

Enquiries to: Mrs I Redpath
Telephone: 0300 1240113
ext. 48432

Our reference: IR

Date: 11/11/2019

AGENDA

TO: THE MEMBERS OF THE JOINT AUDIT COMMITTEE

CUMBRIA POLICE & CRIME COMMISSIONER AND CUMBRIA CONSTABULARY JOINT AUDIT COMMITTEE

A Meeting of the Joint Audit Committee will take place on **Wednesday 20th November 2019** in **Conference Room Two**, Police Headquarters, Carleton Hall, Penrith, at **10:30am**.

Vivian Stafford, Gillian Shearer
Chief Executive

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

Please note – there will be a Development session on Strengths Based Conversations and on Treasury Management for members following this meeting.

COMMITTEE MEMBERSHIP

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

AGENDA

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

1. APOLOGIES FOR ABSENCE

2. URGENT BUSINESS AND EXCLUSION OF PRESS AND PUBLIC

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

- (i) Internal Audit Consultancy Work “Review of Seized Dogs” presentation.
- (ii) Internal Audit Consultancy Work “Review of Seized Dogs” action plan.

3. DISCLOSURE OF PERSONAL INTERESTS

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

4. MINUTES OF MEETING AND MATTERS ARISING

To receive and approve the minutes of the committee meeting held on 19th September 2019.

5. ACTION SHEET

To receive the action sheet from previous meetings.

- (i) Item 527 – Apprenticeship Governance *(To be presented by the Deputy Chief Constable)*

6. CORPORATE UPDATE

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

7. STRATEGIC RISK REGISTER

To consider the OPCC and Constabulary strategic risk register as part of the Risk Management Strategy.

- (i) OPCC Strategic Risk Register *(to be presented by the OPCC Chief Executive)*
- (ii) Constabulary Strategic Risk Register *(to be presented by the Joint Chief Finance Officer)*

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

To receive an updated summary of actions implemented in response to audit and inspection recommendations. *(To be presented by the Joint Chief Finance Officer)*

9. INTERNAL AUDIT – PROGRESS REPORT

To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan. *(To be presented by the Audit Manager)*

10. INTERNAL AUDIT REPORT(S)

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

(i) Police Governance Structure (Constabulary) - Nov 19

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

11. ANNUAL REVIEW OF GOVERNANCE

To review the OPCC and Constabulary arrangements for governance; cyclical review over a three years.

- a. Role of the Joint Chief Finance Officer *(To be presented by Deputy Chief Finance Officer)*
- b. Joint Procurement Regulations *(To be presented by the Head of Commercial Solutions)*
- c. Scheme of Delegation/Consent *(To be presented by the OPCC Chief Executive or Governance Manager)*
- d. OPCC Arrangements for Anti-fraud & Corruption/Whistleblowing *(To be presented by the OPCC Chief Executive or Governance Manager)*
- e. Constabulary Arrangements for Anti-fraud & Corruption/Whistleblowing *(To be presented by the Superintendent Lisa Hogan, People Dept or Detective Chief Inspector Dave Stalker)*
- f. OPCC Grant Regulations *(for discussion at the meeting)*

12. ANNUAL GOVERNANCE STATEMENT DEVELOPMENT AND IMPROVEMENT PLAN UPDATE

To receive an update on progress against the development and improvement plan within the annual governance statement. *(To be presented by the Joint Chief Finance Officer)*

13. COMMERCIAL SOLUTIONS ANNUAL REPORT

To receive an annual Commercial Solutions Report and Dashboard. *(To be presented by the Head of Commercial Solutions)*

14. TREASURY MANagements ACTIVITIES

To receive for information reports on Treasury Management Activity - Quarter 2.
(To be presented by the Deputy Chief Finance Officer)

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

Future JAC Meeting Dates (For Information)

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

28 May 2020 @ 10:30 am – Conference Room 2

29 July 2020 @ 10:30 am – Conference Room 2 – (pre-meet 9.15-10.15am)

24 September 2020 @ 10:30 am – Conference Room 2

Future Police & Crime Panel Meeting Dates (For Information)

28 January 2020 – West Lakes Science Park

7 April 2020 – Barrow

21 July 2020 – Carlisle

16 October 2020 – Kendal

28 January 2021 – Venue tbc

Cumbria Shared Internal Audit Service

Internal Audit Report for Cumbria Constabulary



Review of Seized Dogs – Action Plan

Draft Report Issued: **October 2019**

Final Report Issued: **November 2019**

Action Plan

No.	Recommendation	Agreed	Management Response	Officer Responsible	Timescale
R1	Monitor the nightly kennel rates charged on an ongoing basis.	Yes	<p>Proposed actions within this recommendation:</p> <p>R1a – All dog kennelling invoices to be progressed via the OS Chief Insp to ensure consistency in authorisation and costs.</p> <p>R1b – Kennel rates (overnight provision / assessment costs / production costs) should be monitored for consistency over time and across all available kennels.</p>	Chief Insp OS (approves the invoices and has access to the management information)	Ongoing – checked on a monthly basis.
R2	Produce an analysis which considers the benefits and risks of using 'Dog' bail. If introduced, a clear process needs to be in place to document the reasons for the decision of whether to allow a dog 'bail' or not.	Yes	<p>Initial concerns are held in relation to:</p> <ul style="list-style-type: none"> • lack of a legal framework to permit the use of such a restriction; • risk around a secondary offence whilst the animal is "on bail"; • lack of a sanction in the event of said conditions being breached etc. <p>It is however appropriate to consider the option from a low-level S2 minor or no injury type offence where the owner is compliant and voluntarily commits to such a process for example.</p>	CJU Chief Inspector	2 Months
R3	Identify the key stages in an investigation and agree estimated timescales for each stage. Use this to monitor progress and prompt action.	Yes	<p>R3a – Seized dog timings to be included within the investigation plan.</p> <p>R3b – Timings are to be incorporated into the spreadsheet as proposed at R4 which can in turn activate review requirements.</p> <p>R3c – Timings are to be shared frequently with finance lead to enable accurate forecasting of expenditures.</p>	OS (PSG Insp / Dog Sgt)	1 month for implementation then ongoing

No.	Recommendation	Agreed	Management Response	Officer Responsible	Timescale
R4	<p>Improve the arrangements with the areas for updating the Spreadsheet so that this is accurate and updated in a timely manner. Ensure that the Spreadsheet includes an assessment of progress to date.</p>	Yes	<p>R4a – governance of the locally held spreadsheet to be agreed (archiving tipping points; storage of closed cases; updating responsibilities) R4b – Governance to include an overarching owner of the spreadsheet to ensure timely, accurate and consistent compliance.</p>	OS Chief Inspector	1 month for implementation then ongoing
R5	<p>Introduce a high level monthly summary which is provided to management and shows:</p> <ul style="list-style-type: none"> • Number of dog kennelled at start and end on month and movement in and out • Reason for holding dogs • State of play with each dog including details where timescale excessive • Any action required 	Yes		Dog Sergeant / PSG Inspector	Post the implementation of R4 (6 weeks)
R6	<p>Agree kennel invoices to the Spreadsheet to confirm completeness and accuracy prior to authorising for payment.</p>	Yes		OS Chief Inspector	Post the implementation of R4 (6 weeks)

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Agenda Item 4

CUMBRIA POLICE & CRIME COMMISSIONER AND CUMBRIA CONSTABULARY

JOINT AUDIT COMMITTEE

Minutes of a meeting of the Joint Audit Committee held on Thursday 19 September 2019 in Conference Room 2, Police Headquarters, Carleton Hall, Penrith, at 10.30am.

PRESENT

Mrs Fiona Daley (Chair)

Ms Fiona Moore

Mr Jack Jones

Also present:

Chief Executive, Office of the Police and Crime Commissioner (Gill Shearer)

Deputy Chief Constable (Mark Webster)

Joint Chief Finance Officer (Roger Marshall)

Deputy Chief Finance Officer (Michelle Bellis)

Head of Internal Audit, Cumbria Shared Internal Audit Service, Cumbria County Council (Richard McGahon)

Audit Manager, Cumbria Shared Internal Audit Service, Cumbria County Council (Emma Toyne)

Engagement Lead, Grant Thornton LLP (Robin Baker)

Apprenticeship Manager (Elaine Flowers)

Financial Services Apprentice (Inge Redpath)

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

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

517. APOLOGIES FOR ABSENCE

Apologies for absence were received from

Vivian Stafford (Deputy Chief Executive/Head of Partnerships and Commissioning, Office of the Police and Crime Commissioner)

Malcolm Iredale (Committee Member)

Hannah Foster (Executive, Grant Thornton)

The chair called the meeting to order.

518. 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.

519. DISCLOSURE OF PERSONAL INTERESTS

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

There were no other declarations of interest.

520. MINUTES OF MEETING AND MATTERS ARISING

RESLOVED, that the minutes be recorded as a true record of the meeting held on 25 July 2019.

521. ACTION SHEET

Item 473-475(ii) & Item 510 - Internal Audit Consultancy Works - Following discussion it was decided that both these items should remain on the action plan, as they were similar in subject but not looking for the same outcomes.

ACTION: To leave both items on the action plan to await update at next meeting.

Item JAC2 - Support and challenge any new governance arrangements.

A member sought confirmation as to whether the committee could usefully consider the governance arrangements around the Local Focus Hubs to fulfill this action, and what if any help the committee could bring around some of the collaborative issues like MOU's.

The DCC explained the complexities around trying to find a one-size fits all approach to the Local Focus Hubs as each district treats their objectives in different ways and some prioritise the hubs more than others, whereas the police treat each area of the county the same.

Head of Internal audit explained that work might be done around joint audit work covering the partner agencies as well as the police.

ACTION: For Officers and Internal audit to consider if there is any work, the JAC can do to contribute to the review of governance in these critical areas.

Item JAC3 – Improve awareness regarding the workings of the Police & Crime Panel – a member asked if future minutes and agendas could show upcoming dates for the Police & Crime Panel meetings.

ACTION: To add the dates of the Police & Crime Panel to the future minutes and agendas

RESLOVED, all other items were resolved.

522. CORPORATE UPDATE

The DCC gave an update to the committee on the following:

Operation Uplift; this follows an announcement from the government to increase officer numbers in England and Wales by 20,000. If this increase in officers is allocated based on the current grant distribution, this would mean an extra 140 officers for Cumbria. The DCC explained that the Force are acting quickly and proactively and how the implementation risks are being managed, these include any delays in recruiting which might mean the potential pool of recruits could be picked up by other forces. A discussion also needs to be had around how these new officers are to be deployed and into what areas of policing, not just simply adding these officers to the current shifts, but looking overall at the current deployment model.

National programme on officer safety and the use of Taser; officers are looking into what situations officers feel vulnerable in and where more officer support is needed regarding how many officers should be equipped with Taser.

BREXIT; At present there is a leave embargo around the current BREXIT date 31st October 2019 to ensure there are enough staff to meet any unforeseen needs and offer assistance to other forces.

Finally, the DCC informed the committee of the sad news of the death of a serving officer last week whilst off duty.

A member asked what health and safety processes and procedures are in place around the use of Tasers?

The DCC explained that all firearms (Taser included) and the associated threat and risk are covered by the Strategic Threat and Risk Assessment (STRA) for all forces and the Chief Constable is ultimately liable under health and safety for all officers and staff.

The chair on behalf of the committee passed condolences to the DCC regarding the death of the off duty officer.

The JCFO gave a brief overview regarding the funding of Operation Uplift and from the chancellors spending round an additional £750 million has been provided in 2020/21 for England and Wales and £45m will be made available in 2019/20. However, Cumbria's actual share has not been decided and may not be decided until the grant settlement in December 2019.

The CE agreed with both the DCC and the JCFO regarding challenges around Operation Uplift and then updated the committee on the following:

CCTV; The PCC has agreed phase 2 of the implementation of CCTV in several districts within Cumbria; the PCC will give the districts grants toward the installation.

The PCC election; the elections are due on the 7th May 2020 and as next year the May bank holiday has been moved from Monday 4th May to Friday 8th May to coincide with the VE Day celebration the counting officers are putting in place measures to safeguard the ballot boxes as counting will not be undertaken fully until Monday 11th May 2020.

523. INTERNAL AUDIT PROGRESS REPORT

The Internal Audit Manager Emma Toyne presented the progress report to 9 September 2019 and explained that progress was well under way to completing the 2019/20 plan and the draft report on governance structure has been issued and is awaiting management actions and chief officer sign off. In the 2019/20 plan, there are currently six risk audits underway along with two pieces of consultancy work. At this point Internal Audit anticipate enough coverage to form the annual audit opinion.

RESLOVED, that the report be noted.

524. INTERNAL AUDIT REPORT

Internal Audit Manager Emma Toyne presented the following report to the meeting:

- (i) Local Focus Hubs (Constabulary) – Sep 19

This report was brought to committee due to the timing of the meeting and the date of issue the report.

A member commented on the good recommendations made in the report and the overall depth of the report.

A member then queried the lack of shared facilities in some of the hubs as detailed on page 8 as this could cause issues.

The DCC explained that each district treat these hubs differently and the police are trying to offer solutions where needed and it may be a case that as long as the relationship is good the co-location may not be such a barrier.

A member then sought clarification that the away day detailed on page 9 for June 2019 had been undertaken. The DCC confirmed that it had not been undertaken as yet.

A member asked what high-level support was in place to ensure that MOU's and Information sharing agreements are in place in all hubs.

The DCC explained that it is not easy as there is no one organisation is sitting at the top, but all the police can do is to offer solutions and show what has worked in other areas and hope these working practices will be adopted.

The chair commented on the matureness of the audit and the good responses from management, however it has highlighted an issue with compliance on GDPR, shown on the report as advisory.

ACTION: To update the committee regarding the compliance on GDPR within the Local Force Hubs to ensure this is being progressed in a timely manner.

RESLOVED, that the report be noted.

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

The JCFO presented the report and action plan and briefly explained that the action plan only has five recommendations:

- (i) Debtors which is now complete
- (ii) Duty Management which will remain on the plan until the completion of the Business Transformation project, which encompasses Duty Management
- (iii) The final three which have just been added regarding the recent audit on force tasking and co-ordination and Local Focus Hubs

RESLOVED, that the reports be noted.

526. ANNUAL AUDIT LETTER

Engagement Lead Robin Baker presented the following reports to the meeting:

- (i) The Annual Audit Letter

External Audit are required to produce an annual high-level summary of audit and the annual letter is this public facing report. The committee have already seen the more in-depth report at previous meetings. The Annual Audit Letter was agreed with officers in August 2019. The key points are that External Audit issued an unqualified audit opinion and an unqualified value for money conclusion on 31 July 2019 as set out in the report. Robin explained that they fully appreciate the financial situation around the funding for Operation Uplift and appreciate that the MTFF is updated regularly to take situation like this into account.

The committee are ask to note that the audit for 2018/19 is now complete and closed.

Robin then explained about the additional fees brought this year regarding the increased work done following the pension rulings (McCloud ruling) and the extra work on property, plant and equipment following a report from the Financial Reporting Council. The fees are the same for all the fire and district councils and these fees will have to be agreed by Public Sector Audit Appointments (PSAA) before being invoiced to the OPCC.

- (ii) Audit Progress Report and Sector Update

This report shows the 2018/19 audit as complete and the 2019/20 is in hand in terms of planning. Since this report was sent to committee, the National Audit Office has published its draft code of audit practice and this is out for consultation now, this code is due for renewal as of 1 April 2020. The code suggest some changes one being the value for money responses, the changes are around more narrative judgement re the performance of audit bodies rather than any conclusion yes/no response. The other change is to move the value for money conclusion from July to September, which would spread some of the workloads better.

The chair queried item 4 on page 7, regarding the need for Chiefs to identify and address unnecessary internally generated demand with the force.

The DCC explained that they have been looking at the current process and a system called DRR Demand Risk Resource that is a priority based budgeting exercise. Work has already been undertaken looking at the work done by front line sergeants, looking at the tasks they are asked to do and are these actually to the detriment of providing direct support to staff. This has resulted in some tasks being reduced or cutting out some steps to streamline the processes.

The chair on behalf of the committee thanked Robin for the very helpful reports.

RESLOVED, that the reports be noted.

527. APPRENTICESHIP GOVERNANCE

The Apprenticeship Manager Elaine Flowers presented the report to the committee and explained that a decision was made on 16 July 2019 not to run the apprenticeship programme for PCSO's in March 2020. This has resulted in the Constabulary moving from being an Employer Provider to being a Supporting Provider. This change has large ramifications around governance, as being a Supporting Provider there is no requirement to have specific governance arrangements.

The report sets out two options around governance moving forward and the committee are asked to consider which option they feel they want to go for.

The chair proposed that the decision regarding the governance option did not sit with the committee but with the Constabulary. The DCC agreed and members expressed different views on the options they preferred.

The committee are grateful for the information and note the changes set out in the report but seek further clarification from the Constabulary as to the level and direction they want the committee to take.

ACTION: For the Constabulary to recommend how they wish the committee to proceed regarding the apprenticeship governance given it is no longer a statutory requirement for specific governance arrangements.

RESLOVED, that the report be noted.

528. TREASURY MANAGEMENT ACTIVITIES

The DCFO presented the report for quarter 1 to 30 June 2019. As at 30 June 2019, the investment balance was £8.7 million and as of yesterday, it was £27 million following the receipt of the annual pension top up grant. During this period, the bank has remained in credit every day and the highest un-invested balance was on 30 April of £29,000 following seized cash being backed late in the day.

RESLOVED, that the report be noted.

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

There were no points for consideration by the Commissioner and the Chief Constable following this meeting.

Meeting ended at 11.55am

Future JAC Meeting Dates (For Information)

- 20 November 2019 @ 10:30 am – Conference Room 2
- 18 March 2020 @ 10:30 am – Conference Room 2
- 28 May 2020 @ 10:30 am – Conference Room 2
- 29 July 2020 @ 10:30 am – Conference Room 2 – (pre-meet 9.15-10.15am)
- 24 September 2020 @ 10:30 am – Conference Room 2

Future Police & Crime Panel Meeting Dates (For Information)

- 14 October 2019 – Penrith
- 28 January 2020 – West Lakes Science Park
- 7 April 2020 – Barrow
- 21 July 2020 – Carlisle
- 16 October 2020 – Kendal
- 28 January 2021 – Venue tbc

Signed: _____ **Date:** _____

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Joint Audit Committee – Action Update and Plan

Minute Item	Action to be taken	Person Responsible	Target Date	Comments	Status
DATE OF MEETING: 19 September 2019					
473-475(ii)	Internal Audit	Internal Audit	Possibly Nov 19	<p>To monitor value and assurance obtained from the work described as “Consultancy” in the internal audit plan and this should be brought to the committee after one or two of the consultancy pieces of work have been undertaken.</p> <p>The review of Seized Dogs has been completed and is on the agenda for the 20 November 2019 JAC meeting but the work on Vehicle Utilisation is still ongoing. Given the different scale of what we are looking at in these two reviews it would make sense for the assessment of the value and assurance obtained from the ‘Consultancy / Advisory’ work to be undertaken once the Vehicle Utilisation review is completed.</p> <p>JAC to consider, with management, the value and assurance gained from Consultancy work.</p>	Ongoing
510	Internal Audit – Progress Report	Internal Audit	Nov 19	To bring the findings of the consultancy pieces of work for further discussion. The review of Seized Dogs has been completed and is on the agenda for the 20 November 2019 JAC meeting. The work on Vehicle Utilisation is progressing.	Ongoing
521	JAC2 - Support and challenge any new governance arrangements	The DCC & Internal Audit	Mar 20	For Officers and Internal audit to consider how the committee can contribute to the review of governance in the collaborative work around the Local Focus Hubs.	Ongoing
521	JAC3 - Improve awareness of the work of the Police & Crime Panel	Finance Apprentice	Nov 19	To add the dates of the Police & Crime Panel to the future minutes and agendas.	Completed

524	Internal Audit Report - Local Focus Hubs (Constabulary) – Sep 19	DCC	Nov 19	To update committee regarding the compliance on GDPR within the Local Force Hubs to ensure this is being progressed in a timely manner.	Ongoing
527	Apprenticeship governance	DCC	Nov 19	For the Constabulary to recommend how they wish the committee to proceed regarding the apprenticeship governance given as a supporting provider it is no longer a statutory requirement for governance arrangements. – Report to be presented to Committee by the Deputy Chief Constable	Ongoing

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

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

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Joint Audit Committee



TITLE OF REPORT: Apprenticeships Governance (Action 527)

DATE OF MEETING: 20th November 2019

ORIGINATING OFFICER: Elaine Flowers Apprenticeship Manager and Coordinator

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

Executive Summary:

- The Joint Audit Committee had previously agreed to undertake an advisory role in regards to governance for the Constabulary's apprenticeship provision it would directly deliver as an Employer Provider. As an Employer Provider the EFSA and the quality assurance agency Ofsted has detailed requirements on governance arrangements for organisations who deliver apprenticeship training.
- The decision not to be an Employer Provider at this time but a Supporting Provider means that the levels and expectations for apprenticeship governance has changed which in turn impacts on the role of the JAC Committee.
- The JAC Committee asked that the Constabulary give full consideration of the options in regards to apprenticeships / governance going forward and give its position on the role of JAC to the November meeting.

Position:

- The position of the Constabulary is to remove the role of the JAC Committee from the PEQF Implementation and Apprenticeship Management Governance structure (Appendix 1). Since there is no current scrutiny role required.
- The Constabulary expects apprenticeship and PEQF provision to be treated the same as other forms of Constabulary business and as such, any future scrutiny of this area by the JAC committee will be through the annual audit plan.

MAIN SECTION

1. Introduction and Background

- 1.1 The Joint Audit Committee had previously agreed to undertake an advisory role in regards to governance for the Constabulary's apprenticeship provision it would directly deliver as an Employer Provider. As an Employer Provider, the EFSA and the quality assurance agency Ofsted have detailed requirements on governance arrangements for organisations who deliver apprenticeship training.
- 1.2 The recent decision not to run the PCSO training as an apprenticeship programme has meant the Constabulary is not required to be on the RoATP as an Employer Provider but, instead, as a Supporting Provider. We have now applied for this and await the outcome, which is expected in early 2020.
- 1.3 The decision not to be an Employer Provider at this time but a Supporting Provider means that the levels and expectations for apprenticeship governance has changed. As a Supporting Provider of apprenticeship

provision, there is no requirement for external scrutiny of apprenticeship provision as determined by Ofsted and the ESFA (Education Skills Funding Agency). Therefore the role of the JAC Committee to provide 'governance' for the Constabulary's apprenticeship provision is no longer required.

- 1.4 At the last meeting of the JAC Committee, the Constabulary was asked to give full consideration of the options in regards to apprenticeships / governance going forward and give its position on the role of JAC to the November meeting.
- 1.5 The responsibility for any apprenticeship training within the Constabulary will now be with the Main Training Provider. For the PCDA PC Initial Entry Programme this will be the University of Central Lancashire (UCLan) who will have the ESFA, QAA and Ofsted responsibility and the Constabulary will have to comply with their requirements.

2. Issues for Consideration

2.1 Drivers for Change

- 2.1.1 At the time, the original decision of the Constabulary to offer the PCSO training as an apprenticeship programme delivered by the Constabulary meant that the Constabulary had to register on the ESFA (Education Skills Funding Agency) Register of Apprenticeship training Providers (RoATP) as an Employer Provider. This decision resulted in the Constabulary being open to the Education and Skills Ofsted Inspection Framework, which has an expectation of governance and external scrutiny for any apprenticeship training. The JAC Committee agreed to undertake this role of providing external scrutiny.
- 2.1.2 The decision made in July 2019 not to deliver PCSO Training as an apprenticeship training programme removed the need to be an Employer Provider at this time and thus the responsibility to have in place a governance structure to meet Ofsted requirements.
- 2.1.3 It is therefore the position of the Constabulary to remove the role of the JAC Committee from the PEQF Implementation and Apprenticeship Management Governance structure (Appendix 1) recognising previous decisions as no scrutiny role is now required.
- 2.1.4 The Constabulary expects apprenticeship and PEQF provision to be treated the same as other forms of Constabulary business and as such, any future scrutiny of this area by the JAC committee will be through the annual audit plan.
- 2.1.5 Should the decision change, the situation will be reconsidered taking into account the internal and external environment.

2.2 Impact assessments and implications on services delivered

- The Equality Analysis for apprenticeships has been approved by the PEQF Implementation and Apprenticeship Management Group on 16th July 2019.

2.4 Timescales for decision required

N/A

2.5 Internal or external communications required

- Changes to the Apprenticeship Governance Structure will be reported at the Apprenticeship Management Group (Appendix 1 PEQF Implementation and Apprenticeship Management Governance Structure).

3. Financial Implications and Comments

3.1 N/A

4. Legal Implications and Comments

- 4.1 The PEQF implementation and apprenticeship governance structure supports compliance with the Supporting Provider application the Constabulary made to the ESFA in October 2019 with new contracts with the ESFA.

5. Risk Implications

5.1 Risks and Mitigation

Risk	Mitigation
Reduces the failure to meet the ESFA and Ofsted requirements in becoming an Apprenticeship Supporting Training Provider for the PCDA route.	The Main Training provider (University of Central Lancashire) for the PCDA Apprenticeship programme for PC initial entry into Policing has responsibility to meet Ofsted, QAA and ESFA requirements.

6. HR / Equality Implications and Comments

- 6.1 N/A

7. ICT Implications and Comments

- 7.1 N/A

8. Procurement Implications and Comments

- 8.1 N/A

9. Supplementary Information

- 9.1 List any relevant documents – current inspection documents

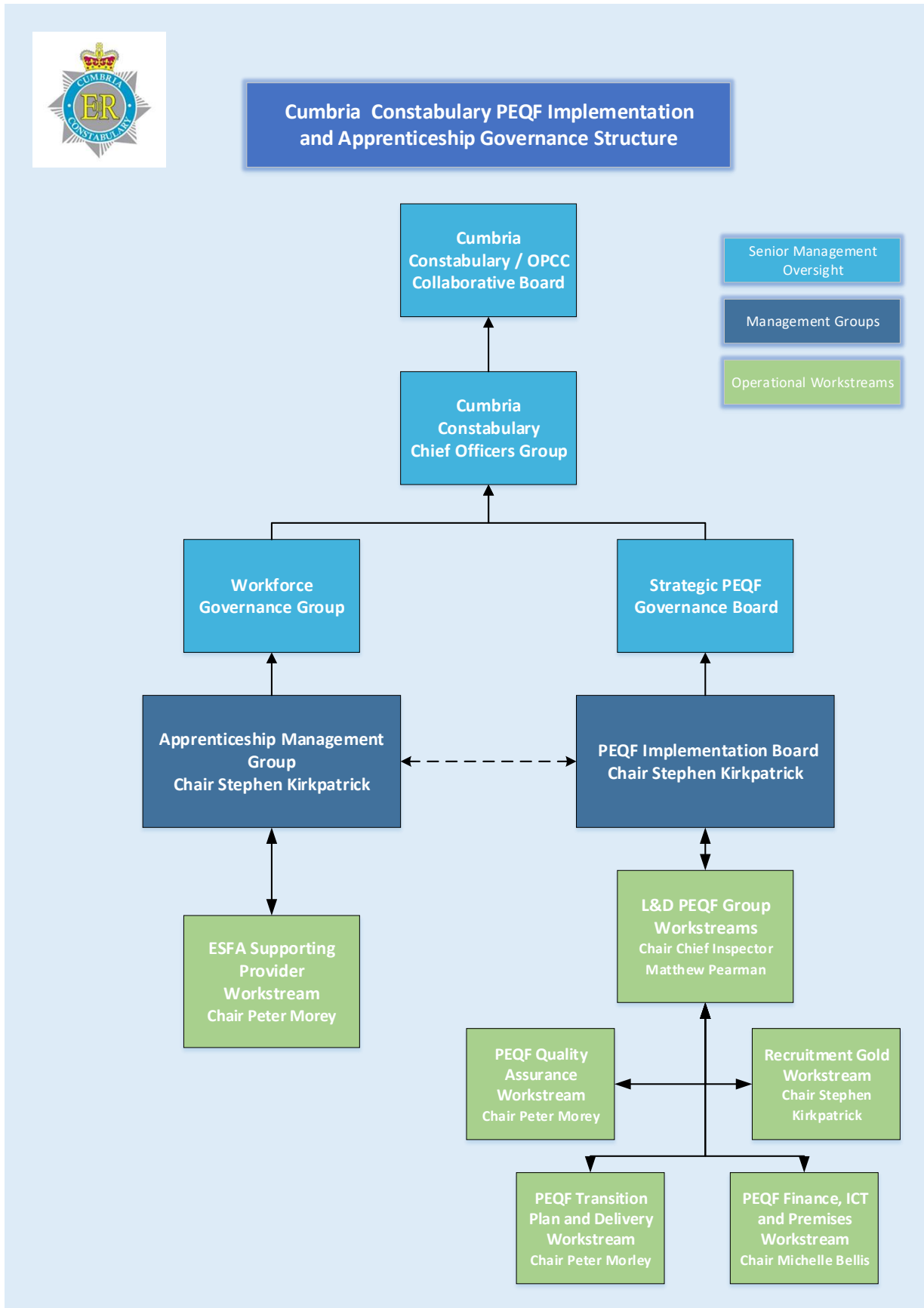
Appendix 1 PEQF Implementation and Apprenticeship Management Governance Structure

- 9.2 List persons consulted during the preparation of report

Deputy Chief Constable Mr. Mark Webster

Director of Corporate Support (Chair of the PEQF Implementation and Apprenticeship Management Group)
(Stephen Kirkpatrick)

Appendix 1 PEQF Implementation and Apprenticeship Management Governance Structure



OFFICE OF THE POLICE & 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	Low	Not expected to happen, but is possible
2	Medium	May happen occasionally
3	High	Will probably happen, but not a persistent issue
4	Very High	Will undoubtedly happen, possibly frequently

Risk No.	Risk Title	Total Score	Risk Owner		Any outstanding actions YES/NO	Actions to be completed	Reviews
			Risk Owner	Action Owner			
R1	Strategic Finance	16	Chief Executive	Joint Chief Finance Officer	No	Continued review of the MTFF as part of the budgeting process. Further development and refinement of savings options in conjunction with the Constabulary.	February 2020
R2	The Emergency Services Mobile Communications Programme (ESMCP)	9	Chief Executive	Chief Executive / Constabulary Lead Officer	No	Continue to monitor the national position and take appropriate actions to prepare for implementation.	October 2019
R4 (10)	Information Management (GDPR Compliance)	8	Head of Comms & Business Services	Governance Manager	Yes	The Constabulary project continues and is becoming more 'day business'. Further work is being carried out by the Constabulary on this area of business to identify ongoing work and resources required.	February 2020
R5	Procurement	9	Head of Partnerships & Commissioning	Partnerships & Strategy Manager	Yes	Further development and implementation of a detailed procurement action plan. Regular engagement with and updates from Head of Commercial. Internal Audit review during the 2019/20 financial year.	February 2020

Scores:

8 – 16	Review within 3 months
4 - 6	Review within 6 months
3 or less	Review within 12 months

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 Your Priorities for Cumbria / 2 A Visible and Effective Police Presence / 3 Tackle Crime and Anti-Social Behaviour/ 4 Ensure Offenders Face a Consequence for their Crime / 5 Always Put Victims First / 6 Focus on Police on Online and Sexual Crime / 7 Spend Your Money Wisely / 8 Supporting Young People
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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	Low	Not expected to happen, but is possible
2	Medium	May happen occasionally
3	High	Will probably happen, but not a persistent issue
4	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)	Actions				Review Date
		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		Current Controls in Place to Mitigate the Risk	Assurances	Future or further actions to be taken	Action Owner(s)	
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 has increased recently due to proposed increases in police pension contributions, introduction of PEQF, over-running national projects which may ultimately impact on force budgets, the relaxation of the public sector pay cap, Brexit and a potential review of the Police Funding Formula. The implementation of Operation Uplift has further increased this risk, as additional expenditure commitments are required in advance of guaranteed funding.	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	4	4	16	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. The 2019/20 grant settlement was more favourable than expected providing short term funding for pensions and increased flexibility to raise council tax, which was utilised in producing the 2019/20 budget. However, this does not alleviate the longer term concerns regarding the sustainability of a funding model which relies on local taxpayers to fund all cost increases. Hence the risk score has been maintained Scenario planning to identify potential longer-term savings and service	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.	Chief Finance Officer	May 2020

									re-engineering is on-going in both the OPCC and Constabulary. The Commissioner has joined the National Rural Crime Network to support rural policing issues. In the December 2017 grant settlement the Government announced that the review of the funding formula would be deferred to the next spending review to at least 2021/22.				
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Risk No: R2	Risk Title: Emergency Services Mobile Communications Programme	The Emergency Services Network is a major national project to replace the current Airwave radio communications system across all emergency services with Mobile Phone technology. There are national and local risks in relation to uncertainty over the cost and timing of implementation of the new system. Cumbria also specific risks in relation to the coverage due to the topography of the county. Police & Crime Objectives: 1 – Your Priorities in Cumbria / 2 -A visible and Effective Police Presence
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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	Low	Not expected to happen, but is possible
2	Medium	May happen occasionally
3	High	Will probably happen, but not a persistent issue
4	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)	Actions				
		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		Current Controls in Place to Mitigate the Risk	Assurances	Future or further actions to be taken	Action Owner(s)	Review Date
The Emergency Services Mobile Communications Programme (ESMCP) is a collaboration between the police, fire and ambulance Emergency Services (3ES) in England, Scotland and Wales to replace the existing mobile radio system known as Airwave. ESCMP will deliver the Emergency Services Network (ESN) which will provide integrated critical voice and broadband data over an enhanced 4G commercial network. This is a significant project. At the present time there are concerns around cost, coverage and timescales for delivery, which has been subject to a series of delays.	This risk may result in significant additional costs and coverage issues may impact upon the Commissioner's ability to ensure Cumbria has an efficient and effective policing service, which could lead to reputational risk.	4	3	12	3	3	9	Chief Executive (Reduce)	The Commissioner is working regionally with other North West Commissioners and nationally through the APCC to highlight concerns. The Chief Constable is a member of the national reference group and Cumbria has seconded a staff member to the regional implementation team. Appropriate staffing resources have been identified within the ICT team to deliver the project and prudent estimates of costs have been included in the capital programme and medium term financial forecast.	Work being undertaken regionally and nationally provides some assurance. The critical nature of this national project and delays in national implementation mean it will be a significant risk for a protracted time period.	Continue to monitor the national position and take appropriate actions to prepare for implementation. Update Sept 2019 No further clarity on final costs. Firmer indications are that the project will go ahead, is picking up pace and will progress.	Chief Executive	February 2020

Risk Number: R4 (Op 10)	Risk Title: Information Management	The OPCC has a duty to process information in a fair and transparent manner in line with current legislation. Police & Crime Objectives: 1 Your Priorities in Cumbria
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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
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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)	Actions				Review Date
		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		Current Controls in Place to Mitigate the Risk	Assurances	Future or further actions to be taken	Action Owner(s)	
The General Data Protection Regulations came into force on 25 May 2019. The OPCC has a responsibility to ensure it processes information in line with legislation.	Should the OPCC fail to comply with the new legislation or have a data breach could result in substantive financial penalties up to 2m Euros. Any significant loss of data could lead to reputational damage.	4	3	12	4	2	8	Head of Communications and Business Services	OPCC Lead officer identified and implemented required changes, where not interdependent upon the Constabulary. National guidance and information provided by APCC and APACE. Joint working with the Constabulary's Data Protection Officer remains ongoing. Monthly progress updates to the Joint Collaborative Board on the implementation and progress of Constabulary project against the action plan and further work to be carried out Updating OPCC policies and strategies, developing new where appropriate. Six monthly Data Protection meetings between OPCC CEO & Joint DPO Progression and completion of work such as policies, information sharing agreements and training packages by the Constabulary is continually reducing the risk to both organisations.	Regular meetings with OPCC Lead Officer and Project Team to monitor project progression. Reports to Executive Team to enable oversight, Internal Audit review of GDPR preparations gave an assurance of reasonable	The Constabulary project continues and is becoming more 'day business'. Further work is being carried out by the Constabulary on this area of business to identify ongoing work and resources required.	Governance Manager	February 2020

<p>Failure to process, store or handle data correctly could lead to a data breach and information being lost or stolen.</p>	<p>This could result in sensitive information being seen by unauthorised people, resulting in financial penalties and reputational damage to the organisation.</p>	4	3	12	3	2	6	<p>Head of Communications and Business Services</p>	<p>OPCC Staff, volunteers and panel members are aware of information security requirements. Regular briefings by OPCC Lead at team meetings and training sessions on developments and updates throughout the year. Existing policies and procedures still provide advice and support in relation to Data Protection and are being updated on a rolling programme.</p>	<p>Staff, volunteer and members awareness training. Reminders regarding information security</p>	<p>The Constabulary data breach policy has been updated and finalised.</p>	<p>Governance Manager</p>	<p>February 2020</p>
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Risk Number: R5	Risk Title: Procurement	The Commissioner shares a procurement team with Cumbria Constabulary. Recent difficulties in recruiting the Head of Procurement and other senior posts within the function have compromised the ability to provide an effective procurement service. Police & Crime Plan Objectives - 1 Your Priorities for Cumbria / 3 Tackle Crime & Anti-Social Behaviour / 4 Ensure Offenders Face a Consequence for their Crime / 5 Always Put Victims First / 6 Focus our Police on Online and Sexual Crime / 7 Spend Your Money Wisely / 8 Supporting Young People
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Risk Mitigation Strategies:	
Avoid	Stop the risk completely or stop it having an impact.
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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)	Review Date
		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score						
Difficulties in recruiting a Head of Procurement and lack of capacity and skills within the function. Lack of capacity and skills within the Commercial Team to support OPCC commissioning (including staff absences)	The procurement function operating sub-optimally, impacting on compliance with the Joint Procurement Regulations, ineffective commissioning processes.	4	3	12	3	3	9	Head of Partnerships and Commissioning	The Head of Procurement has developed a strategy and action plan to address weaknesses, strengthen the team and improve procurement processes. The new Joint Procurement Regulations have been agreed and are now in place. The action plan is regularly reviewed.	Oversight of procurement is provided by Collaborative Board. Additional assurances are provided by scrutiny of procurement by internal audit and JAC.	Further development and implementation of the strategy and detailed procurement action plan. Updates received by Head of Partnerships & Commissioning from Head of Commercial. Regular engagement with Head of Commercial regarding OPCC requirements and timelines to ensure appropriate planning and timetabling by Commercial and OPCC. This will be supported by an Internal Audit Review during the 2019/20 financial year.	Partnerships & Strategy Manager	Feb 2020

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Joint Audit Committee

TITLE OF REPORT: Constabulary Risk Management Update

DATE OF MEETING: 20th November 2019

ORIGINATING OFFICER: Strategic Development, Corporate Improvement

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.

Corporate Improvement has carried out a quality assurance check of all the departmental and operational risk registers, together with those from the new Boards, to ensure that risk is effectively managed across the organisation. The Strategic Risk Register was reviewed by Extended COG on 8th October 2019.

Recommendations:

That the Joint Audit Committee:

Note the Constabulary's current strategic risks, and that a review of all risk registers was completed in accordance with the Risk Management Policy in September 2019.

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. Therefore strategic risks are managed by the Chief Officer Group, significant operational risks are managed by Crime and Territorial Policing SMT and significant strategic business risks are managed in the relevant directorate 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 ten strategic risks.

The Constabulary's mission is to 'Keep Cumbria Safe'. The Constabulary's core policing objectives are:

1. Responding to the public
2. Prevention and deterrence
3. Investigation
4. Protecting vulnerable people
5. Monitoring dangerous and repeat offenders
6. Disrupting organised crime
7. Responding to major incidents

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. Healthcare services for those in Custody
3. Significant additional and unbudgeted capital and revenue expenditure may be incurred due to delays in ESMCP transition.
4. Brexit
5. Uncertainty over cost and coverage of the Emergency Service Mobile Communications Programme.
6. Failure to keep up with technological advances to fight digital crime.
7. Reduced public confidence due to delays in answering non-emergency and 999 calls.
8. GDPR
9. Failure to deliver Cumbria Vison 25 and its associated efficiency plan.
10. Lack of professional procurement capability.

The table on page three outlines the Constabulary's ten 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' core policing objectives the risks link to.

Strategic Risk Register

Risk Ref No	Responsible Officer(s)	Risk Description	Impact	Likelihood	Score before mitigation	Latest Score	Link to Strategic Objectives	Summary of mitigating actions already taken
28	Chief Financial Officer / Director of Corporate Support	As a result of a combination of the inflationary pressures on police budgets particularly pay, the lack of provision for inflation in Government grant allocations, 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 dampening funding) there may be a detrimental and significant impact on the available budget and a requirement for substantially increased savings. This would result in a compromise to public safety, significant loss of public confidence and serious damage to the Constabulary's reputation.	Very High	High	25	20	All	<p>A review of the current savings and v25 work plan is being undertaken by the DCC's Senior Leadership Team, with a view to identifying options and priorities.</p> <p>The autumn statement indicated that the funding settlement for 2020/21 would again be a one year settlement with a CSR in the following year.</p>
38	Head of Procurement	There is a risk of adequate and timely medical provision not being provided to detainees and other members of the public whilst attending a custody unit in Cumbria. Caused by changes to the existing contract model and provisions, together with staffing levels of the medical provisions contractor. This could result in the delay in assessment and provision of medical care, fitness for interview and	Very High	High	25	20	4	<p>Greater governance and strategic overview of the contract and performance meetings from both business users and Procurement department.</p> <p>Monthly Contract meetings established to ensure robust challenges to contractual performance issues.</p> <p>Mitigating actions from Custody staff to use alternative measure in medical provisions.</p>

Risk Ref No	Responsible Officer(s)	Risk Description	Impact	Likelihood	Score before mitigation	Latest Score	Link to Strategic Objectives	Summary of mitigating actions already taken
		other diversion measures provided by Health Care Professionals in a custody environment.						<p>The Commercial Solutions Department are actively involved in working with the Criminal Justice Unit and the contractor to manage the service provision.</p> <p>Improved business model is being developed with additional resource at Kendal Custody Suite, this will be built into the extension proposal. Improved contract management is in place. Contingency planning now includes medical staff from outside the Cumbria area.</p>
32	Director of Corporate Support	The Constabulary may incur significant additional and unbudgeted capital and revenue expenditure caused by a delay in ESMCP transition and consequential extension of reliance on Airwave resulting in the Constabulary having to extend the life of its airwave infrastructure, and potentially having to pay for both systems for a time.	High	High	20	16	All	<p>The Constabulary are joining with the region to develop a cost model to capture the financial impacts of Airwave extension, and seek Home Office central support.</p> <p>A national review of the programme is currently underway and we are still awaiting the results. The Constabulary has made the decision to extend the life of the current Airwave radio handsets, which is actively being managed.</p>
41	Supt Operational Support	Brexit has the potential to impact on the constabulary's ability to provide core functions. This could be caused by our staff being redeployed to other areas within The UK under NPoCC requirements or due to wider implications which are currently unintended following the UK's departure from the European Union.	Very High	Medium	20	15	All	<p>In anticipation of the initial departure from the EU the UK Government have produced a set of planning assumptions based on a Reasonable Worst Case Scenario 'No Deal' Brexit. Work in Cumbria was coordinated under the LRF mechanisms.</p> <p>A planning debrief from the Brexit activity in Cumbria until March 2019 has taken place to ensure preparedness for the next iteration. There is no known specific risk for Cumbria which is unique,</p>

Risk Ref No	Responsible Officer(s)	Risk Description	Impact	Likelihood	Score before mitigation	Latest Score	Link to Strategic Objectives	Summary of mitigating actions already taken
								<p>compared to the risks faced for all other force areas. Cumbria Constabulary continues to contribute to the weekly EU exit NPoCC and CT reporting which monitors country wide implications.</p> <p>Until clarity or a change of direction is issued from HMG, the Constabulary are planning for No Deal following the MCLG and yellowhammer guidance.</p>
25	Director of Corporate Support	<p>Commitment to the Emergency Services Mobile Communications Programme (ESMCP) and subsequent use of the Emergency Services Network (ESN) has the potential to breach the Constabulary's risk capacity, cost and levels of service provision. This could potentially result in unacceptable levels of service provision; compromise officer safety, increasing costs and loss of reputation.</p> <p>The duration of impact is likely to exceed 2 years.</p>	High	Medium	16	12	All	<p>The Constabulary is working in partnership with other forces and emergency services to deliver ESMCP together as a region.</p> <p>It was expected that the new system would go live in late 2017 however the National Programme announced a time slippage.</p> <p>The risk owner has transferred over to the Director of Corporate Support. Cumbria continues to be an active participant in the regional group and is leading coverage aspects on behalf of the region.</p> <p>A national review of the ESMCP programme is currently underway and we are still awaiting results. A review of current Airwave coverage is due for completion in Oct / Nov 19.</p>
31	D/Supt Crime	<p>Advances in digital crime may result in the Constabulary being unable to keep up with technological change. This could result in a loss of confidence,</p>	Medium	Medium	12	9	2,3,4,5,6	<p>Staff growth in this area has been approved, and all student officers receive cyber-crime training.</p>

Risk Ref No	Responsible Officer(s)	Risk Description	Impact	Likelihood	Score before mitigation	Latest Score	Link to Strategic Objectives	Summary of mitigating actions already taken
		both internally and with the wider public.						<p>In addition, the Constabulary has trained 12 new DMIS's with a view that all DMIS's will be accredited to College of Policing standards.</p> <p>The Constabulary has established a dedicated Force Specialist Cyber Unit. This is funded from the Constabulary matched by the Police Transformation Fund. The changes mean that the DFU technical manager post has been upgraded and a new post holder appointed.</p> <p>A demand review to cover digital forensics has been completed.</p> <p>Assessors have been trained within Cumbria for the Digital Assessment Tool.</p> <p>The Cyber and Digital Crime Unit was officially opened by PCC Mr McCall on 13th</p> <p>A strategy for Digital Policing in relation to a number of work streams to improve the Constabulary's approach to Digital Policing including culture, training and the increase in DMI's within the CCR is in place. This includes a 'Digital Skills Week' to support officers and staff deal with these complexities that will provide training sessions on various digital skills that are needed in everyday policing, delivered by experts from both other agencies and our own force. The first Digital Skills</p>

Risk Ref No	Responsible Officer(s)	Risk Description	Impact	Likelihood	Score before mitigation	Latest Score	Link to Strategic Objectives	Summary of mitigating actions already taken
								Week ran from 30 September with sessions held at locations across the county.
29	Supt North TPA	Failure to answer 999 and non-emergency calls within a reasonable time and deal with them proficiently, could result in a loss of public confidence and prevent people reporting future crime / incidents to the Constabulary.	High	Low	16	8	All	<p>The new SAFE system by Saab went live on 18th June 2019.</p> <p>Following 'go-live' the system has had some minor technical issues that affected calls for service. However, these have all been for short lengths of time and all fall within normal parameters for a project such as this. All outages have been managed to reduce impact and technical fixes have been put in place. Therefore each outage has contributed to increasing the overall resilience of the system to technical failure. Business continuity has been tested and improved accordingly</p>
37	Head of People	The Constabulary may not be fully compliant with new data protection legislation which was implemented on 25 th May 2018 caused by delays in the DPA 2018 receiving Royal Assent. This could result in inadvertent disclosure of personal information and potential action by the Information Commissioner.	High	Low	16	8	All	<p>Self-assessment and Preparation Plan (SAPP) completed and areas of likely non-compliance identified. Project team has been set up under Force Disclosure Manager.</p> <p>In addition, a review of the structures and governance of all information management functions and processes has been initiated to determine the level of resource required to manage the risks effectively.</p> <p>Existing policies and procedures have been updated to ensure compliance with GDPR & DPA 2018.</p> <p>Personal data breach procedure & DPIA procedure completed and agreed.</p>

Risk Ref No	Responsible Officer(s)	Risk Description	Impact	Likelihood	Score before mitigation	Latest Score	Link to Strategic Objectives	Summary of mitigating actions already taken
								<p>Personal Data Breach reporting guidance completed, approved and disseminated.</p> <p>Approval at COG to extend the Project Manager in post until the end of the financial year or sooner depending on the outcome of the Information Management review. Significant progress has been made in relation to implementation of necessary policies & procedures. Information Sharing Policy approved, Data Protection Policy currently out for consultation and due for ratification at BSB 30th September 2019. Data protection Impact assessment procedure, personal data breach procedure in place. Outstanding task to complete the Information Audit (currently 90% complete) is on hold due to only 1 resource on the project</p>
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.	High	Low	10	8	All	<p>Governance arrangements for monitoring the progress of delivery and outcomes are via regular and frequent FSDB meetings which coordinates all business change strategies.</p> <p>A dedicated lead has been appointed to support delivery of Cumbria Vision 2025.</p> <p>High level plan and initial delivery plan completed and disseminated to all managers across the Constabulary. Governance changes now complete with supporting ICT change. Change to structure of</p>

Risk Ref No	Responsible Officer(s)	Risk Description	Impact	Likelihood	Score before mitigation	Latest Score	Link to Strategic Objectives	Summary of mitigating actions already taken
								<p>Business Improvement Unit to allow delivery arm of BIU.</p> <p>Benefits delivery capture is in the process of being implemented across all projects. All key projects have savings targets as part of benefits realisation and owners held to account for delivery.</p> <p>Revised reporting arrangements for Vision 25 are being implemented from March 2019 resulting in a V25 balanced scorecard showing progress of all work streams to Extended COG every two months to identify issues, risks and interdependencies, agreeing any action that is required.</p> <p>A review of the current savings and v25 work plan is being undertaken by the DCC's Senior Leadership Team, with a view to identifying options and priorities.</p>
36	Head of Procurement	There is a risk that a lack of professional procurement capability compromises our ability to provide an effective and compliant procurement service, resulting in some instances of non-compliance with joint procurement regulations.	Medium	Low	9	6	All	<p>Central Contracts repository in place.</p> <p>VFM plans in development and vision and direction agreed.</p> <p>New head of department has been embedded.</p> <p>Chief Officers and the PCC have now approved the new procurement strategy and joint procurement regulations.</p>

Risk Ref No	Responsible Officer(s)	Risk Description	Impact	Likelihood	Score before mitigation	Latest Score	Link to Strategic Objectives	Summary of mitigating actions already taken
								<p>The procurement function has been refocused as a commercial department to improve the balance of procurement activities; commercial engagement; and the management of suppliers. A follow up review is planned with internal audit. Forward planning has been developed, with many of the team having commenced formal procurement apprenticeship programmes.</p> <p>Apprenticeship exam results have demonstrated progress with many successes, and Contracts Award Board is now established and is a controlling environment.</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

Monitoring Key Audit Recommendations

Introduction

This report is designed to monitor the implementation of recommendations and actions arising from Audit and Inspection. The report fulfills the assurance responsibilities of the Joint Audit Committee with regards to the implementation of control recommendations and best practice arising from Audit and Inspection work.

Appendix A provides a table of all internal audit reports finalised in the current year, the level of assurance provided by the audit and the number of audit recommendations by grade of recommendation.

Report Summary

The table below shows the number of outstanding actions brought forward from the previous update to members and also of new recommendations since the last report.

Summary of Actions	PCC	CC	Joint	Total
Open actions b/fwd from last report	0	4	0	4
New actions since last report	0	0	0	0
Total actions this report	0	4	0	4
Actions completed since last report	0	1	0	1
Open actions c/fwd to next report	0	3	0	3

The table below shows the status of all recommendations, **Appendix B** provides a high level summary of the current status of individual actions and **Appendix C** provides narrative updates in respect of individual recommendations.

Summary of Total Actions by Status	PCC	CC	Joint	Total
Completed	0	1	0	1
Ongoing (within original timescale)	0	0	0	0
Ongoing (original timescale extended)	0	1	0	1
Overdue/ timescale exceeded	0	0	0	0
Not yet due	0	2	0	2
Total	0	4	0	4

Key to Grade:

Cumbria Shared Internal Audit Service

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

Members have requested that this summary of recommendations report provides an update on actions where the recommendation was graded High/Medium only. Minor Advisory recommendations are monitored by individual managers.

External Audit – Grant Thornton

Grade/Priority	
High	Significant effect on control system
Medium	Effect on control system
Low	Best practice

Monitoring of Individual Audit Reports 2019/20

Audit Report	CC/ PCC/ Joint	Reported Date	Assurance Opinion				Audit Recommendations (Grade)			
			Substantial	Reasonable	Partial	Limited /None	High	Medium	Advisory	Total
General Data Protection Regulations (GDPR)	CC	23/05/19		✓			0	1	1	2
Offender Management Follow Up	CC	09/05/19		✓			0	0	0	0
Overtime Monitoring	CC	09/05/19	✓				0	0	1	1
Main Accounting System	CC	10/05/19	✓				0	0	0	0
Total To JAC 23/05/19			2	2	0	0	0	1	2	3
Follow Up CJU Digital Case File Preparation	CC	27/06/19		✓			0	0	0	0
Debtors	CC	03/07/19		✓			0	1	0	1
Total To JAC 25/07/19			0	2	0	0	0	1	0	1
Force Tasking and Co-ordination	CC	21/08/19		✓			0	1	0	1
Local Focus Hubs	CC	09/09/19		✓			0	2	1	3
Total To JAC 19/09/19			0	2	0	0	0	3	1	4

Audit Report	Recommendation Summary	Current Status					
		Completed	Ongoing (within original timescale)	Ongoing (original timescale extended)	Overdue/ timescale exceeded	Not Yet Due	For detail see page
Recommendations B/fwd from Report to JAC 19/09/19							
Duty Management (CC)	R3 It should be ensured that resource management information requirements of all groups are clearly considered and defined as part of the resource management system upgrade project.			✓			5
Force Tasking & Co-ordination (CC)	R1 The review of the effectiveness and efficiency of the new tasking model should be formally written up with outcomes reported to senior management.	✓					6-7
Local Focus Hubs (CC)	R1 A review of Local Focus Hubs should be finalised and reported to senior management. The review should take account of the inconsistent practices across the county and include proposals for moving forwards.					✓	8-9
Local Focus Hubs (CC)	R2 A PMF should be agreed and shared following full countywide consultation that further supports and informs the identification of priorities and targeted interventions.					✓	10
Totals B/Fwd Recommendations		1	0	1	0	2	4
New Recommendation Since Last Report							
None							
Total New Recommendations		1	0	1	0	2	4
Total All Recommendations		1	0	1	0	2	4

Audit Report: Duty Management			
Date Issued: 26/04/2018	Date Considered by JAC: 24/05/2019	Report of: Shared Internal Audit Service	Report for: CC
Recommendation: R3 It should be ensured that resource management information requirements of all groups are clearly considered and defined as part of the resource management system upgrade project.			Grade: Medium
Agreed Action: There is an ongoing project to upgrade various systems including the duties management system and this aspect will be picked up by the 'Business Futures' project and included in the project plan.			Due Date: 31/10/2019
Responsible Person: Head of People Sarah Jackson Lisa Hogan			
Subsequent Updates: <p>June 2018 - Work has started within Business Futures, working with Paul Bull from Staffordshire Police, identifying our future reporting needs and providing better management reporting. For delivery later this year/early 2019. COG paper being prepared by Louise Butler seeking additional support for further investment in this area.</p> <p>August 2018 - This is ongoing and further scoping work and options being worked up. Next meeting 18/9. Some reports being worked on as part of business futures, longer term management information assessment ongoing.</p> <p>November 2018 - This is part of business futures, and the full implementation will not be realised until 2020. The Business Future Board governs all of the work streams and a permanent PM appointment ensures compliance with milestones.</p> <p>March 2019 - The business futures project moved into exception in December 2018 and the project has now been paused whilst a way forward is fully explored. The force is now reviewing its requirements from HR and Duties systems and will provide an update report to COG in May. An appropriate level of project / programme management resource is in place in order to coordinate changes.</p> <p>July 2019 – Work continues to decide a way forward for business support systems which will include a replacement duties management system, at the point the Constabulary is ready to progress, the information requirements of all relevant groups will be taken into consideration.</p> <p>September 2019 – Update as per July 2019</p> <p>November 2019 – We are currently going through the procurement process with a view of finalising the contract in December 2019. This is going through the business transformation project.</p>			
Status:	Agreed Changes to Due Date: (N.B. any changes to due date must be agreed by COG or Governance Board)	New Date:	Where & When Approved:
Ongoing (original timescale extended)		31 December 2019	Business Transformation Board

Audit Report: Force Tasking & Co-ordination			
Date Issued: 21/08/2019	Date Considered by JAC: 19/09/2019	Report of: Shared Internal Audit Service	Report for: CC
Recommendation: R1) The review of the effectiveness and efficiency of the new tasking model should be formally written up with outcomes reported to senior management.			Grade: Medium
Agreed Action: The review work undertaken will be formally written up and the outcome will be reported to Force Tasking & Co-ordination Group which includes the ACC as Chair.			Due Date: 30 September 2019
			Responsible Person: West Territorial Area Superintendent Carl Patrick Temp DCI Intelligence Dave Cooper
Subsequent Updates: September 2019 - due to the recent force promotion process and movements around the organisation this action has been pending to enable the new DCI in FIB to undertake an independent review, as this individual is new to the post and this provides an opportunity for the review to be completed. November 2019 –The current force tasking model has been reviewed, taking full account of the shared internal audit of the process and looking particularly at opportunities for efficiency. It is clear that the audit has already gathered and reported on much of the detail of the process and it has not been the intention to duplicate that work. However, two areas for improvement have been identified and action has been taken to resolve. The first is increasing the scope and parameters of the specialist capabilities DMM, bringing together both Crime and OS resources. This has been actioned and a revised DMM is now in place and functioning. The second area for improvement is the demand on analytical resources to complete the 6 area community tasking documents. In order to create some extra capacity, a review of the Community Intelligence Assistant roles has been undertaken by DI Wilkinson and a new role of Community Intelligence Analyst is proposed, subject to a pay review. That role will be upskilled and remunerated to complete the community tasking documents, freeing up time for the remainder of the R and A team for a modest uplift in salary and training. No further issues were identified although some cultural challenges still exist of officers wishing to see a return to the previous, Police only tasking model in TP. That has been challenged at joint SLT by Commanders. The current tasking model has been operating without significant issue for 12 months, the risk register entry for the transitional period has been finalised and there are no further recommendations from this review.			

Status:	Agreed Changes to Due Date:	New Date:	Where & When Approved:							
Completed	<i>(N.B. any changes to due date must be agreed by COG or Governance Board)</i>	<table border="1" style="width: 100%; height: 100%;"> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> </table>								

Audit Report: Local Focus Hubs			
Date Issued: 09/09/2019	Date Considered by JAC: 19/09/2019	Report of: Shared Internal Audit Service	Report for: CC
Recommendation: R1) A review of Local Focus Hubs should be finalised and reported to senior management. The review should take account of the inconsistent practices across the county and include proposals for moving forwards.			Grade: Medium
Agreed Action: This audit clearly shows that good progress has been made to embed the Local Focus Units across the six District Council areas. There is also evidence of good practice being developed across the Force area, with the quarterly Safer Neighbourhoods meetings chaired by the Force lead allowing for the sharing of good practice between Police and partners. As covered in the audit, the Community tasking is becoming embedded, and that will be reviewed by a Senior Detective alongside Force tasking to ensure that the new processes have been successful and deliver what is required. That review will encompass part of this recommendation. On Tues 13 and Wed 14 August 2019 there was a peer review of Neighbourhood Policing (NHP) in Cumbria by Northumbria Police. All Forces were encouraged to partake in this peer review, and Cumbria will shortly inspect / review Durham Constabulary. A team of six officers from Northumbria, led by a Chief Superintendent and Chief Inspector conducted the peer review. They interviewed Police Officers and Staff who worked in the Allerdale Local Focus Unit, various persons from partner agencies, and reviewed the governance arrangements and terms of reference etc. They also interviewed Temp Ch Supt O'Connor as the Strategic lead. The Northumbria team undertook a hot debrief session and their findings were extremely positive in relation to how NHP is delivered in Cumbria and the benefits of the Local Focus Units, so much so that they want to maintain professional working relations and take some of the best practice they witnessed back to Northumbria. Formal written feedback is awaited. The Force lead who developed the Local Focus Units (Supt Slater) has recently retired, and will be replaced by Supt Jackson, who will undertake a review of the current position of both NHP and the Local Focus Units, and report back to the Chief Officer Group once she is in post.			Due Date: 31 December 2019 Responsible Person: Superintendent South Sarah Jackson
Subsequent Updates: November 2019 – This action was allocated to Supt Jackson upon her (delayed) posting to South TPA in November 2019. An initial meeting with representatives from each hub was held on 28th November 2019, with a follow up meeting scheduled in December 2019. It is apparent that there are different levels of maturity with each hub, each with varying investment from relevant partners. Following the recent sign off of the revised serious and organised crime strategy, the Constabulary has made a commitment to invest in a public health approach to policing. A similar programme is well embedded in Scotland and has realised significant reduction in recidivism, along with better life outcomes in their population. This			

renewed approach will require the Constabulary to build on the existing NPT business model, which will be delivered through multiagency integrated local focus hubs. This will require the movement of police resources into partner premises, with an established joint performance framework.

A report detailing the proposals will be presented to extended COG on 10th December 2019. This can be supplied as a supplementary to this audit response, to facilitate the closure of this recommendation.

Status:	Agreed Changes to Due Date:	New Date:	Where & When Approved:
Not yet due	<i>(N.B. any changes to due date must be agreed by COG or Governance Board)</i>		

Audit Report: Local Focus Hubs			
Date Issued: 09/09/2019	Date Considered by JAC: 19/09/2019	Report of: Shared Internal Audit Service	Report for: CC
Recommendation: R2) A PMF should be agreed and shared following full countywide consultation that further supports and informs the identification of priorities and targeted interventions.			Grade: Medium
Agreed Action: The Local Focus Unit Performance Framework (PF) was developed in consultation with the existing Units and Corporate Support and distributed in early 2018 to each of the developing Units. There has been a different pace of development across the County which made it challenging to implement it in its entirety in each location. The Constabulary now have the added bonus of Power Business Intelligence and support from Corporate Development, combined with the audit expertise of Emma Thompson as the manager of Allerdale LFU. Emma has reviewed the PF to make it more relevant to partners, and Corporate Development are looking to systemise it to make production of a performance document simpler and more user friendly. The national problem solving team are awaiting an update on this issue as Cumbria Constabulary are very much in the driving seat nationally in terms of the development of a representative performance framework.			Due Date: 31 December 2019 Responsible Person: Superintendent South Sarah Jackson
Subsequent Updates: November 2019 - As detailed within recommendation one, the Constabulary has a desire to develop a public health approach to policing. This renewed model will require extensive consultation with public and third sector agencies to facilitate the joint creation of multiagency integrated local focus hubs. An essential task will be the development of a joint performance framework, as well as the generation of risk management and partnership relationship agreements. It will also demand a review of internal cross command operating procedures. In order to realise the full benefits of a truly collaborative arrangement, the creation of a performance management framework cannot be undertaken by the police in isolation. It is essential that any design of the hubs, supporting policy and procedures must be co-produced with interested agencies, many of which are themselves bound by their own target operating models. The task to deliver on this recommendation is complex and will require significant negotiation with multiple partners, at scale. Whilst the task has already begun, it will be several months before the hubs are operating sufficiently well to evidence the delivery of an embedded PMF. Therefore, a request to extend the delivery against this recommendation is sought.			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or a Governance Board)</i>	New Date:	Where & When Approved:
Not Yet Due		December 2020	Will go to Chief Officer Group 10/12/19 as per R1 above

CUMBRIA POLICE & CRIME COMMISSIONER AND CUMBRIA CONSTABULARY JOINT AUDIT COMMITTEE

Meeting date: 20 November 2019

From: Group Audit Manager (Cumbria Shared Internal Audit Service)

INTERNAL AUDIT: PROGRESS REPORT TO 4TH NOVEMBER 2019

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides a review of the work of Internal Audit for the period to 4th November 2019.
- 1.2 Key points are:
 - We have completed the final piece of audit work from the 2018/19 audit plan relating to Governance Structure.
 - Work is progressing on audit reviews in the 2019/20 audit plan. Draft reports have been issued for three risk based audits from the 2019/20 plan and a further five risk based audits are at the fieldwork stage.
 - Work is complete on the seized dogs 'consultancy / advisory' reviews and we are progressing the consultancy / advisory work on vehicle utilisation.
 - At this stage of the year it is anticipated that sufficient coverage will be achieved to enable to Head of Internal Audit to deliver the annual opinions.

2.0 OVERVIEW

- 2.1 Internal Audit's work is designed to provide assurance to management and Joint Audit Committee members that effective systems of governance, risk management and internal control are in place in support of the delivery of the PCC and Constabulary's priorities.
- 2.2 The Audit Plan aims to deliver a programme of internal audit reviews designed to target the areas of highest risk as identified through the corporate risk registers together with management and Internal Audit's view of key risk areas.
- 2.3 The Accounts and Audit Regulations March 2015 impose certain obligations on the PCC and Chief Constable, including a requirement for a review at least once in a year of the effectiveness of their systems of internal control.
- 2.4 Internal Audit must conform to the Public Sector Internal Audit Standards (PSIAS) which require the preparation by the Head of Internal Audit of an annual opinion on the overall systems of governance, risk management and control. Regular reporting to Joint Audit Committee enables emerging issues to be identified during the year.

3.0 RECOMMENDATION

- 3.1 Joint Audit Committee members are asked to note the report.

4.0 BACKGROUND

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

- 4.4 The internal audit plan for 2019/20 was prepared using a risk-based approach and following consultation with senior management to ensure that internal audit coverage is focused on the areas of highest risk to both organisations. The plan has been prepared to allow the production of the annual internal audit opinions as required by the PSIAS.
- 4.5 This report provides an update on the work of internal audit for the period to 4th November 2019. It reports progress on the delivery of the 2019/20 audit plan, including 2018/19 work and includes a summary of the outcomes of audit reviews completed in the period.

Status of internal audit work as at 4th November 2019

The table below shows the number of internal audit reviews completed, in progress and still to be started for the 2019/20 audit plan and 2018/19 work. Further detail on this is included at Appendix 2.

Audit Status	Number of reviews
<u>Audits completed:</u>	<u>6</u>
Risk based audits (2018/19 WIP)	3
Financial systems (2018/19 WIP)	1
Follow up (2018/19)	1
Advisory work	1
<u>Audits in progress:</u>	<u>9</u>
Risk based audits	8
Advisory work	1
<u>Audits to be started</u>	<u>5</u>
Risk based audits	1
Financial systems	2
Governance work	1
Advisory work	1
Audits in plan	<u>20</u>

Outcomes from Final Audit Reports to 4th November

- 4.6 Audits completed to 4th November comprise three risk based audits on Force Tasking & Co-ordination, Local Focus Hubs and Governance Structure, a financial system audit of debtors, the follow up of Criminal Justice Unit and advisory work on seized dogs. The Governance Structure report received substantial assurance with the other 4 reports receiving reasonable assurance. The advisory work is not graded.
- 4.7 The detailed outcomes from each finalised audit are shown in Appendix A.

Draft Reports Issued to 4th November

- 4.8 The following draft reports have been issued in the period.

Audit	Date of issue of draft report	Initial audit assessment
Firearms	14/10/19	Reasonable
Procurement	30/10/19	Reasonable
Collaboration	30/10/19	Reasonable

Advisory / consultancy work

- 4.9 We have concluded our seized dogs advisory work and presented our findings to management. The findings will be presented to this meeting of the Joint Audit Committee.
- 4.10 The scope of our advisory work on vehicle utilisation has been agreed with management and we are progressing our work on this area.
- 4.11 The outcomes of our advisory / consultancy work will be presented to Senior Management and Joint Audit Committee and its value assessed before the remaining review of custody medical contract is considered.

Richard McGahon
Group Audit Manager
4th November 2019

APPENDICES

- Appendix 1 : Final reports issued to 4th November 2019**
Appendix 2 : Progress on all risk based audits from the 2019/20 plan including work from the 2018/19 plan
Appendix 3 : Internal audit performance measures to 4th November 2019

Contact: Richard McGahon, Group Audit Manager, Cumbria Shared Internal Audit Service. richard.mcgahon@cumbria.gov.uk

Appendix 1 – Final reports issued to 4th November 2019

Assignments	Status	Assessment
Debtors	Report circulated to members of the Joint Audit Committee and included in 25 th July Committee papers for discussion at the meeting if required. Report available on the Commissioner's website.	Reasonable
Criminal Justice Unit Follow up	Report circulated to members of the Joint Audit Committee and included in 25 th July Committee papers for discussion at the meeting if required. Report available on the Commissioner's website.	Reasonable
Force Tasking & Co-ordination	Report circulated to members of the Joint Audit Committee and available on the Commissioner's website.	Reasonable
Local Focus Hubs	Report circulated to members of the Joint Audit Committee and included in 19 th September Committee papers for discussion at the meeting if required. Report available on the Commissioner's website.	Reasonable
Governance Structure	Report circulated to members of the Joint Audit Committee and included in 20 th November Committee papers for discussion at the meeting if required. Report available on the Commissioner's website.	Substantial
Seized dogs – Consultancy	Findings presented to management on 15 October 2019 and included in 20 th November Committee papers for discussion at the meeting.	N/A
<p>The Internal Audit planning meetings for 2020/21 are scheduled to take place during November and December with a draft plan to be issued to the DCC and OPCC Chief Executive by 20/12/19. The timetable provides for consultation with Collaborative Board in January and discussion with JAC prior to a draft Internal Audit plan for 2020/21 being presented to the March 2020 JAC meeting.</p>		

Appendix 2 – Progress on 2019/20 Audit Plan, including 2018/19 work

OPCC / Constabulary Review	Audit	Stage	Feedback form returned
Constabulary	Debtors (2018/19 WIP)	Completed	Yes
Constabulary	Governance structure (2018/19 WIP)	Completed	No – feedback form to be issued
Constabulary	Neighbourhood policing hubs (2018/19 WIP)	Completed	Yes
Constabulary	Force Tasking and Co-ordination (2018/19 WIP)	Completed	No – feedback form issued 21/08/19
Constabulary	Criminal Justice Unit – follow up (2018/19 WIP)	Completed	N/A
Constabulary / OPCC	Financial sustainability	Not yet started	N/A
Constabulary / OPCC	Benefits realisation	<p>Meeting held with OPCC on 02/10/19 to determine the assurance required over the Constabulary's arrangement for benefits realisation.</p> <p>Scoping meeting held with the Director of Corporate Improvement on 24/10/19. Current arrangements for benefits realisation are under review and a new benefits realisation plan is due to be in place by the end of November 2019. With this in mind we re-</p>	N/A

Appendix 2 – Progress on 2019/20 Audit Plan, including 2018/19 work

OPCC / Constabulary Review	Audit	Stage	Feedback form returned
		start this review when the new arrangements are in place.	
Constabulary / OPCC	Procurement	Draft report issued 30/10/19	N/A
OPCC	Collaboration	Draft report issued 30/10/19	N/A
OPCC	Police and Crime Plan	Work scoped 29/10/19. Fieldwork due to start imminently.	N/A
Constabulary	Body Worn Video	Fieldwork	N/A
Constabulary	TRIM (Trauma Risk Incident Management)	Fieldwork – completion of draft report awaiting findings meeting with key officers.	N/A
Constabulary	Firearms	Draft report issued and awaiting Chief Officer sign-off prior to finalisation.	N/A
Constabulary	Training	Work scoped 30/10/19. Fieldwork due to start imminently.	N/A
Constabulary	Consultancy – Vehicle Utilisation	Fieldwork.	N/A
Constabulary	Consultancy – Custody Medical Contract	Not yet started	N/A
Constabulary	Consultancy – Seized Dogs	Complete. Findings presented to management 15/10/19	N/A

Appendix 2 – Progress on 2019/20 Audit Plan, including 2018/19 work

OPCC / Constabulary Review	Audit	Stage	Feedback form returned
Constabulary / OPCC	Risk management and governance	Not yet started	N/A
Constabulary / OPCC	Creditors	Not yet started	N/A
OPCC	Treasury management	Not yet started	N/A
	Attendance at Police Audit Training & Development event	Event took place on 26 & 27 September	N/A
	Internal Audit management	On-going	N/A

Key:

Complete	Work in progress	Not yet started
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Appendix 3 – Internal audit performance measures

Measure	Description	Target	Actual	Explanations for variances / remedial action required
Completion of audit plan	% of audits completed to final report	28% 95% (annual target)	30%	Target is based on the same period last year.
Completion of audit plan	Number of planned days delivered *281 per shared service agreement plus 26 days of WIP carried forward at 2018/19 year end.	115 307* (annual target)	150	Target is based on the same period last year.
Audit scopes agreed	Scoping meeting to be held for every risk based audit and client notification issued prior to commencement of fieldwork.	100%	100%	
Draft reports issued by agreed deadline	Draft reports to be issued in line with agreed deadline or formally approved revised deadline where issues arise during fieldwork.	70%	100%	
Timeliness of final reports	% of final reports issued for Chief Officer / Director comments within five working	90%	100%	

Appendix 3 – Internal audit performance measures

Measure	Description	Target	Actual	Explanations for variances / remedial action required
	days of management response or closeout meeting.			
Recommendations agreed	% of recommendations accepted by management	95%	100%	
Assignment completion	% of individual reviews completed to required standard within target days or prior approval of extension by audit manager.	75%	100%	
Quality assurance checks completed	% of QA checks completed	100%	100%	
Follow up	% of high and medium priority audit recommendations implemented by target date	100%	100%	<p>One follow up audit has been completed for Criminal Justice Unit. All recommendations were actioned.</p> <p>Targets dates in the original audit report had been revised but this is tracked and reported to each JAC meeting through the 'monitoring key audit recommendations' report. Our work commenced when all recommendations were reported to JAC as complete.</p>
Customer Feedback	% of customer satisfaction surveys returned	100%	100%	Three forms returned. One relates to an audit reported in 2018/19.

Appendix 3 – Internal audit performance measures

Measure	Description	Target	Actual	Explanations for variances / remedial action required
Customer Feedback	% of customer satisfaction survey scoring the service as good.	80%	100%	Based on three forms returned.
Chargeable time	% of available auditor time directly chargeable to audit jobs.	80%	77%	

Cumbria Shared Internal Audit Service Internal Audit Report for Cumbria Constabulary



Audit of Constabulary Governance Structure

Draft Report Issued: **7th August 2019**

Final Report Issued: **4th November 2019**

Audit Resources

Title	Name	Email	Telephone
Audit Manager	Emma Toyne	emma.toyne@cumbria.gov.uk	01228 226261
Lead Auditor(s)	Diane Lowry	diane.lowry@cumbria.gov.uk	01228 226281

Audit Report Distribution

For Action:	Jane Sauntson - Director of Corporate Improvement
For Information:	
Audit Committee	The Joint Audit Committee which is due to be held on 20 th November 2019 will receive the report.

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

Cumbria Shared Internal Audit Service

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



Executive Summary

1. Background

- 1.1. This report summarises the findings from the audit of the Constabulary governance structure. This was a planned audit assignment which was undertaken in accordance with the 2018/19 Audit Plan.
- 1.2. Effective governance arrangements are important to the Constabulary because they help in achieving the strategic objectives set out in the Police and Crime Plan and drive improvement across the organisation. A good governance framework also establishes a high degree of transparency, fairness, standards and accountability to the public.
- 1.3. The Chief Constable is responsible for putting appropriate governance arrangements in place within the Constabulary and is held to account on the adequacy and effectiveness of the arrangements by the Police and Crime Commissioner.
- 1.4. In 2017 the Constabulary took a decision to review its governance structure and a detailed proposal outlining new governance arrangements was prepared. The purpose of the proposed changes to the Constabulary's governance structure was to provide strategic co-ordination of delivery of Cumbria Vision 25 (CV25) and support realisation of its benefits. The new arrangements took effect from April 2018.

2. Audit Approach

2.1. Audit Objectives and Methodology

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

2.2. Audit Scope and Limitations

2.2.1. The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was the Director of Corporate Improvement. The agreed scope of the audit was to provide assurance over management's arrangements for governance, risk management and internal control in the following areas:

- The operation of the new Governance Boards

3. Assurance Opinion

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

3.2. From the areas examined and tested as part of this audit review, we consider the current controls operating within The Constabulary Governance Structure provide **Substantial** assurance.

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

4. Summary of Recommendations, Audit Findings and Report Distribution

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

4.2. There is **one** audit recommendation arising from this audit review which can be summarised as follows:

Control Objective	No. of recommendations		
	High	Medium	Advisory
1. Management - achievement of the organisation's strategic objectives (see section 5.1.)	-	-	1
2. Regulatory - compliance with laws, regulations, policies, procedures and contracts	-	-	-
3. Information - reliability and integrity of financial and operational information	-	-	-
4. Security - safeguarding of assets	-	-	-
5. Value - effectiveness and efficiency of operations and programmes	-	-	-
Total Number of Recommendations	-	-	1

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

- Arrangements are in place, through Extended Chief Officer Group, to hold the leads of each of the four governance boards to account on benefits delivery and current workstreams. The governance structure flowchart clearly states that only decisions regarding strategic direction or growth require escalation to Extended Chief Officer Group thereby delegating authority to boards or individuals to resolve issues, take actions and manage resources.
- Each governance board is Chaired by a Chief Officer or Director to ensure that senior management have oversight and direct the delivery of the five areas of CV25. Boards meet on a monthly basis.
- A detailed report template has been introduced to report workstream progress. The report sets out:
 - the overall RAG rating for each workstream,
 - summary of the current position,
 - key milestones to be delivered over the next three months, including the benefits expected,
 - top three challenges, proposed resolution and impact

- top three upcoming activities for the next reporting period
 - top three projects with which the workstream has interdependencies and;
 - risks.
- Each workstream is assigned to a Senior Responsible Officer and is RAG rated on a two monthly basis (except for IT projects which are RAG rated monthly).
 - Detailed workstream reports feed in to a balanced scorecard which has recently been developed under the five strands of CV25. At the time of our audit the first balanced scorecard had been prepared and was reported to the delivery boards and COG.
 - A decision log is in place for each Board.
 - Actions allocated by the governance boards are noted and tracked and actions are shown as closed on the system when complete.
 - A corporate overview of CV25 risks is provided to Chief Officer Group on a four monthly basis.

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

4.4.1. *High priority issues:*

- None Identified

4.4.2. *Medium priority issues:*

- None identified

4.4.3. *Advisory issues:*

- When changes to proposals, or planned reviews and evaluations, are made these should be formally recorded to provide an audit trail and reported to COG as appropriate.

Comment from the Deputy Chief Constable

Many strengths of the current governance structure are outlined in para 4.3 and it is welcome to see the audit opinion that the mechanism is working effectively. Notwithstanding that, the force Command Team continue to drive continual improvement in many internal processes, and this is particularly true of the governance arrangement as it is likely to be true that improvement can always be made, as well as recognising that these processes must always adapt rather than stay static. I have reviewed opportunities for improvement (this is the work referred to in the management response below) and board chairs and members have collectively recognised that further streamlining of meetings and governance boards would enable us to release organisational capacity whilst maintaining effective control. The work that then flows from this review will aim to drive further iterative improvement to the governance structure and document the advisory issue around process made within the report.

M Webster

4 November 2019

Management Action Plan

5. Matters Arising / Agreed Action Plan

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

● **Advisory issue**

Audit finding

(a) Changes to the structure

A detailed report which proposed changes to the Constabulary's governance structure and approach in order to provide transparency, improve accountability and provide strategic co-ordination for the delivery of CV25 and support realisation of its benefits was prepared in 2017. The proposal was agreed by COG in November 2017 with the new arrangements to start on 1st April 2018.

Prior to the structure going live a 'Governance Structure flowchart and principles' was agreed at COG in March 2018 which made some changes from the original proposal. Our testing identified that one of these changes ('the one master decision log' which COG agreed, in November 2017, would be maintained by every strand of CV25 and which would be visible to everyone in the Constabulary) has been replaced by individual decision logs for each Board and that these are not visible to everyone in the Force. This change to the governance structure was not captured in COG minutes relating to the governance structure flowchart.

(b) Review and evaluation of the new structure

COG minutes from the March 2018 meeting relating to the governance flowchart and principles show that it was agreed that the governance structure would be reviewed at 3 months and evaluated at 6 months. The review and evaluation did not take place as management decided to place reliance on the Internal Audit review of this area as this would provide independent assurance whether arrangements, as documented, are operating effectively. As this work did not commence until 2019 it would have made sense to document this in COG minutes.

Management response

Agreed management action:

Noted that these changes, although discussed, were not captured in the minutes. This will be addressed with immediate effect.

The Deputy Chief Constable and his senior management team are undertaking a review of the current governance structure and its associated processes to establish whether it operates effectively to achieve our purposes. This is currently scheduled for completion by the end of November and these specific issues will be documented in the revised terms of reference.

<p>Recommendation 1: When changes to proposals, or planned reviews and evaluations, are made these should be formally recorded to provide an audit trail and reported to COG as appropriate.</p>	
<p>Risk exposure if not addressed:</p> <ul style="list-style-type: none">• Lack of an audit trail for decisions made to change agreed proposals or planned work and the supporting rationale.	<p>Responsible manager for implementing: Jane Sauntson Date to be implemented: 30 November 2019</p>

Audit Assurance Opinions

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

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

Grading of Audit Recommendations

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

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

Recommendation Follow Up Arrangements:

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

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The Role of the Joint Chief Finance Officer (Core CFO Responsibilities)

Joint Audit Committee: 20 November 2019

Originating Officer: Michelle Bellis, Deputy Chief Finance Officer,

Agenda Item 11 (a)

Introduction

Members will recall that in May 2017 a decision was taken by the Police and Crime Commissioner and the Chief Constable that the statutory requirement to have a Chief Finance Officer would be delivered through a shared post of Joint Chief Finance Officer and that Roger Marshall, who previously acted as the Chief Constable's CFO would take on the new Joint Role.

Section 151 of the Local Government Act 1972 requires local authorities (which include Chief Constables and Police and Crime Commissioners) to make arrangements for the proper administration of their financial affairs and appoint a Chief Finance Officer to have responsibility for those arrangements.

As part of the arrangements for reviewing governance within the OPCC and Constabulary the role of the Joint Chief Finance Officer has been formally assessed against the CIPFA role. The attached form documents the review and sets out how compliance is achieved with the CIPFA CFO responsibilities.

In April 2016, CIPFA updated their guidance document "the role of the Chief Finance Officer" in relation to local government bodies. As reported in November 2017, the police specific guidance document issued in March 2014 is still being reviewed and an updated version has been expected for a number of months. **As was reported in**

November last year, latest information is that the publication of the police specific guidance has been delayed to ensure harmony with the Home Office Financial Management Code of Practice, which has recently been updated to encompass changes in relation to Bluelight collaboration. At this stage the review of compliance against the CIPFA CFO responsibilities is based on the police specific guidance issued in March 2014 and will be subsequently updated once the updated guidance is issued.

The CIPFA guidance sets out the five principles that define the core activities and behaviours that belong to the Role of the CFO and the organisational arrangements needed to support them. Successful implementation of each of the principles requires the right ingredients in terms of:

- The Organisation, governance requirements
- The Role, Core CFO responsibilities
- The Individual, personal skills and performance standards.

This assessment deals solely with the Core CFO responsibilities.

Conclusion

The internal assessment provided assurance that the OPCC and Constabulary are 100% compliant with the requirements of the CIPFA Role.

CUMBRIA VISION 25



LOCAL POLICING / WORKFORCE / SPECIALIST CAPABILITIES / BUSINESS SUPPORT / DIGITAL POLICING

Principle 1 - The Chief Finance Officer of the PCC and CC is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the PCC's strategic objectives sustainably and in the public interest.

1.1 Contributing to the effective leadership of the PCC and CC, maintaining focus on its purpose and vision through rigorous analysis and challenge.

Within the OPCC, the Joint CFO is a member of the Commissioner's Executive Team leads on arrangements for financial governance and contributes to all areas of corporate governance.

Within the Constabulary, the Joint CFO is a member of the Chief Officer Group and leads on arrangements for financial governance.

The Joint CFO is also a member of the Constabulary's Governance Board structure with monthly meetings covering Workforce; Business Support; Digital Policing and Local Policing/Specialist Capabilities. The Joint CFO is also a member of the Collaborative Board (a joint board between the Constabulary and Office of the PCC), contributing to the challenge and scrutiny of strategic recommendations to the Constabulary Chief Officer Group. The Joint CFO contributes to other Constabulary strategic boards where significant investment and business change is being delivered e.g. mobile and digital, emergency services network and major estates schemes such as the Eden Deployment Centre.

1.2 Contributing to effective corporate management, including strategy implementation, cross organisational issues, integrated business and resource planning, risk management and performance management.

Within the OPCC, the Joint CFO is a member of the OPCC Executive Team. The team meets on a regular basis to discuss cross cutting corporate and strategic issues. The Joint CFO leads on financial risks and under the arrangements for governance is consulted on wider arrangements for non-financial corporate governance and risk management. The Joint CFO will contribute to scrutiny of the performance of the Constabulary at meetings of the Collaborative Board. Cross cutting issues between the OPCC and Constabulary are included on the agenda of meetings of the Collaborative Board comprising Constabulary Chief Officers, Directors, the OPCC Chief Executive and Joint Chief Finance Officer.

Within the Constabulary, the Joint CFO is a member of the Chief Officer Group. The group meets on a weekly basis and monthly on an extended basis with an agenda that incorporates cross cutting corporate and strategic issues. The Joint CFO leads on financial risks and under the arrangements for governance will be consulted on wider arrangements for risk management.

The Joint CFO leads on the Annual Governance Statement (AGS) for both organisations that includes an action plan incorporating key strategic actions and is monitored by the **Joint Audit Committee (JAC)**.

1.3 Supporting effective governance through development of corporate governance arrangements, risk management and reporting frameworks; and corporate decision making arrangements.

The Joint CFO leads (for both organisations) on the arrangements for ensuring a Code of Corporate Governance and an AGS is reviewed/prepared on an annual basis and is compliant with codes/guidance. The Joint CFO leads on the arrangements for external audit, internal audit and the **JAC**. This includes ensuring the internal audit plan incorporates audit work covering key corporate and financial risks.

Within the OPCC, the Joint CFO contributes to the arrangements for decision making and reporting as a member of the Commissioner's Executive Team.

Within the Constabulary, the Joint CFO contributes to the arrangements for decision making and reporting as a member of the Chief Officer Group.

1.4 Contributing to change programmes including identifying service efficiencies and value for money opportunities.

The Joint CFO is a member of the Constabulary's Governance Board structure and the Collaborative Board, all of which operate as a forum to offer challenge and discuss change management proposals, efficiency and value for money. The Joint CFO leads on the scrutiny of all Constabulary investment proposals and the revenue and capital budgets providing challenge around the level of resource requirements and the assumptions made. This includes ensuring that discretionary investment decisions deliver a robust financial return or can demonstrate significant non-financial benefits.

The Joint CFO provides independent advice to both the Commissioner and Chief Constable on Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) value for money profiles.

1.5 Leading development of medium term financial strategies and the annual budgeting process to ensure financial balance and a monitoring process to ensure its delivery.

Within the OPCC, the Joint CFO leads on the arrangements for developing the Commissioner's medium term financial forecasts, advising on the robustness of the budgets and in-year management of the overall budget. This includes arrangements for Constabulary funding.

Within the Constabulary, the Joint CFO leads on the arrangements for developing the Chief Constable's medium term financial forecasts, advising on the robustness of the budgets and in-year management of the overall budget. The Joint CFO is supported in doing this by a shared financial services team lead by the Deputy CFO.

1.6 Ensuring that there are sound medium and long term financial plans for both revenue and capital to support the development of PCC and CC plans and strategies and that these are subject to regular review to confirm the continuing relevance of assumptions used.

The medium term financial forecasts for revenue are projected over 4 years. The capital programme is developed over 10 years. The forecasts are reviewed in detail on an annual basis between October and February. Projections of formula funding income and other factors that may have a stepped impact on resources are re-modelled at the time of government announcements.

1.7 Ensuring that advice is provided on the levels of reserves and balances in line with good practice guidance.

The Joint CFO produces an annual policy on reserves that sets out the reason for holding reserves and the amount of reserves set aside for specific purposes. This is recommended for approval annually as part of the Commissioner's budget process. The Joint CFO will make a formal statement on the level of reserves within the statutory 151 report on the robustness of the budget.

Under the funding arrangement with the Police and Crime Commissioner the only reserve held by the Chief Constable is an operational contingency. The circumstances when this can be utilised are set out in the funding arrangement. If the Chief Constable is granted more reserves to manage in his own right, the Joint CFO will produce a Constabulary Reserve Policy. The Joint CFO advises the Chief Constable on the level and policy in relation to reserves held by the Commissioner.

1.8 Ensuring compliance with relevant CIPFA Codes including the Prudential Framework for Local Authority Capital Finance and CIPFA's Treasury Management Code.

The Joint CFO makes an annual statement to the external auditors as part of the separate letters of representation provided on behalf of the Commissioner and Chief Constable in respect of compliance with relevant CIPFA codes. The Commissioner's Treasury Management Strategy confirms compliance with CIPFA's Treasury Management Codes and the prudential regime for capital financing. The requirement to comply with relevant codes is re-enforced through internal governance documents e.g. financial regulations, and is included with individual job roles for staff within the finance team. There is a level of independent assurance on Code compliance, e.g. external treasury management advisors will offer advice on the treasury management strategy/external audit will monitor

compliance with the code on local authority accounting/internal audit will provide advice as appropriate to specific audits.

1.9 Ensuring that budget calculations are robust and reserves adequate, as required by s25 of the Local Government Act 2003, and in line with CIPFA guidance.

The Joint CFO will develop the policy on reserves annually including setting the level of reserves. This includes a review of the requirement for the reserve and the adequacy of overall reserves given the financial risks faced by the OPCC/Constabulary.

The substantial proportion of the Commissioner's budget comprises funding for the Constabulary. Within the Constabulary, arrangements for the budget include a number of analytical review checks made by the Joint CFO prior to the Constabulary budget being submitted to the PCC for consideration. Within the OPCC, the Joint CFO will then undertake a further level of analytical review assessing the differences in funding between years against known changes to costs and other planning assumptions. A more detailed comparison is undertaken by the Deputy CFO for the purposes of presenting information to the PCP, further contributing to the level of assessment.

Reserves are set at a level to mitigate areas of budget risk. Those areas where risks are highest and only a lower level of assurance can be given are highlighted in the S151 report.

1.10 Ensuring the medium term financial strategy reflects joint planning with partners and other stakeholders.

The Medium Term Financial Strategy is the end result of work between the Joint CFO and Deputy CFO to consider the requirements of the Constabulary and the Commissioner, including the Commissioner's wider partnership commissioning intentions that incorporates joint working with health, the county council, district councils and community safety partnerships.

Principle 2 - The CFO must be actively involved in, and able to bring influence to bear on, all material business decisions (subject to the operational responsibilities of the Chief Constable) to ensure immediate and longer term implications, opportunities and risks are fully considered, and align with the overall financial strategy.

Responsibility for Financial Strategy

2.1 Ensuring that a financial framework is agreed and delivery is planned against the defined strategic and operational criteria.

The Joint CFO agrees the financial strategy within the Constabulary prior to submitting budget proposals to the Commissioner. The strategy is developed over a number of months taking account of change management proposals, investment decisions and aligned to workforce plans, capital strategies and asset management plans. Discussions will take place between the Joint CFO and Constabulary service leads on the strategic and operational requirements that drive the overall resource requirements e.g. discussions with Head of Estates and Fleet/ mobile and digital leads. Joint agreement is reached on the approach to risk within the budget and financing choices in respect of capital.

2.2 Maintaining a long term financial strategy to underpin PCC and CC financial viability within the agreed performance framework.

The Constabulary budget proposal is consolidated with the Commissioner's budget and a strategy agreed with the Joint CFO. The financial strategy drives the Constabulary and OPCC change management programme and is based on 4 years (revenue) and 10 years capital. The change programme develops proposals well in advance of the savings requirement for any single financial year to ensure financial viability typically for up to 2 years. A funding arrangement between the Commissioner and Constabulary sets out the basis on which funding can be used and the expectations of the Commissioner in respect of financial management and governance. The agreement includes information requirements and an agreed performance framework. The Joint CFO advises on the adequacy and provides scrutiny of the change programme.

2.3 Ensure financial management policies underpin sustainable long-term financial health and reviewing performance against them.

The main financial management policies are for Treasury Management and Reserves. These are developed with a view to providing a balance between risk and prudence. The approach to treasury management is developed in conjunction with external advisors and includes benchmarked information regarding the balance of financial return and risk on investments. Quarterly reports on treasury management activity provide assurance that prudential

indicators have been complied with and that transactions have been carried out in line with strategy. The policy on reserves takes account of CIPFA guidance. The statement of accounts contain the financial policies used in respect of financial reporting and these are subject to annual review by the Joint CFO and Deputy CFO. The comments of the external auditors on financial resilience are taken into consideration by the Joint CFO when considering financial strategy. The capital programme is developed over a 10 year time line with a requirement that the first four years are fully funded.

2.4 Ensuring that commercial and collaborated opportunities are appraised and advising on financial targets and successful delivery.

The primary commercial and collaborative opportunities are in respect of the Constabulary. All significant collaborative arrangements involving the Constabulary are subject to scrutiny by the Joint CFO. The wider remit of the Commissioner which encompasses victims, provides an increased level of commissioning. Some smaller collaborative/commercial arrangements exist within the OPCC, e.g. internal audit shared service. Collaborative arrangements between the Constabulary and OPCC provide for shared support services. Collaboration arrangements and major commercial procurements are subject to approval from the Commissioner and will be subject to scrutiny and challenge by the Joint CFO.

2.5 Ensuring that an effective resource allocation model is developed and maintained to deliver business priorities.

The process for resource allocation is based on initially producing a continuation budget against estimates of the available level of resources. Growth and savings requirements are then considered to ensure overall balance. The on-going requirement for savings means effectively that the change management programme determines any stepped changes in resource allocation other than in respect of investments that provide an overall net return or are mandated. The Constabulary also undertakes an annual resource allocation review of officer deployment within the agreed establishment, on which the Joint CFO is consulted. Change management proposals are based on value for money considerations using HMICFRS profiles and take account of the priorities within the police and crime plan. The Joint CFO will scrutinise discretionary investment decisions to ensure a positive return on investment (ROI) as part of the budget process and under delegations from the Commissioner for the capital programme.

Within the OPCC, the Joint CFO/Commissioner will be consulted on the approach to any proposals with an impact on strategic priorities as part of the discussions on the budget and constabulary funding.

Within the Constabulary, the Joint CFO/Chief Constable will be consulted on the approach to any proposals with an impact on strategic priorities as part of the discussions on the budget and constabulary funding.

2.6 Taking a leading role on asset and balance sheet management.

Within the OPCC and Constabulary, governance arrangements delegate responsibility to the Joint CFO for balance sheet and asset management.

Within the OPCC, the Joint CFO leads on behalf of the Chief Executive in respect of securing effective management of the Commissioner's estate. The Joint CFO meets with the Head of Estate and Fleet to discuss and informally agree the approach to asset management strategy ahead of formal budget decision making and development of the capital programme. Discussions take account of operational requirements and value for money.

Within the Constabulary, the Joint CFO liaises closely with strategic leads in the development of Constabulary managed business and asset plans. Discussions take account of operational requirements, affordability and value for money.

The Joint CFO ensures assets are properly insured.

The Joint CFO leads on the arrangements for financial regulations that set out requirements in respect of asset and balance sheet management within the OPCC and Constabulary.

2.7 Ensuring that the planning and budgeting processes are fully co-ordinated

Within the OPCC the planning cycle is aligned to development of the police and crime plan. Consultation on the plan and the budget through the Police and Crime Panel is undertaken between October and January prior to approval in February. The financial implications of the Police and Crime Plan are set out in a multi-year commissioning strategy with the funding requirements mirrored in an aligned commissioning budget.

Within the Constabulary the planning cycle is aligned to the budget and that of the OPCC and as such coincides with the development of the police and crime plan as set out above.

Influencing decision making

2.8 Ensuring that opportunities and risks are fully considered and decisions are aligned with the overall financial strategy.

The Joint CFO attends the key strategic boards within the OPCC and Constabulary: Executive Team, Chief Officer Group, Collaborative Board, Constabulary Governance Boards and specific project boards e.g. mobile and digital/ESN, Eden Deployment Centre. Informal meetings outside the boards with project leads are held as necessary to discuss any specific delivery risks/financial implications that require more in depth consideration.

2.9 Providing professional advice and objective financial analysis enabling decision makers to take timely and informed business decisions.

Within the OPCC, the Joint CFO will provide the Commissioner with independent financial analysis where required and provides input to the process for decision making and through formal and informal briefing sessions. Delegations to the Joint CFO are made where decisions are taken in principle but further analysis is required.

Within the Constabulary, the Joint CFO will provide the Chief Constable with independent financial analysis where required and provides input to decision making through the Chief Officer Group and informal briefing sessions prior to the Chief Officer Group. Delegations to the Joint CFO are made where decisions are taken in principle but further analysis is required.

Under the revised arrangements for a shared Chief Finance Officer between the two organisations it has been determined that if a conflict arises in relation to the provision of independent financial advice, that the Joint CFO will advise the Commissioner and the Deputy CFO will advise the Chief Constable.

2.10 Ensuring that efficient arrangements are in place and sufficient resources available to provide accurate, complete and timely advice to support strategy development.

The overall resources for the shared financial support team are considered on a regular basis to ensure the support needs of both businesses are met. The statutory responsibility of the Joint CFO to advise on this is set out in the arrangements for governance.

2.11 Ensuring that clear, timely, accurate information is provided as requested by the Police and Crime Panel.

The panel are consulted on their information requirements in respect of the precept decision each year and are offered an annual seminar supported by the Constabulary to consider more detailed financial, performance and value for money information. The panel are provided with financial monitoring information during the financial year in respect of Constabulary and OPCC budgets.

2.12 Ensuring that all necessary information is provided to the PCC when the Police and Crime Panel considers the budget and proposed precept.

The Commissioner and Chief Constable are fully briefed ahead of the Police and Crime Panel precept meeting on the key issues regarding the council tax debate. The Joint CFO presents the budget papers to the panel and will answer technical questions. The Chief Constable is in attendance to respond on questions regarding the operational implications of resource constraints.

2.13 Ensuring that capital projects are chosen after evaluating a fully costed business case compiled with input from all relevant professional disciplines and can be funded in the financial strategy.

The financial strategy requires the capital programme to be balanced for a minimum of 4 years. Schemes included within the programme are either supported by asset management strategies that provide the rationale for cyclical replacement/maintenance programmes or require a business case to commence. Professional oversight is provided as appropriate to business case decisions.

2.14 Checking, at an early stage, that innovative financial approaches comply with regulatory requirements.

The Joint CFO procures a range of specialist financial advisory services including treasury management, taxation including VAT/PAYE, pensions and insurance. This provides access to independent advisory services where more innovative approaches are being considered. Both organisations also work closely with the external auditors on compliance issues and liaise at the early stages of considering any changes to ways of accounting and financing transactions.

Financial information for decision makers

2.15 Monitoring and reporting on financial performance that is linked to related performance information and strategic objectives that identifies any necessary corrective decisions.

Within the OPCC financial monitoring is undertaken on a monthly basis with formal reporting on a quarterly basis to the Public Accountability Conference (Constabulary Reports) and briefing sessions (OPCC reports). The Police and Crime Panel meet five times a year and receive a financial update at each meeting. The Commissioner's monitoring reports include detail of schemes and expenditure with partners and third sector organisations aligned to the commissioning strategy and police and crime plan priorities.

Within the Constabulary financial monitoring is undertaken on a monthly basis with formal reporting to Chief Officers at a high level on a monthly basis and at a more detailed level on a quarterly basis. As set out above, the Constabulary also provides reports on a quarterly basis to the Public Accountability Conference and Police and Crime Panel.

Regular discussions are held with the Joint CFO and Deputy CFO in order to ensure the on-going management of the budget in year and to minimise the impact of variances.

The funding arrangement between the Commissioner and Chief Constable includes a schedule of information requirements and the performance monitoring framework for the financial year.

2.16 Ensuring that timely management accounts are prepared.

Management accounts are prepared on a monthly basis typically within 14 days of the period end.

2.17 Ensuring the reporting envelope reflects partnerships and other arrangements to give an overall picture.

The Commissioner's financial reports detail all partnership expenditure. The Commissioned Services budget is included as a separate line on the monitoring report with a link to further information on the Commissioner's website detailing all grant expenditure.

The Constabulary financial reports incorporate all partnership and collaboration activity. Where partnership activities have significant financial implications these are highlighted within Constabulary reports or are reported separately.

Principle 3 - The Chief Finance Officer must lead and encourage the promotion and delivery of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.

Promotion of financial management

3.1 Assessing financial management style and advising as to changes which may be needed to ensure it aligns with the PCC's strategic direction.

Within the OPCC collective responsibility for financial management is set out in job roles from the Chief Executive through to specific budget holders. Financial Services Officers have also attended full OPCC team meetings to brief staff on their role and to improve understanding of when to engage financial support in new/developing areas of business. Close relationships are promoted between the Financial Services Officer and individual budget holders to ensure ownership of the budgets. The financial planning cycle ensures alignment between the OPCC budget, commissioning budgets, the police and crime plan priorities and constabulary requirements.

Within the Constabulary collective responsibility for financial management is promoted through Chief Officer Group, and individual senior leadership team meetings (SLTs) where the budget is a standing agenda item. Financial services officers are an integral part of these SLT meetings to brief staff on their role and to improve understanding of when to engage financial support in new/developing areas of business. Closer relationships have been promoted between financial services staff and individual budget holders to ensure ownership of the budgets. The financial planning cycle ensures alignment between the Constabulary budget, change programme, police and crime plan priorities and the wider Commissioner's budget requirements.

3.2 Actively promoting financial literacy.

The Joint CFO has previously supported the procurement of CIPFA training that will enhance financial and business skills across the OPCC and Constabulary. The arrangements for financial governance ensure all key documents that support financial literacy are developed as far as is possible with a view to their accessibility to staff.

3.3 Assisting the development of a protocol which clearly sets out the roles and responsibilities for financial management, including delegated authority/powers.

The Joint CFO oversees on the development of the financial regulations and joint procurement regulations that set out the responsibilities and role of key individuals including Chief Officers within the OPCC and Constabulary.

Within the OPCC, the Joint CFO also inputs into the development of the existing OPCC scheme of delegation that documents all delegations from the Commissioner and Chief Executive and general principles of delegation.

Within the Constabulary, the Joint CFO has lead responsibility for the financial rules and financial handbook which underpin the financial regulations. The Joint CFO in conjunction with the Director of Legal Services has also lead on the development of the existing Constabulary scheme of delegation that documents all delegations from the Chief Constable and general principles of delegation. The Joint CFO also leads on the production of annual budget protocols which set out the roles and responsibilities of budget holders and wider Constabulary in relation to financial transactions.

Value for money

3.4 Challenging and supporting decision makers, especially on affordability and value for money, by ensuring policy and operational proposals with financial implications are notified to and as appropriate, for non-operational aspects, signed off by the finance function.

Within the OPCC, the Joint CFO will scrutinise all reports presented for decision to the Commissioner with financial implications (other than those operating with approved budgets), and advise on the acceptability of recommendations. Where decisions are able to be made in principle, but appropriate detail or assurance regarding financial implications are unable to be confirmed, final decision making is delegated to the Joint CFO.

Within the Constabulary, the Joint CFO will scrutinise all reports presented for decision to the Chief Constable and advise on the financial implications/acceptability of recommendations.

The Joint CFO works closely with the shared financial services team to ensure financial implications have been reviewed and where appropriate are reflected in a revised budget.

3.5 Ensuring that appropriate asset management and procurement strategies are developed and maintained

The Joint CFO is the lead for asset management and procurement for both the Commissioner and Constabulary. The Joint CFO leads on and works collaboratively with the Constabulary developing the joint procurement regulations (overarching document including strategy/policy, rules procedures). Asset management strategies are presented by the Constabulary as part of the budget setting process and will be discussed and reviewed by the Joint CFO prior to presenting to the Commissioner for approval as part of the annual budget process.

3.6 Taking a leading role on the identification of value for money opportunities.

The Joint CFO annually reviews HMICFRS VFM profiles and other inspectorate reports to identify areas where value for money can be improved for both organisations.

The Joint CFO's understanding of Constabulary VFM supports the Commissioner in providing challenge and ensures effective judgements can be made on the change programme strategy for reducing costs.

Within the Constabulary, further detailed work has been undertaken to benchmark Constabulary costs with statistical neighbours to identify opportunities to reduce the budget. The Joint CFO's understanding of Constabulary VFM supports the Chief Constable in providing challenge and ensures effective judgements can be made on the change programme strategy for reducing costs. The Public Accountability Conference receives a regular report from the Constabulary on its VFM strategy.

Safeguarding public money

3.7 Applying strong internal controls in all areas of financial management, risk management and asset control.

The Joint CFO leads on the Commissioner's financial regulations and financial rules.

The financial regulations are owned by the OPCC and are adopted by the Constabulary. The financial rules are owned by the Constabulary and are adopted by the OPCC.

3.8 Explain the financial management arrangements within the Annual Governance Statement.

The Annual Governance Statement and Code of Corporate Governance set out the arrangements for financial management.

3.9 Establishing budgets, financial targets and performance indicators to help assess delivery.

Within the OPCC, the Joint CFO leads on the development of an annual funding arrangement between the Commissioner and Chief Constable that sets out the financial management arrangements for Constabulary funding. This is accompanied by an annually agreed performance framework. Grant regulations within the OPCC ensure any grant based funding has performance/outcome based measures attached and/or an evaluation report to assess the impact of delivery.

Within the Constabulary, the Joint CFO leads on the development of an annual budget and medium term financial forecast for the Constabulary. Performance within the Constabulary, which includes financial performance, is

examined in periodic individual command or directorate performance development conferences. The budget setting process includes zero based budgeting exercises carried out by the financial services team and budget holders are held to account for financial performance and budget requirements in annual budget star chambers. The funding arrangement between the Commissioner and Chief Constable that sets out the financial management arrangements for Constabulary funding and an agreed performance framework.

3.10 Ensuring that effective systems of internal control are implemented, these may include financial regulations, contract regulations, standing financial instructions, operating manuals, and compliance with codes of practice to secure probity.

The Joint CFO leads on the Commissioner's financial regulations - these are adopted by the Constabulary. The OPCC adopts the financial rules which are produced by the Constabulary and are also led on by the Joint CFO. Financial rules are supported by a finance handbook and procedures. Internal audit will assess compliance as part of the cyclical audit of internal control and provide a judgement on the control environment. Job roles for finance posts include responsibility for ensuring compliance with codes.

3.11 Ensuring that the PCC and CC have put in place effective arrangements for internal audit of the control environment and systems of internal control as required by professional standards and in line with CIPFA's Code of Practice.

Shared Internal audit arrangements are in place and reviewed annually by the Joint CFO including compliance with CIPFA's code of practice and the Public Sector Internal Audit Standard.

3.12 Ensuring that delegated financial authorities are respected

The Deputy CFO has a highly robust understanding of delegations as set out in the funding arrangement between the Commissioner and Chief Constable and financial regulations and acts as a 'gate keeper' for financial delegations on behalf of the Joint CFO in respect of decision making and virement/budgets.

3.13 Promoting arrangements to identify and manage business risks (except for operational responsibilities of the Chief Constable), including safeguarding assets, risk mitigation and insurance.

The Joint CFO leads on the funding arrangement between the Commissioner and Chief Constable. The terms of funding include the responsibility of the Chief Constable in respect of managing business risk and insurance and safeguarding assets. The financial regulations has a specific section covering assets and the responsibilities of officers, which are re-enforced by budget protocols (which sit alongside the financial regulations and financial rules) within the Constabulary. The Joint CFO is consulted and plays an active part in the development of strategic risk registers with particular emphasis on financial risks.

3.14 Ensure that capital projects are managed with post completion reviews.

Where capital schemes are subject to a business case (largely ICT schemes) the project manager will produce a final project report reviewing the scheme and lessons learned. Work is ongoing to improve benefits realisation processes within the Constabulary.

3.15 Securing the application of appropriate discipline in financial management, including managing cash and banking, treasury management, debt and cash flow, with appropriate segregation of duties.

Financial management disciplines are set out in the financial regulations, rules and handbook supported by appropriate procedures and the treasury management statements of practice. These areas are subject to audit and a range of treasury management/other performance indicators. Segregation of duties operates within financial administrative procedures within the finance team and between the finance team and central services department who process a number of these transactions. Insurance arrangements provide some additional level of cover for any areas of risk.

3.16 Ensuring the effective management of cash flows, borrowings and investments of funds including those on behalf of others; ensuring the effective management of associated risks; pursuing optimum performance or return consistent with those risks.

The arrangements are set out in the treasury management strategy and practices statements. The Commissioner is responsible for Treasury Management and this function is managed by the Joint CFO supported by the Deputy CFO and the wider finance team. This area is subject to independent advice from treasury management specialist in addition to internal audit. The strategy and practices are reviewed by JASC annually who also receive reports on treasury management activity and compliance with performance indicators and the control framework.

3.17 Ensuring that appropriate measures exist to prevent and detect fraud and corruption.

The OPCC has arrangements for anti-fraud and corruption including a strategy, policy, procedures and a fraud plan. Further work has been undertaken to promote whistleblowing following feedback from JAC.

The Constabulary has arrangements for anti-fraud and corruption including a strategy, policy, procedures and an annual fraud risk assessment. Further work has been undertaken to promote whistleblowing following feedback from JAC.

The Joint CFO is made aware of any instances of fraud where they arise and will review and discuss with internal audit any implications for internal control. The Constabulary takes part in the national fraud initiative. Instances of fraud and the action taken are reported to the external auditors.

3.18 Ensuring that proportionate business continuity arrangements are established for financial processes and information.

The financial team have a business continuity plan which provides details of financial procedures to be adopted in the event of a business continuity event. The plan has been developed in consideration of a number of potential scenarios (principally loss of buildings, power, ICT or staff). The Joint CFO and wider finance team all have mobile ICT provision.

3.19 Ensuring that any partnership arrangements are underpinned by clear and well documented internal controls.

Within the OPCC, partnership arrangements involving funding are subject to a funding or grant agreement that stipulates requirements in respect of financial management and reserves the right of the Commissioner to subject those arrangements to audit.

Partnership arrangements involving the Constabulary are subject to governance arrangements appropriate to their size and risk as stipulated in the Financial Regulations and Rules.

Assurance and security

3.20 Ensuring that financial performance of the PCC and CC and its partnerships is reported to the PCC and CC and other parties as required.

The funding arrangement between the Commissioner and Chief Constable and financial regulations set out the requirements in respect of financial monitoring. Cyclical Reports are presented to the Chief Officer Group, Public Accountability Conference and Police and Crime Panel.

3.21 Ensuring that financial and performance information presented to members of the public, the community and the media covering resources, financial strategy, service plans, targets and performance, is accurate, clear, relevant, robust and objective. Apart from operational matters which are the responsibility of the Chief Constable.

The financial information in reports is reconciled to the position on the financial system. Staff producing reports are fully aware of the challenges in making financial reporting publically accessible and work hard to ensure reports present information in accessible formats e.g. treasury management reporting makes frequent use of graphs and charts to explain the arrangements. Annual budget information presented to the police and crime panel makes use of supporting contextual data, graphs and pictures to enhance the narrative and figures. OPCC budget monitoring reports provide additional information on the purpose of grant funds and the organisations receiving grants in response to this being an area of interest for the panel.

3.22 Supporting and advising the Audit Committee.

The Joint CFO provides support to the Deputy CFO who leads on the arrangements for the JAC providing support/advice as necessary and producing the annual report on behalf of the Committee. The arrangements for the Committee provide for independent meetings with the external and internal auditors which provides a further opportunity for members to access support. Members agree an annual programme of development sessions and corporate updates. Arrangements provide that members can request training seminars at the start of committee meetings.

3.23 Ensuring that clear, timely, accurate advice is provided on what considerations can legitimately influence decisions on the allocation of resources, and what cannot.

The Joint CFO works closely with the Deputy CFO in developing the annual budget and medium term forecasts including discussions on resource allocations. The Joint CFO will brief the Commissioner and Chief Constable as appropriate on any principles that underpin assessments of levels of reserves, the approach to constabulary funding and any issues with resource implications outside the on-going continuity budget prior to developing final reports for formal approval. The funding arrangement between the Commissioner and Chief Constable sets out the discretions available to the Chief Constable for in year resource allocation.

3.24 Ensuring that published budgets, annual accounts and consolidation data for government-level consolidated accounts are prepared.

The Deputy CFO, on behalf of the Joint CFO ensures the publication of budget/monitoring information, including treasury management strategy and activity reports on the Commissioner's website within a dedicated budget and finance page. The Joint CFO also ensures that a separate page, which sets out the statement of accounts and associated governance statements and includes a copy of the audit commission's document advising the public on their rights regarding information on the accounts and audit, is maintained and up to date. The shared financial services team under the direction of the Deputy CFO ensures government returns including the WGA are complete and submitted to the relevant government department.

3.25 Ensuring that the financial Statements are prepared on a timely basis, meet the requirements of the law, financial reporting standards and professional standards as reflected in the Code of Practice on Local Authority Accounting in the United Kingdom developed by the CIPFA/LASAAC Joint Committee.

The Joint CFO provides separately an annual letter of representation to the external auditors on behalf of the Commissioner and Chief Constable confirming all required standards have been met in respect of the published statement of accounts.

Under The Accounts and Audit Regulations (2015) the date by which the Chief Constable and Commissioner are required to publish the draft (subject to audit) statement of accounts has been brought forward to 31 May (previously 30 June) and the required date to publish the final (audited) statement of accounts has been brought forward to 31 July (previously 30 September). The requirement for these accelerated dates came into effect for the statement of accounts for the 2017/18 financial year.

The financial services team achieved these tighter deadlines for two years in advance of the statutory requirement. The financial statements for the past **four** years, 2015/16, 2016/17, 2017/18 and **2018/19** resulted in the publication of the un-audited statements by 23 May 2016, 31 May 2017, 24 May 2018 and **23 May 2019** and the audited statements by 28 July 2016, 21 July 2017, 19 July 2018 and **31 July 2019** respectively. This work was well received by the external auditors.

3.26 Certifying the annual Statement of Accounts.

The Joint CFO certifies the annual statement of accounts for the PCC/Group and the single entity accounts for the Chief Constable.

3.27 Ensuring that arrangements are in place so that other accounts and grant claims (including those where the PCC is the accountable body for community led projects) meet the requirements of the law and of other partner organisations and meet the relevant terms and conditions of schemes

The shared financial services team lead on ensuring the requirements of grant claims are adhered to and will liaise directly with the relevant government department where needed to ensure requirements are fully understood. Where funded expenditure is being managed by a partner the arrangements include a funding or grant agreement with terms consistent with those issued from the relevant government department. Legal support is accessed as appropriate regarding terms and conditions of agreements.

3.28 Liaising with the internal and external auditor.

The Joint CFO leads on the arrangements for audit for both the OPCC and Constabulary and will meet with the external auditors at the start and close out meetings for the accounts and periodically during the audit process to discuss any issues. The Joint CFO meets regularly with the internal auditors to discuss audit planning and as part of the shared audit service management board. The internal and external auditors and Joint CFO attend all meetings of the JAC.

Principle 4 - The CFO must lead and direct, (as explained in this principle), a finance function that is resourced to be fit for purpose.

4.1 Ensuring that the finance function makes a full contribution to and meets the needs of the business.

The finance function is a highly valued team and critical to ensuring the OPCC, Constabulary and Joint CFO can fulfil their statutory and professional responsibilities. The Deputy CFO leads the team and is fully engaged in the business of the OPCC and Constabulary, and works very closely with the Joint CFO on ensuring the delivery of financial support including a full suite of budget, monitoring and treasury reports and the financial statements in order that the Commissioner, Chief Constable and Joint CFO can demonstrate public accountability for its funding.

4.2 Ensuring that the resources, expertise and systems for the finance function are sufficient to meet business needs and negotiating these within the overall financial framework.

The resources within the finance function are regularly assessed to ensure a balance between meeting the needs of the business and cost. Resources between the two entities were reduced overall in 2017 when the decision to move to a shared Joint CFO was made. The changes resulted in a restructure of the finance team which led to a 0.6 FTE increase in the Financial Services Officer Role and the replacement of a 0.60 FTE Financial Services Assistant with a full time Financial Services Trainee/Apprentice. The revised financial services structure has now been in place for over **two years** and whilst demands on the team and work pressures remain high, resources within the team are felt to be adequate on a day to day basis. There is however limited capacity (without backfill) to facilitate additional work, **for example the finance system is currently being planned to be upgraded in 2020, which has required a member of the finance team to be seconded to the project and their role backfilled.**

4.3 Ensuring that robust processes for recruitment of finance staff are implemented and/or outsourcing of functions.

The Joint CFO and Deputy CFO will jointly consider resources and the recruitment of senior posts within the finance team. The finance team were subject to a mini restructure in April 2017 when the decision was made for the Commissioner and Chief Constable to share a Chief Finance Officer. The Joint CFO and Deputy CFO have jointly developed the role descriptions and person specifications for all posts. There is currently no formal outsourcing of finance functions. Specialist advisory services are subject to procurement processes in line with procurement regulations. Internal audit is provided through a shared service with a management board attended by the Joint CFO.

4.4 Reviewing the performance of the finance function and ensuring that the services provided are in line with the expectations and needs of its stakeholders.

The Joint CFO is the primary stakeholder for the finance function under the shared service arrangements. The Joint CFO works closely with the Deputy CFO, Financial Services Managers and other members of the team to communicate requirements and ensure the team is able to deliver. The team has an excellent track record of providing a qualitative and response service to the OPCC and Constabulary.

4.5 Seeking continuous improvement in the finance function.

The Joint CFO has worked with the Deputy CFO to develop and fund a training and development policy for the finance function to incorporate an enhanced level of professional training. Staff are encouraged to attend regional and national seminars and events. This learning supports staff in improving the systems and processes for which they are responsible.

4.6 Ensuring that finance staff, managers and the Leadership Team are equipped with the financial competencies and expertise needed to manage the business both currently and in the future.

The Joint CFO has worked with the Deputy CFO to develop and fund a training and development policy for the finance function. In addition the team members have undertaken risk management awareness training, treasury management training, and VAT training. As part of the participation in the Cumbria Wide Accountancy Group (CWAG) CIPFA training has been hosted at HQ on capital accounting and has been arranged for later in November on financial planning, a member of the team also attended a similar training event on the introduction to local government accounting in Whitehaven, the cost of such courses is shared between delegates from the Cumbrian districts, LDNPA and the county council. As part of CIPFA's Achieving Financial Excellence in Policing Programme, the Deputy CFO is currently taking part in the CIPFA Leadership Academy.

4.7 Ensuring that responsibility for all finance staff is properly discharged.

The Joint CFO has direct staff responsibility for the Deputy CFO and works closely with the Deputy CFO to ensure responsibility for staff within the finance function is properly discharged.

4.8 Acting as the final arbiter on application of professional standards.

Within both the OPCC and Constabulary, the Joint CFO has statutory responsibility for the administration of financial affairs and is a professional member of CIPFA. As the sole post holder within the OPCC and Chief Officer Team with a professional financial qualification, all financial responsibility including that for professional standards rests with the Joint CFO.

Principle 5 - The CFO must be professionally qualified and suitably experienced.

5.1 In order to fulfil the aims of this Principle, the CFO must:

- Be a member of an accountancy body recognised by the International Federation of Accountants (IFAC), qualified through examination, and subject to oversight by a professional body that upholds professional standards and exercises disciplinary powers.
- Adhere to international standards set by IFAC on: Ethics and Continuing Professional Development.
- Demonstrate IT literacy.
- Have relevant prior experience of financial management in the public services or private sector.
- Understand public service finance and its regulatory environment.
- Apply the principles of corporate finance, economics, risk management and accounting.
- Understand personal and professional strengths.
- Undertake appropriate development or obtain relevant experience in order to meet the requirements of the non-financial areas of the role.

In April 2017, the decision was taken by the Commissioner and Chief Constable that the role of Statutory Chief Finance Officer (S151 Officer) would be performed by a shared post between the organisations. In May 2017, Roger Marshall was appointed to this new shared position.

The Joint CFO, Roger Marshall is a full member of CIPFA and adheres to the requirements of that professional body including those for ethics and CPD.

Roger is literate in the use of relevant office ICT systems (Microsoft Office) and has mobile access to office ICT.

Roger has relevant experience which includes a number of senior finance roles within the corporate finance department of a county council and several years fulfilling the roles of Head of Financial Services and Chief Finance Officer for the Constabulary. Specific accountabilities have included consolidating statutory accounts, producing multi service revenue budgets, capital strategy and medium term financial forecasts and treasury management. The range of roles performed by Roger has led to the development of a robust understanding of public service finance/regulatory requirements. More recently this has included the changes in legislation and regulations arising from the introduction of the police and crime commissioner including the Police Reform and Social Responsibility Act 2011, the policing protocol order 2011, relevant aspects of the Anti-social Behaviour, Crime and Policing Act 2014 and the changes to financial legislation arising from the Local Audit and Accountability Act 2014.

Roger ensures that the principles of corporate finance, economics, risk management and accounting are applied through leading on robust standards of financial governance that are subject to review by an independent audit committee and internal and external audit.

Roger undertakes relevant training to ensure that his knowledge is updated on a continuous basis in order to fulfil the Joint CFO role effectively.