



The Chief Constable of Cumbria Constabulary  
**STATEMENT OF ACCOUNTS**  
2021/22



[www.cumbria.police.uk](http://www.cumbria.police.uk)



The Chief Constable of Cumbria  
Constabulary

Statement of Accounts 2021/22

## About this Publication

This publication contains the single entity financial statements for the Chief Constable of Cumbria Constabulary. All funding for the Constabulary comes from the Police and Crime Commissioner for Cumbria (the Commissioner). For an overall (group) financial position please see the Commissioner's Statement of Accounts which incorporates those of the Chief Constable.



The Statement of Accounts for 2021/22 is available on the Constabulary's website at [www.cumbria.police.uk](http://www.cumbria.police.uk)

The corresponding accounts for the Police and Crime Commissioner can be found on the Commissioner's website at: [www.cumbria-pcc.gov.uk](http://www.cumbria-pcc.gov.uk).



The Statement of Accounts is also available in printed format from the office of the Police and Crime Commissioner for a nominal fee of £10 per copy.

## Alternative Formats



You can get a copy of this document in different formats such as large print, Braille, audio, or in a different language by calling 01768 217734

### Bengali

আপনি 01768 217734 এই নম্বর ফোন করে, বিভিন্ন ফরম্যাট যেমন বড় প্রিন্ট, ব্রেইল, অডিও বা একটি ভিন্ন ভাষাতে এই নথিটির একটি কপি পেতে পারেন।

### Cantonese

如果您想获取该文件的不同版本，如：大字体印刷、盲文、音频或不同语言版本，请致电：01768 217734。

### Lithuanian

Paskambinę telefonu 01768 217734, galite užsisakyti šio dokumento kopiją įvairiais formatais, pavyzdžiui, atspausdintą dideliu šriftu, Brailio raštu, užsisakyti garso įrašą arba gauti dokumentą, išverstą į norimą kalbą.

### Polish

Aby otrzymać kopię tego dokumentu w innych formatach, takich jak duży druk, druk Braille'm, audio, lub w innym języku proszę dzwonić pod numer 01768 217734.

### Portuguese

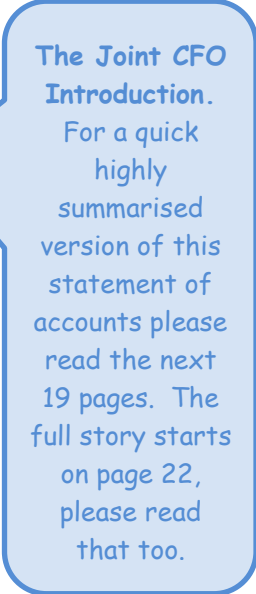
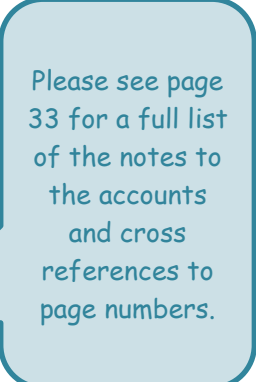
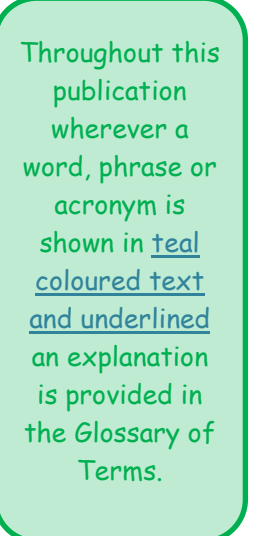
Podemos obter uma cópia deste documento em vários formatos, como por exemplo em Braille, áudio, ou numa outra língua. Para tal ligue para o 01768 217734.

### Turkish

01768 217734' u arayarak, bu dokümanın bir kopyasını büyük puntolu, körler için kabartmalı, ses dosyası gibi değişik formatlarda veya farklı bir dilde edinebilirsiniz

# The Chief Constable of Cumbria Constabulary

## Statement of Accounts 2021/22

Contents	Page(s)	
Joint Chief Finance Officer Narrative Report	3-21	 <p>The Joint CFO Introduction. For a quick highly summarised version of this statement of accounts please read the next 19 pages. The full story starts on page 22, please read that too.</p>
Responsibilities for the Statement of Accounts	22	
Auditors Report to the Chief Constable	23-28	
Core Financial Statements		
• Comprehensive Income and Expenditure Statement	29	 <p>Please see page 33 for a full list of the notes to the accounts and cross references to page numbers.</p>
• Movement in Reserves	30	
• Balance Sheet	31	
• Cash Flow Statement	32	
Notes to the Accounts	33-53	
Police Officer Pension Fund Account	54-55	
Glossary of Terms	56-58	 <p>Throughout this publication wherever a word, phrase or acronym is shown in <u>teal coloured text and underlined</u> an explanation is provided in the Glossary of Terms.</p>
Annex A - Statement of Accounting Policies	59-62	
Annex B – Technical Annex - Financial Instruments	63-64	
Annex C – Technical Annex – Pension Disclosures	65-74	
Annex D – Annual Governance Statement	AGS 1-28	

## Introduction

I am pleased to introduce the financial Statement of Accounts for the 2021/22 financial year. This financial statement sets out the single entity statements of the Chief Constable of Cumbria Constabulary. The Police and Crime Commissioner for Cumbria (the Commissioner) has also produced group accounts, which consolidate the single entity statements of the Chief Constable and the Commissioner. The accounts are published in accordance with the Accounts and Audit Regulations 2015.

The statement provides a breakdown of net spending during the year and shows the overall financial position of the Chief Constable as at 31 March 2022. The reporting format is specifically designed to meet the requirements of the Code of Practice on Local Authority Accounting. A series of notes are provided to assist readers in their understanding of the statement, whilst the presentational format is designed to make for easier reading by those who access the document through the Chief Constable's website: [www.cumbria.police.uk](http://www.cumbria.police.uk)

The narrative report provides a simplified summary of the financial statements with expanded information on the objectives, activities, performance and future financial prospects of the Constabulary. This aims to give the reader greater understanding of the context in which the financial statements are set. The narrative report is also available as a stand-alone document on the same website. The Commissioner's consolidated financial statements showing the group position can be accessed from the Commissioner's website: <https://cumbria-pcc.gov.uk/>

## Statutory Framework

The Chief Constable was established as a statutory entity under the Police Reform and Social Responsibility Act 2011 (PRSRA 2011). The PRSRA 2011 provides that there will be a Police and Crime Commissioner for each police area with responsibility for ensuring the maintenance of the police force for the area, securing that the police force is efficient and effective and holding the Chief Constable to account. The Commissioner has wider responsibilities than those solely relating to the police force. These include responsibility for the delivery of community safety and crime reduction, the enhancement of the delivery of criminal justice in their area and providing support to victims.

The PRSRA 2011 established the Chief Constable as a separate statutory entity, distinct from the Commissioner and with operational independence. The Chief Constable is responsible for maintaining the Queen's peace and the exercise of police powers. The Chief Constable is accountable to the Commissioner for leadership of the force, the delivery of efficient and effective policing and the management of resources and expenditure for the police force.

The PRSRA 2011 sets out the statutory financial framework for the Commissioner and Chief Constable. The legislation provides for the Secretary of State to issue a financial code of practice in relation to the proper administration of financial affairs. The Home Office, under the legislation, issues a Financial Management Code of Practice for the Police Forces of England and Wales.

The Code supports the statutory framework further setting out the financial relationships and requirements for the Commissioner and Chief Constable.

This financial framework provides that the Commissioner receives all funding, including government grants, council tax income and other sources of income related to policing and crime reduction. All funding for the Chief Constable must come from the Commissioner. This, in addition to the powers of the Commissioner to set the strategic direction for policing and appoint and dismiss the Chief Constable, creates a subsidiary relationship between the Commissioner and the Chief Constable. As such, the Commissioner must publish a set of group consolidated accounts in addition to single entity accounts. The Chief Constable must publish single entity accounts and provide information to the Commissioner to support the publication of group accounts.

## Organisational Structure

The Chief Constable is supported by a Deputy Chief Constable and Assistant Chief Constable who are responsible for a portfolio of functions within the organisation.

During 2021/22 operational policing has been split into three commands, each headed by a Chief Superintendent, which report to the Assistant Chief Constable.

The Operations, Engagement and Neighbourhood Policing Command is responsible for local policing, response and public engagement including management of calls for service. The command is

structured in three geographic areas.

The Crime, Safeguarding and Specialist Capabilities Command is responsible for investigating crime and includes specialist units for gathering intelligence, major crime investigation, countering serious and organised crime, public protection and scientific support. Specialist functions, which provide shared support to Neighbourhood Policing teams such as roads, firearms, dogs and criminal justice have recently been transferred to this command.

The Insight, Performance and Policing Futures Command performs a number of strategic functions including responsibility for management information, performance management, business change and benefits management.

There are also two support directorates both of which report to the Deputy Chief Constable.

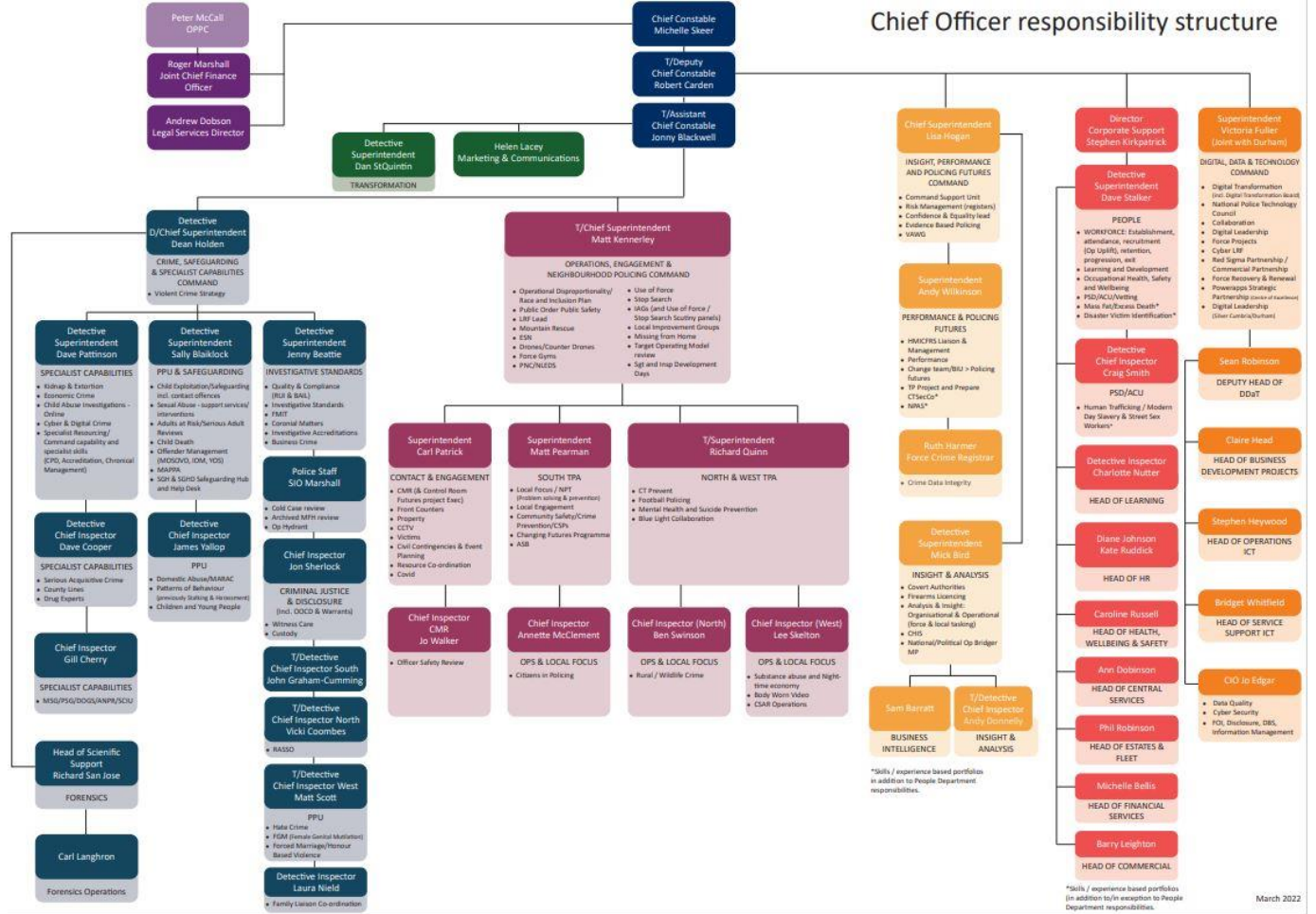
The Corporate Support Directorate includes finance, people, estates, fleet, learning & development, commercial and central services. In overall terms, the Corporate Support directorate aims to provide cohesive and integrated support for operational policing.

The Digital, Data and Technology Directorate is responsible for all aspects ICT development and data management.

Legal Services is a small specialist function, which operates independently from the main directorate structure and provides services to the Chief Constable and Commissioner.

# Joint Chief Finance Officer Narrative Report

A diagram showing the Constabulary's organisational structure is shown below:



From mid 2022/23 a re-structure is planned aligned to Local Government Reform in Cumbria. The most significant planned change is the establishment of two Basic Command Units which will undertake local policing, response, intelligence and crime investigation and will be co-terminus with the two unitary councils of Cumberland and Westmorland and Furness. The objective of the change is to more clearly establish accountability for policing outcomes and to facilitate improved engagement and collaboration with partner public sector authorities.

Other planned changes include bringing together support and DDaT functions under the leadership of a newly appointed Assistant Chief Officer.

## Strategic Objectives

For 2021/22, the Chief Constable determined the strategic direction for the Constabulary, which is 'To Deliver an Outstanding Police Service to Keep Cumbria Safe'. Following consultation with a range of stakeholders, demand and resource analysis, performance results, recommendations from independent inspections and audits and a review of the organisation's strategic risks, the Chief Constable developed the core operational objectives of Tackling Criminality, Helping Those in Need and Connecting with Communities, which will be achieved through :

- Early intervention and prevention.
- Quality investigations
- Innovative use of Intelligence and technology.

- Working together.
- Quality victims care.
- Visible local policing at the heart of what we do.
- Respond to our communities.
- Maximise engagement.

The Commissioner approved these key objectives and incorporated them into his Police & Crime Plan to complement his aims.

The priorities also support delivery of the Constabulary's Vision 25 Strategy which seeks to provide a roadmap to transform policing to meet the challenges of delivering an effective service for communities into the mid 20s.

Cumbria Vision 25 has five key themes

- Local Policing
- Specialist Capabilities
- Digital Policing
- Workforce
- Business Support

Each work-stream has a delivery plan and professional lead. Governance processes are also aligned to the themes.

## Chief Constable's Report

In terms of crime and disorder, Cumbria remains one of the safest places to live, work and visit in England and Wales. Cumbria has the second lowest volume of crime and anti-social behaviour and traffic incidents have steadily reduced over the past three years. The people of Cumbria remain supportive of the service we provide.

During 2021/22 the Covid-19 pandemic continued to impact on the work of the Constabulary. Although the challenges of enforcing Covid regulations and ensuring the safety of the force's officers and staff, whilst to maintaining an effective policing service, were less acute than in 2020/21, they still represented a considerable drain on resources. The impact of the virus will continue to be felt in 2022/23 and as a result a Covid recovery plan is being put in place to ensure that the benefits of new ways of working which were adopted during the pandemic are not lost.

In relation to levels of crime, most types of recorded crime rose sharply in 2021/22, however, because of the lockdowns in 2020/21, a year on year comparison does not give a representative picture. It would be fair to say that generally crime levels have returned to their pre-pandemic levels. Crime continues to become more complex as society and technology evolve with the result that the challenges faced by our front line officers in protecting the public are greater than ever. We constantly review our demand to inform our resourcing options, making sure that we address changing criminality.

The other major challenge faced by the Constabulary during 2021/22 was to maintain impetus on the local implementation of the Government's Operation Uplift Programme, to recruit an additional 20,000 officers nationally by 2023. Cumbria's target to recruit an additional 49 officers by the end of 2021/22 in the second phase of Uplift was achieved well ahead of schedule although delivery of the final phase in 2022/23 may be more difficult as the labour market opens up following the pandemic.



The Constabulary remains at the forefront in the use of digital technology in the fight against crime and is recognised nationally as being at the leading edge in rolling out mobile technology. Despite the challenges presented by working remotely during 2021/22, work has continued on developing the digital infrastructure and issuing further mobile devices to enable officers and staff to work flexibly. An innovative approach to developing mobile phone applications through PowerApps has been pioneered and a business case approved for the replacement of the main policing Records Management System in collaboration with a private sector partner Mark 43.

The Constabulary is inspected and graded as part of a regime known as PEEL (Police Efficiency, Effectiveness and Legitimacy) by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS). Following a suspension in inspection activity during 2020/21 due to the pandemic the Constabulary was inspected in the autumn of 2021. HMICFRS congratulated the Constabulary on its overall good performance, although it needs to improve in some areas. Performance was graded Cumbria Constabulary's performance across eight areas of policing and found the force was 'outstanding' in one area, 'good' in three areas and 'adequate' in four areas. I am pleased with the results of the inspection as a vindication of the work we undertake to keep Cumbria safe. We have taken cognisance of the areas identified by the inspectorate where services could be improved and pro-actively put in place plans to address them.

The Cumbria 2025 Plan remains pivotal to the delivery of a policing service to meet the future needs of the county. It seeks to bring together business and change

planning into a single cohesive plan, which is aligned to the national policing vision. During 2021/22, in addition to the continued development of operational ICT systems highlighted, we have:

- Developed new training pathways for Detectives and recruits holding policing degrees.
- Implemented an action plan in relation to Violence Against Women and Girls.
- Continued to develop ways in which the public can engage with the Constabulary through the call management room such as call back and webchat.

The plan will continue to be developed during 2022/23 under the leadership of the Chief Officer team.

Whilst the favourable grant funding for Operation Uplift and flexibility afforded to Commissioners to increase the precept in 2021/22 is appreciated and has allowed officer numbers to increase, this takes place in the context of uncertainty regarding the longer term financial outlook. The recent increase in inflationary pressures will undoubtedly put pressure on the budget whilst national funding will be constrained by the effect of the pandemic. This will compound existing financial risks regarding the sustainability of funding, the financial burden of national policing initiatives, pensions costs and potential changes to the police funding formula. In the meantime, the Constabulary will continue to operate as efficiently as possible and deliver savings to balance the budget.

In summary, despite the challenges, I will continue to work with the Commissioner and partners across the county to deliver on our core mission of Delivering an Outstanding Policing Service to Keep Cumbria Safe.

## 2021/22 Grant Settlement and

### Budget

Under the provisions of the Police and Social Responsibility Act 2011, the Commissioner receives external funding, principally in the form of central government grants and council tax. The Commissioner is responsible for setting the budget and maintaining the force through the provision of funding to the Chief Constable. Details of the 2021/22 grant settlement, the Commissioner's overall budget and the level of Council Tax levied are provided in the Commissioner's combined financial statements.

In summary, the Government provided significant additional grant funding in 2021/22, which was directed towards the achievement of the second phase of Operation Uplift; the Government's programme to recruit 20,000 officers nationally by 2022/23. The principal challenge presented from the grant settlement was the lack provision to meet the rising cost of providing existing services. To this end, Police and Crime Commissioners were afforded flexibility to increase council tax above inflation to make up the shortfall. Following public consultation, the Commissioner increased the precept by £6.57 for a band D property, which is equivalent to 2.47%. This enabled services to be maintained, offsetting the effect of pay and price increases and other unavoidable commitments, whilst the additional grant has allowed the Constabulary to proceed with rapid recruitment of the **its** Uplift target of an additional 49 officers.

## Business Activity

In addition to the day to day work of Protecting the People of Cumbria, the Constabulary, through its change programme and business strategies, has sought to identify savings and innovative ways to increase the productivity of its officers and staff. During 2021/22 we have made the following changes to enhance services:

- Undertook extensive analysis of current and future demand to support the production of a Force Management Statement for submission to HMICFRS as a means of shaping future service delivery.
- Audits of stop and search and the use of Body Worn Video to provide feedback to officers and improve services.
- Undertook a range of compliance and knowledge checks again to improve services across the operational policing portfolio including victims code of practice, released under investigation, domestic abuse quality of service and crime recording.
- Developed a strategy to counter Violence Against Women and Girls.
- Developed a business case to replace the policing Records Management System in conjunction with Mark 43.
- In conjunction with Tiski, created a number of applications using Power Apps to improve the ability of officers and staff to access data.
- Enhanced public contact through the development of web chat and call back facilities.
- Purchased new kennel facilities with training capability.
- Updated the Constabulary's intranet site.

## Performance

### Summary Budget and Outturn

The Chief Constable's budget amounting to £137m is based upon the funding agreement with the Commissioner.

The table below shows the summary budget for 2021/22 as set on 19 February 2021, the revised budget (taking into account budget changes made during the year) and the outturn position.

Summary Budget & Outturn	Base Budget 2021/22 £000s	Revised Budget 2021/22 £000s	Outturn 2021/22 £000s	(Under)/ Overspend 2021/22 £000s
Police Officers	97,139	93,061	95,575	2,514
PCSOs	1,894	1,894	1,929	35
Police Staff	25,287	25,658	24,861	(797)
Other Employee	2,212	2,888	2,722	(166)
Transport	2,366	2,359	2,268	(91)
Supplies & Services	10,937	11,293	10,135	(1,158)
Third Party Related	2,405	2,645	3,025	380
<b>Total Expenditure</b>	<b>142,240</b>	<b>139,798</b>	<b>140,515</b>	<b>717</b>
Income	(5,259)	(6,192)	(7,282)	(1,090)
<b>Total Constabulary</b>	<b>136,981</b>	<b>133,606</b>	<b>133,233</b>	<b>(373)</b>

The presentation above is as the figures are reported throughout the year in the management accounts. At the year-end a number of technical accounting adjustments (required by proper accounting practice) are made. For this reason, the outturn in the table above will not reconcile directly to the summary Comprehensive Income and Expenditure Statement.

The budget is predominantly made up of funding for employee costs, amounting in total to £126.53m, which is broken down into Police Officers £97.14m, PCSO's £1.9m, Police Staff £25.29m and other employee costs of £2.21m. The remainder of the

budget relates to non-staff costs including, transport costs of £2.37m and supplies/other costs of £13.34m. Income of (£5.26m), which is generated through policing activities, is also shown within the Chief Constable's budget.

### In-Year Financial Performance

**Revenue Expenditure:** The Chief Constable's final expenditure position for 2021/22, compared to the revised budget is an underspend of (£0.373m), which represents 0.28% of the budget.

Police Officer pay was overspent by £2.5m through a combination of changes to the workforce plan, decisions to increase some higher rank posts in the context of the overall increase in officer numbers through Operation Uplift and pressure on overtime partially as a result of the re-scheduling of Appleby Fair and policing COP26 (which was recouped). This is more than offset by savings on police staff, (as a result of a higher than expected level of vacancies) non-staff budgets and additional income. In relation to supplies and services the under-spending has arisen from budgets which were expected to be spent as the Constabulary recovered from Covid, with expenditure being delayed due to the pro-longed nature of the pandemic.

During 2021/22 the Covid-19 pandemic continued to have an impact on the Constabulary's budget, although less so than in 2020/21. Additional expenditure totalling £439k was incurred in relation to PPE, technology to facilitate home working and enforcement activities, whilst income generation was also down by a further £258k.

However, this was largely offset by a combination of Government support and savings which resulted indirectly from the pandemic, such as reduced travel and training, totalling (£648k), leaving a net cost to the Constabulary of £49k.

**Capital Expenditure:** Under the terms of the funding arrangement between the Commissioner and the Chief Constable, all non-current assets are under the control of the Commissioner. Details of capital expenditure and funding in relation to the acquisition and enhancement of assets, which amounted to £5.371m in 2021/22 are shown in the financial statements of the Commissioner. This figure was significantly less than capital budget of £8.675m. Expenditure on ICT amounted to £1.887m, which largely comprised upgrading the digital infrastructure and provision of mobile devices to facilitate a significant proportion of the workforce operating remotely. In relation to the Estate £1.133m was spent on the purchase of a commercial kennel facility, which also presents opportunities to develop a training facility. A further £2.098m was expended on the cyclical replacement of the vehicle fleet. Capital expenditure was also incurred in relation to Taser replacement, although the planned replacement of the CCTV infrastructure has been delayed. Whilst supply issues following Covid disruption have improved compared to 2020/21, some delivery delays for vehicles and ICT equipment are still being experienced and have contributed to the slippage in the programme

## Organisational Performance

The Constabulary operates a comprehensive framework of performance measures to ensure it is

meeting its objectives and support the Commissioner in delivering his Police and Crime Plan. The following section provides a summary of performance in relation to crime, incidents and other outcomes for 2021/22.

- Overall crime increased by 20% (6,172 crimes). This increase was largely attributable to the relaxation of Covid restrictions compared to 2020/21.
- 'Violence against the person', experienced an increase of 24% which equates to 3,282 crimes. This is at least partially reflective of the fact that pubs and nightclubs were closed for much of the previous year. However, within this broad category, certain crime types such as homicides and death and serious injury from unlawful driving reduced, but based on very low numbers.
- Acquisitive crimes such as robbery and theft increased by a quarter compared with the previous year, although there was a much smaller increase in burglaries.
- We encourage the reporting of rape and sex offences; which increased by 38.4% (213 offences) compared to the previous year.
- The only crime type to experience a reduction was drug offences, which reduced by 14.6%. This is an indication of reduced pro-active policing in this area, as officers dealt with increased demand in other areas.
- Antisocial behaviour (ASB) increased has reduced by 39% (4,416 incidents). Some of this reduction is explained by reduced reporting of Covid breaches to the police, which were recorded as ASB.
- Work has also targeted increased reporting for domestic violence. During 2021/22 Domestic Abuse Safeguarding Crimes increased by 10% which equates to 592 crimes.

# Joint Chief Finance Officer Narrative Report

- Cumbria generally has a low level of hate crime compared to other forces both nationally and in the North West, however, the latest figures for crimes with a hate indicator show an annual increase of 41 crimes, which represents an increase of 40.6%.
- The latest figures for public confidence in the local police service remained high at 79.4% for the whole experience (a slight increase from 78.5% in 2020/21).

The table below summarises the Constabulary's performance indicators.

	Number of Crimes 2021/22	% Change from previous year
<b>All Crime</b>	<b>37,121</b>	<b>20%</b>
Violence against the person	16,828	24%
Homicide	3	-67%
Death or Serious Injury - Unlawful Driving	3	-84%
Stalking and Harassment	5,844	26%
Violence with injury	4,761	34%
Assault - cause serious harm	226	19%
Assault with injury	4,371	30%
Other violence with Injury	164	681%
Violence without injury	6,217	17%
Assault without injury	5,257	17%
Assault without injury on a Constable	403	20%
Other violence without injury	557	13%
Rape and sexual offences	1,709	38%
Robbery	151	26%
Theft offences	4,622	24%
Burglary	1,456	2%
Vehicle offences	758	8%
Criminal damage and arson offences	5,026	18%
Drugs offences	972	-15%
Public order offences	4,658	19%
Miscellaneous Crimes Against Society	685	3%
Possession of weapons offences	256	7%

The Constabulary has recently had its HMICFRS Inspection, it has been congratulated on its overall good performance, although it needs to improve in some areas, the police inspectorate has said.

Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) graded Cumbria Constabulary's performance across eight areas of

policing and found the force was 'outstanding' in one area, 'good' in three areas and 'adequate' in four areas.

HMICFRS said the areas requiring improvement included how the force handles calls from the public and its neighbourhood policing resourcing.

Her Majesty's Chief Inspector of Constabulary, Andy Cooke, said: "I congratulate Cumbria Constabulary on its performance in keeping people safe and reducing crime, although it needs to improve in some areas to provide a consistently good service".

"The force's work in the management of registered sex offenders is excellent, which means it is protecting communities from some of the highest-harm offenders - I am impressed by some of the innovative practice".

"The force has a positive, supportive and inclusive culture. Everybody we spoke to during our inspection said that they felt proud to work for Cumbria Constabulary".

"It's digitally progressive and innovative, using digital technology to support those on the front line".

"There's a strong focus on early intervention with children and young people, and I am encouraged to see the child-centred policing model that the force has adopted".

"Cumbria Constabulary does need to improve its call handling performance. Emergency calls are answered and responded to quickly; however, sometimes abandonment rates for non-emergency calls aren't meeting national standards".

"It also needs to review its neighbourhood policing resourcing and deployment model".

“I am reassured that the force has been developing work to address this following our inspection”. “I will monitor Cumbria’s progress towards addressing the areas I have identified where the force can improve further”.

## People

The Constabulary recognises that its workforce is its most important asset and that maintaining healthy, engaged and motivated officers and staff is critical to the delivery of effective services.

The Constabulary has re-written and re-launched its People Strategy in 2021/22, which brings together the key themes of:

- health, safety and well-being
- workforce planning, recruitment and talent management
- employee relations
- reward and recognition
- managing workforce change
- learning and development

During the year there has been particular focus on recruitment of officers to fulfill the Government’s Uplift programme, improvement in workforce data and undertaking a review of workforce policies.

There is a particular focus on wellbeing with work undertaken in 2021/22 seeking to promote and embed:

- Development of an agile working policy to facilitate a mix of home and office working following the pandemic.
- Participation in the national Oscar Kilo programme to promote well-being in the workplace.

- Investment in further Wellbeing initiatives in the Constabulary and the training of Mental Health First Aiders and a buddy up scheme, who can signpost staff for early help and support. LA Silver better health at work award was achieved and work is proceeding towards a gold award, which is expected to be achieved in 2022
- Provision of psychological screening for officers in high risk roles.
- Development of a spotlight scheme to shape future leaders in the Constabulary
- Streamlined processes in duty management so staff can access automated leave systems
- Investment in anti-corruption and vetting software and resources.

At the 31<sup>st</sup> March 2022 the Constabulary employed:

- 1,287 Police Officers
- 47 PCSOs
- 624 Police staff (all expressed in full time equivalents)

As part of the Commissioner’s council tax pledge in 2021/22 the police officer establishment was increased by 49 FTE, from 1,216 to 1,265, which represented the Constabulary’s share of the second phase of the national Operation Uplift programme. The achievement of the Uplift target was made a high priority by the Constabulary, with the result that the increased officer numbers were in place in early 2021/22. Over 2021/22 the numbers of police staff and PCSOs operated below establishment, partly because of the priority given to training officers to meet the Government’s recruitment target.

# Joint Chief Finance Officer Narrative Report

The table below provides a breakdown of the Constabulary workforce (expressed in full time equivalents (FTE)) by gender.

Actual Employees as at 31 March 2022	CC		Total FTE
	Male FTE	Female FTE	
Directors/Chief Officers	6.5	2.0	<b>8.5</b>
Senior Managers	11.0	5.0	<b>16.0</b>
All Other Employees	996.8	936.4	<b>1,933.2</b>
<b>Total CC Employees</b>	<b>1,014.3</b>	<b>943.4</b>	<b>1,957.7</b>

The 2021/22 average percentage of working time lost due to sickness increased for both officers and staff compared with the previous year. The police officer rate increased from 3.93% to 4.73% (approx. 9 working days), whilst police staff increased from 3.51% to 4.6% (9 working days). An attendance action plan is in place with a wide range of actions to pro-actively manage sickness.

The Constabulary is committed to promoting a workforce which reflects our communities and a culture that respects and celebrates all aspects of diversity. Achieving this aim will also lead to a working environment that is free from discrimination, harassment, bullying and victimisation. The Constabulary's diversity strategy covers the period 2020 to 2025 has three objectives:

- 1) Develop a more diverse and inclusive work force, utilising positive action to reflect the communities of Cumbria Constabulary
- 2) Increase awareness of emerging crime types and effectively work with the public sector to understand vulnerabilities and work together to deliver confidence building projects
- 3) Enhance service delivery and accessibility to protected groups and communities where there is

perception of inequality by involving them in our work

The Constabulary recognises the importance of developing the skills and knowledge of its workforce. The Constabulary's has an annual training plan, which aims to ensure that officers, PCSOs and staff are equipped with the requisite skills to perform their role, including mandatory accreditation for specialist responsibilities. During 2021/22 particular training resource was directed to:

- Training for new officer recruits through the Police Educational and Qualification Framework for new officers (developing apprenticeship and degree entry training courses in conjunction with the University of Central Lancashire) including innovative Professional Policing Degree and direct entry Detective programmes.
- Leadership and skills courses for sergeants, inspectors and police staff.
- Specialist crime including an in house developed Investigative Manager course for detective supervisors and forensic interview training.
- Enhanced personal safety and Taser training.

## Sustainability

Sustainability is at the heart of the Constabulary's approach to change and business improvement, with the focus on streamlining processes and emphasising quality by putting in systems to get things right first time. In addition, the Constabulary's Demand Strategy delivers sustainability by looking at how demand can be managed down through preventative and collaborative working with other public agencies.

In relation to environmental sustainability and countering climate change, the constabulary have appointed the Energy Saving Trust to assist with measuring our carbon footprint and developing a sustainability strategy with a detailed action plan. Work on phase 1, the measuring and collection of data commenced in April, work on development of the strategy will commence in the autumn of 2022. In addition to this the benefits of signing up to the Emergency Services Environmental Sustainability Framework' are currently being evaluated.

Within the Commissioner's estate sustainability is promoted both in day to day management of the assets and in new capital developments. The capital programme promotes sustainability within design and strives to better the requirements of the current building regulations by 10%. Specific holistic design targets are set, encouraging use of natural ventilation and sustainable renewable technology where possible. Previous projects have set specific BREEAM energy efficiency targets of a minimum of very good.

Procurement of sustainable goods and services is encouraged with targets set for local labour and supply of materials. Larger specifications of work include a percentage of 'green' and where possible recycled products. Tender evaluation considers whole life costing, including running costs for the life of the building and a sustainability / environmental assessment. These measures are consistent with the social value policy.

The estate is served by a force wide building management system which is used for:

- Regular monitoring and control of consumption.
- Controlling mechanical building services.

- Monitoring faults for timely repair.

Both new and refurbishment work include specific specifications for low energy technology. A move to LED lighting installations and low emission air conditioning across the estate is the standard.

As a result of the pandemic a high proportion of staff have moved to working remotely at least partially. A more flexible approach to home working will be encouraged on a permanent basis as it delivers sustainability benefits reduced travel between sites, improve space efficiency, reduces estate footprint and drives down the energy and environmental footprint at a number of sites.

For many years the Constabulary has operated a recycling policy.

In line with the national fleet strategy, the Constabulary still operates a mostly diesel fleet, with the strategy being continually reviewed as technology advances. There are now a number of petrol vehicles in the fleet, reflecting the technological improvements in these engines. In addition, there is now a small electric fleet, a mix of both unmarked and marked operational vehicles.

In 2019 a web of electric chargers was fitted throughout the estate to provide infrastructure support to these and future electric vehicles.

The fleet includes vehicles of many different types, which are required to perform a number of roles. Each role has specific targets for emissions and the purchasing criteria for new vehicles dictates that they must be within these limits.



Where appropriate arrangements exist vehicles are purchased on a national framework, which includes sustainability and environmental criteria. The maintenance of vehicles is carried out at garages located strategically throughout the county, reducing downtime and transportation. Parts are bought locally and make use of the wider local supply chain where possible.

In a geographically large county staff are encouraged to make use of virtual meetings as an alternative to physical meetings and the transport time and costs, which that entails. Where journeys are essential, public transport via travel plans, car sharing and cycle to work schemes are promoted.

## The Financial Statements

This section of the financial summary provides an explanation of the various parts of the financial statement. The aim of the financial statements are to demonstrate to the reader the overall financial position of the Chief Constable at the end of the financial year, together with the cost of the services provided during the year and the financing of that expenditure.

The key financial statements are:

- The Comprehensive Income and Expenditure Statement (CIES)
- The Movement in Reserves Statement (MiRS)
- The Balance Sheet (BS)
- The Cash Flow Statement (CFS)
- The Police Officer Pension Fund Accounts

## Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Chief Constable prepares this statement in accordance with the expenditure analysis as prescribed by Code of Practice on Local Authority Accounting issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The CIES is shown on page 29 of the full statement of accounts.

The table below sets out a summary CIES statement.

Summary CI&ES	Gross Expenditure 2021/22 £000s	Gross Income 2021/22 £000s	Net Expenditure 2021/22 £000s
Cost of Police Services	129,134	(366)	<b>128,768</b>
Funding Provided by PCC to CC	0	(128,522)	<b>(128,522)</b>
<b>Cost of Services</b>	<b>129,134</b>	<b>(128,888)</b>	<b>246</b>
Financing Costs and Investment Income	34,249	(3,767)	<b>30,482</b>
<b>(Surplus)/Deficit on the Provision of Services</b>	<b>163,383</b>	<b>(132,655)</b>	<b>30,728</b>
Other Comprehensive Income and Expenditure			<b>(32,974)</b>
<b>Total Comprehensive Income and Expenditure</b>			<b>(2,246)</b>

The statement shows that the gross cost of providing policing services amounted to £128.768m in 2021/22. This figure included the costs of neighbourhood policing, incident response, crime investigation, roads policing, communication with the public, criminal justice arrangements and a range of support services.

In addition, the CIES also records a number of technical adjustments including 'financing costs & investment income' £30.482m and 'other comprehensive income & expenditure' net income of (£32.974m).

These adjustments principally relate to changes to future pensions obligations over the year based on proper accounting practices. The overall effect of the cost of providing services and the pensions adjustment is to produce an accounting surplus of (£2.246m) for the year, which largely impacts on unusable pensions reserves. The analysis on page 9 of this summary, based on the management accounts, shows an underspend of (£0.373m).

An Income and Expenditure analysis that sets out what those costs are (e.g. staffing, transport etc.) is provided in the note 6 to the statement of accounts on page 38.

## Movement in Reserves Statement

This statement shows the different reserves held by the Chief Constable analysed into 'Usable Reserves', which can be applied to fund expenditure and other 'Unusable Reserves', which are principally accounting adjustments. It shows the opening balance on each reserve at the start of the year, movements in year and the closing balance.

The Chief Constable's statement of movements in reserves is shown on page 30 in the full statement of accounts.

The table below sets out a summary movement in reserves statement.

Summary Movement in Reserves	Balance 31/03/2021 £000s	Movements 2021/22 £000s	Balance 31/03/2022 £000s
Police Pensions Reserve	(1,447,160)	(12,430)	(1,459,590)
LGPS Pensions Reserve	(73,420)	13,595	(59,825)
Accumulated Absences Reserve	(5,538)	1,081	(4,457)
<b>Total Reserves</b>	<b>(1,526,118)</b>	<b>2,246</b>	<b>(1,523,872)</b>

The reserves shown above on the Chief Constable's movement in reserves statement are all classed as 'unusable' and provide a mechanism through which accounting adjustments can be made to present the accounts in accordance with proper accounting practices, whilst allowing the statutory amounts required to be charged for council tax purposes.

The Chief Constable's movements in reserves statement principally records the Chief Constable's negative reserves in relation to the Police and Local Government Pension Schemes, reflecting the requirement to record pension assets and liabilities as they are earned rather than when they become due for payment. During 2021/22, the overall negative balance on the police pension scheme and the local government pension scheme have reduced, largely as a result of changes to actuarial assumptions.

All usable reserves are controlled by the Commissioner and are recorded in the balance sheet of the Commissioner, who formally recognises the need to provide contingencies to meet unplanned and planned expenditure in the future. The Commissioner's usable reserves include a general reserve of £3.6m to meet unplanned risks and earmarked reserves of £19m for specific revenue and capital purposes. During 2021/22, a total of £1.5m has been contributed the Commissioner's earmarked reserves from the revenue budget in the year.

## The Balance Sheet

The balance sheet shows the value as at the balance sheet date (31 March 2022) of the Chief Constable's assets and liabilities.

The table below sets out the summary balance sheet for the Chief Constable.

Summary Balance Sheet	Balance	Balance
	31/03/2021	31/03/2022
	£000s	£000s
Current Assets	14,955	13,061
Current Liabilities	(19,098)	(15,922)
Long Term Liabilities	(1,521,975)	(1,521,011)
<b>Net Liabilities</b>	<b>(1,526,118)</b>	<b>(1,523,872)</b>
Unusable Reserves	(1,526,118)	(1,523,872)
<b>Total Reserves</b>	<b>(1,526,118)</b>	<b>(1,523,872)</b>

The Chief Constable's current assets £13.1m are comprised of the Chief Constable's share of short-term debtors and the balance of funding between the Commissioner and the Chief Constable. Current liabilities (£16.0) reflect amounts owed by the Chief Constable. They include the Chief Constable's share of short-term creditors and the balance of funding between the Chief Constable and the Commissioner. Long-term liabilities (£1,521m) represent the Chief Constable's share of the pensions deficit together with a small number of provisions to meet future liabilities. The net assets (assets less liabilities) are matched on the balance sheet by the Chief Constable's reserves. The balance sheet reserves reflect the position at year end and therefore match the final position shown in the movement in reserves statement. The balance sheet is shown on page 31 in the full statement of accounts.

The Chief Constable's 2021/22 balance sheet shows a combined pensions deficit of (£1,519m) ((£1,521m) in

2020/21) for the LGPS and the Police Pension Scheme to which its employees and former employees belong. However, statutory arrangements for funding the deficit, through increased contributions over a period designed to balance the pensions account and central government funding mean that the financial position of the Chief Constable remains healthy.

## The Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Chief Constable during the reporting period. Under the terms of the funding arrangement between the Commissioner and the Chief Constable, all cash and cash equivalents are held by the Commissioner and as such, the Chief Constables cash flow statement simply reflects the surplus or deficit from the provision of services less adjustments for non-cash movements. The statement is shown on page 32 of the full statement of accounts.

The table below provides a summary of the cash flow statement:

Summary Cash Flow Statement	Cash flows	Cash flows
	2020/21	2021/22
	£000s	£000s
<b>Cash &amp; Cash Equivalents 1 April</b>	<b>0</b>	<b>0</b>
Net (Surplus)/Deficit on the provision of services	26,969	30,728
Adjustments for Non-cash Movements	(26,969)	(30,728)
<b>Net Cash Flows from Operating Activities</b>	<b>0</b>	<b>0</b>
<b>Cash &amp; Cash Equivalents 31 March</b>	<b>0</b>	<b>0</b>

## Police Officer Pension Fund Account

This statement sets out the transactions on the Police Officer pension fund account for the year. The statement records all of the contributions that have been made to the pension fund during the year. These are primarily contributions from employees and the Constabulary, as employer. Contribution rates are set nationally by the Home Office. There are also small amounts of other contributions, either from officers joining the scheme in the year and transferring in existing pensions benefits or additional contributions from the employer to cover the cost of ill-health retirements.

The fund also records the benefits paid out of the fund to its members. Any difference between the contributions received into the fund and amount paid out is met by government grant, paid through the Commissioner. This means that the police pension fund always balances to nil.

A summary of the pension fund is shown below.

Summary Police Pension Fund	Pension Fund A/C 2020/21 £000s	Pension Fund A/C 2021/22 £000s
Contributions - Employer	(13,519)	(14,043)
Contributions - Officers	(5,842)	(6,049)
Contributions - Other	(331)	(186)
Benefits Payable	38,862	41,279
Other Payments	20	359
<b>Net Amount Payable</b>	<b>19,190</b>	<b>21,360</b>
Contribution from Home Office	(19,190)	(21,360)
Net Amount Payable	0	0

The statement identifies contributions made in 2021/22 totaling (£20.28m). The pension benefits that

are payable from the fund, together with other payments amounted to £41.64m. The balance between contributions and pensions' benefits paid of £21.36m has been funded by the Home Office via the Police and Crime Commissioner. The full pensions fund accounts and note can be found on pages 54-55 of the full statement of accounts.

## Supporting Information to the Financial Statements

The key financial statements are supplemented by an explanation of the accounting policies used in preparing the statements which are shown alongside the relevant note in the accounts or in Annex A where they are generic to the accounts as a whole. They also contain a comprehensive set of notes that explain in more detail a number of entries in the primary financial statements. A glossary of terms provides an explanation of the various technical accounting terms and abbreviations. The statements are published alongside the Annual Governance Statement for the Chief Constable in accordance with the 2015 Accounts and Audit (England) Regulations.

*The Annual Governance Statement of the Chief Constable can be found in (Annex D) of this Statement of Accounts on pages AGS 1- 23 or on the Constabulary website at: [www.cumbria.police.uk](http://www.cumbria.police.uk).*

## The Financial Outlook

The financial statements provide a breakdown of net spending during the year with the balance sheet showing the strong overall financial position of the Commissioner and Chief Constable as at 31 March 2022. This has primarily arisen as a result of positive action on behalf of the Constabulary to manage costs in the context of increasing demand for services and real terms reductions in funding over the last decade.

To date, with the support of Government, the Constabulary has been able to manage the cost of its response to the Covid-19 pandemic with no adverse effect on its budget.

Looking forward, the Government has continued to provide funding for the final phase of the Uplift Programme to recruit an additional 20,000 officers nationally by the end of 2022/23. In Cumbria's case further additional grant of £4m has been provided for 2022/23, which, in combination with continued flexibility afforded to Police and Crime Commissioners to levy increased council tax has enabled the budget for 2022/23 to be balanced.

However, the financial outlook over the medium term remains challenging. Of particular concern has been the emergence of inflationary pressures in the wider economy on a scale not seen in a generation in the latter part of 2021/22; the impact of which on the Constabulary budget will be closely monitored over the next year. This also has the potential to compound existing financial risks in relation to the funding of pensions, costs of national policing initiatives such as the Emergency Services Network and the potential re-distribution of policing resources in the Home Office's planned review of the Police Funding Formula.

The Constabulary's budget is set in the context of a five year medium term financial forecast (MTFF), which was prepared in February and shows that annual savings of over £6m will be required to balance the budget by the end of the forecast period in 2026/27.

The Commissioner and Chief Constable recognise that, having already delivered £27m of savings since 2010, future savings will be hard won. They continue to work towards developing and implementing organisational changes that will improve the efficiency of the Constabulary and seek to address the future gap between expenditure and income. The judicious use of reserves will also be considered as a means of balancing the budget as an interim measure. Against this background, the level of required savings highlighted in the MTFF are considered to be achievable.

A reserves policy has also been developed, which seeks to balance pro-actively utilising reserves to support current policing services with maintaining reserves at a level that provides some financial resilience.

In light of the financial outlook presented above and in the context of the MTFF and savings plans, the Chief Constable and the Chief Finance Officer have reviewed the going concern position of the Constabulary and have concluded that it is appropriate to produce the Chief Constable's accounts on a going concern basis.

## Risks

The focus of the Constabulary's strategic risk register is closely aligned with the financial challenges faced by the Constabulary outlined above and the consequential impact of implementing change across the organisation.

Two of the Constabulary's highest scoring strategic risks relate to the potential reduction in service delivery, safety and ultimately public confidence, which could result from a real terms loss of funding and the potential impact of savings on delivery of the Chief Constable's Vision 2025.

Other high scoring risks recognize

- the potential threat to performance and additional cost implications of implementing the Emergency Services Network, which is a national system to replace the force's radio communications. This is likely to remain until the project is implemented, which is now scheduled for 2026.
- Operational capacity, particularly in relation to territorial policing, crime investigation and firearms.
- Lack of Analytical Capability.
- The difficulty of maintaining effective partnership working arrangements in the context of Local Government Reform in Cumbria.

Whilst the impact of Covid-19 remains a strategic risk, its risk score has recently been reduced.

Wherever possible the Constabulary actively mitigates and manages its strategic risks.

## Change Programme

The Constabulary's Productivity and Efficiency Plan remains pivotal in identifying and delivering potential savings, it now forms an integral part of the Cumbria 2025 vision project to ensure that a holistic approach

to service delivery linked to changing service demand is adopted.

Current work-streams include:

- Undertaking demand reviews to inform the design of a workforce to meet future policing requirements.
- Realising benefits from investments in digital technology in operational policing.
- Use of business analytics and intelligence to improve management information and generate efficiencies.
- Greater emphasis on income generation.
- Improving the efficiency of business systems and procedures to better support operational policing.
- Exploiting opportunities for collaboration with other partners.
- A more systematic benefits realisation monitoring process.
- Use of benchmarking and Value for Money indicators to inform resourcing decisions.
- Specific reviews of business activities.

## Financial Management Code

The Financial Management Code developed by the Chartered Institute of Public Finance and Accountancy came into effect from the 1st April 2020, with the aim of supporting good practice in financial management in local authorities including the policing sector. In the most recent self-assessment undertaken in March 2022, the Constabulary largely meets the requirements of the code with full compliance in thirteen out of seventeen statements and partial compliance in the remaining four.

# Joint Chief Finance Officer Narrative Report

Developments have been progressed in relation to the Productivity and Efficiency Plan, balance sheet reporting, financial business partnering and contract management in 2021/22, however, there are some areas where further work is required to ensure full compliance, most notably in relation to

- Demonstrating Value for Money and identifying savings to ensure financial sustainability.
- Developing a financial resilience index.
- Application of formal options appraisal techniques.

## Acknowledgements

The financial statements were originally authorised for issue by me as Joint Chief Finance Officer, on 24 June 2022. Following completion of the audit, they were subsequently re-authorised by me on 23 November 2022 and were formally approved by the Chief Constable on the same day.

In closing, it is appropriate to acknowledge the dedication and professionalism of Michelle Bellis Deputy Chief Finance Officer, Lorraine Holme, Sarah Walker and the wider finance team in again achieving the closure of accounts and the publication of these statements against tight deadlines, whilst continuing to work remotely due to the pandemic.

**Roger Marshall**

**Joint Chief Finance Officer**

The accounts present a true and fair view of the position of the Chief Constable of Cumbria Constabulary as at 31 March 2022 and its income and expenditure for the year there ended.

Signatures removed for the purpose of publication on the website

Roger Marshall CPFA

Joint Chief Finance Officer

Date: 23 November 2022

Michelle Skeer QPM

The Chief Constable of Cumbria Constabulary

Date: 23 November 2022

# Responsibilities for the Statement of Accounts

## 1 The Chief Constable's Responsibilities

The Chief Constable is accountable to the Police and Crime Commissioner for the management of resources and expenditure by the police force. All funding for the Chief Constable comes from the Police and Crime Commissioner. The Chief Constable is required to:

- make arrangements for the proper administration of their financial affairs and to secure that one of his officers has the responsibility for the administration of those affairs. In this organisation, that officer is the Joint Chief Finance Officer (CFO).
- manage his affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Statement of Accounts including annexes to the Statement of Accounts.

## 2 The Joint Chief Finance Officer's Responsibilities

The CFO is responsible for the production of the Statement of Accounts for the Chief Constable, Commissioner and Group. The CFO is responsible for the preparation of the Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Account, the CFO has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- complied with the local authority code.

The CFO has also:

- kept proper accounting records, which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

The CFO should sign and date the Statement of Accounts, stating that it presents a true and fair view of the financial position of the organisation at the reporting date and its income and expenditure for the year ended 31 March 2022.



# Independent Auditor's Report

Leave 6 pages for audit opinion

# Independent Auditor's Report

Leave 6 pages for audit opinion

# Independent Auditor's Report

Leave 6 pages for audit opinion

# Independent Auditor's Report

Leave 6 pages for audit opinion

# Independent Auditor's Report

Leave 6 pages for audit opinion

# Independent Auditor's Report

Leave 6 pages for audit opinion

# Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

Comprehensive Income and Expenditure Statement (CC)	Notes	CC	CC	CC	CC	CC	CC
		2020/21	2020/21	2020/21	2021/22	2021/22	2021/22
		Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
		£000s	£000s	£000s	£000s	£000s	£000s
Cost of Policing and Crime Services	#	124,120	(458)	123,662	129,134	(366)	128,768
Funding Provided by PCC to CC		0	(125,085)	(125,085)	0	(128,522)	(128,522)
<b>Cost of Policing and Crime Services</b>		<b>124,120</b>	<b>(125,543)</b>	<b>(1,423)</b>	<b>129,134</b>	<b>(128,888)</b>	<b>246</b>
<b>Financing and Investment Income and Expenditure</b>							
Net Interest on the net defined benefit liability (asset)	Annex C	31,680	(3,288)	28,392	34,249	(3,767)	30,482
		<b>31,680</b>	<b>(3,288)</b>	<b>28,392</b>	<b>34,249</b>	<b>(3,767)</b>	<b>30,482</b>
<b>(Surplus) or Deficit on Provision of Services</b>		<b>155,800</b>	<b>(128,831)</b>	<b>26,969</b>	<b>163,383</b>	<b>(132,655)</b>	<b>30,728</b>
Remeasurement of the net defined pension benefit liability/asset	Annex C			230,333			(32,974)
<b>Other Comprehensive Income and Expenditure</b>				<b>230,333</b>			<b>(32,974)</b>
<b>Total Comprehensive Income and Expenditure</b>				<b>257,302</b>			<b>(2,246)</b>

# A more detailed analysis of the figures that make up the “Cost of Policing and Crime Services” can be found in the Expenditure and Funding Analysis (Note 5) and in the Expenditure and Income Analysed by Nature note (Note 6).

# Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Chief Constable, analysed into 'Usable Reserves' (i.e. those that can be applied to fund expenditure) and other 'Unusable reserves'. The Surplus (or Deficit) on the Provision of Services line shows the true economic cost of providing the Chief Constable's services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

The figures for the Chief Constable in 2021/22 are provided in the table below:

Movement in Reserves Statement (CC) Figures for 2021/22								
	Note	Balance at 1 April 2021	Surplus/ (deficit) on the provision of services	Other comprehensive income and expenditure	Total comprehensive income and expenditure	Adjustment between accounting basis and funding basis under regulations (Note 7)	Increase/ (decrease) in 2021/22	Balance at 31 March 2022
		£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Usable Reserves</b>								
Chief Constable's Constabulary Fund	-	0	(30,728)	0	(30,728)	30,728	0	0
<b>Total Usable Reserves</b>		<b>0</b>	<b>(30,728)</b>	<b>0</b>	<b>(30,728)</b>	<b>30,728</b>	<b>0</b>	<b>0</b>
<b>Unusable Reserves</b>								
Chief Constable's Police Pension Reserve	14a	(1,447,160)	0	13,450	13,450	(25,880)	(12,430)	(1,459,590)
Chief Constable's LGPS Pension Reserve	14a	(73,420)	0	19,524	19,524	(5,929)	13,595	(59,825)
Chief Constable's Accumulated Absences Account	14b	(5,538)	0	0	0	1,081	1,081	(4,457)
<b>Total Unusable Reserves</b>		<b>(1,526,118)</b>	<b>0</b>	<b>32,974</b>	<b>32,974</b>	<b>(30,728)</b>	<b>2,246</b>	<b>(1,523,872)</b>
<b>Total Reserves</b>		<b>(1,526,118)</b>	<b>(30,728)</b>	<b>32,974</b>	<b>2,246</b>	<b>0</b>	<b>2,246</b>	<b>(1,523,872)</b>

The comparative figures for 2020/21 are provided in the table below:

Movement in Reserves Statement (CC) Figures for 2020/21								
	Note	Balance at 1 April 2020	Surplus/ (deficit) on the provision of services	Other comprehensive income and expenditure	Total comprehensive income and expenditure	Adjustment between accounting basis and funding basis under regulations (Note 7)	Increase/ (decrease) in 2020/21	Balance at 31 March 2021
		£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Usable Reserves</b>								
Chief Constable's Constabulary Fund	-	0	(26,969)	0	(26,969)	26,969	0	0
<b>Total Usable Reserves</b>		<b>0</b>	<b>(26,969)</b>	<b>0</b>	<b>(26,969)</b>	<b>26,969</b>	<b>0</b>	<b>0</b>
<b>Unusable Reserves</b>								
Chief Constable's Police Pension Reserve	14a	(1,203,170)	0	(222,690)	(222,690)	(21,300)	(243,990)	(1,447,160)
Chief Constable's LGPS Pension Reserve	14a	(62,030)	0	(7,643)	(7,643)	(3,747)	(11,390)	(73,420)
Chief Constable's Accumulated Absences Account	14b	(3,616)	0	0	0	(1,922)	(1,922)	(5,538)
<b>Total Unusable Reserves</b>		<b>(1,268,816)</b>	<b>0</b>	<b>(230,333)</b>	<b>(230,333)</b>	<b>(26,969)</b>	<b>(257,302)</b>	<b>(1,526,118)</b>
<b>Total Reserves</b>		<b>(1,268,816)</b>	<b>(26,969)</b>	<b>(230,333)</b>	<b>(257,302)</b>	<b>0</b>	<b>(257,302)</b>	<b>(1,526,118)</b>



# Balance Sheet

This statement shows the value as at the balance sheet date of the assets and liabilities recognised by the Chief Constable. The net assets (assets less liabilities) are matched by the reserves held by the Chief Constable.

Balance Sheet	Notes	CC	CC
		31 March 2021	31 March 2022
		£000s	£000s
Inventories		368	470
Short Term Debtors (amounts owed to CC by PCC re CC share of external Debtors)	10	5,237	5,466
Short Term Debtors (amounts owed to CC by employees re accumulated absences)	10	80	216
Short Term Debtors (funding balance owed to CC by PCC)	10	9,270	6,909
<b>Current Assets</b>		<b>14,955</b>	<b>13,061</b>
Short Term Creditors (amounts owed by CC to PCC re share of external creditors)	11	(7,875)	(5,313)
Short Term Creditors (amounts owed by CC to employees re accumulated absences)	11	(5,618)	(4,673)
Short Term Creditors (funding balance due from CC to PCC)	11	(5,605)	(5,936)
<b>Current Liabilities</b>		<b>(19,098)</b>	<b>(15,922)</b>
Provisions	12	(1,395)	(1,596)
Other Long Term Liabilities			
Pensions liability - Police	Annex C	(1,447,160)	(1,459,590)
Pensions liability - LGPS	Annex C	(73,420)	(59,825)
<b>Long Term Liabilities</b>		<b>(1,521,975)</b>	<b>(1,521,011)</b>
<b>Net Liabilities</b>		<b>(1,526,118)</b>	<b>(1,523,872)</b>
<b>Unusable Reserves</b>			
Pensions Reserve - Police	14a	(1,447,160)	(1,459,590)
Pensions Reserve - LGPS	14a	(73,420)	(59,825)
Accumulated Absences Account	14b	(5,538)	(4,457)
		<b>(1,526,118)</b>	<b>(1,523,872)</b>
<b>Total Reserves</b>		<b>(1,526,118)</b>	<b>(1,523,872)</b>

The unaudited accounts were issued on 24 June 2022 and the audited accounts were authorised on 23 November 2022.

Signature removed for publication on website

Signed: \_\_\_\_\_

Roger Marshall, Joint Chief Finance Officer.

# Cash Flow Statement

The Cash Flow statement shows the changes in cash and cash equivalents of the Chief Constable during the reporting period. Under the funding arrangement between the Police and Crime Commissioner and the Chief Constable, the Chief Constable does not engage in investment and financing activities therefore all cash flows are classified as operating activities.

Cash Flow Statement (CC)		CC 2020/21 £000s	CC 2021/22 £000s
Net (Surplus) or Deficit on the provision of services		26,969	30,728
Adjustment to net surplus or deficit on the provision of services for non-cash movements	CF1	(26,969)	(30,728)
<b>Net cash (inflow)/ outflow from Operating Activities</b>		<b>0</b>	<b>0</b>
<b>CF1 - The Adjustment to net surplus or deficit on the provision of services for non-cash movements are made up as follows:</b>			
Pension Liability (Contributions to/from Pensions Reserve)		(25,047)	(31,809)
Debtors - Adjustment re CC Share of Debtors		390	365
Debtors - Adjustment re Balance of Funding due from PCC to CC		2,489	(2,361)
Creditors - Adjustment re CC Share of Creditors		(3,963)	3,507
Creditors - Adjustment re Balance of Funding due from CC to PCC		(450)	(331)
Stock - Change in Balance Sheet		(10)	103
Provisions - Change in Balance Sheet		(378)	(202)
<b>Adjustment to net surplus or deficit on the provision of services for non-cash movements</b>		<b>(26,969)</b>	<b>(30,728)</b>

# Notes to the Accounts

## Index of Notes to the Accounts

Note	Title	Page
1	Accounting Policies.....	34
2	Critical Judgements in Applying Accounting Policies .....	34
3	Events after the Balance Sheet Date .....	34
4	Assumptions made about the future and other Sources of Estimation Uncertainty.....	35
5	Expenditure and Funding Analysis.....	36
6	Expenditure and Income Analysed by Nature .....	38
7	Adjustments between Accounting Basis and Funding Basis under Regulations .....	39
8	Audit Fees .....	40
9	Financial Instruments .....	40
10	Short-term Debtors .....	41
11	Short-term Creditors .....	41
12	Provisions.....	42
13	Pensions.....	43
14	Unusable Reserves.....	44
15	Members Allowances and Expenses .....	46
16	Disclosure of Remuneration for Senior Employees.....	47
17	Employee Remuneration.....	49
18	Exit Packages/Termination Payments .....	50
19	Related Party Transactions.....	51
20	Pension Challenge .....	52
21	Accounting Standards that have been Issued but have not yet been Adopted.....	53

The notes to the accounts are provided to aid the understanding of material items within the core financial statements. As a general rule, the column showing the figures for 2021/22 will be highlighted, whilst the comparatives for 2020/21 (where provided) will not.

The notes sometimes include terms that may require further explanation. Where possible, explanations are provided within the note, otherwise explanations are provided within the “glossary of terms” in pages 56-58. Terms for which an explanation is provided will be depicted by text that is shown in teal coloured text and underlined.

# Notes to the Accounts

## 1 Accounting Policies

There are a number of accounting policies that determine how items within the accounts are treated. Where these accounting policies relate to a particular note to the accounts, the accounting policy is shown alongside that note in a grey text box. Where an accounting policy is more generic and applicable across the statement accounts it will continue to be shown in a separate technical annex, **Annex A** (see pages 59-62).

## 2 Critical Judgements in Applying Accounting Policies

In applying the accounting policies as set out alongside the relevant note or in Annex A (pages 59 to 62), the [Chief Constable](#) has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There is a high degree of uncertainty about future levels of funding for policing. However, the Chief Constable and Commissioner have determined that this uncertainty is not yet sufficient to provide an indication that the assets of the [Commissioner](#) might be impaired as a result of a need to close facilities and reduce levels of service [provision](#).

## 3 Events after the Balance Sheet Date

A post balance sheet event is an event, subsequent to the date of the financial statements, and for which International Financial Reporting Standards and the code require adjustment or disclosure. Consideration has been given as to whether any events meet the requirement to be disclosed as a post balance sheet event and it has been concluded that no such matters require disclosure.

The Statement of Accounts was authorised for issue by the Joint Chief Finance Officer on **23 November 2022**. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2022, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

### Accounting Policy - Events after the Balance Sheet Date

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date the Statement of Accounts is authorised for issue which have an impact on the financial statements and are treated as follows. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the event and their estimated financial effect.

Events taking place after the authorised for issue date are not reflected in the statement of accounts.

## Notes to the Accounts

### 4 Assumptions made about the future and other Sources of Estimation Uncertainty

The statement of Accounts contains estimated figures that are based on assumptions made by the [Chief Constable](#) about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Chief Constable's balance sheet as at 31 March 2022 for which there is significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pensions Liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.</p> <p>Two firms of consulting actuaries are engaged to provide the Chief Constable with expert advice about the assumptions to be applied for both the Police Pension Scheme (Government Actuaries Department) and the Local Government Pension Scheme (Mercer Ltd).</p>	<p>The effects on the net pension liability of changes in individual assumptions can be measured. Examples of the impact of changes in individual assumptions is included in the sensitivity analysis provided in the technical annex to the accounts Annex C, Pensions on pages 65-74.</p>

# Notes to the Accounts

## 5 Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, council tax precepts) by the Chief Constable in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between subjective headings. Income and Expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

The figures for the Chief Constable in 2021/22 and comparatives for 2020/21 are provided in the table below:

Expenditure and Funding Analysis (CC)	Net Expenditure Chargeable to the Police Fund balance and as reported for resource management	CC 2020/21 Adjustments between Funding and Accounting Basis (Note 5 & 7)	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to the Police Fund balance and as reported for resource management	CC 2021/22 Adjustments between Funding and Accounting Basis (Note 5 & 7)	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000s	£000s	£000s	£000s	£000s	£000s
<b>Cost of Policing &amp; Crime Services</b>						
Police Officer Pay & Allowances	70,687	(5,710)	64,977	72,625	(3,030)	69,595
PCSO Pay & Allowances	2,533	204	2,737	2,218	304	2,522
Police Staff Pay & Allowances	25,035	2,108	27,143	24,398	3,959	28,357
Other Employee Budgets	3,046	0	3,046	4,083	0	4,083
Premises Related Expenditure	5,844	0	5,844	5,837	0	5,837
Transport Related Expenditure	2,983	0	2,983	3,589	0	3,589
Supplies & Services Expenditure	14,952	0	14,952	12,337	0	12,337
Third Party Related Expenditure	1,708	0	1,708	2,143	0	2,143
Technical Accounting Adjustments	(1,922)	1,922	0	1,081	(1,081)	0
Non distributed costs	80	53	133	94	94	188
Termination Payments	139	0	139	117	0	117
Funding Provided by PCC to CC	(125,085)	0	(125,085)	(128,522)	0	(128,522)
<b>Net Cost of Services</b>	<b>0</b>	<b>(1,423)</b>	<b>(1,423)</b>	<b>0</b>	<b>246</b>	<b>246</b>
Other Income and Expenditure	0	28,392	28,392	0	30,482	30,482
<b>(Surplus)/Deficit on the Provision of Services</b>	<b>0</b>	<b>26,969</b>	<b>26,969</b>	<b>0</b>	<b>30,728</b>	<b>30,728</b>

## Notes to the Accounts

### 5.a Note to the Expenditure Funding Analysis

This note provides a reconciliation of the main adjustments to net expenditure chargeable to the Police Fund to arrive at the amounts in the Comprehensive Income and Expenditure Statement (page 29). The relevant transfers between reserves are explained in the Movement in Reserves Statement (page 30).

The figures for 2021/22 and comparatives for 2020/21 are shown in the table below:

Note to the Expenditure and Funding Analysis (CC)	Net change for the Pensions Adjustment (See below)	CC 2020/21 Other Differences (See below)	Total Adjustment Between funding and accounting basis	Net change for the Pensions Adjustment (See below)	CC 2021/22 Other Differences (See below)	Total Adjustment Between funding and accounting basis
	£000s	£000s	£000s	£000s	£000s	£000s
<b>Cost of Policing &amp; Crime Services</b>						
Police Officer Pay & Allowances	(5,710)	0	(5,710)	(3,030)	0	(3,030)
PCSO Pay & Allowances	204	0	204	304	0	304
Police Staff Pay & Allowances	2,108	0	2,108	3,959	0	3,959
Technical Accounting Adjustments	0	1,922	1,922	0	(1,081)	(1,081)
Non distributed costs	53	0	53	94	0	94
<b>Net Cost of Services</b>	<b>(3,345)</b>	<b>1,922</b>	<b>(1,423)</b>	<b>1,327</b>	<b>(1,081)</b>	<b>246</b>
Other Income and Expenditure	28,392	0	28,392	30,482	0	30,482
<b>(Surplus)/Deficit on the Provision of Services</b>	<b>25,047</b>	<b>1,922</b>	<b>26,969</b>	<b>31,809</b>	<b>(1,081)</b>	<b>30,728</b>
<b>Further Analysis of Adjustments</b>						
Police - Interest on Liabilities	27,010	0	27,010	28,910	0	28,910
Police - Reverse Employer Contributions	(34,370)	0	(34,370)	(37,040)	0	(37,040)
Police - Current Service Cost	28,660	0	28,660	34,010	0	34,010
LGPS - Interest on Liabilities	4,670	0	4,670	5,339	0	5,339
LGPS - Return on Plan Assets	(3,288)	0	(3,288)	(3,767)	0	(3,767)
LGPS - Reverse Employer Contributions	(3,894)	0	(3,894)	(3,885)	0	(3,885)
LGPS - Current Service Cost	6,206	0	6,206	8,148	0	8,148
LGPS - Non Distributed Costs	53	0	53	94	0	94
Accumulated Absences Account Adj	0	1,922	1,922	0	(1,081)	(1,081)
<b>Total Adjustments</b>	<b>25,047</b>	<b>1,922</b>	<b>26,969</b>	<b>31,809</b>	<b>(1,081)</b>	<b>30,728</b>

## Notes to the Accounts

### 6 Expenditure and Income Analysed by Nature

This note provides an analysis of the expenditure and income by the nature of that spend/income.

Expenditure and Income	CC	CC
	2020/21 £000s	2021/22 £000s
<b>Expenditure</b>		
Police Pay & Allowances	70,687	72,625
PCSO Pay & Allowances	2,533	2,218
Police Staff Pay & Allowances	25,035	24,398
Other Employee Costs	3,046	4,083
Premises Related Costs	5,844	5,837
Transport Related Costs	2,983	3,589
Supplies & Services	14,952	12,337
Third Party Payments	1,708	2,143
Technical Accounting Adjustments	(1,922)	1,081
Pension Adjustment	27	0
Non Distributed Costs	53	94
Termination Payments	139	117
Funding Between PCC & CC	(125,085)	(128,522)
<b>Total Expenditure</b>	<b>0</b>	<b>0</b>
<b>(Surplus)/Deficit on the Provision of Services</b>	<b>0</b>	<b>0</b>



# Notes to the Accounts

## 7 Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the [Chief Constable](#) in the year in accordance with proper accounting practice to the resources that are specified by statutory [provisions](#) as being available to the Chief Constable to meet future expenditure.

The figures for 2021/22 are set out in the table below:

Adjustments between Accounting Basis and Funding Basis Under Regulations	Note	CC Constabulary Fund Balance £000s	CC Police Pension Reserve £000s	CC LGPS Pension Reserve £000s	CC Accumulated Absences Account £000s
<b>Adjustments to the Revenue Resources</b>					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
- Pensions costs (transferred to (or from) the Pensions Reserve)	<b>Annex C</b>	31,809	(25,880)	(5,929)	<b>0</b>
- Holiday Pay (transfers to or from Accumulated Absences Account)	<b>14b</b>	(1,081)	0	0	<b>1,081</b>
<b>Total Adjustments</b>		<b>30,728</b>	<b>(25,880)</b>	<b>(5,929)</b>	<b>1,081</b>

The comparative figures for 2020/21 are set out in the table below:

Adjustments between Accounting Basis and Funding Basis Under Regulations	Note	CC Constabulary Fund Balance £000s	CC Police Pension Reserve £000s	CC LGPS Pension Reserve £000s	CC Accumulated Absences Account £000s
<b>Adjustments to the Revenue Resources</b>					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
- Pensions costs (transferred to (or from) the Pensions Reserve)	<b>Annex C</b>	25,047	(21,300)	(3,747)	<b>0</b>
- Holiday Pay (transfers to or from Accumulated Absences Account)	<b>14b</b>	1,922	0	0	<b>(1,922)</b>
<b>Total Adjustments</b>		<b>26,969</b>	<b>(21,300)</b>	<b>(3,747)</b>	<b>(1,922)</b>

# Notes to the Accounts

## 8 Audit Fees

In 2021/22 the [Chief Constable](#) incurred the following fees relating to external audit services provided by Grant Thornton UK LLP.

External Audit Fees	CC 2020/21 £000s	CC 2021/22 £000s
<b>Amounts Relating to The Chief Constable</b>		
Fees payable to Grant Thornton UK LLP with regard to external audit services carried out by the appointed auditor:		
- In relation to 2020/21 Audit	15	0
- Additional Fee in relation to 2019/20 Audit	2	0
- In relation to 2021/22 Audit	0	18
- Additional Fee in relation to 2020/21 Audit	0	2
<b>Other Services</b>		
Rebate from Public Sector Audit Appointments in year.	0	(2)
<b>Total External Audit Fees for Year</b>	<b>17</b>	<b>18</b>

The above table shows the gross fees payable to the external auditor during the year. In 2021/22 a rebate of audit fees of £2k was received from Public Sector Audit Appointments in relation to the Chief Constables audit fee. The amounts in the table agree to the amounts recorded in the comprehensive income and expenditure statement. Subsequent to the closure of the accounts for 2021/22, the external auditors advised in June that their intended audit fee in relation to the 2021/22 audit was to increase to £20k, the difference of £2k will be reflected in the accounts for 2022/23.

## 9 Financial Instruments

*Financial Instruments are contracts that give rise to a financial asset in one entity and a financial liability in another. The term covers both **financial assets** such as loans and receivables and **financial liabilities** such as creditors and borrowings.*

Under International Financial Reporting Standards a full set of disclosure notes are required in respect of financial instruments. These notes for the Chief Constable are included in a separate technical appendix at Annex B on pages 63 to 64.

The disclosures include:

- The Categories of Financial Instrument
- Gains and Losses on Financial Instruments
- Fair value of Assets and Liabilities Carried at Amortised Cost
- Disclosure of the Nature and Extent of Risks Arising from Financial Instruments

# Notes to the Accounts

## 10 Short-term Debtors

A breakdown of the amounts owing to the [Chief Constable](#) as at 31 March 2022 with comparative information for the previous year is set out in the table below:

Short-term Debtors	CC	
	As at 31 March	
	2021 £000s	2022 £000s
<b>Balance Owed from PCC re CC Share of External Debtors</b>		
- Trade Receivables	111	92
- Police pensions prepayment	2,687	2,888
- Prepayments/Payments in Advance	2,439	2,486
	<b>5,237</b>	<b>5,466</b>
Balance Owed from Employees (re accumulated Absences)	80	216
Balance Owed from PCC re Balance of Funding	9,270	6,909
<b>Total Debtors</b>	<b>14,587</b>	<b>12,591</b>

## 11 Short-term Creditors

An analysis of the amounts owed by the [Chief Constable](#) as at 31 March 2022 with comparative information for the previous year is set out in the table below:

Short-term Creditors	CC	
	As at 31 March	
	2021 £000s	2022 £000s
<b>Balance Owed to PCC re CC Share of External Creditors</b>		
- Trade Payables	(5,443)	(2,816)
- HMRC PAYE Amounts Due	(2,432)	(2,497)
	<b>(7,875)</b>	<b>(5,313)</b>
Balance owed to Employees (re accumulated absences)	(5,618)	(4,673)
Balance owed to PCC re balance of Funding	(5,605)	(5,936)
<b>Total Creditors</b>	<b>(19,098)</b>	<b>(15,922)</b>

## 12 Provisions

The [Chief Constable](#) is able to maintain [provisions](#) to meet expected future liabilities. The Code of Practice on Local Authority Accounting advises that the value of any provisions be charged to the appropriate part of the Comprehensive Income and Expenditure Statement in anticipation of the liability having to be met in the future. The classification of provisions is consistent with the Code of Practice.

A brief description of the purpose of the individual provisions as at 31 March 2022 is provided below:

**Insurance liabilities** – this provision has been established to meet a number of eventualities from ongoing claims which are not covered by external insurers. In particular, liability risks up to £100k per event (this figure was £25k until 1 November 2014 when the policy excess was increased from £25k to £100k) are retained by the Chief Constable and met internally. The provision for insurance liabilities is subject to an actuarial review on a biennial basis to determine the most appropriate level for the provision based on the circumstances at the time of the review.

**Legal Claims** – this provision has been established to cover the potential costs relating to a number of legal claims that are currently ongoing.

### Accounting Policy – Provisions

[Provisions](#) are made when an event has taken place that gives a legal or constructive obligation that probably requires settlement by transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, involvement in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate function line in the Comprehensive Income and Expenditure Statement in the year that awareness of the obligation arises, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account the relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried on the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will subsequently be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant function.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the obligation is settled.

## Notes to the Accounts

The table below shows the movements during the year on each of the provisions and the position as at 31 March 2022.

Provisions	Balance as at 01/04/21	Additional Provisions Made 2021/22	Amounts Used in 2021/22	Unused Amounts Reversed in 2021/22	Balance as at 31/03/22
	£000s	£000s	£000s	£000s	£000s
Insurance Liabilities	(362)	(513)	193	0	(682)
Legal Claims	(1,033)	(200)	159	160	(914)
<b>Total Provisions</b>	<b>(1,395)</b>	<b>(713)</b>	<b>352</b>	<b>160</b>	<b>(1,596)</b>

The comparative information for year ended 31 March 2021 is as follows:

Provisions	Balance as at 01/04/20	Additional Provisions Made 2020/21	Amounts Used in 2020/21	Unused Amounts Reversed in 2020/21	Balance as at 31/03/21
	£000s	£000s	£000s	£000s	£000s
Insurance Liabilities	(362)	(95)	95	0	(362)
Legal Claims	(655)	(480)	102	0	(1,033)
<b>Total Provisions</b>	<b>(1,017)</b>	<b>(575)</b>	<b>197</b>	<b>0</b>	<b>(1,395)</b>

### 13 Pensions

The Chief Constable participates in the Local Government Pension Scheme (LGPS) for Police Staff and three pensions schemes in respect of Police Officers. Under International Financial reporting Standards a full set of disclosure notes are required in respect of Pensions. These notes for the Chief Constable are included in a separate technical appendix at Annex C on pages 65 to 74.

The disclosures include:

- Details of the pension schemes
- A summary of accounting entries in respect of pensions
- Pensions assets and liabilities recognised in the balance sheet
- Reconciliation of the Fair Value of scheme assets
- Basis for estimating assets and liabilities
- A summary of principal assumptions used by scheme actuary
- Sensitivity analysis in relation to pensions
- Impact on the Chief Constable's Cash Flows

# Notes to the Accounts

## 14 Unusable Reserves

*Unusable reserves derive from accounting adjustments and are not available to be spent.*

Certain [reserves](#) are kept to manage the accounting processes for retirement and employee benefits and do not represent usable resources for the [Chief Constable](#).

### Accounting Policy – Reserves

Under the terms of the funding arrangement between the Commissioner and the Chief Constable, all usable reserves i.e. those reserves that may be used to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use, are controlled by the Commissioner and are recorded in the balance sheet of the Commissioner. However, the Chief Constable does hold certain unusable reserves in relation to pensions and accumulated employee absences, which arise from Constabulary activities and are not covered by the funding arrangement and are shown on the Chief Constable's balance sheet.

### 14.a Pensions Reserve

The Pensions Reserves (LGPS and Police) absorb the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding in accordance with statutory provisions. The [Chief Constable](#) accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Chief Constable makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pension Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Chief Constable has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

Pensions Reserve	CC		CC	
	LGPS Pensions		Police Pensions	
	2020/21	2021/22	2020/21	2021/22
	£000s	£000s	£000s	£000s
Balance at Start of Year	(62,030)	(73,420)	(1,203,170)	(1,447,160)
Remeasurement of the net defined pension benefit liability/asset	(7,643)	19,524	(222,690)	13,450
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(7,641)	(9,814)	(55,670)	(62,920)
Employer's pension contributions and direct payments to pensioners payable in the year.	3,894	3,885	34,370	37,040
<b>Balance at End of Year</b>	<b>(73,420)</b>	<b>(59,825)</b>	<b>(1,447,160)</b>	<b>(1,459,590)</b>

# Notes to the Accounts

## 14.b Accumulated Absences Account

The accumulated absences account absorbs the differences that would otherwise arise on the Police Fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave, flexi leave, time off in lieu and rest day entitlements carried forward at 31 March. Statutory arrangements require that the impact on the Police Fund Balance is neutralised by transfers to or from the Account.

Accumulated Absences Account	CC	CC
	2020/21 £000s	2021/22 £000s
<b>Balance at Start of Year</b>	(3,616)	<b>(5,538)</b>
Settlement or cancellation of accrual made at the end of the preceding year	3,616	5,538
Amounts accrued at the end of the current year	(5,538)	(4,457)
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	<b>(1,922)</b>	<b>1,081</b>
<b>Balance at End of Year</b>	<b>(5,538)</b>	<b>(4,457)</b>

### Accounting Policy - Employee Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for functions in the year in which employees render service. An [accrual](#) is made for the cost of holiday entitlements, time off in lieu, flexi leave and rest days in lieu earned by employees but not taken before the year-end, which employees can carry forward into the next financial year. The accrual is made at the salary rate applicable at the balance sheet date. The employee accrual is then reversed out through the movement in reserves statement so that it is not charged against council tax.

# Notes to the Accounts

## 15 Members Allowances and Expenses

The Code of Practice on Local Authority Accounting requires the disclosure of the total amount of members allowances paid in the year. This is set out in the table below together with a comparative figure for the previous year.

Members Allowances	CC	CC
	2020/21 £000s	2021/22 £000s
Basic Allowance	47	22
Travel and Subsistence	2	2
	<b>49</b>	<b>24</b>
<b>Analysis by Type:</b>		
Joint Audit Committee	8	9
Ethics and Integrity Panel	7	8
Independent Custody Visitors	1	1
Misconduct Panel	33	6
	<b>49</b>	<b>24</b>

The above table includes expenses for the appointed members of the Joint Audit Committee, the Ethics and Integrity Panel, misconduct panels together with travel allowances payable to independent custody visitors. The table above includes the total costs of members and these apply jointly between the Commissioner and Constabulary.

A full disclosure of allowances and expenses paid to individual members can be found on the Police and Crime Commissioners website at: <https://cumbria-pcc.gov.uk/finance-governance/allowances/>.



# Notes to the Accounts

## 16 Disclosure of Remuneration for Senior Employees

The following table sets out the remuneration disclosures for Senior Officers and Relevant Police Officers whose salary is more than £50,000 per year.

The tables include members of the Extended Chief Officer Group which is the formal decision making body for the Constabulary.

The table below gives the information for 2021/22 in £000s.

Postholder Information Post Title	Note	Salary (including Fees & Allowances)	Expense Allowances	Termination Pay & Compensation for loss of office	Benefits in Kind	Other Payments (Police Officers Only)	Total Remuneration Excluding pension Contributions	Pension Contributions	Total Remuneration Including pension Contributions
Chief Constable - Michelle Skeer		162	7	0	0	3	172	0	172
Deputy Chief Constable (a)		123	7	0	0	11	141	38	179
Deputy Chief Constable (b)	1	126	0	0	0	3	129	0	129
Assistant Chief Constable	2	55	3	0	0	1	59	17	76
Temporary Assistant Chief Constable	3	95	6	0	0	0	101	26	127
Joint Chief Finance Officer		89	0	0	0	0	89	16	105
Director of Corporate Support		89	0	0	0	0	89	16	105
Chief Superintendent (Insight & performance)	4	89	1	0	1	0	91	27	118
Temporary Chief Superintendent - Crime Command		93	2	0	1	3	99	5	104
Temporary Chief Superintendent (Operations & Neighbourhood) (a)	5	8	0	0	0	1	9	2	11
Chief Superintendent (Operations & Neighbourhood) (b)	6	80	1	0	1	0	82	24	106
Temporary Chief Superintendent (Operations & Neighbourhood) (c)	7	87	2	0	1	0	90	26	116
Superintendent (Head of People)	8	74	2	0	1	0	77	23	100
Director of Legal Services		89	1	0	1	0	91	16	107
<b>Total Chief Constable</b>		<b>1,259</b>	<b>32</b>	<b>0</b>	<b>6</b>	<b>22</b>	<b>1,319</b>	<b>236</b>	<b>1,555</b>

### Notes

- Deputy Chief Constable (b) is seconded to the Police Officer Uplift Programme and associated costs are reimbursed by other forces.
- The Assistant Chief Constable retired on 15/09/2021.
- The Temporary Assistant Chief Constable was temporarily promoted to ACC from 28/06/2021.
- The Chief Superintendent Insight & Performance was promoted to Chief Superintendent w.e.f. 01/04/21.
- The Temporary Chief Superintendent (Operations & Neighbourhood)(a) retired on 03/05/2021.
- The Chief Superintendent (Operations and Neighbourhood)(b) held the role between 01/04/21 and 05/09/2021.
- The temporary Chief Superintendent (Operations and Neighbourhood policing) (c) was appointed to the role from 06/09/21.
- The Superintendent (Head of People) was appointed to the role on 01/04/21.

# Notes to the Accounts

The table below gives the comparative information for 2020/21 in £000s.

Postholder Information Post Title	Note	Salary (including Fees & Allowances)	Expense Allowances	Termination Pay & Compensation for loss of office	Benefits in Kind	Other Payments (Police Officers Only)	Total Remuneration Excluding pension Contributions	Pension Contributions	Total Remuneration Including pension Contributions
Chief Constable - Michelle Skeer		160	7	0	0	3	170	2	172
Deputy Chief Constable (a)		122	7	0	0	0	129	38	167
Deputy Chief Constable (b)	1	126	0	0	0	3	129	0	129
Assistant Chief Constable		119	7	0	0	3	129	36	165
Joint Chief Finance Officer		87	0	0	0	0	87	16	103
Director of Corporate Support		88	0	0	0	0	88	16	104
Director of Corporate Improvement	2	80	0	97	0	0	177	47	224
Chief Superintendent - Territorial Policing		92	1	0	1	3	97	28	125
Temporary Chief Superintendent - Crime Command		73	1	0	1	0	75	22	97
Superintendent - Head of People (a)		92	2	0	1	3	98	28	126
Superintendent - Head of People (b) (Temp ACC)	3	89	2	0	0	0	91	25	116
Director of Legal Services		88	1	0	1	0	90	16	106
<b>Total Chief Constable</b>		<b>1,216</b>	<b>28</b>	<b>97</b>	<b>4</b>	<b>15</b>	<b>1,360</b>	<b>274</b>	<b>1,634</b>

## Notes

- 1 Deputy Chief Constable (b) is seconded to the Police Officer Uplift Programme and associated costs are reimbursed by other forces.
- 2 The Director of Corporate Improvement was made voluntarily redundant on 28/02/21.
- 3 Superintendent/Head of People (b) was temporarily promoted to the rank of ACC for the period 11/01/21 to 31/03/21.

## Notes to the Accounts

### 17 Employee Remuneration

The Code of Practice on Local Authority Accounting requires the disclosure of the number of employees whose remuneration, excluding pension's contributions, exceeded £50,000 and senior police officers (defined as those holding a rank **above** that of superintendent). This is set out in the table below in bands of £5,000:

Remuneration Band	2020/21			2021/22		
	CC Police Staff	CC Snr Police Officers	CC Total	CC Police Staff	CC Snr Police Officers	CC Total
£50,000 to £54,999	7	0	7	12	0	12
£55,000 to £59,999	1	0	1	4	1	5
£60,000 to £64,999	3	0	3	3	0	3
£65,000 to £69,999	5	0	5	7	0	7
£70,000 to £74,999	0	1	1	0	0	0
£75,000 to £79,999	1	0	1	0	0	0
£80,000 to £84,999	0	0	0	0	1	1
£85,000 to £89,999	3	1	4	3	3	6
£90,000 to £94,999	0	0	0	0	0	0
£95,000 to £99,999	1	2	3	0	2	2
£100,000 to £104,999	0	0	0	0	0	0
£105,000 to £109,999	0	0	0	0	0	0
£110,000 to £114,999	0	0	0	0	0	0
£115,000 to £119,999	0	0	0	0	0	0
£120,000 to £124,999	0	2	2	0	0	0
£125,000 to £129,999	0	1	1	0	1	1
£130,000 to £134,999	0	0	0	0	1	1
£135,000 to £139,999	0	0	0	0	0	0
£140,000 to £144,999	0	0	0	0	0	0
£145,000 to £149,999	0	0	0	0	0	0
£150,000 to £154,999	0	0	0	0	0	0
£155,000 to £159,999	0	0	0	0	0	0
£160,000 to £164,999	0	1	1	0	0	0
£165,000 to £169,999	0	0	0	0	1	1
£170,000 to £174,999	0	0	0	0	0	0
£175,000 to £179,999	1	0	1	0	0	0
<b>Total</b>	<b>22</b>	<b>8</b>	<b>30</b>	<b>29</b>	<b>10</b>	<b>39</b>

In 2021/22 the remuneration for 252 Police Officers (171 in 2020/21) superintendent rank and below (who are not required to be disclosed in the above note under regulations) exceeded £50,000.

The table above includes those employees and senior police officers that are also required to be disclosed on a more detailed individual basis. Please see note 16 for more information.

# Notes to the Accounts

## 18 Exit Packages/Termination Payments

The numbers of exit packages with total cost per band and a total cost of the compulsory and other redundancies are set out in the table below:

Exit package cost band (including special payments)	Number of Compulsory Redundancies		Number of other Departures Agreed		Total Number of Exit Packages by cost band		Total cost of exit packages in each band	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
	Headcount	Headcount	Headcount	Headcount	Headcount	Headcount	£000's	£000's
£0-£20,000	3	0	0	0	3	0	10	0
£20,001 - £40,000	0	0	0	1	0	1	0	30
£40,001 - £60,000	0	0	0	0	0	0	0	0
£60,001 - £80,000	0	0	0	0	0	0	0	0
£80,001 - £100,000	0	0	0	1	0	1	0	87
£100,001 - £150,000	0	0	1	0	1	0	129	0
<b>Total</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>139</b>	<b>117</b>

During 2021/22 the contracts of a small number of employees were terminated incurring termination payments amounting to £117k (£139k in 2020/21). This amount is made up of exit packages paid in 2021/22.

The exit packages paid in 2021/22 relate to one voluntary redundancy and one phased retirement and amount to £117k (£139k in 2020/21). The exit packages can be further split into compensation for loss of employment £28k (£106k in 2020/21) and enhanced pension benefits £89k (£33k in 2020/21). The redundancy is as a result of the OPCC and Constabulary's change programme. The Exit Packages table above provides details of the number and total cost of exit packages per band and include those exit packages paid in 2021/22.

### Accounting Policy - Termination Benefits

Termination benefits are amounts payable as a result of a decision to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. These are charged (on an accruals basis) to the relevant service line in the Comprehensive Income and Expenditure Statement at the earlier of when the organisation can no longer withdraw the offer of those benefits or when the organisation recognises the costs for restructuring.

Where termination benefits involve enhancement of pensions, statutory provisions require the Police Fund balance be charged with the amount payable to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the pensions reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and any such amounts payable but unpaid at the year-end.

## 19 Related Party Transactions

The [Chief Constable](#) is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Chief Constable or to be controlled or influenced by the Chief Constable. Disclosure of these transactions allows readers to assess the extent to which the Chief Constable might have been constrained in his ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Chief Constable.

### 19.a Police and Crime Commissioner

The Police and Crime Commissioner has direct control over the Chief Constable's finances, providing funding for all running costs. [The Commissioner](#) is responsible for setting the Police and Crime Plan. The Chief Constable retains operational independence and operates within the funding agreement set by the Commissioner, to deliver the aims and objectives set out in the Police and Crime Plan.

### 19.b Central Government

Central government has effective control over the general operations of the Chief Constable – it is responsible for providing the statutory framework within which the Chief Constable operates and provides the majority of its funding via [the Commissioner](#).

### 19.c Officers and Employees

Senior officers and staff of the Constabulary were asked to declare any direct financial relationship through outside bodies or companies with the Chief Constable. No material transactions have been reported in respect of the 2021/22 financial year.

### 19.d Other Public Bodies

The Chief Constable's transactions with the Cumbria Local Government Pension Scheme (administered by County Council) are shown in the pension related disclosure notes included within the Technical Annex (Annex C) pages 65-74.

The Chief Constable has included within the Comprehensive Income and Expenditure Statement his respective share of costs in relation to collaborative arrangements with other forces/councils. In particular these include:

- The PCC for Cheshire – North West Underwater Search Unit, Northwest Armed Policing Collaboration, Northwest Strategic Automatic Number Plate Recognition (ANPR) and Regional Emergency Services Network (ESN).
- The PCC for Merseyside – Regional Crime Unit, Regional Intelligence Unit, Prison Intelligence Unit, Technical Support Unit, Protected Persons Unit, Government Agency Intelligence Network (GAIN), Confiscation Unit, Regional Assets Recovery Team, Operational Security (OPSEY), Cyber Crime, Regional Fraud Team, Regional Insourced Forensic Science Services.
- Cumbria County Council – Shared Internal Audit Service (this arrangement has ended in the 2021/22 financial year).
- Durham Constabulary – ICT Collaboration in relation to development of systems.
- The PCC for Lancashire – Regional Insourced Forensic Science Services.

## 20 Pension Challenge

The Chief Constable of Cumbria along with other Chief Constables and the Home Office currently has a number of claims in respect of unlawful discrimination arising from transitional provisions in the Police Pension Regulations 2015.

*The Public Service Pensions and Judicial Offices Act 2022 (PSPJOA 2022) legislates for how the government will remove the discrimination identified by the courts in the way that the 2015 reforms were introduced for some members.*

*The main elements of the Act are:*

- *Changes implemented across all the main public service pension schemes in response to the Court of Appeal judgment in the McCloud and Sargeant cases:*
- *Eligible members of the main unfunded pension schemes have a choice of the benefits they wish to take for the “remedy period” of April 2015 to 31 March 2022.*
- *From 1 April 2022, when the remedy period ends, all those in service in main unfunded schemes will be members of the reformed pension schemes, ensuring equal treatment from that point on.*

### **Impact on pension liability**

Allowing for all eligible members to accrue benefits from their legacy scheme during the remedy period would lead to an increase in the Police Pension Scheme liabilities. Scheme actuaries originally estimated the increase in scheme liabilities for the Chief Constable for Cumbria to be £54.63m. This was recognised in the 2018/19 accounts and covered benefits accrued to 31 March 2019. This past service cost was adjusted in 2019/20 to reflect the eligibility criteria for members set out in HM Treasury’s consultation, this was recognised as a past service gain of £8.26m. Additionally in 2019/20, the estimated increase was a further £6.54m reflecting an additional years benefits from the remedy. In 2020/21, the estimated increase is a further £7.65m reflecting an additional years benefits from the remedy. Therefore the total disclosed cost of McCloud remedy, covering benefits accrued from 1 April 2015 to 31 March 2021 was £157.17m. The 2021/22 service cost allows for the higher expected cost of accrual under McCloud.

The impact of an increase in scheme liabilities arising from McCloud/Sargeant judgement will be measured through the pension valuation process, which determines employer and employee contribution rates. The next Police Pension valuation is due to be reported in 2023/24, although this timetable is subject to change.

The impact of an increase in annual pension payments arising from McCloud/Sargeant is determined through the Police Pension Fund Regulations 2007. These require a police authority to maintain a pension fund into which officer and employer contributions are paid and out of which pension payments to retired officers are made. If the police pension fund does not have sufficient funds to meet the cost of pensions in year the amount required to meet the deficit is then paid by the Secretary of State to the police authority in the form of a central government top-up grant.

### **Legal Claims**

In addition to the core legal action claimants have lodged claims for compensation under two active sets of litigation, Aarons and Penningtons.

#### **Aarons & Ors**

Government Legal Department settled the injury to feelings claims for Aarons on behalf of Chief Officers without seeking any financial contributions. Pecuniary loss claims are due to be heard by the Employment Tribunal in December 2022. The settlement of the injury to feelings claims for Aarons sets a helpful precedent. Therefore no liability in respect of compensation claims is recognised in these accounts.

#### **Penningtons**

As at 31 March 2022, it is not possible to reliably estimate the extent or likelihood of these claims being successful, and therefore no liability in respect of compensation claims is recognised in these accounts.

# Notes to the Accounts

## 21 Accounting Standards that have been Issued but have not yet been Adopted

For 2021/22 the following accounting policy changes that need to be reported relate to:

- IFRS 16 Leases (but only for those local authorities that have decided to adopt IFRS 16 in the 2022/23 year). Note the OPCC/Constabulary have chosen to delay the adoption until 2023/24.
- Annual Improvements to IFRS Standards 2018-2020. The annual IFRS improvement programme notes 4 changes standards:
  - IFRS 1 (first time adoption) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS.
  - IAS 37 (onerous contracts) – clarifies the intention of the standard.
  - IFRS 16 (leases) – amendment removes a misleading example that is not references in the Code material.
  - IAS 41 (agriculture) – one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances.

None of the matters covered in the annual improvements are dealt with in detail in the 2022/23 Code. During the consultation process on the 2022/23 Code CIPFA/LASAAC did not envisage them having a significant effect on local authority financial statements.

- Property, Plant and Equipment: proceeds before Intended Use (Amendments to IAS 16).

In the Financial Statements for 2022/23, the effect of the changes will be assessed and where necessary, the comparative figures restated.

# Police Officer Pension Fund Account

## Police Officer Fund Account

This statement provides information on transactions on the Police Pension Fund Account for the 2021/22 financial year together with comparative information for 2020/21.

Police Officer Pension Fund Account	CC 2020/21 £000s	CC 2021/22 £000s
<b>Contributions Receivable</b>		
Employer		
- Contributions (31.0% of Pensionable Pay)	(13,519)	(14,043)
Officers' Contributions		
- 1987 Scheme Member Contributions (see narrative for rates)	(843)	(466)
- 2006 Scheme Member Contributions (see narrative for rates)	(37)	(28)
- 2015 Scheme Member Contributions (see narrative for rates)	(4,962)	(5,555)
	<b>(19,361)</b>	<b>(20,092)</b>
Transferees in from Other Schemes	(168)	(12)
Capital Equivalent charge for ill-health schemes	(163)	(174)
	<b>(331)</b>	<b>(186)</b>
<b>Benefits Payable</b>		
Recurrent Pensions	31,129	32,009
Commutations and Lump Sums	7,295	8,937
Other (Scheme Pays)	438	333
	<b>38,862</b>	<b>41,279</b>
<b>Payments to and on Account of Leavers</b>		
Refund of Contributions	20	52
Transfer out to other schemes	0	307
	<b>20</b>	<b>359</b>
<b>Net Amount Payable for the Year</b>	<b>19,190</b>	<b>21,360</b>
Additional Contribution from the Police & Crime Commissioner	(19,190)	(21,360)
<b>Net Amount Payable (Receivable) for the Year</b>	<b>0</b>	<b>0</b>

## Net Assets Statement

This statement shows the net assets and liabilities of the scheme as at 31 March 2022.

Pension Fund Net Assets & liabilities	CC 2020/21 £000s	CC 2021/22 £000s
<b>Current Assets</b>		
Pensions Benefits paid in advance	2,619	2,735
<b>Current Liabilities</b>		
Amount due to the Police & Crime Commissioner	(2,619)	(2,735)
	<b>0</b>	<b>0</b>



# Notes to the Police Officer Pension Fund Account

## Accounting Policies

The Police Pension Fund Accounts have been prepared in accordance with the requirements of the Police Pension Fund Regulations 2015 (SI 2015 No 445). The Pensions Fund Accounts are administered by the Chief Constable and have been prepared on an accruals basis.

## Operation of Police Pensions Schemes

Since 1 April 2015 the Chief Constable has operated three Pensions Schemes for Police Officers. These are unfunded schemes, meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet actual pension payments as they fall due. The original Police Officer Pension scheme is known as the 1987 scheme. The second scheme was introduced in April 2006 with the intention that joint contributions of employers and employees would finance the full costs of pension liabilities. All Police Officers recruited from April 2006 onwards automatically become members of the 2006 scheme and the previous 1987 scheme was closed to new members. Officers who were members of the 1987 scheme were allowed by regulation to become members of the 2006 scheme if they wished. Members' contribution rates for 2021/22 and 2020/21 were between 11% and 12.75% for the 2006 scheme and between 14.25% and 15.05% for the 1987 scheme.

From 1 April 2015, a new pension scheme was introduced for Police Officers, known as the 2015 Scheme. The 2015 scheme is based on career average revalued earnings (CARE). All Police Officers recruited from 1 April 2015 automatically become members of the new scheme and the two previous schemes (1987 and 2006) have been closed to new members from that date. Members of the two older police pension schemes received full protection to 31 March 2022, transferred to the new 2015 scheme on 1 April 2015, or transferred on different tapering dates in the future subject to individual circumstances around age and length of service remaining. All members will transfer to the 2015 Scheme on 1 April 2022 when the legacy scheme 1987 and 2006 close. The members' contribution rates for the new scheme ranged between 12.44% and 13.78% in 2021/22 and 2020/21.

The financial statements for the Police Officer pension fund account do not take account of liabilities to pay pensions and other benefits after the period end. Details of the Chief Constable's long term pensions obligations can be found in the main accounting statements (see Balance Sheet page 31). Detailed disclosure notes regarding the Police Pension schemes can be found in the Technical Annex to the Statement of Accounts (Annex C Pensions on pages 65-74).

## Funding of Police Pension Schemes

In 2006/07 a new arrangement was established to fund Police Pensions. This revised arrangement is for both new and existing police officer schemes, but has no effect on the benefit structures of either scheme. The purpose of the change is to smooth fluctuations in costs, that would previously have been charged to the Chief Constable's Comprehensive Income and Expenditure Statement on a 'pay as you go basis', and to more clearly show the effect of the liability as opposed to current pension payments. Under the revised arrangements the liability for payment of police pensions is removed from the Chief Constable and replaced with an employers' contribution, currently set at 31% of pensionable pay, which, along with the employee contributions and any transfer values, is paid into the pensions account. The employees' and employer's contribution levels are based on percentages of pensionable pay set nationally by the Home Office and are subject to periodic revaluation by the Government Actuary's Department. Pensions are then paid from this account. The pensions account is balanced to nil annually, with any shortfall met by a top up from the Commissioner, or vice versa. However, the Home Office indemnify the Commissioner against any financial liability arising from a deficit on the Pension Account by providing a grant to the Commissioner equal to the Commissioner's top up. Similarly, any surplus on the Pension Account is ultimately repayable to the Home Office.

# Glossary of Terms

## Accruals

The concept that income and expenditure are recognised as they are earned or incurred, not when money is paid or received.

## Actuarial Valuation

A valuation of assets held, an estimate of the present value of benefits to be paid and an estimate of required future contributions, by an actuary, for example on behalf of a pension fund.

## Agency Costs

Services which are performed by or for another authority or public body, where the agent is reimbursed for the cost of the work done.

## Amortisation/Amortised Cost

The practice of reducing the value of assets to reflect their reduced worth over time. The term means the same as depreciation, though in practice amortisation tends to be used for the write-off of intangible assets, such as computer software.

## Budget

A statement of the Police and Crime Commissioner's plans in financial terms. A budget is prepared and approved by the Police and Crime Commissioner before the start of each financial year and is used to monitor actual expenditure throughout the year.

## Capital Adjustment Account

The CAA records the balance of resources set aside to finance capital expenditure (i.e. Capital Receipts, Minimum Revenue Provision (MRP), Direct Revenue Contributions (DRC) and Deferred Grants Account (DGA)) and also the consumption of resources associated with the historical cost of acquiring, creating or enhancing non-current assets over the life of those assets (i.e. depreciation/impairment).

## Capital Expenditure

As defined in section 16 of the Local Government Act 2003 and regulation 25 of the Capital Finance and Accounting Regulations 2003, but broadly expenditure on the acquisition of a non-current asset or expenditure which adds to and not merely maintains the value of an existing non-current asset.

## Capital Financing Requirement (CFR)

The CFR is a measure of the extent to which the Commissioner needs to borrow to support capital expenditure. It does not necessarily relate to the actual amount of borrowing at any point in time.

## Capital Receipt

Monies received from the sale of capital assets, which may be used to finance new capital expenditure or to repay outstanding loan debt as laid down within rules prescribed by Central Government. Capital Receipts cannot be used to finance revenue expenditure, with the exception that up to 4% of sale proceeds may be transferred to the General Fund to finance costs directly associated with the disposal of the asset.

## Cash and Cash Equivalents

Cash is represented by cash in hand and in bank accounts. Cash Equivalents include demand deposits with financial institutions which are highly liquid in that they are repayable without penalty on notice of not more than 24 hours.

## CC or Chief Constable

The Chief Constable for Cumbria Constabulary.

## CFO

The Joint Chief Finance Officer.

## CIPFA

The Chartered Institute of Public Finance and Accountancy. The main professional body for accountants working in the public services.

## Commissioner

The Police and Crime Commissioner for Cumbria.

## Componentisation

Identifying and depreciating the components of an asset separately if they have differing patterns of benefits relative to the total cost of the asset.

## Contingency

A sum set aside to meet unforeseen expenditure.

## Creditors

Amounts owed by the Police and Crime Commissioner for goods and services provided which had not been paid for at the end of the financial year.

# Glossary of Terms

## Debtors

Amounts owing to the Police and Crime Commissioner but not received at the end of the financial year.

## Depreciation

The measure of the wearing out, consumption, or other reduction in the useful economic life of a non-current asset, whether arising from use, passage of time or obsolescence through technological or other changes.

## De-minimis

In general the term means lacking in significance or importance. In terms of the accounts, a de-minimis limit is set for inclusion of projects in the capital programme, below this limit projects would be charged to revenue budgets.

## Direct Revenue Contributions (DRC)

Resources provided from the Police and Crime Commissioner's revenue budget to finance the cost of capital projects.

## Earmarked Reserves

Those elements of the Police Fund that have been set aside, "earmarked", for specific purposes.

## Fair Value

In accounting and economics, fair value is a rational and unbiased estimate of the potential market price of a good, service, or asset.

## Hedge Funds

A hedge fund is a pooled investment vehicle administered by a professional management firm, and often structured as a limited partnership/ limited liability company. Hedge funds invest in a diverse range of markets and use a wide variety of investment styles and financial instruments.

## Heritage Assets

A tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge or culture.

## HMICFRS

Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services who are a government agency responsible for monitoring the standards and performance of Constabularies and Fire and Rescue Services.

## Impairment/Impaired

A reduction in the value of a non-current asset below its carrying amount on the balance sheet.

## Investment Property

Property (land or building) held solely to earn rentals or for capital appreciation or both, rather than for operational reasons such as the provision of services.

## Leasing

A method of financing expenditure over a period of time. There are two main types of lease:

- Finance Lease - where the risks of ownership are transferred to the lessee and where the assets are recorded in the Police and Crime Commissioner's balance sheet at a current valuation.
- Operating Lease - where the risks of ownership stay with the leasing company and the annual rental charges are made via the Revenue Account.

## MHCLG

The Ministry of Housing, Communities and Local Government (formerly DCLG).

## Minimum Revenue Provision (MRP)

The minimum amount which must be set aside in the Revenue Account each year as a provision for credit liabilities.

## Non-current Assets

An asset, which will yield a benefit to the Police and Crime Commissioner for a period of more than one year.

## NPCC

The National Police Chiefs Council.

## PCC

The Police and Crime Commissioner for Cumbria.

## Pension actuarial gains and losses

For a defined benefit scheme, the changes in actuarial deficits or surpluses that arise because:

- events have not coincided with actuarial assumptions made for the last valuation (experience gains and losses) or
- the actuarial assumptions have changed.

# Glossary of Terms

## **Pension – current service costs**

The increase in the present value of a defined benefit's liabilities expected to arise from employee service in the current period.

## **Pension – defined benefit scheme**

A pension or other retirement benefit scheme other than a defined contribution scheme. The scheme rules define the benefits independently of the contribution payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded.

## **Pension assets – expected rate of return**

For a funded defined benefits scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

## **Pension – interest costs**

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

## **Pension - past service costs**

For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

## **Police Objective Analysis (POA)**

The Police Objective Analysis (POA) is a model developed by the Home Office for analysing individual policing areas expenditure. It has been developed to support the need for understandable, accurate and consistent costing information to allow internal and inter-force comparisons.

## **Precept**

The demands made by the Police and Crime Commissioner on the district councils who are the billing authority in relation to the collection of council tax.

## **Private Equity Funds**

A private equity fund is a collective investment scheme used for making investments in various equity (and to a lesser extent debt) securities according to one of the investment strategies associated with private equity.

## **Provision**

An amount set aside to provide for a liability which is likely to be incurred, although the amount and date of that liability are uncertain.

## **Public Works Loan Board (PWLB)**

A Government agency which provides longer term loans to Local Authorities at interest rates which are only slightly higher than those at which the government itself can borrow.

## **Reserves**

An amount set aside for a specific purpose and carried forward to meet expenditure in future years. The Police Fund represents accumulated balances which may be used to support future spending.

## **Revaluation Reserve**

The revaluation reserve records the unrealised net gain from revaluation of non-current assets made after 1 April 2007. The balance is made up of individual credit balances associated with specific assets and will be equal to the difference between the current value net book value (NBV) and the historic cost NBV for all assets.

## **SERCOP**

The CIPFA Service Reporting Code of Practice. It was introduced as part of the Best Value Regime to bring about more consistent accounting treatment of costs and to facilitate more meaningful financial comparisons between Authorities.

## **The Commissioner**

The Police and Crime Commissioner for Cumbria.

## **TPA**

Territorial Policing Area.

# Annex A - Statement of Accounting Policies

## 1 General Principles

The Statement of Accounts summarises the financial transactions for the 2021/22 financial year and the financial position at the 31 March 2022. The Police and Crime Commissioner and Chief Constable are each required to prepare an annual Statement of Accounts (single entity) in accordance with the Accounts and Audit Regulations 2015 which stipulate that the statements be prepared in accordance with proper accounting practices. Those practices primarily comprise the [CIPFA/LAASAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22](#) (the Code) and the Service Reporting Code of Practice 2021/22 (SERCOP), supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act. The Police and Crime Commissioner is responsible for combining the single entity statements to form a set of consolidated group accounts.

Where accounting policies relate to a particular note to the accounts, the accounting policy is shown alongside that note in a [grey text box](#), in the notes to the accounts section (see pages 33 to 53). Where an accounting policy is more generic and applicable across the statement accounts it is shown in this **Annex A**.

## 2 Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories (stock) on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.
- An [accrual](#) is made in respect of employee benefits payable during employment

### Accrual Example 1

An electricity invoice received at the start of April will usually relate to the previous quarters electricity consumption (January to March) and as such this expenditure should be shown in the financial statements for the previous financial year. The invoice will actually be paid in the new year but the costs are charged to the previous year by way of an accrual.

### Accrual Example 2

The PCC/Constabulary insurance premiums are due on 1 November each year. The premium paid covers five months of the current financial year and seven months of the next. A prepayment is made in the accounts to move the cost of the seven months into the correct year.

## 3 Cash and Cash Equivalents

In accordance with the terms of [the Commissioner's funding arrangement to the Chief Constable](#), the Chief Constable is funded on a cash basis, accordingly all [cash and cash equivalent](#) balances are recorded on the balance sheet of the Commissioner.

# Annex A - Statement of Accounting Policies

## 4 Exceptional Items

When exceptional items of income and expense are **material**, their nature and value is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of financial performance.

**Materiality** – information is material if omitting it or misstating it could influence decisions that users make on the basis of the financial information about a specific reporting organisation. In other words, materiality is an organisation specific aspect of relevance based on the *nature or magnitude or both*, of the items to which the information relates in the context of the individual organisations financial statements.

## 5 Charges to Revenue for Non-Current Assets

In accordance with the terms of [the Commissioner's](#) funding arrangement to the [Chief Constable](#), the Commissioner holds all [non-current assets](#). Accordingly, all [depreciation](#), revaluations and [impairments](#) are recorded in the Commissioner's single entity statement. However, the Commissioner makes a charge to the Chief Constable in the Comprehensive Income and Expenditure Statement for the use of non-current assets, which is equivalent to his share of depreciation.

## 6 Government Grants and Contributions

In accordance with the statutory responsibility of the [Commissioner](#) to maintain the Police Fund outlined in the Police and Social Responsibility Act 2011, all grants and contributions are attributable to the Commissioner and recorded in his accounts.

## 7 Intangible Assets

In accordance with the terms of the [Commissioner's](#) funding arrangement to the [Chief Constable](#) all intangible assets are held by the Commissioner.

## 8 Inventories

Inventories (stocks) are included in the balance sheet at historic cost. This is a departure from IAS2 which requires inventories to be valued at the lower of cost or net realisable value. However, for many stock items, particularly uniforms, net realisable value would be minimal and would not accurately reflect the value of holding these assets.

## 9 Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and building elements are considered separately for classification.

Agreements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

# Annex A - Statement of Accounting Policies

The [Chief Constable](#) does not hold any finance leases (either as lessee or lessor) or operating leases (as lessor or lessee).

## 10 Treatment of Overheads

The costs of overheads and support services are incorporated within the cost of Policing and Crime Services line of the comprehensive income and expenditure statement in accordance with the principles of the [CIPFA](#) Code of practice on Local Authority Accounting, which requires costs to shown on the same basis as used for resource management.

Under the [Commissioner's](#) funding arrangement to the [Chief Constable](#) premises costs (except where they are directly attributable to the Chief Constable) are initially recorded in the accounts of the Commissioner and a recharge is made to the Chief Constable in the single entity comprehensive income and expenditure statements on an appropriate basis.

Under the Commissioner's funding arrangement to the Chief Constable transport, supplies and services costs and those for police staff supporting both the Commissioner and Chief Constable (except where they are directly attributable to the Commissioner) are initially recorded in the accounts of the Chief Constable and a recharge is made to the Commissioner in the single entity comprehensive income and expenditure statements on an appropriate basis.

## 11 Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment. Under the terms of the [Commissioner's](#) funding arrangement to the [Chief Constable](#) all property, plant and equipment is held by the Commissioner. Accordingly, all accounting entries in relation to the acquisition, enhancement, revaluation, [impairment](#), [depreciation](#) and sale of such assets are recorded in the single entity accounts of the Commissioner. As noted in policy 5 above, the Commissioner makes a charge to the Chief Constable for the use of such assets which is equivalent to the Chief Constable's share of depreciation.

## 12 Private Finance Initiative (PFI) and Similar Contracts

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the services that are provided under the PFI scheme are deemed under the PFI contract to be controlled, the asset is carried on the Balance Sheet as part of Property, Plant and Equipment.

There is currently one PFI scheme and this relates to the West Cumbria [TPA](#) HQ at Workington. Under the terms of the [Commissioner's](#) funding arrangement to the [Chief Constable](#), the Commissioner controls all property and accordingly the PFI building is recorded on the balance sheet of the Commissioner. A charge is made by the Commissioner to the Chief Constable in the comprehensive income and expenditure statement for the Constabulary's use of the building and the services provided.

## 13 Contingent Assets

A contingent asset arises where an event has taken place that gives rise to a possible asset which will only be confirmed by the occurrence or otherwise of uncertain future events which cannot wholly be controlled.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

# Annex A - Statement of Accounting Policies

## 14 Material Estimation Techniques

IAS 1 Presentation of Financial Statements requires disclosure of any estimation techniques applied, such that if a different methodology had been used a material variance in the amounts disclosed would have been arrived at. The only material estimation techniques used is in relation to pensions disclosures as set out in the technical annex, Annex B.

## 15 Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.



# Annex B – Technical Annex – Financial Instrument Disclosures

## B1 Categories of Financial Instrument

The following categories of financial instrument are carried in the balance sheet:

Categories of Financial Instruments	CC	
	Current	
	31 March 2021	31 March 2022
	£000s	£000s
<b>Financial Assets</b>		
<b>Debtors</b>		
Debtors held at Amortised Cost	91	81
Items not classified as Financial Instruments	14,496	12,510
<b>Total Financial Assets</b>	<b>14,587</b>	<b>12,591</b>
<b>Financial Liabilities</b>		
<b>Creditors</b>		
Creditors held at Amortised Cost	(5,443)	(2,816)
Items not classified as Financial Instruments	(13,655)	(13,106)
<b>Total Financial Liabilities</b>	<b>(19,098)</b>	<b>(15,922)</b>

*Financial Instruments are contracts that give rise to a financial asset in one entity and a financial liability in another. The term covers both **financial assets** such as debtors and **financial liabilities** such as creditors and borrowings.*

### Accounting Policy – Financial Instruments

**Financial liabilities** are initially measured at [fair value](#) and carried at their [amortised cost](#). Where payable (i.e. a creditor) has a maturity of less than 12 months the fair value is taken to be the principal outstanding, or the billed / invoiced amount.

**Financial assets** are initially measured at [fair value](#) and carried at their amortised cost. Where a financial asset (i.e. a debtor) has a maturity of less than 12 months, the fair value is taken to be the principal outstanding or the billed / invoiced amount.

Where assets are identified as [impaired](#) because of a likelihood arising from a past event that payments due under contract will not be made, the asset is written down and a charge made to the Comprehensive Income and Expenditure Statement. An example of such a charge would be an adjustment made to the [debtors](#) balance as a [provision](#) for bad debt.

### B2 Fair value of Assets and Liabilities Carried at Amortised Cost

Financial liabilities and assets represented by long term [debtors](#) and [creditors](#) are carried in the balance sheet at amortised cost. Their [fair value](#) can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- The fair value of trade and other receivables is taken to be the invoiced amount.

As the [Chief Constable](#) only holds debtors and creditors as financial instruments, the fair value is estimated to be the same as the carrying amount as set out in the table above.

### B3 Disclosure of the Nature and Extent of Risks Arising from Financial Instruments

The [Chief Constable's](#) activities expose him to a variety of financial risks:

- Credit Risk – the possibility that other parties might fail to pay amounts due to the Chief Constable.
- Liquidity Risk – the possibility that the Chief Constable might not have funds available to meet its commitments to make payments.

#### **Credit Risk**

*Credit Risk is the possibility that other parties might fail to pay amounts due to the Chief Constable.*

As the [Chief Constable](#) is funded by the [Commissioner](#), the Chief Constable's credit risk arises indirectly through the Commissioner's deposits with banks and financial institutions, as well as credit exposures to the Commissioner's customers.

This risk is minimised through the application of policies set out in the annual Treasury Management Strategy Statement (TMSS), which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, as laid down by Fitch and Moody's ratings services. The annual TMSS (approved by the Commissioner in February 2021), also imposes a maximum sum to be invested with a financial institution located within each category.

#### **Liquidity Risk**

*Liquidity Risk is the possibility that the Chief Constable might not have funds available to meet his commitments to make payments.*

Under the terms of the funding arrangement between the Commissioner and the Chief Constable the Commissioner provides funding to the Chief Constable on a cash basis. As the Commissioner has ready access to borrowings from the Public Works Loans Board (PWLb) and had at 31 March 2022 no actual long term external debt, having financed a number of recent projects through internal borrowing, there is no significant risk that it will be unable to raise finance to meet its commitments to the Chief Constable within the terms of the funding arrangement.

## C1 Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the [Chief Constable](#) offers retirement benefits. Although these benefits will not actually be payable until employees retire, under IAS 19 the Chief Constable must recognise its future commitment to make payments, which need to be disclosed at the time that employees earn their future entitlement. In addition, the financial statements should contain adequate disclosure of the costs of providing benefits and related gains/losses.

Individually, there are three pension schemes for police officers (1987, 2006 and 2015 schemes) and a single scheme for police staff. They are all defined benefits schemes.

- **The Local Government Pension Scheme (LGPS)**

Police staff, subject to certain qualifying criteria, are eligible to join the LGPS, which is a funded defined benefit scheme. Pensions and other retirement benefits are paid from the fund. Employers and employees make regular contributions into the fund so that the liabilities are paid for evenly over the employment period.

The LGPS for Police Staff employees is administered by Cumbria County Council (outsourced to Lancashire County Council) – this is a funded [defined benefit scheme](#), meaning that the Chief Constable and employees pay contributions into a fund. Contributions are calculated at a level intended to balance the pensions liabilities with investment assets over the long term. In 2021/22 the Chief Constable made a past service contribution of £23k (£22k in 2020/21) which was made with the aim of reducing future contributions after the next actuarial review. The contribution rate was last reviewed in March 2019 with a revised rate for employers contributions of 18.4% being applicable from April 2020. The contribution rate will next be reviewed in March 2022 with a revised rate for employers contributions being applicable from April 2023.

- **The Police Pension Scheme**

There are currently three pension schemes in operation for Police Officers:

- The original 1987 Police Pension Scheme is governed by the Police Pension Regulations 1987 (as amended) and related regulations that are made under the Police Pensions Act 1976.
- The 2006 Police Pensions Scheme is also governed by the Police Pensions Act 1976 (as amended by the Police Pension Regulations 2006).
- The 2015 Police Pensions Scheme is a career average revalued earnings (CARE) scheme and is governed by the Police Pensions Scheme 2015 Regulations and related regulations under the Police Pensions Act 1976.

The Police Pension Scheme is an unfunded scheme (i.e. there are no investment assets built up to meet pension liabilities and cash has to be generated to meet actual pensions payments as they fall due). The funding arrangements for police officers' pensions changed on 1st April 2006. Before April 2006 pensions of former employees were required to be met on a 'pay as you go' basis with the cost charged to the revenue account. From April 2006 onwards the payments made during the year under the scheme are funded by a combination of employee contributions and employer contributions charged to the Comprehensive Income and Expenditure Statement with the remaining deficit funded by a specific Home Office grant. The employer's contribution was increased to 31% from 1<sup>st</sup> April 2019.

The Chief Constable and employees pay contributions into a separate pensions fund account administered by the Chief Constable from which on-going pensions liabilities are met. At the year-end any surplus or deficit on the pensions fund account is paid to or met by the Commissioner who then repays or is reimbursed by the Home Office.

## Annex C – Technical Annex – Pension Disclosures

Also from 1st April 2006 legislation required the operation of a Pension Fund Account (shown on pages 54-55). The amounts that must be paid into and out of the fund are specified by regulation. Officers' contributions and the employer's contributions are paid into the pension fund account from which pension payments are made. Any shortfall on the pension fund account is met by a contribution from the police fund. A Home Office Grant is received to cover this contribution. Conversely, a surplus on the Pension Fund Account would result in a contribution to the police fund, which would then be recouped by the Home Office. As the Commissioner is responsible for maintaining the police fund the receipt of Home Office pension grant and corresponding contribution to the Police Pension Fund Account are shown in the accounts of the Commissioner.

**Defined Benefit Scheme** – A pension or other retirement benefit scheme where the scheme rules define the benefits independently of the contribution payable and the benefits are not directly related to the investments of the scheme. The scheme may be **funded** or **unfunded**.

A **funded** scheme is one where employers and employees pay contributions into a fund. The payments to pensioners are then made from this fund.

An **unfunded** scheme is one where there is no fund with investment assets built up to meet pension liabilities and cash has to be generated (from employee and employer contributions) to meet the actual pension payments as they fall due.

The Accounts show the full implementation of IAS19 (Employee Benefits). IAS19 requires organisations to recognise retirement benefits in the Comprehensive Income and Expenditure Statement when they are earned, even though the benefits will not be payable until employees retire. However, as statutory procedures require the charge against Council Tax to be based on the amounts payable to the pension fund during the year, an appropriation is made within the pensions reserve equal to the net change in the pensions liability recognised in the Comprehensive Income and Expenditure Statement. The Balance Sheet discloses the net liability in relation to retirement benefits. The figures are based on the Actuary's latest estimate.

There are restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and are accounted for using the same policies as applied to the LGPS.

## Annex C – Technical Annex – Pension Disclosures

The cost of retirement benefits is recognised in the Cost of Services within the Comprehensive Income and Expenditure Statement when employees earn them, rather than when the benefits are eventually paid as pensions.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and Movement in Reserves Statement during the year:

Pension Transactions in MiRS and CIES	CC LGPS Funded Benefits		CC LGPS Unfunded Benefits		CC Police Scheme 1987 Scheme		CC Police Scheme 2006 Scheme		CC Police Scheme 2015 Scheme		CC Total Pension Schemes	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Comprehensive Income and Expenditure Statement</b>												
<i>Cost of Services</i>												
<i>Service cost comprising:</i>												
• Current service cost	6,206	8,148	0	0	4,550	2,870	160	120	23,950	31,020	34,866	42,158
• (Gain)/loss from settlements/curtailments	53	94	0	0	0	0	0	0	0	0	53	94
<i>Financing and Investment Income and Expenditure</i>												
• Net interest expense	1,360	1,551	22	21	23,860	24,660	980	1,330	2,170	2,920	28,392	30,482
<b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>	<b>7,619</b>	<b>9,793</b>	<b>22</b>	<b>21</b>	<b>28,410</b>	<b>27,530</b>	<b>1,140</b>	<b>1,450</b>	<b>26,120</b>	<b>33,940</b>	<b>63,311</b>	<b>72,734</b>
<b>Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement</b>												
<i>Remeasurement of the net defined benefit liability comprising:</i>												
• Return on plan assets (excluding the amount included in the net interest expense)	(23,572)	(12,913)	0	0	0	0	0	0	0	0	(23,572)	(12,913)
• Actuarial (gains) and losses arising on changes in demographic assumptions	0	(1,923)	0	(7)	0	0	0	0	0	0	0	(1,930)
• Actuarial (gains) and losses arising on changes in financial assumptions	34,917	(5,445)	81	(11)	123,190	(14,570)	9,720	(1,310)	23,900	(3,210)	191,808	(24,546)
• Experience (gains) and losses on liabilities	(3,909)	609	(24)	3	62,570	7,310	12,380	(2,110)	(9,070)	440	61,947	6,252
• Administration expenses	150	163	0	0	0	0	0	0	0	0	150	163
<b>Total Post-employment Benefits charged to Other Comprehensive Income and Expenditure</b>	<b>7,586</b>	<b>(19,509)</b>	<b>57</b>	<b>(15)</b>	<b>185,760</b>	<b>(7,260)</b>	<b>22,100</b>	<b>(3,420)</b>	<b>14,830</b>	<b>(2,770)</b>	<b>230,333</b>	<b>(32,974)</b>
<b>Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement</b>	<b>15,205</b>	<b>(9,716)</b>	<b>79</b>	<b>6</b>	<b>214,170</b>	<b>20,270</b>	<b>23,240</b>	<b>(1,970)</b>	<b>40,950</b>	<b>31,170</b>	<b>293,644</b>	<b>39,760</b>
<i>Movement in Reserves Statement</i>												
• Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code.	(7,619)	(9,793)	(22)	(21)	(28,410)	(27,530)	(1,140)	(1,450)	(26,120)	(33,940)	(63,311)	(72,734)
<i>Actual amount charged against the General Fund Balance for pensions in the year</i>												
• Employers' contributions payable to the scheme	3,831	3,831	63	54	0	0	0	0	0	0	3,894	3,885
• Retirements benefits payable to pensioners	0	0	0	0	39,040	42,590	90	110	(4,760)	(5,660)	34,370	37,040
<b>Total amount charged against the Police Fund Balance for pensions in the year</b>	<b>3,831</b>	<b>3,831</b>	<b>63</b>	<b>54</b>	<b>39,040</b>	<b>42,590</b>	<b>90</b>	<b>110</b>	<b>(4,760)</b>	<b>(5,660)</b>	<b>38,264</b>	<b>40,925</b>

### Accounting Policy - Post-Employment Benefits – CIES Entries/Charges to the Police Fund

All accounting entries in relation to the Comprehensive Income and Expenditure Statement and the subsequent liability for police officers pensions are wholly recorded in the [Chief Constable's](#) accounts. For police staff all Comprehensive Income and Expenditure Statement entries and subsequent balance sheet liabilities in relation to pensions are apportioned between [the Commissioner](#) and the Chief Constable single entity statements by the scheme actuary.

In relation to retirement benefits, statutory provisions require the Police Fund to be charged with the amount payable to the pension funds in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pension Reserve thereby measures the beneficial impact to the Police Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

### Accounting Policy - Post-Employment Benefits - CIES Entries

The change in the net pensions liability is analysed into the following components:

- **Service cost comprising:**
  - [Current service costs](#) – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employee worked.
  - [Past service cost](#) – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.
  - Net interest on the net defined pension benefit liability (asset) – i.e. the net interest expense for the organisation – the change during the period in the net defined pension benefit liability (asset) that arises from the passage of time charged to the financing and investment income and expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined pension benefit obligation at the beginning of the period to the net defined pension benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined pension benefit liability (assets) during the period as a result of contribution and benefit payments.
- **Remeasurements comprising:**
  - Return on plan assets-excluding amounts included in the net interest on the net defined pension liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
  - Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions (demographic and financial) made at the last actuarial valuation or because the actuaries have updated their assumptions –charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- **Contributions paid to the pension fund**
  - cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

## Annex C – Technical Annex – Pension Disclosures

### C2 Assets and Liabilities in relation to Retirement Benefits

Under IAS 19, the financial statements should reflect at [fair value](#) the assets and liabilities arising from an employer's obligation to pay retirement benefits and the funding provided.

The underlying assets and liabilities for retirement benefits attributable to the [Chief Constable](#) at 31 March 2022 with comparative information for the previous year are as follows:

Pension Scheme Assets & Liabilities	CC LGPS Funded Benefits		CC LGPS Unfunded Benefits		CC Police Scheme 1987 Scheme		CC Police Scheme 2006 Scheme		CC Police Scheme 2015 Scheme	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Present value of the defined benefit obligation	(242,939)	(247,290)	(1,032)	(984)	(1,252,680)	(1,230,360)	(66,710)	(64,630)	(127,770)	(164,600)
Fair value of plan assets	170,551	188,449	0	0	0	0	0	0	0	0
<b>Net liability arising from defined benefit obligation</b>	<b>(72,388)</b>	<b>(58,841)</b>	<b>(1,032)</b>	<b>(984)</b>	<b>(1,252,680)</b>	<b>(1,230,360)</b>	<b>(66,710)</b>	<b>(64,630)</b>	<b>(127,770)</b>	<b>(164,600)</b>

The liabilities in the above table show the underlying commitments that the Chief Constable has, in the long run, to pay retirement benefits. The total liability of £1.519b (£1.521b in 2020/21) has a substantial impact on the net worth of the Chief Constable as recorded in the balance sheet, resulting in a negative overall balance of £1.524b (£1.526b in 2020/21). The reduction in overall liability has arisen as a result in a change in actuarial assumptions.

However, statutory arrangements for funding the deficit mean that the financial position of the Constabulary remains healthy, since:

- the deficit on the local government scheme will be made good by increased contributions and changes to benefits over the remaining working life of employees, as assessed by the scheme actuary
- finance is only required to be raised to cover police pensions when the pensions are actually paid.

## Annex C – Technical Annex – Pension Disclosures

Reconciliation of present value of scheme liabilities:

Reconciliation of Scheme Liabilities	CC LGPS Funded Benefits		CC LGPS Unfunded Benefits		CC Police Scheme 1987 Scheme		CC Police Scheme 2006 Scheme		CC Police Scheme 2015 Scheme	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Balance at Start of Year</b>	<b>(203,076)</b>	<b>(242,939)</b>	<b>(1,016)</b>	<b>(1,032)</b>	<b>(1,077,550)</b>	<b>(1,252,680)</b>	<b>(43,560)</b>	<b>(66,710)</b>	<b>(82,060)</b>	<b>(127,770)</b>
Current service cost	(6,206)	(8,148)	0	0	(4,550)	(2,870)	(160)	(120)	(23,950)	(31,020)
Interest cost	(4,648)	(5,318)	(22)	(21)	(23,860)	(24,660)	(980)	(1,330)	(2,170)	(2,920)
Contributions by Scheme Participants	(1,337)	(1,335)	0	0	(840)	(210)	(40)	(20)	(4,970)	(5,820)
Remeasurement gains and (losses):										
- Arising from changes in demographic	0	1,923	0	7	0	0	0	0	0	0
- Arising from changes in financial assumptions	(34,917)	5,445	(81)	11	(123,190)	14,570	(9,720)	1,310	(23,900)	3,210
- Experience gains/(losses)	3,909	(609)	24	(3)	(62,570)	(7,310)	(12,380)	2,110	9,070	(440)
Past service cost	0	0	0	0	0	0	0	0	0	0
Gains/(losses) on curtailment	(53)	(94)	0	0	0	0	0	0	0	0
Benefits Paid/Transfers	3,389	3,785	63	54	39,880	42,800	130	130	210	160
<b>Balance at End of Year</b>	<b>(242,939)</b>	<b>(247,290)</b>	<b>(1,032)</b>	<b>(984)</b>	<b>(1,252,680)</b>	<b>(1,230,360)</b>	<b>(66,710)</b>	<b>(64,630)</b>	<b>(127,770)</b>	<b>(164,600)</b>

*The liabilities under the LGPS and Police pension Schemes have reduced during 2021/22. The principal reason for these changes is in relation to changes in financial and experience gain/loss assumptions by the scheme actuaries.*

### Accounting Policy - Post-Employment Benefits – Measurement of Liabilities

The liabilities of the pension fund are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc and projections of earnings for current employees. Liabilities are discounted to their value at current prices using a discount rate (see assumptions set out in C3 on page 73).

Actuarial valuations of the fund are undertaken every three years to determine the contribution rates needed to meet its liabilities.



# Annex C – Technical Annex – Pension Disclosures

Reconciliation of [fair value](#) of the scheme assets:

Reconciliation of Scheme Assets	CC LGPS Funded Benefits		CC LGPS Unfunded Benefits	
	2020/21	2021/22	2020/21	2021/22
	£000s	£000s	£000s	£000s
<b>Balance at Start of Year</b>	<b>142,062</b>	<b>170,551</b>	<b>0</b>	<b>0</b>
Interest Income	3,288	3,767	0	0
Remeasurements - Gains and (Losses)	23,572	12,913	0	0
Administration Expenses	(150)	(163)	0	0
Employer Contributions	3,831	3,831	63	54
Contributions by Scheme Participants	1,337	1,335	0	0
Benefits Paid	(3,389)	(3,785)	(63)	(54)
<b>Balance at End of Year</b>	<b>170,551</b>	<b>188,449</b>	<b>0</b>	<b>0</b>

## Accounting Policy - Post-Employment Benefits – Measurement of Assets

The assets of the LGPS pension fund are included in the Balance Sheet at their [fair value](#):

- Quoted securities – current bid price
- Unquoted securities – professional estimate
- Unitised securities – current bid price
- Property – market value

## Annex C – Technical Annex – Pension Disclosures

The Police Pension Scheme has no assets to cover its liabilities. The [Chief Constable's](#) share of assets in the Cumbria County Council Pension Fund (LGPS) consists of the following categories, by proportion of the total assets held:

LGPS Asset Breakdown	Quoted Y/N	CC 2020/21		CC 2021/22	
		£000s	%	£000s	%
<b>Equities</b>					
UK Equity Pooled	Y	15,860	9.30%	9,610	5.10%
Global Equity Pooled	Y	50,313	29.50%	47,866	25.40%
Overseas Equity Pooled	N	0	0.00%	8,669	4.60%
Equity Protection	N	0	0.00%	0	0.00%
<b>Bonds</b>					
UK Government Indexed Pooled	N	29,676	17.40%	31,848	16.90%
<b>Property</b>					
UK	N	9,892	5.80%	11,872	6.30%
Property Funds	N	4,434	2.60%	5,277	2.80%
<b>Alternatives</b>					
Private Equity Funds	N	8,186	4.80%	11,495	6.10%
Infrastructure Funds	N	11,939	7.00%	19,222	10.20%
Real Estate Debt Funds	N	171	0.10%	0	0.00%
Private Debt Funds	N	6,651	3.90%	9,046	4.80%
Healthcare Royalties	N	1,535	0.90%	2,450	1.30%
Multi Asset Credit	N	25,924	15.20%	25,818	13.70%
<b>Cash</b>					
Cash Accounts	Y	5,799	3.40%	5,088	2.70%
Net Current Assets	N	171	0.10%	188	0.10%
		<b>170,551</b>	<b>100.00%</b>	<b>188,449</b>	<b>100.00%</b>

### C3 Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, which provides an estimate of the pensions that will be payable in future years using assumptions about mortality rates, salary levels, etc. [Mercer Ltd](#), an independent firm of actuaries, has carried out the assessment on the Local Government Pension Scheme. These accounts are based on the [actuarial valuation](#) undertaken on 31 March 2022. The Police Scheme estimates have been compiled using a valuation model devised by the Government Actuaries Department.

#### Accounting Policy – Pensions Material Estimation Techniques

Where the projected unit method of valuation has been applied and which is consistent with the required methodology in IAS 19. This is a valuation method in which the scheme liabilities make an allowance for projected earnings. An accrued benefits valuation method is one in which the scheme liabilities at the valuation date relate to:

- the benefits pensioners and deferred pensioners (i.e. individuals who have ceased as active members but are entitled to benefits payable at a later date) and their dependents, allowing where appropriate for future increases, and
- the accrued benefits for members in service on the valuation date. The accrued benefits are the benefits for service up to a given point in time, whether vested or not.

For 2021/22 a discount rate based on the current rate of return on a high quality corporate bond of equivalent currency and term to scheme liabilities is to be used. The actuaries for the Police and LGPS pension funds have advised that discount rates of 2.65% for Police and 2.80% for LGPS are appropriate.

## Annex C – Technical Annex – Pension Disclosures

The principal assumptions used by the actuary have been:

Actuarial Assumptions	LGPS		Police Scheme	
	2020/21	2021/22	2020/21	2021/22
Mortality Assumptions:				
Longevity at 65 for current pensioners:				
- Men	22.7	22.6	22.0	22.1
- Women	25.3	25.3	23.7	23.8
Longevity at 65 for future pensioners:				
- Men	24.3	24.1	23.7	23.8
- Women	27.2	27.1	25.3	25.4
Rate of Inflation (CPI)	2.70%	3.20%	2.40%	3.00%
Rate of increase in salaries	4.20%	4.70%	4.15%	4.75%
Rate of increase in pensions	2.80%	3.30%	2.40%	3.00%
Rate of Revaluation for CARE Pensions	-	-	3.65%	4.25%
Rate for discounting scheme liabilities	2.20%	2.80%	2.00%	2.65%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

### Sensitivity Analysis – LGPS Pension Scheme

Sensitivity Analysis - LGPS	CC		
	Impact on Defined Benefit Obligation £000s	Impact on Projected Service Cost for Next Year £000s	Impact on Projected Interest Cost for Next Year £000s
<b>Local Government Pension Scheme</b>			
Longevity (1 Year increase in life expectancy)	7,185	245	202
Rate of Inflation (increase by 0.1%)	5,458	220	153
Rate of Increase in Salaries (increase by 0.1%)	662	0	19
Rate for Discounting Scheme Liabilities (increase by 0.1%)	(5,341)	(211)	(97)
Change in 2021/22 investment Returns (increase by 1%)	0	0	(53)
Change in 2021/22 investment Returns (reduce by 1%)	0	0	53

## Annex C – Technical Annex – Pension Disclosures

### Sensitivity Analysis – Police Pension Schemes

Sensitivity Analysis - Police Pensions	Police	CC	Police
	Pensions	Pensions	Pensions
	1987	2006	2015
	Scheme	Scheme	Scheme
	£000s	£000s	£000s
<b>Assumption Sensitivity</b>			
Longevity (1 Year increase in life expectancy)	42,000	2,000	5,000
Rate of Increase in Pensions (increase by 0.5%)	93,000	6,000	30,000
Rate of Increase in Salaries (increase by 0.5%)	8,000	4,000	0
Rate for Discounting Scheme Liabilities (increase by 0.5%)	(103,000)	(10,000)	(26,000)

The above tables include the impact of an increase in assumptions, a reduction in assumptions will produce approximately an equal and opposite change.

#### C4 Impact on the Chief Constable's Cash Flows

The objectives of the LGPS scheme are to keep employers' contributions at as constant a rate as possible. The [Chief Constable](#) has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 13 years. Funding levels are monitored on an annual basis. The latest triennial valuation took place during 2019/20 based on the position at 31 March 2019. The revaluation resulted in an increase in contribution rates from 15.4% to 18.4% which took effect from 1 April 2020.

The pension schemes will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the LGPS and the other main existing public service schemes in England and Wales (which includes the Police Pension schemes) may not provide benefits in relation to service after 31 March 2014 (after 31 March 2015 for other main public service schemes e.g. Police Pension Schemes). This means that the LGPS ceased to be a final salary scheme from 31 March 2014 and the Police Pension Scheme ceased to be a final salary pension scheme from 31 March 2015. The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The total contributions expected to be made to the Local Government Pension Scheme by the Chief Constable in the year to 31 March 2023 are £4.125m. Expected contributions for the Police Pension Scheme in the year to 31 March 2022 are £15.024m.

The weighted average duration of the defined benefit obligation for scheme members is shown in the table below:

Weighted Average Duration of the Defined benefit Obligation	2020/21	2021/22
	Years	Years
<b>Pensions Scheme</b>		
Local Government Pension Scheme - CC	22	22
Police Pension -1987 Scheme	18	18
Police Pension -2006 Scheme	33	33
Police Pension -2015 Scheme	36	36



The Chief Constable of Cumbria Constabulary

Annual Governance Statement 2021/22



## The Chief Constable of Cumbria Constabulary

### Annual Governance Statement 2021/22

#### INTRODUCTION AND SCOPE OF RESPONSIBILITIES

The Chief Constable of Cumbria Constabulary (the Chief Constable) is responsible for ensuring business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

In discharging this overall responsibility, the Chief Constable is responsible for putting in place proper arrangements for the governance of affairs and facilitating the exercise of functions, which includes arrangements for the management of risk.

The key elements of the system and processes that comprise the Chief Constable's governance arrangements are detailed in this document. The elements are based on the seven core principles of Corporate Governance from the CIPFA/Solace Governance Framework, the standard against which all local government bodies, including police, should assess themselves.

The Chief Constable has approved and adopted a Code of Corporate Governance 'The Code'. The Code gives clarity to the way the Chief Constable governs and sets out the frameworks that are in place to support the overall arrangements that are in place for fulfilling the Chief

Constable's functions. This statement explains how the Chief Constable has complied with The Code. It also meets the requirements of regulation 6(1) and 10(1) of the Accounts and Audit (England) Regulations 2015 in relation to the publication of an annual governance statement, which must accompany the Chief Constable's statement of accounts.

#### THE REVIEW OF EFFECTIVENESS

The Chief Constable has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of Chief Officers and senior managers within the organisation who have responsibility for the development and maintenance of the governance environment. The review comprises:

- A cyclical detailed review of the key documents within the Chief Constable's governance framework e.g. Financial Regulations.
- An overarching review of the governance arrangements in place to support each core principle within the CIPFA Solace guidance.
- A review of what has happened during the past year to evidence how the Code has been complied with, which is articulated in the Annual Governance Statement.

- A review of the effectiveness of the arrangements for internal audit against the Public Sector Internal Audit Standards and the Internal Audit Charter.
- Formal reviews of the role of the Chief Constable's Chief Finance Officer and the Head of Internal Audit (HIA) against the respective CIPFA statements, which demonstrated full compliance. A review of the effectiveness of the Joint Audit Committee against CIPFA guidance.

The following paragraphs constitute the Annual Governance Statement, demonstrating how the Chief Constable has complied with the governance framework, set out within the Code, to meet each of the seven governance principles. The Annual Governance Statement is published alongside the Statement of Accounts and also incorporates an action plan of planned future improvements for governance arrangements.

**Michelle Skeer**

Chief Constable

23 November 2022

*Signatures have been removed for the purposes of publication on the website*

**Roger Marshall**

Joint Chief Finance Officer

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

## REVIEW OF REQUIREMENTS AND ARRANGEMENTS

### Ethics and Integrity & Respecting the Rule of Law

During 2021/22 the Constabulary continued to take a proactive approach to communicating and promoting the highest standards of integrity in all elements of its business. Work has continued to embed and develop ethical behaviour based on:

- The Constabulary's Corporate Values
- The College of Policing Code of Ethics
- Preventing the abuse of authority for sexual gain.
- The Constabulary's Anti-Fraud and Corruption Policy and Procedures.

These arrangements are supported by the Director of Legal Services, who is a qualified solicitor and acts as the Chief Constable's 'Monitoring Officer', providing advice to the Constabulary on all legal matters and is consulted on all strategic decisions to ensure that laws are not contravened.

The Constabulary's Professional Standards Department is central to the maintenance of high standards of conduct and behaviour within the organisation. The priorities of the Constabulary's Professional Standards Department are shaped by a Strategic Assessment of threats and risks, which reflects the Regional Strategic Threat Assessment.

The People Control Strategy is broken down into four main areas, people we know, areas we go, standards of professional behaviour and systems we use.

Key priorities which are currently identified are:-

- People – employee vulnerability (associations, financial matters, wellbeing), abuse of position for sexual purposes and vetting.
- Areas – security and areas we work
- Standards -disclosure of information / confidentiality and discreditable conduct.
- Systems – misuse of force systems and social media.

Regular internal meetings are held to deliver these priorities, based on a framework of :-

### Pursue

- Intelligence development relating to officers and staff behaviour towards vulnerable members of the community.
- Creation of operational packages for adoption by ACU - operations concentrating efforts towards the four priority areas.

- Implementation of with-cause drug testing of officers in response to intelligence

#### Prevent

- Integrity interviews with officers or staff where concerns are raised relating to behaviour that does not meet the threshold for misconduct.
- Force Reputational Panels in response to developed intelligence identifying vulnerable associations.
- Review and collation of force policy linked to corruption

#### Prepare

- Training, advice, engagement and guidance provided to HQ and local based courses on priorities linked to standards of professional behaviour.
- Attendance and input at Digital Policing Board to futureproof new ICT systems and force software systems.

#### Protect

- Meetings held with the Business Improvement Unit to seek improvement in terms of officers use and deployment of Body Worn Video (BWV)
- Engaging with partners regarding Abuse of Position for a Sexual Purpose/Sexual Harassment and highlighting the reporting mechanisms relating to employee behaviour should they have concerns

newsletters, which provide guidance on matters of integrity. Subjects covered in 2021/22 have included advice on:-

- Standards of conduct on and off duty.
- Accurate recording of personal data.
- Importance of accurate PNB recording.
- Use of WhatsApp
- Use of cocaine
- Compliance with Covid 19 regulations
- Power of entry.

This preventative approach is further underpinned through the use of a Prevent and Diversion Officer. The role promotes an organisational culture of reflection, improvement and learning.

The key areas of vulnerability remain as:-

- Abuse of Position for a sexual purpose/ Sexual misconduct (APSP)
- Disclosure of Information
- Neighbour/ Associate Issues
- Drugs misuse.

APSP also includes additional national requirements associated with Violence Against Woman and Girls.

In relation to complaints, the Constabulary remains committed to delivering effective customer service. The process has been enhanced through the recruitment of Initial Complaint Handlers ensuring effective resolution through Service Recovery on relevant cases when

appropriate. Only the most serious complaints are then investigated. Complaints can also be dealt with “There and Then” by local management, but are still logged to ensure compliance with reporting requirements

The Constabulary has adopted a digitalised solution (the first of its kind nationally), to manage the Reflective Practice Review Process (RPRP) which is progressed via the Strength Based Conversation (SBC) process utilising Practice Requires Improvement (PRI). This follows recommendations for improvement from an internal audit of RPRP in late 2020/21. A key functionality of this system enables the abstraction of individual and organisational learning which links in with the role of the Prevent and Diversion Officer .

The Constabulary demonstrates a progressive attitude towards failure / mistakes. A key element of any PSD investigation is to highlight any actions which could prevent similar mistakes being repeated. To this end, following every investigation the lead officer carries out a rigorous assessment to determine key actions and lessons learned, examples of possible actions are:-

- Mistakes/sub-optimal conduct – Practice Requires Improvement (PRI), via RPRP
- Systemic breakdown – change in policy/ reminder to all staff via a PASS newsletter.



- Serious Misconduct (defined as misconduct that would justify a Written Warning or above) - Official misconduct proceedings.

Here again, the Prevent and Diversion Officer is utilised to share wider learning in a positive and constructive way.

In the interests of openness and transparency, police gross misconduct hearings are held in public. Two public misconduct hearings took place in 2021/22; as a result of which one police officer was dismissed without notice for gross misconduct and one police officer would have been dismissed had they not resigned earlier. All such hearings are presided over by a legally qualified chair or Chief Constable (where appropriate). The outcomes of misconduct hearings are publicised on the Constabulary website.

The Ethics and Integrity Panel continue to provide independent oversight for the OPCC and Constabulary in relation to standards, ethics and integrity. The Panel also reviews 'Quality of Service and Policing Issues' raised by members of the public including public complaints, police misconduct and staff misconduct cases. The Panel's work is reported to the Commissioner's Public Accountability Conference to improve transparency and support public scrutiny. Whilst the Panel's conclusions provide assurance regarding high standards of ethics and integrity, where

applicable, recommendations to enhance or improve the level of service provided by the Constabulary have been made.

**Core Principle B: Ensuring openness and comprehensive stakeholder engagement.**

## REVIEW OF REQUIREMENTS AND ARRANGEMENTS

### Openness

To support transparency and ensure that the Chief Constable's vision is clearly communicated, the Chief Officer Group continue to hold strategy days for senior management and online virtual road shows across the county, for all officers and staff. This has been supported by a range of communications across the force particularly via O365 tools, utilising Teams Live Events, Teams meetings as well as the internal intranet site and noticeboards. The Constabulary continues to use and develop Yammer, which is an internal social media platform to increase the potential and effectiveness of internal engagement. The platform enables interactions across the whole organisation - such as channels and a mechanism to provide feedback and questions to senior management - Ask the Force and One Change. There are channels for wellbeing support, staff support groups, staff

notice board and specialist interest groups, which cover a wide range of areas such as specific projects, such as roll-out of new technology or change in processes. The force proactively use Stream – an internal video channel to support communications, these are used for a range of things such as the Deputy Chief Constable's fortnightly VLOG, weekly local management briefings, briefings for specific operations and events such as Covid and Appleby Fair as well as to support campaigns, learning and development across the force.

### Engaging Effectively with Institutional Stakeholders

The Constabulary works closely with the Office of the Police and Crime Commissioner (OPCC) through formal mechanisms (such as Public Accountability Conferences and Collaborative Board meetings) and informally through one to one meetings with senior staff from both organisations.

The Constabulary continues to work with partners as this can deliver a more effective policing service to the public and meet the aims of the Commissioner's Police and Crime Plan. Accordingly, the Constabulary actively participates in a range of partnership activities and functions in collaboration with other agencies, both at a strategic and tactical level, which have been key during the pandemic. Examples include:

- the Local Resilience Forum (major incident planning)

- the CRASH partnership (road safety)
- the Safer Cumbria Action Board
- the Local Safeguarding Board (child protection)
- Community Safety Partnerships
- The Cumbria Alcohol Board (countering alcohol abuse)
- Combating anti-social behaviour
- Work with the Lake District National Park Authority and other district and county partners to support visitor management within the county
- County Council
- Further development of links with criminal justice and mental health agencies and other blue-light partners.
- Local Focus Hubs in each area, where the Constabulary works closely with a range of local agencies to prevent and solve problems at the earliest opportunity.
- Collaborations with Durham Constabulary (ICT and Information Management)

assessment.

#### Engaging stakeholders effectively, including citizens and service users

The Constabulary has a Community Engagement and Consultation Strategy, which co-ordinates all on-going consultation activities and is refreshed on an annual basis to understand the needs of service users. During the year, the Constabulary consulted with the public to find their policing priorities, how confident they felt, how they would like to be engaged with and their areas of concern. These informed the development of the Constabulary's and Commissioner's plans.

Last year the constabulary launched a "call it out" survey as part of their work to tackle violence against women and girls and to find out how safe they feel in local communities, this work has helped us to target activity to support women and girls and help them to feel safe.

The Constabulary has a well embedded marketing and communications approach which establishes clear channels of communication with all sections of the community, providing information about crime in their area, crime prevention and safety advice as well as raising awareness to policing issues and letting the public know how the force is performing, and the work that it does.

Newsletters and alerts are an effective communication tool to keep people informed and updated in our communities. The current number of subscribers has increased to almost 37,500 with people signing up for alerts in their local area, information about work the Constabulary does, such as rural crime newsletters, work done to keep women and girls safe and covid, as well as monthly newsletters from their local policing teams and recruitment news. The neighbourhood policing teams within Local Focus hubs produce digital monthly newsletters, giving monthly updates and information to their communities, covering local crime and antisocial behaviour issues relevant to their area, information and advice, as well as statistics for the parish councils. These digital newsletters are available for members of the public to subscribe to and subscriptions are rising annually.

The Constabulary's e-community has grown and is now at almost 300,000 followers. Officers within the Neighbourhood Policing teams are using their Facebook account to engage with the local community about policing issues important to them in their locality, with some specialised teams such as roads policing and dog section having a presence on Twitter. Whilst the recommended channels to report crime online are via the website or a new webchat facility, the force is able to respond to urgent

crimes reported via direct message on social media, via our Digital desk, which is monitored by the command and control room out of hours, and the force marketing and communications team during office hours.

Engagement with the public is pivotal to the work of Neighbourhood Policing Teams (NPTs) embedded in Local Focus Hubs in determining local priorities. This is achieved through Community Engagement Plans, which detail contact with all stakeholders particularly those that are under-represented communities or with protected characteristics. The Community Engagement Strategy includes our key principles of consultation and engagement, which are:

- Officers, staff and volunteers being responsible for and having a targeted, visible presence in neighbourhoods.
- A clearly defined and transparent purpose for engagement activities.
- Regular formal and informal contact with communities.
- Working with partners, such as sharing opportunities for engagement.
- Making information available about local crime and policing issues to communities.
- Engagement that recognises and is tailored to the needs and challenges of different communities.

- Using engagement to identify local priorities and inform problem solving.
- Officers, staff and volunteers providing feedback and being accountable to communities.
- Officers, staff and volunteers supporting communities, where appropriate, to be more active in the policing of their local areas.
- Local focus teams use social media and other digital tools to engage with on-line communities.
- Officers, staff and volunteers working closely with the Constabulary's Marketing and Communications department to engage with members of the media to highlight work conducted to tackle local issues.
- Specific types of engagement are set out in our minimum standards of engagement.
- Senior leaders will ensure support for officers in attendance at suitable training or CPD activities.

These arrangements are supported by a toolkit, which is available to officers.

The Constabulary has a Diversity, Equality and Inclusion Strategy, which seeks to both support diversity and inclusion within the workforce and to work with partners and the community to provide an effective policing service for a diverse community. The Covid pandemic has made face to face meetings virtually impossible to engage

with communities but to adapt to the current situation a number of initiatives have been developed including

- Encouragement for Neighbourhood Policing Teams to engage with local businesses from diverse backgrounds, especially around significant dates e.g. Chinese New Year
- On-line events to promote inclusion for recruitment, women in policing, positive action, LGBTQ, Disability.
- On-line events to highlight areas of concern e.g. Domestic Violence
- Advertising significant dates via social media
- Engaging with different Community Groups e.g. Anti-Racism Cumbria, Multicultural Cumbria etc and encouraging them to work with us
- Increasing the Diversity of the Strategic Independent Advisory Group
- Media campaigns around Hate Crime including working with Carlisle United.

The Constabulary has also been active in trying to promote diversity in the recruitment of officers and staff and to provide support for existing employees from diverse backgrounds. Specific actions have included :

- Putting dedicated staff in place to support the forces vision to attract, recruit and retain staff and officers from under-represented groups. A number of recruitment events have been held, which have

attracted officers from outside the area and we have increased our under represented officers by 2%.

- Established an Inclusion hub. This is a central repository that staff can access to support them with any wellbeing challenges or to seek help from any of staff support groups. This includes officers who can provide lived experience advice.
- As part of Operation Uplift the Constabulary is first in the country in relation to the percentage of female officers recruited at 42%, this was recognised by HMICFRS in our peel inspection.

The Constabulary uses Community Impact Assessments to identify issues that may affect a community's confidence in the ability of the police to respond effectively to their needs, thereby enhancing the police response, particularly after major incidents.

The impact of Covid 19 has required significantly enhanced marketing and communications services, internally and externally. For the public, this involved providing information and explanation about the changes in legislation and how the police deal with it on social media and via a regular newsletter. The management of questions and feedback from the public relating to policing the county, as well as regular direct messages from the

Chief Constable and Assistant Chief Constable to the public.

Internally, frequent bulletins from the Chief Constable and the Assistant Chief Constable have communicated important messages to the workforce. This includes key information on the new legislation and our approach to policing it, practical advice and guidance on changes to working practices in the criminal justice system and other agencies, use of PPE, and advice and guidance on keeping safe, both at work and home.

Core Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits.

## REVIEW OF REQUIREMENTS AND ARRANGEMENTS

### Defining Outcomes

For 2021/22, the Chief Constable determined the strategic direction for the Constabulary, which is 'To Deliver an Outstanding Police Service to Keep Cumbria Safe'. Following consultation with a range of stakeholders, demand and resource analysis, performance results,

recommendations from independent inspections and audits and a review of the organisation's strategic risks, the Chief Constable developed the core operational objectives of Tackling Criminality, Helping Those in Need and Connecting with Communities, which will be achieved through :

- Early intervention and prevention.
- Quality investigations
- Innovative use of Intelligence and technology.
- Working together.
- Quality victims care.
- Visible local policing at the heart of what we do.
- Respond to our communities.
- Maximise engagement.

The Commissioner approved these key objectives and incorporated them into his Police & Crime Plan to complement his aims.

The Plan on a Page shows how everyone in the organisation contributes to the overall aim of *Keeping Cumbria Safe* and improves knowledge and understanding pay by linking strategic objectives to operational and business daily activity on the ground and maintaining performance and re-enforcing our values.

### Sustainable economic, social and environmental benefits

During 2021/22, work continued to deliver Vision 25, which complements the Constabulary's priorities, builds on achievements to date and provides a roadmap to transform policing to meet the challenges of delivering an effective service for communities into the mid 2020s.

Cumbria Vision 25 has five key themes:

- Local Policing
- Specialist Capabilities
- Digital Policing
- Workforce
- Business Support

Each theme has an accompanying work programme outlined in the Vision 25 document. Vision 25 workstreams and actions are recorded, with progress monitored through the Cumbria Constabulary Improvement Plan (CCIP).

Business planning and governance boards have been re-organised, to better align to Vision 25. Each board is headed by a senior business lead and is responsible for monitoring delivery and performance of Vision 25 priorities.

During 2021/22 the Commissioner incorporated the Constabulary's budget proposals into his 2022/23 budget

in the context of a medium term financial forecast (MTFF) covering four years to 2026/27.

The policing grant settlement, received in December 2021 provided £4.0m in additional grant funding for 2022/23, principally to support the final phase of Operation Uplift; the Government's plan to recruit 20,000 new officers by 2023. The settlement also provided Commissioners with a degree of flexibility to levy increased council tax. Following a public consultation exercise, the Commissioner approved the 2022/23 budget in February 2022 based on a council tax increase of 3.67%. The additional funding provided to the Constabulary will allow existing services to be maintained and has facilitated planned recruitment of an additional 68 officers in 2022/23 in fulfilment of the Constabulary's overall Operation Uplift target of recruiting an additional 168 officers over the three years of the Uplift programme. In consultation with the Commissioner, once trained, the additional officers will be deployed by the Chief Constable to areas, which will support the Police and Crime Plan's principal objective of Keeping Cumbria Safe. The budget has also supported investment in a new records management system, analytical capability and resource co-ordination, which are seen as critical to deliver the Chief Constable's strategic objectives.

The Government's spending plans as set out in its spending review announcement in autumn 2021 and the investment in Operation Uplift have been generally favourable to policing. However, the emergence of inflationary pressures not seen for a generation in the latter part of 2021/22, in combination with existing financial risks in relation to the cost of implementing the Emergency Services Network, pension cost pressures and the impact of the review of the Police Funding Formula make the Constabulary's future financial outlook uncertain. The budget for 2022/23 has been balanced, however savings will be required from 2023/24 onwards.

Against this background, modelling of a range of financial scenarios through the Medium Term Financial Planning process, undertaken jointly by the OPCC and Constabulary, have continued to inform wider business planning. An on-going theme of each of the Cumbria Vision 2025 workstreams is to develop savings options and realise business benefits, particularly in areas where investment in new technology has been made, as a means of balancing the budget over the medium term.

During 2021/22 the Constabulary has continued to develop its business planning aligned to the MTFF. Workplans to support existing strategies in relation to people, ICT, fleet, estates and procurement have been

produced. Progress during the year, together with future plans, have been reported to the Commissioner.

A critical priority for the Data, Digital and Technology (DDaT) Command in 2021/22 has been the continued development of the digital infrastructure, which has enabled the Constabulary to operate efficiently and effectively when a significant proportion of the workforce have been working remotely as a result of the pandemic.

Elsewhere the force has been ambitious in progressing its DDaT Strategy with a particular focus on creating in house applications to replace costly supplier led products. The force is working in partnership with Microsoft and Tiski to transform how it delivers digital innovation and develop PowerApps. This will transform the ability for officers and staff to access data and information, supporting mobility and flexibility for services to the public.

A wide range of digital projects have continued during 2021/22 including the delivery of the Crown Duties Management System, which is a hosted solution supporting the Constabulary strategy in its transition to the cloud, 101 Webchat and the new Constabulary website, both supporting development of public contact. There was also the introduction of the force vetting

system. Work has continued to carry out upgrades to our command and control system.

The future vision for major elements of the DDaT Strategy includes the replacement of infrastructure. The Constabulary is working in partnership with Mark 43 to develop a replacement for the current records management, property, and case and custody systems, which will allow for information to seamlessly flow from one module to another, whereas these were previously disparate systems. Mark43 also reduces double-keying . This programme is being supported by Police Digital Service and the Home Office.

In relation to National Projects we have delivered the National ANPR System, and continue to engage with the LEDs, Digital Case File and ESN national programmes

Recognising that digital, data and technology is central to all aspects of Policing, the Constabulary continues to develop a Digital Leadership Programme which has been delivered to all managers and supervisors across the organisation with the aim of ensuring that the benefits offered by technology are recognised and embedded within working practice. This programme is being developed in partnership with the College of Policing and

Police Digital Service nationally and shared with other forces.

In relation to Estates, the priority in the last year has been the continued provision and maintenance of safe working environments for staff during the pandemic, including enhanced cleaning and the completion of a Covid secure agile working hub in Kendal.

The Furness Peninsula Bluelight Hub in Ulverston was completed and a commercial kennel facility was purchased near Carlisle for conversion to use as the constabulary dog section with training capabilities. Additional facilities were also provided to support expanded personal safety training (PST) and Taser training. Work also commenced on scoping out the options for the West Estate.

A project has commenced towards the end of the financial year which will develop a baseline of carbon usage then develop a 'Plan Zero' environmental strategy and action plan.

During 2021/22 the fleet replacement programme continued to be maintained despite significant challenges around supply and conversion of vehicles. The continued approach of in-house conversions has been maintained

to good effect. The vast majority of the marked response fleet were replaced during the financial year. The trial of electric vehicles in both operational and corporate roles has continued, with further vehicles being ordered for delivery in 2022/23.

The new corporate systems introduced over the last financial year across Finance, Procurement, Human Resources and Duties Management have all now become established with focus during the year on continual improvement and additional functionality. As in the previous year, the Commercial Solutions department have been instrumental in sourcing and maintaining supply of necessary PPE and associated supplies to support the organisation during the pandemic.

The People Strategy, developed in 2018/19, has been re-written and re-launched for the period 2021-2025. During 2021/22 significant effort within the HR Department has been directed to recruit the Constabulary's target of additional officers as part of phase two of Operation Uplift, which has been successfully achieved. Work is now underway to recruit the additional 68 officers necessary for phase three, with adjustments made to recruitment methods owing to recognition of challenges linked to the recruitment pipeline.

A further critical activity during the year has been to improve the accuracy of workforce establishment data, in order to assist in future aspirations around strategic workforce planning. This has involved the re-purposing of agendas and developing processes to provide scrutiny around decision making.

Work has started in relation to HR support to various change processes, including a force restructure, Local Government Reform and potential transfer of Fire & Rescue Service. Dedicated support is also provided to DDAT to support the Records Management System project in relation to any HR implications.

Occupational Health have a significant role to play around maintaining the health and wellbeing of officers and staff and work in response to the transition through covid, coupled with the demands of a growing workforce. Learning and Development have been critical in maintaining delivery of the PEQF, to meet Op Uplift targets but also other training provisions mandatory to operational delivery. A key challenge over the period has been face to face delivery whilst remaining covid secure. Health and well-being initiatives have included :-

- Participation in the national Oscar Kilo programme to promote well-being in the workplace – with reconfiguration of strand ownership and governance.
- Continued investment in further Wellbeing initiatives in the Constabulary and the training of Mental Health First Aiders who can signpost staff for early help and support.
- Launch of the Back Up Buddy App to support mental health and wellbeing.
- A Silver better health at work award was achieved and work is proceeding towards a gold award, which is expected to be achieved in 2022.
- Provision of psychological screening for an additional officers with CMR functions.
- Re-configuration of SBC's in order to improve their accessibility and delivery, with a view to further development of the process and alignment to performance framework
- Development of a spotlight scheme to shape future leaders in the Constabulary
- Launch of automated IT recruitment system.
- Launch of Corevet automated vetting system.
- Investment in anti-corruption software and resources to safeguard the safety and wellbeing of the workforce, planned implementation 2022.

- Revision of people department policies across all disciplines.
- Establishment of HR process bronze/ silver and strategic workforce planning meeting.
- Continued income generation via Learning and Development within excess of £200k delivered.
- Delivery of both Op Uplift and Positive Action, with targets' met in respect of phase two, including aspiration to meet 5% representation by March 2023.
- Review and implementation of agile working policy to assist recovery and renewal post-covid.
- Embedding of Fair Passport to support wellbeing.
- Established Pay Panel process to ensure fairness and a consistent approach
- Review of Police Staff Terms & Conditions ongoing with staff association
- Support a number of management of change pieces of work

Core Principle D: Determining the interventions necessary to optimise the achievement of intended outcomes.

#### REVIEW OF REQUIREMENTS AND ARRANGEMENTS

##### Planning Interventions

The Chief Officer Group is the Constabulary's strategic decision making forum. In the last 12 months reports key decisions have included considering and approving reports in relation to :

- The response to Covid 19 and subsequent recovery and renewal.
- Organisational re-structuring
- Business strategies
- Resource allocation
- Performance Management
- Financial updates (including the budget proposal)
- Risk management updates.
- Governance documents
- Business cases in relation to re-structures of Commercial, Professional Standards, Information Management and Safeguarding functions.
- Business cases for investment in new Records Management and CCTV systems.

- Public satisfaction and staff well-being surveys.
- Development of the analytical and resource co-ordination capabilities.
- Collaboration arrangements
- Environmental Strategy
- The role of PCSOs.

All decisions support delivery of the Chief Constable's vision. Decisions are minuted and subject to scrutiny by the Commissioner. To improve communication and transparency all COG decisions are published on a decision log, which is made available to key stakeholders.

The Chief Constable has also attended the budget setting meeting of the Police and Crime Panel to provide context to Commissioner's precept proposal.

The Chief Officer Group is supported by a number of other boards, which are aligned to Vision 25, this includes a Management Board with responsibility for scrutiny and performance management.



## Determining Interventions & Optimising Outcomes

The Constabulary is currently reconfiguring its performance framework and governance meetings, this is in consultation with senior leaders, staff support associations and the Office of the Police and Crime Commissioner (OPCC) to develop and embed a resilient performance structure. This set of measures and targets to support delivery of the Police and Crime Plan and is the mechanism used by the Commissioner to hold the Chief Constable to account. Progress against these measures has been reported to the Commissioner every six months at the Public Accountability Conference.

Performance for all crime types, antisocial behaviour, road collisions, user satisfaction and productivity is monitored through the performance management conference arrangements, where issues are identified and discussed. Potential solutions and actions required are developed and allocated to individuals to implement.

This is supported by thematic reports for specific areas of activity, which are discussed at the Commissioner's Public Accountability Conference. Reports in 2021/22 included child sexual abuse and exploitation, supporting victims, violence against women and girls, community policing, roads policing and the policing response to Covid-19.

In the operational environment, on a monthly basis, senior police officers carry out a full assessment of operational risk, harm and threat to communities and an assessment of performance changes and their root causes. This encompasses consideration of vulnerable people, repeat offenders, vulnerable missing from home, significant domestic abuse, prison issues, organised crime groups, threats to life, crime and anti-social behaviour trends. Action has been taken and resources tasked to deal with the operational issues raised.

Every day, officers in each Territorial Policing Area hold a Daily Management Meeting, which identifies the crimes and incidents that have occurred over the previous 24 hours and any vulnerable or high profile incidents. A supporting force-wide Daily Operational Review Meeting ensures that resources are directed to meet strategic priorities across the county.

As part of the Constabulary's work on managing demand, the principles of THRIVESC (threat, harm, risk, investigative opportunity, vulnerability, engagement, safeguarding and ethical crime recording) have been introduced within the communications room when grading calls for service. Acting within the framework of the National Decision Making Model, this informs decisions as to

- Whether to deploy officers to incidents.

- The types of officers to deploy, including specialist resources.
- A proportionate, reasonable and effective response.
- Whether to resolve the call in the control room at the first point of contact.
- Refer to partner agencies.

The Constabulary has now fully established an Investigative Standards Board (ISB) which is chaired by a Detective Superintendent and reviews the standard and quality of investigations, identifying and disseminating best practice whilst establishing areas for improvement and ensuring that the learning identified is translated into organisational improvements. Supporting the continual improvement of investigative standards and informing the ISB, the "investigative principles" have been embedded which provide both guidance and an expected standard of investigation to all officers at various stages of a case. The application of the principles have been quality assured by a Detective Sergeant embedded within the Performance and Insight Command, with ongoing quality assurance checks to be included in future quality counts audits.

Core Principle E: Developing entity's capacity including the capability of its leadership and the individuals within it.

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Developing the Entity's capacity & leadership

The key functions and roles of the Chief Constable and the Police and Crime Commissioner are set out in the Police Reform and Social Responsibility Act 2011 (PRSRA) and the Policing Protocol Order 2011 (PPO). The Chief Constable's statutory responsibilities for maintaining the Queen's Peace are set out in various Police Acts. Both the Chief Constable and Commissioner are statutorily required to employ a Chief Finance Officer.

The arrangement for the Commissioner and Chief Constable to operate with a shared Chief Finance Officer is now well embedded. To date no issues have been identified, however, a protocol and range of safeguards remain in place to handle potential conflicts of interest arising from the joint role. A review of the operation of the Joint Chief Finance Officer arrangement has been conducted and aligned to the CIPFA statement on the Role

of the Chief Finance Officer. This exercise has shown full compliance and has not revealed any significant issues.

The Constabulary has used HMICFRS Value for Money profiles and Police Objective Analysis to inform its Change Programme and applied zero based budgeting, with robust financial challenge to budget holders, to secure maximum value from the resources available. Although there are difficulties in ensuring true comparisons, in general, the VFM work has shown the Constabulary to benchmark well, although, in some instances costs may appear to be relatively high when measured per head of population. This is principally attributable to the logistics of providing an effective policing service over such a geographically sparse county.

Developing the Capability of Individuals within the entity

The Constabulary's annual training plan for mandatory training was developed in March 2022 in conjunction with operational leadership teams and training leads. The plan was presented to the Workforce Board for information and approval and has assisted with the work being carried out by Resource Coordination Group who are looking at the effective, efficient, and sustainable approach to resource co-ordination. The Learning Panel continues to consider requests for other training and CPD that come in during

the year, ensuring that Learning Outcomes are delivered effectively and prioritised appropriately.

The Constabulary are in the process of recommencing the Study Support scheme which aims to support staff who wish to study for a qualification or to develop their skills/knowledge in relation to areas that are relevant to their role/organisational objectives.

Development for leaders across all ranks and grades is delivered through a combination of classroom based training events, ongoing CPD and stand-alone workshops. It is recognised that leadership is not confined by rank or role and the development of leadership skills in an ongoing process.

L&D run a two-week development programme designed specifically for new and acting Sergeants with a focus on operational leadership and leading people, running three times each year. There is also a one-week development programme for new and acting Inspectors exploring operational leadership and people leadership, running twice each year. Officers are eligible to attend the relevant programme as soon as they become eligible for an acting role. All delegates leave the programme with a development plan to apply their new skills in a practical setting.

Staff leaders also now have a bespoke course consisting of three one-day modules spread over a three month period.

Between each module, delegates complete reflection and development tasks. A mentoring programme is also available. A range of experienced officers and staff across the organisations have volunteered their time to assist anyone who would like to work with a mentor on particular skills or areas.

L&D run an annual leadership conference online which is open to all officers and staff. The conference is recorded and available via the L&D SharePoint pages for anyone not able to attend on the day. A lending library stocked with the latest leadership and management books and other resources for use by course delegates and others.

The force's Spotlight programme, aimed at developing future leaders, has now been fully embedded with a current cohort of nine (six officers and three staff). The cohort have access to external coaching, internal mentoring and a range of development support specific to the needs of each individual.

Leadership and Development opportunities are communicated via L&D SharePoint pages and the Development Hub Yammer community.

The Constabulary is a Supporting Provider for Apprenticeships and has recently been asked to re-apply to the Register of Apprenticeship training Providers by the ESFA. As a supporting provider the Constabulary is able to recoup some of the apprenticeship levy paid to the government by working in collaboration to deliver the PCDA apprenticeship programme to initial entry Police Officers. An apprenticeship strategy has been agreed, which sets out the Constabulary's commitment to identify skills gaps and increase the capabilities both of our current and future workforce.

The Constabulary continues to deliver the Police Education & Qualifications Framework (PEQF) Initial Entry Police Officer Training in collaboration with the University of Central Lancashire (UCLan). Alongside the existing Police Constable Degree Apprenticeship (PCDA) and a Degree Holder Entry Programme (DHEP) the Constabulary has recently recruited to and run and DHEP Detective Pathway (April 2021). The Constabulary is one of the first forces to introduce the Professional Policing Degree Programme (PPD) entry route, which recruited a small number of Officers who had previously completed the Degree in Professional Policing. Overall, the Constabulary currently has 223 Officers over 13 programmes.

There is an annual three-day PEQF conference, attended by academic, police, and tutor constable partners designed

to improve and progress the commitment to new student officers. A new Tutor Constables Initial Development programme has also been developed. It is a modular design which includes both direct teaching and workplace coaching. This includes the provision of all tutors becoming A1 assessors which is a force skills gap.

In specialist areas new training programmes developed over the last year have included

- Crime Investigation – a three week College of Policing PIP 2 Investigative Supervisor/Manager Programme, which was a runner up in the 'Innovation in Learning' category of the Police National Learning Network awards 2022.
- Crime Investigation - Forensic Interview training to embed research evidence into both the teaching and delivery of interview training for both witnesses and suspects with the aim of becoming a Centre of Excellence for interview practice.
- A suite of 51 Driver Training courses including exploiting income generation opportunities, which raised £141k in 2021/22.
- First aid and NPPF, which been re-licensed by the College of Policing.
- Personal Safety – which has been increased to two days for all officers, following a national review. This has been supported by investment in the venue, equipment and instructors.

- Taser – upskilling all Authorised Firearms Officers from Taser X26 to Taser 7 and increasing the numbers of Specially Trained Officers on Taser X26.

The Constabulary operates an individual performance management process centred around Strength Based Conversations. During 2021/22 the process was refreshed with a more simplified approach focussed on three key themes :-

- Performance
- Well-being
- Learning & Development

It was also planned to transfer the recording of the conversations from the stand alone Kallidas system onto the core Midland HR system. Unfortunately , technical problems were encountered with the operation of the new system with a resulting loss of confidence and low levels of compliance. The PDR system will be re-branded in 2022/23 as a high priority and compliance levels subject to detailed monitoring.

## Core Principle F: Managing risks and performance through robust internal control and strong public financial management.

### REVIEW OF REQUIREMENTS AND ARRANGEMENTS

#### Managing risk

The Constabulary has risk management policy, which was reviewed and updated during 2021/2022 in line with our policy management arrangements.

The policy stresses that it is the responsibility of all officers and staff to identify and manage risk. This is supported by a horizon scanning exercise, which is conducted monthly, and circulated to key individuals within the Constabulary to help identify other potential risks.

Risk management is a standing agenda item on all Constabulary boards, including programme and project management boards. Mitigating actions are identified and tracked to ensure that risks are minimised. Key strategic risks are managed by Chief Officers.

During 2021/22 specific risks associated with the potential reduction in funding, the introduction of the Emergency Services Network, the Constabulary's ability to deliver Vision 25, and the potential impact of Covid-19 on policing services, continue to feature prominently on the Constabulary's strategic risk register.

In addition, emerging risks in relation to a shortage of trained and accredited PIP 2 detectives, together with capacity and capability of the analytical resource have been added to the Strategic Risk Register.

Following the introduction of a revised policy governance framework in 2021/2022, together with the implementation of a new policy and procedure template to take account of the Data Protection Impact Assessment (DPIA), a large piece of work has taken place during 2021/2022 to bring all documents within the Constabulary's policy library up to date. Work has been overseen by the Operations Board where monthly updates are provided and has resulted in a significant number of documents either being updated or removed from the policies library.

#### Managing performance

The strategic performance framework is currently being reconfigured to deliver against the Policing Crime Plan and

the Vision of the Chief Constable; the constabulary has recently received feedback from HMICFRS, this is an area which requires immediate attention, the new framework will be embedded from May 2022, this is achieved mainly by:

- A new strategic performance structure which will drive a performance culture across the organisation, holding senior leaders to account.
- Specific focus on performance in relation to protecting vulnerable people through the
- Vulnerability Board.
- Reviewing delivery of specific work streams at Strategy Days.
- Metrics have been developed to support Operation Uplift, the Constabulary's response to Covid 19 and a range of dashboards developed as part of the Business Intelligence Programme of work
- Performance reports for Vision 25 work programme.
- PDR is currently under review, this piece of work aligns with the reconfiguration of the strategic performance governance, compliance is being monitored by the DCC.

The Constabulary has a 'Delivering Excellence' Strategy, which aims to embed continuous improvement across the Constabulary and has four key areas of work:

- Development of Business Improvement Plans based on our priorities and all HMICFRS recommendations
- Improving on standards and quality across policing activities known as the Quality Counts initiative.
- Harnessing ideas and suggestions for improvement
- Developing and delivering the Change Programme

During 2021/22 work on the Cumbria Constabulary Improvement Plan, which aims to improve its effectiveness in ensuring that priorities and recommendations from inspection bodies are being progressed through reality checking, has been impeded by the need to re-direct resources to ensuring business continuity during the pandemic. Nevertheless, work undertaken in 2021/22 has included

- understanding of current and future demand upon the Constabulary, which has supported the completion of the Force Management Statement. This is a self-assessment that chief constables prepare and provide to HMICFRS every year and explains; current and future demand over four years, performance of the force, improvement activity and the money the force expects to have to deliver policing services.
- Auditing all 'stop and search' completed in the Constabulary, providing feedback to officers and supervisors, together with an assessment as to whether the Constabulary appropriately uses stop

and search powers, to ensure police powers are being used proportionately.

- In conjunction with the Professional Standards Department, an audit of officers' use of force, involving the reviewing of Body Worn Video, providing direct feedback to officers and supervisors, undertaking improvement measures and broader performance monitoring through the Constabulary Use of Force Board, and the Cumbria Strategic Independent Advisory Group.
- Audits of compliance with the Victims Code of Practice, and for the operation of the released under investigation processes.
- An audit and inspection of Released under Investigation volume, process and quality of investigation to inform an improvement plan and support outcomes work
- Ongoing Domestic Abuse quality of service audits, to ensure that officers are adhering to investigative standards, safeguarding practices and the victims code of practice. Individual feedback is provided to officers and their supervisors where necessary.
- Development of a Violence Against Women and Girls action plan.
- Ongoing daily National Crime Recording Standards audits of high risk crimes (sexual offence, violence,

domestic incidents). This is real time audit allowing us to rectify issues under the recovery process.

- Reviews of fast track crime allocations.
- Audit of Community Resolutions.

### Robust internal control

The Constabulary maintains robust internal controls systems. Assurance with regard to internal controls is provided by:

- A risk based internal audit plan. Overall, 93% of audits completed in 2021/22, including all those relating to finance, were graded as providing either substantial or reasonable assurance. Robust management action plans have been put in place to address all internal audit recommendations.
- The Head of Internal Audit's overall opinion was that there is a reasonable level of assurance in relation to the Chief Constable's frameworks for governance, risk and internal control.
- Action plans to respond to recommendations, the implementation of which are monitored by the Joint Audit Committee.
- A Joint Audit Committee, which is self-assessed against CIPFA guidance, and is judged as being highly effective in its role.

### Managing Data

The review of the information management function was completed in 2021 and the new structure was implemented in September 2021. The recruitment, development and upskilling of the team has been the priority. The investment will support transactional and governance activities and enable a cohesive approach to the multifaceted dimensions of Information Governance. This will improve how data and information assets are valued and managed across the Constabulary to continually improve services.

During 2021/22 the volume of applications for disclosure and queries and requests in relation to personal data have increased. Performance across these areas has fluctuated. Of note is the reduced performance in the timeliness and completion of applications received from the Disclosure and Barring Service. A recovery plan has been adopted and improvement has been made.

Process and procedures for identifying, recording and mitigating information risk are well adopted. Security and assurance assessments are undertaken, and appropriate agreements and contracts are completed where necessary.

Governance reporting arrangements are in place including a cross functional Information Management Board and an Information Asset Owner framework for critical systems and services. The management of data and information also forms part of the Performance Management Plan on a Page focusing on key factors to support strategic objectives.

There is further work to be done on determining performance metrics and visualising management information to assess progress and maturity of the key factors.

Internal and external engagement, including suppliers to continually improve data management will remain a key area of activity throughout 2022/23.

### Strong public financial management

Strong financial management provides a framework for all business decision making and planning within the Constabulary. This includes the Joint Chief Finance Officer being a member of the leadership team and finance representation at all significant decision making forums. Regular financial reporting, clear budget ownership and responsibilities (as set out in the Chief Constable's Scheme of Delegation and scheme of budget management) and consideration of the medium term financial position in all

strategic decision making are also key features of the financial management framework within the force.

During 2021/22 the finance team have continued to participate in the Achieving Financial Excellence in Policing programme promoted by the Chartered Institute of Public Finance and Accountancy. Work has continued to implement the action plan developed in 2020/21 following a self-assessment of all aspects of financial management in the force. At the end of the year 13 out of 15 actions were shown as either completed or on track for completion, improvements delivered included :-

- Development of an enhanced Productivity and Efficiency Plan
- Enhanced reporting to Chief Officers (objective analysis and Balance Sheet)
- Development of a business partnering training package in liaison with CIPFA.
- Embedding a continuous improvement plan, alongside the Commercial and Central Services Departments.

Work is planned in 2022/23 to further implement the budget planning module of the financial system, further enhance Value for Money arrangements including the savings plan and benchmarking and to roll out a budget management training package for non-finance staff.

The Financial Management Code developed by the Chartered Institute of Public Finance and Accountancy came into effect from the 1<sup>st</sup> April 2020, with the aim of supporting good practice in financial management in local authorities including the policing sector. In the most recent self-assessment undertaken in March 2021, the Constabulary largely meets the requirements of the code with full compliance in 13 out of 17 statements and partial compliance in the remaining four. Developments have been progressed in relation to the Productivity and Efficiency Plan, balance sheet reporting, financial business partnering and contract management in 2021/22, however, there are some areas where further work is required to ensure full compliance, most notably in relation to

- Demonstrating Value for Money and identifying savings to ensure financial sustainability.
- Developing a financial resilience index.
- Application of formal options appraisal techniques.

A copy of the self-assessment is included as an appendix to the Annual Governance Statement (Appendix C).

**Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability.**

## REVIEW OF REQUIREMENTS AND ARRANGEMENTS

### Implementing good practice in Transparency & Reporting

The principal means by which the Constabulary reports to the public are through themed presentations to the Commissioner's Public Accountability Conferences, which are open to the public. Reports are also available through the Commissioner's website.

The Constabulary's unaudited financial statements for 2020/21 were released in June, with the final version published in November, meeting the deadlines for financial reporting, which continued to be less stringent than prior to the Covid-19 pandemic. The External Auditor's Annual Report gave an unqualified audit opinion. In relation to value for money in the External Auditor concluded that the Constabulary has appropriate arrangements in place to manage the risks it faces in respect of its financial resilience and that they had not identified any significant weaknesses in the Constabulary's

arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness.

### Assurance & Effective Accountability

The Constabulary has recently had its HMICFRS Inspection, it has been congratulated on its overall good performance, although it needs to improve in some areas, the police inspectorate has said.

Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) graded Cumbria Constabulary's performance across eight areas of policing and found the force was 'outstanding' in one area, 'good' in three areas and 'adequate' in four areas.

HMICFRS said the areas requiring improvement included how the force handles calls from the public and its neighbourhood policing resourcing.

Her Majesty's Chief Inspector of Constabulary, Andy Cooke, said: "I congratulate Cumbria Constabulary on its performance in keeping people safe and reducing crime, although it needs to improve in some areas to provide a consistently good service.

"The force's work in the management of registered sex offenders is excellent, which means it is protecting communities from some of the highest-harm offenders - I am impressed by some of the innovative practice.

"The force has a positive, supportive and inclusive culture. Everybody we spoke to during our inspection said that they felt proud to work for Cumbria Constabulary.

It's digitally progressive and innovative, using digital technology to support those on the front line.

"There's a strong focus on early intervention with children and young people, and I am encouraged to see the child-centred policing model that the force has adopted.

"Cumbria Constabulary does need to improve its call handling performance. Emergency calls are answered and responded to quickly; however, sometimes abandonment rates for non-emergency calls aren't meeting national standards.

"It also needs to review its neighbourhood policing resourcing and deployment model.

I am reassured that the force has been developing work to address this following our inspection. "I will monitor Cumbria's progress towards addressing the areas I have identified where the force can improve further.

The improvements identified from these inspections for Cumbria are logged on the HMICFRS portal to monitor progress in addressing them, and form part of the regular discussions and insight visits undertaken by HMICFRS personnel to provide assurance of service.

During 2021/22 the Chief Constable received assurances with regard to the Constabulary's arrangements for risk management, internal control and governance from a number of sources which included:

- The CFOs annual review of internal audit.
- The Head of Internal Audit and Joint CFO's assessment of the internal audit service against Public Sector Internal Audit Standards.
- The Head of Internal Audit's opinion on the framework of governance, risk management and internal control.
- A review of the effectiveness of the Joint Audit Committee against CIPFA guidelines.
- Monitoring of the implementation of actions in response to HMICFRS, internal and external audit recommendations through the Joint Audit Committee.
- Management assurances in respect of financial systems and processes.
- The CFO's fraud risk assessment.

All of the sources above indicated that systems and processes are operating effectively and have raised no significant concerns.



## Appendix 1 Response to the Coronavirus Pandemic

The Constabulary's response to Coronavirus over 2020/21 and 2021/22 has been in seven phases. The first four phases as outlined below were reported in the 2021/22 Annual Governance Statement.

Phase 1 – Initial Response - Cumbria Constabulary Coronavirus Business Continuity Plan.

Phase 2 – Lockdown Eases – 4<sup>th</sup> July - Cumbria Constabulary Coronavirus Business Continuity plan (Version 7).

Phase 3 – Preparation for the Second Wave – Cumbria Constabulary Winter Preparedness Plan

Phase 4 – Easing of third Lockdown - Cumbria Constabulary COVID-19 Spring Response Plan

The subsequent response in 2021/22 is summarised below :\_

Phase 5 – Cumbria Constabulary COVID-19 Summer Response Plan (July 2021 – October 2021)

The Constabulary created and implemented a Cumbria Constabulary COVID-19 Summer Response Plan with regards to managing the pandemic including:

- Continuing to use the Operation Lectern Gold, Silver and Bronze structure, proportionately reducing the frequency of meetings in line with the

implementation of the Governments Covid-19 Response – Spring 2021 plan, and associated risk of Covid-19, whilst mainstreaming many Operation Lectern activities into business as usual. Maintaining proportionate activity within Data Cell and Information Cell.

- Maintaining an effective system to reduce the risk of absenteeism due to COVID-19, the NHS COVID-19 App, physical and mental wellbeing through:
- Continuing in work Lateral Flow Testing.
- Maintaining internal Track and Trace system.
- Maintaining safe systems of work in the Constabulary estate including; continuing enhanced cleaning, social distancing measures and risk assessments.
- Maintaining home working.
- Maintaining the current approach to PPE usage in accordance with College of Policing / NPCC Guidance.

Phase 6 – Cumbria Constabulary COVID-19 Winter Preparedness Response Plan (October 2021 – March 2022)

The Constabulary created and implemented a Cumbria Constabulary COVID-19 Winter Preparedness Response Plan

Continuing to use the Operation Lectern Gold, Silver and Bronze structure, proportionately reducing the frequency of meetings in line with the implementation of the

Governments Covid-19 Response – Spring 2021 plan, and associated risk of Covid-19, whilst mainstreaming many Operation Lectern activities into business as usual. Maintaining proportionate activity within Data Cell and Information Cell.

- Maintaining an effective system to reduce the risk of absenteeism due to COVID-19, the NHS COVID-19 App, physical and mental wellbeing through:
- Continuing in work Lateral Flow Testing.
- Maintaining internal Track and Trace system.
- Maintaining safe systems of work in the Constabulary estate including; continuing enhanced cleaning, social distancing measures and risk assessments.
- Maintaining home working.
- Maintaining the enhancing the approach to PPE usage in accordance with College of Policing / NPCC Guidance.
- Maximising the use of the Constabulary's flue vaccination programme in line with an assessment of critical service.
- Limiting non operational travel out of the county to essential training and business critical activity

Phase 7 – Cumbria Constabulary COVID-19 Pandemic to Endemic Transition Spring Plan (February 2022 – April 2022)

The Constabulary created and implemented a Cumbria Constabulary COVID-19 Pandemic to Endemic Transition Spring Plan which followed the Governments road map as outlined in the Covid-19 Response: Living with Covid-19 plan. This resulted in a 'tiered' approach to the removal of restrictions within the workplace, supported by internal communications

Continuing to use the Operation Lectern Gold, Silver and Bronze structure, proportionately reducing the frequency of meetings in line with the implementation of the

Governments Covid-19 Response – Spring 2021 plan, and associated risk of Covid-19, whilst mainstreaming many Operation Lectern activities into business as usual. Maintaining proportionate activity within Data Cell and Information Cell.

- Maintaining an effective system to reduce the risk of absenteeism due to COVID-19, the NHS COVID-19 App, physical and mental wellbeing through:
- Suspend Lateral Flow Testing in April.
- Suspend internal Track and Trace system in April.

- Progressively remove safe systems of work in the Constabulary estate including; continuing enhanced cleaning, social distancing measures and risk assessments.
- Maintaining home working.
- Reduce the approach to PPE usage in accordance with College of Policing / NPCC Guidance.
- Maintain an effective response to new and more dangerous variants of concern.

## Appendix A Update on 2021/22 Development and Improvement Plan

Ref	B/fwd from 2020/21 (ref)	Action	Lead Officer	Implementation by	Action Update as at 31 July 2022	Revised Implementation Date	Status
		Core Principle A: Focusing on behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.					
CPA/1	CPA/3	Finalise setting up of a Digital Ethics Panel and embed its operation.	Chief Superintendent DDaT	31st March 2022	The data ethics panel started in January 2021. Numerous meetings have been held. The group focuses on the innovative use of data through technology e.g. AI and power apps etc so both data and technology are effectively covered by the group.		Completed
		Core Principle B: Focusing on ensuring openness and comprehensive stakeholder engagement.					
CPB/1		Implement a new Constabulary website	Head of Marketing and Communications	30th September 2021	This has been completed and the website went live on 6th October 2021		Completed
CPB/2		Implement an enhanced Constabulary intranet site	Head of Marketing and Communications	31st March 2022	On track 3rd May 22 - phase one of the intranet will be launched 4th May (slight delay due to technical issues). Phase two, which will review, update and transfer / migrate all other areas from existing intranet onto the new intranet will start immediately, with anticipated end date of 31st Dec 22.	4th May 2022	Ongoing (within original timescale)
CPB/3	CPB/2	Understand the lessons learned from the pilot of the new policy management arrangements, make adjustments as required. Implement a prioritised plan for all Constabulary policies.	Superintendent Performance and Policing Futures.	30th September 2021	All existing policies have been commissioned for a full review and update which occurred in May 2021. To date, 84% have been reviewed with the remaining 16% being subject to national changes (non-amendable locally); or are ongoing and delayed for internal reasons.  As a consequence of this work, a process has also been developed and embedded to manage all organisational policies within the Insight and Performance Command. When documented this will be consulted upon and presented to Operations Board for agreement. Essentially, when a policy or procedure requiring updating approaches the 6 month expiry timescale, a notification will be sent to the thematic lead advising of the same, a further at 3 months (at which point Ops Board will be notified) and will ensure completion prior to the renewal date. In addition, a filter for updating the intranet will be the Insight and Performance command, to ensure the process is not circumvented. Policies are also managed and reported on a monthly basis through the Operations Board..  One final element of the lessons learned is the publication requirements for policies and procedures. A newly devised template which has been so far adopted (not generated) by HR generates duplication in the event that the policy is to be published locally. On the counter side, this template does allow searchability and ensures consistency of quality in the documents. Advice is being sought regarding the requirement to publish or otherwise and a decision will then be taken on whether to continue with the current, or develop a new template.	31st March 2021	Completed

## Appendix A Update on 2021/22 Development and Improvement Plan

Ref	B/fwd from 2020/21 (ref)	Action	Lead Officer	Implementation by	Action Update as at 31 July 2022	Revised Implementation Date	Status
		Core Principle C: Focusing on defining outcomes in terms of sustainable economic, social and environmental benefits					
CPC/1	CPC/1	Develop a Strategy for the affordable storage of digital data.	Chief Superintendent DDaT	31st December 2021	A review of the Constabulary's digital infrastructure has been completed, with significant savings expected over future years as systems are moved to a cloud basis.	31st March 2022	Completed
CPC/2	CPC/2	Conduct an options evaluation for and decide on future Estates provision in West Cumbria	Director of Corporate Support and Head of Estates and Fleet	31st December 2022	A range of options regarding the future of the West estate have been produced and considered by Chief Officers. A clear preferred direction of travel has been given by the PCC and Chief Constable. Detailed work on evaluating the work required and cost implications of this decision are now being assessed prior to making a final decision.	n/a	Ongoing (original timescale extended)
CPC/3		Implement a Covid Recovery and Renewal Programme to improve efficiency and exploit new ways of working arising from the pandemic.	Deputy Chief Constable / Chief Superintendent DDaT.	31st March 2023	This work has been delayed due to the pro-longed nature of the Covid-19 pandemic. Work will continue in 2022/23.		Ongoing (original timescale extended)
		Core Principle D: Focusing on determining the interventions necessary to optimise the achievement of intended outcomes.					
CPD/1		Implement the Out of Court Disposal Framework including the Pathways Project	Chief Inspector Criminal Justice Unit.	31st March 2022	OoCD Framework was implemented at the same time as Forcewide Pathways Project (5th July), Pathways is a Three Year Project running to April 2024. To date Pathways have received 422 referrals (offenders) with 10% the current non compliance rate (those 10% default to caution or charge).		Completed
CPD/2	CPD/1	Review systems and processes within the Control Room with a view to improving the quality of service including implementation of Call Back and Webchat functionality	Superintendent -Public Contact & Engagement	31st December 2021	Public Contact and Engagement Department Created April 2021. A review completed with an implementation plan, new operating model, and shift pattern introduced 28/06. Demand has remained steady with abandonment rate for 101 reducing from 33% prior to the new model to consistently under 10% post implementation. Call answering time reducing from 4 minutes 25 seconds to 27 seconds. 999 demand has increased by 15%, however call answering rates have also improved. New methods of contact - web chat, new website and call back have been implemented supporting the needs of the community. Whilst this action is marked as complete a period of consolidation and continuous improvement is operating to improve the service offered to the public in line with HMICFRS recommendations..	31st March 2021	Completed
CPD /3		Implement an evidence based Performance Management process, linked to a harm index with the aim of maximising the benefits from additional Op Uplift officers. This work will include development of greater analytical capability.	Deputy Chief Constable / Assistant Chief Constable	31st March 2022	The Performance Framework has been developed and is being used and COG have agreed the preparation of a business case for an uplift in analytical capability. Whilst the performance framework as originally envisaged has been implemented the new DCC has commissioned further work to produce an integrated performance management process linking strategic objectives to performance management both at a functional and individual level.	30th September 2022	Ongoing (original timescale extended)

## Appendix A Update on 2021/22 Development and Improvement Plan

Ref	B/fwd from 2019/20 (ref)	Action	Lead Officer	Implementation by	Action Update as at 31 July 2022	Revised Implementation Date	Status
Core Principle E: Focusing on developing the entity's capacity, including the capability of its leadership and individuals within it.							
CPE/1	CPE/1	Continue delivery of the strategy to improve digital capability in the organisation and, deliver improvements to productivity	Chief Superintendent DDaT	31st March 2022	The DDAT strategy has continued to be developed with the aim of enhancing the Constabulary's digital capability, and is supported by a digital leadership programme. The strategy has enabled mobility, and officers access to the right data at the right times, in keeping our community's safe in Cumbria (through smart phones, power apps, and laptop roll outs), and also enabled other opportunities in supporting remote and flexible working for staff, through modern work spaces approach. The Constabulary has also embarked upon innovative projects to develop a ground breaking Records Management System with partner Mark43 and the use of Power Apps with partner Tisski to support operational policing. Information management has been integrated as a core element of the DDaT strategy. In the fast moving digital world the strategy will need to be continually refreshed, however, with the cornerstones in place, this development has now been marked as completed and will be managed through business as usual.		Completed
CPE/2		In conjunction with Higher Education partners, continue implementation the new PEQF arrangements for new officer recruits, with particular focus on developing year 2 and 3 programmes and a pre-join entry route for recruits with a Policing degree.	Head of Learning & Development	31st March 2022	<p>With our HEI delivery partner, UCLan, the Constabulary is approaching its third year of PEQF delivery (February 2022). We currently have 103 Officers in their first year across both the PCDA (47 Officers) and DHEP Programmes (56 Officers), of which 16 officers who were recruited in April 2021 are on the Detective Constable DHEP pathway.</p> <p>The second year Modules on both programmes have been developed and are starting to be delivered. There are 67 Officers in their second year (32 PCDA and 35 DHEP) and these officers have started to complete their second-year placements in CAST (CID), Community Hub and MSG (Mobile Support Group).</p> <p>The current focus is the development of the PCDA third year and the end point assessment for the apprentices. The first PCDA cohort starts their third year in February 2022, during which they will undertake a large research project on a subject of their choice which is approved by the Constabulary and UCLan.</p> <p>The Constabulary expects to see the first DHEP cohort complete in May 2022 and the first PCDA complete in February 2023. In partnership with UCLan, the Constabulary is also reviewing the first-year module delivery and assessment which is informed by student officer feedback, greater knowledge of the programmes now delivered and updates from the College of Policing curriculum. These changes are expected to be introduced for the DHEP programme starting November 2021.</p> <p>The Constabulary has developed the Pre-Join programme (the initial entry route for officers with a Degree in Professional Policing) and a small pilot course is due to start in January 2022, with a full Pre-Join cohort planned for September 2022.</p>	30th September 2022	Ongoing (original timescale extended)

## Appendix A Update on 2021/22 Development and Improvement Plan

Ref	B/fwd from 2019/20 (ref)	Action	Lead Officer	Implementation by	Action Update as at 31 July 2022	Revised Implementation Date	Status
<b>Core Principle F: Focusing on managing risks and performance through internal control and strong public financial management.</b>							
CPF/1	CPF/1	Review the current risk management arrangements to ensure relevance and effectiveness	Superintendent Performance and Policing Futures.	31st December 2021	A review of risk management arrangements was undertaken with key stakeholders. As a result of this exercise changes were made to the risk management template, most notably to move it into microsoft word to facilitate ease of completion and to include a summary box allowing managers to quickly review the overall risk position and direction of travel.		Completed
CPF/2	CPF/4	Implement Information Management Strategy and complete re-structure of the function.	Chief Superintendent DDaT	31st December 2021	The restructure and change programme for the IM function has been completed. An information management strategy has been developed and embedded within the DDAT Strategy. A performance framework has also been completed and included within the overall force performance framework.	31st March 2022	Completed
CPF/3	CPF/3	Further develop the strategic resource management performance framework to drive improvements in our use of resources, and ensure that the benefits of significant investment in change and ICT are delivered.	Chief Superintendent Insight & Analysis	31st December 2021	The constabulary has an established performance framework in place, the governance for this is at management board, this has been in place from early March 2021.  There is a new benefits realisation process in place which is monitored by the performance and insight dept. An audit of benefits management gave only partial assurance in this area, whilst the management arrangements and framework are in place further work is required to ensure compliance and embed the process in the culture of the organisation.	31st December 2022	Ongoing (original timescale extended)
CPF/4		Introduce a revised Scheme of Delegation to empower managers.	Joint Chief Finance Officer	30th June 2021	A revised Scheme of Delegation has been produced and consulted upon including the Joint Audit Committee and agreed.	31st December 2021	Completed
CPF/5		Implement the recommendations of the Achieving Financial Excellence in Policing action plan.	Joint Chief Finance Officer	31st March 2022	Progress is being made in a number of areas including continuous improvement in relation to the new finance system, efficiency and productivity planning and balance sheet reporting. Work is underway to develop training packages for non financial managers, implementing the budget planning module in the new financial system, developing avings plans and demonstrating financial sustainability.	31st March 2023	Ongoing (original timescale extended)
CPF/6		Implement recommendations arising from the Financial Management Code of Practice self assessment.	Joint Chief Finance Officer	31st March 2022	Crossovers with previous action. Work has started on a number of actions including balance sheet reporting and development of a re-invigorated Efficiency and Productivity Strategy. Work on the development of a resilience index, demonstrating value for money and financial sustainability, which are the principal area of non compliance is planned over the next few months.	31st March 2023	Ongoing (original timescale extended)

Appendix B 2022/23 Development and Improvement Plan

Ref	B/fwd from 2021/22 (ref)	Action	Lead Officer	Implementation by
<b>Core Principle A: Focusing on behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule</b>				
CPA/1		Embed a new Anti Corruption Audit tool to ensure wider capability and system integrity.	ACU PSD	30th April 2022
CPA/2		Ensure the new CORVET vetting platform delivers compliance with College of Policing APP on Vetting	Vetting Manager	31st December 2022
<b>Core Principle B: Focusing on ensuring openness and comprehensive stakeholder engagement.</b>				
CPB/1	CPB/2	Implement Phase 2 of the enhanced Constabulary intranet site	Head of Marketing and Communications	31st December 2022
CPB/2		Implement the Single On-line at Home Project	Head of Marketing and Communications	31st March 2023
<b>Core Principle C: Focusing on defining outcomes in terms of sustainable economic, social and environmental benefits</b>				
CPC/1	CPC/2	Conduct an options evaluation for and decide on future Estates provision in West Cumbria	Assistant Chief Officer, Director of Corporate Support and Head of Estates and Fleet	31st March 2023
CPC/2	CPC/3	Implement a Covid Recovery and Renewal Programme to improve efficiency and exploit new ways of working arising from the pandemic.	Assistant Chief Constable / Head of DDaT.	31st March 2023

Appendix B 2022/23 Development and Improvement Plan

Ref	B/fwd from 2021/22 (ref)	Action	Lead Officer	Implementation by
<b>Core Principle D: Focusing on determining the interventions necessary to optimise the achievement of intended outcomes.</b>				
CPD /1		Implement a re-structure of the organisation linked to adoption of a BCU model and re-aligned to Local Government Review, with the aim of improving performance and accountability.	Deputy Chief Constable / Assistant Chief Constable	30th September 2022
CPD /2	CPD /3	Develop and implement an integrated performance management process linking strategic objectives to performance management both at a functional and individual level.	Deputy Chief Constable / Assistant Chief Constable	31st December 2022
CPD /3		Develop an integrated Corporate Governance Framework including board structure, decision making and key governance documents.	Deputy Chief Constable	31st December 2022
<b>Core Principle E: Focusing on developing the entity's capacity, including the capability of its leadership and individuals within it.</b>				
CPE/1	CPE/2	In conjunction with Higher Education partners, continue implementation the new PEQF arrangements for new officer recruits, with particular focus on developing year 2 and 3 programmes and a pre-join entry route for recruits with a Policing degree.	Head of Learning & Development	30th September 2022



Appendix B 2022/23 Development and Improvement Plan

Ref	B/fwd from 2021/22 (ref)	Action	Lead Officer	Implementation by
Core Principle F: Focusing on managing risks and performance through internal control and strong public financial management.				
CPF/1	CPF/3	Further develop the benefits management process to drive improvements in our use of resources, and ensure that the benefits of significant investment in change and ICT are delivered.	Chief Superintendent Insight & Analysis	31st December 2022
CPF/2	CPF/5	Implement the recommendations of the Achieving Financial Excellence in Policing action plan.	Joint Chief Finance Officer	31st March 2022
CPF/3	CPF/6	Implement recommendations arising from the Financial Management Code of Practice self assessment.	Joint Chief Finance Officer	31st March 2022





Item 09

## The Police and Crime Commissioner for Cumbria & the Chief Constable for Cumbria Constabulary

### Annual Statement of Accounts 2021/22: Assurance Framework

Report to the Police and Crime Commissioner, Chief Constable and Joint Audit Committee

23 November 2022

Report of the Joint Chief Finance Officer

#### 1. Introduction and Background

- 1.1. This report sets out for the Commissioner, Chief Constable and members of the Joint Audit Committee, those areas of governance and audit pertaining to scrutiny and formal approval of the 2021/22 Statement of Accounts. This report covers the single entity financial statements of the Police and Crime Commissioner, the single entity financial statements of the Chief Constable, and the Group financial statements. The report sets out the opinion of the Commissioner's appointed auditor and amendments made to the Accounts, and accompanying governance statement, as a consequence of the findings of the audit. It also sets out information provided to Mr Michael Green, of Grant Thornton UK LLP, the Commissioner's appointed auditor, as part of the regulatory requirement for a letter of representation.
- 1.2. The report includes an appendix that provides a narrative on the financial statements (**Appendix A**). The appendix aims to support members of the Joint Audit Committee in undertaking their assurance role by providing a narrative in respect of the sources of assurance available to them and on the substantive issues that have been considered in respect of the production of the financial statements.

## 2. Formal Approval of the Audited Statements

- 2.1. In 2020 and again in 2021, the global coronavirus pandemic impacted on the statutory deadlines for the production and subsequent audit of the financial statements. In order to limit the potential for the virus to cause widespread disruption within the OPCC/Constabulary the decision was taken to enable as many as possible officers and staff to work from home or from dispersed locations within the police estate. The Financial Services Team, along with many other police staff within the Constabulary, worked from home from March 2020 and only began to return to offices in early 2022. With the continuance of the Covid-19 restrictions in 2021, the Government again decided to amend the dates for the production of the draft Statement of Account and their subsequent audit. The date for production of the draft statement of accounts was extended from 31 May to 31 July 2022 and the dates for audit were extended from 31 July to 30 November 2022.

The draft Statement of Accounts for the Commissioner and Chief Constable were authorised by the Joint Chief Finance Officer on **24 June 2022**. The audit has now been substantially completed, the Joint Chief Finance Officer is required to again certify the statements and present them to the Commissioner and Chief Constable for formal approval. Prior to certification the Commissioner and Chief Constable will take into consideration the Audit Findings Report from Mr Michael Green. The Commissioner and Chief Constable will also take into consideration the views of members of the Joint Audit Committee. The Committee will receive the Statement of Accounts and the Audit Findings Report. They will consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Commissioner.

## 3. Appointed Auditor's Audit Findings Report

- 3.1. Preceding this item on your agenda is the Audit Findings Report from Mr Michael Green, of Grant Thornton UK LLP, the Commissioner's appointed auditor. Mr Green reports on his completion of the annual audit of the Statements of Account for 2021/22. The Commissioner, Chief Constable and members of the Joint Audit Committee will be pleased to see his intention, based on his findings to date, to issue an unmodified audit opinion in respect of the Statement of Accounts for the year to 31 March 2022. The audit findings report is accompanied by the Auditor's Annual Report which examines the Commissioner and Chief Constable's arrangements to secure value for money. The auditors have reported that they have found no evidence of significant weakness in their arrangements. The auditors have made two improvement recommendations in relation to financial sustainability which will be addressed in 2023/24.

3.2. In carrying out their audit, the auditors have considered internal controls that are relevant to the preparation of the financial statements. Where they identify any control weaknesses, these are reported to the Commissioner and Chief Constable. Within their report the auditors have raised three matters in relation to internal control which need to be considered by those charged with governance:

- ◆ Assets with no remaining asset life yet still on asset register (graded as significant deficiency – risk of significant misstatement). There are a number of assets recorded on the balance sheet with nil remaining life and nil value. In the supporting note (note 9), these assets will have a gross book value which is fully offset by accumulated depreciation. Management have agreed that a full review of nil life assets will be undertaken and appropriate action to correct where required will be processed during 2022/23.
- ◆ Automatic accruals (graded as deficiency – risk of inconsequential misstatement). Following the implementation of the Oracle Fusion cloud based finance and procurement system in October 2020, functionality to automatically make accruals in the accounts on a monthly basis for goods that had been receipted but not yet paid for was implemented. In March 2022, as a result of some erroneous accruals being generated and a lack of transparency in relation to the accounting transactions the functionality was switched off. A continuous improvement group focussing on financial systems and processes meets on a monthly basis, work is underway to increase confidence in accruals process and re-introduce the automation. In the meantime, accruals are processed manually.
- ◆ Lack of third party assurance report for I-Trent (payroll & HR system) (graded as deficiency – risk of inconsequential misstatement). In relation to the payroll and HR system (I-Trent) provided by Midland HR the PCC/Constabulary is not routinely provided with a third party assurance reports (ISAE 3000 or ISAE 3402). These reports provide assurance over the appropriateness of privileged access to the I-Trent database hosted by MHR. The report for 2021 has subsequently been provided by MHR who have advised that if this report is required on an annual basis there will be an additional charge of £8,500 p.a.

3.3. As noted in the audit findings report there was one adjusted and two unadjusted misstatements identified during the audit:

- ◆ The one adjusted misstatement related to the classification of Property Plant & Equipment. Hunter Lane police station and William Street garages and car park were originally classified on the balance sheet as operational land and buildings. The premises were at the balance sheet date being marketed for sale and as such should have been recorded as held for sale. An adjustment was made on the balance sheet to move these assets to held for sale (£410k). There has been associated impacts on notes 9 and 10 to the PCC/Group statement of accounts. During 2022/23 as a result of

changes to the Constabulary structure to better align with the two new unitary authorities created under LGR, the decision has been taken to retain Hunter Lane and William Street, as a result the assets will be moved back to operational land and buildings in 2022/23 to reflect this change.

- ◆ The two unadjusted misstatements are outlined below:
  - ◆ In relation to the Local Government Pension Scheme (LGPS), after the statement of accounts had been produced the County Council advised in August that there had been a movement in year-end pensions asset values of 0.74% higher than had been anticipated. The Financial Services team calculated that the potential impact of a change would be a decrease of £408k in the group LGPS pensions liability and corresponding pensions reserve. As this sum fell below the audit materiality threshold of £3.657m, the decision was taken not to adjust the financial statements. The decision was however to be subject to change if any other misstatements came to light that could have a cumulative impact above the materiality limit.
  - ◆ In relation to income from Council tax, figures to record the PCCs share of council tax were prepared on 06/06/22. At that time figures had not been received from one of the district councils so an estimate was used. Subsequently this council provided their figures and another two of the districts advised that their original figures contained an error. As the draft accounts had already been finalised it was decided that this adjustment would not be made on the grounds of materiality. The combined impact of the amended figures would be £449k.

3.4. There were a small number of disclosure changes identified by Grant Thornton during the audit which have been adjusted in the financial statements, in the member's copy of the financial statements these disclosure changes have been highlighted in green. Other changes highlighted in blue relate to items identified by the Financial Services team.

3.5. In the 2020/21 Audit findings report the auditors made one recommendation in relation to their audit on the underlying finance system. In their 2021/22 report the auditors have noted that this recommendation had been completed. The 2021/22 audit of the financial system provided three recommendations and appropriate management responses have been provided for these recommendations to be followed up in 2022/23.

3.6. In the audit findings report the auditors have commented "that the financial statements have been prepared to a high standard and supported by clear and comprehensive working papers".

#### 4. Post Balance Sheet Event

- 4.1. A post balance sheet event is an event, subsequent to the date of the financial statements, and for which International Financial Reporting Standards and the Code of Practice on Local Authority Accounting (the Code) require adjustment or disclosure. There were no post balance sheet events identified for 2021/22.

#### 5. 2021/22 Governance Statements

The Police and Crime Commissioner and Chief Constable approved their 2021/22 Annual Governance Statements (AGS) on 24 June 2022.

#### 6. Letters of Management Representation

- 6.1. At the conclusion of the audit of the Statement of Accounts, but before an opinion can be given, a 'Letter of Management Representation' is provided to the appointed auditors by the Joint Chief Finance Officer on behalf of the Commissioner and Chief Constable. The underlying purpose of the letter is to confirm that the financial statements reflect a true and fair view in accordance with international financial reporting standards. The letters set out that relevant codes, standards and statutory directions have been complied with and that we have made reasonable estimates and judgements in undertaking accounting entries and disclosures. The letters also confirm that there has been full disclosure of all matters requiring disclosure to our auditors. The Letters of Management Representation are attached at **Appendix B**.

#### 7. Acknowledgements

- 7.1. The work undertaken in preparing the Statement of Accounts and supporting the audit for the year places very significant demands on staff within the financial services team. Key amongst those has been Michelle Bellis, Deputy Chief Finance Officer and Lorraine Holme, Financial Services Manager, and Sarah Walker, Financial Services Officer who have once again secured for the Commissioner and Chief Constable another clean audit. This report also acknowledges the work undertaken by our colleagues in external audit headed by Michael Green and Gareth Winstanley. The production of the Statement of Accounts for 2021/22 and subsequent audit process was successfully undertaken through a mix of a continuance of remote and on site working , which was adopted by both organisations as a result of the covid-19 pandemic and on-site working. The teams have once again worked well together in these changed circumstances and have held video conferences to work together and more innovative screen sharing sessions to enable finance staff to walk auditors through the working papers where required.

## 8. Recommendations

8.1. Following consideration of the findings and conclusions of the Appointed Auditor it is recommended that:

- ◆ Members of the Joint Audit Committee determine whether there are any issues in respect of governance or the statement of accounts that they wish to report to the Commissioner and/or Chief Constable.
- ◆ The Commissioner and Chief Constable sign the audited Statement of Accounts and authorise for publication the Accounts and accompanying Governance Statement.



## Statement of Accounts Narrative 2021/22

### 1. Introduction and Background

- 1.1. The Police and Crime Commissioner and Chief Constable are asked to sign their respective annual statement of accounts following audit and the review process by the Joint Audit Committee. Members of the Joint Audit Committee will receive a copy of the audited accounts and accompanying governance statement for which they have a review and assurance role. The Statement of Accounts are highly complex technical documents. They take a number of weeks to produce and a similar period of time to audit by a team of technical and experienced staff. The audit process will typically involve support from national technical teams who assess and advise on accounting treatment for complex transactions against the requirements of international financial reporting standards and codes of practice. Within the finance profession, the Statement of Accounts is a very specialist field.
- 1.2. In this context, this narrative aims to provide a guide to the considerations that the Commissioner, Chief Constable and Members of the Joint Audit Committee can reasonably be expected to take account of, in carrying out a review process and undertaking to approve the Statement of Accounts. It covers two main areas, sources of assurance for the financial statements and key challenges. These are the areas that influence the dialogue and engagement between the financial services staff preparing the accounts and those undertaking the audit. In doing this, the narrative aims to ensure that members have sufficient information to fulfil their assurance role and that the Commissioner can place reliance on this assurance in approving the Statement of Accounts.

### 2. Sources of Assurance

- 2.1. The Statement of Accounts consolidates financial transactions for a financial year and records the position as at 31 March in respect of assets and liabilities including reserves and cash flow. They include a number of year end accounting entries that ensure income and expenditure is presented on an accruals basis, that assets and liabilities are recorded in accordance with accounting standards and codes and that the financial implications of those assets and liabilities are adjusted such that net expenditure reflects the actual cost funded by external financing (government grants and the council tax payer). They are accompanied by accounting policies that explain how those transactions and balances have been accounted for and a set of notes that provide further detail on amounts included within the main financial statements.

2.2. Those undertaking a review of the accounts will not usually be in a position to determine whether the presented figures are correct based on a reading of the financial statements and notes. The review processes must therefore place reliance on wider sources of assurance from which it is reasonable to make a judgement that the accounts present a true and fair view. The main sources of assurance that support this process are the opinion of the Joint Chief Finance Officer (CFO), the opinion of the Head of Internal Audit (HIA) and the opinion of the Appointed Auditor. These opinions are supported by the statements made by the Joint Chief Finance Officer, on behalf of the Commissioner and Chief Constable, within the letter of representation, by the Commissioner’s Annual Governance Statements (signed by the Commissioner, the Commissioner’s Monitoring Officer and the CFO) and by the Chief Constable’s Annual Governance Statement (signed by the Chief Constable and the CFO).

2.3. **The Joint Chief Finance Officer’s (CFO) Opinion:** The CFO provides to members an annual opinion on the effectiveness of the arrangements for audit. That review, presented to members at their Meeting on 22 June 2022, concluded that “there are no material shortcomings in the effectiveness of the entirety of the Internal Audit arrangements for the year to 31 March 2022.” In previous years, further assurance of the effectiveness of internal audit was taken from the opinion provided by the external auditors. The external auditor (Grant Thornton) advised in June 2020 that they no longer use the work of internal audit to assist with their work and as such no longer provide an opinion on the work of internal audit. The internal auditors did however share some information with external auditors in relation to the audit on financial sustainability. The assurance from the Joint Chief Finance Officer enables the Commissioner and members of the Joint Audit Committee to place reliance on the opinion of the Chief Internal Auditor and the findings of internal audit.

**Sources of Assurance**

*“There are no material shortcomings in the effectiveness of the entirety of the Internal Audit arrangements for the year to 31 March 2022.”*

**Joint Chief Finance**

2.4. **The opinion of the Head of Internal Audit (HIA):** The HIA provides an annual opinion on the internal control environment. The opinion is based on the audit reviews undertaken over the course of the financial year. Audits are risk based and include cyclical reviews of the material financial systems. The findings of the HIA are set out in an annual report which was presented to members at the June meeting. The HIA’s opinion for 2021/22 is that “the PCC and Chief Constable’s frameworks of governance, risk management and internal control are reasonable and audit testing has confirmed that controls are generally working effectively in practice. Where internal audit work has identified scope for improvements, the

**Sources of Assurance**

*“In my opinion, the PCC and Chief Constable’s frameworks of governance, risk management and internal control are reasonable and audit testing has confirmed that controls are generally working effectively in practice”*

**Head of Internal Audit.**

management response has been positive with agreed action plans in place to address all recommendations.

2.5. Of the 14 audits finalised during 2021/22 all of which contributed to the Commissioner and Chief Constable's overall assurance with 13 of the 14 (93%) assurance audits achieving reasonable or substantial assurance. The findings of financial audits reported to the Joint Audit Committee and the overall opinion of the Chief Internal Auditor is further supported by annual management assurances across all financial systems that are provided to the Joint Chief Finance Officer for review. Collectively these internal controls provide assurance to members, the Chief Constable and the Commissioner on the integrity of the underlying financial transactions and their representation within the financial ledger that is used to produce the financial statements.

2.6. **The opinion of the Appointed Auditor:** The Appointed Auditor will provide an independent external opinion on the financial statements following the audit process. In forming this audit opinion they will undertake a range of audit work. This will include reconciling the figures within the accounts to the financial ledger, undertaking a computer based analytical review to validate the accuracy of material transactions and undertaking further systems based sample testing of ledger amounts back to the primary financial transactions. The external auditors will also review

#### Sources of Assurance

*"We anticipate issuing an unqualified audit opinion on the financial statements of both the PCC and the Chief Constable".*

**The opinion of the Commissioner's appointed auditors, Grant Thornton.**

accounting policies and ensure accounting estimates, manual entries and the presentation of financial information is consistent with policy, financial reporting standards and codes of practice. The external audit is typically undertaken by a team of professionally qualified staff who will audit a number of public and/or private sector clients. They will have access to national technical support and quality controls at a regional and national level to support the integrity of the audit and ensure specialist advice and input is given to the treatment of complex transactions of a technical nature.

2.7. In forming their opinion, the external auditors give consideration to internal controls relevant to the preparation of the financial statements. The external auditors complete walkthrough tests of controls operating in areas where they consider that there is a risk of material misstatement to the financial statements. For the 2021/22 financial statements this has included, an evaluation of the PCC's and Chief Constable's internal controls environment, including its IT systems and controls; and Substantive testing on significant transactions and material account balances, including the procedures outlined in the Audit Findings report in relation to the key audit risks. The annual audit findings report of the Appointed Auditor is made to the Commissioner, Chief Constable and Members preceding this item

on the agenda and presents the Appointed Auditors intention to issue an “unmodified audit opinion” on the financial statements.

- 2.8. **The Letters of Representation:** The letters of representation are provided at **Appendix B** and referenced in the main body of this report. The letters provide assurances from the Commissioner and Chief Constable to the Appointed Auditor. The letters are written on behalf of the Commissioner and Chief Constable respectively by the Joint Chief Finance Officer. That officer, as required under legislation, must be financially qualified. The Joint Chief Finance Officer, Roger Marshall is a member of the Chartered Institute of Public Finance and Accountancy (CIPFA) with a requirement to abide by codes of practice, standards and ethics. These arrangements provide assurance that members can place reliance on the representations made by the Joint Chief Finance Officer in the letters of representation on behalf of the Commissioner and Chief Constable. There have been no specific matters raised by the Commissioner or Chief Constable in the letter of representation for 2021/22 and all appropriate assurances have been provided to the external auditors.
- 2.9. **The Annual Governance Statement:** An Annual Governance Statement (AGS) for the separate entities of the Police and crime Commissioner for Cumbria and the Chief Constable for Cumbria Constabulary were presented to members on 24 June 2022 with a number of supporting governance papers. The AGS detail how the Commissioner and Chief Constable have complied with the governance framework set out within the Code. The Annual Governance Statement provides members with assurance that the Commissioner has in place appropriate arrangements for financial and wider governance matters including arrangements for managing risks and internal controls.
- 2.10. Collectively, these sources of assurance, where they are operating to the satisfaction of members, can support conclusions in respect of the extent to which the committee is reasonably able to provide the related assurance to the Police and Crime Commissioner and Chief Constable in reviewing the financial statements.

### 3. Key Challenges

#### 3.1. 2021/22 Financial Year Accounts and Audit Timetable

Although the majority of restrictions in relation to the covid-19 pandemic were removed from early in 2022, the preparation of the financial statements for 2021/22 was again impacted by measures put in place by the PCC/Constabulary and the auditors to protect the workforce ongoing in relation to remote working. From April 2022, the Financial Services team has returned to the office in an agile way which sees individual team members working from the office and from home broadly around a 60:40 ratio. In addition, the financial services team has seen some considerable instances of long term sickness

during the 2022 calendar year which for a relatively small team has had a significant impact on team workloads. Although the government allowed an extension to the date for publishing the draft (subject to audit accounts) of two months to 31 July, the team were able to prepare the statements within a month of the original statutory deadline. The decision was taken to try to stick as close to original deadlines as possible to facilitate the work of the external auditors and hopefully free up capacity later in the summer to support other pieces of work within the finance team.

This was supported by continuing the practice agreed in 2014/15 for external valuations of land and buildings to be brought forward to the end of the December. The valuer provides a statement from the as at 31<sup>st</sup> March confirming their continued accuracy.

This work was successful in delivering a sign off date for the financial statements by the Joint Chief Finance Officer on 24<sup>th</sup> June 2022.

In a change from previous years, Grant Thornton were unable to undertake an interim audit visit, with the result that all audit checking was carried out during the post year end visit between July and November.

### 3.2. [Changes to CIPFA Code of Practice 2021/22](#)

For 2021/22 there were no major changes to the code of practice. A change to the code in relation to the application of IFRS16 in relation to leases with the intention of providing increased viability in relation to commitments and to ensure more consistent financial reporting of leased assets has again been delayed. The standard was originally due to be implemented on 1 April 2020 i.e. for the 2020/21 statement of accounts, it was initially postponed for 1 year so would come into effect for the 2021/22 Accounts, it has subsequently been postponed further to 1 April 2022 (2022/23 Accounts).

### 3.3. [Public Consultation](#)

The draft statements of Accounts for the Chief Constable and PCC/Group have been published on the respective websites since 30<sup>th</sup> June 2022. The notice of publication advises readers of their rights of inspection. There have been no requests to view the financial statements or accompanying papers.

This concludes the substantive matters considered as part of the production of the statement of accounts.

Name  
 Department Title  
 Email [michelle.bellis@cumbria.police.uk](mailto:michelle.bellis@cumbria.police.uk)  
 T 101 ext:  
 My Reference CC Letter of Rep  
 Your Reference CC Letter of Rep  
 www.cumbria.police.uk

**Chief Constable**  
 Chief Constable Michelle Skeer  
 Police Headquarters  
 Carleton Hall  
 Penrith, Cumbria  
 CA10 2AU



cumbriapolice



Mr Michael Green  
 Director  
 Grant Thornton UK LLP  
 Landmark, St Peter's Square,  
 1 Oxford Street  
 Manchester M1 4PB

**23 November 2022**

Dear Sirs,

**The Chief Constable of Cumbria Constabulary - Financial Statements for the year ended 31 March 2022**

This representation letter is provided in connection with the audit of the financial statements of the Chief Constable of Cumbria Constabulary for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the Chief Constable of Cumbria Constabulary's financial statements are presented fairly, in all material respects in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

**Financial Statements**

- i. We have fulfilled our responsibilities for the preparation of the Chief Constable of Cumbria Constabulary's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the Chief Constable of Cumbria Constabulary and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The Chief Constable of Cumbria Constabulary has complied with all aspects of contractual agreements that could have a material effect on the Chief Constable of Cumbria Constabulary's financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include the valuation of the pension liability. We are satisfied that the material judgements used in the preparation

of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements.

- vi. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- vii. Except as disclosed in the Chief Constable of Cumbria Constabulary's financial statements:
  - a. there are no unrecorded liabilities, actual or contingent
  - b. none of the assets of the Chief Constable of Cumbria Constabulary has been assigned, pledged or mortgaged
  - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- viii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
- ix. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
- x. We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The Chief Constable of Cumbria Constabulary's financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
- xi. We have considered the unadjusted misstatements schedule included in your Audit Findings Report and attached. We have not adjusted the financial statements for these misstatements brought to our attention as they are immaterial to the results of the Chief Constable of Cumbria Constabulary and its financial position at the year-end. The financial statements are free of material misstatements, including omissions.
- xii. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xiii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiv. We have updated our going concern assessment. We continue to believe that the Chief Constable of Cumbria Constabulary's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that :
  - a. the nature of the Chief Constable of Cumbria Constabulary means that, notwithstanding any intention to cease the Chief Constable of Cumbria Constabulary operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it

performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements

- b. the financial reporting framework permits the entry to prepare its financial statements on the basis of the presumption set out under a) above; and
- c. the Chief Constable of Cumbria Constabulary's system of internal control has not identified any events or conditions relevant to going concern.

We believe that no further disclosures relating to the Chief Constable of Cumbria Constabulary's ability to continue as a going concern need to be made in the financial statements.

- xv. The Chief Constable of Cumbria Constabulary has complied with all aspects of ring-fenced grants that could have a material effect on the Chief Constable of Cumbria Constabulary's financial statements in the event of non-compliance.
- xvi. Any other matters that the auditor may consider appropriate.

### **Information Provided**

- xvii. We have provided you with:
  - a. access to all information of which we are aware that is relevant to the preparation of the Chief Constable of Cumbria Constabulary's financial statements such as records, documentation and other matters;
  - b. additional information that you have requested from us for the purpose of your audit; and
  - c. access to persons within the Chief Constable of Cumbria Constabulary via remote arrangements, from whom you determined it necessary to obtain audit evidence.
- xviii. We have communicated to you all deficiencies in internal control of which management is aware.
- xix. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xx. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xxi. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Chief Constable of Cumbria Constabulary, and involves:
  - a. management;
  - b. employees who have significant roles in internal control; or
  - c. others where the fraud could have a material effect on the financial statements.
- xxii. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
- xxiii. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxiv. We have disclosed to you the identity of the Chief Constable of Cumbria Constabulary's related parties and all the related party relationships and transactions of which we are aware.



xxv. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

#### **Annual Governance Statement**

xxvi. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Chief Constable of Cumbria Constabulary's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

#### **Narrative Report**

xxvii. The disclosures within the Narrative Report fairly reflect our understanding of the Chief Constable of Cumbria Constabulary's financial and operating performance over the period covered by the financial statements.

#### **Approval**

The approval of this letter of representation was minuted by the Chief Constable of Cumbria Constabulary's Joint Audit Committee at its meeting on 23<sup>rd</sup> November 2022.

Yours faithfully

Michelle Skeer

The Chief Constable for Cumbria Constabulary  
23 November 2022

Roger Marshall

Joint Chief Finance Officer  
23 November 2022

## Schedule of Unadjusted misstatements

Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £' 000	Reason for not adjusting
<b>Pension - actuarial IAS 19 asset valuations</b>			
The PCC and CC were informed by Cumbria Pension Fund after the financial statements had been prepared that the figures provided for Local Government Pension Scheme (LGPS) asset values in the actuary report had been incorrect. As a result a revised actuary report was provided. The overall impact would be on the actuarial gain/loss on the pension asset/liability going through the Group Comprehensive Income and Expenditure Statement and a compensating adjustment to the Police Pensions reserve in the Statement of Financial Position.	+408 [ CC 398k PCC 10K]	+408 [ CC 398k PCC 10K]	Not material
<b>Overall impact</b>	<b>+408</b>	<b>+408</b>	

Peter McCall  
**Police and Crime Commissioner for Cumbria**  
Carleton Hall  
Penrith CA10 2AU



In case of enquiry please  
contact: P Coulter  
Tel: 01768 217734  
Email:  
[roger.marshall@cumbria.police.uk](mailto:roger.marshall@cumbria.police.uk)  
[www.cumbria-pcc.gov.uk](http://www.cumbria-pcc.gov.uk)

Mr Michael Green  
Director  
Grant Thornton UK LLP  
Landmark, St Peter's Square,  
1 Oxford Street  
Manchester M1 4PB

**23 November 2022**

Dear Sirs

**The Police and Crime Commissioner for Cumbria - Financial Statements for the year ended 31 March 2022**

This representation letter is provided in connection with the audit of the financial statements of The Police and Crime Commissioner for Cumbria for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the Group and The Police and Crime Commissioner's financial statements are presented fairly, in all material respects in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

**Financial Statements**

- i. We have fulfilled our responsibilities for the preparation of the Group and the Police and Crime Commissioner's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the Group and the Police and Crime Commissioner and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The Police and Crime Commissioner has complied with all aspects of contractual agreements that could have a material effect on the Group and the Police and Crime Commissioner's financial statements in the event of non-compliance. There has been no non-compliance with

requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include the valuation of the pension liability. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements.
- vi. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- vii. Except as disclosed in the Group and the Police and Crime Commissioner's financial statements:
  - a. there are no unrecorded liabilities, actual or contingent
  - b. none of the assets of the Group and the Police and Crime Commissioner has been assigned, pledged or mortgaged
  - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- viii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
- ix. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
- x. We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The Group and the Police and Crime Commissioner's financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
- xi. We have considered the unadjusted misstatements schedule included in your Audit Findings Report and attached. We have not adjusted the financial statements for these misstatements brought to our attention as they are immaterial to the results of the Group and the Police and Crime Commissioner and its financial position at the year-end. The financial statements are free of material misstatements, including omissions.
- xii. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.

- xiii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiv. We have updated our going concern assessment. We continue to believe that the Group and the Police and Crime Commissioner's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that :
  - a. the nature of the Group and the Police and Crime Commissioner means that, notwithstanding any intention to cease the Group and the Police and Crime Commissioner operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements
  - b. the financial reporting framework permits the entry to prepare its financial statements on the basis of the presumption set out under a) above; and
  - c. the Group and the Police and Crime Commissioner's system of internal control has not identified any events or conditions relevant to going concern.

We believe that no further disclosures relating to the Group and the Police and Crime Commissioner's ability to continue as a going concern need to be made in the financial statements.

- xv. The Group and the Police and Crime Commissioner has complied with all aspects of ring-fenced grants that could have a material effect on The Police and Crime Commissioner's financial statements in the event of non-compliance.
- xvi. Any other matters that the auditor may consider appropriate.

#### **Information Provided**

- xvii. We have provided you with:
  - a. access to all information of which we are aware that is relevant to the preparation of the Group and the Police and Crime Commissioner's financial statements such as records, documentation and other matters;
  - b. additional information that you have requested from us for the purpose of your audit; and
  - c. access to persons within the Group and the Police and Crime Commissioner via remote arrangements, from whom you determined it necessary to obtain audit evidence.
- xviii. We have communicated to you all deficiencies in internal control of which management is aware.
- xix. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xx. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xxi. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Group and the Police and Crime Commissioner, and involves:

- a. management;
  - b. employees who have significant roles in internal control; or
  - c. others where the fraud could have a material effect on the financial statements.
- xxii. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
- xxiii. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxiv. We have disclosed to you the identity of the Group and the Police and Crime Commissioner's related parties and all the related party relationships and transactions of which we are aware.
- xxv. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

#### **Annual Governance Statement**

- xxvi. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Group and the Police and Crime Commissioner's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

#### **Narrative Report**

- xxvii. The disclosures within the Narrative Report fairly reflect our understanding of the Group and the Police and Crime Commissioner's financial and operating performance over the period covered by the financial statements.

#### **Approval**

The approval of this letter of representation was minuted by The Police and Crime Commissioner's Joint Audit Committee at its meeting on 23<sup>rd</sup> November 2022.

Yours faithfully

Peter McCall

Roger Marshall

The Police and Crime Commissioner for Cumbria

Joint Chief Finance Officer

23 November 2022

23 November 2022

## Schedule of Unadjusted misstatements

Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £' 000	Reason for not adjusting
<b>Income from Council Tax</b>			
Figures for the PCC's share of Council tax income were prepared on 06/06/22. At this point the figures for Eden District Council had not been received and as such an estimate was included in the income from council tax figure.	- 449k	-449k	Not material
Subsequently, Eden provided their figures. The PCC was also advised that two other districts had made errors in their submissions. The PCC decided not to amend their financial statements in relation to the errors or the revised Eden figures. The total value of the misstatement is £449k understatement of income from council tax.			
Overall impact	-£449k	-£449k	

Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £' 000	Reason for not adjusting
<b>Pension - actuarial IAS 19 asset valuations</b>			
The PCC and CC were informed by Cumbria Pension Fund after the financial statements had been prepared that the figures provided for Local Government Pension Scheme (LGPS) asset values in the actuary report had been incorrect. As a result a revised actuary report was provided. The overall impact would be on the actuarial gain/loss on the pension asset/liability going through the Group Comprehensive Income and Expenditure Statement and a compensating adjustment to the Police Pensions reserve in the Statement of Financial Position.	+408 [ CC 398k PCC 10K]	+408 [ CC 398k PCC 10K]	Not material
Overall impact	+408	+408	



Item 11

## The Police and Crime Commissioner for Cumbria & the Chief Constable for Cumbria Constabulary

### Fire Governance – Potential Impacts on Joint Audit Committee

Report to the Police and Crime Commissioner, Chief Constable and Joint Audit Committee

23 November 2022

Report of the Joint Chief Finance Officer

#### 1. Introduction and Background

- 1.1. In August 2022, the Home Secretary approved the Commissioner’s business case to take responsibility for the governance of Cumbria Fire and Rescue Service. The associated statutory instrument is due to be laid before parliament in late November 2022. The statutory instrument will create the Commissioner as a separate legal entity to be known as “Cumbria Commissioner Fire and Rescue Authority”.
- 1.2. The new arrangements for fire will come into effect from 1 April 2023 (the vesting date). Although the vesting date is 1 April 2023, some services will continue to be provided by one of the new unitary authorities to ensure that the provision of fire and rescue services in Cumbria can remain “safe and legal” from April 2023. At this stage there are still some decisions to be made as to which services will be hosted, including who will responsible for particular areas of financial and governance activity.
- 1.3. The Commissioner will become the “Cumbria Commissioner Fire and Rescue Authority” and the Chief Fire Officer will be responsible for the operation of fire and rescue services and will be the head of paid service.



## 2. Potential Implications for the Joint Audit Committee

- 2.1. It is proposed that the role of the existing Joint Audit Committee be expanded to include the responsibilities in relation to the Fire and Rescue Services. The Joint Audit Committee would therefore provide for a range of governance and assurance to the OPCC, Constabulary and to the Cumbria Commissioner Fire & Rescue Authority. A proposed amended Terms of Reference for the Committee is provided at **Appendix A** (with changes highlighted in yellow).
- 2.2. The current Joint Chief Finance Officer, Roger Marshall, has indicated his intention to retire with effect from 31 March 2023. The OPCC and Constabulary have taken the decision that this joint role will be replaced by two separate Chief Finance Officers, one of whom will be responsible for OPCC and Fire while the other will solely focus on the Constabulary. Both CFOs will be regularly in attendance at JAC meetings.
- 2.3. The inclusion of Fire in the remit of the Joint Audit Committee will increase the work programme of the committee. In relation to Fire the additional work is likely to consist of:
  - ◆ Annual Statement of Accounts (separate legal entity)
  - ◆ Annual Governance Statement
  - ◆ Receipt and monitoring of internal audit reports
  - ◆ Receipt and monitoring of external audit reports & opinions
  - ◆ Treasury management quarterly activity reports and annual strategy statement and prudential indicators
  - ◆ Cyclical review of governance documents
  - ◆ Risk management arrangements and quarterly update reports.
- 2.4. The above list is not exhaustive but illustrates the likely impact on the work programme of the committee. As a result of changes to statutory reporting deadlines during the covid pandemic the number of meetings for JAC has been reduced from five to four. From 2023, the reporting deadlines will revert in relation to the production and audit of statutory accounts. As a result of this and the inclusion of Fire, there is a choice to make to either increase the number of meetings from four to five per annum (March, May, July, September & November) or to maintain the number of meetings at four (March, June, September & November) but increase the length of the meetings. The detailed work programme for the committee will be presented to the 22 March 2023 meeting.
- 2.5. It is proposed that the OPCC, Constabulary and Fire collaborate in terms of internal audit provision, and treasury management advice services, this will mean that the reporting format and

representatives presenting the reports should be familiar to the committee.

The current terms of reference allow for between four and six members of the committee. As a result of recent recruitment exercises the number of members will briefly increase to six and then fall back to five once a member retires at the end of November. It is proposed that in spring 2023 a further recruitment exercise is carried out to increase the committee membership to the maximum of six. This recruitment would be to complement the skill set of existing members and to ensure that the committee is well represented in all areas.

### 3. Recommendations

3.1. Members are asked to note the contents of the report and specifically:

- ◆ Determine if the committee wishes to increase to five meeting per annum or maintain the meetings at four per annum, accepting that the length of meetings will increase.

## Joint Audit Committee - Terms of Reference

### 1. Statement of Purpose

- 1.1. Our **Joint Audit Committee** is a key component of the Police and Crime Commissioner (the Commissioner), Chief Constable's and Cumbria Commissioner Fire & Rescue Authority/ Chief Fire Officer's arrangements for corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
- 1.2. The purpose of our **Joint Audit Committee** is to provide independent advice and recommendation to the Commissioner, Chief Constable and Cumbria Commissioner Fire & Rescue Authority/ Chief Fire Officer on the adequacy of the governance and risk management frameworks, the internal control environment and financial reporting, thereby helping to ensure efficient and effective assurance arrangements are in place. To this end the committee is enabled and required to have oversight of, and to provide independent review of, the effectiveness of the Commissioner's, Chief Constable's and Cumbria Commissioner Fire & Rescue Authority/ Chief Fire Officer's governance, risk management and control frameworks, its financial reporting and annual governance processes, and the arrangements for both internal audit and external audit.
- 1.3. These terms of reference will summarise the core functions of the committee in relation to the Office of the Police and Crime Commissioner (OPCC), the Constabulary and Cumbria Commissioner Fire & Rescue Authority and describe the protocols in place to enable it to operate independently, robustly and effectively.

### 2. Governance, risk and control

The committee will provide advice and recommendations to the Commissioner, or Chief Constable or Cumbria Commissioner Fire & Rescue Authority/ Chief Fire Officer in relation to the following areas:

- 2.1. Review the corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.
- 2.2. Review the annual governance statements prior to approval and consider whether they properly reflect the governance, risk and control environment and supporting assurances and identify any actions required for improvement.
- 2.3. Consider the arrangements to secure value for money and review assurances and assessments on the

effectiveness of these arrangements.

- 2.4. Consider the framework of assurance and ensure that it adequately addresses the risks and priorities of the OPCC, Constabulary and **Cumbria Commissioner Fire & Rescue Authority**.
- 2.5. Monitor the effective development and operation of risk management, review the risk profile, and monitor progress of the Commissioner, the Chief Constable and **Cumbria Commissioner Fire & Rescue Authority/ Chief Fire Officer** in addressing risk-related issues reported to them.
- 2.6. Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- 2.7. Review arrangements for the assessment of fraud risks and potential harm from fraud and corruption and monitor the effectiveness of the counter-fraud strategy, actions and resources.
- 2.8. To review the governance and assurance arrangements for significant partnerships or collaborations.

### **3. Internal Audit**

The committee will provide advice and recommendations to the Commissioner or Chief Constable or **Cumbria Commissioner Fire & Rescue Authority/ Chief Fire Officer** in relation to the following areas:

- 3.1. Annually review the internal audit charter and resources.
- 3.2. Review the internal audit plan and any proposed revisions to the internal audit plan.
- 3.3. Oversee the appointment and consider the adequacy of the performance of the internal audit service and its independence.
- 3.4. Consider the Head of Internal Audit's annual report and opinion, and a regular summary of the progress of internal audit activity against the audit plan, and the level of assurance it can give over corporate governance arrangements.
- 3.5. To consider the Head of Internal Audit's statement of the level of conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN) and the results of the Quality Assurance & Improvement Programme (QAIP) that support the statement – these will indicate the reliability of the conclusions of internal audit.
- 3.6. Consider summaries of internal audit reports and such detailed reports as the committee may request from the Commissioner or Chief Constable or **Cumbria Commissioner Fire & Rescue Authority/ Chief Fire Officer**, including issued raised or recommendations made by the internal audit service,

management response and progress with agreed actions.

- 3.7. Consider a report on the effectiveness of internal audit to support the Annual Governance Statement.
- 3.8. To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Head of Internal Audit. To make recommendations on safeguards to limit such impairments and periodically review their operation.

#### **4. External Audit/External Inspection**

The committee will provide advice and recommendations to the Commissioner or Chief Constable or **Cumbria Commissioner Fire & Rescue Authority/ Chief Fire Officer** in relation to the following areas:

- 4.1. Support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by either Public Sector Audit Appointments (PSAA) or the auditor panel as appropriate.
- 4.2. Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money.
- 4.3. Consider the external auditor's annual management letter, relevant reports and the report to those charged with governance.
- 4.4. Consider specific reports as agreed with the external auditors/specific inspection reports e.g. **His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS)**, relevant to the Committee's terms of reference.
- 4.5. Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

#### **5. Financial Reporting**

The committee will provide advice and recommendations to the Commissioner or Chief Constable or **Cumbria Commissioner Fire & Rescue Authority/ Chief Fire Officer** in relation to the following areas:

- 5.1. Review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit of the financial statements that need to be brought to the attention of the Commissioner and/or the Chief Constable or **Cumbria Commissioner Fire & Rescue Authority/ Chief Fire Officer**.

- 5.2. Consider the external auditor's report to those charged with governance on issues arising from the audit of the financial statements.

## **6. Accountability Arrangements**

The committee will do the following:

- 6.1. On a timely basis report to the Commissioner, the Chief Constable and **Cumbria Commissioner Fire & Rescue Authority/ Chief Fire Officer** with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management.
- 6.2. Report to the Commissioner, the Chief Constable and **Cumbria Commissioner Fire & Rescue Authority/ Chief Fire Officer** on its findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.
- 6.3. Review its performance against its terms of reference and objectives on an annual basis and report the results of this review to the Commissioner, the Chief Constable and **Cumbria Commissioner Fire & Rescue Authority/ Chief Fire Officer**.
- 6.4. Publish an annual report on the work of the committee.

## **7. Treasury Management**

- 7.1. Review the treasury management policy and procedures to be satisfied that controls are satisfactory.
- 7.2. Receive regular reports on activities, issues and trends to support the Committee's understanding of treasury management activities; the committee is not responsible for the regular monitoring of activity.
- 7.3. Review the treasury risk profile and adequacy of treasury risk management processes.
- 7.4. Review assurances on treasury management (for example, an internal audit report, external or other reports).



## Police and Crime Commissioner for Cumbria and Cumbria Constabulary

Summary Internal Controls Assurance (SICA) Report

**2022/23**

November 2022

# Summary Internal Controls Assurance

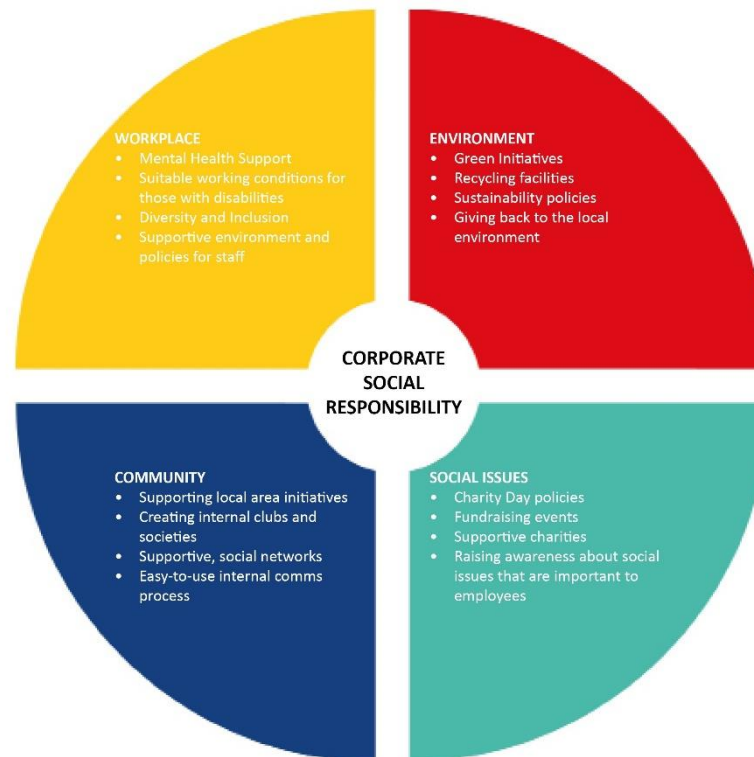
## Introduction

1. This summary controls assurance report provides the Joint Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Police and Crime Commissioner for Cumbria and Cumbria Constabulary as at 14<sup>th</sup> November 2022.

## Emerging Governance, Risk and Internal Control Related Issues

2. Corporate social responsibility (CSR) refers to the self-imposed responsibility of businesses to society in areas such as the environment, the economy, employee well-being, and competition ethics. Many businesses use internal CSR regulation as a form of moral compass to positively influence the ethical development of their business.

Traditionally, CSR was viewed as something only large businesses practiced. In the past, simply having a CSR intention in place was already enough for a business to be recognised as socially responsible, even if the idea of social responsibility did not influence the business model or the production processes. In today’s market however, businesses of all sizes are increasingly held responsible for their social and environmental impact by their customers. And because every business is part of a value/supply chain consisting of other businesses, when they advocate for sustainability, ethical practices, and generosity, this creates a positive ripple effect on all stakeholders.





**Audits completed since the last SICA report to the Audit Committee**

3. The table below sets out details of audits finalised since the previous meeting of the Audit Committee.

*Audits completed since previous SICA report*

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Domestic Violence Protection Orders	Reasonable	19/10/2022	11/11/2022	11/11/2022	0	2	2	0
Estates – Building Health and Safety	Reasonable	19/10/2022	11/11/2022	14/11/2022	0	4	7	0

**Progress against the 2022/23 Annual Plan**

4. Our progress against the Annual Plan for 2022/23 is set out in Appendix A.

**Changes to the Annual Plan 2022/23**

5. There are no proposed changes to the Annual Plan

**Progress in actioning priority 1 recommendations**

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

**Frauds/Irregularities**

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

**Other Matters**

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

**Responsibility/Disclaimer**

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

-----

## Progress against Annual Plan

System	Planned Quarter	Current Status	Comments
Risk Management Framework (PCC/Force)	1	Site work completed	
Force – Personal Safety Training	1	Final Report issued	
Security of Seized Proceeds of Crime (Cash and Assets)	1	Final Report Issued	
Domestic Violence Protection Orders	2	Final Report Issued	
Management of Overtime	2	Proposed date 6 <sup>th</sup> March 2023	Deferred to Q4 at management request
Estates – Buildings Health and Safety	2	Final Report Issued	
ICT – Cyber Security Maturity Assessment	3	To be booked in Q4	
Debtors	3	Booked - 5 <sup>th</sup> December 2022	
Resource Planning	2	Proposed date 10 <sup>th</sup> February 2023	
Firearms Licensing	3	Proposed date 12 <sup>th</sup> January 2023	
Treasury Management and Banking	4	Site work commenced 14 <sup>th</sup> November 2022	
Performance and Insight CC Assurance	4	Proposed date 19 <sup>th</sup> January 2023	
Financial Sustainability – Business Planning	4	Proposed date 23 <sup>rd</sup> February 2023	
HMICFRS Action Plan	4	Proposed date 9 <sup>th</sup> February 2023	
Follow-up	1 - 4	To be confirmed	New process being introduced


**KEY:**

	To be commenced		Site work commenced		Draft report issued		Final report issued
--	-----------------	--	---------------------	--	---------------------	--	---------------------

## Briefings on developments in Governance, Risk and Control

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

### Summary of recent Client Briefing Notes (CBNs)

CBN Ref	Subject	Status	TIAA Comments
CBN - 22030	Government Response – Consultation on extending National Fraud Initiative data matching to new purposes		<p><b>No action required:</b> For information only to Audit Committees and Boards/Governing Bodies</p>



## PCC Cumbria & Cumbria Constabulary

Assurance Review of Domestic Violence Protection Orders

**2022/23**

November 2022

# Executive Summary

## OVERALL ASSESSMENT



## ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Included in Audit Plan 2022/23

## SCOPE

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

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

## KEY STRATEGIC FINDINGS

- The process was found to align with statutory requirements and approved practice, but internal procedures are inconsistent, leading to inefficiencies.
- A success rate of 94% was confirmed for the full year 2021/22 for protection order (DVPO) applications to Magistrates' Courts.
- The completeness and correctness of documentation received by Legal Services is highly variable, causing considerable re-work within tight timescales.
- Multiple versions of exemplar evidence bundles are in use, including some that are out-of-date and relating to other forces, leading to confusion and delays.

## GOOD PRACTICE IDENTIFIED

- All Domestic Violence Protection Notices (DVPN) sampled were found to be compliant with the legal requirements, guidance and approved practice.
- Arrangements for representation at court and for applications for costs were found to be appropriate and justified.

## ACTION POINTS

Urgent	Important	Routine	Operational
0	2	2	0

## Assurance - Key Findings and Management Action Plan (MAP)

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

PRIORITY GRADINGS

**1** **URGENT** Fundamental control issue on which action should be taken immediately.

**2** **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3** **ROUTINE** Control issue on which action should be taken.

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

PRIORITY GRADINGS

**1** **URGENT** Fundamental control issue on which action should be taken immediately.

**2** **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3** **ROUTINE** Control issue on which action should be taken.

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

PRIORITY GRADINGS

**1** **URGENT** Fundamental control issue on which action should be taken immediately.

**2** **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3** **ROUTINE** Control issue on which action should be taken.



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

PRIORITY GRADINGS

**1 URGENT** Fundamental control issue on which action should be taken immediately.

**2 IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3 ROUTINE** Control issue on which action should be taken.

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

PRIORITY GRADINGS

**1** **URGENT** Fundamental control issue on which action should be taken immediately.

**2** **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3** **ROUTINE** Control issue on which action should be taken.

## Operational - Effectiveness Matter (OEM) Action Plan

---

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

ADVISORY NOTE

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

## Findings



### Directed Risk:

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

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

### Other Findings

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

## Other Findings



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

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



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



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



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



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



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



**Delivery Risk:**

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

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

**Other Findings**



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



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

## Scope and Limitations of the Review

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

## Disclaimer

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

## Effectiveness of arrangements

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

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

## Assurance Assessment

4. The definitions of the assurance assessments are:

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

## Acknowledgement

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

## Release of Report

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

Stage	Issued	Response Received
<b>Audit Planning Memorandum:</b>	26 <sup>th</sup> September 2022	26 <sup>th</sup> September 2022
<b>Draft Report:</b>	19 <sup>th</sup> October 2022	11 <sup>th</sup> November 2022
<b>Final Report:</b>	11 <sup>th</sup> November 2022	

# AUDIT PLANNING MEMORANDUM

## Appendix B

<b>Client:</b>	PCC Cumbria & Cumbria Constabulary		
<b>Review:</b>	Domestic Violence Protection Orders		
<b>Type of Review:</b>	Assurance	<b>Audit Lead:</b>	Stuart Whittingham

<b>Outline scope (per Annual Plan):</b>	A reactive rather than proactive process may lead to a less efficient use of time for Legal Services staff and Constabulary staff. Scope The review considers the arrangements for identifying, requesting and obtaining Domestic Violence Protection Orders.
<b>Detailed scope will consider:</b>	<p>The review will set out to provide assurance to the Joint Audit Committee that the organisation has robust arrangements in place and operating for Domestic Violence Protection Orders:</p> <ul style="list-style-type: none"> <li>• The process is directed by appropriate and up-to-date policy and procedures.</li> <li>• Guidance is in place and available to all staff to ensure that the process runs as efficiently as possible.</li> <li>• Risks are appropriately identified and mitigated through the process.</li> <li>• Authorisation procedures are in place and adhered to.</li> <li>• Documentation is completed fully and accurately to aid with the preparation of court bundles.</li> </ul>

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

### SELF ASSESSMENT RESPONSE

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





## PCC Cumbria & Cumbria Constabulary

Assurance Review of Estates – Buildings Health and Safety

**2022/23**

November 2022

# Executive Summary

**OVERALL ASSESSMENT**

**ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE**

Included in Audit Plan 2022/23

**KEY STRATEGIC FINDINGS**

- Although policy and procedures are in place, the audit identified gaps in content and some inconsistency with current operations.
- Some remedial works were identified as remaining outstanding for several years. An improved tracking and monitoring process has recently been adopted.
- It was established that there is no routine reporting schedule regarding the status of Estates compliance to the PCC as the legal owner of the estate.
- Inconsistency was identified within weekly fire alarm testing records, with data for four locations showing under 50% of tests being recorded during 2022.

**GOOD PRACTICE IDENTIFIED**

- Tracking and monitoring of routine maintenance and health and safety tasks has been improved recently, with online records retained and central oversight.
- A new staff member during 2022 was asked to review operations based on good practice seen elsewhere. This has led to improved practice in several areas.

**SCOPE**

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

**ACTION POINTS**

Urgent	Important	Routine	Operational
0	4	7	0

## Assurance - Key Findings and Management Action Plan (MAP)

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

PRIORITY GRADINGS

**1 URGENT** Fundamental control issue on which action should be taken immediately.

**2 IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3 ROUTINE** Control issue on which action should be taken.

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

PRIORITY GRADINGS

**1** **URGENT** Fundamental control issue on which action should be taken immediately.

**2** **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3** **ROUTINE** Control issue on which action should be taken.

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

PRIORITY GRADINGS

**1** **URGENT** Fundamental control issue on which action should be taken immediately.

**2** **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3** **ROUTINE** Control issue on which action should be taken.

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

PRIORITY GRADINGS

**1** **URGENT** Fundamental control issue on which action should be taken immediately.

**2** **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3** **ROUTINE** Control issue on which action should be taken.

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

PRIORITY GRADINGS

**1** **URGENT** Fundamental control issue on which action should be taken immediately.

**2** **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3** **ROUTINE** Control issue on which action should be taken.

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

PRIORITY GRADINGS

**1** **URGENT** Fundamental control issue on which action should be taken immediately.

**2** **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3** **ROUTINE** Control issue on which action should be taken.



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

PRIORITY GRADINGS

**1** **URGENT** Fundamental control issue on which action should be taken immediately.

**2** **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3** **ROUTINE** Control issue on which action should be taken.

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

PRIORITY GRADINGS

**1 URGENT** Fundamental control issue on which action should be taken immediately.

**2 IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3 ROUTINE** Control issue on which action should be taken.

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

PRIORITY GRADINGS

**1** **URGENT** Fundamental control issue on which action should be taken immediately.

**2** **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3** **ROUTINE** Control issue on which action should be taken.

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

PRIORITY GRADINGS

**1** **URGENT** Fundamental control issue on which action should be taken immediately.

**2** **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3** **ROUTINE** Control issue on which action should be taken.

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

PRIORITY GRADINGS

**1 URGENT** Fundamental control issue on which action should be taken immediately.

**2 IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3 ROUTINE** Control issue on which action should be taken.

## Operational - Effectiveness Matter (OEM) Action Plan

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

ADVISORY NOTE

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

## Findings



### Directed Risk:

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

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

### Other Findings

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

## Other Findings



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



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







**Delivery Risk:**


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


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

**Other Findings**

- 

Upon appointment in early 2022, the new Estates Maintenance Officer was asked to review key management arrangements within Estates, based on their experience of good practice elsewhere. Recommendations arising from that report were confirmed during this audit to have been introduced, including improved record keeping and monitoring on recommendations from external inspections and risk assessments.
- 

Across the various areas of Estates health and safety work, a move from paper-based records to shared electronic documents was identified. As well as being more sustainable in terms of use of resources, this should also provide longer-term efficiencies in the need for space for physical filing and storage.
- 

Through interviews with various members of the Estates team, it was established that there is a strong understanding among the group of each colleagues' role and expertise, with increasingly standardised monitoring processes in place. This provides greater resilience for the overall Estates Health and Safety activity through the ability to cover absences.
- 

Management confirmed that there had been no reduction in compliance or health and safety activity during the pandemic, and that routine tasks had continued irrespective of any reduced rates of occupancy during lockdowns. The evidence reviewed during the audit supported this assertion, as no significant variation in delivery was identified in this respect.

## Scope and Limitations of the Review

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

## Disclaimer

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

## Effectiveness of arrangements

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

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

## Assurance Assessment

- The definitions of the assurance assessments are:

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

## Acknowledgement

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

## Release of Report

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

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

# AUDIT PLANNING MEMORANDUM

## Appendix B

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

<b>Outline scope (per Annual Plan):</b>	The review considers how the organisation monitors and meets its health and safety obligations in relation to: water hygiene; fire risk assessments; asbestos; and periodic electrical testing.   There will be an additional focus on health and safety in relation to buildings that have had reduced use during the Pandemic.
<b>Detailed scope will consider:</b>	<p>The review will set out to provide assurance to the Joint Audit Committee that the organisation has robust arrangements in place and operating for Estates – Property Compliance.</p> <ul style="list-style-type: none"> <li>• The organisation has robust policies and procedures in place to ensure that compliance with statutory and regulatory requirements is met and can be demonstrated.</li> <li>• The organisation has considered the risks associated with (non-)compliance and appropriate mitigating controls are identified and operated.</li> <li>• Robust records are maintained to evidence that the required assessments and monitoring activities are carried out with timely action to address issues identified.</li> <li>• Performance is reported in sufficient detail to senior management allowing for appropriate challenge and scrutiny on non-performing areas of the service.</li> <li>• Budgets are set for the service and regularly monitored throughout the year.</li> </ul>

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

### SELF ASSESSMENT RESPONSE

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

# 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	3	2	5
New actions since last report	0	0	0	0
<b>Total actions this report</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>5</b>
Actions completed since last report	0	2	0	2
<b>Open actions c/fwd to next report</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>

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.

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	2	0	2
Ongoing (within original timescale)	0	0	1	1
Ongoing (original timescale extended)	0	1	1	2
Overdue/ timescale exceeded	0	0	0	0
Not yet due	0	0	0	0
<b>Total</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>5</b>

**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.

***External Audit – Grant Thornton***

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

## Monitoring of Individual Audit Reports 2021/22

Audit Report	CC/ PCC/ Joint	Reported Date	Assurance Opinion				Audit Recommendations (Grade)			
			Substantial	Reasonable	Partial	Limited /None	High	Medium	Advisory	Total
<b>External Audit Reports</b>										
External Audit of Financial Statements	Joint	October 2021					0	1	0	1
<b>Total to JAC 04/11/21</b>							<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>
<b>Internal Audit Reports</b>										
Agile Workforce	PCC	04/08/21	✓				0	0	0	0
Complaint Review Process	PCC	24/09/21	✓				0	0	2	2
Agile Workforce	CC	11/10/21		✓			0	0	0	0
<b>Total to JAC 17/11/21</b>			<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>
Payroll	Joint	17/02/22		✓			0	1	0	1
Digital Leadership Programme	CC	24/02/22		✓			0	2	0	2
Preparedness for McCloud Remedy	CC	24/02/22		✓			0	1	0	1
Benefits Delivery Process	Joint	25/02/22			✓		1	0	0	1
Covid-19 Response	CC	28/02/22	✓				0	0	0	0
Inventory	CC	01/03/22		✓			0	1	2	3
<b>Total to JAC 16/03/22</b>			<b>1</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>2</b>	<b>8</b>
Resource Allocation/ Workforce Planning	Joint	04/05/22		✓			0	3	2	5
Duties Management (Crown System)	Joint	24/05/22		✓			0	1	0	1
Establishment Process - Recruitment	Joint	31/05/22		✓			0	2	0	2
Business Transformation Project – Finance (Phase 2)	CC	31/05/22		✓			0	1	0	1
Financial Sustainability	Joint	01/06/22		✓			0	3	0	3
<b>Total to JAC 22/06/22</b>			<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>2</b>	<b>12</b>
<b>Total Internal Audit Reports for 2021/22 Audit Year</b>			<b>3</b>	<b>10</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>15</b>	<b>6</b>	<b>22</b>

Audit Report	Recommendation Summary	Current Status					For detail see page
		Completed	Ongoing (within original timescale)	Ongoing (original timescale extended)	Overdue/ timescale exceeded	Not Yet Due	
<b>Totals B/Fwd Recommendations</b>							
Digital Leadership Programme (CC)	R1) There are lessons to be learnt from the implementation of the DLP programme regarding the ability to demonstrate good governance arrangements. These lessons should be applied to future collaborative projects.	✓					5
Digital Leadership Programme (CC)	R2) Measures to demonstrate the impact of training and development in the workplace should be considered during the development of future training programmes.	✓					6
Benefits Delivery Process (Joint)	R1) Arrangements to deliver the benefits realisation policy and procedure should continue to be fully developed and embedded, then subsequently assessed for effectiveness, taking into account the points outlined above.			✓			7
Business Transformation Project – Finance (Phase 2) (CC)	a) Management should ensure that project risks are reviewed on a regularly basis and a final report on outcomes and benefits realised is presented to the Management Board. b) Management should also consider finalising terms of reference for the Design Authority and making sure that if minutes are not taken at the Project Board that action notes and decision logs should give sufficient commentary on discussions that took place.			✓			8
Financial Sustainability (Joint)	R2) Ensure that when considering options to address the longer term sustainability of the capital programme that all potential factors are considered e.g. likely impact of the review of the police funding formula (scheduled for implementation by 2023/24).		✓				9
<b>Total All Recommendations</b>							

<b>Audit Report: Digital Leadership Programme</b>			
<b>Date Issued:</b> 24/02/2022	<b>Date Considered by JAC:</b> 16/03/2022	<b>Report of:</b> Shared Internal Audit Service	<b>Report for:</b> CC
<b>Recommendation:</b> R1) There are lessons to be learnt from the implementation of the DLP programme regarding the ability to demonstrate good governance arrangements. These lessons should be applied to future collaborative projects.			<b>Grade:</b> Medium
<b>Agreed Actions:</b> The DLP goes from strength to strength and has developed into a National Digital Leadership Academy.  Whilst governance between two forces can be more difficult, especially when innovating, the focus needs to be on the innovation and ambition.  The programme was successfully delivered across two forces and whilst it was not presented to both forces as per the audit findings it was mitigated through a joint Chief Superintendent leading for both forces at that senior level.  A debrief will take place and lessons learned will be disseminated.			<b>Due Date:</b> 30/09/2022  <b>Responsible Person:</b> ACC Blackwell
<b>Subsequent Updates:</b> <b>June 2022</b> – A verbal update will be provided at the meeting.  <b>September 2022</b> – A full debrief exercise will take place following the roll out of the first model of Digital Leadership Academy to the initial cohort of 4 forces (which includes Durham) which will incorporate learning from the Digital Leadership Programme. Any learning identified will be disseminated and utilised to improve the programme prior to national roll out.  <b>November 2022</b> – The programme will be launched and managed nationally through the Police Digital Service and the Digital Data & Technology Co-ordination Committee of the NPCC.			
<b>Status:</b> Completed	<b>Agreed Changes to Due Date:</b> <i>(N.B. any changes to due date must be agreed by COG or a Governance Board)</i>	<b>New Date:</b>	<b>Where &amp; When Approved:</b>
Completed			



Audit Report: Digital Leadership Programme			
<b>Date Issued:</b> 24/02/2022	<b>Date Considered by JAC:</b> 16/03/2022/	<b>Report of:</b> Shared Internal Audit Service	<b>Report for:</b> CC
<b>Recommendation:</b> R2) Measures to demonstrate the impact of training and development in the workplace should be considered during the development of future training programmes.			<b>Grade:</b> Medium
<b>Agreed Actions:</b> Whilst the programme has been delivered, I agree that how effective we are digitally should be a future focus. That said, the outcome framework is something that is being grappled with nationally. There are no national standards, national performance frameworks or national APP guidance or other available guidance.  As we are innovating in a field ahead of all other police forces, its stands to reason that we will have to create a measured outcome framework. This will be done as part of the Digital Leadership Academy working with other forces and national bodies.			<b>Due Date:</b> 30/09/2022  <b>Responsible Person:</b> ACC Blackwell
<b>Subsequent Updates:</b> <b>June 2022</b> – A verbal update will be provided at the meeting.  <b>September 2022</b> – The creation of a measured outcome framework will form part of the responsibility of the Digital Leadership Academy Executive Committee and will be progressed in due course once the committee is up and running.  <b>November 2022</b> – Funding for a dedicated post has been secured. The responsibilities of the post will include development of the outcome framework. This will be managed nationally.			
<b>Status:</b> Completed	<b>Agreed Changes to Due Date:</b> <i>(N.B. any changes to due date must be agreed by COG or a Governance Board)</i>	<b>New Date:</b>	<b>Where &amp; When Approved:</b>
Completed			

<b>Audit Report: Benefits Delivery Process</b>			
<b>Date Issued:</b> 25/02/2022	<b>Date Considered by JAC:</b> 16/02/2022	<b>Report of:</b> Shared Internal Audit Service	<b>Report for:</b> Joint
<b>Recommendation:</b> R1) Arrangements to deliver the benefits realisation policy and procedure should continue to be fully developed and embedded, then subsequently assessed for effectiveness, taking into account the points outlined above.			<b>Grade:</b> High
<b>Agreed Actions:</b> The Change Manager to implement the following actions, overseen by Supt. Andy Wilkinson: To be completed by 31/03/2022: <ul style="list-style-type: none"> <li>• Ensure ICT/DDAT actions are added to the central register</li> <li>• Ensure Secretaries and Staff Officers respond to the request for benefits that have been agreed</li> <li>• Ensure the processes within Change Team and Police Futures align, including writing a procedure for the administration of benefits. Including an internal SLA of 14 days to add new benefits to the register</li> <li>• Report to COG with current status of Benefits, including update on the register 31/03/2022.</li> </ul> To be completed by 30/06/2022: <ul style="list-style-type: none"> <li>• Finalise standard format of COG reporting</li> <li>• Report to COG at the end of Q1 2022/2023. This will allow for financial reconciliation vs. 2021/2022 benefits</li> <li>• Establish 'lessons learnt' process</li> </ul>			<b>Due Date:</b> 31/03/22 and 30/06/2022 <b>Responsible Person:</b> Adam Sutton, Change Manager
<b>Subsequent Updates:</b> <b>June 2022</b> – A verbal update will be provided at the meeting <b>September 2022</b> – Reporting will form part of the new governance structure which is due to go live imminently (following approval). There will be updates provided to Change Board and if necessary escalation to SMB or COG. Project Closure reports will also be presented at Change Board, this will capture lessons learnt and if required CCIP actions can be created to track and monitor these lessons. While these arrangements are later than expected, they are also much more robust than the initial proposals and JAC should take comfort in this additional levels of governance that will follow. The final point for us to iron out going forward will be the reconciliation of the achieved benefits. Happy for this action to remain outstanding for the time being. <b>November 2022</b> – The first Strategic Change Board has taken place, with a key focus being to ensure that the budget is on a sustainable basis. Plans are being made to strengthen the change management function to support monitoring of benefits delivery. It is proposed that a report is produced in six months to evaluate how well the benefits management process is being embedded.			
<b>Status:</b>	<b>Agreed Changes to Due Date:</b> (N.B. any changes to due date must be agreed by COG or a Governance Board)	<b>New Date:</b>	<b>Where &amp; When Approved:</b>
Ongoing (original timescale extended)		31/05/2023	TBC

Audit Report: Business Transformation Project: Finance (phase 2)			
<b>Date Issued:</b> 31/05/2022	<b>Date Considered by JAC:</b> 22/06/2022	<b>Report of:</b> Shared Internal Audit Service	<b>Report for:</b> CC
<b>Recommendation: R1:</b> a) Management should ensure that project risks are reviewed on a regularly basis and a final report on outcomes and benefits realised is presented to the Management Board.  b) Management should also consider finalising terms of reference for the Design Authority and making sure that if minutes are not taken at the Project Board that action notes and decision logs should give sufficient commentary on discussions that took place.			<b>Grade:</b> Medium
<b>Agreed Actions:</b> Whilst terms of reference, an action plan and RAID log for the Design Authority are in place with the overall aim of ensuring continuous improvement in relation to the finance system, we will review the governance arrangements to ensure that they remain fit for purpose. This will include periodic updates as part of the benefits management process.			<b>Due Date:</b> 31/07/2022  <b>Responsible Person:</b> Joint Chief Finance Officer
<b>Subsequent Updates:</b> <b>June 2022</b> – The upgrade to the system and continuous improvement is an ongoing process. Work in the last few weeks has stalled due to competing priorities associated with the production of the statutory accounts and governance documents. The intention is to reinvigorate the design authority to focus on continuous improvement from early July.  <b>September 2022</b> – The continuous improvement group has now met with meetings scheduled to take place on a regular basis. In relation to developments, the finance team have begun the implementation of the Planning budgeting cloud service module (PBCS), although the implementation has been hindered by the sickness absence of a key member of the team. The commercial team have been engaged in improving the functionality of the system such as min/max ordering. The latest quarterly release of Oracle includes improved OCR functionality in relation to scanning and matching of invoices which should have a beneficial impact for the work of the central services team.  <b>November 2022</b> - The continuous improvement group continues to operate and is actively looking at ways to make the system and processes as effective and streamlined as possible. The action is now being handled through this group as business as usual, developments will be continuous. It is proposed that progress is discussed at a future meeting the Strategic Change Board.			
<b>Status:</b>	<b>Agreed Changes to Due Date:</b> <i>(N.B. any changes to due date must be agreed by COG or a Governance Board)</i>	<b>New Date:</b>	<b>Where &amp; When Approved:</b>
Ongoing (original timescale extended)		31/03/2023	TBC


Audit Report: Financial Sustainability			
<b>Date Issued:</b> 01/06/2022	<b>Date Considered by JAC:</b> 22/06/2022	<b>Report of:</b> Shared Internal Audit Service	<b>Report for:</b> PCC/CC
<b>Recommendation:</b> R2) Ensure that when considering options to address the longer term sustainability of the capital programme that all potential factors are considered e.g. likely impact of the review of the police funding formula (scheduled for implementation by 2023/24).			<b>Grade:</b> Medium
<b>Agreed Actions:</b> The Joint Chief Finance Officer has highlighted both to the Constabulary and PCC the need to ensure that savings are delivered to put both the revenue and capital budgets are put on a sustainable basis.  The Chief Constable has instigated a Gold Group, part of whose remit is to develop a savings plan to address the medium term savings gap.  In the current volatile financial situation both the MTFF and savings plans will be regularly updated to ensure that senior management are aware of the latest position.  In relation to funding the capital programme, annual revenue support for the programme has been tripled in recent years and potential need to increase this further will be highlighted as part of budget planning options.			<b>Due Date:</b> 31/12/2022  <b>Responsible Person:</b> Roger Marshall - Joint Chief Finance Officer
<b>Subsequent Updates:</b> <b>June 2022</b> – This is an ongoing process, the MTFF and productivity and efficiency plan was recently updated and presented to Chief Officers as part of a strategy day. The position will be updated when there are significant events, otherwise the position will be reviewed as part of the budget setting process in the autumn. The ACC is currently holding a series of efficiency meetings with Commanders and Directors to identify savings opportunities. The DCC in conjunction with the newly appointed Assistant Chief Officer will take responsibility for savings and efficiencies.  <b>September 2022</b> – A full deeper dive review by the ACO in conjunction with the finance team into the capital programme is currently being undertaken as part of the budget and MTFF process for 2023/24 and beyond.  <b>November 2022</b> – As above the deeper dive work in relation to revenue and capital budgets continues as part of the budget setting process.			
<b>Status:</b>	<b>Agreed Changes to Due Date:</b> <i>(N.B. any changes to due date must be agreed by COG or a Governance Board)</i>	<b>New Date:</b>	<b>Where &amp; When Approved:</b>
Ongoing (within original timescale)			



## TIAA Ltd

### YEAR 1 ISO 9001:2015 AUDIT SUMMARY

<b>Client Name (As per the Certificate):</b>		TIAA Ltd	
<b>Certificate Scope:</b>		The provision of business assurance, internal audits and associated services	
<b>Certificate Expiry Date:</b>		23 <sup>rd</sup> June 2022	
<b>Certificate Number:</b>		GB 2004097	
<b>Certification Date:</b>		28 <sup>th</sup> June 2011	
<b>Next Audit Due:</b>		June 2023	
<b>Audit Date(s):</b>		31 <sup>st</sup> August 2022	
<b>Time Started:</b>	09.00	<b>Time Finished:</b>	12.30
<b>Business Contact Name:</b>		Karen Truran	
<b>Business Contact Details:</b>		Tel: 01329 553 210 Email: karen.truran@tiao.co.uk	
<b>Address for Site of Audit:</b>		Artillery House Fort Fareham Newgate Lane Fareham Hampshire PO14 1AH	
<b>Auditor Name(s):</b>		Stephen Berry Mobile: 07411605382 Email: s.berry@cqsLtd.com	
<b>Auditor Signature:</b>		SJ Berry	

<b>I confirm that the information in this report is correct and I am happy with the content and conduct of the work carried out and the findings recorded by my appointed Auditor.</b>			
<b>Client Name:</b>	Karen Truran	<b>Signed:</b>	
<b>Position:</b>	Head of Delivery Support	<b>Dated:</b>	Sep 5, 2022

<b>Items Outstanding from Previous Audit:</b>	None
<b>Notes:</b>	

**Auditor's Recommendation:**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>PASS</b>  ✓	PASS with Rectification at Next Annual Audit	Probationary PASS with Rectification and Re-inspection within 6 months	Certificate Suspension Subject to Re-inspection within 3 months	FAIL

## **INTRODUCTION:**

This document has been prepared for you in order to establish your level of compliance against the ISO 9001:2015 Standard. The body of the audit report will contain questions that your auditor will have asked during their site audit along with the findings as a result. The identified non-conformances and observations are summarised in the “Report Summary” at the end of this document.

## **METHOD OF AUDIT:**

An initial conversation took place with the management representative to confirm the scope and boundaries of your certification and discuss any changes to the Quality Management System.

A full analysis of a selection of your operating processes took place against the requirements of the ISO 9001:2015 Standard to prepare this Audit Report, detailing all areas of compliance and non-compliance. This has been obtained through interview, witnessed evidence, sample auditing.

NB: It may not be possible to identify all existing non-conformances within the organisation as we carry out sample audits.

Based on the auditor’s findings, this report has been compiled at the conclusion of the audit and your auditor will have discussed the actions you must address in order to maintain your certification.

## **AUDIT SUMMARY:**

### **Grade 1 Pass:**

TIAA Ltd has an effective quality management system that meets the requirements of this international standard.

# Joint Audit Committee



## Title: OPCC Risk Management Monitoring

**Date: 2 November 2022**

**Agenda Item No: 16a**

**Originating Officer: Joanne Head, OPCC Governance Manager**

**CC:**

### **Executive Summary:**

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

### **Recommendation:**

That, the committee notes the changes regarding the OPCC's strategic risk register, the oversight undertaken of the Constabulary's risk management; and the front sheet of the OPCC's operational risk register.

## **1. Introduction & Background**

1.1 The Office of the Police and Crime Commissioner (OPCC) is responsible for providing policing services within Cumbria. To enable it to carry out this function effectively it must monitor and react appropriately to risks. The Joint Audit Committee as part of their role, ensures that the OPCC is actively managing strategic risks and one member of the committee has been appointed as the lead member for risk.

## **2. Issues for Consideration**

### Strategic Risk Register

2.1 Appended to this report at Appendix 1 is the OPCC's strategic risk register, which has been reviewed and updated since the last meeting of the Committee. There are 4 identified risks, these being:

- R1 - Strategic Finance
- R2 - The Emergency Services Mobile Communications Programme
- R3 – Insurance
- R4 – Fire and Rescue Governance

- 2.2 The scoring for R1 remains at 9. 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. The current level of inflation is raising concerns as to its impact on the budget and recent Government announcements that it intends to reduce public expenditure may exacerbate the budgetary pressure. This risk may also be impacted as a result of the announcement that the Home Office intends to undertake a review of the Police Funding Formula, but it's implementation date in 2023/24 now looks increasingly unlikely. This risk will be continually monitored as part of the budget and MTF setting process during the autumn and will be re-evaluated once the 2023/24 grant settlement is known.
- 2.3 Risk R2 - it has recently been announced nationally that there will be a significant delay in the roll-out of the ESMC Programme. It has therefore been decided to close this risk until a new programme plan is announced.
- 2.4 Risk R3 re insurance - there has been a significant increase in costs and some procurement difficulties, however cover has been secured for 2022/23 including Cyber. This risk will be removed from the register.
- 2.5 Risk 4 re Fire Governance has been updated following the Home Secretary's decision at the beginning of August 2022. The OPCC continues to work with officials from the Home Office and DLUHC with regards all financial aspects to secure a sustainable budget for the Fire & Rescue Service from 2023 onwards.

### Operational Risk Register

- 2.6 The OPCC has also reviewed its operational risk register, rationalising it to reflect the operational risks it faces. A review of the operational risk register is carried out on a quarterly basis with all staff being required to review their own risks and make any necessary changes and updates. The OPCC Executive Team consider both the strategic and operational risk registers every quarter as part of their meetings. A copy of the front sheet is attached at [Appendix 2](#). This illustrates whether the scores for the individual risks have risen, remained the same or decreased and assists the Committee to understand how the risks are managed.
- 2.7 A number of low scoring operational risks remain on the register, these being Risks 3 Financial Governance, Risk 4 Shared Services, and Risk 5 Asset management. They remain to show illustrated monitoring of these areas of business which are important to the OPCC's overall Governance regime.
- 2.8 There still remains a risk that staff could still contract COVID-19 infection, particularly as we head into the autumn and winter months when cold and flu infections rise. All staff have been advised that should they contract COVID 19 then they should work from home to avoid spread of the virus. The OPCC will ensure staff adhere to any updated recommendations or restrictions and its Business Continuity Plan would be invoked should a number of staff become ill at any one time.



- 2.10 The OPCC Chief Executive met with the Constabulary's Lead for Risk Management on 7 November 2022. This was as part of the OPCC's quarterly oversight of the Constabulary's strategic risks.
- 2.11 Discussions took place in relation to the two separate risk registers, the risks identified therein and any risks that may impact upon the other organisation which may need to be recorded within the relevant strategic risk register if it does not already appear. Both the OPCC and Constabulary's strategic risk registers retained risks in relation to Strategic Finance with appropriate scoring. The Constabulary will report further on their strategic risk register at the meeting.

### **3. Implications**

- 3.1 Financial - the inability of the OPCC to successfully identify and manage its organisational and strategic risks could impact financially on not only the OPCC but Cumbria Constabulary and other partner organisations which are financially dependent.
- 3.2 Legal - the OPCC could face legal challenge on some areas of its business, therefore it is essential that these are identified at an early stage and effectively mitigated and managed.
- 3.3 Risk - if the OPCC does not identify and mitigate risks then it may mean that the OPCC cannot carry out its statutory function efficiently and effectively.

## OFFICE OF THE POLICE & CRIME COMMISSIONER – STRATEGIC RISK REGISTER

Risk Mitigation Strategies:	
<b>Avoid</b>	Stop the risk completely or stop it having an impact.
<b>Reduce</b>	Reduce the likelihood and/or impact of the risk
<b>Transfer</b>	Outsource, use contractors or insure against things going wrong
<b>Accept</b>	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	9 ↔	Chief Executive	Joint Chief Finance Officer	No	This risk will be subject to continual monitoring during the budget and MTFP setting process through the autumn and will be re-evaluated once the 2023/24 grant settlement is known.	March 2023
R2	The Emergency Services Mobile Communications Programme (ESMCP)		Chief Executive	Chief Executive / Constabulary Lead Officer		It has recently been announced nationally that there will be a significant delay in the roll-out of ESMCP. It has therefore been decided to close this risk until a new programme plan is announced.	
R3	Insurances		Chief Executive	Chief Finance Officer		There has been a significant increase in costs and some procurement difficulties, however cover has been secured for 2022/23 including Cyber. This risk will be removed from the register.	
R4	Fire & Rescue Service Governance	12 ↔	Chief Executive	Joint Chief Finance Officer	Yes	The OPCC continues to work with officials from the Home Office and DLUHC with regards all financial aspects to secure a sustainable budget for the Fire & Rescue Service from 2023 onwards	February 2023

Scores:

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

### POLICING AND CRIME OBJECTIVES



<b>Risk No:</b> <b>R1</b>	<b>Risk Title:</b> <b>STRATEGIC FINANCE</b>	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.  <b>Police &amp; Crime Plan Objectives – 1</b> Focus on Crime & Causes of Crime; <b>2</b> Visible & Effective Police Presence; <b>3</b> Focus on Victims; <b>4</b> Prevent Offending & Reduce Reoffending; <b>6</b> Ensuring the Police are at the Forefront of the Response; <b>7</b> Integrating Blue Light Services
------------------------------	--	---

Risk Mitigation Strategies:	
<b>Avoid</b>	Stop the risk completely or stop it having an impact.
<b>Reduce</b>	Reduce the likelihood and/or impact of the risk
<b>Transfer</b>	Outsource, use contractors or insure against things going wrong
<b>Accept</b>	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 of .....failure to.....)	What is the consequence of the described risk? (Results in.....leads to.....)	Unmitigated Score			Mitigated Score			Risk Owner & Mitigation Strategy (Avoid, reduce, transfer, accept)	Current Controls in Place to Mitigate the Risk	Actions			Action Owner(s)	Review Date
		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score			Assurances	Future or further actions to be taken			
Reduction in real term resources within the medium term time horizon to provide sufficient funding for the Commissioner and Constabulary to deliver current levels of policing service. Current government funding protection is only provided in cash terms, requiring the Commissioner to meet inflation and other service pressures from increased precept or savings. This risk may be impacted as a result of the announcement that the Home Office intends to undertake a review of the Police Funding Formula for implementation in 2023/24, but as the make-up of the formula are unknown at this stage the risk score has not been amended.	This risk may lead to a reduction in the level of police services and/or result in Cumbria Constabulary not being viable as an independent force. Alternative options for delivering a police service in Cumbria may have to be considered. This may impact on the extent to which services respond to local needs in Cumbria. During the period of change there may be reductions in public assurance/confidence.	4	4	16	3	3	9	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. Both the 2020/21 and 2021/22 grant settlements were more favourable than expected providing appropriate funding for additional officers recruited as part of Operation Uplift and continued flexibility to raise council tax. However, this does not fully alleviate the longer-term concerns regarding the sustainability of Government funding and in particular the impact of increasing inflationary pressures. On balance the short-term risk has been left unchanged despite current levels of inflation	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	December 2022	

									as the level of government support is uncertain at this point. This risk will be subject to continual monitoring during the budget and MTF setting process through the autumn and will be re-evaluated once the 2023/24 grant settlement is known.				
--	--	--	--	--	--	--	--	--	--	--	--	--	--

<b>Risk No:</b> <b>R2</b>	<b>Risk Title:</b> <b>Emergency Services Mobile Communications Programme</b>	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.  <b>Police &amp; Crime Objectives:</b> 1 Focus on Crime & Causes of Crime; 2 Visible & Effective Police Presence; 4 Preventing Offending & Reducing Reoffending; 6 Ensure the Police are at the Forefront of the Response; 7 Integrating Blue Light Services
------------------------------	---	---

Risk Mitigation Strategies:	
<b>Avoid</b>	Stop the risk completely or stop it having an impact.
<b>Reduce</b>	Reduce the likelihood and/or impact of the risk
<b>Transfer</b>	Outsource, use contractors or insure against things going wrong
<b>Accept</b>	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 of .....failure 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 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. Recent cost updates have indicated that forces will have to meet an increased share of the cost, hence an increase in the risk score.	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	4	3	12	Chief Executive (Reduce)	The Commissioner is working regionally with other Northwest 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 Feb 2022 Financial modelling based on a national finance model has added a further £3m to the forecast capital cost of the project over 10 years.  Update Nov 22 it has recently been announced nationally that there will be a significant delay in the roll-out of ESMCP. It has therefore been decided to close this risk until a new programme plan is announced.	Chief Executive	

<b>Risk Number:</b> <b>R3</b> <b>(Op 06)</b>	<b>Risk Title:</b> <b>Insurances</b>	The Commissioner and Chief Constable take out insurance to transfer the financial risks in respect of a range of liabilities/risks including public and employee liability, assets, investment fraud.  <b>Police &amp; Crime Plan Objectives:</b> 2 Visible & Effective Police Presence; 6 Ensuring the Police are at the Forefront of the Response
--	---	---

Risk Mitigation Strategies:	
<b>Avoid</b>	Stop the risk completely or stop it having an impact.
<b>Reduce</b>	Reduce the likelihood and/or impact of the risk
<b>Transfer</b>	Outsource, use contractors or insure against things going wrong
<b>Accept</b>	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 of .....failure 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)	
Failure to adequately insure the organisation against all of the risks that it faces and/or failure to procure sufficient insurance cover/failure of the insurance provider	Potential significant financial implications should either the insurer fail commercially or the insurance cover taken fall short of the full liability incurred	4	2	8	2	2	4	Chief Executive Reduce/Accept	An insurance broker is procured to provide specialist advice on the level of cover. Broker advice includes a rating for the financial stability of the insurance provider. Deputy CFO provides detailed insurance schedules to ensure broker and insurers have a full understanding of the business and risks. Business managers in specialist areas are asked to advise on options regarding additional/bespoke insurance policies. Annual report from the Director of Legal in respect of significant public and employee liability claims.	Bi-annual external actuarial review of levels of insurance liability against existing provision and reserves.  Decisions on level of cover and whether to self-insure are taken for review to the Executive Board and determined by the Commissioner and Chief Constable providing further scrutiny.  Recent insurance renewals have raised concerns that Cyber insurance may be difficult to procure in future. Negotiations are on-going.  Nov 22 Update – Insurance cover has been secured for 2022/23 including Cyber. However, there has been a significant increase in costs and some procurement difficulties.	Update Feb 2022 The insurance renewal tender exercise for autumn 2022 is well advanced.	Chief Finance Officer	November 2022

Risk Number: <b>R4</b> (Project R3)	Risk Title: <b>Fire &amp; Rescue Governance</b>	Police & Crime Plan Objective 7 – Integrate Blue Light Services <ul style="list-style-type: none"> <li>Continue to build relationships between blue light services (Police, Fire and Ambulance services) to ensure they are run as efficiently as possible</li> <li>Understand the implications of Local Government Reorganisation for policing and other local services</li> </ul>
---	--	---

Risk Mitigation Strategies:	
<b>Avoid</b>	Stop the risk completely or stop it having an impact.
<b>Reduce</b>	Reduce the likelihood and/or impact of the risk
<b>Transfer</b>	Outsource, use contractors or insure against things going wrong
<b>Accept</b>	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 of .....failure 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				Action Owner(s)	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			
There is a risk that the final Fire & Rescue Service budget agreed with Cumbria County Council is lower than estimated in the business case.  <b>This risk has been revised following the Home Secretary's decision at the beginning of August 2022</b>	This will result in a reduction in the revenue budget available for the Fire & Rescue Service, which will impact on the level of borrowing required to finance an annual capital programme.  This will result in the service having insufficient revenue and capital funding for current and future requirements, leading to financial pressures and an inability to invest	4	4	16	4	3	12	Reduce	<p>The County Council's allocation of the capital programme makes very little recognition of the capital needs of the service. The OPCC Chief Executive Team and Chief Fire Officer continue to engage in the disaggregation process of the budget to discuss all financial aspects to secure a sustainable budget. The OPCC Chief Executive is also working closely with Home Office officials to gain assurances on the budget.</p> <p>Work is now underway to develop the Fire &amp; Rescue Service budget for 2023/2024.</p> <p>The OPCC Chief Executive Team and Chief Fire Officer are engaged in ongoing discussions with Cumbria County Council. The</p>	<p>The Commissioner's Chief Finance Officer has undertaken a financial due diligence exercise, using Cumbria County Council's 2021/2022 financial outturn and details of the 2022/2023 budget, to identify a draft budget for the Fire &amp; Rescue Service for 2023/2024 and a Mid-term Financial Forecast. The assessment shows the budget is affordable. This information is being used to inform negotiations with the County Council.</p> <p>The Chief Finance Officer, and his team, are working with financial leads in Cumbria County Council to develop and negotiate a budget for 2023/2024 and a Mid-term Financial Forecast. This work is being overseen by the OPCC Chief Executive Team and shared with Home Office officials.</p>	The OPCC continues to work with officials from the Home Office and DLUHC with regards all financial aspects to secure a sustainable budget for the Fire & Rescue Service from 2023 onwards	Chief Executive Team	January 2023	

									<p>disaggregation of the County Council's budget will be approved by the end of September 2022. The OPCC Chief Executive Team has liaised with officials in the Home Office and Department for Levelling Up, Housing &amp; Communities (DLUHC) to gain assurances on the budget.</p> <p>Work is also underway to develop the 2023/2024. The OPCC Chief Executive Team has liaised with officials in the Home Office and Department for Levelling Up, Housing &amp; Communities (DLUHC) to gain assurances on the budget</p>				



## OFFICE OF THE POLICE & CRIME COMMISSIONER – OPERATIONAL RISK REGISTER

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

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

			Risk Owner		Actions		Reviews
Risk No.	Risk Title	Total Score (direction of travel)	Risk Owner	Action Owner	Any outstanding actions YES/NO	Actions and dates to be completed	Date of review
<b>FINANCE</b>							
01	Budget Management	6 ↔	Joint Chief Finance Officer	Deputy CFO	No	Current forecasts indicate expenditure for 2022/23 is above budget, but can be covered by reserves.	May 2023
02	Investment Counterparty Risk	3 ↔	Joint Chief Finance Officer	Deputy CFO	No	None	May 2023
03	Financial Governance	2 ↔	Joint Chief Finance Officer	Deputy CFO	No	None	May 2023
04	Shared Services	2 ↔	Chief Executive	Deputy Chief Executive	No	Governance agreements will be reviewed on an on-going basis.	May 2023
05	Asset Management	2 ↔	Chief Executive	Chief Finance Officer	No	None	May 2023
06	Insurance	4 ↓	Chief Executive	Chief Finance Officer	No	None	May 2023
<b>PARTNERSHIPS &amp; COMMISSIONING</b>							
08	Partnerships & Collaboration	6 ↔	Chief Executive	Partnerships and Strategy Manager	Yes	Funding requirements are being shared with Shadow Authority Leaders/Chief Executives to feed into their budget decision process. The new ICBs (former CCGs) are being engaged to establish their position on funding from April 2023. Current contracts run until March 2023 (except for the SARC which has confirmed funding).	February 2023
<b>COMMUNICATION AND BUSINESS SERVICES</b>							
13	OPCC Business Disruption	3 ↔	Chief Executive	Governance Manager	No	Risks will be reviewed again as we enter the autumn and winter periods of 2022/23 to assess any actions necessary.	March 2023





## Joint Audit Committee

**TITLE OF REPORT:** Constabulary Risk Management Update

**DATE OF MEETING:** 23<sup>rd</sup> November 2022

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

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

### Executive Summary:

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

As part of this process, quarterly quality assurance checks of all departmental and operational risk registers are completed, to ensure that risk is effectively managed across the organisation. The Strategic Risk Register was reviewed by the Chief Officer Group on 7<sup>th</sup> November 2022.

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

- PIP 2 detectives – reduce risk score
- Capacity and capability of the analytical resource – reduce risk score
- Risk 48 - ESMCP – wording of risk updated, and risk score reduced
- Risks 49 and 50 (ESMCP) CLOSED
- Local Government Reform – reduce risk score
- Deployable AFO resilience – wording of risk updated, and risk score reduced
- New risk added in relation to Firearms Licensing
- New risk to be formulated in relation to Vetting

### Recommendations:

**That the Joint Audit Committee:**

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

## MAIN SECTION

### 1. Introduction and Background

#### 1.1 Strategic Risks

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

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

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

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

1. Tackling criminality
2. Helping those in need
3. Connecting with communities

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. Failure to deliver Cumbria Vision 25 and its associated efficiency plan.
3. Covid-19.
4. Serious Crime within the Constabulary will not be investigated by trained and accredited PIP 2 detectives.
5. Capacity and capability of the analytical resource in the force is insufficient to meet demand, and key strategic products are not being produced.
6. ESMCP and ESN potentially breaching the Constabulary's risk capacity, the lack of timelines, costs, and solution creates significant difficulty to manage the risk.
7. Local Government Reform.
8. Resourcing unable to meet demand levels.
9. Lack of deployable AFO resilience – wellbeing of officers.
10. Firearms Licensing - lawfully held firearms are not sufficiently tracked and traced as per FAL APP and other national guidelines – **NEW**
11. **NEW** risk around Vetting to be formulated.

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's core policing objectives the risks link to.

## Strategic Risk Register

Risk Ref No	Responsible Officer(s)	Risk Description	Initial Score			Latest Score			Link to Strategic Objectives	Summary of mitigating actions already taken - update
			Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		
28	Chief Financial Officer / Director of Corporate Support	<p>There may be a detrimental and significant impact on the available budget and a requirement for substantially increased savings, as a result of:</p> <ul style="list-style-type: none"> <li>a combination of the inflationary pressures on police budgets particularly pay</li> <li>the lack of provision for inflation in Government grant allocation</li> <li>proposed changes to police pension contributions</li> <li>the impact of national projects and initiatives such as ESN and PEQF, and</li> <li>potential changes to the police funding formula (including the removal of dampening funding)</li> </ul> <p>This would result in a compromise to public safety, significant loss of public confidence and serious damage to the Constabulary's reputation.</p>	5	5	25	4	4	16	All	Concerns over the impact of inflationary pressures and potential reductions in public spending on the MTFF are if anything, escalating. Score is unchanged at present pending preparation of the detailed 2023/24 budget and receipt of the grant settlement.
2	Director of Corporate Improvement & Director of Corporate Support	The Constabulary may not have the capacity to deliver the Cumbria Vision 25 and its associated Efficiency Plans. If this risk occurs the Constabulary would have to find further savings.	5	2	10	4	4	16	All	Continue to work with the Assistant Chief Officer (ACO) and Chief Finance Officer (CFO) to track the impact of investment and savings decision made. Review of further savings opportunities to be progressed as part strategy refresh and annual revenue/capital budget setting processes alongside the development of new

Risk Ref No	Responsible Officer(s)	Risk Description	Initial Score			Latest Score			Link to Strategic Objectives	Summary of mitigating actions already taken - update
			Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		
									target operating models for operational and corporate activities.  Although the savings requirements are likely to rise due to a combination of inflation and public sector spending restraint, propose that for the moment the risk score remains unchanged. This will be reassessed once the outcome of the budgets / MTFF and grant settlement for 2023/24 are known. Whilst we don't have robust plans for making those savings as yet, we are actively aware of the challenge, and it is very much part of the forward budget planning.	
42	ACC	The Constabulary is unable to maintain business as usual through the high abstraction of staff; procurement constraints, and change in demand profile, caused by the spread of Covid-19 This would result in the Constabulary diverting resources to maintain core functions.	5	4	20	5	2	10	All	Internal communications to be undertaken to minimise the impact of Covid-19 whilst balancing the need to minimise the organisational/operational impacts.
46	Det Supt Crime	Serious Crime within the Constabulary might not be investigated by trained and accredited PIP 2 detectives, caused by an insufficient number, which may result in a poor service to victims, staff welfare concerns, and reputational damage.	4	3	12	3	3	9	All	The situation has improved. We have good numbers with the exception being in Westmorland & Furness where they have several gaps.  We are also conducting some significant drives around transferees and the direct entry detective course has been uplifted to 22 which starts soon.

Risk Ref No	Responsible Officer(s)	Risk Description	Initial Score			Latest Score			Link to Strategic Objectives	Summary of mitigating actions already taken - update
			Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		
									<p>As such the picture around detective recruitment is looking better and the focus has now switched to retention.</p> <p>To remain on the register until we have everyone accredited and a stable picture to gauge this off.</p> <p>To mitigate the identified gaps in W&amp;F transferee detectives will be posted to W&amp;F as a priority.</p> <p>Impact score to be reduced from 4 to 3.</p>	
47	Temp Ch Supt, Commander Standards, Insight and Performance	Insufficient capacity and capability of analytical resource to meet demand and key strategic products.	4	5	20	2	2	4	All	Following the approval of an increase in resources the risk score is reduced to 2x2.
48	ESMCP Programme Executive	ESMCP and ESN have the potential to breach the Constabulary's risk capacity, caused by unknowns around the device security, device availability, H&S concerns, and the availability of in-building coverage.	3	3	9	3	2	6	All	<p>NPCC has been informed that there will be significant delays to the roll out of the national programme (circa 5 years). As such regional assets are being closed down and returned to force.</p> <p>It is expected that due to fiscal challenges this programme will receive central govt scrutiny prior to its relaunch. In the interim the Constabulary is reviewing the working life cycle of existing assets.</p> <p>Wording of the risk updated to reflect this.</p>

Risk Ref No	Responsible Officer(s)	Risk Description	Initial Score			Latest Score			Link to Strategic Objectives	Summary of mitigating actions already taken - update
			Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		
									Likelihood score to be reduced from 3 to 2.	
51	DCC	As a result of local government reform multi-agency / partnership working will need to be redefined; existing relationships could be lost, and mismanagement of information may occur during the changeover period. This is the realigning of council boundaries in moving to 2 unitary authorities and could result in lack of information sharing and vulnerable people being exposed to an increased risk of harm.	4	5	20	2	1	2	All	<p>The internal restructures launched successfully on 05/09/22. Work is now underway to collaborate with partners to establish what partnership arrangements will/should look like.</p> <p>Following the smooth transition to the new structure within the Constabulary, impact score to be reduced to 2, and likelihood score reduced to 1.</p> <p>Risk to remain on the Strategic Risk Register until LGR goes live in the County.</p>
52	ACO	Resourcing is unable to meet demand levels with the potential that we fail to resource calls for service. This is caused by PEQF abstraction rates; high numbers of movements to other departments; mutual aid requests; increased training abstractions; organisational restructure. It could result in loss of public confidence, and reputational damage to the Constabulary. Damage to officer wellbeing and organisational risk around retention of officers. Financial cost in increased overtime payments. Reduction in performance and compliance. Restricted capability in neighbourhood policing. Increased pressure on duties management	4	4	16	4	3	12	All	<ul style="list-style-type: none"> <li>- Regular monitoring at Workforce Board</li> <li>- Increased intake of transferee resource</li> <li>- Consideration for balancing organisational gaps.</li> <li>- OS support for resourcing gaps.</li> </ul> <p>The new Target Operating Model (TOM) has been put in place and will be reviewed once the structures from the LGR take effect on 1<sup>st</sup> April 2023. In terms of Op Uplift this is monitored weekly by COG and the Constabulary is currently short of its target by 60 constables (due by 31<sup>st</sup> March 2023).</p> <p>Risk owner changed to ACO Shackleton.</p>

Risk Ref No	Responsible Officer(s)	Risk Description	Initial Score			Latest Score			Link to Strategic Objectives	Summary of mitigating actions already taken - update
			Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		
		and reduced levels of service to the public and partners.								Wording of the risk itself updated to reflect the new BCU structure.  Risk score remains unchanged.
53	Supt Operations	There is a risk of a detrimental effect on officer wellbeing, caused by regular variations on shift patterns to ensure the Constabulary has consistent and robust resources to maintain adequate Armed Response Vehicle provision in line with STRA.	4	4	16	2	3	6	All	Wording of the risk has been amended to reflect officer wellbeing.  We are running an Initial Firearms Course which is due to conclude on 25 <sup>th</sup> November 2022. Upon conclusion of this course a further assessment will be done to ascertain the number of Authorised Firearms Officers available and deployable to crew the Armed Response Vehicle.  Impact Score reduced to 2, and likelihood score reduced to 3.
54	T/Ch Supt Standards, Insight & Performance	That lawfully held firearms are not sufficiently tracked and traced as per FAL APP and other national guidelines. Caused by legacy staffing shortages in the department which is exacerbated by records currently being held on a paper based system, and compounded by the Covid pandemic. This has led to insufficient resource at present to remedy demand.	4	5	20				All	A Gold Group is being chaired by ACC Blackwell and meets regularly. The actions being progressed to date are as follows; <ol style="list-style-type: none"> <li>1. The Constabulary recently took the difficult decision to cease accepting any new firearm or shotgun grant applications until at least January 2023 (except for those which are required for legitimate working needs), to enable us to address the existing backlogs and focus on the transformation programme.</li> <li>2. The Firearms Licensing Department have issued temporary permits to those who are eligible,</li> </ol>



Risk Ref No	Responsible Officer(s)	Risk Description	Initial Score			Latest Score			Link to Strategic Objectives	Summary of mitigating actions already taken - update
			Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		
									<p>and these will be converted to substantive certificates as soon as practicable.</p> <p>3. The National Police National Database team have also agreed to assist the force to data wash all Firearms License holders in Cumbria through the PND to better understand and deal with identified risk</p> <p>4. Previously authorised work on-going to digitalise all records and processes to manage demand more effectively in the future. This has led to a huge investment in terms of staffing, new case management systems (CYC-Firearms), and public facing portals (Single Online Home). This transformational programme of work is expected to achieve full digitisation by Q1 2023.</p> <p>A multi-faceted departmental action plan has created, aimed at addressing all known risks identified.</p>	

**Risk Tolerance Levels**

<p><b><u>Risk Score 1-4</u></b>          Acceptable.          No action is required but continue monitoring.</p>	<p><b><u>Risk Score 5-12</u></b>          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><b><u>Risk Score 15-25</u></b>          Unacceptable. Urgent attention is required. Investigate and take steps to mitigate or avoid within a specified short term.</p>
--	---	---

## 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

<b>Appendix 1</b>	Risk Scoring Matrix
-------------------	---------------------

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



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

**Joint Audit Committee: 23 November 2022**

**Originating Officer: Michelle Bellis, Deputy Chief Finance Officer,**

**Agenda Item 17 (a)**

## Introduction

The Police Reform and Social Responsibility Act 2011 requires the PCC to appoint a Chief Executive and a Chief Financial Officer (CFO), the act also requires the Chief Constable to appoint a CFO. 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.

Roger Marshall has now indicated his intention to retire with effect from 31 March 2023. As a result of this, and the fact that the Commissioner is to take responsibility for fire governance from 01 April 2023 by becoming the "Cumbria Commissioner Fire and Rescue Authority", the decision has been taken to create two new separate posts in relation to Chief Finance Officer (section 151 Officers). There will be one Chief Finance Officer for the PCC and Fire and another for the Constabulary. The details of the posts are currently being finalised and recruitment will commence in mid-November.

**Statutory background** - 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.

While the changes to the CFO role are being finalised and progressed, it has been determined that as part of the arrangements for reviewing governance within the OPCC and Constabulary the role of the current Joint Chief Finance Officer be formally assessed against the CIPFA role. The attached form documents the review and sets out how compliance is achieved with the CIPFA CFO responsibilities. Once new arrangements and individuals are in place, this review will be revisited for the individual posts.

In March 2021, CIPFA published their guidance document “the role of Chief Finance Officers in Policing” this document specifically relates to the role within policing where previous publications were generic in relation to local government bodies. The police specific guidance builds heavily on CIPFAs statements on the role of the CFO in public services and the role of the CFO in local government.

Combined CFO arrangements do not contravene the provisions of the 2011 Act or the Policing and Crime Act 2017. However, PCC and Chief Constables need to make proper arrangements, anticipating where risks could arise, and should include potential safeguards such as:

- Including separate deputy CFO roles.
- An annual review by the Joint Audit Committee to ensure that the Joint CFO is not subject to undue pressure by either the PCC or Chief Constable.
- Use of internal audit, external audit, HMICFRS, peer review or professional accountancy bodies to offer advice on specific issues.

All parties should be aware that the CFO’s responsibilities also include a wider stewardship role on behalf of the public, which is a key aspect of their independence. The annual governance review should include an evaluation of the risks.

Within Cumbria, the risks and arrangements in the event of conflict are documented in a Joint CFO Protocol. **The arrangements described above will no longer be relevant in the event that there will be separate CFOs from April 2023.**

The CIPFA guidance also provides for the possibility for PCCs to take responsibility for Fire and Rescue under the Policing and Crime Act 2017. This aspect has not been examined in any great detail at the moment whilst plans for Local Government Reform in Cumbria are finalised.

The CFO occupies a critical position in any organisation, holding the financial reins of the business and ensuring that resources are used wisely to secure positive results.

The CIPFA guidance sets out the five principles that recognise the core activities and behaviours attaching 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. Throughout this document, **text in green** highlights for members where there has been a change from the previous document presented in 2021.

## 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/or 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 Strategic Change, Performance, Workforce; Business Support; Digital Policing and Operational Policing. 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 West Cumbria Estate Board.

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 twice weekly 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 Leading or 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 His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) value for money profiles.

### 1.5 Contributing to the development of partnerships in order to deliver objectives.

All significant partnership arrangements are approved by the Chief Officer Group and PCC. The Joint CFO is therefore afforded the opportunity to scrutinise and contribute to partnership arrangements, with particular emphasis on financial governance.

## 1.6 The PCC's and CC's CFO should consult and agree the arrangements for:

- Leading development of a medium term financial strategy 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.

- 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 5 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.

- 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.

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

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.

- 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.

- 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 and planning delivery 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 5 years (revenue) and 10 years (capital). The change programme **aims to develop** 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 Implementing 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 five years are fully funded.

#### 2.4 Ensuring that alternative delivery models, 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 Co-ordinating the planning and budgeting processes

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.

## 2.8 Maintaining investment in strategic asset management

The Joint CFO works closely with business leads responsible for assets such as estates, fleet and ICT to ensure that business planning with respect to these strategic assets is considered as part of the budget and MTF setting processes.

## Influencing decision making

### 2.9 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, West Estate. 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.

### 2.10 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 **current** 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. **From 2023/24 there will be separate CFOs for PCC/Fire and the Constabulary which will mean that this conflict protocol will no longer be required.**

### 2.11 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.



## 2.12 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.

## 2.13 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 normally in attendance to respond on questions regarding the operational implications of resource constraints.

## 2.14 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 5 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.

## 2.15 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**

## 2.16 Monitoring and reporting on financial performance 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 receives a quarterly financial update at the relevant 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.

#### [2.17 Ensuring that timely management accounts are prepared.](#)

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

#### [2.18 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.

#### [2.19 Monitoring the service impact of third-party contracts on the delivery of organisational objectives.](#)

The Joint CFO is a member of the Contract Awards Board which scrutinises the letting of third party contracts and is able to input to such contracts in terms of the procurement process, financial implications and value for money. The Joint CFO, as part of the PCC Executive Team, is also sighted on significant commissioning activities and performance framework.

## 2.20 Monitoring the longer-term financial impact of third-party contracts.

Through the triangulation of business plans, participation in the work of the Contracts Awards Board and the budget and MTF setting processes, the Joint CFO and finance team are able to monitor and model the impact of third party contracts on the financial position and highlight any trends.

**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 the improvements 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. The introduction of cost centre management as part of the migration to the Oracle Fusion system is a step towards encouraging greater budget holder accountability.

### **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. As part of the Constabulary's involvement in the Achieving Financial Excellence in Policing initiative bespoke training is to be developed for budget holders and will be rolled out in 2023 with a programme of internally delivered refresher training when budget holders change.

### 3.3 Actively promoting good financial management throughout all partnerships and alternative delivery models.

Significant partnerships require a business case and approval from the Chief Officer Group and PCC. This provides opportunity for the Joint CFO and wider finance team to have oversight of financial arrangements of the partnership and specific scrutiny of the Constabulary / PCC resource input, governance arrangements and value for money.

### 3.4 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 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 led 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.

### 3.5 Ensuring effective oversight of partnerships through monitoring and access to information.

The Joint CFO is able to monitor partnership arrangements through scrutiny of business cases and subsequent budget monitoring. The focus is specifically on Constabulary / PCC financial inputs and performance through the wider governance processes of the Constabulary and PCC.

## Value for money

### 3.6 Challenging and supporting decision makers, especially on affordability and value for money, by ensuring policy and operational proposals with financial and (as appropriate) non-financial implications are notified to and 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.

### 3.7 Ensuring that the reasons for selection of proposals that do not represent the most affordable solution or the best value for money are clearly justified and recorded.

As a member of the Chief Officer Group and PCC Executive Team the Joint CFO is able to influence business proposals and comment upon the validity of justifications where a proposal does not represent the most affordable solution or best value for money.

### 3.8 Advising on the financial thresholds for 'key' decisions.

The Joint CFO through leading on financial regulations and the scheme of delegation and being a consultee on other key governance documents such as arrangements for fraud and anti-corruption and joint procurement regulations is able to influence financial thresholds for key decisions.

### 3.9 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.

### 3.10 Managing long-term commercial contract values.

The Joint CFO as a part of the Contracts Awards Board and wider financial input into the contract awards process facilitates the effective management of long-term commercial contract values.

### 3.11 Taking a leading role in the evaluation of future 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**

### **3.12 Applying strong internal controls in all areas of financial management, financial 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.

### **3.13 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.

### **3.14 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.

3.15 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 detailed~~ 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.

3.16 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 on Local Authority Accounting in the United Kingdom.

~~Shared~~ A contract is in place for Internal audit arrangements ~~and these 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.

3.17 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.

3.18 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.

3.19 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.



### 3.20 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 and 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.

### 3.21 The PCC's CFO should ensure, in consultation with the CC's CFO, the effective management of cash flows, borrowing and investments of funds including those on behalf of others; ensuring the effective management of associated risks; and 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.

### 3.22 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.

### 3.23 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 laptop devices, and this has facilitated agile working throughout the covid-19 pandemic.

### 3.24 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.

### 3.25 Being alert to potential conflicts of interest and ensuring appropriate independent advice is available.

Having adopted a joint CFO arrangement for both the PCC and Chief Constable, the Joint CFO is aware of potential conflicts of interest and a protocol is in place to manage this eventuality.

## Assurance and security

### 3.26 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.

### 3.27 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.

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 publicly 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.

### 3.28 Supporting and advising the Joint 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.

### 3.29 Ensuring that clear, timely, accurate advice is provided on the considerations which can legitimately influence decisions on the allocation of resources.

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.

### 3.30 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.

### 3.31 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. As a result of the covid-19 pandemic, the statutory timescales have been amended for the financial years of accounts 2019/20, 2020/21 and 2021/22. The deadlines for 2020/21 and 2021/22 have been amended to 31 July for the unaudited statements and 30 November for the audited statements.

The financial services team achieved these tighter deadlines for two years in advance of the statutory requirement and during the covid pandemic were able to prepare and publish the draft subject to audit statements by the end of June, a month ahead of the revised deadline.

### 3.32 Certifying the annual Statement of Accounts (PCC's CFO and CC's CFO for their separate accounts) and the group accounts (PCC's CFO).

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

### 3.33 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.

### 3.34 Liaising with the internal and external auditor and to assist in the fulfilment of their responsibilities.

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 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 three years and demands on the team and work pressures remain high. In March 2021, an additional 1.6 FTE Financial Services Officer resources were approved with a commitment to review the establishment in 2-4 years with a view to returning to the previous establishment. The growth in the team was approved in response to increasing demands in terms of prolonged and increased external audit requirements, ongoing system implementation issues and the objective of ensuring continuous improvement in the main financial ledger system and recognition of work potentially required over the next 18 months as a result of Local Government Reorganisation in Cumbria. Financial Services resources at a senior level in the team are increasing stretched. During 2022, the financial services team has been hit by instances of long term sickness (one of which, at a senior level, continues to this date). A further increase in Financial Services Officer of 0.40 FTE has recently been approved and is currently being recruited to with the aim of alleviating some of the additional pressures currently being experienced.

### 4.3 Contributing to partnership delivery.

Through, strategic oversight, financial scrutiny of business cases and on-going financial monitoring the Joint CFO and wider finance team are able to contribute towards the successful delivery of partnership working.

### 4.4 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. ~~Since April 2022, internal audit services is currently have been provided through a County Council shared service with a management board attended by the Joint CFO. From April 2022, the contract with will move to an outsourced firm TIAA Ltd.~~

#### 4.5 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.

#### 4.6 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.

#### 4.7 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, whether directly or indirectly employed.

The Joint CFO has worked with the Deputy CFO to develop and fund a training and development policy for the finance function. ~~During 2021 the team saw success with two team members gaining their AAT qualification and one their CFIFA qualification through the apprenticeship route. ,the team is currently supporting one CIPFA apprentice and two AAT apprenticeships.~~ In addition, team members have undertaken risk management awareness training, treasury management training, VAT training and training on the new Oracle Fusion financial system. As part of the participation in the Cumbria Wide Accountancy Group (CWAG) CIPFA training has previously undertaken locally at HQ premises or other LA premises with costs being shared between attendee bodies, the covid-19 pandemic has meant that this shared face to face training has not been possible in the last ~~two~~ years. The majority of CIPFA development sessions has moved to online delivery, and as part of the CIPFA Achieving Financial Excellence in Policing Programme the PCC/CC have access to a number of subscription places on professional

development and technical update events per year. The Joint CFO and Deputy CFO attend sessions as part of the CFO Leadership Academy, which is also part of the AFEP Programme.

#### 4.8 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.

#### 4.9 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 equivalent.
- Understand public service finance and its regulatory environment.
- Apply the principles of public financial management.
- Apply relevant commercial skills and understanding to alternative delivery methods.
- 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.

Roger Marshall has announced his decision to retire from the role of Joint Chief Finance Officer from 31 March 2023. The OPCC and Constabulary have decided, in light of this announcement, to revert to having two separate CFOs, one for the Constabulary and one for the PCC and Fire as a result of the decision for the Commissioner to take on responsibility for governance for Cumbria Fire & Rescue Services from 01 April 2023. This document in relation to compliance with the CIPFA Role of the CFO will be revisited when the two new CFOs have been appointed.



## **Governance Arrangements for Cumbria Constabulary**

**Version 3.0 November 2022**

## Introduction

Objectives and goals drive what work is done; *benefits and principles* drive *how* it is delivered. As change is a constant in policing, we need to be agile to deliver. However, we also need to balance control and accountability so our governance arrangements must adhere to the following:

- Ensure that direction is provided
- Some element of control is exercised by the Executive
- Decision making is transparent through effective governance
- Full accountability is achieved through effective performance management

This document has been prepared to outline the defined levels of authority delegated throughout the Constabulary and is based on the following principles:

1. Having the right level of collaborative and inclusive governance to ensure decisions are not made in silo and that strategic objectives are aligned throughout the governance structure
2. That conflicted and non-complimentary decision making across different pieces of work is avoided
3. Decisions should be able to take place at a speed that doesn't frustrate the organisation's mission, a governance timetable has been setup to ensure the appropriate escalation for decision making can be granted in quick succession
4. Demonstrating that our internal controls are effective. In particular, there **must** be adequate control on both finance and headcount, as these are areas where the culmination of individual delegated decisions can have a particularly significant cumulative effect
5. Accountability for decisions must be clear
6. Requiring individuals to exercise personal responsibility and work with integrity
7. That the organisation becomes significantly more disciplined to achieve its objectives.

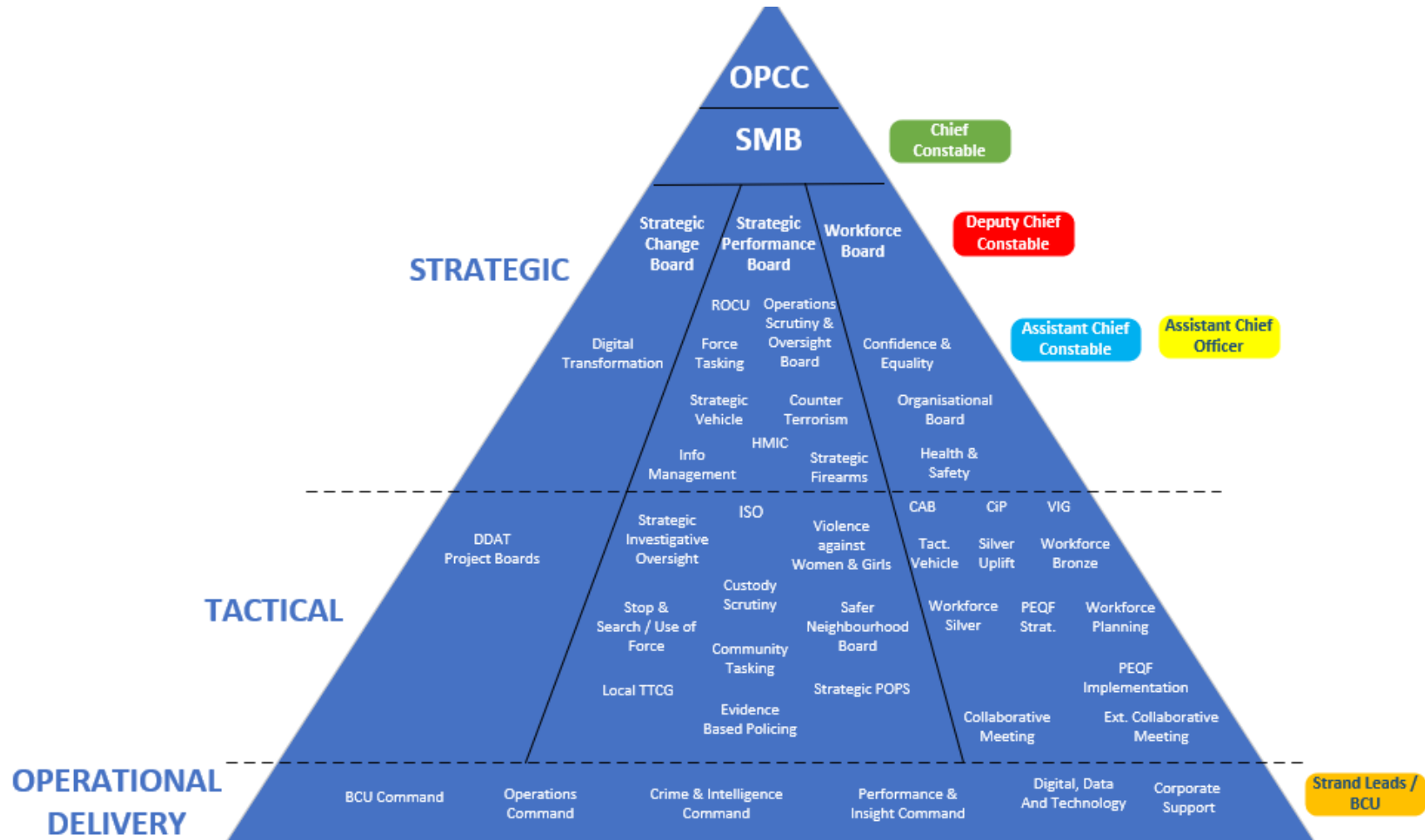
This document is part of a wider governance framework, which includes Financial Rules and Regulations, Budget Protocols, the Scheme of Delegation, Joint Procurement Regulations and a significant policy framework.

The approach outlined in this document must be consistent with the overall governance arrangements. In addition, governance and decision-making arrangements are affected by the OPCC Funding Agreement, which may also need to be negotiated and changed

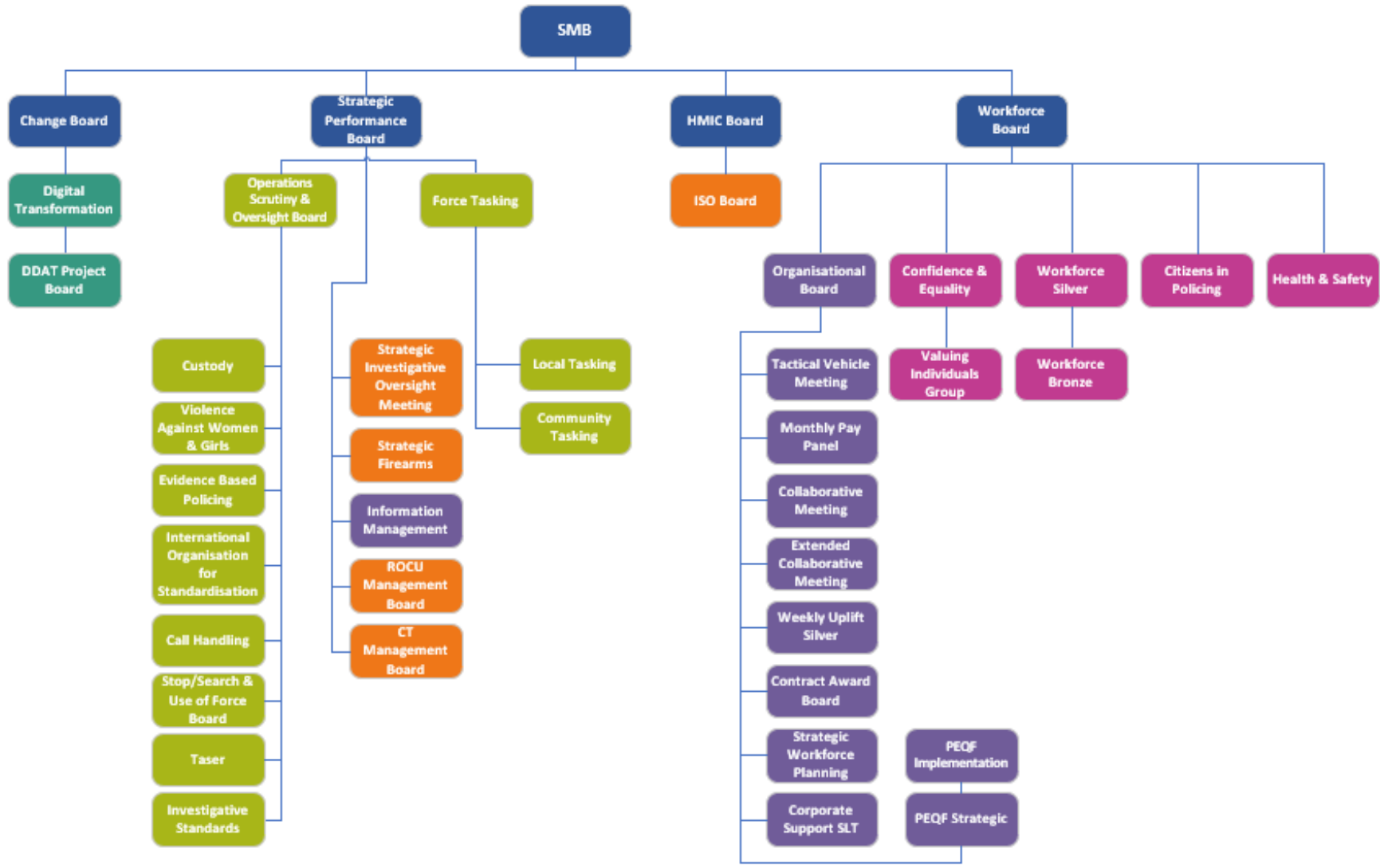
### **This document needs to be reviewed annually**

- |            |   |
|------------|---|
| Section 1  | Cumbria Constabulary Governance Model, 2022/23  |
| Section 2: | Detailed Cumbria Constabulary Governance Map  |
| Section 3: | Terms of Reference for Major organisational governance boards   |
| Section 4: | Tables of decision-making permissions organised by areas of business incorporating boards and roles. It is the intention that once the template is finalised this can be translated into a table of decision making permissions by role |

# Section 1: Cumbria Constabulary Governance Model, 2022/23



## Section 2: Cumbria Constabulary Governance Map



### **Section 3: Terms of Reference for major organisational boards**

# COG – Terms of Reference



Chair	Chief Constable	Vice Chair	DCC/ACC/ACO
Frequency	Twice Weekly	Duration	30 Mins - 1 Hour

**Purpose:** *Cumbria Constabulary's senior organisational board. Sets organisational vision and strategic intent. Considers decisions that have major consequences for the overall organisation*

## Objectives

- Determine Constabulary's overall vision and strategy
- Receives regular operational overview to ensure situational awareness and for purposes of consequence management
- Strategic Media Management
- Final approval Board for capital schemes, major business and technological change and major revenue developments
- Provides financial oversight, approving annual revenue and capital budgets. This includes proposals for financial growth or reduction in establishment as set out in Scheme of Delegation
- Chief Constable's oversight of Governance Boards, Decision making, Highlight and Exception reporting dashboards
- Delegate authority to Management Board to resolve issues and take actions and manage resources

## Members

- Deputy Chief Constable
- Assistant Chief Constable
- Assistant Chief Officer
- Duty Gold
- Joint Chief Finance Officer
- Head of Legal Services
- Head of Marketing & Comms

Invited key members of staff to report on specific business areas as and when required.



## Audit and Link to Documentation

Governance:			Chief Constable's PA	
To be noted/actioned/distributed by:				
Face to Face	No	Team Site	Yes	<a href="https://teams.microsoft.com/l/team/19%3a76d2804d0aab4ae6a4696758a7b43972%40thread.skype/conversations?groupId=a86bc1cd-e7e6-40a5-a444-d77c768dbea4&amp;tenantId=7ea6412d-a887-4942-951c-cd722827b11a">https://teams.microsoft.com/l/team/19%3a76d2804d0aab4ae6a4696758a7b43972%40thread.skype/conversations?groupId=a86bc1cd-e7e6-40a5-a444-d77c768dbea4&amp;tenantId=7ea6412d-a887-4942-951c-cd722827b11a</a>
Teams Meeting	Yes	OneNote	Yes	<a href="#">GRP CC COG Notebook (Web view)</a>
Meeting Recorded	No	Actions/Planner	Yes	<a href="#">GRP CC COG</a>
Minutes Recorded	No	Decisions	Choose an item.	<a href="#">GRP CC COG</a>
		Risk Register	No	N/A

To deliver an outstanding police service to *Keep Cumbria Safe*



## Strategic Management Board – Terms of Reference



Chair	Chief Constable	Vice Chair	Deputy Chief Constable
Frequency	Monthly	Duration	More Than 1 Hour

**Purpose - Cumbria Constabulary's senior organisational board. Sets organisational vision and strategic intent. Considers decisions that have major consequences for the overall organisation**

### Objectives

- Determine Constabulary's overall vision and strategy
- Receives regular operational overview to ensure situational awareness and for purposes of consequence management
- Strategic Media Management
- Final approval Board for capital schemes, major business and technological change and major revenue developments
- Provides financial oversight, approving annual revenue and capital budgets. This includes proposals for financial growth or reduction in establishment as set out in Scheme of Delegation
- Chief Constable's oversight of Governance Boards, Decision making, Highlight and Exception reporting dashboards
- Delegate authority to Management Board to resolve issues and take actions and manage resources
- Set & maintain force vision (Vision 25)
- Agree annual capital & revenue budgets
- Agree MTFF
- Ensure effective governance framework
- Monitors critical aspects of performance including receiving updates on critical incidents
- Consideration of public consultation findings and consequence management
- Approve scheme of delegation
- Production of Annual Force Management Statement

### Members

- Deputy Chief Constable
- Assistant Chief Constable
- Assistant Chief Officer
- Joint Chief Finance Officer
- Det. Chief Superintendent, Crime & Intel Command
- Chief Superintendent, Westmorland & Furness BCU
- Chief Superintendent, Cumberland BCU
- Chief Superintendent, Operations
- Chief Superintendent, Standards, Performance & Insight
- Director of Corp. Support
- Head of Legal Services
- Head of Marketing & Comms

Invited key members of staff to report on business areas as required.

### Audit and Link to Documentation

Governance: To be noted/actioned/distributed by:				
Face to Face	Choose an item.	Team Site	Choose an item.	Insert link to document here
Teams Meeting	Choose an item.	OneNote	Choose an item.	Insert link to document here
Meeting Recorded	Choose an item.	Actions/Planner	Choose an item.	Insert link to document here
Minutes Recorded	Choose an item.	Decisions	Choose an item.	Insert link to document here
		Risk Register	Choose an item.	Insert link to document here

To deliver an outstanding police service to *Keep Cumbria Safe*

# Strategic Performance Board – Terms of Reference



Chair	DCC Carden	Vice Chair	ACC Blackwell
Frequency	Monthly	Duration	Full Day

## Purpose

*Drive organisational performance and delivery of outcomes and benefits*

### Objectives

- To ensure the delivery of strategic intent
- To drive organisational improvement
- To understand thematic performance
- To challenge business and operational consistency, effectiveness, and implementation of best practice
- To seek assurance and updates from Senior Responsible Officers on key issues, exceptions, and progress
- To problem solve escalated issues, reallocating resources and raising actions where required

### Members

- Assistant Chief Constable
- Assistant Chief Officer
- Chief Superintendent, Performance & Insight
- Det. Chief Superintendent. Crime
- Chief Superintendent, W & F
- Chief Superintendent, Cumberland
- Director of Corporate Support
- Chief Finance Officer
- Head of DDaT
- Head of Legal Services
- Superintendents
- Det. Superintendents
- Head of Communications
- Staff Associations

Key enabling roles as and when business requires

## Audit and Link to Documentation

Governance: To be noted/actioned/distributed by: Supt Performance and Insight				
Face to Face	Yes	Team Site	Choose an item.	<a href="#">SPB Teams</a>
Teams Meeting	No	OneNote	Choose an item.	<a href="#">SPB OneNote</a>
Meeting Recorded	No	Actions/Planner	Choose an item.	<a href="#">SPB Actions</a>
Minutes Recorded	Yes	Decisions	Choose an item.	<a href="#">SPB Decisions</a>
		Risk Register	No	

To deliver an outstanding police service to *Keep Cumbria Safe*

## Workforce Board – Terms of Reference



<b>Chair</b>	Deputy Chief Constable	<b>Vice Chair</b>	Assistant Chief Constable or Assistant Chief Officer
<b>Frequency</b>	Monthly	<b>Duration</b>	More Than 1 Hour

### Purpose :

Maximising the capability of our workforce and ensuring Cumbria Constabulary has effective skills for operational & organisational delivery

### Objectives

- Ensure the development and enhancement of the Workforce
- Ensure that skill capability or capacity gaps identified at Force T&CG are fed into workforce planning
- Lead organisational appraisal, talent management & leadership development
- Has authority to resolve issues within the Workforce portfolio
- Deliver the force training plan, monitoring training delivery & compliance by staff and managers
- Delegates authority to individuals or working groups where appropriate
- Takes projections and prioritises training requirements as highlighted as appropriate from the other governance boards
- Delivers effective workforce policies and strategies
- Identify projected pathways to manage and implement staffing decisions *(e.g. transition of staff across commands)*
- Manage risks, exceptions and inconsistencies and escalate or devolve as appropriate
- Direct organisational diversity, inclusion and equality activity
- Monitor organisational absence, working time, recruitment & welfare

### Members

- Assistant Chief Constable
- Assistant Chief Officer
- Det. Chief Superintendent, Crime & Intel
- Ch. Superintendent, Westmorland & Furness BCU
- Ch. Superintendent, Cumberland BCU
- Ch. Superintendent, Standards, Performance & Insight
- Ch. Superintendent, Force Operations
- Joint Chief Finance Officer
- Deputy Chief Finance Officer
- Director of Corp. Support
- Head of People
- Head of L&D
- HR Business Partners
- Head of Marketing & Comms
- Head of CSD
- Staff Associations Representatives
- OPCC Representation

Key enabling roles as and when business requires.

### Audit and Link to Documentation

Governance: To be noted/actioned/distributed by:			Deputy Chief Constable's PA	
Face to Face	Yes	Team Site	Yes	<a href="#">WFB Teams Site</a>
Teams Meeting	No	OneNote	Yes	<a href="#">WFB OneNote</a>
Meeting Recorded	No	Actions/Planner	Yes	<a href="#">WFB Actions/Decisions</a>
Minutes Recorded	Yes	Decisions	Yes	<a href="#">WFB Decisions</a>
		Risk Register	No	

To deliver an outstanding police service to *Keep Cumbria Safe*

## Strategic Change Board – Terms of Reference



<b>Chair</b>	Deputy Chief Constable	<b>Vice Chair</b>	Assistant Chief Constable or Assistant Chief Officer
<b>Frequency</b>	Monthly	<b>Duration</b>	More Than 1 Hour

**Purpose** – Holistic oversight and intrusive governance of key organisation change programmes for the Force by acting as the senior decision-making body to set medium and long-term change plans for the Constabulary, whilst ensuring current programmes / projects are delivering in line with the Force requirements to achieve Plan on a Page, Police and Crime Plan and Force Management Statement strategic priorities. The board will set the priorities for the programmes and projects and will retain governance and oversight of the Constabulary's Saving and Efficiency Plan.

### Objectives

- To scrutinise proposals – Business Cases and/or Term of Reference
- To scrutinise any Income Generation Proposals
- To seek updates on existing items or proposals from Tactical Boards
  - Operations Board
  - Workforce Board
  - Digital Board
  - Business Board
- To track and map progress of projects and programmes
- To offer remedy for projects or programmes that enter exception
- To prioritise work items and resolve any contradicting priorities.
- To provide direction on Resourcing, Financing and Timescales
- Agreement for detailed Benefit Realisation proposals to be tracked and monitored
- To ensure Senior Responsible Officers are held responsible for their projects
- To provide updates from national projects and programmes and relevant updates from National Police Chiefs Council
- 

### Members

- Assistant Chief Constable
- Assistant Chief Officer
- Ch. Superintendent, Westmorland & Furness BCU
- Ch. Superintendent, Cumberland BCU
- Ch. Superintendent, Operations
- Ch. Superintendent, Standards, Performance & Insight
- Director Corporate Support
- Joint Chief Finance Officer
- Director Legal Services
- Chief Executive (OPCC)
- Head of DDAT
- Head of Business Development
- Change Programme Manager
- Head of People
- Unison Representation
- Police Federation Representation

Invited Key members of staff as and when business requires.

### Audit and Link to Documentation

<b>Governance:</b> To be noted/actioned/distributed by:			Deputy Chief Constable's PA	
Face to Face	Yes	Team Site	Yes	<a href="#">Strategic Change Board Team Site</a>
Teams Meeting	No	OneNote	Yes	<a href="#">Strategic Change Board Meeting OneNote</a>
Meeting Recorded	Choose an item.	Actions/Planner	Yes	<a href="#">Link to actions</a>
Minutes Recorded	Choose an item.	Decisions	Choose an item.	Insert link to document here
		Risk Register	Choose an item.	Insert link to document here

## Section 5: Decision making permissions People Matters

Activity	Authorising Body / Officer	Alternative	Comment
<b>ESTABLISHMENT</b>			
Approve annual overall establishment	COG		Agreement required with PCC
Approve resource allocation of overall establishment	COG		
Approve 4 year Workforce Plan	COG		
Monitor Workforce Plan & escalate changes to COG	Workforce Board / Workforce Silver		
Deliver Workforce Plan	Workforce Board		
Growth in force establishment for officers, PCSOs or staff posts	COG		Evidence based business case required; growth is defined as above overall Constabulary establishment by employee type (officer, Staff, PCSO). May require PCC agreement, where major policy change or involves shared functions. Finance to be consulted re costing and HR notified.
Reduction in force establishment for officers, PCSOs or staff posts	COG		Change management policy must be followed. May require PCC approval under the funding arrangement, where major policy change or involves shared functions.
Agree corporate wide shift patterns based on demand for all operational police officers, police staff and PCSOs- within the framework of COG approved resource allocation.	Operations Board		COG agreed Resource Allocation Model to be used; H&S impact assessment must be carried out. HR representation required when discussed.
<b>AUTHORISE THAT A POLICE OFFICER POST CAN BE FILLED (EXISTING BUDGETED POST)</b>			
Organisational need to recruit police officers and specials	Workforce Board		Intakes specified in the recruitment plan directed by the overall workforce plan.
<b>Promotion</b>			
Determine promotion process & subsequent posting Chief Inspector to Chief Superintendent rank	Uniformed Chief Officers		Joint Uniformed Chief Officer decision.
Determine promotion process & subsequent posting PC to Inspector rank	Chief Superintendents through Workforce Silver		
Appointment of officers at DCC and ACC rank.	Chief Constable	After consultation with PCC	S39 & 40 2011 Act
Appointment of officers at Chief Inspector to Chief Superintendent rank.	Uniformed Chief Officers		Deputy Chief Constable has the notional responsibility, but normally this is in consultation with the Chief and Assistant Chief Constables ie a joint Uniformed COG decision.
Appointment of officers at Sergeant to Inspector rank	Chief Superintendents through Workforce Silver		Appointment following Promotion Boards
Organisational need to consider transferees into the Constabulary	Workforce Board & Workforce Silver		Workforce Board to determine the overall strategy. Individual applications processed through Workforce Silver with finance consultation.
External transfer process including posting Chief Inspector to Chief Superintendent rank	Uniformed Chief Officers		Group decision- Chief is final arbiter
External transfer process including posting Constable to Inspector Rank	Chief Superintendents through Workforce Silver		
<b>Internal Transfers</b>			
Internal transfer Organisational need to post officers within the same rank Chief Inspector to Chief Superintendent.	Uniformed Chief Officers		Group decision- Chief is final arbiter
Movement of officers within the same rank. Constable to Inspector rank between Commands / Directorates	Chief Superintendents through Workforce Silver		Unable to change total police officer FTE establishment in relevant area(s). No financial growth within totality of relevant areas. Must comply with Police Regulations Must ensure adequate cover to deliver key functions as determined by BCM Plans
Movement of officers within the same rank Constable to Inspector- within own TPA, Crime Area or Service	Superintendents through Workforce Bronze.		Must comply with Police Regulations Must ensure adequate cover to deliver key functions as determined by BCM Plans

Activity	Authorising Body / Officer	Alternative	Comment
<b>Specials</b>			
Appointment /recruitment of Special Constables	Chief Superintendents through Workforce Board		
<b>Secondments</b>			
Secondment of DCC/ACC in or out of Constabulary	Chief Constable		
Secondment of police officers and/or police staff in or out of Constabulary	DCC after initial approval by Workforce Silver		HO People & CFO must be consulted to ensure T&Cs and funding arrangements in place
<b>AUTHORISE THAT A POLICE STAFF POST CAN BE FILLED (EXISTING OR BUDGETED POST ONLY) WITHIN ORGANISATIONAL STRUCTURE</b>			
Organisational need to recruit police staff and PCSOs	Workforce Board		COG to be consulted on any plan to initiate a recruitment freeze – wholesale or specific areas of organisation
Appointment and recruitment at director level and above	Chief Constable and Deputy Chief Constable.		Requires PCC approval per the Funding Arrangement
Appointment and recruitment for all staff reporting directly to director or commander eg Heads of Service?	Chief Superintendent / Director through Workforce Silver		OPCC Funding Arrangement- for shared service posts there must be consultation with OPCC
Appointment and recruitment for all staff NOT reporting directly to director or commander eg Heads of Service?	Heads of Service / Superintendent through Workforce Silver		
Authorise that PCSO posts can be filled within approved establishment	Workforce Board		OPCC Funding Arrangement requires consultation with PCC
Authorise agency appointments for police staff posts where budget is available	Chief Superintendents / Directors through Workforce Silver		This could be external funding, virement of existing budget from current staff shortfall or approval of business case via COG/MB
Authorise agency appointments for police staff posts where budget is not available	Chief Superintendents / Directors through Workforce Silver		HO People holds agency budget. Business case required
Authorise appointment of consultants where budget is available	Chief Superintendents / Directors through Workforce Silver		This could be external funding, existing budget or approval of business case via COG/MB Need to check IR 35 compliance
<b>AUTHORISE GROWTH</b>			
Authorise permanent or temporary growth in establishments of Officers, PCSOs and Police Staff for which no funding is identified.	Chief Officer Group		
Authorise change to existing /budgeted posts (eg use existing posts that is vacant or other agreed budgets to fund new posts) with no overall financial growth. An example might be a mini re-structure of a department.	Chief Superintendents / Directors through Workforce Silver		Establishments / budgets are managed at command/directorate level HR and Finance to be consulted. No permanent changes to Officer rank establishment are permitted without COG approval.
Authorise agency appointments for police staff posts where budget is not available	Chief Superintendents / Directors through Workforce Silver		HO People holds agency budget. Business case required
Authorise appointment of consultants where budget is not available HR not usually IR 35 come back.	Chief Officer Group Superintendents / Directors through Workforce Silver		Business case required Need to check IR 35 compliance
<b>LEAVERS (excluding dismissals covered by misconduct panels)</b>			
Authorise redundancies for police officers and staff	Deputy Chief Constable		Subject to business case & Management of Change Policy. Shared service posts subject to OPCC Funding arrangement
Authorise early retirement for police staff	Deputy Chief Constable		
Approve retirement of police staff on grounds of ill health	Deputy Chief Constable		Subject to assessment and certification by external medical advisor

Activity	Authorising Body / Officer	Alternative	Comment
Retirement of police officers on grounds of ill health and payment of pensions and gratuities; appeals	Chief Constable / DCC		Police Regs 1987, 2006 and 2015 Subject to assessment and certification by external medical advisor In line with police pensions scheme discretions document.
Decision to refer to selected medical practitioner pursuant Reg A20 of Police Pensions Regulations	Chief Constable		On recommendation of the Deputy Chief Constable
Authorise retirement/resignation of police officers while on suspension - DCC & ACC	Chief Constable		
Authorise retirement/resignation of police officers up to rank of ACC and all police staff while on suspension	Deputy Chief Constable		
Accept resignations /authorise normal retirements police staff posts reporting direct to director and all officers up to and including rank of superintendent	Chief Superintendents		COG to be sighted
Accept resignations /authorise normal retirements all police staff up to posts reporting to directors and all officers up to and including rank of chief inspector	Superintendents / HO Service through Workforce Bronze		Superintendent sight Chief Superintendents
Authorise Settlement Agreements for all police officers and staff	Deputy Chief Constable		
<b>Use of both Unsatisfactory Performance Procedures (UPP) and Unsatisfactory Attendance Procedures (UAP)</b>			
Decision to implement unsatisfactory performance procedures (UPP) and Unsatisfactory Attendance Procedures (UAP) for all police officers of rank chief superintendent and below	Stage 1 - Immediate Line Manager Stage 2 2 <sup>nd</sup> Line Manager Stage 3 – Chief Officer or Chief Superintendent		Policy & Regs to be followed HR support mandatory
Decision to implement and manage Performance and Capability procedures for police staff	Stage 1 - Immediate Line Manager Stage 2 2 <sup>nd</sup> Line Manager Stage 3 Chief Officer		Policy & Regs to be followed HR support mandatory Stage 3 involves a formal hearing.
<b>REGRAIDING OF POLICE STAFF POSTS</b>			
Authorise regrading of police staff subject to evaluation by Hay Panel	Chief Superintendent / Director through Workforce Silver		Appeals to be heard by the Head of People (subject to training)
<b>ADOPTION, AMENDMENT OR TERMINATION OF SPECIFIC WORKING AGREEMENTS WITHIN THE FLEXIBILITY OF NATIONAL AGREEMENTS</b>			
All police officers at DCC and ACC ranks	Chief Constable		Must ensure adequate cover to deliver key functions as determined by BCM Plans. Must consider shift pattern and business need – as per policy
All police officers at Chief Superintendent rank	Assistant Chief Constable through Strategic Change Board		
All police officers at superintendent rank	Chief Superintendent through Strategic Change Board		
All police officers at chief inspector rank and below	Superintendent through Strategic Change Board		
All police staff at director level and above	Deputy Chief Constable		
All police staff below director level	Chief Superintendent / Director / Head of Service through Strategic Change Board		
<b>AUTHORISING A SECONDARY BUSINESS INTEREST</b>			
Authorising secondary business interest for DCC and ACC	Chief Constable		<i>Regulations 7, 8,9 &amp; 9A Police Regulations 2003</i>
Authorising secondary business interest for all police officers below rank of ACC and all police staff	Head of PSD		As per current policy. Requires line manager input. Head of People will hear appeals.

Activity	Authorising Body / Officer	Alternative	Comment
<b>PAY AND RATINGS</b>			
Authorise financial assistance for professional training for all police officers and staff	Chief Superintendent / Director through Workforce Board		Initial approval through Workforce Silver, final approval Workforce Board  As per training plan.
Reimbursement of professional fees for police staff	Chief Superintendent / Director		As per T&C Section 1.13- only to roles where membership is legal requirement for undertaking of duties or can be funded from Departmental training budget.
Approve advances on gross salary in respect of police officers and police staff providing the figure is no more than one month's salary	Joint Chief Finance Officer	Head of Central Services	Limit of one month net salary per officer or member of police staff
Granting honoraria for police officers at DCC and ACC ranks	Chief Constable		
Granting honoraria for police officers Chief Superintendent	Deputy Chief Constable		
Granting honoraria for police officers below rank of Chief Superintendent	Chief Superintendent through Workforce Silver		
Granting honoraria for police staff at director level	Deputy Chief Constable		As per T&C section 1.2
Granting honoraria for police staff below director level	Chief Superintendent / Director through Workforce Silver		
Agreeing starting salary within the scale for police officers at DCC and ACC ranks	Chief Constable		National T&C Police Regs
Agreeing starting salary within the scale for police officers below rank of ACC	Deputy Chief Constable		National T&C Police Regs
Agreeing starting salary within the scale for police staff directors	Deputy Chief Constable		As per T&C section 1.2
Agreeing starting salary within the scale for police staff below director level	Chief Superintendent / Director through Workforce Silver		As per T&C section 1.3 WF Silver sign off for consistency as per honorarium? Ch Supt / Dir attends. Requires guidelines and reporting
Agreeing accelerated pay increments for police staff directors	Deputy Chief Constable		As per T&C section 1.3e
Agreeing accelerated pay increments for police staff below director level	Chief Superintendent / Director through Workforce Silver		As per T&C section 1.3e WF Silver sign off for consistency as per honorarium? Ch Supt / Dir attends Requires guidelines and reporting
Delay progression of police staff directors through pay scales due to poor performance	Deputy Chief Constable		As per T&C section 1.3f
Delay progression of police staff below director level through pay scales due to poor performance	Chief Superintendent / Director through Workforce Silver		As per T&C section 1.3f WF Silver sign off for consistency as per honorarium? Ch Supt / Dir attends Requires guidelines and reporting
Approval of extension of half pay and no pay sickness scheme for police officers and police staff	Chief Constable through the Pay Panel		Reg 28 2003 and PNB Circular 03/2 &05/1 Annex 3 of Police Staff T&C
Authorise overtime and expenses	Line Manager		Line managers' responsibility via Crown Duties and iTrent automated system
Authorise annual leave for police officers	Inspector / Manager		For most officers system automatically grants/rejects leave based on RSLs Inspectors can authorise additional leave at their discretion subject to ensuring delivery of operational services for their area of responsibility
Authorise annual leave for police staff	Manager		Line Manager authorises through Crown Duties.



Authorise CTO exceeding the agreed ceiling for police staff	Manager through Workforce Silver		
<b>Activity</b>	<b>Authorising Body / Officer</b>	<b>Alternative</b>	<b>Comment</b>
Carryover that is more than permitted days annual leave for all police officers and staff	Inspector / Manager	Previously C Supt / Directors	As per T&C section 1.9
Granting requests for unpaid leave for police officers and police staff	Inspector / Manager	Previously C Supt / Directors	As per T&C section 2.2d
Granting requests for compassionate leave or special leave in excess of 3 days for police officers and police staff	Inspector / Manager	Previously C Supt / Directors	On recommendation of line manager and with input form HRMs Police Staff as per T&C section 2.9.
<b>POLICE PENSIONS</b>			
Police Pension Scheme Manager	Chief Constable		This is a statutory responsibility.
Employer Representative at the Police Pension Board	Head of Central Services	Joint Chief Finance Officer	
Approval of injury awards to Police Officers	Deputy Chief Constable		Deputy Chief Constable authorised to approve payment of injury awards to Police Officers subject to report by SMP and certification of degree of disability by SMP
Review of degree of disability of Police Officers	Deputy Chief Constable		Deputy Chief Constable authorised to review the degree of disability of Police Officers subject to recertification of degree of disability by SMP
Police Pension Scheme 1987 – pension payable to dependents in full time education, changes affecting spouses and widows, changes affecting dependant relatives pension.	Deputy Chief Constable		Link to full Police Pensions Discretions document.
Officers working beyond retirement age limit	Chief Constable		
Restoration of a widows/widowers pension payable under the 1987 Police Pension Scheme which had ceased to be payable on remarriage after she/he has again become a widow/widower or the marriage has been dissolved	Deputy Chief Constable		In accordance with the Police Pension Regulations 1987.
Police Pension internal resolution procedures	Stage 1 of the Police Pensions Internal Resolution Scheme undertaken by CFO.		
	Stage 2 of the Police Pensions Resolution Scheme undertaken by Chief Constable.		
	Stage 3 of the Internal Resolution Scheme is with the Pension Ombudsman		
<b>LOCAL GOVERNMENT PENSION SCHEME ("LGPS")</b>			
Transfer of accumulated Local Government Pensions into the Local Government Pension Scheme after the expiry of 12 months after joining the Constabulary	Director of Corporate Support	Joint CFO	
Police Staff or Retired Police Staff (prospective LGPS Pensioners) request for early release of pension	Director of Corporate Support	Joint CFO	
Admission to membership of Local Government Pension Scheme after the age of 60	Director of Corporate Support	Joint CFO	
Treatment of pension claims where payable to Dependents in full time education	Director of Corporate Support	Joint CFO	
Treatment of pension claims where changes affecting spouses, widows	Director of Corporate Support	Joint CFO	

Treatment of pensions claims where Dependant's relatives special pension	Director of Corporate Support	Joint CFO	
--	-------------------------------	-----------	--

Activity	Authorising Body / Officer	Alternative	Comment
Treatment of pension claims where working beyond retirement age limit	Director of Corporate Support	Joint CFO	
Police Staff (LGPS) pension internal resolution procedures	Stage 1 of LGPS Internal Resolution Scheme undertaken by CFO		
	Stage 2 of LGPS Internal Resolution Scheme undertaken by Cumbria County Council.		
	Stage 3 of the LGPS Internal Resolution Scheme undertaken by the Pension Ombudsman		

**Section 2 Finance – Although changes to financial management arrangements to allow greater delegation of budgets and empowerment of managers are in place, these generally impact at a more detailed level than the delegations outlined below.**

Activity	Authorising Body / Officer	Alternative	Comment
<b>OVERALL BUDGET MANAGEMENT</b>			
Ensuring that the financial affairs of the Constabulary are properly administered and that the joint OPCC Constabulary Financial Regulations are adhered to	Joint Chief Finance Officer	Deputy Chief Finance Officer	This is a statutory responsibility.
<b>BUDGET APPROVAL</b>			
Approval of the Constabulary revenue budget, proposal and medium term financial forecast including the overall allocation of resources	Chief Officer Group	Chief Finance Officer to prepare reports as basis for decision making	The revenue budget proposal is submitted to the Commissioner for agreement.
Approval of the Constabulary capital budget and programme	Chief Officer Group	Chief Finance Officer to prepare reports as basis for decision making.	The capital programme is submitted to the Commissioner for agreement.
Approval of the Chief Constable's Annual Statement of Accounts.	Chief Constable and Joint Chief Finance Officer		The Statement of Accounts must be signed by the Chief Constable and CFO
Approval of Constabulary Annual Governance Statement.	Agreed by Chief Officer Group, Chief Constable and Joint Chief Finance Officer		The Annual Governance Statement is agreed by COG but must be signed by the Chief Constable and Chief Finance Officer.
Approval of the Internal Audit Plan	Collaborative Board and Chief Constable		The Internal Audit Plan is agreed by Collaborative Board but must be formally agreed by the Commissioner and Chief Constable
<b>REVENUE BUDGET MANAGEMENT</b>			
Management of revenue budgets – Constabulary budget (including authorisation of orders for goods and services)	Designated budget-holders, generally Chief Superintendents and Heads of Service and their nominated sub-delegates.		Designated budget-holders have responsibility for managing specific budgets. Specific budgets and responsibilities are set out in detail in the Financial Regulations, Financial Rules, Budget Protocols and the Statement of Budget-holder responsibilities. The revenue budget position is reported to the Chief Officer Group.
<b>CAPITAL BUDGET MANAGEMENT</b>			
Management of approval capital schemes (including authorisation of orders for goods and services)	Designated capital budget-holders are identified for each scheme.		Designated budget-holders have responsibility for managing specific capital schemes. Specific budgets and responsibilities are set out in detail in the Financial Regulations, Financial Rules, Budget Protocols and the Statement of Budget-holder responsibilities. The capital budget is reported to the Chief Officer Group.
<b>ASSETS</b>			
Management, safeguarding and recording assets	Heads of Estates, Fleet and Data, Digital and Technology.		Strategic responsibility sits with specialist functions. However, all officers and staff have responsibilities which are set out in the Finance Regulations, Financial Rules and Budget Protocols.
Development of business strategies	Director of Corporate Support, Head of Data, Digital & Technology and respective Heads of Service.		Business strategies to be developed in accordance with the Commissioner's Funding Arrangement, this will include the main asset classes, i.e. Estates, ICT, Fleet, Commercial and People



Activity	Authorising Body / Officer	Alternative	Comment
<b>VIREMENTS</b>			
Moving funding between budget lines	Deputy Chief Finance Officer		The rules regarding virement are complex, as there are restrictions in the Commissioner's Funding Arrangement. The Deputy Chief Finance Officer will work with budget-holders to approve virements.
<b>USE OF CHIEF CONSTABLE'S RESERVE AND CONTINGENCY BUDGETS</b>			
To be able to draw down on reserves	Chief Constable		Draw down of reserves must be in accordance with the Chief Constable's policy on reserves and in accordance with the Commissioner's Funding Arrangement

### **SECTION 3 – PROCUREMENT, PURCHASING, CONTRACTS AND PAYMENTS OF ACCOUNTS.**

Budget Managers are responsible for all purchases of goods and services within their devolved budget. Goods and services may only be procured and paid for in relation to official Constabulary or Commissioner business which has been properly authorised in accordance with the Constabulary's Scheme of Budget Management and procurement methods must be in accordance with the 'Cumbria Office of the Police and Crime Commissioner and Cumbria Constabulary Joint Procurement Regulations'.

Unless the Commissioner has consented to the Chief Constable to enter into a specific contract, all contracts must be in the name of 'The Police and Crime Commissioner for Cumbria'.

The procurement routes delegations, authorising limits and authorising officers are set out in the Constabulary's Scheme of Budget Management and Joint Procurement Regulations' and these should be adhered to at all times when dealing with procurements, purchasing and contracts.

## SECTION 4 - CLAIMS AGAINST THE CHIEF CONSTABLE / LEGAL MATTERS.

Activity	Limitation	Authorising Body / Officer	Alternative	Comment
<b>SETTLEMENT OF CLAIMS AGAINST THE CHIEF CONSTABLE</b>				
To approve settlement of any public liability or employer liability claim including costs made against and in the name of the Chief Constable under Section 88 of the Police Act 1996.	Under £25,000	Director of Legal Services	Senior Legal Advisor	Subject to the Insurers subrogated rights, rules of professional conduct and financial regulations, there is to be consultation with the PCC's Chief Executive for claims settling above £10,000. The consultation process may differ from case to case.
	£25,000 and above	Chief Executive	Director of Legal Services	Subject to the Insurers subrogated rights, rules of professional conduct and financial regulations, there is to be consultation with the PCC's Chief Executive prior to settlement, this consultation process may differ from case to case. Before claims in excess of £100,000 are settled there is to be consultation with both the PCC's Chief Executive and the Constabulary's Insurers.
To accept responsibility in connection with any public liability or employer liability claim for damages against any individual police officer or special constable and settlement of such claims out of the police fund under Section 88 (4) of the Police Act 1996.	Under £25,000	Director of Legal Services	Senior Legal Advisor	Subject to the Insurers subrogated rights, rules of professional conduct and financial regulations, there is to be consultation with the PCC's Chief Executive for claims settling above £10,000. The consultation process may differ from case to case.
	£25,000 and above	Chief Executive	Director of Legal Services	Subject to the Insurers subrogated rights, rules of professional conduct and financial regulations, there is to be consultation with the PCC's Chief Executive prior to settlement, this consultation process may differ from case to case. Before claims in excess of £100,000 are settled there is to be consultation with both the PCC's Chief Executive and the Constabulary's Insurers.

Activity	Authorising Body / Officer	Alternative	Comment	
To approve settlement of minor civil claims by way of <i>ex-gratia</i> which are uninsured risks such as deliberate damage (these claims are by definition uninsured and dealt with by CSD)	Under £2,000	Chief Finance Officer / Director of Legal Services		This relates to all uninsured minor claims which are administered by CSD.
	Between £2,000 and £5,000	Deputy Chief Constable		
	Over £5,000	Commissioner		
To authorise <i>ex-gratia</i> compensation payments in respect of police officers or police staff for damage or loss of property or for minor personal injury in the execution of duty.	Under £2,000	Chief Finance Officer / Director of Legal Services		See Section 1.13 of Police Staff Terms & Conditions Handbook.
	Between £2,000 and £5,000	Deputy Chief Constable		
	Over £5,000	Commissioner		
To approve settlement figures for third party insurance claims in respect of motor vehicle accidents, as recommended by the Constabulary's insurers.	Under £25,000	These claims are handled by the Constabulary's claims handlers who settle claims on behalf of the Chief Constable in accordance with the insurance arrangements.		The claims handlers/external solicitors will consult with the Director of Legal Services if court proceedings have been issued prior to settlement.
	£25,000 and over.	These claims are handled by the Constabulary's claims handlers who settle		Subject to the Insurer's subrogated rights, rules of professional conduct and financial regulations there will be consultation with the Director of Legal Services who will also consult with the PCC's Chief Executive if court proceedings have been issued prior to settlement.



		claims on behalf of the Chief Constable in accordance with the insurance arrangements.		
To conduct and approve settlement of all uninsured claims (which are not dealt with as <i>ex gratia</i> payments above) made against the Chief Constable and/or individual police officers and police staff for which the Chief Constable is vicariously liable, such claims to include employment tribunal proceedings, judicial reviews and any other miscellaneous tribunal.	Up to £25,000	Director of Legal Services	Senior Legal Advisor	The PCC's Chief Executive must be made aware of claims settling above £10,000.
	Between £25,000 and £100,000	Director of Legal Services	Senior Legal Advisor	There is to be consultation with the PCC's Chief Executive prior to settlement. This consultation process may differ from case to case.
	Over £100,000	Deputy Chief Constable	Director of Legal Services	There is to be consultation with the PCC's Chief Executive prior to settlement. This consultation process may differ from case to case.
<b>Instruction of External Legal Advisors</b>				
To instruct and retain Counsel or external solicitors on behalf of the Chief Constable		Director of Legal Services	Senior Legal Advisor	If it is the view of Legal Services that the costs to be incurred are disproportionate then the matter should be referred to the Deputy Chief Constable for a decision.
<b>Rights of Audience to appear in the Courts/Tribunals</b>				
<i>To authorise a police officer or member of police staff without professional rights of audience to appear on behalf of the Chief Constable in the Magistrates Courts, County Courts and other Tribunals</i>		<i>Retained by Chief Constable</i>		

## Police Complaints and Misconduct

Activity	Authorising Body / Officer	Alternative	Comment
<b>POLICE (CONDUCT) REGULATIONS 2020</b>			
Appropriate Authority - <i>Assistant Chief Constable and Deputy Chief Constable</i>	Chief Constable		
Appropriate Authority – <i>All Officers up to the rank of Assistant Chief Constable</i>	Deputy Chief Constable	Chief Inspector PSD or by exception other appropriately qualified officers see right	<p>Deputy Chief Constable to carry out powers as Appropriate Authority for all ranks up to Assistant Chief Constable.</p> <p>Under normal circumstances <b>C/I in PSD</b> to carry out powers as Appropriate Authority for the following functions for all ranks up to Assistant Chief Constable (however to be in consultation with the Deputy Chief Constable for all matters relating to (1) rank of Inspector and above, and (2) involving a matter of significant public interest or concern), including all cases including but not limited to allegations of discrimination and/or corruption:-</p> <ol style="list-style-type: none"> <li>1.Regulation 6: the performance of the harm test.</li> <li>2.Regulation 10 (2) (3) &amp; (4) : consideration of prejudice in criminal proceedings and consultation with the prosecutor.</li> <li>3.Regulation 11: Suspension.</li> <li>4.Regulation 14: Severity assessment.</li> <li>5.Regulation 15: Appointment of investigator.</li> <li>6.Regulation 21: receipt of written report from the investigator (1), or any documents submitted by the investigator pursuant to (3) or (4) and any further severity assessment required by this Regulation.</li> <li>7.Regulation 23: determination of case to answer on receipt of investigator's written report and other associated decisions under this Regulation.</li> <li>8. Regulation 26: delegation of functions</li> <li>9.Regulation 27: withdrawal of misconduct proceedings.</li> <li>10.Regulation 28: Persons conducting misconduct proceedings</li> </ol>

			11.Regulation 49: referral of a cse to accelerated misconduct hearing. By exception other qualified officers such as the ACC, C Supt TPA or C Supt Insight & Analysis may undertake the role of Appropriate Authority on the direction of the DCC.
Appointment of Investigators <i>Assistant Chief Constable and Deputy Chief Constable</i>	Chief Constable		
Appointment of Investigators <i>All Officers up to the rank of Assistant Chief Constable</i>	Deputy Chief Constable		Appoint investigators and exercise the Chief Constable's powers under those sections in relation to handling of complaints and conduct matters (Schedule 3, part 3, Police Reform Act 2002).
<b>POLICE (COMPLAINTS &amp; MISCONDUCT) REGULATIONS 2020</b>			
Appropriate Authority - <i>Assistant Chief Constable and Deputy Chief Constable</i>	Chief Constable		
	Deputy Chief Constable	Chief Inspector PSD or other appropriately qualified senior officer. See right	To carry out powers as Appropriate Authority for all ranks up to Assistant Chief Constable. To carry out powers as Appropriate Authority for all ranks up to Assistant Chief Constable. The Chief Inspector Professional Standards is authorised to carry out powers as Appropriate Authority for all ranks up to Assistant Chief Constable (however to be in consultation with the DCC for all matters relating to Chief Inspectors and above) for the following functions: 1. Regulation 3: recording of complaints 2. Regulation 4: referral of complaints to th Director General 3.Regulation 6: disapplication of requirements of Schedule 3 4.Regulation 12: appointment of persons to carry out

			<p>investigations</p> <p>5.Regulation 13: duty to provide information</p> <p>6.Regulation 14: combining and splitting investigations</p> <p>7.Regulation 25: accelerated procedure: investigations by the appropriate authority on its own behalf</p> <p>8.Regulation 27: report on investigation</p> <p>9. Regulation 38: withdrawn complaints</p> <p>10. Regulation 40: suspension of investigation or other procedures</p> <p>11.Regulation 41: Resumption of investigation of complaint after criminal proceedings</p> <p>By exception the DCC may appoint another suitably qualified officer such as the ACC, C Supt TPA or C Supt Insight and Analysis to act as the appropriate authority under these regulations.</p>
Appropriate Authority - <i>Assistant Chief Constable and Deputy Chief Constable</i>	Chief Constable		
Appointment of Investigators <i>Assistant Chief Constable and Deputy Chief Constable</i>	Chief Constable		
Appointment of Investigators <i>All Officers up to the rank of Assistant Chief Constable</i>	Deputy Chief Constable		Appoint investigators and exercise the Chief Constable's powers under those sections in relation to handling of complaints and conduct matters (Schedule 3, part 3, Police Reform Act 2002).
<b>POLICE (COMPLAINTS &amp; MISCONDUCT) REGULATIONS 2020</b>			
Appropriate Authority - <i>Assistant Chief Constable and Deputy Chief Constable</i>	Chief Constable		
Appropriate Authority – <i>All Officers up to the rank of Assistant Chief Constable</i>	Deputy Chief Constable	Chief Inspector PSD or other appropriately qualified senior officer. See right	<p>To carry out powers as Appropriate Authority for all ranks up to Assistant Chief Constable. To carry out powers as Appropriate Authority for all ranks up to Assistant Chief Constable.</p> <p>The Chief Inspector Professional Standards is authorised to carry out powers as Appropriate Authority for all ranks up to Assistant Chief Constable (however to be in consultation with the DCC for all matters relating to Chief Inspectors and above) for the following functions:</p>

			<ol style="list-style-type: none"> <li>1. Regulation 3: recording of complaints</li> <li>2. Regulation 4: referral of complaints to the Director General</li> <li>3. Regulation 6: disapplication of requirements of Schedule 3</li> <li>4. Regulation 12: appointment of persons to carry out investigations</li> <li>5. Regulation 13: duty to provide information</li> <li>6. Regulation 14: combining and splitting investigations</li> <li>7. Regulation 25: accelerated procedure: investigations by the appropriate authority on its own behalf</li> <li>8. Regulation 27: report on investigation</li> <li>9. Regulation 38: withdrawn complaints</li> <li>10. Regulation 40: suspension of investigation or other procedures</li> <li>11. Regulation 41: Resumption of investigation of complaint after criminal proceedings</li> </ol> <p>By exception the DCC may appoint another suitably qualified officer such as the ACC, C Supt TPA or C Supt Insight and Analysis to act as the appropriate authority under these regulations.</p>
Dealing with Regulation 11 Appeals <i>All Officers up to the rank of Assistant Chief Constable</i>	Chief Inspector PSD and Complaints and Misconduct Manager		
<b>POLICE (PERFORMANCE) REGULATIONS 2020</b>			
All officers up to the rank of Assistant Chief Constable	Deputy Chief Constable		
Certification that Practice Requires Improvement has been completed.	Detective Inspector PSD		

## Gifts, Sponsorship & Hospitality

Activity	Authorising Body / Officer	Alternative	Comment
<b>GIFTS &amp; HOSPITALITY</b>			
Acceptance of gifts, hospitality and gratuities by Officers and Staff.	Individual decision subject to consultation with Line Manager.		The process and reporting of such gifts etc. is managed through the Professional Standards Dept. Also see Anti-Fraud and Corruption Policy and Procedures.
Reporting of gifts, hospitality and gratuities by Officers and Staff, (this does not relate to corporate memento's etc.)	Individual Officer or Staff Member		The process of reporting is managed by the Director of Professional Standards. Also see Anti-Fraud and Corruption Policy and Procedures.
<b>ALL SPONSORSHIP</b>			
Acceptance of sponsorship and loans for the benefit of the Constabulary	Assistant Chief Constable	Commanders and Directors but this must be reported to the Assistant Chief Constable for decision making	The policy is set out the Financial Rules. All gifts, loans and sponsorship must be recorded with Financial Services.
Reporting of sponsorship and loans for the benefit of the Constabulary	Assistant Chief Constable reporting to Chief Officer Group	Commanders and Directors must report to the Assistant Chief Constable.	The policy is set out in the Financial Rules. All gifts, loans and sponsorship must be recorded with Financial Services.

## Operational Policing - Disclosure

Activity	Authorising Body / Officer	Alternative	Comment
<b>ENHANCED DISCLOSURE</b>			
The release of enhanced disclosure material to the Disclosure and Baring Services for persons seeking occupation with the vulnerable and/or children	Deputy Chief Constable		Part V of the Police Act 1997 and Section 5 Safeguarding Vulnerable Groups Act 2006
Repeat vetting applications received within 12 months of a previous one, where there is no change to the relevant information located, the workforce is identical or similar in nature and the previous decision was made by the DCC or Disclosure Unit Manager	Disclosure Unit Manager		
Applications where the decision to disclose relates solely to the provision to the employer of details of the <i>modus – operandi</i> for conviction recorded against the applicant on the police national computer	Disclosure Unit Manager	Senior Decision Maker	
Applications where the only relevant information to be disclosed is that there is an impending prosecution i.e. where a person has been arrested or charged or summonsed or due to appear before the Court, where the alleged offence is relevant to the workforce applied for.	Disclosure Unit Manager	Senior Decision Maker	
To disclose non conviction information about an applicant	Deputy Chief Constable		

The disclosure of information on third parties to the application.	Deputy Chief Constable		
Disputes – appeal against the release of enhanced disclosure material to the Disclosure and Baring Service for persons seeking occupation with vulnerable and/or children	Chief Constable	Deputy Chief Constable	Part V of the Police Act 1997 and Section 5 Safeguarding Vulnerable Groups Act 2006 Chief Constable if the original decision was made by the Deputy Chief Constable. Deputy Chief Constable if the original decision to disclose was made by the Disclosure Unit Manager.

## Operational Policing – Civil Applications

Activity	Authorising Body / Officer	Alternative	Comment
<b>IPNA's (CIVIL ANTI-SOCIAL BEHAVIOUR INJUNCTION)</b>			
Authority to make applications	Inspectors		Part 1 (ss. 1 -21); Anti-social Behaviour Crime and Policing Act 2014
<b>SEXUAL HARM PREVENTION ORDER</b>			
Authority to make applications	Chief Superintendent Crime	Superintendent PPU	Section 103A Sexual Offences Act 2003
<b>SEXUAL RISK ORDERS</b>			
Authority to make applications	Chief Superintendent Crime	Superintendent PPU	Section 122A Sexual Offences Act 2003
<b>NOTIFICATION ORDERS</b>			
Authority to make applications	Chief Superintendent Crime	Superintendent PPU	Section 97 Sexual Offences Act 2003
<b>CLOSURE ORDERS</b>			
Authority to make applications	Chief Superintendent TPA	Superintendent Operations	
<b>FOOTBALL BANNING ORDERS</b>			
Authority to make applications	Chief Superintendent TPA	Superintendent Operations	
<b>DANGEROUS DOGS</b>			
Authority to make applications	Chief Superintendent TPA	Superintendent Operations	
<b>DOMESTIC VIOLENCE PREVENTION ORDERS</b>			



Authority to make applications	Superintendents		
<b>PROCEEDS OF CRIME APPLICATIONS</b>			
Authority to make applications	Chief Superintendents	Superintendents	

## Operational Policing – Licensing

Activity	Authorising Body / Officer	Alternative	Comment
<b>FIREARMS LICENSING</b>			
Revocation and Refusal of Shotgun/Firearms Certificate	Assistant Chief Constable		
Emergency Revocation of Shotgun/Firearms Certificate	Assistant Chief Constable		
Signing of Shotgun, Firearms, Club Certificates and associated permits	Assistant Chief Constable		
<b>EXPLOSIVES</b>			
Revocation and Refusal of Explosives Licence	Assistant Chief Constable		
Emergency Revocation of Explosives Licences	Assistant Chief Constable		
Signing of Explosive Licences and Registrations	Assistant Chief Constable		
<b>LIQUOR LICENSING</b>			
In accordance with policies and procedures exercise all powers vested in the Chief Officer of Police under the Licensing Act 2003. Such delegation to include the power to delegate specific tasks to police support staff, licencing officers.	Chief Superintendent BCU	Chief Inspector - Operations	Licensing Act 2003 CI Ops may deputise in the absence of the absence of the Chief Supt BCU
To make representations, applications and objections in consultation with the local neighbourhood policing unit Insp or in their	Chief Superintendent BCU	Chief Inspector - Operations	Licensing Act 2003 CI Ops may deputise in the absence of the absence of the Chief Supt BCU

absence Sgt, who are brief on licencing objectives by the Supt Territorial Policing.			
<b>LICENSING – GAMBLING ACT 2005</b>			
<b>Activity</b>	<b>Authorising Body / Officer</b>	<b>Alternative</b>	<b>Comment</b>
To make representations, applications and objections in consultation with the local neighbourhood policing unit Insp or in their absence Sgt, who are brief on licencing objectives by the Supt Territorial Policing	Chief Superintendent BCU	Chief Inspector - Operations	Gambling Act 2005 CI Ops may deputise in the absence of the absence of the Chief Supt BCU

Activity	Authorising Body / Officer	Alternative	Comment
<b>LICENSING – SEXUAL ENTERTAINMENT VENUES</b>			
In accordance with policing and procedures exercise all powers vested in the Chief Officers of Police under the relevant act. Such delegation to include the power to delegate specific tasks to the police support staff licencing officers.	Chief Superintendent BCU	Superintendent - Operations	Local Government (Miscellaneous Provisions) Act 1982 in relation to Sexual Entertainment Venues. Supt Ops may deputise for the Chief Supt BCU.
To make representations, applications and objections in consultation with the local neighbourhood policing unit Insp, or in their absence Sgt, who are briefed on licencing objectives by the Supt Territorial Policing	Chief Superintendent BCU	Chief Inspector - Operations	CI Ops may deputise in the absence of the absence on the Chief Supt BCU
<b>LICENSING – SCRAP METAL DEALERS ACT 2013</b>			
In accordance with policies and procedures exercise all powers vested in the Chief Officer of Police under the Act. Such delegation to include the power to delegate specific tasks to the police support staff licencing officers.	Chief Superintendent BCU	Superintendent - Operations	Sup Ops may deputise in the absence of the absence on the Chief Supt BCU
To make representations, applications and objections in consultation with the local neighbour policing unit Insp, or in their absence Sgt, who are briefed on licencing objectives by the Supt Territorial Policing	Chief Superintendent BCU	Chief Inspector - Operations	CI Ops may deputise in the absence of the absence on the Chief Supt BCU

## Operational Policing – Miscellaneous

Activity	Authorising Body / Officer	Alternative	Comment
<b>PEDDLERS</b>			
Granting of certificates	Chief Superintendent BCU	Superintendent – Operations	Sections 5 and 22 Peddlers Act 1871.
<b>REMOVAL &amp; ACCOMMODATION OF CHILDREN BY POLICE IN CASE OF AN EMERGENCY</b>			
To undertake the role as delegated officer under the Children Act 1989 in relation to Children who have been removed and accommodated by Police in cases of emergency	Chief Superintendents	Superintendents	



Joint Audit Committee  
23 November 2022  
Agenda Item No 18



# Annual Governance Statement 2022/23 Development and Improvement Plan Update

## Introduction

This report is designed to provide members with an update on the progress made to date in respect of the action plans developed for both the Constabulary and the Office of the Police and Crime Commissioner as part of the production of the Annual Governance Statement (AGS).

The update is being provided to provide members with information regarding progress on the implementation of the AGS action plan for the OPCC and Constabulary.

The following appendices provide details of the actions included in the action plan, the target timescale for completion, current progress against the action and the lead officer responsible for that action.

- Appendix A – Annual Governance Statement Action Plan 2022/23 – Constabulary
- Appendix B – Annual Governance Statement Action Plan 2022/23 – OPCC

## CUMBRIA VISION 25



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

### Report Summary – Constabulary AGS (Detail included at Appendix A)

Summary of Actions	Constabulary	
	No	%
Actions included in the AGS	13	100%
Actions completed since last report	5	38%
<b>Open Actions C/fwd</b>	<b>8</b>	<b>62%</b>
<b>Summary of Total Actions by Status</b>		
Completed	5	38%
Ongoing (within original timescale)	4	31%
Ongoing (original timescale extended)	4	31%
Overdue/ timescale extended	0	0%
Not yet due	0	0%
<b>Total</b>	<b>13</b>	<b>100%</b>

### Report Summary – OPCC AGS (Detail included at Appendix B)

Summary of Actions	Constabulary	
	No	%
Actions included in the AGS	13	100%
Actions completed since last report	2	15%
<b>Open Actions C/fwd</b>	<b>11</b>	<b>85%</b>
<b>Summary of Total Actions by Status</b>		
Completed	2	15%
Ongoing (within original timescale)	11	85%
Ongoing (original timescale extended)	0	0%
Overdue/ timescale extended	0	0%
Not yet due	0	0%
<b>Total</b>	<b>14</b>	<b>100%</b>

Constabulary AGS Action Plan 2022/23

Ref	B/fwd from 2021/22 (ref)	Action	Lead Officer	Implementation by	Action Updates as of 08/11/2022	Revised Implementation Date	Status
Core Principle A: Focusing on behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.							
CPA/1		Embed a new Anti Corruption Audit tool to ensure wider capability and system integrity.	ACU PSD	30th April 2022	<p><b>ATA - Current Position</b></p> <ul style="list-style-type: none"> <li>ATA was introduced live in force on 15/06/2022 and training was provided to all relevant staff as part of the approved contract.</li> <li>ATA is installed on all computers (including laptops and mobile devices).</li> <li>ATA is currently being used to monitor high risk officers/staff and those under investigation for conduct and criminal matters. Alerts are placed on individuals which are monitored and assessed weekly.</li> <li>ATA is also being used a key tool to assist in the development of intelligence received by the Anti Corruption Unit (ACU).</li> <li>As part of a proactive approach, a number of "key word" searches have been set up with alerts which are also checked and reviewed on a weekly basis. This is a function we didn't have on the previous auditing system.</li> <li>The initial findings are that the force now has implemented a far more reliable and comprehensive auditing product which is actively being used to produce evidential products for criminal / misconduct investigations.</li> </ul> <p><b>ATA - Future plans</b></p> <ul style="list-style-type: none"> <li>Consultation with other forces is on-going to inform a more proactive use of ATA, and visits to Lancashire and GMP ACUs are taking place. The results and findings will feed the current departmental improvement plan.</li> <li>ACU staff attend user forums and have joined the "knowledge hub" for ATA to understand how best to use the system.</li> <li>EE Phone Data is now on ATA and this will be used for identifying high risk officers/staff - we are just getting our first "top ten list".</li> <li>Door (fob) access is going to be added onto ATA as we move towards a "one stop shop" for audit.</li> <li>ACU will attend SOCU monthly meetings so we can place alerts on OCGs and audit any suspicious interest.</li> </ul>		Completed
CPA/2		Ensure the new CORVET vetting platform delivers compliance with College of Policing APP on Vetting	Vetting Manager	31st December 2022	<p><b>CORE-VET - Current Position</b></p> <ul style="list-style-type: none"> <li>The system went live in Cumbria on 07/03/22</li> <li>As part of the preparatory project work, a back record conversion was completed from the previous system with a focus on improving the data quality to ensure it was fit for purpose. Specifically the process included;             <ol style="list-style-type: none"> <li>Completion of an additional manual conversion of the vetting record to transfer key documents onto the new system</li> <li>A manual check of all vetting records and employees, ensuring that records were complete</li> <li>Introduction and configuration of system mandatory fields to improve data quality</li> <li>Correction of missing information</li> <li>Expired clearances were reviewed</li> <li>Duplicate records were reviewed and corrected</li> </ol> </li> <li>All officers/staff identified through the checks have now completed all required vetting with no issues raised.</li> <li>A process has been added to Core-Vet to allow quick access to staff/officers with a criminal record.</li> <li>An automated process is now in place for vetting renewals, which were often missed using the old system.</li> <li>Work is still in progressing to make sure that everyone is vetted to the correct level. A designated post list is still under review with Core-Vet files being checked to make sure that the correct role is recorded for each individual and they have the correct level of vetting.</li> <li>During a recent visit to SYP, a meeting was held with their vetting manager to assist in improving our processes and informing the departmental improvement plan. A key objective identified, which is in the process of being resolved in conjunction with HR, was the implementation of a formal process for vetting for internal promotions/lateral moves at all ranks. Previously, vetting have not always been consulted prior to an appointment.</li> </ul>		Ongoing (within original timescale)

## Constabulary AGS Action Plan 2022/23

Ref	B/fwd from 2021/22 (ref)	Action	Lead Officer	Implementation by	Action Updates as of 08/11/2022	Revised Implementation Date	Status
Core Principle B: Focusing on ensuring openness and comprehensive stakeholder engagement.							
CPB/1	CPB/2	Implement Phase 2 of the enhanced Constabulary intranet site	Head of Marketing and Communications	31st December 2022	Working on rolling out Phase 2 of the Intranet developing individual departmental sites has commenced, but the deadline for completion has been extended as Single On-Line at Home will take priority.	30th November 2023	Ongoing (original timescale extended)
CPB/2		Implement the Single On-line at Home Project	Head of Marketing and Communications	31st March 2023	The project to implement Single On-Line at home is underway in conjunction with the national programme team. The project continues to be scheduled to be implemented by March 2023.		Ongoing (within original timescale)
Core Principle C: Focusing on defining outcomes in terms of sustainable economic, social and environmental benefits							
CPC/1	CPC/2	Conduct an options evaluation for and decide on future Estates provision in West Cumbria	Assistant Chief Officer, Director of Corporate Support and Head of Estates and Fleet	31st March 2023	The core decision in relation to the future of the West Cumbria BCU HQ has been taken in principle. An assessment of the condition of the building is taking place, prior to commencing negotiations with the PFI owner. Other options in relation to the remainder of the West Cumbria estate will be evaluated once the MTFE has been updated and affordability can be assessed.		Ongoing (within original timescale)
CPC/2	CPC/3	Implement a Covid Recovery and Renewal Programme to improve efficiency and exploit new ways of working arising from the pandemic.	Assistant Chief Constable / Head of DDaT.	31st March 2023	The Constabulary is gradually returning to working on a business as usual basis following the Covid pandemic. Covid recovery initiatives have largely been subsumed under a combination of other programmes (in this action plan) F7, specific projects and business strategies.		Ongoing (original timescale extended)
Core Principle D: Focusing on determining the interventions necessary to optimise the achievement of intended outcomes.							
CPD /1		Implement a re-structure of the organisation linked to adoption of a BCU model and re-aligned to Local Government Review, with the aim of improving performance and accountability.	Deputy Chief Constable / Assistant Chief Constable	30th September 2022	<p>The Constabulary's mission is to be outstanding and one driver for developing a new operating model was to ensure the operating model supported that endeavour rather than prohibited or frustrated it. The other drivers for change were, direct and indirect feedback from our communities about how we operate, HMICFRS feedback and AFIs in the recent PEEL report, and opportunities presented via local government reform (LGR). The Chief Officer Team saw these drivers as a unique opportunity to change the operating model to deliver performance, governance, and quality for our communities.</p> <p>The new operating model went live on 5th September 2022 and is already being used as the basis to introduce new force-wide governance structures, a new shift pattern, a new neighbourhood policing model, and better support for partners. We are already seeing improved responses and outcomes for our communities e.g. lower response times in some areas.</p> <p>The Constabulary has introduced a Basic Command Unit (BCU) model with 2 BCU's (Furness and Westmorland and Cumberland). These BCU's are each led by a Ch Supt and senior leadership teams that have all locally based resources under their command. As such they now have control of response, neighbourhood, CID and other resources which enables a more effective response to local threat, harm and risk.</p> <p>The restructure also saw the addition of new commands called Standards, Insight &amp; Performance and Ops. Crime Command has been remodelled and all force-wide resources remain centrally managed. The new people department aligns all functions around attracting, recruiting, training, tutoring, and supporting police officers and staff. The force is now recruiting directly from Kendal &amp; Eden to be more inclusive, and these recruits are tutored by the new PDU at Kendal. All back office and ICT functions have been reconfigured and the Op Uplift posts have been allocated.</p> <p>Hunter Lane Police Station has not now been sold and has been invested in and represents an important deployment base for Eden. The front counter will reopen here.</p> <p>The Force has also introduced a designated custody model and the Force Control Room has been reconfigured.</p>		Completed

## Constabulary AGS Action Plan 2022/23

Ref	B/fwd from 2021/22 (ref)	Action	Lead Officer	Implementation by	Action Updates as of 08/11/2022	Revised Implementation Date	Status
CPD /2	CPD /3	Develop and implement an integrated performance management process linking strategic objectives to performance management both at a functional and individual level.	Deputy Chief Constable / Assistant Chief Constable	31st December 2022	The Performance and Development Review (PDR) process has now changed in line with the national requirements and in support the newly defined links from an officer's PDR to their pay increments. This review has ensured that PDR's reflect strategic objectives and drive operational performance across all business areas. The completion and adherence to the PDR requirements is now tracked in each Command via their Senior Management Team meetings, and through Workforce Silver and Workforce Board for force level and Executive overview. This is now business as usual.		Completed
CPD /3		Develop an integrated Corporate Governance Framework including board structure, decision making and key governance documents.	Deputy Chief Constable	31st December 2022	The work to redesign the corporate governance and performance framework of the force is now complete. This has been done in response to support the new force operating model, alleviate areas of improvement raised by the HMIC during the forces last inspection, and ultimately to drive force performance and improvements. The work has introduced several additional Executive led strategic meetings including Strategic Change, Strategic Performance, Strategic Management, HMIC, and Organisational boards. Tactical levels meetings have also been reviewed and amended as appropriate. The first iteration of the new meetings in the structure have either taken place or are about to later this month. The scheme of delegation has been reviewed to reflect the changes described above. A presentation and supporting documentation can be provided as required by the Committee.		Completed
Core Principle E: Focusing on developing the entity's capacity, including the capability of its leadership and individuals within it.							
CPE/1	CPE/2	In conjunction with Higher Education partners, continue implementation the new PEQF arrangements for new officer recruits, with particular focus on developing year 2 and 3 programmes and a pre-join entry route for recruits with a Policing degree.	Head of Learning & Development	30th September 2022	Work on developing the year 2 and 3 programmes and pre-join entry route has been completed.		Completed
Core Principle F: Focusing on managing risks and performance through internal control and strong public financial management.							
CPF/1	CPF/3	Further develop the benefits management process to drive improvements in our use of resources, and ensure that the benefits of significant investment in change and ICT are delivered.	Chief Superintendent Insight & Analysis	31st December 2022	As part of the new Governance arrangements described above (CPD/3), a Strategic Change Board has been introduced. This Board, chaired by the DCC, will have oversight of all change programs and workstreams, whether digital or organisational. New processes have been introduced to agree change work through the Corporate Governance Framework, and additional documentation introduced to outline expected/anticipated benefits. All agreed change programs will be scrutinised for progress and for benefits realisation in the Strategic Change Board going forward, to ensure expected savings/efficiencies are realised.		Ongoing (within original timescale)
CPF/2	CPF/5	Implement the recommendations of the Achieving Financial Excellence in Policing action plan.	Joint Chief Finance Officer	31st March 2022	Work on delivering the outstanding actions in the Achieving Financial Excellence in Policing is continuing for example provision of training on business partnering to finance staff. However, progress has been slower than anticipated due to a combination of competing work pressures and sickness absence in the finance team.	31st March 2023	Ongoing (original timescale extended)
CPF/3	CPF/6	Implement recommendations arising from the Financial Management Code of Practice self assessment.	Joint Chief Finance Officer	31st March 2022	Work on delivering the outstanding actions to fully comply with the Financial Management Code of Practice is continuing. However, progress has been slower than anticipated due to a combination of competing work pressures and sickness absence in the finance team.	31st March 2023	Ongoing (original timescale extended)



## Office of the Police and Crime Commissioner Action Plan 2022/23

Ref	B/fwd from 2021/22 (ref)	Action	Lead Officer	Implementation by	Action Update 31 October 2022	Revised Implementation Date	Status
<b>Core Principle A: Focusing on behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.</b>							
CPA/1		Review the work programme for the joint Ethics and Integrity Plan ensuring that work supports the recommendations from the HMICFRS Peel assessment.	Governance Manager	31st December 2022	This work is ongoing with the Constabulary. The Panel are carrying out dip sampling and oversight of areas identified within the report.		Ongoing within original timescale
<b>Core Principle B: Focusing on ensuring openness and comprehensive stakeholder engagement.</b>							
CPB/1		Develop an annual engagement strategy ensuring that all stakeholders have a voice and are listen to.	Engagement Officer	30th September 2022	This document has been completed and has moved into implementation stage.		Completed
<b>Core Principle C: Focusing on defining outcomes in terms of sustainable, economic, social and environmental benefits</b>							
CPC/1		Review and develop the Accountability Framework to ensure it is fit for purpose	Partnership & Strategy Manager	31st March 2023	Due to the transfer of Fire governance to the PCC from April 2023 and the need to consider how accountability will work as part of this, the review of the OPCC (police) Accountability Framework will be combined with this piece of work.		Ongoing within original timescale
<b>Core Principle D: Focusing on determining the interventions necessary to optimise the achievement of intended outcomes.</b>							
CPD/1		Review the OPCC's approach to capturing victims'/ survivors' lived experience to inform its commissioning and contract management and implement the outcomes.	Partnership & Strategy Manager	31st March 2023	Quarterly reporting from the Cumbria Domestic Abuse Survivor's Network (CDASN) to the DA Group / Local Partnership Board detailing key themes, development for service delivery, positive feedback, learning for organisations to consider.		Ongoing within original timescale
CPD/2		Implement early intervention programme for children and young people to reduce criminalisation of young people.	Project Manager	31st March 2023	In April 2022 the OPCC commissioned Barnardo's to deliver an early intervention child mentoring scheme (10-17yr old) to assist vulnerable young people not involved with statutory services but identified by the CCPT as being vulnerable to contact with the CJS to divert towards better choices. The RISE (Resilience, Individual, Support, Empower) mentors commenced delivery July 2022 contract period 01.04.22 - 31.03.24.	31st March 2024	Ongoing within original timescale
CPD/3		Engage in opportunities to secure funding and, where successful, deliver projects to support victims, reduce crime and antisocial behaviour in local communities to include Safer Streets.	Safer Cumbria Co-ordinator	31st March 2023	£760,108.95 secured under Safer Streets Fund Round 4 for 2 projects focusing on the reduction of antisocial behaviour in Carlisle and Barrow to be delivered by 30th September 2023.		Ongoing within original timescale

## Office of the Police and Crime Commissioner Action Plan 2022/23

Ref	B/fwd from 2021/22 (ref)	Action	Lead Officer	Implementation by		
CPD/4		Work in partnership to develop a public health approach to deliver the serious violence duty.	Safer Cumbria Business Manager	31st March 2023	Event held with Partners to outline the national requirements, PCC confirmed as SRO and work progressing.	Ongoing within original timescale
CPD/5		As part of the local government reform programme, plan for the transfer of fire governance to the OPCC.	Blue Light Collaboration Manager	31st March 2023	On the 2nd August 2022, the Home Secretary announced her approval of the Commissioner's proposal to take on the governance of Cumbria Fire & Rescue Service from 1st April 2023. The OPCC is working collaboratively with the Fire & Rescue Service, Cumbria County Council and the Home Office to transfer fire governance from Cumbria County Council to the OPCC. A Statutory Instrument will be laid in Parliament on the 28th November 2022 and will make provisions for the creation of a new Police, Fire & Crime Commissioner led Fire & Rescue Authority. The provisions will also include the creation of a Shadow Fire & Rescue Authority from 1st January 2023 to enable the Commissioner to set the 2023/24 precept for the fire service and other financial duties prior to a full transfer of all functions on 1st April 2023. Alongside the Statutory Instrument are two other statutory transfer schemes which deal with property and people. The date on which these schemes will be laid by the Home Office before Parliament is still to be confirmed.	Ongoing within original timescale
<b>Core Principle E: Focusing on developing the entity's capacity, including the capability of its leadership and the individuals within it.</b>						
CPE/1		Review the existing training plan and ensure that its implementation meets all requirements to support the development of staff.	Governance Manager	30th September 2022	The plan has been reviewed and updated. Individual requirements are identified within the PDR meetings and where necessary individual or all staff training is sought and provided.	Completed
CPE/2	CPE/2	Implement the recommendations from the 2021 PCC review	Chief Executive	31st March 2023	This work is still ongoing	Ongoing within original timescale
<b>Core Principle F: Focusing on managing risks and performance through internal control and strong public financial management.</b>						
CPF/1		Following the internal audit review of risk, implement any recommendations.	Governance Manager	31st March 2023	Awaiting the outcome of the audit.	Ongoing within original timescale
CPF/2		Review arrangements for CFO in the context of fire governance.	Chief Executive	31st December 2022	This work is ongoing	Ongoing within original timescale
CPF/3	CPF/1	Review of governance structure and processes in preparation for the outcome of PCC Reviews.	Governance Manager	31st December 2022	This work is still ongoing.	Ongoing within original timescale

## The Police and Crime Commissioner for Cumbria

### Treasury Management Activities 2022/23 for the period 01 July 2022 to 30 September 2022

Public Accountability Conference 02 November 2022 and Joint Audit Committee 23 November 2022



#### Cash flow Balances

Quarter 2 average daily balance - £26.566m  
 Investment balance @ 30/09/22 £22.033m  
 (Up 322% from £5.224m at 30/06/22).



#### Investment Interest Forecast

Base Budget - £10,000  
 Revised Budget - £10,000  
 Current Estimate - £300,000



#### Borrowing Strategy

During 2021/22 the scheme to purchase the dog kennels at Wreay was approved. The scheme was estimated to cost £1.5m for the purchase and refurbishment. During 2021/22 £1.133m was borrowed (internally) and in 2022/23 it is expected that £0.367m will be borrowed (internally) to complete the scheme of works.

#### Investment Strategy

Category	Category Limit (£m)	Investments at 30 Sep (£m)	Compliance with Limit
1 - Banks Unsecured	20	8.511	Yes
2 - Banks Secured	20	0.000	Yes
3 - Government (inc LA)	10	7.622	Yes
4 - Registered Providers	10	0.000	Yes
5 - Pooled Funds	15	5.900	Yes
<b>Total</b>		<b>22.033</b>	

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

#### Performance Indicators

Quarter 2	Number of Days	Average Balance (£)	Largest Balance (£)
Days In Credit	92	58,457	296,828
Days Overdrawn	0	0	0

Average interest rate earned – 1.50%  
 Average bank base rate – 1.61%  
 (Current bank base rate – 2.25%)

#### Treasury and Prudential Indicators

During the period 01 July 2022 and 30 September 2022, the treasury function has operated within the treasury and prudential indicators set out in the Treasury Management Strategy Statement and in compliance with the Treasury Management Practices.

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

## Economic Outlook and Treasury position for the quarter ended 30 September 2022

GDP fell 0.3% month on month in August. This was worse than expected and was driven by a fall in the retail and hospitality sectors. GDP is expected to have fallen by 0.5% in September. It is predicted that the UK economy will be in recession for the remainder of 2022.

CPI inflation rose from 9.9% in August to 10.1% in September returning to July's recent high, driven by a further increase in food inflation from 13.4% to 14.8%. However, global agricultural commodity prices are now falling so CPI food inflation may soon start to ease. Fuel inflation has reduced 32.1% to 26.5%, indicating that petrol prices may have peaked. However, inflation is rising in other sectors: core goods inflation rebounded from 6.6% to 7.0% and services inflation climbed from 5.9% to a new cycle high of 6.1%. CPI inflation has not yet peaked. The increase in utility bills in October could push inflation to 10.5% and a further increase in the spring may take inflation close to 11% by April. Inflation is forecast to reduce during 2023, average inflation for 2023 is currently forecast at 9%.

The MPC has now increased interest rates seven times in as many meetings with the second 50bps raise in a row taking rates to a 14 year high of 2.25%. Interest rates are expected to be increased more aggressively over the coming months as the Bank of England continues in its efforts to squeeze inflation out of the economy.

The MPC has confirmed that it would do everything necessary to ensure headline inflation, on the CPI measure, drops back to 2% over a three-year timeframe. Link, the treasury advisers to the PCC, have revised their interest forecast and predict the MPC will raise rates by 100bps in November and a further 75bps in December, taking the current rate from 2.25% to 4% by the end of the year. Rates are predicted to peak at 5% in the spring and only start to reduce to 4.5% at the end of 2023. This is in line with the peak forecast by economists, but lower than the peak (5.5% - 5.75%) priced into the financial markets.

Base Rate Estimates	2022/23	2023/24	2024/25
Quarter 1	1.75	5.00	3.75
Quarter 2	2.25	5.00	3.25
Quarter 3	4.00	4.50	3.00
Quarter 4	5.00	4.00	2.75

## Investments in place on 30 September 2022

Category/Institution	Credit Rating	Investment Date	Investment Matures	Days to Maturity	Rate (%)	Amount (£)	Counterparty Total (£)
<b>Category 1 - Banks Unsecured (Includes Banks &amp; Building Societies)</b>							
Nationwide BS	A	05/07/2022	04/10/2022	4	1.41%	2,000,000	2,000,000
Heleba	A+	05/07/2022	04/10/2022	4	1.59%	2,000,000	2,000,000
Lloyds CD	A+	06/07/2022	07/11/2022	38	1.75%	2,000,000	2,000,000
Santander CD	A+	11/07/2022	25/11/2022	56	1.93%	2,000,000	2,000,000
Svenska (Deposit Acc)	AA	Various	On Demand	N/A	0.60%	500,676	500,676
NatWest (Liquidity Select Acc)	A+	30/09/2022	03/10/2022	0/N	0.30%	10,000	10,000
						<b>8,510,676</b>	<b>8,510,676</b>
<b>Category 2 - Banks Secured (Includes Banks &amp; Building Societies)</b>							
None						0	0
						<b>0</b>	<b>0</b>
<b>Category 3 - Government (Includes HM Treasury and Other Local Authorities)</b>							
Treasury Bills	Gov	04/07/2022	03/10/2022	3	1.290%	1,993,588	1,993,588
Treasury Bills	Gov	11/07/2022	10/10/2022	10	1.390%	1,993,093	1,993,093
Treasury Bills	Gov	01/08/2022	30/01/2023	122	2.060%	1,635,204	1,635,204
Debt Management Office	Gov	07/09/2022	31/10/2022	31	1.940%	2,000,000	2,000,000
						<b>7,621,885</b>	<b>7,621,885</b>
<b>Category 4 - Registered Providers (Includes Providers of Social Housing)</b>							
None						0	0
						<b>0</b>	<b>0</b>
<b>Category 5 - Pooled Funds (Includes AAA rated Money Market Funds)</b>							
Invesco	AAA	Various	On demand	0/N	1.811%	1,000,000	1,000,000
Fidelity	AAA	Various	On demand	0/N	1.758%	1,400,000	1,400,000
Aberdeen Standard	AAA	Various	On demand	0/N	1.880%	3,500,000	3,500,000
						<b>5,900,000</b>	<b>5,900,000</b>
<b>Total</b>						<b>22,032,561</b>	<b>22,032,561</b>

On 5<sup>th</sup> July 2022 the police pension grant of £19.85m was received and is largely in advance and will be drawn down over the remainder of the year. Along with the July grant payment, the investments reached their highest balance of £30.97m. A large proportion of this balance (60%) was split between the Debt Management Office (DMO) of HM Treasury, Treasury Bills, Certificates of Deposit and Fixed Term Investments to be returned at regular intervals as cashflow forecasts require, with the remainder (40%) being managed through the money market funds.

## Borrowing position for the quarter ended 30 September 2022

At 30<sup>th</sup> September 2022 there were no loans outstanding.

## Treasury and Prudential Indicators 2022/23 at 30 September 2022

Treasury Management Indicators		Result	RAG	Prudential indicators		Result	RAG
<p><b>The Authorised Limit</b></p> <p><i>The authorised limit represents an upper limit of external borrowing that could be afforded in the short term but may not be sustainable. It is the expected maximum borrowing need with some headroom for unexpected movements. This is a statutory limit under section 3(1) of the local government Act 2003.</i></p>	TEST - Is current external borrowing within the approved limit	YES	●	<p><b>Ratio of Financing Costs to Net Revenue Stream</b></p> <p><i>This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of revenue budget required to meet financing costs</i></p>	TEST - Is the ratio of capital expenditure funded by revenue within planned limits	YES	●
<p><b>The Operational Boundary</b></p> <p><i>The operational boundary represents and estimate of the most likely but not worst case scenario it is only a guide and may be breached temporarily due to variations in cash flow.</i></p>	TEST - Is current external borrowing within the approved limit	YES	●	<p><b>Net Borrowing and the Capital Financing Requirement</b></p> <p><i>This indicator is to ensure that net borrowing will only be for capital purposes. The commissioner should ensure that the net external borrowing does not exceed the total CFR requirement from the preceding year plus any additional borrowing for the next 2 years.</i></p>	TEST - Is net debt less than the capital financing requirement	YES	●
<p><b>Actual External Debt</b></p> <p><i>It is unlikely that the Commissioner will actually exercise external borrowing until there is a change in the present structure of investment rates compared to the costs of borrowing.</i></p>	TEST - Is the external debt within the Authorised limit and operational boundary	YES	●	<p><b>Capital Expenditure and Capital financing</b></p> <p><i>The original and current forecasts of capital expenditure and the amount of capital expenditure to be funded by prudential borrowing for 2022/23</i></p>	TEST - Is the current capital outturn within planned limits	YES	●
<p><b>Gross and Net Debt</b></p> <p><i>The purpose of this indicator is to highlight a situation where the Commissioner is planning to borrow in advance of need.</i></p>	TEST - Is the PCC planning to borrow in advance of need	NO	●	<p><b>Capital Financing Requirement</b></p> <p><i>The CFR is a measure of the extent to which the commissioner needs to borrow to support capital expenditure only. It should be noted that at present all borrowing has been met internally.</i></p>	TEST - Is the capital financing requirement within planned limits	YES	●
<p><b>Maturity Structure of Borrowing</b></p> <p><i>The indicator is designed to exercise control over the Commissioner having large concentrations of fixed rate debt needing to be repaid at any one time.</i></p>	TEST - Does the PCC have large amounts of fixed rate debt requiring repayment at any one time	NO	●				
<p><b>Upper Limit for total principal sums invested for over 365 Days</b></p> <p><i>The purpose of this indicator is to ensure that the commissioner has protected himself against the risk of loss arising from the need to seek early redemption of principal sums invested.</i></p>	TEST - Is the value of long term investments within the approved limit	YES	●				

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that regular reports are presented with regards to treasury management activities. This half yearly report ensures the Police and Crime Commissioner is implementing best practice in accordance with the Code.