on managing change</p>
--	--	---	--	--	--	--	--

Risk Ref	Risk Owner	Risk Description	Current Impact	Current Likelihood	Current Score	End of Year Target	Mitigation already taken place
22	Head of HR Kristine Ward	<p>There is a risk that CFRS does not have the workforce capacity or skills to deliver the service and meet its duties caused by</p> <ul style="list-style-type: none"> Lack of adequate succession planning <p>Which may impact on</p> <ul style="list-style-type: none"> Unable to provide a safe service Financial impact Safety of Firefighters and public 	2	3	6	4	<p>Creation of Workforce Development Group</p> <p>Frequency of meeting governed by Service need</p> <p>Creation of annual programme for both On-Call and WT recruitment and promotion processes</p>

		<ul style="list-style-type: none"> • Reputation of Service and Fire Authority 					5 Year retirement profile for WT staff held by AM Response to inform decision making
23	Head of Infrastructure Lewis Thomas	<p>There is a risk that firefighter safety may be compromised by untested equipment being left on appliances caused by</p> <ul style="list-style-type: none"> • A failure of equipment resulting in injury • A failure to comply with the periodic inspection and testing regime <p>Which may impact on</p> <ul style="list-style-type: none"> • Safety of the public and Firefighters • Reputation of Service and Fire authority 	5	2	10	4	<p>ID Hammer app now available on all stations</p> <p>Existing paper based systems still in use to ensure obligations under testing regime</p> <p>Extra licenses purchased to develop ID Hammer capabilities</p> <p>Tech Service and Stores working group initiated</p>

4. Risk Tolerance Levels

4.1 Whilst each risk obtains a score of 1- 25, the following table highlights the Service tolerance levels.

Risk Score	
1 - 4	Acceptable – No action required but continue monitoring
5 – 12	Tolerable risk but action is required to avoid a red status. Investigate to verify and understand underlying causes and consider ways to mitigate or avoid within a specified time period
15 – 25	Unacceptable. Urgent action is required. Investigate and take steps to mitigate or avoid within a specified short term.

4.2 As previously mentioned, the Service is currently reviewing its risk appetite. Included at appendix A is the proposed new risk framework we will be moving towards.

5. Implications

5.1 Financial

Finance is a key consideration within any risk calculation. The Service has put in place a series of regular meetings and process controls with the S151 officer should resource need to be targeted at any particular risk. The risk appetite with regard to finance has been significantly reduced post LGR

5.2 Legal

There are a number of key pieces of legislation that place statutory requirements on CFRS. The two most important are

- Fire and Rescue Services Act 2004
- Civil Contingencies Act 2004

The first sets out the four primary responsibilities of CFRS to

- extinguishing fires in their area
- protecting life and property in the event of fires in their area
- rescuing and protecting people in the event of a road traffic collision, and
- rescuing and protecting people in the event of other emergencies

The second sets out how CFRS should respond to emergencies as a CAT 1 responder.

Each of these statutory requirements is part of the day to day business of the service and considered when looking at specific risks

5.3 Risk

If CFRS does not identify and mitigate risks then it may mean that CFRS cannot carry out its statutory functions efficiently and effectively.

5.4 HR / Equality

CFRS employs an EDI lead to inform any decision making process. Any impact of an action to address risk, where appropriate would be subject to the internal Equality Impact Assessment Process

5.5 I.T

Where appropriate IT solutions are used to mitigate risks. IT provision is currently through an SLA with the unitary authorities post LGR

5.6 Procurement

As part of its approach to sound financial management, CFRS has put in place a procurement strategy and process that has been agreed by the S151 officer and the Office of the Police, Fire and Crime Commissioner.

6. Supplementary information

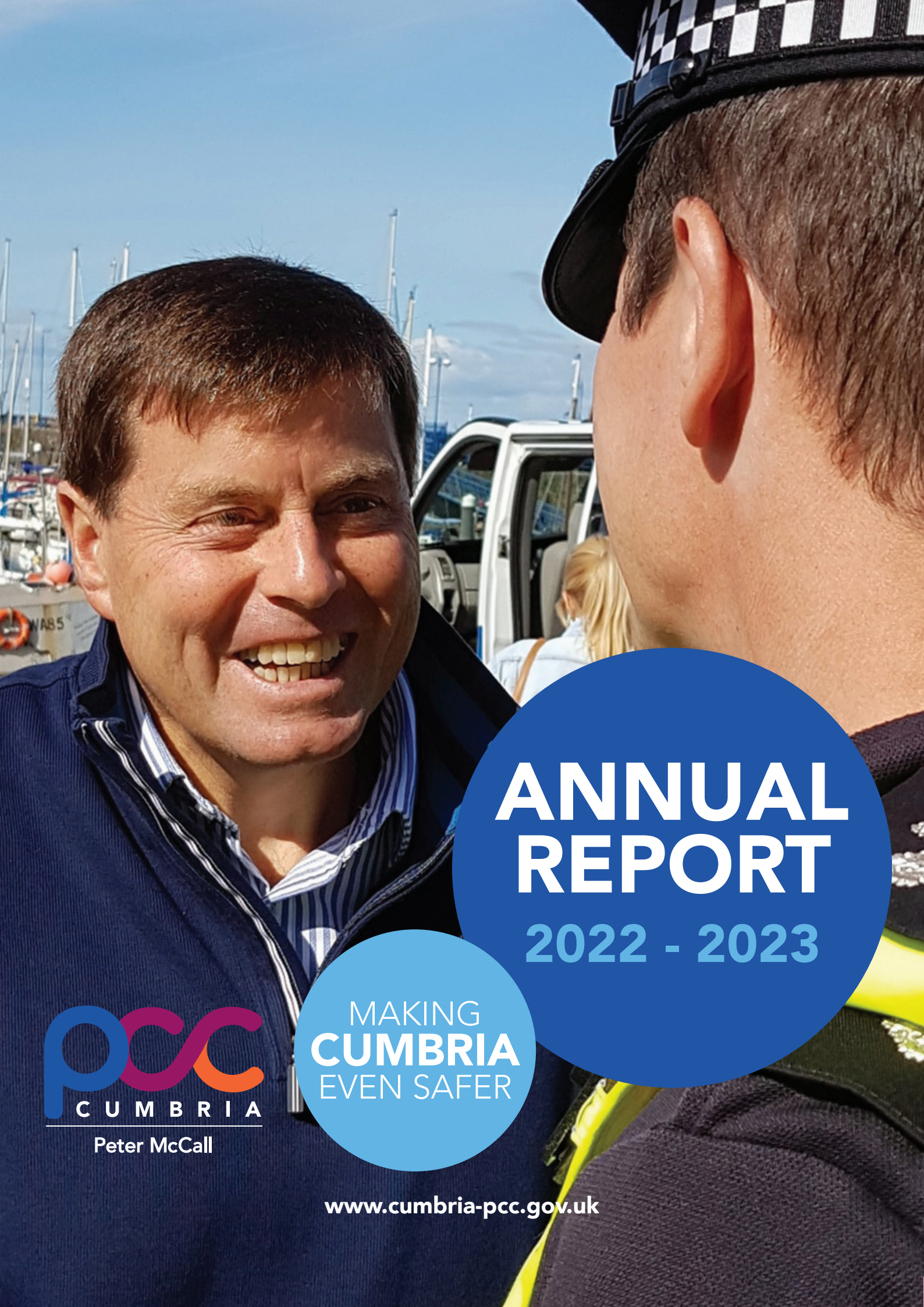
Appendix A contains the draft risk matrix that if agreed all existing and new risks will be scored against.

Report Author

Mark Clement Head of Safety and Assurance

Appendix A – Risk Scoring Matrix

Impact Score	Organisational/ Service	Operational/ Performance	Finance	Reputational	Legal	Health & Safety	ED&I
5 = Major	Major impact/disruption to critical services. Inability to deliver a number of organisational objectives.	Significant organisational or performance impact. Not achieving more than one of the organisation's performance targets	Fire – over £250k	Sustained national media coverage. External Enquiry. Removal of a command team member.	Prosecution. Major claims/fines against both organisations	Multiple fatalities or multiple permanent injuries	Unjustified impact or interference.
4 = Serious	Serious impact/disruption on critical services with a noticeable impact on local communities.	Large impact on performance resulting in not achieving one of the organisation's performance targets	Fire - over £100k	Sustained adverse media coverage	Serious claims/fines against both organisations	Single fatality or severe injuries	Serious unjustified impacts or interference.
3 = Moderate	Noticeable impact on non-critical services or short-term disruption.	Impact on performance resulting in difficulty achieving performance targets but where corrective action can still be taken	Fire – over £50k	Some local adverse publicity	Significant litigation/claims Within insurance cover.	Major injury	Some limited unjustified impact or interference.
2 = Low	Minor disruption to Service Delivery	Small impact on performance targets but can still be managed.	Fire – over £25K	Short-term customer dissatisfaction	Minor claims within the insurance cover	Minor or slight injury	Impact of interference manageable with existing resources
1 = Negligible	No noticeable disruption to service. The impact is easily manageable	Minimal/short-term impact on performance, not to the extent where key targets are impacted.	Fire – below £25K	Manageable customer dissatisfaction	Unlikely to lead to litigation or a claim.	Unlikely to have any safety impact.	No impact on diversity/human rights



ANNUAL REPORT

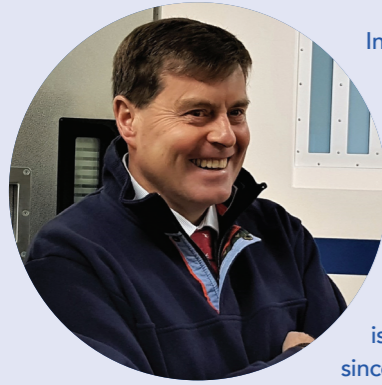
2022 - 2023

MAKING
CUMBRIA
EVEN SAFER



Peter McCall

www.cumbria-pcc.gov.uk



In this Annual Report, I am pleased to confirm that the Constabulary not only reached, but exceeded its Operation Uplift target. As a result, Cumbria Constabulary now has a budgeted establishment of 1,334 police officers, which is an increase of 214 officers since 2016, the highest number of officers at any time for Cumbria.

Of course, some officers are still completing their training, however, a number are now out on our streets making a difference. We already know from the pilot areas that the new Community Beat Officers are having a real impact, with some exceptional results such as Maryport where anti-social behaviour (ASB) is down by 50%. The role out of Community Beat Officers is set to continue across the county and demonstrates our response to the public's concern to see more visible neighbourhood policing and police visibility. There are, as always, competing demands for additional resource that are not always directly visible to the public, such as cybercrime and sexual and domestic violence as only two examples.

Crime levels are returning to normal after COVID, and in line with national trends, our crime rate has risen by 4.7%. However, much of this increase can be offset by the reduction in ASB in Cumbria. This has fallen by 23.6% overall, due to better crime recording by the Constabulary when ASB meets the crime threshold it is being dealt with as a crime. This means that the victim gets a better

response both in terms of a potential investigation and support. Crime outcomes are improving at just over 14% and there is certainly more to do in this area, but it is good that the trajectory is moving upwards.

The Constabulary response to 999 calls is consistently high and it is important for people to know that when you contact the force in an emergency, your call will in 91% of the time, be answered in less than 10 seconds. Our 101 service is improving again with 91% of the calls answered in under five minutes. Technology such as call-back, online chat and online reporting forms found on the Constabulary website, are all going a long way to help but we will continue to improve rapid accessibility to police when you need it.

Overall, the Constabulary performance is good and in some areas outstanding, although there is always more to be done to meet the changing nature of criminality. Funding always remains a concern and inflation has had an effect on policing in the same way that it has affected our personal budgets.

As the responsibility for fire governance transfers across on 1st April 2023, I will be looking to develop greater collaboration between police and fire, to seek out efficiency in support areas where it benefits both services, improves the quality of support to frontline operations achieving best value for our residents and most importantly, helping to keep the people of Cumbria safe.

Peter McCall
Police and Crime Commissioner

POLICE AND CRIME PLAN OBJECTIVES

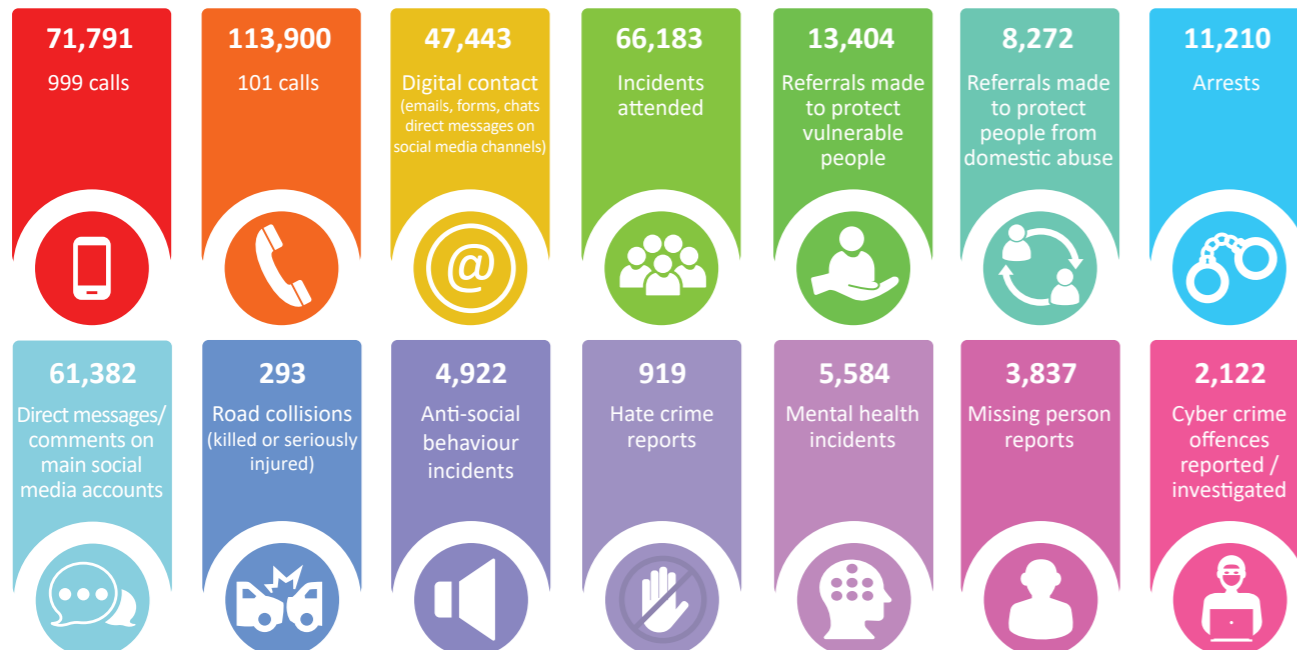
In 2021, we developed a new Police and Crime Plan, drawing on the results of a public consultation, a strategic analysis of crime and community safety trends, emerging issues and partner agencies feedback. It contains the following police and crime objectives which all contribute towards achieving my overall aim of 'Keeping Cumbria Safe'.

The priorities within the plan are:



DEMAND ON CUMBRIA CONSTABULARY

1ST APRIL 2022 - 31ST MARCH 2023

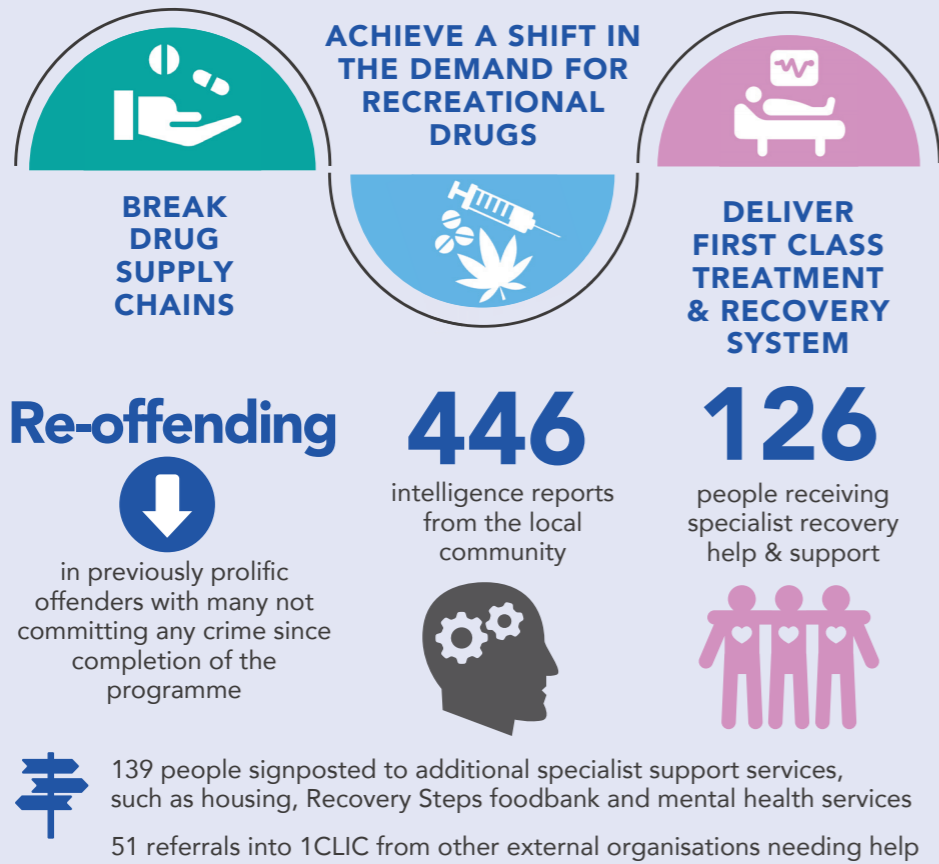


THE OPCC's YEAR IN NUMBERS



COUNTY LINES INFORMED CUMBRIA 1CLIC

Two year pilot programme aimed at targeting county lines in Barrow-in-Furness and South Lakes



ENSURING THE POLICE ARE AT THE FOREFRONT OF THE RESPONSE



- Work with the Police to deal with potential threats, such as civil emergencies, organised crime, terrorism, cyber-attacks, natural disasters and public order
- As part of the PCC's role of holding the Chief Constable to account, due regard has been given to the six threat areas identified in the Strategic Policing Requirement: serious and organised crime, terrorism, cybercrime, child sexual abuse, public disorder and civil emergencies

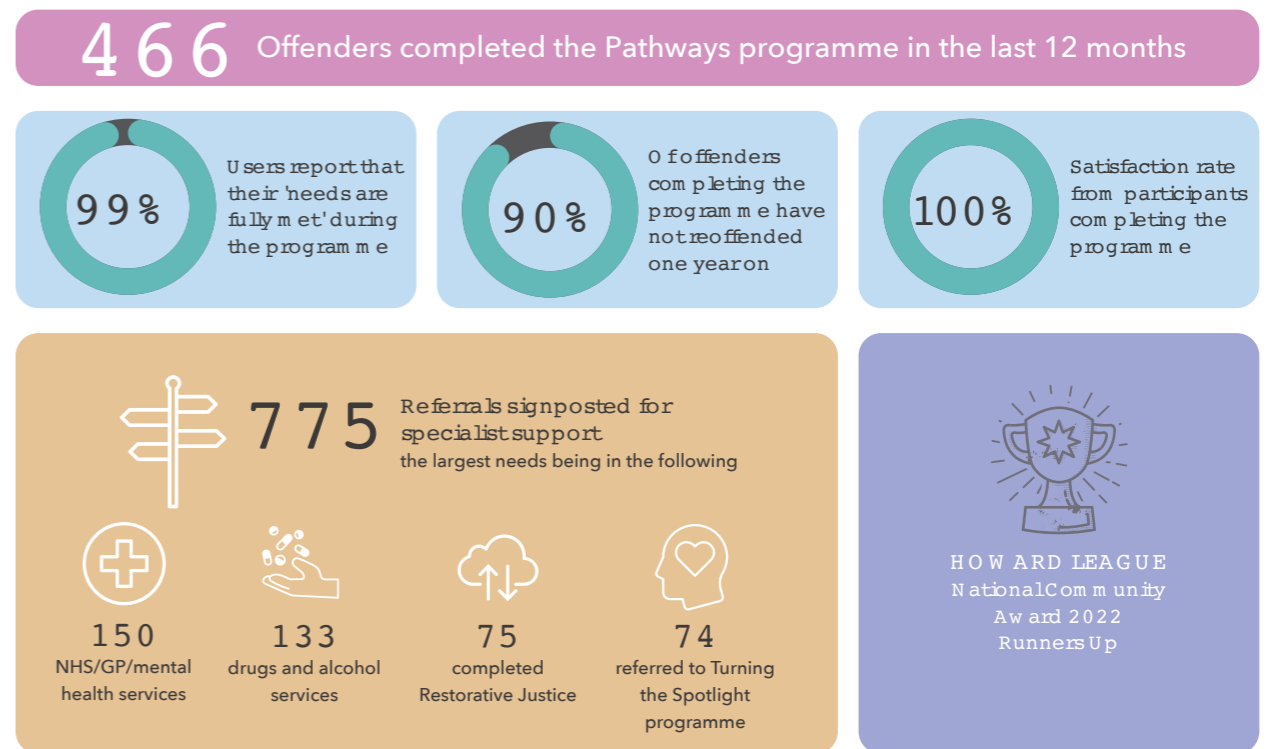


INTEGRATING BLUE LIGHT SERVICES

- Dedicated structure in place, led by the PCC, to monitor areas of joint collaborative working between Cumbria Police, Cumbria Fire & Rescue Service and Northwest Ambulance Service
- Cumbria Fire & Rescue Service and Northwest Ambulance Service assistance in the search for extremely vulnerable missing persons (where operational capacity allows)

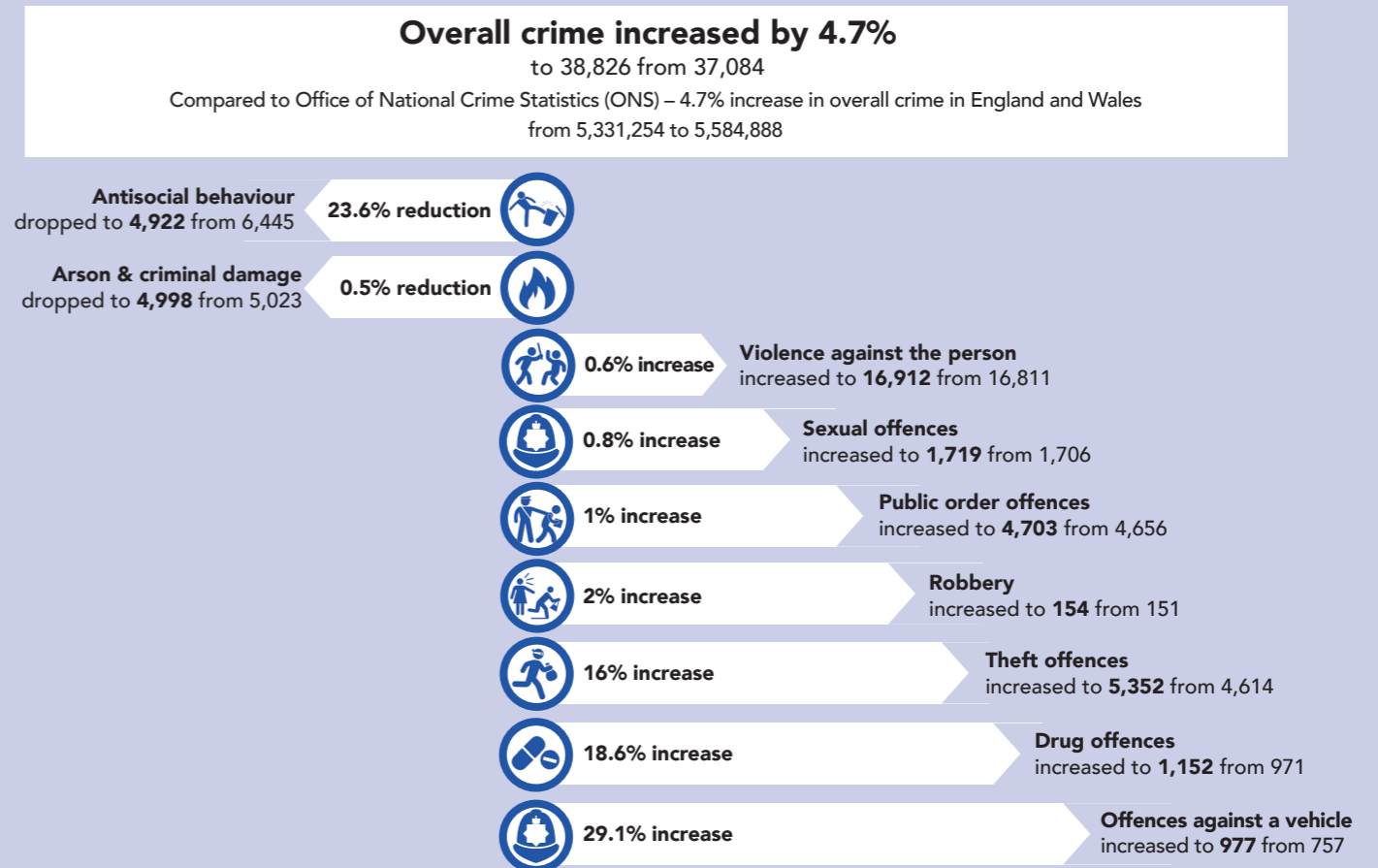
PATHWAYS

identifying the root cause of offending → providing interventions while also supporting underlying vulnerabilities → signposting to appropriate partner agencies



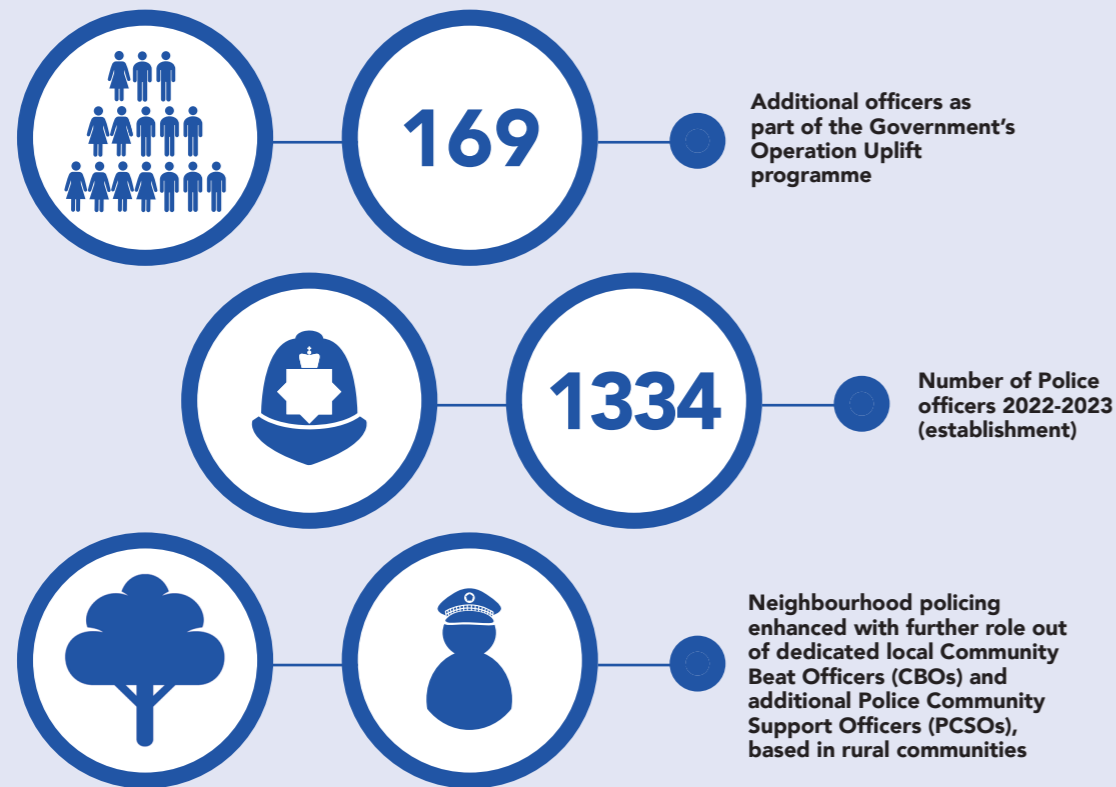
RECORDED CRIME IN CUMBRIA

FROM APRIL 2022 TO MARCH 2023 COMPARED TO THE PREVIOUS FINANCIAL YEAR



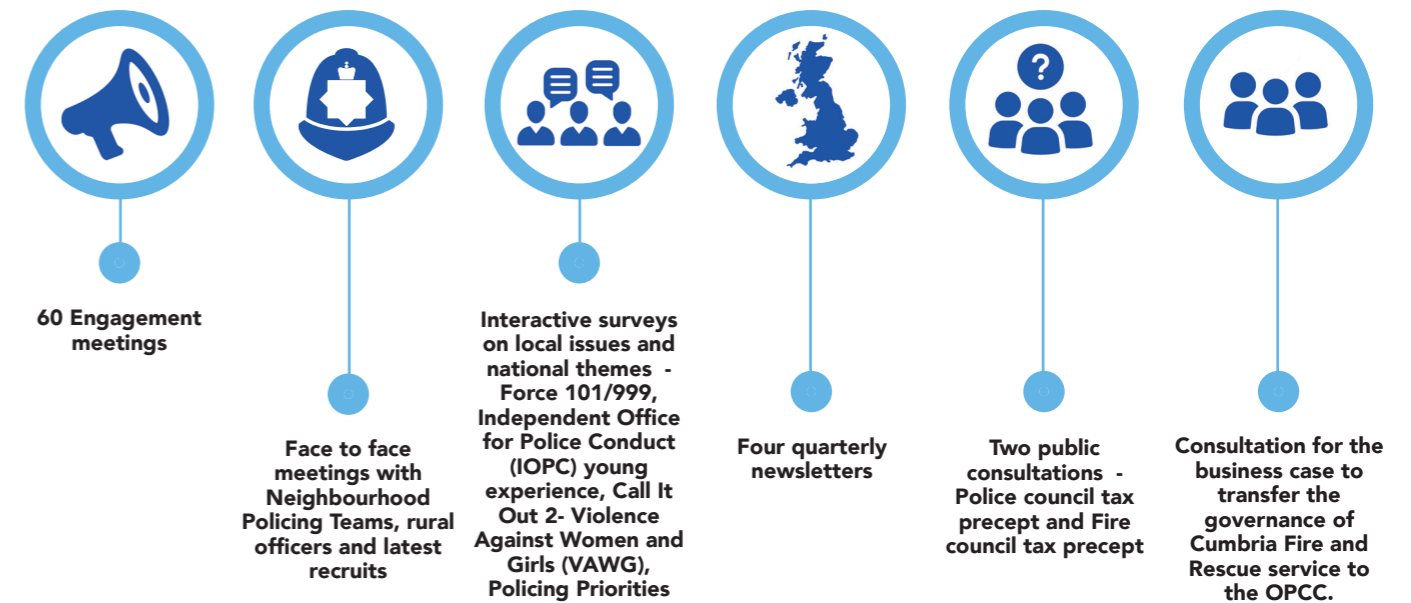
VISIBLE AND EFFECTIVE POLICE PRESENCE

The PCC has monitored the Constabulary to ensure they achieved:



BE THE VOICE OF THE PUBLIC ON POLICING MATTERS

We have continued to use a wide range of engagement approaches, so that the Commissioner actively listens, considers, and effectively uses the view of the people of Cumbria to influence decisions. Examples include:



A snapshot of these include: speaking event at Eden Women's Institute, Safer Cumbria Partnership 'Tackling ASB Together' Conference, service for 40th anniversary of the Falklands, Constabulary's Citizens in Policing awards, Cumbria Pride, presenting 'Community Group of the Year' at the Pride of Cumbria awards, Cumberland Show, Winter Driving - Penrith, Westmoreland Show, Silloth Pride, Safer Cumbria Partnership Drugs summit, Kendal Calling & ICV Animal Welfare Scheme, speaking event at Mothers Union, Cumbria University Freshers' Fair, Anti-Racist Cumbria summit, speaking events at Cumbria & Lancashire Rotary District Conference, Cumbria Chamber of Commerce, British Legion, Wigton, Royal Windermere Yacht Club and so the list goes on!

PROPERTY FUND SUPPORTING LOCAL PROJECTS, SOCIAL GROUPS, INITIATIVES AND ACTIVITIES

Breakdown of Property Fund awarded



Some of the groups awarded were: Keswick Youth Centre Services, Cumbria Combat Sport, North Cumbria Rescue and Response, Millom Recreation Centre, Westfield Housing Association, Maryport Amateur Operatic and Dramatic Society, AWAZ, Carlisle Hockey Club, Aspatria Juniors FC, Eden Network Youth Church, 1st Kirkby Stephen Scout Group

ACCOUNTABILITY AND STATUTORY DUTIES

Independent Custody Visitors (ICV) Volunteer Scheme	Working closely with partners	Police & Crime Panel meetings and Joint Ethics & Integrity Panel	Risk management and governance
Joint audit committee for finance & governance	Public Accountability Conferences	Complaint case reviews	External inspections & auditors provide independent reviews

A FOCUS ON CRIME AND THE CAUSES OF CRIME

- £760,108 Home Office – Safer Streets Fund in Carlisle and Barrow
- As chair of the Safer Cumbria Partnership, the PCC has directed collaborative partnership working to address the identified needs in the county
- 1CLIC (County Lines Informed Cumbria) have supported 177 people at risk from drugs in south Cumbria
- From October 2022-March 2023, PAKMAN project that educates children on the dangers of sharing nude images online, has worked with 34 young people and 10 parents/carers
- Restorative Justice provided mediation for 56 victims of antisocial behaviour across the county
- Crimestoppers passed on 1,933 reports to Cumbria Police from the community, a 15.8% increase from the previous year. Of these, 514 reports provided intelligence that could be used and tasked for action by the police
- Quarterly community engagement events with 'Get Safe Online' at Cumberland Show, Westmorland Show, Winter Droving and Be Safe, Stay Safe at Carlisle College, providing cyber safety advice to the public
- 57 young people referred to the RISE programme (early intervention child mentor service), who collectively received 322 mentoring sessions and 98 sessions supporting their families. This resulted in a 66% reduction in calls to service to the Child Centred Policing Teams
- In its fourth year, the Cyber and Digital Crime Unit (CDCU) has investigated 104 offences, made 60 arrests, prosecuted 40 criminals for 183 offences and 130 children safeguarded. Since April 2022, 40 people have been charged with over 183 offences and 130 children have been safeguarded from online child abuse and exploitation
- Keep Safe a service offering high quality crime prevention advice, has supported 595 victims
- 43 families have completed the "Step Up: Restore Families" programme for families experiencing child-on-parent or child-on-carer violence, with 94% of participants reporting an improvement in behaviour and family relationships
- Brake National Road Victim Service supported 8 families experiencing fatal road collisions in Cumbria

PREVENTING OFFENDING AND REDUCING REOFFENDING

- Pathways, the Adult Out of Courts Disposal offender management programme, worked with 446 offenders in the last 12 months and 775 signposted to specialist services such as financial advice, NHS and substance abuse support
- 98% of Pathways participants reported 'they feel better equipped in daily life' and 90% of participants have not reoffended 12 months on from completing the programme
- 246 participants completed "Turning the Spotlight" Domestic Abuse Perpetrator Programme with 100% of clients reporting improved understanding of healthy relationships and how to maintain one
- 'They Matter' high risk domestic abuse perpetrator intervention programme supported 67 people
- The Safer Cumbria Partnership hosted a Serious Violence Duty event in Cumbria, to provide strategic partnership direction, in line with national requirements
- The Safer Cumbria Partnership has taken on the role of the Combating Drugs Partnership across Cumbria, which will deliver the Governments 10 year Drug Strategy 'From Harm to Hope' at a local level
- 104 independently selected cases were audited by the out of court scrutiny panel

A FOCUS ON VICTIMS

- Secured £1.7 million additional funding for victim services from the Ministry of Justice (MOJ)
- Over the last 12 months, Women Centres provided tailored support for 360 domestic abuse survivors and 48 sexual violence survivors
- Women Centre Outreach Service in North and South Cumbria, supported 138 clients, helping them to move forward with day-to-day life
- 84 % of women working supported by the Womens Centre Outreach service stated they 'felt their lives had more purpose and meaning' as a result of the support
- 91% of domestic abuse referrals at Womens Community Matters in Barrow, reported 'feeling better able to cope, recover and build resilience'
- 5,286 victims were engaged by Victim Support, by telephone, email, letter, text or Live Chat. Following an individual needs assessment 1,713 people were provided with support and information tailored to their situation
- Additional Independent Domestic and Sexual Violence Advisor (IDSVAs) support - with dedicated male caseworker and new IDVSA role within NHS health setting
- 80% of Victim Support service users reported an improvement in their ability to cope with aspects of everyday life (non-ISVA/ IDVA clients), 75% reported an improvement in feelings of safety (non-ISVA/IDVA clients)
- 87% of Independent Domestic Violence Advisor(IDVA) clients felt safer and 79% felt their quality of life had improved by the end of support
- 286 children and young people who have witnessed domestic abuse, have been supported as part of the new children's Domestic Abuse service programme
- 285 people received therapeutic services and 82% of service users with a planned closure to their support, reported an improvement in health and well-being, 83% felt better able to cope with everyday life and 82% felt safer
- 119 victims were supported to have a forensic-medical examination following rape or sexual assault and 63 people sought telephone advice through the Bridgeway Sexual Assault Support Services

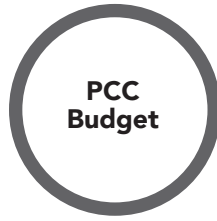
SAFER STREETS FUND ROUND 4 CARLISLE AND BARROW PROJECT

- Additional street lighting in Carlisle city centre, Keenan Park and the skate park at Bitts Park and in Barrow multiple back streets/alleys close to town centre
- Police officers have attended 'Safer and Stronger' training in conflict resolution and received body armour, radios and body worn video cameras in Barrow
- Enforcement officers have been trained in conflict resolution, and also received body armour and radios in Carlisle
- 18 secondary schools received "Your Life You Choose" multi-agency programme, educating young people on the consequences of violence, crime, anti-social behaviour and the importance of making healthy life choices
- 4 colleges received "Be Safe Stay Safe" multi-agency sessions, educating targeted vulnerable young people on risk taking behaviours and violence against women and girls (VAWG)
- Two teams of youth outreach workers (in Carlisle and Barrow), 6 days a week in anti-social behaviour hot spots areas, working with young people to direct them to diversionary activities and encourage positive life choices
- Two dedicated 'Remedi' case workers supporting the victims of anti-social behaviour, helping them to cope and recover
- Crime Prevention training for local Police Community Support Officers (PCSOs), who then make home visits which support residents to implement practical measure which will reduce their risk of becoming victims of crime
- Additional 3 Automatic Number Plate Recognition (ANPR) cameras, locations not disclosed to prevent compromising operational policing tactics





There was an overall underspend of £836,000, which represents 0.65% of the budget



£26,000 underspend due to savings in the Office of the PCC



£810,000 underspend largely due to increased income



The Constabulary has met its target for the recruitment of 169 additional officers for Operation Uplift

The financial results for the Police and Crime Commissioner's revenue budget for 2022/2023 are summarised in the table below

Description	Budget £000s	Actual Expenditure £000s	(Underspend) / Overspend £000s
Constabulary			
Police Officer Pay	96,053	96,438	385
PCSO Pay	1,917	1,914	(3)
Police Staff pay	26,769	26,539	(230)
Non Pay Expenditure	19,563	19,570	7
Income	(6,563)	(7,532)	(969)
Total Constabulary	137,739	136,929	(810)
PCC			
Office Police Crime Commissioner	802	773	(29)
Other PCC	(20,323)	(20,202)	121
Movements to / (from) Reserves	3,481	3,363	(118)
Total PCC	(16,040)	(16,066)	(26)
Overall Total	121,699	120,863	(836)



Peter McCall

If you would like this information in braille, audio, large print, easy read or in another language, please contact the Police and Crime Commissioner's office on

01768 217734

or email

commissioner@cumbria-pcc.gov.uk

You can find out more information about how I am carrying out my role on my website:

www.cumbria-pcc.gov.uk

The Police and Crime Commissioner for Cumbria

Treasury Management Activities 2023/24 for the period 01 April 2023 to 30 June 2023

PFCC Executive Team 12 September 2023 and Joint Audit Committee 20 September 2023



Cash flow Balances

Quarter 1 average daily balance - £16.695m
 Investment balance @ 30/06/23 £10.434m
 (Down 19% from £12.940m at 31/03/23)



Investment Interest Forecast

Base Budget - £400,000
 Revised Budget - £400,000
 Current Estimate - £750,000



Borrowing Strategy

The borrowing strategy was originally based on assumed borrowing of £3m in 2022/23 and a further £3m in 2023/24. As a result of the capital outturn for 2022/23, the planned borrowing is now all predicted to take place in 2023/24 but will depend on the final capital position for the year.

Investment Strategy

Category	Category Limit (£m)	Investments at 30 Jun (£m)	Compliance with Limit
1 - Banks Unsecured	20	2.515	Yes
2 - Banks Secured	20	0.000	Yes
3 - Government (inc LA)	10	3.937	Yes
4 - Registered Providers	10	0.000	Yes
5 - Pooled Funds	15	3.982	Yes
Total		10.434	

There have been no breaches in the approved limits to report during the reporting period.

Performance Indicators

	Number of Days	Average Balance (£)	Largest Balance (£)
Quarter 1			
Days In Credit	91	52,634	259,171
Days Overdrawn	0	0	0

Average interest rate earned – 4.18%
 Average bank base rate – 4.44%
 (Current bank base rate – 5.25%)

Treasury and Prudential Indicators

During the period 01 April 2023 and 30 June 2023, the treasury function has operated within the treasury and prudential indicators set out in the Treasury Management Strategy Statement and in compliance with the Treasury Management Practices.

Compliance with the prudential and treasury indicators are shown on page 3.

Economic Outlook and Treasury position for the quarter ended 30 June 2023

GDP grew by 0.5% in June 2023 and by 0.2% in Quarter 2 (Apr to Jun). There were increases in all main sectors where services output grew by 0.1%, production by 0.7% and construction by 0.3%. Food and beverage services had a particularly strong month in June which may have been due to the good weather. There was strong growth in household consumption and government consumption, which was partially offset by a fall in international trade flows.

GDP growth is projected to weaken into 2024 as past increases in the Bank Rate weigh on demand to an increasing degree. Calendar year GDP growth is expected to be 0.5% in 2023 and 2024 and 0.25% in 2025.

CPI inflation fell from 7.9% in June to 6.8% in July. With core inflation standing at 6.9%, the concern is that we are already seeing wage inflation becoming embedded in the system. The MPC anticipates inflation falling below 5% by the end of 2023. This still leaves considerable work to be done to get inflation back down to the 2% target.

The MPC raised the Bank Rate for the 14th time in a row by 25 basis points to 5.25% on 3rd August, slowing the pace of change from June's 50bps hike. There was a three-way split in the voting which shows there are a range of views circulating at present. Link, the treasury advisers to the PFCC, currently forecast a further rate rise in September and the market is pricing the Bank Rate to peak at 5.75%.

Base Rate Estimates	2023/24	2024/25	2025/26
Quarter 1	5.00	5.25	3.25
Quarter 2	5.50	4.75	2.75
Quarter 3	5.50	4.25	2.75
Quarter 4	5.50	3.75	2.50

Investments in place on 30 June 2023

Category/Institution	Credit Rating	Investment Date	Investment Matures	Days to Maturity	Rate (%)	Amount (£)	Counterparty Total (£)
Category 1 - Banks Unsecured (Includes Banks & Building Societies)							
Lloyds Bank	A+	11/04/2023	10/10/2023	102	4.45%	2,000,000	2,000,000
Svenska (Deposit Acc)	AA	Various	On Demand	N/A	1.70%	505,419	505,419
NatWest (Liquidity Select Acc)	A+	30/06/2023	01/07/2023	O/N	1.35%	10,000	10,000
						2,515,419	2,515,419
Category 2 - Banks Secured (Includes Banks & Building Societies)							
None						0	0
Category 3 - Government (Includes HM Treasury and Other Local Authorities)							
Treasury Bills	Gov	11/04/2023	10/07/2023	10	4.260%	1,979,210	1,979,210
Treasury Bills	Gov	11/04/2023	09/10/2023	101	4.390%	1,957,389	1,957,389
						3,936,599	3,936,599
Category 4 - Registered Providers (Includes Providers of Social Housing)							
None						0	0
Category 5 - Pooled Funds (Includes AAA rated Money Market Funds)							
Invesco	AAA	Various	On demand	O/N	4.414%		0
BlackRock	AAA	Various	On demand	O/N	4.357%	390,000	390,000
Fidelity	AAA	Various	On demand	O/N	4.419%	1,121,618	1,121,618
Goldman Sachs	AAA	Various	On demand	O/N	4.458%	400,000	400,000
Aberdeen Standard	AAA	Various	On demand	O/N	4.593%	2,070,000	2,070,000
						3,981,618	3,981,618
Total						10,433,636	10,433,636

At the end of June funds invested were £10.43m. The breakdown is: 38% held in money markets funds, 38% in Treasury Bills, 19% in a bank deposit and 5% in call accounts. June is when cash available for investment is at its lowest, due to the timing of the Home Office Police Pension Grant which is paid largely in advance and drawn down as police pensions are paid throughout the year. As the funds held decline liquidity is monitored to ensure funds are available when needed.

The grant for 2023/24 of £16.08m was received on 3rd July 2023 and when the July grant was received investments reached their highest level of £34.13m.

Borrowing position for the quarter ended 30 June 2023

At 30th June 2023 there were no loans outstanding.

Treasury and Prudential Indicators 2023/24 at 30 June 2023

Treasury Management Indicators		Result	RAG	Prudential indicators		Result	RAG
The Authorised Limit <i>The authorised limit represents an upper limit of external borrowing that could be afforded in the short term but may not be sustainable. It is the expected maximum borrowing need with some headroom for unexpected movements. This is a statutory limit under section 3(1) of the Local Government Act 2003.</i>	TEST - Is current external borrowing within the approved limit	YES	●	Ratio of Financing Costs to Net Revenue Stream <i>This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of revenue budget required to meet financing costs.</i>	TEST - Is the ratio of capital expenditure funded by revenue within planned limits	YES	●
The Operational Boundary <i>The operational boundary represents and estimate of the most likely but not worst case scenario it is only a guide and may be breached temporarily due to variations in cash flow.</i>	TEST - Is current external borrowing within the approved limit	YES	●	Net Borrowing and the Capital Financing Requirement <i>This indicator is to ensure that net borrowing will only be for capital purposes. The Commissioner should ensure that the net external borrowing does not exceed the total CFR requirement from the preceding year plus any additional borrowing for the next 2 years.</i>	TEST - Is net debt less than the capital financing requirement	YES	●
Actual External Debt <i>It is unlikely that the Commissioner will actually exercise external borrowing until there is a change in the present structure of investment rates compared to the costs of borrowing.</i>	TEST - Is the external debt within the Authorised limit and operational boundary	YES	●	Capital Expenditure and Capital financing <i>The original and current forecasts of capital expenditure and the amount of capital expenditure to be funded by prudential borrowing for 2023/24.</i>	TEST - Is the current capital outturn within planned limits	YES	●
Gross and Net Debt <i>The purpose of this indicator is to highlight a situation where the Commissioner is planning to borrow in advance of need.</i>	TEST - Is the PCC planning to borrow in advance of need	NO	●	Capital Financing Requirement <i>The CFR is a measure of the extent to which the Commissioner needs to borrow to support capital expenditure only. It should be noted that at present all borrowing has been met internally.</i>	TEST - Is the capital financing requirement within planned limits	YES	●
Maturity Structure of Borrowing <i>The indicator is designed to exercise control over the Commissioner having large concentrations of fixed rate debt needing to be repaid at any one time.</i>	TEST - Does the PCC have large amounts of fixed rate debt requiring repayment at any one time	NO	●	This area is intentionally left blank for future indicators.			
Upper Limit for total principal sums invested for over 365 Days <i>The purpose of this indicator is to ensure that the Commissioner has protected himself against the risk of loss arising from the need to seek early redemption of principal sums invested.</i>	TEST - Is the value of long term investments within the approved limit	YES	●				

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Cumbria Fire and Rescue Service

Treasury Management Activities 2023/24 for the period 01 April 2023 to 30 June 2023

PFCC Executive Team 12 September 2023 and Joint Audit Committee 20 September 2023



Cash flow Balances

Quarter 1 average daily balance - £6.999m

Investment balance @ 30/06/23 £8.202m



Investment Interest Forecast

Revised Budget - £250k

Earned to 30/06/23 - £69k

Current Forecast for year - £470k



Borrowing Strategy

The budgets approved on the 16/02/23 for 2023/24 included a decision that borrowing of £3.115m will be undertaken to finance capital expenditure.

In quarter 1 no new borrowing has taken place and it is unlikely that any borrowing will be required in 2023/24.

Investment Strategy

Category	Category Limit (£m)	Investments at 30 Jun (£m)	Compliance with Limit
1 - Banks Unsecured	5	0.900	Yes
2 - Banks Secured	5	0.000	Yes
3 - Government (inc LA)	no limit	7.300	Yes
4 - Registered Providers	2	0.000	Yes
5 - Pooled Funds	5	0.000	Yes
Total		8.200	

There have been no breaches in the approved limits to report during the reporting period.

Performance Indicators

Quarter 1	Number of Days	Average Balance £000	Largest Balance £000
Days In Credit	91	424	7,336
Days Overdrawn	0	0	0

Average interest rate earned – 3.97%

Average bank base rate – 4.43%

(Bank base rate at quarter end – 5.00%)

Treasury and Prudential Indicators

During the period 01 April 2023 and 30 June 2023, the treasury function has operated within the treasury and prudential indicators set out in the Treasury Management Strategy Statement and in compliance with the Treasury Management Practices.

Compliance with the prudential and treasury indicators are shown on page 3.

Economic Outlook and Treasury position for the quarter ended 30 June 2023

GDP grew by 0.5% in June 2023 and by 0.2% in Quarter 2 (Apr to Jun). There were increases in all main sectors where services output grew by 0.1%, production by 0.7% and construction by 0.3%. Food and beverage services had a particularly strong month in June which may have been due to the good weather. There was strong growth in household consumption and government consumption, which was partially offset by a fall in international trade flows.

GDP growth is projected to weaken into 2024 as past increases in the Bank Rate weigh on demand to an increasing degree. Calendar year GDP growth is expected to be 0.5% in 2023 and 2024 and 0.25% in 2025.

CPI inflation fell from 7.9% in June to 6.8% in July. With core inflation standing at 6.9%, the concern is that we are already seeing wage inflation becoming embedded in the system. The MPC anticipates inflation falling below 5% by the end of 2023. This still leaves considerable work to be done to get inflation back down to the 2% target.

The MPC raised the Bank Rate for the 14th time in a row by 25 basis points to 5.25% on 3rd August, slowing the pace of change from June's 50bps hike. There was a three-way split in the voting which shows there are a range of views circulating at present. Link, the treasury advisers to the PFCC, currently forecast a further rate rise in September and the market is pricing the Bank Rate to peak at 5.75%.

Base Rate Estimates	2023/24	2024/25	2025/26
	%	%	%
Quarter 1	5.00	5.25	3.25
Quarter 2	5.50	4.75	2.75
Quarter 3	5.50	4.25	2.75
Quarter 4	5.50	3.75	2.50

Investments in place on 30 June 2023

Category/Institution	Credit Rating	Investment Date	Investment Matures	Days to Maturity	Rate (%)	Amount (£)	Counterparty Total (£)
Category 1 - Banks Unsecured (Includes Banks & Building Societies)							
NatWest (Liquidity Select Acc)	A+	30/06/2023	01/07/2023	O/N	1.55%	900,000	900,000
						900,000	900,000
Category 2 - Banks Secured (Includes Banks & Building Societies)							
None						0	0
Category 3 - Government (Includes HM Treasury and Other Local Authorities)							
Debt management Office	Gov	22/05/2023	24/07/2023	24	4.460%	600,000	600,000
Debt management Office	Gov	16/06/2023	18/08/2023	49	4.700%	1,700,000	1,700,000
Debt management Office	Gov	23/06/2023	31/08/2023	62	4.995%	1,200,000	1,200,000
Debt management Office	Gov	30/06/2023	06/07/2023	6	4.880%	3,800,000	3,800,000
						7,300,000	7,300,000
Category 4 - Registered Providers (Includes Providers of Social Housing)							
None						0	0
Category 5 - Pooled Funds (Includes AAA rated Money Market Funds)							
None						0	0
						0	0
Total						8,200,000	8,200,000

During July the Home Office Pension Top up grant was received (£5.599m) and the amount invested reached its peak of £16.352m.

Following disaggregation from the County Council some processes remained with the new Unitary authorities and as such the investment balances contain some funds that need to be transferred to reimburse them for these services, for example, invoice payments. This has had the effect of temporarily increasing the amount available to invest and increasing the interest income for 2023/24.

Borrowing position for the quarter ended 30 June 2023

At 30th June 2023 there is one loan that was brought across from Cumbria County Council with the Public Works Loan Board. The loan is on an interest only basis for £7.5m with an interest rate of 2.6%. This equates to twice yearly interest payments of £97.5k

Treasury and Prudential Indicators 2023/24 at 30 June 2023

Treasury Management Indicators		Result	RAG	Prudential indicators		Result	RAG
The Authorised Limit <i>The authorised limit represents an upper limit of external borrowing that could be afforded in the short term but may not be sustainable. It is the expected maximum borrowing need with some headroom for unexpected movements. This is a statutory limit under section3(1) of the Local Government Act 2003.</i>	TEST - Is current external borrowing within the approved limit	YES	●	Ratio of Financing Costs to Net Revenue Stream <i>This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of revenue budget required to meet financing costs.</i>	TEST - Is the ratio of capital expenditure funded by revenue within planned limits	YES	●
The Operational Boundary <i>The operational boundary represents and estimate of the most likely but not worst case scenario it is only a guide and may be breached temporarily due to variations in cash flow.</i>	TEST - Is current external borrowing within the approved limit	YES	●	Net Borrowing and the Capital Financing Requirement <i>This indicator is to ensure that net borrowing will only be for capital purposes. The Police, Fire Crime Commissioner should ensure that the net external borrowing does not exceed the total CFR requirement from the preceding year plus any additional borrowing for the next 2 years.</i>	TEST - Is net debt less than the capital financing requirement	YES	●
Actual External Debt <i>The Police, Fire Crime Commissioner will seek advice from the advisors before undertaking any new borrowing. New external borrowing will be required to finance the capital expenditure programme.</i>	TEST - Is the external debt within the Authorised limit and operational boundary	YES	●	Capital Expenditure and Capital financing <i>The original and current forecasts of capital expenditure and the amount of capital expenditure to be funded by prudential borrowing for 2023/24.</i>	TEST - Is the current capital outturn within planned limits	YES	●
Gross and Net Debt <i>The purpose of this indicator is to highlight a situation where the Police, Fire Crime Commissioner is planning to borrow in advance of need.</i>	TEST - Is the Chief Fire Officer planning to borrow in advance of need	NO	●	Capital Financing Requirement <i>The CFR is a measure of the extent to which the Police, Fire Crime Commissioner needs to borrow to support capital expenditure only. It should be noted that at present all borrowing has been met internally.</i>	TEST - Is the capital financing requirement within planned limits	YES	●
Maturity Structure of Borrowing <i>The indicator is designed to exercise control over the Police, Fire Crime Commissioner having large concentrations of fixed rate debt needing to be repaid at any one time.</i>	TEST - Does the PCC have large amounts of fixed rate debt requiring repayment at any one time	NO	●	[Redacted Content]			
Upper Limit for total principal sums invested for over 365 Days <i>The purpose of this indicator is to ensure that the Police, Fire Crime Commissioner has protected himself against the risk of loss arising from the need to seek early redemption of principal sums invested.</i>	TEST - Is the value of long term investments within the approved limit	YES	●				

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