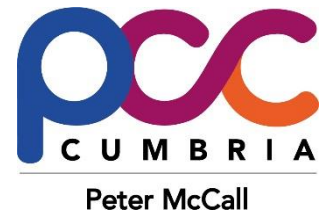


Joint Audit Committee



Title: OPCC Governance Review

Date: 2 March 2022

Agenda Item No: 13a

Originating Officer: Vivian Stafford, Chief Executive

CC:

1. Introduction & Background

1.1 Governance refers to the overall framework of controls, policies and systems and processes that we have in place to protect against fraud, legal challenge, provide standards of conduct, and that the organisation is well governed.

2. Issues for Consideration

2.1 The documents which support good governance are provided to the Committee for annual review. The documents included for review are:

2.2 The **Scheme of Delegation** sets out the key roles of the Commissioner, Chief Executive, Chief Finance Officer (CFO) & Chief Constable. It also sets out delegations from the Commissioner to the Chief Executive, CFO and the Commissioner's staff. (nb the legislation does not allow delegation to a Constable or staff of a Constable.) The document is based on a national model adapted to local circumstances. This is a significant document and there are a number of choices that can be made in respect of how the scheme works.

2.3 The documents are subject to a fundamental review every 3 years to avoid all documents undergoing fundamental review in a single year. Any changes or amendments to the documents are planned to be presented to the Joint Audit Committee.

Recommendation:

That the committee notes the changes regarding the OPCC's Scheme of Delegation as detailed within the documents.

1. Human Resources Functions				
Ref	Nature of Authority/Decision	Chief Executive Delegation To:	Functional Allocation Within OPCC	Comments
1.1	Approval of appointments <ul style="list-style-type: none"> All levels of staff Independent Custody Visitors Legally Qualified Chairs and Independent Panel Members; Committee and Panel Members 	Retained by Chief Executive Governance Manager Retained by Chief Executive	In consultation with line managers and senior line managers In consultation with ICV Administrator In consultation with PCC, DCEO and Governance Manager	
1.2	Termination – <ul style="list-style-type: none"> All levels of staff Independent Custody Visitors 	Retained by Chief Executive Retained by Governance Manager	In consultation with line managers In consultation with ICV Administrator	Appeals to a Member of Executive Team Appeals to Chief Executive
1.3	Disciplinary Action resulting in dismissal:- <ul style="list-style-type: none"> All levels of staff Independent Custody Visitors 	Retained by Chief Executive Retained by Governance Manager	In consultation with line managers and senior line manager In consultation with ICV Administrator	Appeals to a Member of Executive Team Appeals to Chief Executive

1.4	To approve the early retirement all levels of staff for: <ul style="list-style-type: none"> • Early retirement • On the grounds of ill-health 	Retained by Chief Executive		Appeals to Member of Executive Team
1.5	Changes to Establishment or Re-grading /evaluation of all levels of staff:	Retained by Chief Executive	If post needs to be re-graded or evaluated this will be done via a Hay Panel	Appeals to Member of Executive Team
1.6	Financial assistance for professional training	Retained by Chief Executive		
1.7	Time off to participate in staff associations, trade union duties/activities and for other public duties for part time staff association/trade union representatives.	Retained by Chief Executive		
1.8	Time Off in Lieu (TOIL) – The agreed ceiling* for hours accumulated should not be exceeded – if TOIL does exceed the agreed ceiling, individual must report this	Retained by Chief Executive	Recommendations by Line Managers	*Ceiling limit as per Section 1.9 of Staff Ts&Cs is 74 hours for full time staff, and part time staff can accumulate the equivalent of 2 weeks of their contracted hours
1.9	Carry-over of more than 5 days annual leave	Retained by Chief Executive	Recommendations by Line Managers	
1.10	Granting requests for unpaid leave	Retained by Chief Executive	Recommendations by Line Managers and approval by Executive Team	Appeals to Member of Executive Team
1.11	Granting requests for Compassionate /special leave in excess of 3 days	Retained by Chief Executive	Recommendations by Line Managers and approval by Executive Team	Appeals to Member of Executive Team

1.12	Granting of annual leave	Line Manager	Senior Line Manager if Line Manager absent	
1.13	Granting of flexi leave	Line Manager	Senior Line Manager if Line Manager absent	
1.14	Granting of TOIL within agreed limit (otherwise see 1.8)	Line Manager	Senior Line Manager if Line Manager absent	
1.15	Return to work interview following sick absence	Line Manager	Senior Line Manager if Line Manager absent	

2. Payroll Functions.				
Ref	Nature of Authority/Decision	Chief Executive Delegation To:	Functional Allocation Within OPCC	Comments
2.1	Responsibility for making all necessary arrangements for ensuring the accurate and reliable payment of wages, pensions and salaries.	Joint Chief Finance Officer	Recommendations by Executive Team	Recommendations by Head of CSD (shared support services)
2.2	Temporary Acting Up	Retained by Chief Executive	Recommendations by Executive Team	See section 1.2 Police Staff Terms and Conditions Handbook
2.3	Agreeing starting salary within the scale	Retained by Chief Executive	Recommendations by Executive Team	See section 1.3f Police Staff Terms and Conditions Handbook
2.4	Agreeing accelerated pay increments	Retained by Chief Executive	Recommendations by Executive Team	

2.5	Delayed progression through the pay scales due to poor performance	Retained by Chief Executive	Recommendations by Line Managers & Executive Team	
2.6	Approval of extension of Half Pay and No Pay Sickness Scheme.	Retained by Chief Executive	Recommendations by Executive Team	As per PNB Circular 03/2 and 05/1 See Annex 2 Police Staff Terms and Conditions Handbook

3. Finance Functions				
Ref	Nature of Authority/Decision	Chief Executive Delegation To:	Functional Allocation Within OPCC	Comments
3.1	To raise purchase orders up to value of £10,000	All budget lines: Governance Manager Training Budget: Head of Partnerships and Commissioning		The level of approval changed when the OPCC moved to the new Oracle system. The authorising limit is the same for all cost centre managers across the organisation and is a feature of the new system.
3.2	To raise purchase orders above value of £10,000	Chief Executive, Joint Chief Finance Officer, Deputy Chief Executive		
3.3	To approve invoices for payment up to value of £10,000	All budget lines: Governance Manager Training Budget:		

		Head of Partnerships and Commissioning		
3.4	To approve invoices for payment over the value of £5000	Chief Executive, Joint Chief Finance Officer, Deputy Chief Executive		
3.5	To authorise expenses claims for all staff	Retained by Chief Executive	IT system automatically assigns claims to line managers to sign off	
3.6	To authorise expenses claims for Independent Custody Visitors, Ethics Panel Members, Misconduct Panel members and Police Appeals Tribunal members	Governance Manager		

4. Procurement functions				
Ref	Nature of Authority/Decision	Chief Executive Delegation To:	Functional Allocation Within OPCC	Comments
4.1	<ul style="list-style-type: none"> Acting as an officer authorised to undertake procurement in accordance with the Procurement Regulations 	Joint Chief Finance Officer Head of Partnerships and Commissioning Head of Communication and Business Services Victims Advocate		In line with Procurement Regulations

		Partnership and Strategy Manager Governance Manager Media & Comms Officer Communities Engagement Officer		
4.2	Commissioning of services within Office of Victim Services	Head of Partnerships and Commissioning		In line with Procurement Regulations

5. Gifts and Sponsorship to the Constabulary, Officers and Staff				
Ref	Nature of Authority/Decision	Chief Executive Delegation To:	Functional Allocation Within OPCC	Comments
5.1	Acceptance of Gifts, Hospitality and Gratuities by staff	Individual decision subject to consultation with Line Manager	Governance Manager	Anti-Fraud and Corruption Policy and Procedures
5.2	Reporting of Gifts Hospitality and Gratuities by staff. (this does not relate to corporate mementoes etc)	Individual Officer or Staff	Governance Manager	Anti-Fraud & Corruption Policy and Procedures
5.3	Acceptance of Sponsorship and Loans for the benefit of the OPCC	Retained by Chief Executive	Executive Team	

5.4	Reporting of Sponsorship and Loans for the benefit of the OPCC	Retained by Chief Executive	Executive Team	
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6. Complaints / Professional Standards				
Ref	Nature of Authority/Decision	Chief Executive Delegation To:	Functional Allocation Within OPCC	Comments
6.1	Complaints from the public against: - Police and Crime Commissioner	Police and Crime Panel	Via Chief Executive and Governance Manager	Monitoring Officer for Police & Crime Panel to deal with the complaint with an escalation process if necessary.
6.2	Complaints from the public against: - Chief Constable (conduct)	Chief Executive	In liaison with the Police & Crime Commissioner and Governance Manager	
6.3	Complaints from the public against: - Officers below the rank of Chief Constable (conduct)	PSD	In liaison with Governance Officer	
6.4	Issues raised by member of the public which do not constitute a complaint but are dealt with under Quality of Service & Policing Issues (QSPI)	Governance Manager Governance Officer	In liaison with the Police & Crime Commissioner	Appeal to Chief Executive Governance Manager
6.5	Complaint review requests from members of the public	Chief Executive / Deputy Chief Executive	In liaison with Governance Manager & PSD	

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Cumbria Office of the Police
and Crime Commissioner
Scheme of Delegation & Consent
2022-2025

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Introduction

The Scheme of Delegation details the key roles of the Police and Crime Commissioner (Commissioner) and those functions which he/she delegates to other officers. These are delegations to the Deputy Police and Crime Commissioner (Deputy PCC), the Chief Executive and the Joint Chief Finance Officer of his/her office. It also sets out delegations by the Chief Executive to other officers who are given authority to carry out functions under the delegations within this scheme.

The Scheme of Delegation provides a framework which makes sure the business is carried out efficiently, ensuring that decisions are not unnecessarily delayed. It forms part of the overall Scheme of Governance and should be read along with other documents such as Procurement Regulations and Financial Regulations.

Procurement Regulations and Financial Regulations also specify powers given to the Chief Executive and the Joint Chief Finance Officer. This Scheme of Delegation aims to clarify those powers. The Commissioner may limit these powers and/or remove delegation. This scheme, Procurement Regulations and Financial Regulations also set out the reporting arrangements in respect of any decisions or actions taken under authorised powers.

The delegations within this scheme are made under the powers given to the Commissioner by laws, orders, rules or regulations and national conditions of employment. Legislation defines some functions that the Commissioner may not delegate and these are also clearly stated within this scheme.

All delegated functions should be exercised in line with this scheme of delegation, the law, standing orders and financial regulations. Internal policies, procedures, plans, strategies and budgets must also be complied with. This Scheme of Delegation does not identify all the statutory duties which are contained in specific laws and regulations. It is the responsibility of senior officers to ensure all business is fully compliant with all laws, regulations and codes of practice.

Notes

- I. Within this document there are references to significant financial implications. These are items of spending of £100,000 or more which have not been budgeted for.
- II. This document also refers to sensitive issues. These are unusual or exceptional circumstances which have arisen as a result of a risk assessment based on the PESTELO (Political, Economic, Social, Technological, Environmental, Legal, Organisational) method.
- III. The Police Reform and Social Responsibility Act 2011 prohibits delegation to, amongst others, a constable and a member of staff of a constable. A separate scheme of consent sets out those areas where the Chief Constable requires the authorisation of the Commissioner.
- IV. The main body of this document sets out the key functions delegated to Senior Officers employed by the Commissioner.

Key Roles of the Police and Crime Commissioner

Introduction

The Police Reform and Social Responsibility Act 2011 established Police and Crime Commissioners as elected officials with statutory functions and responsibilities for Policing and Crime within their area. This Scheme sets out how the Commissioner will delegate to his own staff; and how he will hold the Chief Constable to account for the provision of policing services. The key roles of the Commissioner are:

Holding the Chief Constable to Account

The Commissioner must ensure that the Chief Constable is held to account for the exercise of his/her functions and the functions of the police officers and staff under their direction and control. In summary the Commissioner must ensure that:

- Good value for money is obtained in exercising policing functions in line with the funding agreement.
- The Chief Constable has due regard to the Police and Crime Plan and Strategic Policing Requirement when providing policing services.
- The Chief Constable in exercising duties has regard to Codes of Practice issued by the Secretary of State
- The Chief Constable's arrangements for co-operation and for engagement with local people are efficient and effective
- The Chief Constable exercises duties as required by statute, including health and safety, funding and equality and diversity.

The Police and Crime Plan

The Commissioner will set the strategic direction and objectives of the Police Service in Cumbria through the Police and Crime Plan, monitoring the performance of the Force against the agreed priorities. On an annual basis the Commissioner will issue a report that sets out the performance actually achieved against the objectives and priorities.

Funding

The Commissioner has responsibility for securing the maintenance of the Police Force. They will set the budget, and the precept (charges to be paid by the district councils in the Cumbria area) and allocate funds and assets to the Chief Constable.

The Commissioner will receive funding, including government grants and precept, and other sources of income related to policing and crime reduction. Funding for the Force will come via the Commissioner. Funding from the Commissioner is agreed in consultation with the Chief Constable who must comply with any terms of that funding.

The Commissioner can also make crime and disorder reduction grants. These are grants to fund initiatives that contribute to reducing crime and disorder.

The Commissioner has overall responsibility for maintenance of the Police Fund including borrowing and investment decisions; they are also responsible for holding the Chief Constable to account for the arrangements for financial administration within the Constabulary. The Commissioner must appoint a Chief Finance Officer with statutory responsibility for the proper administration of financial affairs.

Community Engagement

The Commissioner provides a local link between the police and communities, working to translate the legitimate desires and aspirations of the public into action. In doing this, the Commissioner must seek the views of the community and the views of the victims of crime on policing. The views of people in the police area must be sought on the Commissioner's proposals for expenditure ahead of the issuing of the police precept.

Complaints and Conduct

The Commissioner will be responsible for handling complaints and conduct matters in relation to the Chief Constable, monitoring complaints against officers and staff, and complying with the requirements of the Independent Office of Police Conduct. They will also appoint and if necessary dismiss the Chief Constable.

Custody Visiting Scheme

The Commissioner must maintain an effective 'independent custody visiting scheme'. The Custody Visiting Scheme enables independent members of the local community to visit police stations unannounced and check on the welfare of people in police custody.

Wider Responsibilities

The Commissioner has a wider responsibility than those solely relating to the police force, namely:

- the delivery of community safety and crime reduction
- the ability to bring together Community Safety Partnerships at a force level
- a duty to ensure that all collaboration agreements with other local policing bodies and forces deliver better value for money and enhance the effectiveness of policing capabilities and resilience
- the enhancement of the delivery of criminal justice in their area

Accountability

The Commissioner in exercising these functions must have regard to statutory responsibilities i.e. Freedom of Information Act 2000, and all human rights and equality laws.

The Commissioner is the legal contracting body who owns all the assets and liabilities. He/she must appoint a Chief Executive to undertake the statutory role of Monitoring Officer.

The Commissioner must not restrict the operational independence of the police force and the Chief Constable who leads it.

The Commissioner is held to account by the Police and Crime Panel, who will scrutinise his/her decisions and the exercise of these functions.

Police and Crime Panel

The Panel performs a regular check and balance role on the performance of the Commissioner, rather than the Chief Constable.

Audit Provision

The Commissioner is required under the Home Office “Financial Management Code of Practice for the Police Service of England and Wales” to appoint an independent audit committee. It is recommended that the Committee is a joint committee for the Commissioner and Chief Constable.

General Principles of Delegation

The following General Principles of Delegation apply to all specific delegations provided for within this scheme.

1. The Police and Crime Commissioner may ask that a specific matter is referred to him/her for a decision and not dealt with under powers of delegation.
2. The scheme does not attempt to list all matters that form part of everyday management responsibilities.
3. Giving delegation to officers under this scheme does not prevent an officer from referring the matter to the Commissioner for a decision if the officer thinks this is appropriate (for example, because of sensitive issues or any matter which may have a significant financial implication).
4. When a statutory officer is considering a matter that is within another statutory officer's area of responsibility, they should consult the other statutory officer before authorising the action.
5. All decisions statutory officers make under powers given to them by the Commissioner must be recorded and be available for inspection as required.
6. The Commissioner may want to be involved in any projects/areas of work which may have a significant impact on the people of Cumbria. He/she will want to be involved in the scope, tendering process and evaluation of any material business case.
7. In this document reference made to the statutory officers include officers authorised by them to act on their behalf.
8. The statutory officers are responsible for making sure that members of staff they supervise know about the provisions and obligations of this Scheme of Delegation.
9. The person appointed as the Chief Executive (who will also be the Monitoring Officer) and the Joint Chief Finance Officer (section 151 officer) have statutory powers and duties relating to their positions, and therefore do not rely on matters being delegated to them to carry these out.
10. The Scheme of Delegation provides an officer with the legal power to carry out duties of the Commissioner. In carrying out these duties the officer must comply with all other statutory and regulatory requirements and relevant professional guidance including:
 - The Police and Social Responsibility Act 2011 and other relevant legislation issued under this Act
 - Financial Regulations

- Home Office Financial Management Code of Practice
- CIPFA Statement on the role of the Chief Finance Officer of the Police and Crime Commissioner
- Contract Regulations
- The Commissioner's governance framework
- Employment law, policies and procedures
- The Data Protection Act 1998 and the Freedom of Information Act 2000
- Health and safety at work legislation and codes

11. When carrying out any duties, the Commissioner and staff must have regard to the following:

- The views of the people in Cumbria.
- Any report or recommendation made by the Police and Crime Panel on the annual report for the previous financial year.
- The Police and Crime Plan and any guidance issued by the Secretary of State.
- This list is a summary and is not exhaustive.

12. The Commissioner may appoint any officer to carry out any function, with the exception of those listed below:

- Issuing the Police and Crime Plan
- Determining objectives in the Police and Crime Plan
- Calculation of budget requirements
- Making recommendations to the Police and Crime Panel in relation to the appointment of the Chief Constable
- Making representations in relation to the appointment of Chief Officer posts
- Being consulted in relation to the appointment or removal of Chief Officer posts
- Suspension of the Chief Constable, or asking him or her to resign or retire
- Attendance at the Police and Crime Panel for specified duties
- Preparing the annual report

13. The Commissioner may give additional delegation to his/her officers under Section 18 of the Police Reform and Social Responsibility Act 2011 (the Act).

14. This Scheme is a record of the formal delegations that are in effect at the time of its publication and will be reviewed bi-annually. With the exception of those matters listed in paragraph 12, the scheme allows any person, with appropriate authority, to delegate that power further.

Delegations to the Deputy Police and Crime Commissioner

To be used only where a Deputy Police and Crime Commissioner has been appointed.

The Commissioner may delegate functions to the Deputy Police and Crime Commissioner other than those that are statutorily prohibited. The following functions may not be delegated to the Deputy Police and Crime Commissioner under the Police Reform and Social Responsibility Act 2011:

- Issuing a Police and Crime Plan
- Appointing the Chief Constable, suspending the Chief constable or calling upon the Chief constable to retire or resign
- Calculating a budget requirement

The Police and Crime Commissioner for Cumbria has determined not to appoint a person as the Deputy Police and Crime Commissioner.

Functions delegated to the OPCC Chief Executive

Introduction

The Chief Executive is the Head of the Police and Crime Commissioner's office and staff, and the Monitoring Officer for the Commissioner. The Police Reform and Social Responsibility Act 2011 specifies three roles for the Chief Executive –

- Head of the paid service;
- Ensuring an efficient and effective OPCC; and
- Fulfilling the role of Monitoring Officer.

The formal delegations, listed below, are those given to the Chief Executive, which are in effect at the time of the publication of the scheme.

General

- As 'Head of Paid Service' under Section 4 of the Local Government and Housing Act 1989, take such day to day action as is required for the efficient and effective administration of the Commissioner's Office and; except as provided in this Scheme, the discharge of the Commissioner's functions and to give effect to the decisions and directions of the Commissioner.
- To undertake decisions in the absence of the Commissioner and any appointed Deputy Commissioner (defined as leave or illness or other exceptional circumstances); whereby contact with either is not possible and a decision of an urgent nature is required to protect the interest of the organisation, with the exception of those powers which cannot be delegated (as listed in point 12). The Chief Executive will consult with the Commissioner's section 151 officer where practicable. Upon the Commissioner's return, any decisions made by the Chief Executive will be reported to them for information /at the Public Accountability Conference.
- Represent the Commissioner to exercise such operational powers as they may be required on behalf of the Commissioner.
- To discharge the day-to-day functions of Data Controller under the provision of data protection legislation.

Finance & Governance

The detailed financial management responsibilities of the Chief Executive are set out in the Financial Regulations. Specifically, the Chief Executive will:

- Manage the budget, in compliance with Financial Regulations and Procurement Regulations, and in consultation with the Joint Chief Finance Officer.
- Ensure that arrangements are in place for the management and security of assets in accordance with the requirements of Financial Regulations.
- To consider whether or not, in consultation with the Joint Chief Finance Officer, to provide indemnity and/or insurance to the Police and Crime Commissioner, individual staff of the Commissioner, Legally Qualified Chairs, Independent Panel Members and Independent Custody Visitors. This is in accordance with the Local Authorities (Indemnities for Members and Officers) Order 2004; and to deal with or make provision to deal with other matters arising from any proceedings relating to them.
- To prepare and review a scheme of expenses for approval by the Chief Executive.

Human Resources

As Head of the Paid Service for the OPCC the Chief Executive has delegated authority -

- To appoint and dismiss staff.
- To make recommendations to the Commissioner with regard to staff terms and conditions of service, in consultation with the Joint Chief Finance Officer.
- To make arrangements for the management of staffing resources for all staff employed by the Commissioner. This to include specific working agreements and the application of all personnel policies and procedures and other policies and procedures with staffing implications.
- To approve all payroll arrangements including salary advances for no more than one month, travel and subsistence claims in accordance with policy, changes to conditions of service, honoraria, starting salary within the scale, extension of half pay and no pay sickness scheme, implementation of national pay awards

- The transfer of accumulated local government pensions into the local government pension scheme after the expiry of 12 months after joining the authority.
- To settle appeals in relation to the Local Government Pension Scheme, in line with the Occupational Pension Schemes (Internal Dispute Resolution Procedures) Regulations 1996.
- To appoint Independent Custody Visitors, members of the Independent Joint Audit Committee and members of the Ethics and Integrity Panel. In addition there is a requirement to appoint legally qualified chairs and individuals to carry out work in relation to, Police Misconduct Hearings, Police Appeal Tribunals and any other appointed members and terminate appointments if necessary.
- To approve arrangements for the attendance of staff, members and volunteers at seminars and training events and any other expenditure outside the scheme of expenses.
- To exercise the statutory powers of the Commissioner for professional standards, as delegated to them on a temporary or permanent basis and such delegations to be documented with this Scheme.

Legal & Contracts

The delegations set out below cover legal and contractual matters. Further detail on procedure in respect of contracts can be found in the Procurement Regulations.

- To authorise people to make, defend, withdraw or settle any claims or legal proceedings on the Commissioner's behalf, having taken legal advice and in consultation with the Joint Chief Finance Officer if there are significant financial implications.
- To approve settlement of any non-significant claim for damages against any individual police officer or special constable out of the police fund under section 88(4) of the Police Act 1996.
- To make arrangements to institute, defend or participate in any legal proceedings in any case where such action is necessary.
- To get legal or other expert advice and to appoint legal professionals whenever this is considered to be in the Commissioner's best interests and for his/her benefit.
- To approve financial assistance, in non-significant cases, to police officers involved in civil and criminal proceedings in line with Home Office Circular 010/2017.

- To approve the entering into and administration of all contracts for works, goods and services in accordance with the delegated financial limits set out in the Financial Regulations and in accordance with the Procurement Regulations
- To sign all contracts on behalf of the Commissioner in accordance with any decisions either has made. To approve the early termination of contracts in accordance with Procurement Regulations.
- To affix the common seal of the Commissioner or to approve the entering into framework agreements for contracts, agreements or transactions in accordance with procurement regulations.

Complaints

- To consider, with the Commissioner, any complaint made against the Chief Constable.
- To make arrangements for dealing with complaints against the Chief Constable, including referral to the Independent Office of Police Conduct (IOPC) Director General; and/or appointment of an investigating officer to investigate a recordable complaint in accordance with the appropriate regulations. Where an investigation has been undertaken, to ensure a suitable report is presented to the Commissioner to enable a decision to be made on the action to be taken.
- To review complaints of maladministration against the Commissioner and to approve the provision of any remedy, financial or otherwise.
- To be the Appropriate Authority when public complaint reviews are received; providing the determination and outcome.

Other Delegations

- In relation to a grievance against the Chief Constable, to take the appropriate action to investigate the grievance, applying as appropriate the grievance procedure, and reporting the outcome to the Commissioner to enable appropriate action to be taken to resolve the grievance.
- To discharge functions and responsibilities in respect of Police Appeal Tribunals, on behalf of the Commissioner, including the appointment of members of the Tribunals.
- Acquiring and granting freeholds, leaseholds, leases, licences and wayleaves and make applications for planning permission in accordance with the agreed asset management plan, capital programme and revenue budgets.

- In relation to the Commissioner's land and property, to serve notices to quit and notices to terminate its use or occupation, and to institute court proceedings to recover arrears of rent and other payments or to recover possession from occupiers and users.
- To arrange for the provision of professional services as required by the Commissioner.
- In the absence of the Chief Executive, the OPCC Deputy Chief Executive, excluding any matter that requires Monitoring Officer approval or decision, can also undertake delegations. The Governance Manager is the designated Deputy Monitoring Officer will carry out this function in the Chief Executive's absence.

Statutory Functions

The Chief Executive/Monitoring Officer has statutory duty in respect of the lawfulness of decision making. In the absence of the Chief Executive, the Deputy Monitoring Officer can only undertake this duty.

Functions delegated to the OPCC Joint Chief Finance Officer

Introduction

The Joint Chief Finance Officer is the financial adviser to the Police and Crime Commissioner and has statutory responsibility to manage his/her financial affairs as set out in sections 112 and 114 of the Local Government Finance Act 1988, and the Accounts and Audit Regulations 2015 (as amended). Section 113 of LGFA 1988 requires the responsible officer to be a member of a specified accountancy body.

The Joint Chief Finance Officer must ensure that the financial affairs of the Commissioner, and the Force are properly administered having regard to their probity, legality and appropriate standards.

The formal delegations, listed below, are those given to the Joint Chief Finance Officer, which are in effect at the time of the publication of this scheme. In the absence of the Joint Chief Finance Officer, the Deputy Chief Finance Officer may undertake those functions that are authorised by the Joint Chief Finance Officer within the shared services agreement between the Constabulary and Commissioner.

Delegations

- To ensure that the financial affairs of the Office of the Police and Crime Commissioner are properly administered having regard to probity, legality, and appropriate standards.
- To assist the Commissioner in planning their budget and determining the level of funding and funding conditions to be provided for the Constabulary budget and those of other partners.
- To approve the commencement of capital schemes and the virement of resources between budgets and reserves in accordance with the financial regulations and funding conditions applying to partner budgets.
- To approve the arrangements for the treasury management function, including the day to day management, the production of the treasury management strategy, prudential limits and supporting policies and procedures.

- Authority to bring forward capital funding for future years from planned schemes where these have been approved and there is a requirement or capacity to commence the schemes at an earlier date.
- To approve the arrangements for securing and preparing the Commissioner's accounts and seek assurances that there are appropriate arrangements in place for the preparation of the Chief Constable's accounts.
- To ensure that there are appropriate arrangements in place within the Constabulary for its financial management.
- To make arrangements on behalf of the Chief Executive for insurance and to seek assurance that appropriate arrangements are made for insurance with the Constabulary.
- To approve settlement figures for insurance claims on motor vehicles recommended by the Commissioner's insurers subject to the insurer's subrogated rights.
- To be responsible for all banking arrangements, together with creating, closing or authorising all bank accounts and being signatory to cheques and other mandates for payments on PCC accounts.
- To authorise payments, without having to get approval and regardless of whether or not provision has been made in the revenue budget in relation to:
 - (i) payments that have to be made by law;
 - (ii) payments ordered by the court;
 - (iii) payments due under any agreement entered into by the Commissioner.
- To prepare and annually review draft financial and procurement regulations, in consultation with the Chief Executive, for approval by the Commissioner. To approve designated exceptions to the regulations.
- To determine when goods are surplus to requirements or obsolete and arrange for disposal in line with financial regulations.
- To write off debt subject to the limits within the financial regulations.
- Provide for an adequate and effective internal audit service and make arrangements for the commissioning of external audit.

Statutory Functions

- To report to the Commissioner and the external auditor any unlawful or potentially unlawful spending by his/her officers. In the absence of the Joint Chief Finance Officer, the Deputy Joint Chief Finance Officer will undertake this function.

Chief Executive Delegations to Other Officers and Executive Team

Introduction

This section of the scheme of delegation sets out those functions delegated from the Chief Executive to other officers within the office of the Commissioner. Those officers may discharge these functions directly or secure their discharge through the arrangements for shared support services between the Commissioner and the Chief Constable. Where functions are discharged through the provision for shared support services, required authorisations are set out within the shared services agreement.

Delegations to the Deputy Chief Executive

In the absence of the Chief Executive, the designated Deputy Chief Executive can undertake all functions of the Chief Executive, with the exception of the function of Monitoring Officer. The Governance Manager undertakes the function role of Deputy Monitoring Officer.

Delegations to the Joint Chief Finance Officer

Securing the arrangements for the management and security of the Commissioner's assets; this to include:

- The day-to-day management of the property function subject to the provision of financial regulations.
- The maintenance of a register of all property owned or leased by the Commissioner. The register to include a range of property data (value, condition, maintenance etc.)
- Ensuring all property owned or leased by the Commissioner is fully compliant with all legislation, regulations and best practice codes applicable to the purpose of the asset.
- The development on an annual basis of a planned maintenance programme and providing advice on the appropriate amount to be budgeted for planned and reactive maintenance.
- Arranging for the survey and inspection of all property in compliance with legislation, regulations and best practice.
- Reporting the findings of surveys and inspections and making arrangements for necessary works where these can be met within the approved budget

- Providing draft medium term asset management strategies and plans for the Commissioner's property estate and assets acquired for use by the Constabulary.
- Providing an annual schedule for approval to be submitted to the Commissioner at the beginning of each financial year for all property to be developed, acquired and disposed of.
- Disposing of all assets previously approved by the Commissioner, in accordance with approved methods of disposal, in accordance with the financial limits within the scheme of delegation.
- Providing regular reports to the Commissioner on the implementation of the agreed capital programme.
- Securing appropriate arrangements for the safeguarding of the Commissioner's assets including those used by the Constabulary in the delivery of policing in accordance with the requirements of Financial Regulations.
- Securing arrangements for the accurate and reliable payment of wages, pensions and salaries ensuring transactions are submitted accurately and to deadlines.

Delegations to the Head of Communications and Business Services

General

- Prepare an Annual Report in consultation with Cumbria Constabulary for submission to the Commissioner.
- To make sure, in consultation with the Chief Constable, appropriate arrangements are made to gather the community's views on the policing of Cumbria and preventing crime.
- To carry out an annual council tax consultation with the communities of Cumbria to ascertain their views on the proposed level of policing precept.

Finance & Governance

The detailed financial management responsibilities are set out in the Financial Regulations. Specifically, the Head of Communications and Business Services will:

- Ensure arrangements are in place for the management of risk and business continuity and where appropriate secure that arrangements are made to insure against risks. This includes arrangements for holding to account the Chief Constable for the management of risk within the Constabulary.

- Arrange for the accepting and reporting of sponsorship, gifts, gratuities and hospitality and for the reporting of arrangements and acceptances to the Joint Audit Committee.
- Prepare and manage the OPCC budget.

Human Resources

Securing arrangements for the provision of human resources support services; including:

- To secure arrangements for the provision of advice and support to the Chief Executive in the undertaking of his/her personnel responsibilities.
- To secure arrangements for the development and implementation of human resource policies and other arrangements in accordance with legislation, regulations and applicable national and local agreements and terms including those for staff welfare, management, health and safety.
- To make arrangements for the management of staffing resources in line with agreed policies and procedures. This to include specific working agreements and the application of all personnel policies and procedures and other policies and procedures with staffing implications.
- To secure arrangements for the provision of transactional HR processes including the issuing and recording of contracts and personnel records.

Other Delegations

- To deal with Data Protection Act issues, including Freedom of Information Act requests and to prepare and issue Publication Schemes under the Freedom of Information Act 2000.
- To discharge the Commissioner's statutory duty for health and safety matters.

Delegations to the Head of Partnerships and Commissioning

General

- Prepare the Police and Crime Plan and in consultation with Cumbria Constabulary for submission to the Commissioner.
- Provide information to the Police and Crime Panel, as reasonably required to enable the Panel to carry out its functions.
- To respond to consultations on proposals affecting the Commissioner, if necessary, after first taking the views of the Commissioner, the Joint Chief Finance Officer or the Chief Constable, as appropriate.

Finance & Governance

The detailed financial management responsibilities are set out in the Financial Regulations. Specifically the Head of Partnerships and Commissioning will:

- Prepare and manage the OPCC's Commissioned Services Budget.
- Manage a scheme and distribute the proceeds out of the Police Property Act Fund; and manage schemes for the administration of grants awarded by the Commissioner and Deputy Commissioner.
- To manage the financial arrangements for contracts/grants awarded by the Commissioner.
- To designate officers as 'authorised officers' for the purposes of procurement regulations.

Procurement

Securing the arrangements for the effective management of procurement; this to include:

- Securing the provision of procurement support and advice to the Chief Executive and those undertaking procurement including on the approval of contract exemptions and arrangements for the maintenance and recording of contracts and records

Delegations to the Governance Manager

The Chief Executive/Monitoring Officer has a statutory duty in respect of the lawfulness of decision-making.

The Governance Manager is designated as Deputy Monitoring Officer and in the absence of the Chief Executive; the Deputy Monitoring Officer can only undertake this duty.

Police and Crime Commissioner's Executive Team & Executive Team Gold

The Police and Crime Commissioner has established an Executive Team composed of his Chief Executive, Deputy Chief Executive and Joint Chief Finance Officer. Other OPCC officers may occasionally be required to attend. The Executive Team does not have any decision-making powers delegated to it as a group. However, discussions at meetings of the Executive Team will inform the decisions made by the members of the Executive Team when using their delegated powers.

The Commissioner meets with all the Members of the Executive Team on a regular basis at Executive Team Gold meetings. These meetings do have decision making powers delegated to it, and is the forum in which the Commissioner or members of the Executive Team will discuss matters and, using their individual delegated powers, make any significant decisions that are not undertaken in a public forum. This arrangement is set out in the Commissioner's Decision Making Policy.

Significant OPCC policy or operational decisions will be raised and discussed at Executive Team before the Commissioner or the Chief Executive takes the final decision. This is irrespective of the individual delegation and formal decision.

Urgent matters

If any matter that would normally be referred to the Police and Crime Commissioner for a decision arises and cannot be delayed, the matter may be decided by the appropriate chief officer. The appropriate chief officers authorised to decide urgent matters are:

- the Chief Executive (all issues other than operational matters);
- the Joint Chief Finance Officer (financial and related issues);

Urgent decisions taken must be reported to the Police and Crime Commissioner as soon as practicable after they are made.

Scheme of Consent between the Police & Crime Commissioner and the Chief Constable

Introduction

As a corporation sole, the Police Reform and Social Responsibility Act 2011 allows the Chief Constable of Cumbria to operate independently in specific areas; specific legal responsibility for maintaining the Queen's Peace; and direction and control over police officers and staff.

The Chief Constable is accountable to the law for the exercise of police powers and to the Police and Crime Commissioner for the delivery of efficient and effective policing in Cumbria, management of resources and expenditure by the Constabulary. At all times their police officers and staff remain operationally independent in the service of the communities that they serve.

The Chief Constable is responsible to the public and accountable to the Commissioner for:

- Leading the force in a way that is consistent with the attestation made by all constables on appointment and ensuring that it acts with impartiality.
- Appointing the Constabulary's officers and staff (after consultation with the Commissioner, in the case of officers above the rank of Chief Superintendent and police staff equivalents).
- Supporting the Commissioner in the delivery of the strategy and objectives set out in the Police and Crime Plan.
- Assisting the Commissioner in planning the Constabulary's budget.
- Providing the Commissioner with access to information, officers and staff as required.
- Having regard to the Strategic Policing Requirement when exercising and planning his policing functions in respect of the Constabulary's national and international policing responsibilities.
- Notifying and briefing the Commissioner of any matter or investigation on which the Commissioner may need to provide public assurance either alone or in company with them.
- Being the operational voice of policing in the Cumbria police area and regularly explaining to the public the operational actions of officers and staff under their command.
- Entering into collaboration agreements with other Chief Constables, other policing bodies and partners that improve the efficiency or effectiveness of policing, and with agreement of the Commissioner.
- Remain politically independent of the Commissioner.
- Manage all complaints against the Constabulary, its officers and staff, except in relation to themselves and chief officers. Ensuring that the Commissioner is kept informed in such a way as to enable the Commissioner to discharge their statutory obligations in relation to complaints

in a regular, meaningful and timely fashion. Serious complaints and conduct matters must be passed to the Independent Office of Police Conduct (IOPC) in line with legislation.

- Exercising the power of direction and control in such a way as is reasonable to enable the Commissioner to have access to all necessary information and staff within the force.
- Having day to day responsibility for financial management of the Constabulary within the framework of the Funding Agreement, revenue budget allocation and approved capital programme and levels of authorisation issued by the Commissioner.

General Principles of Consent

The elements of the Commissioner's consent to the Chief Constable to exercise powers to enter into contracts, acquire or dispose of property on the Commissioner's behalf are detailed within the Funding Agreement. This agreement sets out the terms and conditions under which the Commissioner will provide funding to the Chief Constable throughout the duration of the agreement

For services provided jointly to both the Commissioner and the Chief Constable, a Memorandum of Understanding will be in place setting out the agreed arrangements for service delivery. In addition to those terms and conditions identified within the Funding Agreement:

- The Commissioner must not restrict the operational independence of the Constabulary and the Chief Constable who leads it.
- The Commissioner may limit the powers, which are consent/delegated and/or remove consent/delegation at any time or in relation to Funding, utilise the Dispute Resolution process as appropriate.
- Subject to this Scheme and the Funding Agreement, the Commissioner may at any time, require that a specific matter is referred to him for a decision and not dealt with under powers of consent/delegation.
- Notwithstanding any specific requirements in this Scheme or Funding Agreement, the Commissioner shall be consulted in relation to any projects/areas of work that may have a significant impact on the community of Cumbria. The Commissioner shall be consulted at both outline business case and full business case stages including any evaluation of such business case.

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Item 13b

The Chief Constable for Cumbria Constabulary

Scheme of Delegation

Report to the Joint Audit Committee 16 March 2022

Report of the Joint Chief Finance Officer

1. Introduction and Background

1.1. This report outlines the Constabulary's principal governance arrangements and draft scheme of delegation for 2022/23.

2. Detail

2.1. During 2021 new governance arrangements were formulated within the Constabulary, including a revised board structure and scheme of delegation.

2.2. Whilst these governance arrangements have been operating as intended, the formal approval of the draft Scheme of Delegation was delayed by on-going debate relating to the role of workforce boards in approving staffing changes. In the interim, workforce boards have been operating as normal in ensuring that there is appropriate governance in relation to staffing matters. Ultimately, it has been concluded that workforce boards do perform an essential function in ensuring fairness and accurate recording of staffing changes.

2.3. It is now proposed that following consideration by the Joint Audit Committee, the draft Scheme of Delegation attached will be submitted to the Chief Officer Group for formal approval by the start of the 2022/23 financial year. For ease of reading the draft Scheme of Delegation highlights changes shaded in yellow and notes of the previous delegation in blue. Proposed amendments by the People Department, principally relating to the role of workforce boards, which will be incorporated in the final version as per para 2.2 are highlighted in pink.



Governance Arrangements for Cumbria Constabulary

Work in progress

Version 2.0 March 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 in the spirit of devolving decisions downwards in the organisation and is based on the following principles:

1. Having the right level of independence to operate effectively in our own areas of work, ensuring that decisions are taken at the right level to deliver the outcomes we want
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, so the governance processes should not build in avoidable or unnecessary delays and there is a coherent and logical flow
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

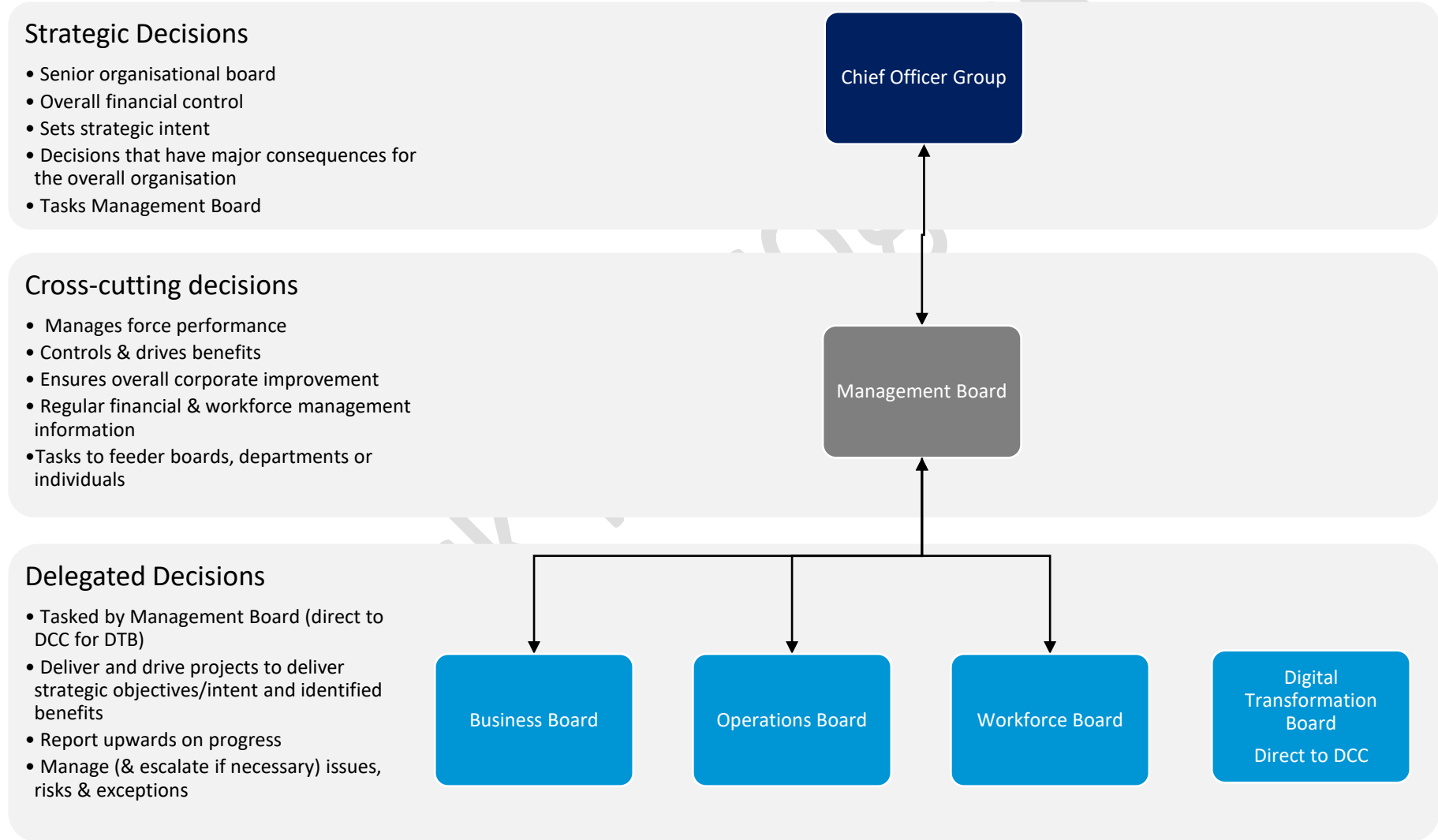
Section 2: Detailed Cumbria Constabulary Governance Map

Section 3: Terms of Reference for Major organisational governance boards

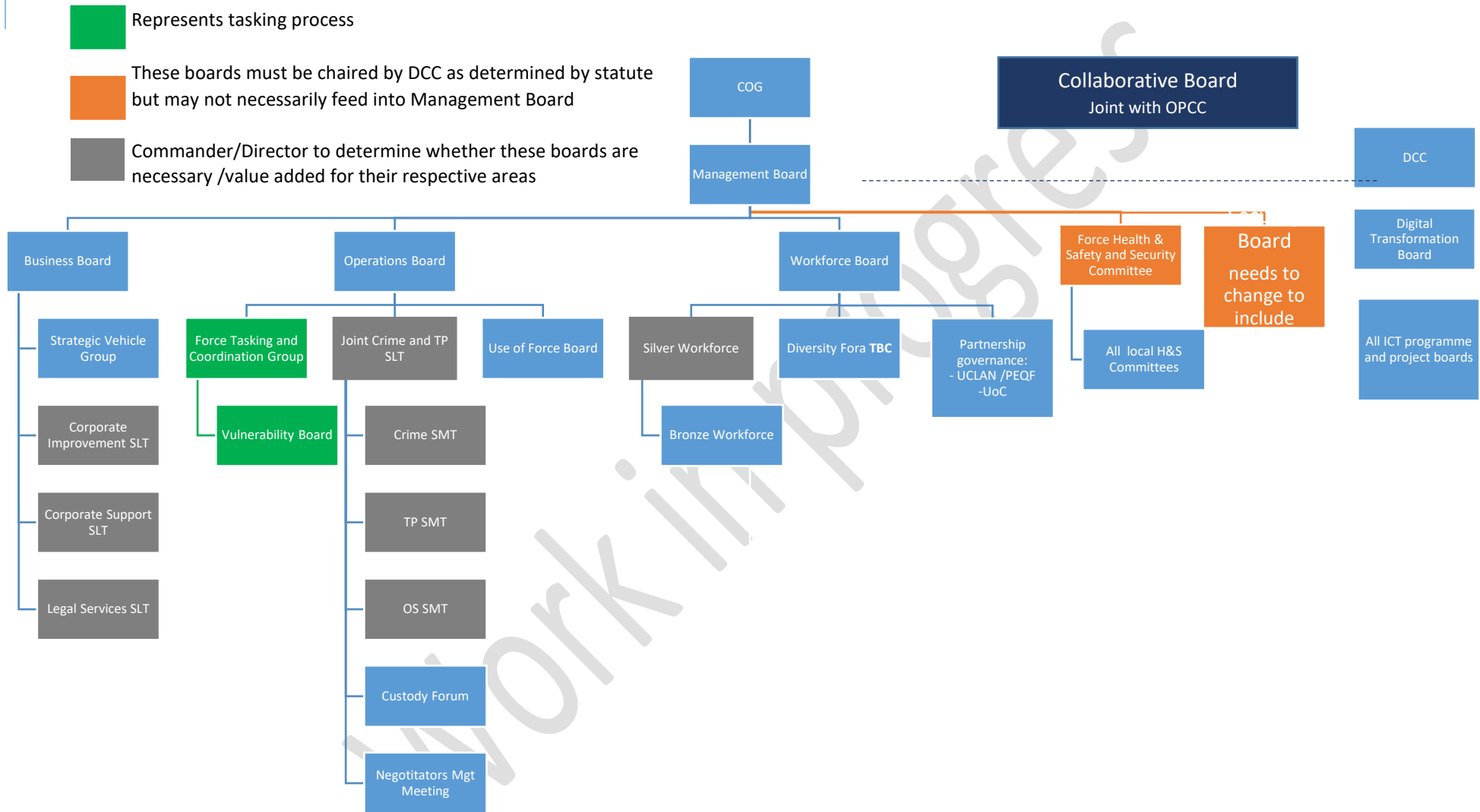
Section 4: Tables of decision making permissions organised by areas of business incorporating boards and roles. It is the intention that once the template is finalised this can be translated into a table of decision making permissions by role

Work in progress

Section 1: Cumbria Constabulary Governance Model, 2022/23



Section 2: Cumbria Constabulary Governance Map



Section 3: Terms of Reference for major organisational boards



CHIEF OFFICER GROUP

CHAIR
CHIEF CONSTABLE

FREQUENCY
WEEKLY

MEMBERS

Deputy Chief Constable
Assistant Chief Constable
Det. Chief Superintendent
Chief Superintendent
Director of Corp. Support
Director of Corp. Improvement
Joint Chief Finance Officer
Head of Marketing & Comms

Any key members of staff reporting on business in exception

PURPOSE

Cumbria Constabulary's senior organisational board. Sets organizational vision and strategic intent. Considers decisions that have major consequences for the overall organization

- 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, and benefits delivery
- 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

WORKPLAN

- 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



MANAGEMENT BOARD

CHAIR
DEPUTY CHIEF CONSTABLE

FREQUENCY
MONTHLY

MEMBERS

PURPOSE

Drive organisational performance and delivery of outcomes and benefits

- Ensures delivery of strategic intent
- Drives organisational improvement
- Regular thematic performance focus coupled with testing of benefits delivery and financial savings
- Challenge business and operational consistency, effectiveness and implementation of best practice
- Seek assurance and updates from the Constabulary Governance Boards on key issues, exceptions and progress
- Problem solve escalated issues; reallocating resources and raising actions where required
- Provide assurance and updates to Chief Officer Group on key issues, exceptions and progress
- Management of workflow across the governance structure – making sure the right tasks are being done at the right level, supervised by the right board and avoiding over-escalation of decision-making

WORKPLAN

- Cumbria Vision 25 Roadmap
- Thematic Performance Reporting Schedule
- COG Commissioned objectives
- Business continuity planning
- Monitoring key CCIP/Continual improvement plan delivery
- HMICFRS preparedness

Assistant Chief Constable
Det. Chief Superintendent
Chief Superintendent
Director of Corp. Support
Director of Corp. Improvement
Joint Chief Finance Officer
Head of Legal Services
Superintendents
Det. Superintendents
Staff Associations
Chief Supt Collaboration

Key enabling roles as and when business requires



OPERATIONS BOARD

CHAIR

ASSISTANT CHIEF CONSTABLE

FREQUENCY

MONTHLY

MEMBERS

PURPOSE

Govern and improve the way we deliver operational policing

- Check and ensure operational consistency across force and use of best practice
- Deliver and drive the tactical use of kit and equipment
- Deliver the operational benefits identified by business and technological change
- Has authority to resolve issues & policy related to operational policing
- Delegate authority to individuals or appropriate working groups where required
- Prioritises operational requirements and highlights to the Business or Workforce Boards as appropriate
- Delivers operational strategies
- Review and monitor the Constabulary's operational priorities and objectives that are required to deliver operational policing, making recommendations to the Management Board
- Manage operational risks, exceptions and inconsistencies and escalate or devolve as appropriate
- Overview of operational budgetary spend and establishment position

WORKPLAN

- Work commissioned by Management Board
- Identifies annual operational training requirements
- Implement HMIC recommendations & other improvement plans

Det. Ch. Superintendent, Crime
Ch. Superintendent, TP
Director of Corp. Support
Director of Corp. Improvement
Joint Chief Finance Officer
Supt, UOS
Ch. Insp. CJU
Ch. Insp. CCR
Ch. Insp. BIU
Area Supts (Area Ch. Insp's)
Supt Vision 25
Marketing and Comms
Staff Associations Representatives
OPCC Representative
Chief Supt Collaboration



WORKFORCE BOARD

CHAIR

DEPUTY CHIEF CONSTABLE

FREQUENCY

MONTHLY*

MEMBERS

Det. Chief Superintendent
Ch. Superintendent
Joint Chief Finance Officer
Director of Corp. Support
Director of Corp. Improvement
Head of People
Head of L&D
HR Business Partners
Head of Marketing & Comms
Staff Associations Representatives
OPCC Representation

Key enabling roles as and when business requires.

PURPOSE

Maximising the capability of our workforce and ensuring Cumbria Constabulary has effective skills for operational & organisational delivery

- 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 (*i.e. 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

WORKPLAN

- Workforce Plan
- Workforce Dashboard
- Management Board commissioned work.



BUSINESS BOARD

CHAIR

DIRECTOR OF CORPORATE SUPPORT

FREQUENCY

MONTHLY*

MEMBERS

Ch. Superintendent
Det. Ch. Superintendent
Director of Corp. Improvement
Joint Chief Finance Officer
Deputy Chief Finance Officer
Head of CSD
Head of ICT
Head of Estates and Fleet
Head of Legal Services
Head of Learning & Development
Head of People
Head of Commercial
Collaboration Ch Supt
OPCC Representation

Key enabling roles as and when business requires

PURPOSE

Deliver & improve organisational enabling capabilities

- ICT prioritisation
- Project Overview and Review Forum
- Progress project work within agreed budgets dictated by the forward project plan
- Review and monitor the Constabulary's business priorities and objectives that are required to deliver operational policing, making recommendations to Management Board
- Manage business risks and escalate or devolve as appropriate
- Ensures that business activities are coordinated and deliver value for money
- Ensures application of proportionate project management for the different activities

WORKPLAN

- In line with Vision 25 deliver:
 - Agreed forward project plan
 - Agreed capital programme
- Develop and deliver constabulary strategies in line with Vision 25 for:
 - Estates & Fleet
 - Commercial
- Management Board commissioned work

Please note the following is based on a TOR document provided by ICT



DIGITAL TRANSFORMATION BOARD

CHAIR

CHIEF SUPERINTENDENT ICT & INFORMATION MANAGEMENT

FREQUENCY

MONTHLY*

MEMBERS

Ch. Superintendent
Det. Ch. Superintendent
Director Corporate Support
Director of Corp. Improvement
Joint Chief Finance Officer
Head of ICT
Business Development Manager
Force Disclosure Manager
Superintendents Crime & TP

Key enabling roles as and when
business requires

PURPOSE

Provide strategic leadership in delivering the digital strategy

- to ensure the projects/work streams reporting into the Digital Transformation Board meet their key milestones and ensures projects interdependencies are clearly defined and understood.
- be responsible for ensuring the timely delivery of the Portfolio of digital projects/work streams in line with the Digital Strategy.
- be responsible for ensuring the coordination and realisation of associated benefits, and mitigating and monitoring risks
- provide regular assessment of the potential opportunities presented by digital technology, out with those presented in the Digital Strategy
- manage high-level interdependencies and risks associated with the Portfolio and the wider Constabulary programme of change
- strategically identify, prioritise and allocate resources to digital programmes and projects, re-aligning where necessary
- identify and develop funding and resource plans designed to assist in the delivery of programmes
- Put in place an over-arching effective communications and engagement strategy, sharing key messages with employees, members and partners as required
- Ensure that Project Executives and Business Leads are adequately supported in their work and held to account for the delivery of their responsibilities.
- Address any issue that has major implications for the project which genuinely cannot be resolved at implementation level
- Keep the scope under control by reviewing the work stack quarterly as emergent issues force changes to be considered
- Ensure continued alignment of the projects/work streams with wider Constabulary strategies and policies
- "Champion" the Digital Strategy i.e. Building and sustaining the levels of ownership, commitment and leadership necessary for the portfolio to succeed

WORKPLAN

- In line with Vision 25 deliver:
 - Agreed forward project plan
 - Agreed capital programme
- Develop and deliver constabulary strategies in line with Vision 25 for:
 - Digital Policing
 - Information Management
 - IT services
- DCC commissioned work

Section 4 : Scheme of Responsibilities

Work in progress

SECTION 1: Decision making permissions People Matters

Key: proposals that are new and for discussion. Anything in black is as per original and proposed to stay that way. Anything in blue denotes previous delegation. In the people section pink highlighted section are HR comments.

Activity	Authorising Body / Officer	Alternative	Comment
ESTABLISHMENT			
Approve annual overall establishment	COG		Agreement required with PCC
Approve resource allocation of overall establishment	COG		(New Delegation)
Approve 4 year Workforce Plan	COG		(New Delegation)
Monitor Workforce Plan & escalate changes to COG	Workforce Board / Workforce Silver		(New Delegation)
Deliver Workforce Plan	Workforce Board		(New Delegation)
Growth in force establishment for officers, PCSOs or staff posts (New Delegation)	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 (New Delegation)	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. (New Delegation)	Operations Board		COG agreed Resource Allocation Model to be used; H&S impact assessment must be carried out. HR representation required when discussed.
AUTHORISE THAT A POLICE OFFICER POST CAN BE FILLED (EXISTING BUDGETED POST)			
Organisational need to recruit police officers and specials	Workforce Board Previously CC		Intakes specified in the recruitment plan directed by the overall workforce plan.
Promotion			
Determine promotion process & subsequent posting Chief Inspector to Chief Superintendent rank (New Delegation)	Uniformed Chief Officers		Joint Uniformed Chief Officer decision.

Activity	Authorising Body / Officer	Alternative	Comment
Determine promotion process & subsequent posting PC to Inspector rank New Delegation	Chief Superintendents through Workforce Silver		Previously DCC.
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. New Delegation	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		Previously DCC responsibility. Appointment following Promotion Boards
Organisational need to consider transferees into the Constabulary	Workforce Board & Workforce Silver	Previously DCC responsibility	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	Previously DCC	Group decision- Chief is final arbiter
External transfer process including posting Constable to Inspector Rank	Chief Superintendents through Workforce Silver	Previously DCC	
Internal Transfers			
Internal transfer Organisational need to post officers within the same rank Chief Inspector to Chief Superintendent.	Uniformed Chief Officers	Previously DCC	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	Previously DCC	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

Activity	Authorising Body / Officer	Alternative	Comment
Movement of officers within the same rank Constable to Inspector- within own TPA, Crime Area or Service	Superintendents through Workforce Bronze.	Previously DCC	Must comply with Police Regulations Must ensure adequate cover to deliver key functions as determined by BCM Plans
Specials			
Appointment /recruitment of Special Constables	Chief Superintendents through Workforce Board	Previously DCC responsibility	
Secondments			
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
AUTHORISE THAT A POLICE STAFF POST CAN BE FILLED (EXISTING OR BUDGETED POST ONLY) WITHIN ORGANISATIONAL STRUCTURE			
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.	Previously DCC responsibility	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	Previously Director of Corporate Support / Head of HR	OPCC Funding Arrangement- for shared service posts there must be consultation with OPCC

Activity	Authorising Body / Officer	Alternative	Comment
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	Previously DCC	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
AUTHORISE GROWTH			
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.

Activity	Authorising Body / Officer	Alternative	Comment
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
LEAVERS (excluding dismissals covered by misconduct panels)			
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
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		

Activity	Authorising Body / Officer	Alternative	Comment
Accept resignations /authorise normal retirements police staff posts reporting direct to director and all officers up to and including rank of superintendent	Chief Superintendents	Previously DCC, Director of Corporate Support	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	Previously DCC, Director of Corporate Support	Superintendent sight Chief Superintendents
Authorise Settlement Agreements for all police officers and staff	Deputy Chief Constable		
Use of both Unsatisfactory Performance Procedures (UPP) and Unsatisfactory Attendance Procedures (UAP)			
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 nd 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 nd Line Manager Stage 3 Chief Officer		Policy & Regs to be followed HR support mandatory Stage 3 involves a formal hearing. Possibility to delegate Stage 3 to CSupt or Director if desired ?
REGRADING OF POLICE STAFF POSTS			
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)

Activity	Authorising Body / Officer	Alternative	Comment
ADOPTION, AMENDMENT OR TERMINATION OF SPECIFIC WORKING AGREEMENTS WITHIN THE FLEXIBILITY OF NATIONAL AGREEMENTS			
All police officers at DCC and ACC ranks	Chief Constable	New Delegation	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	Previously DCC	
All police officers at superintendent rank	Chief Superintendent	Previously DCC	
All police officers at chief inspector rank and below	Superintendent	Previously DCC	
All police staff at director level and above	Deputy Chief Constable		
All police staff below director level	Chief Superintendent / Director / Head of Service	Previously DCC	
AUTHORISING A SECONDARY BUSINESS INTEREST			
Authorising secondary business interest for DCC and ACC	Chief Constable		<i>Regulations 7, 8,9 & 9A Police Regulations 2003</i>
Authorising secondary business interest for all police officers below rank of ACC and all police staff	Head of PSD	Previously Head of People	As per current policy. Requires line manager input. Head of People will hear appeals.
PAY AND RATIONS			
Authorise financial assistance for professional training for all police officers and staff	Chief Superintendent / Director through Workforce Board	Previously Head of People	Initial approval through Workforce Silver, final approval Workforce Board As per training plan.

Activity	Authorising Body / Officer	Alternative	Comment
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 ploice 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	Previously DCC	
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	Previously DCC	
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

Activity	Authorising Body / Officer	Alternative	Comment
Agreeing starting salary within the scale for police staff below director level	Chief Superintendent / Director through Workforce Silver	Previously DCC	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	Previously DCC	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	Previously DCC	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	New Delegation	Line managers' responsibility via Crown Duties and iTrent automated system
Authorise annual leave for police officers	Inspector / Manager	New Delegation	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	New Delegation	Line Manager authorises through Crown Duties.

Activity	Authorising Body / Officer	Alternative	Comment
Authorise CTO exceeding the agreed ceiling for police staff	Manager through Workforce Silver		
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 from HRMs Police Staff as per T&C section 2.9.
POLICE PENSIONS			
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	Previously Joint CFO
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.

Activity	Authorising Body / Officer	Alternative	Comment
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		
LOCAL GOVERNMENT PENSION SCHEME ("LGPS")			
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	

Activity	Authorising Body / Officer	Alternative	Comment
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	
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
OVERALL BUDGET MANAGEMENT			
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.
BUDGET APPROVAL			
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

Activity	Authorising Body / Officer	Alternative	Comment
REVENUE BUDGET MANAGEMENT			
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.
CAPITAL BUDGET MANAGEMENT			
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.
ASSETS			
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
VIREMENTS			
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.
USE OF CHIEF CONSTABLE'S RESERVE AND CONTINGENCY BUDGETS			
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

Work in progress

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.

Work in progress

SECTION 4 - CLAIMS AGAINST THE CHIEF CONSTABLE / LEGAL MATTERS.

Activity	Limitation	Authorising Body / Officer	Alternative	Comment
SETTLEMENT OF CLAIMS AGAINST THE CHIEF CONSTABLE				
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	Limitation	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 be 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		

Activity	Limitation	Authorising Body / Officer	Alternative	Comment
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 claims on behalf of the Chief Constable in accordance with the insurance arrangements.		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.
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.

Activity	Limitation	Authorising Body / Officer	Alternative	Comment
Instruction of External Legal Advisors				
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.
Rights of Audience to appear in the Courts/Tribunals				
<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>		

Work in progress

SECTION 5: Police Complaints and Misconduct

Activity	Authorising Body / Officer	Alternative	Comment
POLICE (CONDUCT) REGULATIONS 2020			
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	<p>Chief Inspector PSD or by exception other appropriately qualified officers see right</p> <p>Previously Head of People</p>	<p>Deputy Chief Constable to carry out powers as Appropriate Authority for all ranks up to Assistant Chief Constable.</p> <p>Under normal circumstances C/I in PSD 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"> 1.Regulation 6: the performance of the harm test. 2.Regulation 10 (2) (3) & (4) : consideration of prejudice in criminal proceedings and consultation with the prosecutor. 3.Regulation 11: Suspension. 4.Regulation 14: Severity assessment. 5.Regulation 15: Appointment of investigator. 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. 7.Regulation 23: determination of case to answer on receipt of investigator's written report and other associated decisions under this Regulation. 8. Regulation 26: delegation of functions 9.Regulation 27: withdrawal of misconduct proceedings. 10.Regulation 28: Persons conducting misconduct proceedings 11.Regulation 49: referral of a cse to accelerated misconduct hearing. <p>Above updated for new regs</p> <p>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.</p>

Activity	Authorising Body / Officer	Alternative	Comment
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).
POLICE (COMPLAINTS & MISCONDUCT) REGULATIONS 2020			
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 Previously Head of People	<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"> 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 investigations 5.Regulation 13: duty to provide information 6.Regulation 14: combining and splitting investigations 7.Regulation 25: accelerated procedure: investigations by the appropriate authority on its own behalf 8.Regulation 27: report on investigation 9. Regulation 38: withdrawn complaints 10. Regulation 40: suspension of investigation or other procedures 11.Regulation 41: Resumption of investigation of complaint after criminal proceedings <p>Above updated for new regs</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>

Activity	Authorising Body / Officer	Alternative	Comment
Appropriate Authority - Assistant Chief Constable and Deputy Chief Constable	Chief Constable		
Appointment of Investigators Assistant Chief Constable and Deputy Chief Constable	Chief Constable		
Appointment of Investigators All Officers up to the rank of Assistant Chief Constable	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).
POLICE (COMPLAINTS & MISCONDUCT) REGULATIONS 2020			
Appropriate Authority - Assistant Chief Constable and Deputy Chief Constable	Chief Constable		
Appropriate Authority – All Officers up to the rank of Assistant Chief Constable	Deputy Chief Constable	Chief Inspector PSD or other appropriately qualified senior officer. See right Previously Head of People	<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"> 1. Regulation 3: recording of complaints 2. Regulation 4: referral of complaints to the Director General 3. Regulation 6: disapplication of requirements of Schedule 3 4. Regulation 12: appointment of persons to carry out investigations 5. Regulation 13: duty to provide information 6. Regulation 14: combining and splitting investigations 7. Regulation 25: accelerated procedure: investigations by the appropriate authority on its own behalf 8. Regulation 27: report on investigation 9. Regulation 38: withdrawn complaints 10. Regulation 40: suspension of investigation or other procedures 11. Regulation 41: Resumption of investigation of complaint after criminal proceedings <p>Above updated for new regs</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>

Activity	Authorising Body / Officer	Alternative	Comment
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 Previously DCC		
POLICE (PERFORMANCE) REGULATIONS 2020			
All officers up to the rank of Assistant Chief Constable	Deputy Chief Constable		
Certification that Practice Requires Improvement has been completed.	Detective Inspector PSD New delegation		

Work in progress

SECTION 6: Gifts, Sponsorship & Hospitality

Activity	Authorising Body / Officer	Alternative	Comment
GIFTS & HOSPITALITY			
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.
ALL SPONSORSHIP			
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.

SECTION 7: Operational Policing - Disclosure

Activity	Authorising Body / Officer	Alternative	Comment
ENHANCED DISCLOSURE			
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.

SECTION 8: Operational Policing – Civil Applications

Activity	Authorising Body / Officer	Alternative	Comment
IPNA's (CIVIL ANTI-SOCIAL BEHAVIOUR INJUNCTION)			
Authority to make applications	Inspectors		Part 1 (ss. 1 -21); Anti-social Behaviour Crime and Policing Act 2014
SEXUAL HARM PREVENTION ORDER			
Authority to make applications	Chief Superintendent Crime	Superintendent PPU	Section 103A Sexual Offences Act 2003
SEXUAL RISK ORDERS			
Authority to make applications	Chief Superintendent Crime	Superintendent PPU	Section 122A Sexual Offences Act 2003
NOTIFICATION ORDERS			
Authority to make applications	Chief Superintendent Crime	Superintendent PPU	Section 97 Sexual Offences Act 2003
CLOSURE ORDERS			
Authority to make applications	Chief Superintendent TPA	Superintendent Operations	
FOOTBALL BANNING ORDERS			
Authority to make applications	Chief Superintendent TPA	Superintendent Operations	
DANGEROUS DOGS			
Authority to make applications	Chief Superintendent TPA	Superintendent Operations	
DOMESTIC VIOLENCE PREVENTION ORDERS			
Authority to make applications	Superintendents		
PROCEEDS OF CRIME APPLICATIONS			
Authority to make applications	Chief Superintendents	Superintendents	

SECTION 9: Operational Policing – Licensing

Activity	Authorising Body / Officer	Alternative	Comment
FIREARMS LICENSING			
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		
EXPLOSIVES			
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		
LIQUOR LICENSING			
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 TPA	Chief Inspector - Operations	Licensing Act 2003 CI Ops may deputise in the absence of the absence of the Chief Supt TPA
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 TPA	Chief Inspector - Operations	Licensing Act 2003 CI Ops may deputise in the absence of the absence of the Chief Supt TPA

Activity	Authorising Body / Officer	Alternative	Comment
LICENSING – GAMBLING ACT 2005			
In accordance with the policies and procedures exercise all powers vested in the Chief Officer of Police under the Gambling Act 2005. Such delegation to include the power to delegate specific tasks to the police support staff licencing officers	Chief Superintendent TPA	Chief Inspector - Operations	Gambling Act 2005 CI Ops may deputise in the absence of the absence of the Chief Supt TPA
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 TPA	Chief Inspector - Operations	Gambling Act 2005 CI Ops may deputise in the absence of the absence of the Chief Supt TPA
LICENSING – SEXUAL ENTERTAINMENT VENUES			
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 TPA	Superintendent - Operations	Local Government (Miscellaneous Provisions) Act 1982 in relation to Sexual Entertainment Venues. Supt Ops may deputise for the Chief Supt TPA.
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 TPA	Chief Inspector - Operations	CI Ops may deputise in the absence of the absence on the Chief Supt TPA
LICENSING – SCRAP METAL DEALERS ACT 2013			
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 TPA	Superintendent - Operations	Sup Ops may deputise in the absence of the absence on the Chief Supt TPA
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 TPA	Chief Inspector - Operations	CI Ops may deputise in the absence of the absence on the Chief Supt TPA

SECTION 10: Operational Policing – Miscellaneous

Activity	Authorising Body / Officer	Alternative	Comment
PEDDLERS			
Granting of certificates	Chief Superintendent TPA	Superintendent – Operations	Sections 5 and 22 Peddlers Act 1871.
REMOVAL & ACCOMMODATION OF CHILDREN BY POLICE IN CASE OF AN EMERGENCY			
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	

Work in progress



Joint Audit Committee Proposed Annual Work Programme 2022/23

Joint Audit Committee: 16 March 2022

Originating Officer: Michelle Bellis, Deputy CFO

1. Introduction & Purpose of the Report

1.1. On an annual basis the Joint Audit Committee agrees a work programme that informs the reports and information received by the committee to ensure that members fulfil their terms of reference and advisory role. The updated terms of reference for the committee were approved at the meeting of 17 November 2021 as part of the cyclical review of governance documents. The document is aligned with the CIPFA guidance on Audit Committees. The guidance makes specific reference to the role of committees within the governance framework for policing. This report translates the terms of reference into a proposed work programme and includes a number of proposed development sessions.

2. Report

2.1. This report presents to members an annual work programme. The programme is presented in two formats. The first format sets out each of the terms of reference and the reports/activity that it is proposed the committee would undertake to fulfil the terms (**Appendix A**). It therefore aims to present an assurance framework in line with CIPFA guidance that identifies the key documents and information that the committee requires to fulfil its purpose. The second format aligns the work programme against each committee meeting (**Appendix B**). The alignment is managed to ensure wherever possible that meetings are balanced in terms of volume of work and that governance themes

are aligned. As a result of the covid pandemic, the timelines for the approval of financial statements have been amended for a number of years and this includes the 2022/23 financial year. The frequency and dates of the meetings have been amended in this work programme to reflect this. In practice this means that for 2022/23 there will only be four meetings as follows:

- The meetings in June, September, November and March will each receive, cyclical monitoring reports and the strategic risk registers. Audit reports will be issued to members at the point they have been finalised and will be listed on the meeting agenda. Members may request the full report to be tabled at any of the above meetings.
- The meeting in June will focus on annual reports that review the governance arrangements for the previous financial year. This will include the biennial review of effectiveness for the Committee, the review of the effectiveness of internal audit and reviews of the effectiveness of arrangements for anti-fraud and corruption and risk management. The committee will also receive the annual report of the Ethics and Integrity Panel setting out the work of the panel and assurances regarding arrangements for ethics and integrity. The agenda includes the annual opinion of the Group Audit Manager (Head of Internal Audit) and ensures members have all relevant information ahead of considering the Annual Governance Statement and Code of Corporate Governance prior to their publication with the unaudited financial statements. It is also intended that at the meeting in June, members will receive a copy of the Draft Statement of Accounts (subject to audit). It should be noted that, due to the tight timescales for the production of the statements, and the timing of the meeting, it may not be possible to issue hard copies of the accounts with the meeting papers in advance of the meeting. The meeting will provide an opportunity for members to meet privately with the internal auditors.
- The agenda for the September meeting will cover the standard cyclical reports and will also include the annual report of the committee, following the consideration of the committee's review of effectiveness in June. Note, the Audited Statement of Accounts would normally have been considered at the July meeting but as a result of the temporary extension to the statutory audit

dates as part of the Redmond review and the response to the covid-19 pandemic this has now been moved to November.

- The meeting in November will consider the Audited Statement of Accounts and the Audit Findings Report of the External Auditor, setting out their opinion on the financial statements (excluding the value for money conclusion which will be presented in March). The financial statements are presented with an assurance document. This provides members with advice on the wider financial governance arrangements supporting the production of financial statements. The committee will also receive the updated annual governance statement prior to publication with the financial statements. The meeting will provide an opportunity for members to meet privately with the external auditors.
- The November meeting will also focus on governance arrangements with a cyclical review of one or two of the core elements of the governance framework. A schedule outlining the review schedule for governance documents is included at **Appendix C**.
- The meeting in March will consider relevant annual strategies and plans for the following financial year. This includes the proposed internal audit plan, charter and an update on the quality assurance programme; the external audit plan, the scheme of delegation, the risk management and treasury management strategies. The external auditors will provide their annual report which will include their value for money conclusion. Members will also receive an annual report on value for money within the Constabulary including HMICFRS VFM profile data benchmarking costs with most similar group (msg). The meeting includes an annual development session on treasury management, the medium term financial strategy and change programme. This aims to inform the committee of the financial climate going forward and any resulting operational change and risks in advance of the year.
- Ad-hoc HMICFRS/Inspection and other reports appropriate to the committee's terms will be circulated to members as they are published and listed on the agenda to provide the opportunity for questions and discussion.

- All meetings provide for a corporate update facilitating briefings from Chief Officers in respect of any issues of a corporate nature that are relevant to the remit of the committee or helpful as background/contextual information.
- A minimum of two development sessions will be held annually with members. The Commissioner's treasury management advisors will meet with members at a minimum annually to provide an update on treasury strategy and developments.
- Before every meeting members hold a pre-meeting where they discuss and monitor progress against the JAC action plan and other topical matters.

2.2. Previously the work programme for the committee included some responsibilities associated with the apprenticeship programme to provide external scrutiny, challenge and recommendations with regard to apprenticeships delivered by the Constabulary as an employer provider to meet the requirements of the Education Skills Funding Agency (ESFA) and Ofsted. This was to be in relation to PCSO recruitment which has been on hold for the past 3 years while the Constabulary focussed of recruitment of police officers as part of Operation Uplift. PCSO recruitment will re-commence in 2022/23 but the Constabulary has chosen to do this via a standalone qualification route which will not require any input from members. As a result, this aspect has been removed from the work programme and will be removed from the committee terms of reference.

3. Recommendations

3.1. Members are recommended to:

- Consider the proposed annual work programme and development sessions as a basis for fulfilling the terms of reference and assurance responsibilities of the committee.
- Approve the work programme subject to any proposed changes.

Joint Audit Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: Governance, Risk and Control		
2.1) Review the corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance. Note - Underlined governance documents are scheduled for review in 2022.	June (Ethics and Integrity Annual Report)	ETHICS AND INTEGRITY GOVERNANCE: To receive an annual report from the Chair of the Ethics and Integrity Panel, advising the Committee of the work of the Panel over the previous year and matters pertaining to governance in respect of the arrangements for ethics and integrity.
	November: (All governance reviews excluding ethics and integrity) March: Risk Management Strategies, Scheme of Delegation/Consent	<p>ANNUAL REVIEW OF GOVERNANCE: To review the COPCC and Constabulary arrangements for governance; cyclical review over a three years covering:</p> <ul style="list-style-type: none"> ▪ <u>Role of the Chief Finance Officer: annual review (2022)</u> ▪ <u>Financial Regulations & Financial Rules: biennial review (2022)</u> ▪ Grant Regulations: tri-annual review (2023) ▪ <u>Scheme of Delegation/Consent: annual review (2022) - March meeting</u> ▪ Joint Procurement Regulations: biennial review (2023) ▪ Risk Management Strategy: tri-ennial review (2023) - March meeting ▪ Joint Audit Committee Terms of Reference & Role Profiles: tri-ennial review (2024) ▪ Arrangements for Anti-Fraud and Corruption /whistleblowing: biennial review (2023)
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	June	ANNUAL GOVERNANCE STATEMENT
	November (updated governance statement prior to approval and publication). Note this would normally be July but has been moved to November for 2 years)	<ul style="list-style-type: none"> ▪ Effectiveness of Governance Arrangements: To receive a report from the Joint CFO on the effectiveness of the PCC's and Chief Constable's arrangements for Governance. ▪ Codes of Corporate Governance: To consider the PCC/CC Codes of Corporate Governance ▪ Annual Governance Statements: To consider the PCC/CC Annual Governance Statements for the financial year and to the date of this meeting
	November	ANNUAL GOVERNANCE STATEMENT DEVELOPMENT AND IMPROVEMENT PLAN UPDATE: To receive an update on progress against the development and improvement plan within the annual governance statement.

Joint Audit Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: Governance, Risk and Control		
2.3) Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements	Every meeting excluding June	INTERNAL AUDIT REPORT: To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee <i>(NB audit work in compliance with PSIAS will cover a specific control objective on 'value: the effectiveness and efficiency of operations and programmes'. Specific audit recommendations will be categorised within audit reports under this heading.)</i>
	March	To receive an annual report on Value for Money within both the Office of the Police and Crime Commissioner and the Constabulary.
	November <i>(NB moved from July for 2 years)</i>	AUDIT FINDINGS REPORT: To receive from the external auditors the Annual Audit Findings Report incorporating the External Auditor's Value for Money Conclusion.
2.4) Consider the framework of assurance and ensure that it adequately addresses the risks and priorities of the OPCC and Constabulary	March	ANNUAL WORK PROGRAMME: ASSURANCE FORMAT: To review and approve an annual work programme covering the framework of assurance against the Committee's terms of reference.
	November <i>(NB moved from July for 2 years)</i>	FRAMEWORK OF ASSURANCE: STATEMENT OF ACCOUNTS: To receive a report from the Joint CFO in respect of the PCC's and CC's framework of assurance.
2.5) Monitor the effective development and operation of risk management, review the risk profile, and monitor progress of the Police and Crime Commissioner and the Chief Constable in addressing risk-related issues reported to them	March	RISK MANAGEMENT STRATEGY: To provide the cyclical (3yr) review of the OPCC and Constabulary Risk Management Strategies. (NB. Next due in March 2023)
	June	RISK MANAGEMENT MONITORING: To receive an annual report from the Chief Executive on Risk Management Activity including the Commissioner's arrangements for holding the CC to account for Constabulary Risk Management.
	September, November & March meetings	STRATEGIC RISK REGISTER: To consider the OPCC and Constabulary strategic risk register as part of the Risk Management Strategy.
2.6) Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions	Every meeting excluding June	INTERNAL AUDIT REPORT: To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee.
		MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS: To receive an updated summary of actions implemented in response to audit and inspection recommendations.

Joint Audit Committee: Annual Work Programme Assurance Format

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

Joint Audit Committee: Annual Work Programme Assurance Format

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

Joint Audit Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: External Audit/External Inspection		
4.1) Support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised either by Public Sector Audit Appointments (PSAA) or the auditor panel as	March (NB moved from July for 2 years)	AUDIT FINDINGS REPORT: To receive from the external auditors the Audit Findings Report in respect of the annual audit of the financial statements and incorporating the External Auditor's Value for Money Conclusion. This also includes a statement with regard to Independence.
4.2) Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money	March	EXTERNAL AUDIT PLAN: To receive from the external auditors the Annual External Audit Plan
	March	EXTERNAL AUDIT FEES: To receive a verbal update around the proposed PSAA scale charge for external audit fees.
4.3) Consider the external auditor's annual management letter, relevant reports and the report to those charged with governance	March/Ad-hoc (moved from November for 2 years)	ANNUAL AUDIT LETTER: To receive from the External Auditors the Annual Audit Letter and reports
	March	EXTERNAL AUDIT PLAN UPDATE: To receive from the external auditors an update report in respect of progress on the external audit plan
4.4) Consider specific reports as agreed with the external auditors/specific inspection reports e.g. HMICFRS, relevant to the Committee's terms of reference	Every meeting excluding May	ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, HMICFRS/INSPECTION: To consider any other reports falling within the remit of the Committee's terms of reference
4.5) Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies and relevant bodies	September (NB moved from July for 2 years)	PRIVATE EXTERNAL AUDIT MEETING: Confidential meeting of Committee members only and the external auditors

Joint Audit Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: Financial Reporting		
5.1) Review the Annual Statement of Accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit of the financial statements that need to be brought to the attention of the Commissioner and/or the Chief Constable	September (NB moved from July for 2 years)	ASSURANCE FRAMWORK: STATEMENT OF ACCOUNTS: To receive a report from the joint CFO in respect of the PCC's framework of assurance; To receive a report from the Deputy Chief Constable/CC in respect of the CC's framework of assurance.
	September (NB moved from July for 2 years)	ANNUAL STATEMENT OF ACCOUNTS: To receive the audited Statement of Accounts for the Commissioner and Chief Constable and Group Accounts and consider a copy of a summarised non-statutory version of the accounts
5.2) Consider the external auditor's report to those charged with governance on issues arising from the audit of the financial statements	September and November (final report) (NB moved from July and September for 2 years)	AUDIT FINDINGS REPORT: To receive from the external auditors the Audit Findings Report in respect of the annual audit of the financial statements and incorporating the External Auditor's Value for Money Conclusion.
Terms of Reference: Accountability Arrangements		
6.1) On a timely basis report to the Commissioner and the Chief Constable with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management	Every meeting (where appropriate)	To be discussed in Committee meetings and noted as feedback in the minutes.
6.2) Report to the Commissioner and the Chief Constable on its findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks; financial reporting arrangements and internal and external audit functions	Every meeting (where appropriate)	To be discussed in Committee meetings and noted as feedback in the minutes.

Joint Audit Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: Accountability Arrangements		
6.3) Review its performance against its terms of reference, objectives and compliance with CIPFA best practice on the role of the Audit Committee. Report the results of this review to the Commissioner and the Chief Constable by means of an Annual Report including where appropriate an action plan detailing future planned improvements.	June	JAC Review of Effectiveness (biennial activity cycle): - To receive a report reviewing the effectiveness of the committee against the CIPFA framework as a contribution to the overall effectiveness of arrangements for governance (Even years) - To conduct a 360' review of committee effectiveness (private meeting between members, DCC, JCFO, CE & DCFO) (Odd Years)
	September	JAC Annual Report: To receive the annual report of the committee (following the review of effectiveness undertaken in June).
6.4) Publish an annual report on the work of the committee.	September	JAC Annual Report: To publish the annual report of the committee (following approval at the September meeting.).
Terms of Reference: Treasury Management		
7.1) Review the Treasury Management policy and procedures to be satisfied that controls are satisfactory	March	TREASURY MANAGEMENT STRATEGY AND TREASURY MANAGEMENT PRACTICES: To review the annual Treasury Management Strategy incorporating the policy on investment and borrowing activity and treasury management practices.
7.3) Review the Treasury risk profile and adequacy of		
7.2) Receive regular reports on activities, issues and trends to support the Committee's understanding of Treasury Management activities; the Committee is not responsible for the regular monitoring of activity	Every meeting	TREASURY MANAGEMENT ANNUAL REPORT/ACTIVITIES: To receive for information the treasury management annual report and an update on Treasury Management Activity.
	March	TREASURY MANAGEMENT ADVISORS: To receive briefings/training from the Commissioner's Treasury Management advisors.
7.4) Review assurances on Treasury Management (for example, an internal audit report, external or other reports).	Every meeting excluding (where applicable)	INTERNAL AUDIT REPORTS: To receive reports from Internal Audit Unit in respect of specific audits conducted since the last meeting of the Committee

Joint Audit Committee Proposed Annual Work Programme 2022/23

Area	Wednesday 22 June 2022	Wednesday 21 September 2022	Wednesday 23 November 2022	Wednesday 22 March 2023
Private Meetings & Development Sessions	<p>PRIVATE INTERNAL AUDIT MEETING: Confidential meeting of Committee members only and the Internal Auditors. (Cumbria CC/TIAA)</p> <p>PRIVATE MEETING – JAC Review of Effectiveness (360° Review) – odd years only</p>	<p>PRIVATE DEVELOPMENT SESSION: To be Confirmed</p>	<p>PRIVATE EXTERNAL AUDIT MEETING: Confidential meeting of Committee members only and the external auditors. (GT)</p>	<p>PRIVATE DEVELOPMENT SESSIONS: February 2023 1) Discussion with Internal Auditors on Draft Internal Audit Plan (Joint CFO, DCFO & TIAA) 2) Medium Term Financial Forecast, capital strategy, capital programme, change programme & value for money (Joint CFO) March 2023 (Before JAC Meeting) 1) Treasury Advisor, to provide an update on Treasury Management developments</p>
Regular Reports				
Corporate Update	CORPORATE UPDATE: To receive a briefing on matters relevant to the remit of the Committee (DCC, CFO & CE)	CORPORATE UPDATE: To receive a briefing on matters relevant to the remit of the Committee (DCC, CFO & CE)	CORPORATE UPDATE: To receive a briefing on matters relevant to the remit of the Committee (DCC, CFO & CE)	CORPORATE UPDATE: To receive a briefing on matters relevant to the remit of the Committee (DCC, CFO & CE)
Internal Audit	INTERNAL AUDIT – PROGRESS REPORT: To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan. (TIAA)	INTERNAL AUDIT – PROGRESS REPORT: To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan. (TIAA)	INTERNAL AUDIT – PROGRESS REPORT: To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan. (TIAA)	INTERNAL AUDIT – PROGRESS REPORT: To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan. (TIAA)
Internal Audit	INTERNAL AUDIT REPORT(S): To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee. (Cumbria CC/TIAA)	INTERNAL AUDIT REPORT(S): To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee. (TIAA)	INTERNAL AUDIT REPORT(S): To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee. (TIAA)	INTERNAL AUDIT REPORT(S): To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee. (TIAA)
Internal Audit	MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS: To receive an updated summary of actions implemented in response to audit and inspection recommendations. (JCFO)	MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS: To receive an updated summary of actions implemented in response to audit and inspection recommendations. (TIAA)	MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS: To receive an updated summary of actions implemented in response to audit and inspection recommendations. (TIAA)	MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS: To receive an updated summary of actions implemented in response to audit and inspection recommendations. (TIAA)

Joint Audit Committee Proposed Annual Work Programme 2022/23

Area	Wednesday 22 June 2022	Wednesday 21 September 2022	Wednesday 23 November 2022	Wednesday 22 March 2023
Regular Reports (continued)				
Internal Audit	INTERNAL AUDIT –ANNUAL REPORT: To receive the Head of Internal Audit’s Annual Report including the Annual Audit Opinion. (Cumbria CC)		INTERNAL AUDIT: Outcomes of Internal Audit External Quality Assessment (5 yearly) (TIAA) (Note - after 2022, next one due 2027)	PROPOSED INTERNAL AUDIT PLAN/ INTERNAL AUDIT CHARTER: To receive a report from the Internal Auditors on the proposed Internal Audit Annual Plan and any proposed revisions. To receive a copy of the internal audit charter from the Internal Auditors. (TIAA)
Internal Audit				QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME: To receive from the Internal Auditors a report setting out the arrangements for quality assurance and improvement. (TIAA)
External Audit	EXTERNAL AUDIT FEES: To receive a verbal update around the proposed PSAA scale charge for external audit fees. (GT/Finance)		AUDIT FINDINGS REPORT: To receive from the external auditors the Audit Findings Report in respect of the annual audit of the financial statements. (GT)	ANNUAL AUDIT REPORT: To receive from the External Auditors the Annual Audit Report incorporating the External Auditor’s Value for Money Conclusion. (GT) .
External Audit				EXTERNAL AUDIT PLAN: To receive from the external auditors the Joint Annual External Audit Plan. (GT)
External Audit				EXTERNAL AUDIT UPDATE REPORT: To receive from the external auditors an update report in respect of progress on the external audit plan. (GT)
Risk Management	RISK MANAGEMENT MONITORING: To receive an annual report from the Chief Executive on Risk Management Activity including the Commissioner’s arrangements for holding the CC to account for Constabulary Risk Management. (CE or GM)	STRATEGIC RISK REGISTER: To consider the OPCC and Constabulary strategic risk register as part of the Risk Management Strategy. (CE or GM & DCC)	STRATEGIC RISK REGISTER: To consider the OPCC and Constabulary strategic risk register as part of the Risk Management Strategy. (CE or GM & DCC)	STRATEGIC RISK REGISTER: To consider the OPCC and Constabulary strategic risk register as part of the Risk Management Strategy. (CE or GM & DCC)

Joint Audit Committee Proposed Annual Work Programme 2022/23

Area	Wednesday 22 June 2022	Wednesday 21 September 2022	Wednesday 23 November 2022	Wednesday 22 March 2023
Regular Reports (continued)				
Risk Management				RISK MANAGEMENT STRATEGY: To provide the tri-ennial review of the COPCC (CE/GM) and Constabulary (DCC) Risk Management Strategies. (next due 2023)
Cyclical/Annual Reports				
Capital Strategy & TM Strategy				CAPITAL STRATEGY and TREASURY MANAGEMENT STRATEGY AND TREASURY MANAGEMENT PRACTICES: To review the annual Capital Strategy and Treasury Management Strategy incorporating the policy on investment and borrowing activity and treasury management practices. (DCFO)
TM Activities	TREASURY MANAGEMENT ACTIVITIES: To receive for information reports on Treasury Management Activity - Quarter 4/Annual Report (DCFO)	TREASURY MANAGEMENT ACTIVITIES: To receive for information reports on Treasury Management Activity - Quarter 1 (DCFO)	TREASURY MANAGEMENT ACTIVITIES: To receive for information reports on Treasury Management Activity - Quarter 2 (DCFO)	TREASURY MANAGEMENT ACTIVITIES: To receive for information reports on Treasury Management Activity - Quarter 3 (DCFO)
Governance	ANTI-FRAUD AND CORRUPTION ACTIVITIES: To receive an annual report from the Chief Executive on activity in line with the arrangements for anti-fraud and corruption. (CE/GM)		ANNUAL REVIEW OF GOVERNANCE: To review the OPCC and Constabulary arrangements for governance; cyclical review over a three years. Some documents reported in November, some in March (see Appendix C). (Relevant Chief Officers).	ANNUAL REVIEW OF GOVERNANCE: To review the OPCC and Constabulary arrangements for governance; cyclical review over a three years. Some documents reported in November, some in March (see Appendix C). (Relevant Chief Officers).
Governance	ETHICS AND INTEGRITY GOVERNANCE: To receive an annual report from the chair of the Ethics and Integrity Panel (CE).	PCC ANNUAL REPORT To receive a copy of the PCCs annual report. (CE)	PROCUREMENT ANNUAL REPORT: To receive an annual Procurement Report and Dashboard (HoC)	VALUE FOR MONEY: To receive an annual report on Value for Money within the Constabulary. (JCFO)
Governance	EFFECTIVENESS OF AUDIT: To receive a report from the Joint Chief Finance Officer in respect of the effectiveness of arrangements for audit. (DCFO)			

Joint Audit Committee Proposed Annual Work Programme 2022/23

	Wednesday 22 June 2022	Wednesday 21 September 2022	Wednesday 23 November 2022	Wednesday 22 March 2023
Cyclical/Annual Reports (continued)				
JAC	<p>JOINT AUDIT COMMITTEE - REVIEW OF EFFECTIVENESS (biennial Activity)</p> <p>: To receive a report reviewing the effectiveness of the Committee as a contribution to the overall effectiveness of arrangements for governance. (DCFO) -Even Years</p> <p>: To conduct a 360° review of committee effectiveness (private meeting between members, DCC, JCFO, CE & DCFO) -Odd Years</p>	<p>JAC ANNUAL REPORT: To receive the annual report of the joint audit committee following the committees review of effectiveness. (DCFO)</p>		<p>JAC ANNUAL WORK PROGRAMME: ASSURANCE FORMAT: To review and approve an annual work programme covering the framework of assurance against the Committee's terms of reference. (DCFO)</p>
Annual Governance Statement	<p>ANNUAL GOVERNANCE STATEMENT</p> <ul style="list-style-type: none"> ▪ Effectiveness of Governance Arrangements: To receive a report from the Joint CFO on the effectiveness of the PCC's and CC's arrangements for Governance. ▪ Code of Corporate Governance: To consider the PCC/CC Code of Corporate Governance ▪ Annual Governance Statement: To consider the PCC/CC Annual Governance Statement for the financial year and to the date of this meeting 		<p>ANNUAL GOVERNANCE STATEMENT DEVELOPMENT AND IMPROVEMENT PLAN UPDATE: To receive an update on progress against the development and improvement plan within the annual governance statement (JCFO)</p>	
Statement of Accounts	<p>ANNUAL STATEMENT OF ACCOUNTS:</p> <p>To receive the un-audited Statement of Accounts for the Commissioner and Chief Constable and Group Accounts and consider a copy of a summarised non-statutory version of the accounts (DCFO)</p>		<p>ANNUAL STATEMENT OF ACCOUNTS:</p> <p>To receive the audited Statement of Accounts for the Commissioner and Chief Constable and Group Accounts and consider a copy of a summarised non-statutory version of the accounts (DCFO)</p>	
Statement of Accounts			<p>ASSURANCE FRAMEWORK STATEMENT OF ACCOUNTS: To receive a report from the Joint CFO in respect of the PCC's and CC's framework of assurance. (CFO)</p>	
Ad Hoc Reports				
Other Ad-hoc	<p>ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, INSPECTION: To consider any other reports falling within the remit of the Committee's terms of reference</p>	<p>ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, INSPECTION: To consider any other reports falling within the remit of the Committee's terms of reference</p>	<p>ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, INSPECTION: To consider any other reports falling within the remit of the Committee's terms of reference</p>	<p>ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, INSPECTION: To consider any other reports falling within the remit of the Committee's terms of reference</p>

Governance Documents Cyclical Review Schedule

Documents	Review Cycle	Lead Officer	March 2020	March 2021	March 2022	March 2023	March 2024	March 2025
OPCC Risk Management Strategy	tr-ennial (from 2017 onwards)	Governance Manager Joanne Head	✓	✗	✗	✓	✗	✗
Constabulary Risk Management Strategy	tr-ennial (from 2017 onwards)	Joint Chief Finance Officer Roger Marshall	✓	✗	✗	✓	✗	✗
OPCC Scheme of Delegation/Consent	annual	Chief Executive/Communications & Engagement Executive, Gillian Shearer and/or Governance Manager, Joanne Head	✓	✓	✓	✓	✓	✓
Constabulary Scheme of Delegation	annual	Director of Legal Services - Andrew Dobson	✓	✓	✓	✓	✓	✓
			November 2020	November 2021	November 2022	November 2023	November 2024	November 2025
Role of the Joint Chief Finance Officer	annual	Deputy CFO Michelle Bellis	✓	✓	✓	✓	✓	✓
Joint Procurement Regulations	bi-ennial	Head of Commercial Solutions Barry Leighton	✗	✓	✗	✓	✗	✓
OPCC Arrangements for Anti-fraud & Corruption/Whistleblowing	bi-ennial	Chief Executive/Communications & Engagement Executive, Gillian Shearer and/or Governance Manager, Joanne Head	✗	✓	✗	✓	✗	✓
Constabulary Arrangements for Anti-fraud & Corruption/Whistleblowing	bi-ennial	Head of People, Supt. Lisa Hogan and/or Head of Professional Standards	✗	✓	✗	✓	✗	✓
Financial Regulations & Financial Rules	bi-ennial	Deputy CFO Michelle Bellis	✓	✗	✓	✗	✓	✗
Joint Audit Committee Terms of Reference and Role Profiles	tri-ennial	Deputy CFO Michelle Bellis	✗	✓	✗	✗	✓	✗
OPCC Grant Regulations & Procedures	tri-ennial	Chief Executive/Head of Partnerships and Commissioning, Vivian Stafford	✓	✗	✗	✓	✗	✗

Auditor's Annual Report on The Police and Crime Commissioner for Cumbria and The Chief Constable of Cumbria Constabulary

2020-21

December 2021



Contents



We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Police and Crime Commissioner and Chief Constable have made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Police and Crime Commissioner and Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



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



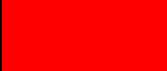
Executive summary

Value for money arrangements

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Police and Crime Commissioner (PCC) and Chief Constable have put in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources. We are required to report in more detail on the overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit. The specified criteria are set out below

Criteria	Risk assessment	Finding
Improving economy, efficiency and effectiveness	No risks of significant weakness identified	No significant weaknesses in arrangements identified, but improvement recommendations made.
Governance	No risks of significant weakness identified	No significant weaknesses in arrangements identified.
Financial sustainability	No risks of significant weakness identified	No significant weaknesses in arrangements identified.

Key

	No significant weaknesses in arrangements identified.
	No significant weaknesses in arrangements identified, but improvement recommendations made.
	Significant weakness in arrangements identified and key recommendation made.



Financial sustainability

The PCC and Chief Constable have a good track record of sound financial management and delivered an overall underspend of £0.503m in year. The PCC and Chief Constable understood the financial risks which they faced and managed these risks by maintaining an appropriate level of reserves. Overall we are satisfied that the PCC and Chief Constable had appropriate arrangements in place to manage the risks they faced in respect of its financial resilience. We have not identified any risks of significant weakness in PCC's and Chief Constable's financial sustainability arrangements but have made one improvement recommendation relating to in year savings reporting.



Governance

Overall, we found no evidence of significant weaknesses in the PCC's or Chief Constable's governance arrangements for ensuring that they made informed decisions and properly managed its risks.



Improving economy, efficiency and effectiveness

The PCC and Constabulary have put in place effective arrangements to improve economy, efficiency and effectiveness.



Opinion on the financial statements

We gave an unqualified opinion on the Group, PCC and Chief Constable financial statements following the Joint Audit Committee on 4th November 2021 and the subsequent approval of the financial statements.

Commentary on the PCC's and the Chief Constable's arrangements to secure economy, efficiency and effectiveness in their use of resources

All PCCs and Chief Constables are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The PCC's and Chief Constable's responsibilities are set out in Appendix A.

PCCs and Chief Constables report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the PCC and Chief Constable have made proper arrangements for securing economy, efficiency and effectiveness in their use of resources.

The National Audit Office's Auditor Guidance Note (AGN) 03, requires us to assess arrangements under three areas:



Financial sustainability

Arrangements for ensuring the PCC and CC can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Governance

Arrangements for ensuring that the PCC and CC make appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the PCC and CC make decisions based on appropriate information.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the PCC and CC deliver their services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Our commentary on each of these three areas, as well as the impact of Covid-19, is set out on pages 5 to 16. Further detail on how we approached our work is included in Appendix B.

Financial sustainability



How the PCC and Chief Constable(CC) ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

We considered how Cumbria Police:

- identifies all the significant financial pressures it is facing and builds these into its plans
- plans to bridge its funding gaps and identify achievable savings
- plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning
- identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

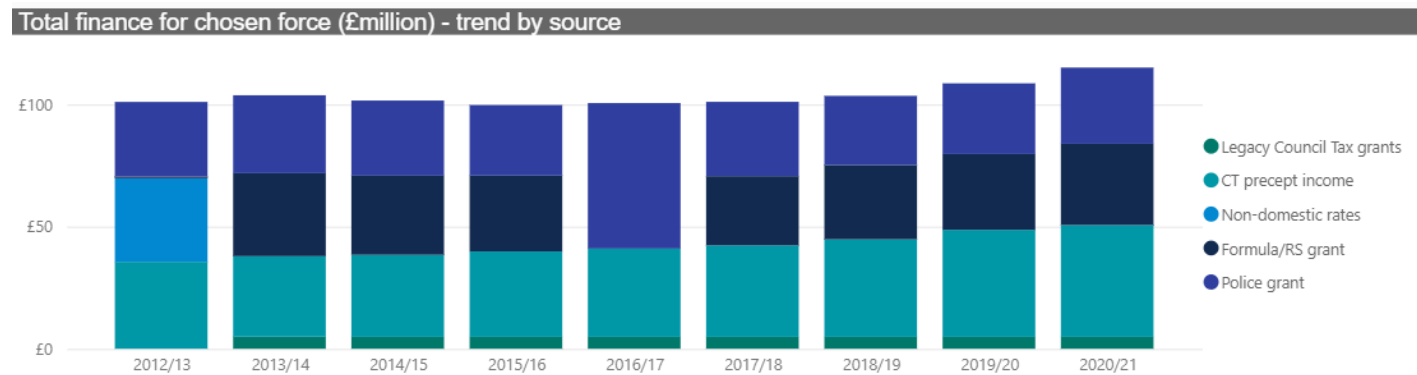
Overview of the arrangements to ensure financial sustainability

The PCC and Chief Constable have suitable arrangements in place for planning and managing the PCC and CC's finances. The in year financial performance for 2020/21 was that a sustainable financial position has been achieved and an underspend of £0.503m delivered, comprising an overspend of £0.113m on budgets managed by the PCC and an underspend of £0.616m by the CC.

The PCC and CC's Medium Term Financial Plan (MTFP) covers a five year period and is revised annually alongside the budget setting process. The budget and MTFP are prepared in conjunction with and reflect the PCC's and CC's key strategies including its workforce plan, estates, fleet, digital, data and technology, commercial strategies as well as the Police and Crime Plan and the Efficiency and Productivity Plan. The draft budget and MTFP is scrutinised by leadership teams from both the PCC and Constabulary, prior to its approval.

The PCC and CC's MTFP demonstrates that financial plans are in place to deliver a balanced budget for 2021/22 and 2022/23 with a savings requirement required from 2023/24 onwards.

Our work has not identified any risk of significant weakness with regard to financial sustainability. The following chart, taken from Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) value for money dashboards, shows the main sources of funding for Cumbria Police.



Key Financial Assumptions

The 2020/21 financial forecasts included reasonable assumptions with pay rises of 2.5% and inflation on the majority of non-staff budgets set at 2%, in line with Bank of England estimates at the time. Looking forward we have reviewed the key financial assumptions in Cumbria's 2021/22 – 2024/25 MTFP and found these to be realistic. Funding levels are based on funding allocations and specific grants for policing and crime, the key grants against which most funding is received are the Police Pensions Top-Up Grant (£27m), Home Office legacy Council Tax Grants of £4.85m and a specific pensions grant of £1.2m. The MTFP assumes that grant funding

Financial sustainability



How the PCC and Force ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

We considered how Cumbria Police:

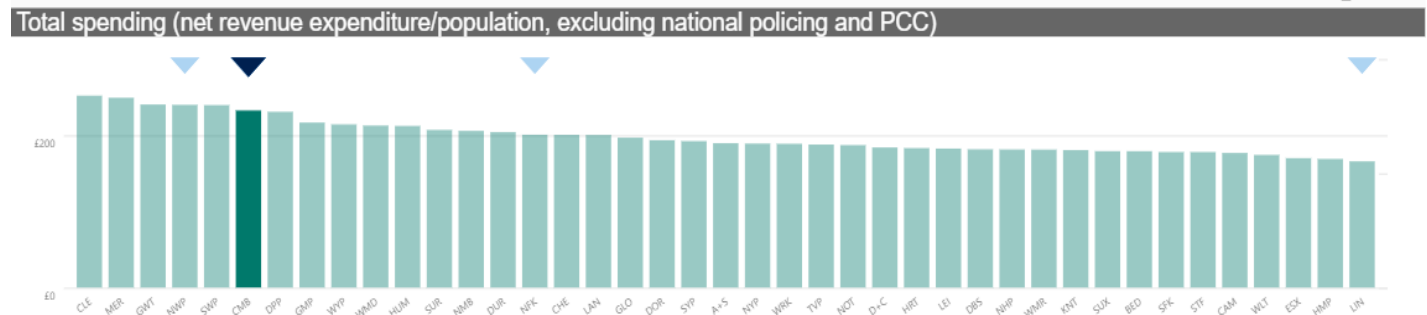
- identifies all the significant financial pressures it is facing and builds these into its plans
- plans to bridge its funding gaps and identify achievable savings
- plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning
- identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

will increase pro rata in line with Phase 3 of the National Operation Uplift Programme model, but thereafter the level of core funding will be maintained on a flat cash basis for the remaining 2 years of the MTFP.

Council Tax assumptions are a key element of planning and the PCC and CC work closely with their billing authorities to understand assumptions around the Council Tax base and the surplus/deficit on the Collection Funds. The Comprehensive Spending Review and Government Settlements are reviewed on an ongoing basis to try and model the future resource scenarios that Cumbria will operate in. As for all police bodies, annual settlements and the lack of longer term assurances over funding makes financial planning more short-term in its focus. Indications from central Government of a longer term funding settlement would help bring further clarity around these planning assumptions.

The 2021/22 budget is balanced based on a precept increase of 2.47% and a Council Tax base reduction of 0.14% in 2021/22. Assumptions around pay and other employee costs, which are the largest area of expenditure (£121.6m in 2020/21) followed national guidance with no pay increase factored in for 2021/2022 but thereafter it is assumed that there will be pay rises averaging 2% per annum over the remainder of the forecast. Inflation on the majority of non-staff budgets has been set at 2% for the life of the medium term forecast in line with Bank of England estimates at the time. These assumptions appear to be appropriate.

The budget position is monitored and reported throughout the year by the Joint Chief Finance Officer who regularly updates senior managers at the PCC and Constabulary. At a local departmental level budget holders and their senior leadership teams are briefed on the financial position on a monthly basis. Senior management scrutinise and challenge budget holders at the annual budget star chambers or on specific issues by exception. This level of reporting demonstrates a robust approach to monitoring. The diagram below, again taken from the HMICFRS value for money dashboards, shows how Cumbria's Police's spend compares to other Forces.



Financial sustainability



How the PCC and Force plans to bridge its funding gaps and identifies achievable savings

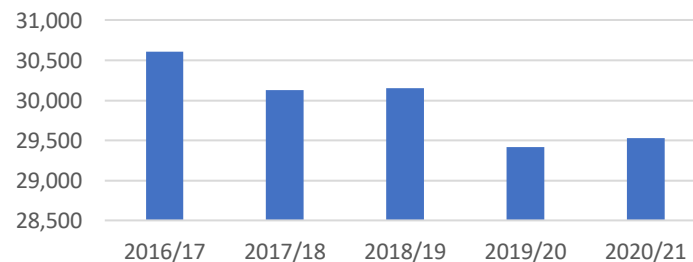
We considered how Cumbria Police:

- identifies all the significant financial pressures it is facing and builds these into its plans
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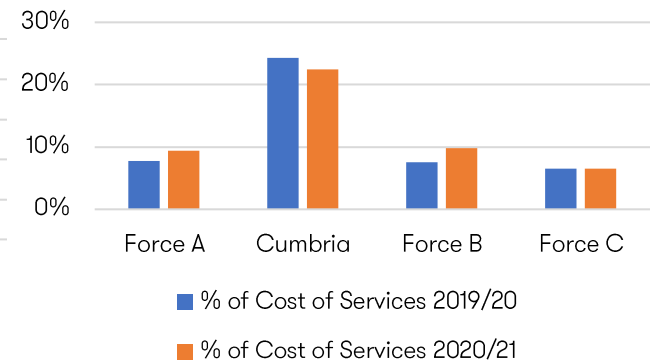
Managing the funding gap and use of reserves

The 2021/22 funding settlement was generally perceived as favourable and Cumbria received an additional £3.4m of additional grant in relation to Operation Uplift, the Government's plan to nationally recruit 20,000 new officers by 2023, which locally has seen planned recruitment in Cumbria of an additional 50 officers in 2021/22. The combination of the funding settlement and additional grant, combined with a track record of tight financial management has allowed the PCC and CC to set a balanced budget within its MTFS up to 2022/23, however in 2023/24 a budget gap arises of £2.1m which is forecast to increase to £5.1m in 2024/25. Savings are required in future years savings to offset the forecast deficit and in the event that savings are not fully delivered reserves will be required to bridge the gap. Cashable efficiency savings of over £1m have already been identified 2021/22, increasing to £3.8m by 24/25. The MTFS is currently being updated for the February 2022 budget setting process and as part of that process the Productivity and Efficiency plan will be updated further once the budget and MTFs have been finalised.

Level of Usable Reserves £000
2016/17 - 2020/21



Usable Reserves as % of Cost of Services
Gross Expenditure



The overall usable reserve balances remain appropriate and has remained relatively consistent having only fallen by £1.081m over the last five years. In addition it can be seen that the level of usable reserves is healthy compared with the Cost of Services Gross Expenditure and in comparison with a number of other Forces locally. Given the financial climate over this period this is a significant achievement.

The Joint Chief Finance Officer's reserves strategy is produced and published as part of the overall budget setting process. The reserves strategy meets the statutory requirement to consider annually the level of reserves that should be held to meet future expenditure requirements when setting the budget. The strategy highlights that total reserves are planned to reduce from £19.9m at

Financial sustainability



How the PCC and Force plans to bridge its funding gaps and identifies achievable savings

We considered how Cumbria Police:

- identifies all the significant financial pressures it is facing and builds these into its plans
- plans to bridge its funding gaps and identify achievable savings
- plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning
- identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

the start of 2021/22 to £15.3m by end of March 2025, largely due to provision of funding to support the capital programme. Of the remaining £15.3m, the general reserve of £3.6m, equates to approximately 3% of the net recurrent budget (the agreed minimum level) and is held for managing financial risks and unforeseen events and budget support, whilst a small number of other reserves are earmarked for specific purposes including pooled/partnership funds.

A potential pressure on the adequacy of the budget was posed by the global pandemic in 2020. Whilst this undoubtedly caused financial challenges, potential negative effects were mitigated by the provision of additional funding from central Government. Whilst policing did not receive anywhere near the scale of COVID-19 funding that other Local Government bodies received, the additional grants allowed any pressures to be reduced, with increased spend over and beyond COVID-19 funding levels accommodated within their budgets.

Development of a sustainable MTFP through force transformation, benefits realisation and the delivery of savings

The development of the MTFP requires a clear understanding and assessment of the current and future demand for services across Cumbria. Cumbria's MTFP is underpinned by its Force Management Statement which highlights the demand expected to be faced in the next four years, how the Constabulary will change and improve its workforce and other assets to cope with that demand, how the Constabulary will improve its efficiency to make sure the gap between future demand and future capability is as small as it can reasonably be.

Savings will be required in future years to offset the forecast deficit in 2023/24 of £2.1m and £5.1m in 2024/25. The Constabulary has over the years demonstrated a track record of delivering savings achieving upwards of £26m of savings since 2010. The focus of savings plans is very much on delivery of recurrent savings. Savings plans are approved by both the Chief Officer Group and by the PCC. Schemes are identified through the Efficiency and Productivity Strategy, which outlines work which will be undertaken to deliver savings. Over the last two financial years it is recognised that the primary focus for the Constabulary and PCC has been around dealing with the pandemic and managing the local impact of Operation Uplift. Understandably in year reporting of savings has not taken the same level of priority and this is an area where the Constabulary and PCC recognise needs to improve going forward. We have therefore made an improvement recommendation in this area.

Arrangements for incorporating risks into financial plans

Risk registers in place for both the PCC and Constabulary which incorporate the key financial risks. The registers are discussed and reviewed at Senior Leadership Team Level with any high level risks escalated to the Strategic Risk Register (SRR) which are then monitored at Chief Officer Group and PCC Executive Team meetings.

The risks are considered and incorporated into financial plans routinely as part of the MTFP and annual budget setting cycle. All financial documents clearly identify key risks and assumptions.

Conclusion

Overall, we found no evidence of any significant weaknesses in the PCC and Constabulary's arrangements for planning and managing its resources to ensure it can continue to deliver its services. We have made an improvement recommendation around the reporting of savings schemes delivery.

Improvement recommendations



Financial Sustainability

01 Recommendation	The PCC and Constabulary should enhance the in year financial reporting arrangements around savings schemes by incorporating arrangements to monitor profiled delivery of individual schemes, including risk assessments within regular finance reports
Why/impact	Any slippage on the delivery of efficiency targets could undermine the delivery of the medium term financial plan.
Auditor judgement	Ensuring the delivery of savings schemes are on track, and if not taking corrective action, will help to ensure the financial sustainability of the PCC and Constabulary.
Summary findings	In year reporting of savings schemes reporting of needs to improve going forward.
Management comment	A more formalised approach to the in-year reporting of progress towards savings and efficiency targets will be introduced as part of the internal quarterly reporting of the financial position to the Chief Officer Group and the OPCC Executive Teams. This reporting will commence with the Quarter 3 report for 2021/22.



The range of recommendations that external auditors can make is explained in Appendix C.

Governance



How the body approaches and carries out its annual budget setting process

We considered how Cumbria Police:

- monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- approaches and carries out its annual budget setting process
- ensures effectiveness processes and systems are in place to ensure budgetary control
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency
- monitors and ensures appropriate standards.

Overview of Governance Arrangements

The PCC and Constabulary have established effective governance arrangements around financial oversight, risk management and review. Our work has not identified any risks of significant weakness in arrangements with regards to governance.

The PCC and Constabulary has demonstrated that it has a suitable annual budget setting process in place. The process involves key management from across both the PCC and Constabulary. The budget cycle starts in September/October with Financial Services Officers (FSO) formulating proposed departmental budgets with the relevant Heads of Service. These proposals are then considered at the Budget Star Chamber, which comprises the Deputy Chief Constable, the Joint Chief Finance Officer and the relevant Directors/Commanders. Budget submissions including any budget pressures and savings are scrutinised at this stage. Any changes are then fed back and factored into budget submissions.

Draft budgets are consolidated and compared with external funding once the grant settlement is received and council tax options developed. The PCC Executive Team and Constabulary Chief Officers discuss the budget options to develop an agreed budget proposal for consultation and subsequent submission to the Police and Crime Panel.

Alongside this a budget briefing session is held with Police and Crime Panel members in advance of their precept setting meetings.

Financial management and reporting

There is regular budget monitoring and reporting throughout the year. For 2020/21 the structure of the quarterly budget reports were revised and presented as 'Financial Summary' reports to the Public Accountability Conference meetings. The reports are informative and provide comprehensive financial information on the revenue and capital financial position, revenue and capital covid spend, the latest financial position with regards to Operation Uplift, Treasury Management information as well as a summary of the key income and expenditure variances for both the PCC and the Constabulary.

In addition the FSOs also provide monthly budget reports to their managers and their senior leadership teams. Any budget variances are identified at an early stage and mitigating actions put in place.

Monitoring and ensuring appropriate standards

Policies and procedures are in place which monitor and ensure compliance with legislation and regulatory standards. Arrangements and procedures are in place in relation to anti-fraud and corruption and whistleblowing, and these are subject to biennial review by the Joint Audit Committee as part of its cyclical review of governance documents. Officers and staff have also received briefings on the Code of Ethics.

Governance



How the Force and PCC ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed

We considered how Cumbria Police:

- monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- approaches and carries out its annual budget setting process
- ensures effectiveness processes and systems are in place to ensure budgetary control
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency
- monitors and ensures appropriate standards.

The PCC and Constabulary maintain registers of gifts and hospitality as well as declarations of interests, which all form part of their anti-fraud and corruption arrangements. The registers are scrutinised as part of our final accounts audit.

Arrangements in place to identify strategic risks

The PCC and CC have effective arrangements in place for identifying and managing risks. The PCC and CC have a risk management strategy and policy setting out how risks are to be managed and that effective risk management requires the widespread understanding and commitment to risk management principles from senior management and chief officers. Both the PCC and CC apply a risk methodology when reviewing and scoring risks based on the impact and likelihood of the risk. Risks are RAG (red, amber, green) rated and allocated to a nominated risk owner who is responsible for regularly reviewing the risk, appropriateness of score and mitigating actions recorded. Risks are recorded in risk registers with separate ones for the PCC and Constabulary. The registers set out the strategic risks and the mitigating actions put in place to manage the risk alongside an assessment of the current risk to the PCC and Constabulary. Risks are discussed and monitored at Senior Leadership Team Level with high level risks monitored at Chief Officer Group and PCC Executive Team meetings. The risks are also reported to and scrutinised by the Joint Audit Committee three times a year.

Decision making process

Strategic decisions are made by the PCC Executive Team Gold and the Constabulary Chief Officer Groups and on certain occasions such as budget setting by a Joint Meeting. The Constabulary decision making is also supported by subsidiary boards with more limited decision making powers. Decision logs are maintained for both the Constabulary Chief Officer Group and PCC Executive Team, which are shared with relevant stakeholders.

Decisions are supported by papers and business cases, which are consulted on with specialist departments to ensure that all implications such as ICT, procurement, financial, legal, HR and risk management are taken into account as part of the decision making process. Review of recent business cases show that a robust and thorough assessment is undertaken with consideration of the key facts including the financial and operational benefits. Decision making and future planning is centred on core service delivery and decisions are taken in the context of the budget and MTFP. Functional specialists, the Director of Legal Services and the Joint Chief Finance Officer are consulted on strategic decisions to ensure they are legal. Risks are also considered in the decision making process to ensure factors such as reputational risk are taken into account.

As part of the decision making process the PCC and Constabulary will undertake public consultations to help understanding the public perceptions and priorities, which then informs the Police and Crime Plan and Cumbria's policing priorities. The public are also consulted annually on the budget proposal, which includes major service developments.

Governance



How the Force and PCC ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed

We considered how Cumbria Police:

- monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- approaches and carries out its annual budget setting process
- ensures effectiveness processes and systems are in place to ensure budgetary control
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency
- monitors and ensures appropriate standards.

Maintaining of standards

The PCC and Constabulary have a series of mechanisms in place to ensure that appropriate standards are adhered to and maintained. The Joint Audit Committee plays a pivotal role providing independent assurance in respect of the arrangements for governance. This includes assurance on financial and non-financial performance where there is an implication for exposure to risk or where there may be a weakening of the internal control environment. The Committee is responsible for assurance on the overall adequacy of risk management arrangements and will oversee the financial reporting process.

The members of the Committee have a wide range of experience and invites are often extended to an appropriate range of senior leaders from the Constabulary and PCC, with the PCC and Chief Constable attending when the statement of accounts are approved.

The Joint Audit Committee is assessed against CIPFA best practice guidance on the role of Audit Committees and is fully compliant. Attendance and observation of the Committee shows that it is effective, and a recent 360 degree feedback exercise scored consistently in the high 90% approval ratings on a range of criteria. The Joint Audit Committee make a significant contribution to public assurance about the integrity and internal controls in place at both the PCC and Constabulary.

Further assurances around the PCC and Constabulary's governance arrangements are provided by Internal Audit. Internal audits are delivered through a shared service with Cumbria County Council. Internal Audit operates within the framework of an Internal Audit Charter. A risk based Annual Audit Plan delivers assurance to the PCC and Chief Constable that arrangements for governance and internal controls are operating effectively and enables the Chief Internal Auditor to deliver an Annual Audit Opinion. The 2020/21 annual audit opinion provided reasonable assurance over the effectiveness of the PCC and the Chief Constable's arrangements for governance, risk management and internal control, with 85% of audits receiving Reasonable or Substantial assurance.

Conclusion

Overall, we found no evidence of any significant weaknesses in the PCC's and Constabulary's arrangements for making appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the PCC and CC make decisions based on appropriate information.

Improving economy, efficiency and effectiveness



We considered how Cumbria Police:

- uses financial and performance information to assess performance to identify areas for improvement
- evaluates the services it provides to assess performance and identify areas for improvement
- ensures it delivers its role within significant partnerships, engages with stakeholders, monitors performance against expectations and ensures action is taken where necessary to improve
- ensures that it commissions or procures services in accordance with relevant legislation, professional standards and internal policies, and assesses whether it is realising the expected benefits.

Overview of Arrangements for improving economy, efficiency and effectiveness

The PCC and Constabulary have put in place effective arrangements to continue to improve economy, efficiency and effectiveness. This includes partnership working with statutory organisations such as Local Authorities, Fire and Rescue Services, Probation Trust and Youth Offending Teams, as well as the voluntary sector, community and faith organisations to help deliver initiatives aimed at supporting the objectives in the Police and Crime Plan.

Performance monitoring

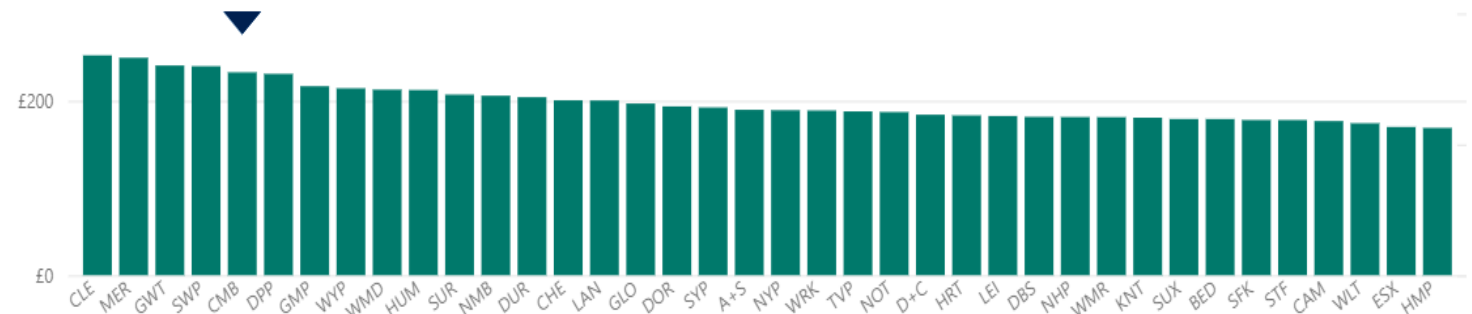
Performance monitoring arrangements across both organisations are appropriate and timely. The Constabulary Chief Officer Group receives weekly updates on Cumbria’s key areas of performance in line with the national outcomes dashboard, including crime and incident numbers, calls for service, call answering, safeguarding and sickness levels. This frequency of performance monitoring ensures that resources can be directed to priority issues. In addition, a monthly Management Board meets to discuss key areas of performance in depth.

Other relevant performance data is provided to supporting boards such as the workforce, digital transformation, operations boards and is escalated where appropriate. The Chief Officer Group and PCC Executive Team receives financial updates on a monthly basis.

The Constabulary also makes use of HMICFRS Value for Money Profiles to identify areas where there may be potential to identify savings or investigate areas where they are a cost outlier. The profiles provide comparative data on a wide range of policing activities including:

- how much forces spend on different policing activities;
- how crime levels compare across forces, as well as what outcomes forces achieve; and
- workforce costs, broken down by role, rank and gender.

Total spending (net revenue expenditure/population, excluding national policing and PCC)



Improving economy, efficiency and effectiveness



We considered how Cumbria Police:

- uses financial and performance information to assess performance to identify areas for improvement
- evaluates the services it provides to assess performance and identify areas for improvement
- ensures it delivers its role within significant partnerships, engages with stakeholders, monitors performance against expectations and ensures action is taken where necessary to improve
- ensures that it commissions or procures services in accordance with relevant legislation, professional standards and internal policies, and assesses whether it is realising the expected benefits.

The level of information provided by the HMICFRS can be used to help inform decision making and assess performance against a number of other Forces. The graph overleaf shows that Cumbria's net expenditure per population stands at £239.20 per person and is the 5th highest in the HMICFRS group.

Service Inspection

The Constabulary is subject to inspection by HMICFRS and the last inspection was completed in 2018/19. This review concluded that Cumbria in the three areas assessed of police effectiveness, efficiency and legitimacy was good. As a result of the pandemic all inspections were put on hold, however, for 2021/22 HMICFRS has introduced new criteria for performance assessment with each police force giving graded judgments against a series of core questions. The HMICFRS have recently completed its PEEL assessment and the result of the PEEL assessment will be announced in spring 2022.

Partnership working

The Constabulary participates in a number of partnership arrangements ranging from large strategic arrangements to micro level informal partnerships at a local level. Examples of Cumbria's strategic partnerships delivering benefits include the Multi Agency Safeguarding Hub in conjunction with neighbouring councils, a partnership with Durham Police in particular in relation to ICT systems and projects, a collaboration with the University of Central Lancashire for delivery of the new police apprenticeships training and recent investments with other north west forces in relation to providing joint forensic capability.

The delivery of the Constabulary's key partnerships is monitored through Boards as business as usual, with escalation to the Chief Officer Group or PCC Executive Team by exception when issues arise. For partnerships which are being developed specific task and finish group may be set up to monitor progress and delivery. PCC collaborations tend to include a performance framework which enables partners to be held accountable for performance. Similarly most significant partnerships involving the Constabulary also have a governance framework, which provide a vehicle for partners to meet to discuss issues and improvements.

Commissioning and procurement

The PCC and Constabulary has a joint approach to procurement including the establishment of Joint Procurement Regulations and a Joint Procurement Guidance/Handbook to provide clear advice with regards to commissioning and procurement. The Joint Procurement Regulations are reviewed annually by the Head of Commercial and specifically focus on business code of conduct establishing the key criteria that must be adhered to when conducting business. The regulations also address contracting policy and procedures including the procurement and contracting rules and processes and level of authorisation, delegations and responsibilities that must exist.

The PCC has also produced a Commissioning Strategy 2020 which sets out the principles and framework that will be used to commission services that will achieve the objectives of the Police & Crime Plan. The Strategy adopts guidance developed by the National Audit Office 'The Eight Principles of Good Commissioning', which are designed to provide better public outcomes for individuals and communities.

Conclusion

Our work has not identified any risks of significant weakness in the arrangements with regards to improving economy, efficiency and effectiveness.

COVID-19 arrangements



Since March 2020 COVID-19 has had a significant impact on the population as a whole and how Police services are delivered.

We have considered how arrangements have adapted to respond to the new risks you are facing.

Overview of Covid 19 Arrangements

The PCC and Constabulary has successfully managed the challenges posed to it by the COVID-19 pandemic. Policing has been at the forefront of ensuring that the public follow national guidelines and stay safe. This has required additional patrols, the use of personal protective equipment (PPE), social distancing, while continuing with operational policing.

The Constabulary has operated a command and governance structure in response to the pandemic which focused on strategic (Gold Command), tactical (Silver Command) and operational levels (Bronze Command). Meetings were held on a regular basis, daily in the early stages and now reduced to weekly/fortnightly as appropriate. The Constabulary also took a leading role in the county wide response known as the Strategic Coordinating Group, with senior management being seconded to chair the group on a full time basis from March 2020 to April 2021.

The Constabulary was proactive with early investment in IT equipment and improved connectivity which ensured that it was possible for officers and staff to work from home, allowing essential services to be maintained and staff welfare protected.

Separate cost centres were established to capture the costs associated with the policing response to the pandemic, with these costs regularly reported to the Chief Officer Group and the Public Accountability Committee. During 2020/21 the pandemic saw additional expenditure of £1.055m incurred in relation to PPE, technology and enforcement activities, yet income generation fell by a further £0.413m. The additional expenditure and reduction in income was offset by a combination of Government support and savings which resulted indirectly from the pandemic, totalling £1.767m. To date, with this support the Constabulary has been able to manage the cost of its response to the Covid-19 pandemic with no adverse effect on its budget.

Cumbria Constabulary has faced particular operational challenges arising from the limitations that were imposed on foreign travel, which saw the Lake District attracted much higher than normal visitor numbers. The Constabulary used the following strategy to maintain public support and confidence:

- Engage people in a friendly manner
- Explain why we and the Government are asking them to take the action
- Encourage people to take the appropriate action; and
- Enforce only when necessary.

The pandemic has meant that traditional approaches to policing have had to be adapted. Given that face to face meetings were virtually impossible to engage with local communities a number of initiatives were developed including:

- On-line events to promote inclusion for recruitment
- On-line events to highlight areas of concern such as domestic violence

COVID-19 arrangements



Since March 2020 COVID-19 has had a significant impact on the population as a whole and how Police services are delivered.

We have considered how arrangements have adapted to respond to the new risks you are facing.

- Advertising significant dates via social media
- Engaging with different Community Groups
- Encouragement for Neighbourhood Policing Teams to engage with local businesses from diverse backgrounds, especially around significant dates such as the Chinese New Year.

Conclusion

Overall, we found no evidence of any significant weaknesses in the PCC and Constabulary's Covid 19 arrangements.

Opinion on the financial statements



Audit opinion on the financial statements

We gave unqualified opinions on the Group and PCC and Chief Constable's financial statements following completion of our audit work on 4 November 2021.

Joint Audit Findings Report

More detailed findings can be found in our Joint AFR, which was published and reported to the PCC's and CC's Joint Audit Committee on 4 November 2021.

Whole of Government Accounts

To support the audit of the Whole of Government Accounts (WGA), we are required to review and report on the WGA returns prepared by the PCC and Chief Constable. This work includes performing specified procedures under group audit instructions issued by the National Audit Office.

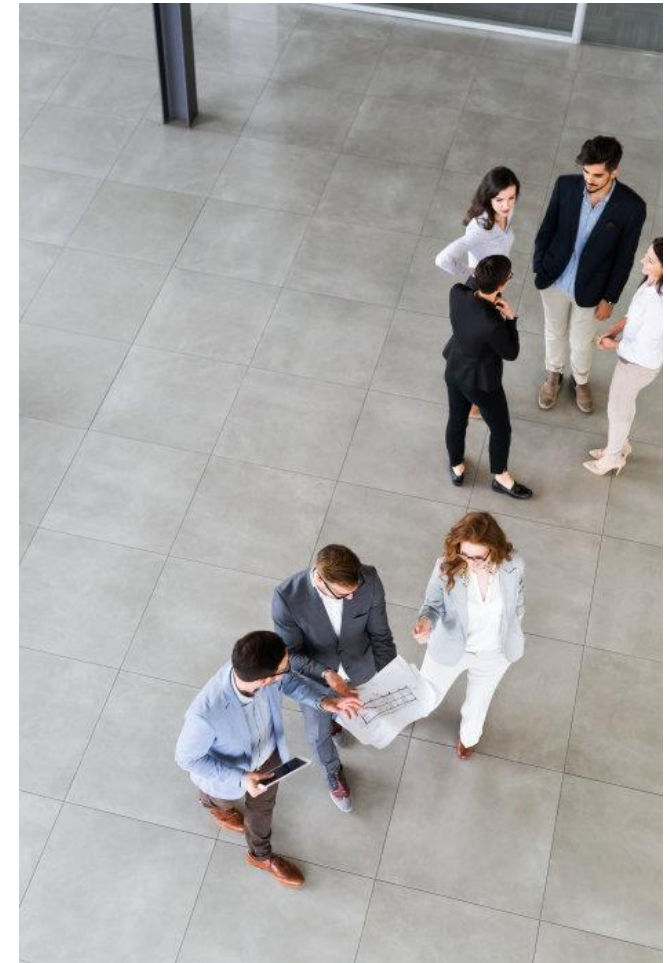
These instructions have yet to be issued and as such we cannot complete this work or formally certify the closure of our audits.

Preparation of the accounts

The PCC and CC provided draft accounts in line with the national deadline and provided a good set of working papers to support them.

Grant Thornton provides an independent opinion ensuring the accounts are:

- True and fair
- Prepared in accordance with relevant accounting standards
- Prepared in accordance with relevant UK legislation



Appendices

Appendix A - Responsibilities of the PCC and CC



Role of the Joint Chief Financial Officer:

- Preparation of the statement of accounts
- Assessing the PCC's and CC's ability to continue to operate as going concerns

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Joint Chief Financial Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Joint Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Joint Chief Financial Officer or equivalent is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Joint Chief Financial Officer is responsible for assessing the PCC's and CC's ability to continue as going concerns and use the going concern basis of accounting unless there is an intention by government that the services provided by the PCC and CC will no longer be provided.

The PCC and CC are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B - Risks of significant weaknesses - our procedures and findings

As part of our planning and assessment work, we considered whether there were any risks of significant weakness in the PCC's and CC's arrangements for securing economy, efficiency and effectiveness in their use of resources that we needed to perform further procedures on. The risks we identified are detailed in the table below, along with the further procedures we performed, our findings and the final outcome of our work:

Risk of significant weakness	Procedures undertaken	Findings	Outcome
Financial sustainability was not identified as a potential significant weakness. See pages 5 to 9 for more details.	No additional procedures required	No significant weakness identified	Appropriate arrangements were in place. One improvement recommendation raised.
Governance was not identified as a potential significant weakness. See pages 10 to 12 for more details.	No additional procedures required	No significant weakness identified	Appropriate arrangements in place.
Improving economy, efficiency and effectiveness was not identified as a potential significant weakness. See pages 13 to 14 for more details.	No additional procedures required	No significant weakness identified	Appropriate arrangements were in place.
COVID-19 was not identified as a potential significant weakness. See page 15-16 for more details.	No additional procedures required	No significant weakness identified	Appropriate arrangements were in place.

Appendix C - An explanatory note on recommendations

A range of different recommendations can be raised by the PCC's and CC's auditors as follows:

Type of recommendation	Background	Raised within this report	Page reference
Statutory	Written recommendations to the PCC and CC under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the PCC and CC to discuss and respond publicly to the report.	No	N/A
Key	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the PCC and CC. We have defined these recommendations as 'key recommendations'.	No	N/A
Improvement	These recommendations, if implemented should improve the arrangements in place at the PCC and CC, but are not a result of identifying significant weaknesses in the PCC's and CC's arrangements.	Yes	9



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

Audit Progress Report and Sector Update

Year ending 31 March 2022

March 2022



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

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Key Grant Thornton team members

Michael Green

Engagement Lead

T 0161 953 6382
M 07824 625 589
E Michael.green@uk.gt.com

Michael will have ultimate responsibility for the delivery of your audit service. Specifics of the role include:

- leading our relationship with the Police and Crime Commissioner and Chief Constable, ensuring you have access to Grant Thornton's full service offering;
- being a key contact for the Chief Finance Officer(s) and the Joint Audit Committee, meeting frequently with key members of management;
- taking overall responsibility for delivering high quality audits which meet professional standards;
- agreeing with you the annual joint audit plan, and a timetable for delivering the work;
- reviewing the audit file, giving particular focus to any key areas of risk or critical judgements exercised during the audits;
- reviewing and signing off all audit reports;
- attending Joint Audit Committee to discuss key issues arising from our work and any recommendations;
- acting as a 'sounding board' on key decisions relevant to our responsibilities as your auditors; and
- sharing good practice identified at other organisations.

Gareth Whittingham

Engagement Manager

T 0151 224 0884
E Gareth.j.winstanley@uk.gt.com

Gareth will ensure that all work allocated is carried out on a timely basis in accordance with the firm's professional standards and to the satisfaction of clients and engagement lead.

As the key contact Gareth will be responsible for building and maintaining good working relationships with all colleagues and clients.

To support delivery of the testing strategy he will:

- assist the engagement lead in establishing audit objectives and overall scope;
- ensure key matters which arise during the audits which were not identified at the planning stage are properly assessed and dealt with;
- review the work of in-charge auditor and the wider fieldwork team;
- finalise our draft reports to management;
- manage, motivate and coach team members; and
- control the audits in relation to timescales, budgets and risk management procedures.

Bethany Duffy

In Charge Auditor

T 0151 22472126
E Bethany.l.duffy@uk.gt.com

Bethany will work as part of the team, leading the on site audit team, providing a service which meets or exceeds client expectations and supports the engagement lead / manager team. Specifics of the role include:

- taking an active part in the audit planning discussions to identify audit risks and appropriate audit strategy;
- communicating any issues relating to the audit with the engagement manager or engagement lead;
- overseeing all aspects of audit fieldwork and completion;
- addressing and discussing queries in respect of technical and audit issues identified during the course of the audit;
- maintaining good working relationships with client staff; and
- delegating work to other members of the audit team, ensuring they understand their responsibilities and have received appropriate on-the-job training / coaching.

Introduction & headlines

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

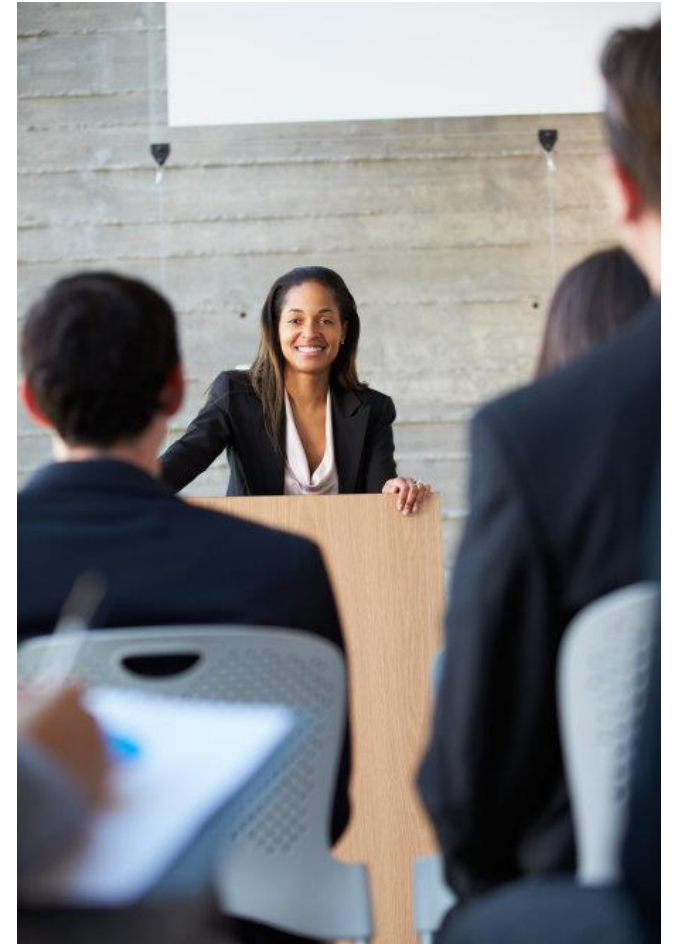
The paper also includes a summary of emerging national issues and developments that may be relevant to you.

Members of the Joint Audit Committee can find further useful material on our website where we have a section dedicated to our work in the public sector. Here you can download copies of our publications.

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

We continue to bring specialists to our update conversations where appropriate to share any learning from our position as a leading audit supplier to the police sector.

You also have access to our annual Chief Accountant Workshops and any other networking opportunities we create for the various stakeholders.



The auditor's statutory responsibilities

Opinion on the audited body's financial statements

Our work enables us to give an opinion as to whether the financial statements:

- give a true and fair view of the financial position of the audited body and its expenditure and income; and
- have been prepared properly in accordance with the relevant accounting and reporting framework as set out in legislation, applicable accounting standards and other directions.

Our planning will document our understanding of your key risks, your control environment and inform our testing strategy. This will continue until we begin our final accounts testing.

Since we last reported we have:

- continued to have regular discussions with management discussing issues identified in previous audits, and emerging themes which are expected to impact on the current audits;
- reviewed meeting papers and the latest financial and operational performance reports ensuring we understand your current challenges;
- met with the Monitoring Officers of the PCC and CC to discuss any key issues
- considered whether there have been any reports from regulators regarding your operational effectiveness.

We expect to issue our joint audit plan summarising our approach to key risks on the audit in April 2022. We will report any key findings from the planning and interim audit visit in our progress reports to Joint Audit Committee.

We discuss with Management a timetable for the delivery of our final accounts audit and summarise our work in the Auditors' Annual Report.

Work on value-for-money arrangements

Under the 2020 Audit Code of Practice, we are required to undertake sufficient work to satisfy ourselves that the Police and Crime Commissioner and Chief Constable "has made proper arrangements for securing economy, efficiency and effectiveness in their use of resources."

We will soon commence our initial 2021/22 risk assessment that will build on our understanding of your arrangements, taking into account any findings from previous work on value for money. We will report our risk assessment to you within our audit plan against the following reporting criteria:

- Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the body ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.

We will keep our risk assessment under continuous review. Where appropriate, we will update our risk assessment to reflect emerging risks or findings and report this to you. Our final commentary in the Auditors' Annual Report will include:

- a summary of our findings on any risks identified during our work;
- our judgements on the adequacy of the Police and Crime Commissioner and Chief Constable's arrangements for each of the three reporting criteria, as set out above;
- any recommendations made to management as a result of our work; and
- a follow up of progress against any recommendations raised in previous audits.

The auditor's statutory responsibilities

Other responsibilities

We are required to give an opinion on whether:

- other information published together with the financial statements is consistent with the financial statements.

We are also required to:

- consider whether the Annual Governance Statement complies with relevant disclosure requirements and whether it is consistent with the information we are aware of from our audit; and
- examine and report on the consistency of 'Whole of Government Accounts' consolidation schedules with the financial statements.

We will complete this work as part of our financial statements visit.

Other statutory duties

The Local Audit and Accountability Act 2014 ('the Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- to certify the closure of the audits.

Our work to date has not required us to report any such matters to you.

Added value

Grant Thornton has a large Public Sector practice and is a key supplier to the market. As a valued audit client, you will receive:

- an annual invitation to our free Chief Accountant Workshop. This will provide an opportunity to work through new accounting standards or reporting requirements prior to the year end pressure as well as networking with other Chief Accountants;
- the opportunity to access support from experienced technical colleagues. This means you will be at the forefront of accounting developments. Through this relationship we also ensure that communication works both ways and feed issues back from our clients;
- insight from our regular meetings within the sector where we discuss emerging developments. We will also raise any areas of concern that you have over policy, procedure, or regulation with your regulators; and
- technical and sector updates for the Joint Audit Committee.



2021/22 deliverables

2021/22 Deliverables	Planned Date	Status
<p>Accounts Joint Audit Plan</p> <p>We are required to issue a detailed accounts joint audit plan to the Joint Audit Committee setting out our proposed approach in order to give our opinions on the 2021-22 financial statements.</p>	April 2022	Not due yet
<p>Joint Audit Findings (ISA260) Report</p> <p>The Joint Audit Findings Report will be reported to the November Joint Audit Committee, subject to agreement of the timing of future meetings.</p>	September 2022	Not due yet
<p>Auditors Reports</p> <p>These are the opinions on your financial statements and annual governance statements.</p>	September 2022	Not due yet
<p>Auditor's Annual Report</p> <p>The key output from local audit work on arrangements to secure VFM is an annual commentary on arrangements, which will be published as part of the Auditor's Annual Report (AAR).</p>	December 2022	Not due yet

Financial Reporting Council annual report

On 29 October, the Financial Reporting Council (FRC) published its annual report setting out the findings of its review of the work of local auditors. The report summarises the results of the FRC's inspections of twenty audit files for the last financial year. A link to the report is here:

[FRC AQR Major Local Audits October 2021](#)

Grant Thornton are one of seven firms which currently delivers local audit work. Of our 330 local government and NHS audits, 87 are currently defined as 'major audits' which fall within the scope of the AQR. This year, the FRC looked at nine of our audits.

Our file review results

The FRC reviewed nine of our audits this year. It graded six files (67%) as 'Good' and requiring no more than limited improvements. No files were graded as requiring significant improvement, representing an impressive year-on-year improvement. The FRC described the improvement in our audit quality as an 'encouraging response by the firm to the quality findings reported in the prior year.' Our Value for Money work continues to be delivered to a high standard, with all of the files reviewed requiring no more than limited improvement. We welcome the FRC findings and conclusions which demonstrate the impressive improvement we have made in audit quality over the past year.

The FRC also identified a number of good practices including effective challenge of management's valuer, use of an auditor's expert to assist with the audit of a highly specialised property valuation, and the extent and timing of involvement by the audit partner on the VFM conclusion.

Our "Opinion" results over the past three years are shown in the table below:

Grade	Number 2020/21	Number 2019/20	Number 2018/19
Good with limited improvements (Grade 1 or 2)	6	1	1
Improvements required (Grade 3)	3	5	2
Significant improvements required (Grade 4)	0	0	1
Total	9	6	4

Our "VFM" results over the past two years are shown in the table below. The FRC did not review VFM in 2018/19:

Grade	Number 2020/21	Number 2019/20
Good with limited improvements (Grade 1 or 2)	6	6
Improvements required (Grade 3)	0	0
Significant improvements required (Grade 4)	0	0
Total	6	6

Financial Reporting Council annual report (cont.)

Quality Assurance Department (QAD) Reviews

In addition to the reviews undertaken by the FRC on major local audits, the QAD team from the ICAEW undertake annual reviews of non-major local audits as well as reviews of Foundation Trusts on behalf of NHSE&I.

The QAD reviewed five of our audits this year and graded all of them (100%) as 'Satisfactory / generally acceptable' for both the financial statements and VFM elements of the audit, which is the highest grading.

Grade	Number 2020/21	Number 2019/20	Number 2018/19
Satisfactory / generally acceptable	5	6	2
Improvement required	0	1	0
Significant improvement required	0	0	0
Total	5	7	2

Our continued commitment to Audit quality and continuous improvement

Our work over the past year has been undertaken during the backdrop of COVID-19, when the public sector has faced the huge challenge of providing essential services and helping safeguard the public during the pandemic. Local government, in particular, have been at the forefront of supporting local communities and businesses.

As auditors we have had to recognise the competing priorities and challenges facing the finance teams and the whole local government sector whilst staying focused on the principles of good governance and financial management, things which are more important than ever. We are very proud of the way we have worked effectively with audited bodies, demonstrating empathy in our work whilst still upholding the highest audit quality.

Over the coming year we will make further investments in audit quality including strengthening our quality and technical support functions, and increasing the level of training, support and guidance for our audit teams. We will address the specific improvement recommendations raised by the FRC, including:

- Enhanced training for local auditors on key assumptions within property valuations, and how to demonstrate an increased level of challenge
- Formalising our arrangements for the consideration of complex technical issues by Partner Panels.

As part of our enhanced Value for Money programme, we will focus on identifying the scope for better use of public money, as well as highlighting weaknesses in governance or financial stewardship where we see them.

Conclusion

Local audit plays a critical role in the way public sector audits and society interact, and it depends on the trust and confidence of all those who rely on it. As a firm we're proud to be doing our part to promote good governance, effective stewardship and appropriate use of public funds.

Sector Update

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

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

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

- **Grant Thornton Publications**
- **Insights from sector specialists**
- **Accounting and regulatory updates**

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

A teal rectangular button with the text "Public Sector" in white, sans-serif font, centered within the button.

Public Sector

A dark purple rectangular button with the text "Police" in white, sans-serif font, centered within the button.

Police

Home Office

Police and local authorities given extra £23.5 million for safer streets

Police forces and local authorities across England and Wales, are to receive a share of £23.5 million to make public spaces safer for all through projects to help women and girls feel safer on our streets as part of the government's Safer Streets Fund.

Created with the objective of tackling local acquisitive crimes like car theft and burglary, the latest round of the Safer Streets Fund has a particular emphasis on the safety of women and girls. The investment will go to police forces and local authorities across England and Wales as well as the British Transport Police to spend in the 2021 to 2022 financial year.

Crimes which take place in public places such as sexual harassment disproportionately affect women. Recipients of funding have submitted bids for innovative plans to increase the safety of public spaces, including projects which emphasise changing attitudes and behaviours in local communities.

Since its inception, the government has committed £70 million to the Safer Streets Fund to support local areas across England and Wales to introduce initiatives aimed at stopping offences happening in the first place.

Round two saw 50 projects across England and Wales awarded a total of £18.4 million to go towards measures proven to cut crime, including simple changes to the design of streets such as locked gates around alleyways, increased street lighting and the installation of CCTV.

The full article can be found [here](#).



Home Office

Policing to receive up to £1.1 billion extra to cut crime

Policing will receive a funding boost of up to £1.1 billion next year to drive down crime and deliver safer streets for all the Home Secretary confirmed.

The 2022/23 funding package represents a 7% cash increase on last year and means policing will receive up to £16.9 billion in total in 2022/23.

The boost in resources will help support the delivery of the Beating Crime Plan, which set out the government's mission to deliver fewer victims, safer neighbourhoods, and a more secure country. In particular, the plan focuses on driving down homicide, serious violence and neighbourhood crime – to ensure that everyone can benefit from the security that a safe home, street and country provides.

- The additional funding will allow police forces to continue the work already being done to target criminals, which has seen:
- a 14% fall in overall crime (excluding fraud and computer misuse) between June 2019 and June 2021
- 11,053 additional officers hired across England and Wales – 55% of the target of 20,000 extra police officers by March 2023
- over 1,500 county lines closed, over 7,400 arrests, £4.3m in drugs seized and more than 4,000 vulnerable people safeguarded, thanks to our investment in shutting down county lines since 2019.
- almost 16,000 knives and other dangerous weapons removed from the streets last year thanks to police use of stop and search powers.
- 300,000 at risk young people reached through Violence Reduction Units, set up across the country thanks to £105.5m in funding. This forms part of the £242m we've invested since 2019 to zone in on serious violence and homicide hotspots.
- Within the total package, forces will also be given £550 million more from government grants, including funding for hiring the 20,000 extra officers promised by the government by the end of March 2023. The successful recruitment campaign has already seen more than 11,000 additional police officers join up and make a difference in communities across England and Wales.

The full article can be found [here](#).



Home Office

Public Accounts Committee (PAC) – Local auditor reporting on local government in England & government response

The PAC inquiry examined the timeliness of auditor reporting on English local public bodies' financial statements covering 2019-20. The National Audit Office (NAO) report, on which this inquiry is based, found that “delays in the delivery of audit opinions beyond the deadlines for publishing local authority accounts, alongside concerns about audit quality and doubts over audit firms' willingness to continue to audit local public bodies, highlight that the situation needs urgent attention.”

The PAC report found “Without urgent action from government, the audit system for local authorities in England may soon reach breaking point. With approximately £100 billion of local government spending requiring audit each year, the Ministry of Housing, Communities & Local Government (the Department) has become increasingly complacent in its oversight of a local audit market now entirely reliant upon only eight firms, two of which are responsible for up to 70% of local authority audits. This has not been helped by the growing complexity of local authority accounts, with audit firms now asked to carry out more work in each audit, comply with new regulatory demands and adapt to the new multifaceted landscape in which local authorities operate, while also struggling to hire and retain experienced auditors.”

Key conclusions were:

- The marked decline in the timeliness of external audit undermines accountability and hampers effective decision-making.
- There is a pressing risk of market collapse due to an over reliance on a small number of audit firms and significant barriers to entry.
- The commercial attractiveness to audit firms of auditing local authorities has declined.

- The rapidly diminishing pool of suitably qualified and experienced staff increases the risks to the timely completion of quality audits.
- We are not convinced that the recently announced new local audit arrangements will meet the pressing need for effective system leadership now.
- Unless local authority accounts are useful, relevant and understandable they will not aid accountability.

The report made recommendations in each of these areas. The government response was published on 28 October.

The PAC report and response can be found here:

[Timeliness of local auditor reporting on local government in England - Committees - UK Parliament](#)



House of Commons
Committee of Public Accounts

Local auditor reporting on local government in England

Eleventh Report of Session 2021–22

2020/21 audited accounts – Public Sector Audit Appointments

Public Sector Audit Appointments (PSAA) has reported that only 9% of local government audits for 2020/21 were completed by the end of September. This is a sharp contraction on the 45% filed on time for 2019-20, and is the third successive year where the number of accounts produced on schedule has reduced.

PSAA state “The challenges posed by COVID-19 have contributed to the current position. However, a range of further pressures documented in the Redmond Report are also continuing to impact performance. In particular there is a shortage of auditors with the knowledge and experience to deliver the required higher quality audits of statements of accounts, which increasingly reflect complex structures and transactions, within the timeframe expected. The growing backlog of audits is also a concern, with 70 of the 2019/20 audits still incomplete.”

Grant Thornton commented “Audit quality remains a priority for our firm and we continue to work hard with local audit stakeholders to ensure the delivery of high quality audits in as timely a fashion as is practicable. Unfortunately, much of this work will be delivered past the 30 September target date, owing to ongoing constraints posed by the COVID-19 pandemic and the backlog this has caused. We remain committed to public sector audit and are now focused on delivering the majority of our local audits by December 2021.”



The news article can be found here:

<https://www.psa.co.uk/2021/10/news-release-2020-21-audited-accounts-psaa/>

2023-24 audit appointments – Public Sector Audit Appointments

Following a consultation exercise Public Sector Audit Appointments (PSAA) has invited all principal local government including police and fire bodies to become opted-in authorities. At the same time it published its procurement strategy and prospectus for the national scheme from April 2023. Both documents have evolved in response to the feedback provided by the market engagement exercise and consultation on the draft prospectus undertaken during June 2021.

PSAA state “Our primary aim is to secure the delivery of an audit service of the required quality for every opted-in body at a realistic market price and to support the drive towards a long term competitive and more sustainable market for local public audit services.

The objectives of the procurement are to maximise value for local public bodies by:

- securing the delivery of independent audit services of the required quality;
- awarding long term contracts to a sufficient number of firms to enable the deployment of an appropriately qualified auditing team to every participating body;
- encouraging existing suppliers to remain active participants in local audit and creating opportunities for new suppliers to enter the market;
- encouraging audit suppliers to submit prices which are realistic in the context of the current market;
- enabling auditor appointments which facilitate the efficient use of audit resources;
- supporting and contributing to the efforts of audited bodies and auditors to improve the timeliness of audit opinion delivery; and

- establishing arrangements that are able to evolve in response to changes to the local audit framework.

PSAA set out the proposed timeline, which anticipates contracts being awarded in August 2022.



The news article can be found here:

<https://www.psa.co.uk/2021/09/psaa-publishes-its-prospectus-and-procurement-strategy-and-invites-eligible-bodies-to-opt-in-from-april-2023/>

The procurement strategy can be found here:

<https://www.psa.co.uk/about-us/appointing-person-information/appointing-period-2023-24-2027-28/procurement-strategy/>

Guide to support Value for Money (VfM) analysis for public managers – CIPFA

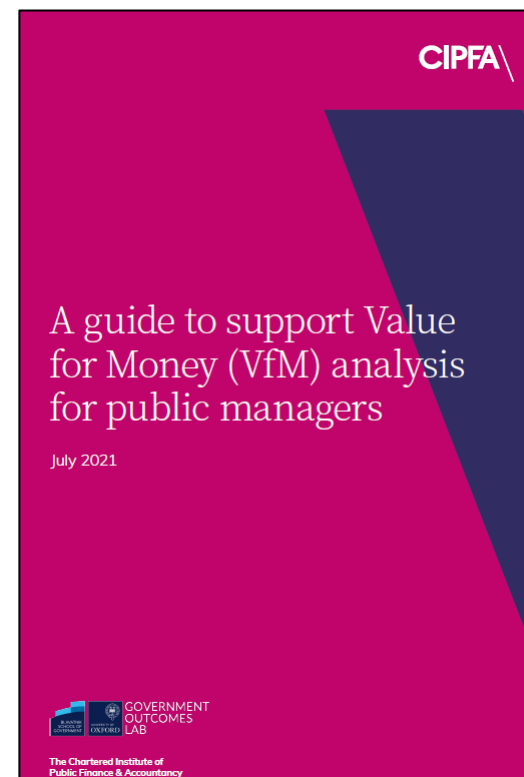
The Chartered Institute of Public Finance and Accountancy (CIPFA) has published this guide which complements a VfM toolkit which has been published separately. Both were developed under a collaborative project between Government Outcomes Lab (GO Lab) and CIPFA.

CIPFA state “The guide is aimed at public managers planning to assess Value for Money (VfM) of outcomes-based contract (OBC) programmes, or any other type of programme with an outcome-focus, using prospective information. This involves assessing economic validity of the programme with respect to ‘doing nothing’ as well as the closest comparator.”

CIPFA explain that the guide:

- Describes what VfM represents in public provision of social services with a special focus on outcome-based contracts (OBCs). In particular the guide emphasises the link between economy and effectiveness criteria.
- Promotes thinking about longer-term effects of interventions, such as outcomes and impact, at the design/ planning stage of programmes. This means that having a good appreciation for efficiency is helpful but not necessary, especially when outcomes are both identifiable and measurable.
- Explain how it could be used to appraise public programmes with respect to anticipated costs and value of them using prospective information.

The guide is available to CIPFA members through the website.



Cyber and information security: Good practice guide – NAO

The National Audit Office (NAO) has published this guide to help Audit Committees scrutinise cyber security arrangements. To aid them, this guidance complements government advice by setting out high-level questions and issues for audit committees to consider.

The NAO state “Audit committees should gain the appropriate assurance for the critical management and control of cyber security and information risk.

Cyber security is the activity required to protect an organisation’s data, devices, networks and software from unintended or unauthorised access, change or destruction via the internet or other communications systems or technologies. Effective cyber security relies on people and management of processes as well as technical controls.

Our guide supports audit committees to work through this complexity, being able to understand and question the management of cyber security and information risk.

It takes into account several changes which affect the way in which we interact with and manage our information and can drive increased risk. These include changes to the way we work and live due to the COVID-19 pandemic and the ongoing demand to digitise and move to cloud-based services.

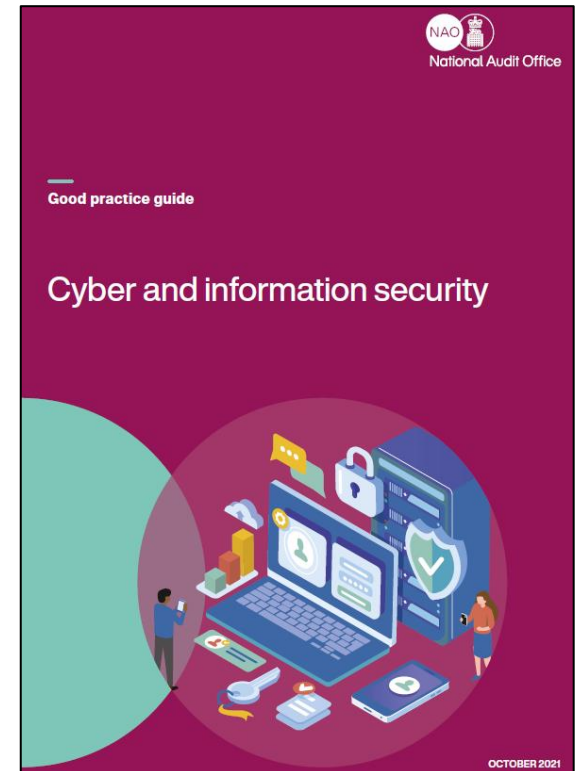
The strategic advice, guidance and support provided by government has also been updated to keep pace with these changes, detailing the impact and risks on the management of cyber security and information risk.

The guide provides a checklist of questions and issues covering:

- The overall approach to cyber security and risk management
- Capability needed to manage cyber security
- Specific aspects, such as information risk management, engagement and training, asset management, architecture and configuration, vulnerability management, identity and access management, data security, logging and monitoring and incident management.”

The report can be found here:

<https://www.nao.org.uk/report/cyber-security-and-information-risk-guidance/>





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Office of the Police and Crime Commissioner for
Cumbria and Cumbria Constabulary

Audit Strategy 2022/25 and Annual Plan 2022/23

2022/23



March 2022

DRAFT

OVERVIEW

Introduction

The Audit Plan for 2022/23 has been informed by a risk assessment carried out across our police clients and by an audit risk assessment to ensure that planned coverage for the year is focussed on the key audit risks and that the coverage will enable a robust annual Head of Internal Audit Opinion to be provided.

Key Emerging Themes

This year will continue to be another challenging year for police forces in terms of funding, managing additional recruitment and technological advancement. There are a number of operational issues that have also come to prominence; we have identified a number of key areas which require consideration when planning internal audit coverage.

Vetting: Recent events have highlighted some significant gaps in the vetting of police officers and has led to calls for the urgent re-vetting of all serving police officers. HMICFRS is reviewing whether police forces have implemented previous recommendations on vetting as part of its current round of routine inspections, as well as undertaking a thematic inspection of vetting and counter-corruption procedures.

Firearms Licensing: New statutory guidance aims to standardise the licensing procedures in police forces. The guidance requires background checks on every applicant and a home visit to be carried out for first-time applicants. Any applicant will have to arrange for information about their medical suitability to carry a gun to be provided by their GP.

Recruitment: The continued implementation of Operation Uplift, the Government's three-year national campaign to recruit 20,000 police officers, will require significant Human Resources, Training and Development and Workforce Planning input.

Social Media: Social media can be a very effective tool for communicating with the public and helping in fighting crime, however, its use needs to be carefully considered and managed to ensure compliance with professional standards and the Code of Ethics on both a professional and private basis.

Local Government Reorganisation: Cumbria, its six constituent local authorities and partner organisations are transitioning towards the creation of two new unitary authorities. Key timelines include laying a Structural Changes Order before Parliament in March 2022, the creation of Joint Committees by March 2022 and shadow elections in May 2022 prior to Vesting Day on 1st April 2023. This will signal changes in partnerships for the OPCC and the Force, in particular most likely in relation to the future of the fire and rescue service in Cumbria.

Providing Assurance during the COVID-19 pandemic

From the outset, we successfully transitioned to new and remote ways of working without any diminution of the service and we recognise that many if not all of our clients have had to implement changes in the way that they work. We continue to consider any gaps in control or exposures that have arisen as a result of this. Whilst many measures have largely been relaxed, it is not inconceivable that further measures might be implemented to stem any increases in cases. We continue to adopt a hybrid approach with a mix of remote and on-site working and tailor this approach to client requirements and the nature of each assignment.

Adequacy of the planned audit coverage

The reviews identified in the audit plan for 2022/23 support the Head of Internal Audit's annual opinion on the overall adequacy and effectiveness of the OPCC and the Chief Constable's framework of governance, risk management and control as required by TIAA's charter. The reviews have been identified from your assurance framework, risk registers and key emerging themes.

INTERNAL AUDIT PLAN

Audit Strategy Methodology

We adopt a proprietary risk-based approach to determining your audit needs each year which includes reviewing your risk register and risk management framework, the regulatory framework, external audit recommendations and previous internal audit work for the organisation, together with key corporate documentation such as your business and corporate plan, standing orders, and financial regulations. For 2022/23, we have conducted an analysis of the key risks facing the sector and client base more broadly to inform our annual planning. The Audit Strategy is based predominantly on our understanding of the inherent risks facing the OPCC and the Chief Constable and those within the sector and has been developed with senior management and Joint Audit Committee. Our approach is based on the International Standards for the Professional Practice of Internal Auditing which have been developed by the Institute of Internal Auditors (IIA) and incorporate the Public Sector Internal Audit Standards (PSIAS).

Risk Prioritisation

Each year an updated risk assessment is carried out to ensure the Audit Strategy remains fully aligned with the key risks facing the OPCC and the Chief Constable. We take in to account any emerging or heightened risks that are facing the sector and/or the OPCC and the Force specifically, to ensure that the work of internal audit remains appropriately focused. Links to specific strategic risks are also contained in the Internal Audit Strategy.

Internal Audit Strategy and Plan

Following the risk prioritisation review, the Audit Strategy has been produced (Appendix A) and the Annual Plan (Appendix B) sets out the reviews that will be carried out, the planned times and the high-level scopes for each of these reviews.

The Annual Plan will be subject to ongoing review and could change as the risks change for the organisation and will be formally reviewed with senior management and the Joint Audit Committee mid-way through the financial year or should a significant issue arise.

The overall agreed time for the delivery of each assignment within the Annual Plan includes: research; preparation and issue of terms of reference; site work; production and review of working papers; and reporting.

The Annual Plan has been prepared on the assumption that the expected controls will be in place.

The total number of days required to deliver the Audit Plan is as agreed in the contract between TIAA and the OPCC and the Chief Constable. This number of days is fixed and it is TIAA's responsibility to deliver the Audit Plan for this number of days. Where the OPCC and the Chief Constable agrees additional work the required number of days and the aggregate day rate will be agreed in advance with the Chief Finance Officer/s and will be clearly set out in the terms of reference for the additional review(s).

Release of Report

The table below sets out the history of this plan.

Date plan issued:	2 nd March 2022
--------------------------	----------------------------

APPENDIX A: ROLLING STRATEGIC PLAN

Review Area	Entity	Type	2022/23	2023/24	2024/25
Governance					
Financial Sustainability – Business Planning	CC	Assurance	✓		
Performance & Insight	CC	Assurance	✓		
Partnerships and LGR	OPCC	Assurance		✓	
Police and Crime Plan	OPCC	Assurance		✓	
Corporate Health and Safety		Assurance		✓	
Equality, Diversity and Inclusivity	OPCC/CC	Assurance			✓
Commissioner’s Grants	OPCC	Assurance			✓
Risk					
Risk Management Framework	OPCC/CC	Assurance	✓		
Risk –Mitigating Controls (Deep Dive)	OPCC/CC	Assurance		✓	
Business Continuity	CC	Assurance			✓
ICT					
ICT – Disaster Recovery	OPCC/CC	Assurance	✓		
Use of Social Media	OPCC/CC	Assurance		✓	
Cyber Security Maturity Assessment	OPCC/CC	Assurance			✓
Finance					
Debtors	CC	Assurance	✓		
Treasury Management and Banking	CC	Assurance	✓		
Procurement	OPCC/CC	Assurance		✓	
Accounts Payable (Creditors)	OPCC/CC	Assurance		✓	
General Ledger	OPCC/CC	Assurance		✓	
Budgetary Control	OPCC/CC	Assurance			✓

Review Area	Entity	Type	2022/23	2023/24	2024/25
Fixed Assets	OPCC/CC	Assurance			✓
Payroll	OPCC/CC	Assurance			✓
Operational Performance and Infrastructure					
Firearms Licensing	CC	Assurance	✓		
Estates – Buildings Health and Safety	OPCC/CC	Assurance	✓		
Security of Seized Proceeds of Crime (Cash and Assets)	CC	Assurance	✓		
Domestic Violence Protection Orders	CC	Assurance	✓		
Fleet Management Strategy	CC	Assurance		✓	
ANPR Camera	CC	Assurance		✓	
Body Worn Video	CC	Assurance			✓
Fleet Maintenance and Fuel Usage	CC	Assurance			✓
Contractor Vetting	CC	Assurance			✓
Workforce					
Vetting & Professional Standards	CC	Assurance	✓		
Management of Overtime	OPCC/CC	Assurance	✓		
Resource Planning	CC	Assurance	✓		
Absence Management	CC	Assurance		✓	
Recruitment and Training	CC	Assurance		✓	
Grievance Reporting and Management	CC	Assurance			✓
Workforce Planning	CC	Assurance			✓
Follow Up					
HMICFRS Action Plan	OPCC/CC	Assurance	✓		
Follow Up	OPCC/CC	Follow Up	✓	✓	✓
Management and Planning					
Annual Planning		Management	✓	✓	✓

Review Area	Entity	Type	2022/23	2023/24	2024/25
JAC Preparation and Attendance		Management	✓	✓	✓
Annual Report		Management	✓	✓	✓
Audit Management		Management	✓	✓	✓
Total Days			200	190	180

APPENDIX B: ANNUAL PLAN – 2022/23

Quarter	Review	Type	Days	High-level Scope
1	Risk Management Framework (PCC/Force)	Assurance	10	<p><u>Rationale</u></p> <p>It is important that the organisation has effective arrangements for identifying and managing risks.</p> <p><u>Scope</u></p> <p>The review considers the overall arrangements for managing risk within the organisation, including the risk management framework, risk strategy and appetite, identification, monitoring and reporting of risk. The scope of the review does not include providing assurance that all the business significant risks have been correctly prioritised.</p>
1	Vetting & Professional Standards	Assurance	15	<p><u>Rationale</u></p> <p>Vetting is a key risk area, with recent high-profile incidents where gaps in vetting processes has resulted in poor outcomes.</p> <p><u>Scope</u></p> <p>The review assesses the effectiveness of the arrangements in place for vetting staff, including under what circumstances vetting outcomes from other forces is undertaken. The review will also consider the links with Professional Standards and how potential issues post-recruitment are identified and acted upon.</p>
1	Security of Seized Proceeds of Crime (Cash and Assets)	Assurance	12	<p><u>Rationale</u></p> <p>Clear processes are required to effectively manage recovered property and seized monies.</p> <p><u>Scope</u></p> <p>The audit will appraise the effectiveness of controls for dealing with recovered property and in particular the arrangements for securing and storing of seized monies.</p>
2	Domestic Violence Protection Orders	Assurance	12	<p><u>Rationale</u></p> <p>A reactive rather than proactive process may lead to a less efficient use of time for Legal Services staff and Constabulary staff.</p> <p><u>Scope</u></p> <p>The review considers the arrangements for identifying, requesting and obtaining Domestic Violence Protection Orders.</p>

Quarter	Review	Type	Days	High-level Scope
2	Management of Overtime	Assurance	15	<p><u>Rationale</u></p> <p>Overtime is a significant area of expenditure and potential overspend for the Constabulary.</p> <p><u>Scope</u></p> <p>The review will consider the strategic arrangements for the management of overtime including: Overtime Policy and Processes, use of the Crown system, auto approvals, overtime planning arrangements and changes to planned overtime.</p>
2	Resource Planning	Assurance	15	<p><u>Rationale</u></p> <p>Effective planning and identification of needs is key in ensuring the services are delivered in an efficient and cost appropriate manner.</p> <p><u>Scope</u></p> <p>The review will consider the arrangements in place for the duty management system and the arrangements to identify demand and allocate appropriate resources to ensure the effective and efficient delivery of services.</p>
2	Estates – Buildings Health and Safety	Assurance	10	<p><u>Rationale</u></p> <p>The organisation has a moral, legal and financial obligation with regard to health and safety of its staff, contractors, partners and visitors. .</p> <p><u>Scope</u></p> <p>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.</p>
3	ICT – Disaster Recovery	Assurance	8	<p><u>Rationale</u></p> <p>There is a high reliance on ICT systems and a service failure represents a significant risk.</p> <p><u>Scope</u></p> <p>The review considers the arrangements for ICT disaster recovery planning including policy/strategy and procedures, organisational responsibility, plan details for various scenarios and testing. The scope of the review does not include providing assurance that the business continuity planning covers all the risks faced, or that the arrangements proposed operate continuously and effectively.</p>

Quarter	Review	Type	Days	High-level Scope
3	Debtors	Assurance	10	<p><u>Rationale</u></p> <p>Debtors is a key financial system that is subject to cyclical review.</p> <p><u>Scope</u></p> <p>The review considers the raising of debtor accounts, collection of income, receipting, storage and banking of income received by the organisation. The scope of the review does not include identification of the activities giving rise to income for the organisation, the basis of calculating the rates to be charged or that all income receivable has been identified.</p> <p>The review will also consider the effectiveness and success of the approach in meeting targets.</p>
3	Firearms Licensing	Assurance	12	<p><u>Rationale</u></p> <p>Recent incidents in England have highlighted the risk in relation to the licencing of firearms and the heightened associated reputational risk. In addition, new Statutory Guidance was introduced in November 2021.</p> <p><u>Scope</u></p> <p>The review will assess compliance with the Statutory Guidance that came into force in November 2021 and Force policy for Firearms Licensing.</p>
4	Treasury Management and Banking	Assurance	10	<p><u>Rationale</u></p> <p>Key Audit risk area, completed every three years.</p> <p><u>Scope</u></p> <p>The review considers the arrangements for controlling the investment and borrowing arrangements; compliance with the organisation's overall policy; banking arrangements; reconciliations and the reporting to committee. The scope of the review does not include consideration of the appropriateness of any individual financial institution or broker or of individual investment decisions made by the organisation.</p>
4	Performance and Insight CC Assurance	Assurance	12	<p><u>Rationale</u></p> <p>A new Performance and Insight Team is being put in place.</p> <p><u>Scope</u></p> <p>The review will consider the way in which key performance data is collated to inform effective decision making, taking in to account the accuracy, integrity and consistency of data.</p>
4	Financial Sustainability – Business Planning	Assurance	15	<p><u>Rationale</u></p> <p>Financial pressures for the OPCC and Force are identified in the Strategic Risk Register.</p> <p><u>Scope</u></p> <p>The review will consider the action taken to identify savings in the Medium Term Financial Forecast, the monitoring of progress against the targeted savings and how financial sustainability will be achieved during this period of financial uncertainty for the Constabulary.</p>

Quarter	Review	Type	Days	High-level Scope
4	HMICFRS Action Plan	Assurance	10	The review will provide assurance that actions to address findings and recommendations from the latest HMICFRS inspection report are being delivered.
1 – 4	Follow-up	Follow up	12	Follow-up of implementation of agreed priorities one and two actions from audit reports, ensuring the OPCC and the Chief Constable are implementing recommendations, and providing reports to the Joint Audit Committee.
1	Annual Planning	Management	2	Assessing the OPCC and the Chief Constable’s annual audit needs.
4	Annual Report	Management	2	Reporting on the overall conclusions and opinion based on the year’s audits and other information and providing input to the Annual Governance Statement.
1 – 4	Audit Management	Management	18	This time includes: meeting client management, overseeing the audit plan, reporting and supporting the Joint Audit Committee, liaising with External Audit and Client briefings (including fraud alerts, fraud digests and committee briefings).
Total days			200	

APPENDIX C: INTERNAL AUDIT CHARTER

The Need for a Charter

The Audit Charter formally defines internal audit's purpose, authority and responsibility. It establishes internal audit's position within the Office of the Police and Crime Commissioner for Cumbria and Cumbria Constabulary (OPCC and Constabulary) and defines the scope of internal audit activities. The establishment of the Audit Charter is a requirement of the Public Sector Internal Audit Standards (PSIAS) and approval of the charter is the responsibility of the Joint Audit Committee.

The Role of Internal Audit

The main objective of the internal audit activity carried out by TIAA is to provide, in an economical, efficient and timely manner, an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the framework of governance, risk management and control. TIAA is responsible for providing assurance to the OPCC and Constabulary's governing body (being the body with overall responsibility for the organisation) on the adequacy and effectiveness of the risk management, control and governance processes.

Standards and Approach

TIAA's work will be performed with due professional care, in accordance with the requirements of the PSIAS and the IIA standards which are articulated in the International Professional Practices Framework (IPPF).

Scope

All the OPCC and Constabulary activities fall within the remit of TIAA. TIAA may consider the adequacy of controls necessary to secure propriety, economy, efficiency and effectiveness in all areas. It will seek to confirm that the OPCC and Constabulary management has taken the necessary steps to achieve these objectives and manage the associated risks. It is not within the remit of TIAA to question the appropriateness of policy decisions; however, TIAA is required to examine the arrangements by which such decisions are made, monitored and reviewed.

TIAA may also conduct any special reviews requested by the board, Joint Audit Committee or the nominated officer (being the post responsible for the day-to-day liaison with TIAA), provided such reviews do not compromise the audit service's objectivity or independence, or the achievement of the approved audit plan.

Access

TIAA has unrestricted access to all documents, records, assets, personnel and premises of the OPCC and Constabulary and is authorised to obtain such information and explanations as they consider necessary to form their opinion. The collection of data for this purpose will be carried out in a manner prescribed by TIAA's professional standards, Information Security and Information Governance policies.

Independence

TIAA has no executive role, nor does it have any responsibility for the development, implementation or operation of systems; however, it may provide independent and objective advice on risk management, control, governance processes and related matters, subject to resource constraints. For day-to-day administrative purposes only, TIAA reports to a nominated officer within the OPCC and Constabulary and the reporting arrangements must take account of the nature of audit work undertaken. TIAA has a right of direct access to the chair of the board, the chair of the Joint Audit Committee and the responsible accounting officer (being the post charged with financial responsibility).

To preserve the objectivity and impartiality of TIAA's professional judgement, responsibility for implementing audit recommendations rests with the OPCC and Constabulary management.

Conflict of Interest

Consultancy activities are only undertaken with distinct regard for potential conflict of interest. In this role we will act in an advisory capacity and the nature and scope of the work will be agreed in advance and strictly adhered to.

We are not aware of any conflicts of interest and should any arise we will manage them in line with TIAA's audit charter and internal policies, the PSIAS/IIA standards and the OPCC and Constabulary's requirements.

Irregularities, Including Fraud and Corruption

TIAA will without delay report to the appropriate regulator, serious weaknesses, significant fraud, major accounting and other breakdowns subject to the requirements of the Proceeds of Crime Act 2002.

TIAA will be informed when evidence of potential irregularity, including fraud, corruption or any impropriety, is discovered so that TIAA can consider the adequacy of the relevant controls, evaluate the implication of the fraud on the risk management, control and governance processes and consider making recommendations as appropriate. The role of TIAA is not to investigate the irregularity unless commissioned to do so.

Limitations and Responsibility

Substantive testing will only be carried out where a review assesses the internal controls to be providing 'limited' or 'no' assurance with the prior approval of the OPCC and Constabulary and additional time will be required to carry out such testing. The OPCC and Constabulary is responsible for taking appropriate action to establish whether any loss or impropriety has arisen as a result of the control weaknesses.

Internal controls can only provide reasonable and not absolute assurance against misstatement or loss. The limitations on assurance include the possibility of one or more of the following situations, control activities being circumvented by the collusion of two or more persons, human error, or the overriding of controls by management. Additionally, no assurance can be provided that the internal controls will continue to operate effectively in future periods or that the controls will be adequate to mitigate all significant risks that may arise in future.

The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.

Reliance will be placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.

The matters raised in the audit reports will be only those that come to the attention of the auditor during the course of the internal audit reviews and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. The audit reports are prepared solely for management's use and are not prepared for any other purpose.

Liaison with the External Auditor

We will liaise with the OPCC and Constabulary's External Auditor. Any matters in the areas included in the Annual Plan that are identified by the external auditor in their audit management letters will be included in the scope of the appropriate review.

Reporting

Assignment Reports: A separate report will be prepared for each review carried out. Each report will be prepared in accordance with the arrangements contained in the Terms of Reference agreed with TIAA and which accord with the requirements of TIAA's audit charter and PSIAS/IIA standards.

Progress Reports: Progress reports will be prepared for each Joint Audit Committee meeting. Each report will detail progress achieved to date against the agreed annual plan.

Follow-Up Reports: We will provide an independent assessment as to the extent that priority 1 and 2 recommendations have been implemented. Priority 3 recommendations are low-level/housekeeping in nature and it is expected that management will monitor and report on implementation as considered appropriate.

Annual Report: An Annual Report will be prepared for each year in accordance with the requirements set out in TIAA's audit charter and PSIAS/IIA standards. The Annual Report will include a summary opinion of the effectiveness of the OPCC and Constabulary's governance, risk management and operational control processes based on the work completed during the year.

Other Briefings: During the year Client Briefing Notes, Benchmarking and lessons learned digests will be provided. These are designed to keep the organisation abreast of in-year developments which may impact on the governance, risk and control assurance framework.

Assurance Assessment Gradings

We use four levels of assurance assessments as set out below.

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

Data Protection

TIAA has policies, procedures and processes in place to comply with all associated regulation and legislation on information security, which is underpinned by mandatory annual awareness training for all staff. To carry out our role effectively, we need to obtain information that is reliable, relevant and sufficient to support our findings and recommendations. The collection of data, particularly sensitive personal data, is minimised and is not shared with unauthorised persons unless there is a valid and legal requirement to do so. We have clear policies on the retention of data and its appropriate, controlled disposal. TIAA has a fully robust Information Security Management System that meets all the requirements of ISO27001:2013.

Quality Assurance

TIAA recognises the importance of Internal Audit being controlled at each stage to ensure that we deliver a consistent and efficient Internal Audit service that is fully compliant with professional standards and also the conditions of contract. We operate a comprehensive internal operational quality review process to ensure that all Internal Audit work is carried out in accordance with these standards. These quarterly reviews are part of our quality management system which has ISO 9001:2015 accreditation.

Joint Audit Committee Responsibility

It is the responsibility of the Joint Audit Committee to determine that the number of audit days to be provided and the planned audit coverage are sufficient to meet the Committee's requirements and the areas selected for review are appropriate to provide assurance against the key risks within the organisation.

By approving this document, the Joint Audit Committee is also approving the Internal Audit Charter.

Disclaimer

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

Performance Standards

The following Performance Targets will be used to measure the performance of internal audit in delivering the Annual Plan:

Performance Measure	Target
Completion of planned audits.	100%
Audits completed in time allocation.	100%
Draft report issued within 10 working days of exit meeting.	100%
Final report issued within 10 working days of receipt of responses.	100%
Compliance with TIAA's audit charter and PSIAS/IIA Standards.	100%

Cumbria Constabulary: 2021 HMICFRS Value for Money Profiles’ Analysis

The high level analysis in the table on pages 3 to 6 relates to the 2021 Value for Money Profiles which were published on their website by Her Majesty’s Inspector of Constabulary and Fire and Rescue Services (HMICFRS) in January 2022. The profiles compare the forces within Cumbria’s Most Similar Group (MSG) and these are Lincolnshire, Norfolk and North Wales. The aim of the profiles is to compare performance and the costs of achieving that performance.

It is important to recognise that the VFM Profiles in themselves have limitations and that they require more detailed investigation before they can be safely used as basis for decision making. In particular, the profiles focus on costs per head of population, which tends to show Cumbria as relatively expensive across all services due to its low resident population – it should be noted that the impact of increased population due to tourism is not taken into account.

In addition, caution needs to be exercised in ensuring that costs and categorisations give a true comparison on a like for like basis, as forces can - and do - budget in different ways and there may be an element of subjectivity with regard to allocating costs. A national programme of work has started, in which the Joint PCC and Constabulary CFO is involved. The work is investigating ways in which the data can be collected and categorised more objectively, and therefore provide a more realistic comparison of cost across forces.

This high level analysis focusses on areas of service where Cumbria has been identified as an outlier compared with its peer group - that is, where the Constabulary performs less well and services are, or appear to be, more expensive based on the criteria used in the profiles.

An outlier is defined as being in the top or bottom 10% and where the effect of the difference is greater than £1 per head of population, which equates to a cost differential of £0.5m.

The 2021 profiles show that the areas identified as being significantly above the all forces or MSG average cost are broadly the same this year as they have been in previous years and this has consistently been the case across the period since value for money profiles were first introduced.

Important general points about the VfM profiles

- Cumbria is a demographic outlier when comparing it to its MSG and this will continue to be the case, regardless of any VfM comparators. Cumbria’s geography, topography and socioeconomic environment are unique and there are fixed costs associated with this regardless of other comparisons.
- Population is the main determinant used in the profiles for assessing value for money – that is, cost per head. This significantly disadvantages Cumbria, which has the lowest population of 42 forces (excluding City of London), is the fourth largest covering 2,613 square miles, is sparsely populated, is classified as 98% rural, and is geographically isolated. The additional cost of delivering services in this physical geography is not taken into account.
- The sparsity of the population, the rural nature of the county and the isolated geographic location of the county in England, results in higher costs to deliver police services compared to other forces and limits opportunities for cost effective collaborations with other forces for specialist operational services or private companies to provide services. As a result, Cumbria Constabulary requires more people and more equipment to deliver a police service to a small population distributed over a large area.

As a result, all of these factors combine to incur additional fixed costs in policing the county, irrespective of how and by whom police services are provided, and regardless of policy or strategy decisions made by senior management.

The table overleaf shows where the profiles show Cumbria as an outlier, provides an explanation or context and identifies any actions being taken by the Constabulary as a result.

VfM Category	Cumbria Data Value of difference compared to all forces	Context and/or Explanation	Note of any action being taken
Local policing	Incident/response police officer costs £6.8m 3/40 All forces. 2/4 Most similar forces. Overall -£0.8m 20/40 2/4	The largest outlier identified in the VfM analysis relates to Incident response in Cumbria, which is identified as costing £6.8m more in Cumbria in comparison with all other forces. This is a long standing variance and is attributable at least in part to a conscious decision to prioritise local policing. However, caution needs to be exercised in interpreting this data as the local policing category also includes local investigation (i.e. CID) in the Crime and Safeguarding Teams (CAST) based in local areas for which we are a negative outlier -£3.8m and Neighbourhood Policing teams -£3.0m. Once these other functions are taken into account, local policing costs in Cumbria are much closer to the average.	
Dealing with the public	Central Communications (CCR) All costs £0.8m Police Officers £3.2m 1/40 1/4 Police Staff -£2.3m 39/40 4/4	This reflects the changes made in Command and Control where the Constabulary made a conscious decision to operate with officers rather than police staff. This has reduced demand on frontline by 40%- delivering best use of resources by using officer knowledge and expertise at the start of the process, resolving the public's issues as early as possible and providing the best advice and information- with an aim to increase this further. The Constabulary would not be able to accommodate the demand if we put all these officers back on shift, as their impact would be diluted. The benefits from the new Command and Control system will make this function much more efficient and impact on the cost base.	Additional IT functionality development, call back, webchat, programme and review of processes and structures underway.
Criminal justice arrangements	Police doctors, nurses & surgeons £0.9m 1/40 1/4 Custody police officer costs _£1.2m	Cumbria has the highest cost of police doctors/nurses and surgeons in the country. This is a contracted out service which is being closely managed. The difficulty of providing medical cover in such a geographically dispersed county as Cumbria is a major contributory factor to the high cost. This variance is likely to be attributable to the fact that Cumbria does not separately identify custody sergeant roles and therefore does not compare like for like with other forces.	Contract re-let in 2021 savings of £40k pa expected.

VfM Category	Cumbria Data Value of difference compared to all forces	Context and/or Explanation	Note of any action being taken
Roads policing	Traffic Units police officer costs £2.1m 1/40 1/4	Cumbria has been an outlier in this category since VfM profiles were first created in 2011. Although these costs are the 2 nd highest in the country please note that the comparison is not like for like. Cumbria Roads Policing includes the Armed Response Vehicle because officers are multi-skilled and perform a dual role. Other forces have these as separate units and firearms are categorised as Operational Support. Once the firearms function is included costs are close to average.	-
Operational support	Firearms Unit police officer costs -£2.0m	See above.	-
Operational support	Advanced public order police officer costs £0.5m	Advanced public order is also a multi skilled function and includes our secondary firearms response.	-
Public protection	Public Protection overall. £2.3m 4/40 1/4 All below police officer costs. Other Protecting Vulnerable People £1.1m Domestic Abuse £0.6m Multi Agency Safeguarding Hub £0.5m Child Sexual Exploitation £0.5m	The profiles are not flexible enough to account for our CASTs (Crime and Safeguarding Teams), which skews the comparison (as described in local policing section). Significant demand work undertaken during 2018/19 indicated that these public protection functions were under- resourced in relation to demand and as a result the number of resources available for public protection was increased as a result of evidence based reallocation decisions.	Already accounted for in our resource allocation process

VfM Category	Cumbria Data Value of difference compared to all forces	Context and/or Explanation	Note of any action being taken
<p>Support functions</p> <p>Cumbria has been an outlier in this category since VfM profiles were first created in 2011. It should be remembered that the All and MSG averages are not comparing like for like. For example, Lincolnshire has outsourced its business support and operational support functions.</p>	<p>ICT Staff costs and non-employment costs £1.6m</p>	<p>Cumbria has been an outlier in this category since VfM profiles were first created in 2011. Some of our ICT fixed costs will be higher than other forces, as already described in the first section of this report. The Constabulary has now focused on benefits delivery to drive out efficiencies and has a digital policing target operating model to deliver increased effectiveness and productivity.</p>	<ul style="list-style-type: none"> ● Ongoing Business Transformation Programme with targeted savings of £600,000 per annum over the next 3 years ● Revised benefits work being undertaken for driving out savings and productivity gains from IT deployed ● Review of information management and data quality improvement plan being delivered to reduce digital storage costs over the longer term ● Rebasing of fleet and estate strategies to reduce overheads (annual process) ● Business intelligence Project to reduce performance and intelligence cost base in the next 4 years , plus other savings
	<p>Fleet services non employment costs £0.7m</p>	<p>Cumbria has been an outlier in this category since VfM profiles were first created in 2011. The cost of fleet provision and associated transport costs are high in Cumbria due to the size, geography and topography of the county. In addition, the LSE with HMIC has undertaken some work about factors that provide challenges for policing. This identifies that Cumbria’s average travel times are 70% more than the national average.</p>	
	<p>Training police officer costs £1.4m</p>	<p>This was a new outlier in 2018 profiles and remains. The Constabulary has invested in its own function to ensure that staff and officers have the skills to deliver the best service for the public. In addition, the force has increased its rate of police officer recruitment which has required additional trainer resource – this will continue because of Operation Uplift</p>	
	<p>Performance review overall £0.5 police officer costs +£0.9m police staff -£0.4m</p> <p>HR Non employment costs -£0.5m</p> <p>Admin Support other staff costs £0.4m</p>	<p>Increased performance review costs reflect the investment in the Performance and Insight Command to drive up quality and embed evidence based policing. Including the business improvement function, the change team to deliver savings required and in IMS staff to meet demand and deliver the Business Intelligence Project. Non police officer costs are significantly less than average.</p>	

VfM Category	Cumbria Data Value of difference compared to all forces	Context and/or Explanation	Note of any action being taken
Central Costs	Revenue contributions to capital and capital financing. Overall £1.9m	This has been a long standing outlier and may reflect either the way in which the POA form is being completed by other forces or that other forces are not as reliant on revenue funding to support their capital programmes as Cumbria.	

The Police and Crime Commissioner for Cumbria

Treasury Management Activities 2021/22 - 01 October 2021 to 31 December 2021

Public Accountability Conference 16 February 2022 and Joint Audit Committee 16 March 2022



Cash flow Balances

Qtr average daily balance - £22.459m

Investment balance @ 31/12/21 £16.242m

(down from £21.412m at 30/09/21)



Investment Interest Forecast

Base Budget - £10,000

Revised Budget - £10,000

Current Estimate - £2,000



Borrowing Strategy

No borrowing was undertaken between 01 October 2021 to the 31 December 2021 and none is expected during 2021/22.

Investment Strategy

Category	Category Limit (£m)	Investments at 31 Dec (£m)	Compliance with Limit
1 - Banks Unsecured	20	2.523	Yes
2 - Banks Secured	20	0.000	Yes
3 - Government (inc LA)	10	4.000	Yes
4 - Registered Providers	10	0.000	Yes
5 - Pooled Funds	15	9.718	Yes
Total		16.242	

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

Performance Indicators

Quarter 3	Number of Days	Average Balance £	Largest Balance £
Days In Credit	92	39,629	325,848
Days Overdrawn	0	0	0

Average interest rate earned - 0.011%

Average base rate - 0.13%

Current bank base rate - 0.25%

Previous bank base rate – 0.10%
(Increase of 0.15% o 16 December 21)

Treasury and Prudential Indicators

During the period 01 October 2021 to 31 December 2021, 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 31 December 2021

Economic outlook and Interest Rate Forecasts

The GDP in October rose by a disappointing 0.1% month on month which suggested that economic growth had already slowed to a crawl even before the Omicron variant was discovered in late November.

The CPI inflation figure for November spiked up further from 4.2% to 5.1%, confirming again how inflationary pressures have been building sharply - gas and electricity inflation has generally accounted on average for about 60% of the increase in inflation in advanced western economies.

The labour market statistics for the three months to October and the single month of October were released. The fallout after the furlough scheme ended on 30th September, (about one million people were still on furlough), was smaller and shorter than the Bank of England had feared - unemployment did not increase hugely in October. Indeed, vacancies rose to a record 1.219m in the three months to November showing there were acute shortages of labour.

These indicators were enough to give the MPC the assurance that it could press ahead to raise Bank Rate at this December meeting – a vote of 8-1 saw it rise by 0.15% from 0.10% to 0.25%. The next increase in Bank Rate could be in February or May, dependent on how severe an impact there is from Omicron. There were no January lockdowns so with inflation expected to peak between 5 and 6% in April, the MPC may want to be seen to be active in taking action to counter inflation on 5th May, the release date for its Quarterly Monetary Policy Report.

Base Rate Estimates	2021/22	2022/23	2023/24	2024/25	2025/26
Quarter 1	0.10%	0.25%	0.75%	1.00%	1.25%
Quarter 2	0.10%	0.50%	0.75%	1.00%	1.25%
Quarter 3	0.10%	0.50%	0.75%	1.00%	1.25%
Quarter 4	0.25%	0.50%	0.75%	1.00%	1.25%

Strategy Limits

There have been no breaches in the strategy limits during the reporting period.

Category/Institution	Credit Rating	Investment Date	Investment Matures	Days to Maturity	Rate (%)	Amount (£)	Counterparty Total (£)
Category 1 - Banks Unsecured (Includes Banks & Building Societies)							
Svenska (Deposit Acc)	AA	Various	On Demand	N/A	0.00%	499,414	499,414
Nationwide	A	05/11/2021	04/02/2021	O/N	0.05%	2,000,000	2,000,000
NatWest (Liquidity Select Acc)	A+	31/12/2021	04/01/2022	O/N	0.01%	24,000	24,000
						2,523,414	2,523,414
Category 2 - Banks Secured (Includes Banks & Building Societies)							
						0	0
Category 3 - Government (Includes HM Treasury and Other Local Authorities)							
Debt Management Office	Gov	05/11/2021	31/01/2022	31	0.010%	2,000,000	2,000,000
Debt Management Office	Gov	07/12/2021	22/02/2022	53	#####	2,000,000	2,000,000
						0	0
						4,000,000	4,000,000
Category 4 -Registered Providers (Includes Providers of Social Housing)							
None						0	0
						0	0
Category 5 -Pooled Funds (Includes AAA rated Money Market Funds)							
Invesco	AAA	Various	On demand	O/N	0.010%	2,670,000	2,670,000
BlackRock	AAA	Various	On demand	O/N	0.005%	1,850,000	1,850,000
Fidelity	AAA	Various	On demand	O/N	0.010%	2,998,314	2,998,314
Goldman Sachs	AAA	Various	On demand	O/N	0.000%	0	0
Aberdeen Standard	AAA	Various	On demand	O/N	0.010%	2,200,000	2,200,000
						9,718,314	9,718,314
Total						16,241,728	16,241,728

In July 2021 the police pension grant was received from the Home Office. Along with the July grant payment, the investments reached their highest balance of £34.171m. A large proportion of the pension grant was invested with the Debt Management Office (DMO) of HM Treasury to be returned at regular intervals as cashflow forecasts require, with the remainder being managed through the money market funds.

At the beginning of the pandemic the decision was made to temporarily exclude investments with Banks, Building Societies, and other Local Authorities. The anticipated risks to financial institutions potentially arising from the pandemic have not arisen, therefore short, fixed term deposits will be introduced with banks and building societies when funds allow.

Treasury and Prudential Indicators 2021/22 at 31 December 2021

Treasury Management Indicators		Result	RAG	Prudential indicators		Result	RAG
<p>The Authorised Limit</p> <p>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.</p>	TEST - Is current external borrowing within the approved limit	YES	●	<p>Ratio of Financing Costs to Net Revenue Stream</p> <p>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</p>	TEST - Is the ratio of capital expenditure funded by revenue within planned limits	YES	●
<p>The Operational Boundary</p> <p>The operational boundary represents and estimate of the most likely but not worse case scenario it is only a guide and may be breached temporarily due to variations in cash flow.</p>	TEST - Is current external borrowing within the approved limit	YES	●	<p>Net Borrowing and the Capital Financing Requirement</p> <p>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.</p>	TEST - Is net debt less than the capital financing requirement	YES	●
<p>Actual External Debt</p> <p>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.</p>	TEST - Is the external debt within the Authorised limit and operational boundary	YES	●	<p>Capital Expenditure and Capital financing</p> <p>The original and current forecasts of capital expenditure and the amount of capital expenditure to be funded by prudential borrowing for 2021/22</p>	TEST - Is the current capital outturn within planned limits	YES	●
<p>Gross and Net Debt</p> <p>The purpose of this indicator is to highlight a situation where the Commissioner is planning to borrow in advance of need.</p>	TEST - Is the PCC planning to borrow in advance of need	NO	●	<p>Capital Financing Requirement</p> <p>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.</p>	TEST - Is the capital financing requirement within planned limits	YES	●
<p>Maturity Structure of Borrowing</p> <p>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.</p>	TEST - Does the PCC have large amounts of fixed rate debt requiring repayment at any one time	NO	●				
<p>Upper Limit for total principal sums invested for over 365 Days</p> <p>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.</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.

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Financial Management Code Update

Joint Audit Committee: 16 March 2022

Originating Officer: Michelle Bellis, Deputy CFO

1. Introduction & Purpose of the Report

- 1.1 CIPFA Financial Management Code (FM Code) is designed to support good practice in financial management and to assist local authorities (which includes the OPCC and Constabulary) in demonstrating their financial sustainability. The FM Code applies a principles based approach to set standards of financial management. Local authorities were required to apply the recommendations of the FM code with effect from 1 April 2020, however, CIPFA considered the ambition within the code, the timescale and wider challenges facing authorities during 2020/21 and determined that April 2020 should indicate the commencement of a shadow year and that by 31 March 2021, authorities should be able to demonstrate that they are working towards full implementation of the code. The first full year of compliance with the FM Code will therefore be 2021/22.
- 1.2 In June 2021, members received a summarised update in relation to the progress made with regards to compliance with the FM code. At that time members asked for a further update report to be provided at the end of the year. This report provides a further update on progress made with regards to compliance with the requirements of the FM code.

2. Report

- 2.1. The FM Code and supporting guidance notes are divided into 7 sections:
 1. The responsibilities of the chief finance officer and leadership team.
 2. Governance and financial management style.
 3. Long to medium term financial management.
 4. The annual budget.
 5. Stakeholder engagement and business plans.
 6. Monitoring financial performance.
 7. External financial reporting.

2.2. The above sections are built around 17 statements and are grouped into 6 themes (Leadership, Accountability, Transparency, Standards, Assurance and Sustainability). The 17 statements are supported by a series of sub questions against which a self assessment has been performed. The chart below shows the 17 statements and an assessment of current compliance against each statement, with green representing full compliance, amber as partial compliance and red representing an area of current non-compliance. The full self-assessment is included at **Appendix A**.

CIPFA Financial Management Code						
Section 1: The Responsibilities of the Chief Finance Officer and Leadership Team	Section 2: Governance and Financial Management Style	Section 3: Long to Medium Term Financial Management	Section 4: The Annual Budget	Section 5: Stakeholder Engagement and Business Plans	Section 6: Monitoring Financial Performance	Section 7: External Financial Reporting
A) The leadership team is able to demonstrate that the services provided by the authority provide value for money	C) The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control	F) The authority has carried out a credible and transparent Financial Resilience Assessment	J) The authority complies with its statutory obligations in respect of the budget setting process	L) The authority has engaged where appropriate with key stakeholders in developing its long term financial strategy, medium term financial plan and annual budget	N) The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability	P) The Chief Finance Officer has personal responsibility for ensuring that the statutory accounts provided to the local authority comply with the Code of Practice on Local Authority Accounting in the United Kingdom
B) The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government	D) The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)	G) The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to Members	K) The budget report includes a statement by the Chief Finance Officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves	M) The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions	O) The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability	Q) The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions
	E) The Financial Management Style of the authority supports financial sustainability	H) The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities				
		I) The authority has a rolling multi-year Medium Term Financial Plan consistent with sustainable service plans				

2.3. The initial assessment in June 2021 reported that for 12 of the statements the OPCC/Constabulary was already fully compliant and that they were partially compliant in 4 areas (A, E, M,O) with only one area of non-compliance (F).

The revised assessment provided above now shows 13 areas where the OPCC/Constabulary are fully compliant, 4 areas (A, E, F,M) of partial compliance and no areas of non-compliance.

An action plan was developed to address the areas of partial and non-compliance for progression during 2021/22 with the aim of ensuring full compliance by the end of March 2022. The action plan complete with latest updates is provided for information at **Appendix B**. In relation to the 11 actions on the action plan, 3 are shown as green and are fully completed and the other 8 are shown as amber with some work still required to demonstrate full compliance. Revised target dates have been entered in respect of these actions.

3. Recommendations

- 3.1. Members are asked to note the progress made with regards to the implementation of the CIPFA FM Code.

Michelle Bellis

Deputy Chief Finance Officer

28 February 2022

Financial Management Code Assessment (February 2022)

FM Code Standard	Question	Answer	RAG	Areas for Improvement (update Feb'22 if not already green)
Theme - Leadership				
A) The leadership team is able to demonstrate that the services provided by the authority provide value for money	Does the authority have a clear and consistent understanding of what value for money means to it and to its leadership team?	We have clear references to achieving VFM in the annual financial strategy, the Procurement Strategy and the Force Strategic Plan		Review documentation to make VFM more explicit Consideration will be given to the benefits of a priority based budgeting exercise, to identify areas for savings.
	Does the authority have suitable mechanisms in place to promote value for money at a corporate level and at the level of individual services?	A corporate framework of management procedures and rules for securing value for money is incorporated into key joint governance documents including the Procurement and Financial Regulations. The HMICFRS VFM profiles are considered and reported to senior management. These are used as a basis for identifying areas where there is potential to make savings. The Deputy Chief Constable chairs a monthly Management Board to analyse performance and consider improvement plans. The Constabulary has an efficiency		A productivity and and efficiencies plan,has been developed. This will require further enhancement and development of a systematic process for identifying and delivering savings in the context of the revised MTFF position.
	Is the authority able to demonstrate the action that it has taken to promote value for money and what it has achieved?	Actions are taken from the DCC Management Board. Recommendations from this board HMICFRS and audit are rigorously followed up Procurement savings are reported to Blue Light Commercial on a quarterly basis Contract management is undertaken by service stakeholders, with strategic oversight from the Procurement department Cash savings removed from the annual revenue budget are monitored for delivery. An enhanced benefits management process has been agreed and is currently being embedded.		The performance management framework is becoming embedded, through Management Board. The benefits management management process requires further work. The Productivity and Efficiency Strategy has been produced but this still needs further development to produce a coherent plan to address the savings requirement in the MTFF. This is being managed through a Gold Group chaired by the ACC.
B) The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government	Is the authority's CFO a key member of the leadership team, involved in, and able to bring influence to bear on, all material business decisions?	For the Constabulary, the Joint CFO is a member of the Chief Officer Group which is the main decision making body for the Constabulary and meets on a weekly basis. For the PCC, the Joint CFO is a member of the PCC Executive Team which is the main decision making body for the OPCC and meets on a weekly basis.		
	Does the CFO lead and champion the promotion and delivery of good financial management across the authority?	Yes, The Joint CFO champions and leads the promotion and delivery of good financial management in the Constabulary and OPCC.		
	Is the CFO suitably qualified and experienced?	Yes, the Joint CFO is a member of CIPFA and is suitable qualified, experienced and committed to Continuing Professional Development. The Joint CFO is supported by a Deputy CFO who is also a member of CIPFA and is suitable qualified, experienced and committed to Continuing Professional Development.		
	Is the finance team suitably resourced and fit for purpose?	The Financial Services Team are a shared support service providing the full range of financial services to the PCC and Constabulary. The team has recently been provided with growth of 1.6 FTE posts to support a hump of activity around a financial system implementation, operation uplift, increasing demands from external audit and a number of other workload pressures. Once these additional resources are recruited the team will be properly resourced in terms of capacity and capability. There is an aspiration for development and succession planning within the team. The internal and external audit opinions over many years demonstrate that the Financial Services Team is fit for purpose.		
O) The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability	Has the authority identified the elements of its balance sheet that are most critical to its financial sustainability?	Balances such as reserves, debtors, creditors and provisions are monitored closely by Financial Services on a monthly basis. Reserves, debtors, creditors and accumulated leave balances are reported to senior management at the year end. Reserves are given particular focus in the budget setting and MTFF process. Cashflow, short and long-term borrowing, investments and the use of reserves and balances are also monitored by Financial Services and are reported to the PCC Public Accountability Conference and Joint Audit Committee in the quarterly update on treasury management activity		A more systematic approach to balance sheet risk reporting and sensitivity analysis will be put in place. Feb'22 - The quarterly financial summary reports to COG and PCC Executive Team now include updated on a range of balance sheet items.
	Has the authority put in place suitable mechanisms to monitor the risk associated with these critical elements of its balance	Balances such as reserves, debtors, creditors and provisions are monitored closely by Financial Services on a monthly basis		
	Is the authority taking action to mitigate any risks identified?	Yes, as risks are identified action is taken e.g. regular reviews of legal claims and supplier information including credit checks is undertaken regularly.		
	Does the authority report unplanned use of its reserves to the leadership team in a timely manner?	Revenue and capital monitoring reports are presented to Chief Officer Group and the PCCs Executive Team on a regular basis. Formal budget monitoring reports are presented on a quarterly basis to the PCCs Public Accountability Conference and then to the public meeting of the Police and Crime Panel. Any variation to the planned use of reserves is reported, with a formal recommendation to the PCC should any significant changes to the planned use of reserves arise		
	Is the monitoring of balance sheet risks integrated into the authority's management accounts reporting processes?	This is not well developed and principally takes place at the year end and during the budget setting process.		Feb'22 - The quarterly financial summary reports to COG and PCC Executive Team now include updated on a range of balance sheet items.

Financial Management Code Assessment (February 2022)

FM Code Standard	Question	Answer	RAG	Areas for Improvement (update Feb'22 if not already green)
Theme - Accountability				
D) The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)	Has the authority sought to apply the principles, behaviour and actions set out in the Framework to its own governance?	Yes, as evidenced through the Annual Governance Statement		
	Does the authority have in place a suitable local code of governance?	Yes, the PCC and Chief Constable each publish on an annual basis a Code of Corporate Governance. This is reviewed by the Joint Audit Committee at the start of each financial year.		
	Does the authority have a robust assurance process to support its AGS?	The AGS for the Constabulary is produced by the Chief Officer Group, which comprises senior police officers and staff from the Constabulary. The AGS for the OPCC is produced by the PCC Executive Team, which comprises senior staff from the OPCC. A draft version of each AGS is presented to the Joint Audit Committee before publication alongside the annual Statement of Accounts.		
P) The Chief Finance Officer has personal responsibility for ensuring that the statutory accounts provided to the local authority comply with the Code of Practice on Local Authority Accounting in the United Kingdom	Is the authority's CFO aware of their responsibilities in terms of the preparation of the annual financial statements?	Yes, the Joint CFO is fully aware of his responsibilities in this area.		
	Are these responsibilities included in the CFO's role description, personal objectives and other relevant performance management mechanisms?	Specific responsibility for the Joint CFO to secure delivery of the financial statements is included in the job description and is recognised as a key task.		
	Have the authority's financial statements hitherto been prepared on time and in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom?	Yes, Cumbria has a good track record of early closedown and external audit sign-off.		
Q) The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions	Is the authority's leadership team provided with a suitable suite of reports on the authority's financial outturn and on significant variations from budget?	An outturn report is presented to the Chief Officer Group and the PCC Executive Team in May each year with clear explanations provided for each variation against budget.		
	Is the information in these reports presented effectively?	Yes. This information is provided on the same format of the monthly/quarterly management accounts to aid consistency and understanding. A reconciliation is provided in the statutory statement of accounts to aid transparency.		
	Are these reports focused on information that is of interest and relevance to the leadership team?	Yes, it provides information on the full revenue budget and highlights variances which are both one-off and those that have an ongoing financial implications.		
	Does the leadership team feel that the reports support it in making strategic financial decisions?	Yes		
Theme - Transparency				
L) The authority has engaged where appropriate with key stakeholders in developing its long term financial strategy, medium term financial plan and annual budget	How has the authority sought to engage with key stakeholders in developing its long-term financial strategy, its medium-term financial plan and its annual budget?	The Constabulary and PCC liaise closely in agreeing the budget. The Constabulary consults comprehensively with budget holders during the budget process to assess service pressures through a 'Star Chamber' process. The PCC undertakes public consultation on his proposed council tax precept increase as and when required. Commissioning budgets are developed in close consultation with relevant delivery partners. The PCC's annual budget and precept proposals are subject to scrutiny by the independent Police and Crime Panel, on behalf of the public. Members of the Joint Audit Committee are briefed on the budget.		
	How effective has this engagement been?	Internal consultation has both identified savings and areas where additional resourcing is required. In recent years the PCC has consulted the public regarding his proposed increase in council tax precept. The response has always been positive. In recent years the Police and Crime Panel has approved the PCCs proposed increase in council tax precept		
	What action does the authority plan to take to improve its engagement with key	The PCC and Constabulary are continually open to exploring ways of improving the budget setting and consultation process.		
M) The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions	Does the authority have a documented option appraisal methodology that is consistent with the guidance set out in IFAC/PAIB publication 'Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal'?	The Constabulary and PCC include options appraisal as a standard requirement in its business case template. The exact methodology and options appraisal techniques used are not always consistent as it can be difficult to adapt these to a public sector setting where quality of service is more important than pure financial return. Benefits measurement can be subjective and have a tendency to be over optimistic.		Develop guidance for options appraisal and ensure it is applied systematically including post implementation review and link to benefits management.
	Does the authority offer guidance to officers as to when an option appraisal should be undertaken?	Staff developing business cases particularly in relation to technology are Prince 2 trained and well versed in options appraisal techniques. Finance staff provide support where required.		
	Does the authority's approach to option appraisal include appropriate techniques for the qualitative and quantitative assessment of options?	Where appropriate, qualitative and quantitative measures are included		Develop guidance for options appraisal and ensure it is applied systematically including post implementation review and link to benefits management.
	Does the authority's approach to option appraisal include suitable mechanisms to address risk and uncertainty?	Risks are considered as part of the business case preparation, particularly for significant investments.		
	Does the authority report the results of option appraisals in a clear, robust and informative manner that gives clear recommendations and outlines the risk associated with any preferred option(s)?	Yes, particularly in relation to significant investments. However, post implementation reviews are not carried out systematically.		Develop guidance for options appraisal and ensure it is applied systematically including post implementation review and link to benefits management.

Financial Management Code Assessment (February 2022)

FM Code Standard	Question	Answer	RAG	Areas for Improvement (update Feb'22 if not already green)
Theme - Standards				
H) The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities	Has the authority prepared a suitable capital strategy?	Yes, a Capital Strategy document is prepared which is an overarching publication covering the Treasury Management Strategy Statement (TMSS) and Capital Programme. The Capital Programme covers a longer 10 year period. The Capital Strategy, Capital Programme and TMSS are presented to the Public Accountability Conference in February each year as part of the budget setting process and are approved by the PCC. The documents are published on the PCCs website as part of the Key Financial Publications section.		
	Has the authority set prudential indicators in line with the Prudential Code?	Yes, these are included in the Annual Capital Strategy and Treasury Management Strategy Statement.		
	Does the authority have in place suitable mechanisms for monitoring its performance against the prudential indicators that it has set?	Yes, these are monitored by Financial Services staff and reported to the PCC Public Accountability Conference and Joint Audit Committee in the quarterly TM update reports.		
J) The authority complies with its statutory obligations in respect of the budget setting process	Is the authority aware of its statutory obligations in respect of the budget-setting process?	Yes, initial budget reports are presented to the public meeting of the Police and Crime Panel as part of the precept setting meeting in January. The formal budget reports including the Joint CFO statement on the robustness of the budget and the council tax requirement are presented to the PCC Public Accountability Conference in February each year.		
	Has the authority set a balanced budget for the current year?	Yes, as endorsed by the PCC at the budget setting meeting in February.		
	Is the authority aware of the circumstances under which it should issue a Section 114 notice and how it would go about doing so?	Yes, the Joint CFO is fully aware of the s114 requirements but Cumbria is not remotely close to needing to issue one in the near future.		
K) The budget report includes a statement by the Chief Finance Officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves	Does the authority's most recent budget report include a statement by the CFO on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves?	Yes		
	Does this report accurately identify and consider the most significant estimates used to prepare the budget, the potential for these estimates being incorrect and the impact should this be the case?	Not specifically, although a separate risk assessment is produced which explains and quantifies the impact of variations to key budget assumptions		Review the S25 report to see what improvements can and should be made
	Does the authority have sufficient reserves to ensure its financial sustainability for the foreseeable future?	Yes, a separate Reserves Strategy is produced to accompany the annual budget report, Medium Term Financial Forecast (MTFF) and Capital Strategy. The Reserves Strategy covers planned use of reserves over a 10 year timeframe to match the Capital Strategy. This Reserves Strategy is also published on the PCCs website in the Key Financial Publications section of the website.		
	Does the report set out the current level of the authority's reserves, whether these are sufficient to ensure the authority's ongoing financial sustainability and the action that the authority is to take to address any shortfall?	Yes, the Reserves Strategy provides a forecast for the next 10 years which is fully compatible with the 4 year MTFF and longer term 10 year capital Strategy.		

Financial Management Code Assessment (February 2022)

FM Code Standard	Question	Answer	RAG	Areas for Improvement (update Feb'22 if not already green)
Theme - Assurance				
C) The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control	Does the leadership team espouse the Nolan principles?	Yes, the code of ethics is a key feature for all police officers and staff and is promoted during induction training and refresher courses. This is supported by the work of the Professional Standards Department who promote ethical standards through a supported learning approach. All force policies and procedures embed the key principles from the Code of Ethics		
	Does the authority have in place a clear framework for governance and internal control?	Yes, the PCC and Chief Constable review and update their respective Codes of Corporate Governance on an annual basis.		
	Has the leadership put in place effective arrangements for assurance, internal audit and internal accountability?	Good behaviour is discussed during all staff and officer Strengths Based Conversations (SBCs) The arrangements for anti-fraud and corruption include a whistleblowing policy which is managed and reports investigated by the Professional Standards Department (PSD) The PCC and Chief Constable have a joint managed internal audit service which is currently provided by the County Council. All audit reports receive Chief Officer/Director sign off and all audit reports are reported to the Joint Audit Committee (JAC). The Head of Internal Audit provides regular updates against the audit plan to meetings of the Joint Audit Committee. All audit reports (internal and external) are published on the PCC website. Internal accountability is through individual SBCs with breaches being investigated through PSD Business interests are approved and recorded by PSD and then reviewed as part of the SBC process and at year end through the related parties evaluation exercise Both the Constabulary and OPCC have a policy on gifts and hospitality, which is managed and promoted by PSD and the OPCC.		
	Does the leadership team espouse high standards of governance and internal control?	All key decisions are taken collectively by the Chief Officer Group with a full audit trail for all decisions made. All key PCC decisions of significant public interest are published on his website including full supporting documentation Codes of Corporate Governance are in place in line with CIPFA Good Governance principles. Codes of conduct & business interests are in place as part of anti-fraud and corruption arrangements. Governance documents including financial and procurement regulations are in place and are reviewed periodically.		
	Does the leadership team nurture a culture of effective governance and robust internal control across the authority?	Yes, see arrangements above and regular interventions to ensure that the organisations operate effectively. This is supported by the HMICFRS assessment of Good across all areas of business and outstanding for Crime Data Recording and the Head of Internal Audit's assessment that the arrangements for risk management, governance and internal control are robust.		
F) The authority has carried out a credible and transparent Financial Resilience Assessment	Has the authority undertaken a Financial Resilience Assessment?	As part of the Achieving Financial Excellence in Policing Programme (AFEP) a template set of Financial Resilience Indicators has been developed. A piece of work is currently underway to apply these to Cumbria circumstances and develop a Financial Resilience Self Assessment that can be undertaken and reported on an annual basis.		Draft Cumbria Financial Resilience Indicators have been developed but these have still to be agreed, calculated and reported to Chief Officers & OPCC.
	Has the Assessment tested the resilience of the authority's financial plans to a broad range of alternative scenarios?	As above		As above
	Has the authority taken appropriate action to address any risks identified as part of the assessment?	As above		As above, however the Productivity and Efficiency Plan has and will continue to be developed to address the savings requirement identified in the MTFE.
N) The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability	Does the authority provide the leadership team with an appropriate suite of reports that allows it to identify and to correct emerging risks to its budget strategy and financial sustainability?	For the Constabulary, the Chief Officer Group is provided with a monthly monitoring report which highlights emerging risks and issues. These are acted upon as necessary. Any matters needing to be notified to the PCC are managed through the regular PCC Executive Team meetings. Formal reports are presented to the PCC on a quarterly basis at the Public Accountability Conference. The quarterly reports are also presented to the public meetings of the Police and Crime Panel. Board meetings such as Business Board, Operations Board, Digital Board and Workforce Boards receive high level financial updates at monthly meetings. The Senior Leadership Teams of relevant departments will receive and update from Financial Services Officers in relation to their own budgets on a monthly basis.		
	Do the reports cover both forward and backward looking information in respect of financial and operational performance?	Yes		
	Are there mechanisms in place to report the performance of the authority's significant delivery partnerships such as a contract monitoring data?	The Commercial Department are actively developing contract management across the organisation. The OPCC have a performance framework for Commissioned Services designed to ensure that contracts are delivered effectively.		Continue to develop a contract management culture led by the Commercial Department. Feb'22 - Contract Management is operating in critical areas including control room contract, medical services and others. Output from the internal audit on contract management delivered an assurance level of Reasonable. Further training is in hand with Bluelight Commercial.
	Are the reports provided to the leadership team in a timely manner and in a suitable format?	Yes, produced monthly/quarterly as required and are in a clear format which draws out the key messages.		
	Is the leadership team happy with the reports that it receives and with its ability to use these reports to take appropriate action?	Yes		

Financial Management Code Assessment (February 2022)

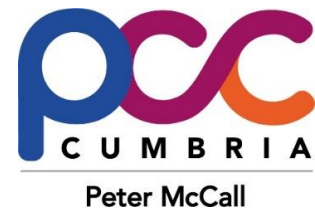
FM Code Standard	Question	Answer	RAG	Areas for Improvement (update Feb'22 if not already green)
Theme - Sustainability				
E) The Financial Management Style of the authority supports financial sustainability	Does the authority have in place an effective framework of financial accountability?	Yes, through the framework of corporate governance, including the Funding Arrangement, Scheme of Delegation, Budget Protocols, Financial Regulations, Financial Rules and Joint Procurement Regulations. These documents are reviewed on a cyclical basis and are reported to the Joint Audit Committee	Green	
	Is the authority committed to continuous improvement in terms of the economy, efficiency, effectiveness and equity of its services?	The Constabulary has an Efficiency and Productivity Strategy, which incorporates specific reviews of services, savings targets and consideration of HMICFRS VFM indicators. However, this has been relatively low profile in during Covid.	Yellow	Re-invigorate the Efficiency Strategy with a systematic approach, including benefits realisation.
	Does the authority's finance team have appropriate input into the development of strategic and operational plans?	For the Constabulary, the Joint Chief Finance Officer is a member of the Chief Officer Group who meet on a weekly basis and have ultimate decision making responsibility for the Constabulary. For the OPCC, the Joint Chief Finance Officer is a member of the PCC Executive Team who meet on a weekly basis and have ultimate decision making responsibility for the PCC. In addition, the Joint CFO is part of the Management Board (in relation to CC activity) and the Collaborative Board which is a joint board made up of senior members of the OPCC and Constabulary. Senior finance representatives sit on all key decision making and informative boards e.g. Workforce, Business, Operations, Digital and Programme Boards	Green	
	Do managers across the authority possess sufficient financial literacy to deliver services cost effectively and to be held accountable for doing so?	Each key stakeholder/budget holder in the organisation has a named finance contact. The Financial Services Team are well qualified and a business partnering approach is being promoted. A more systematic approach to ensuring that Budget holders have the appropriate financial management skills is being considered.	Yellow	Develop the business partnering approach between finance and business areas. Implement a systematic training plan for non finance staff.
	Has the authority sought an external view on its financial style, for example through a process of peer review?	Not specifically, but the Financial Services team recently undertook the CIPFA Achieving Financial Resilience Financial Management Self Assessment and as a result an action plan has been developed. The self assessment sought the views of chief officers, senior managers and external partners (JAC, internal and external audit) on a number areas of financial management. The self assessment resulted in a score of 4 out of 5 for Financial Management.	Yellow	Complete the AFEP action plan.
	Do individuals with governance and financial management responsibilities have suitable delegated powers and appropriate skills and training to fulfil these responsibilities?	Yes, as set out in Scheme of Delegation, Budget protocols, Financial Regulations, Financial Rules and Joint Procurement Regulations. In relation to financial skills, budget holders are supported by named Financial Services Officers who support their particular areas of business. Training to non-financial managers is currently ad-hoc and is provided on a one to one basis by finance staff. A more formal in-house training programme is to be developed as part of the AFEP action plan.	Green	as above
G) The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to Members	Does the authority have a sufficiently robust understanding of the risks to its financial sustainability?	The key risks are highlighted in the annual budget and medium term financial forecast.	Green	
	Does the authority have a strategic plan and long-term financial strategy that address adequately these risks?	Yes, we have a medium term financial forecast which is produced annually, although the main focus is for a 4 year MTFE timeframe, the report includes commentary on future estimation uncertainty and considers risks to funding and budget setting. We also publish a separate longer term Capital Programme and Reserves Strategy which cover a 10 year timeframe.	Green	The MTFE will be reviewed to ascertain whether it needs to be enhanced and extended.
	Has the authority sought to understand the impact on its future financial sustainability of the strategic, operational and financial challenges that it might face (e.g. using a technique such as scenario planning)?	Scenario planning is used internally within Financial Services to formulate the medium term financial plan. Published budget reports include a risk assessment/sensitivity analysis which highlights the financial risk to key budget assumptions e.g. changes in future pay awards, precept levels etc.	Green	
	Has the authority reported effectively to the leadership team and to members its prospects for long-term financial sustainability, the associated risks and the impact of these for short- and medium-term decision making?	Regular reports to the Chief Officer Group and PCC Executive Team during the budget preparation process highlight the various risks and possible scenarios. The key strategic issues are then reported to the PCC Public Accountability Conference at the annual budget setting meeting. All documents associated with the budget process are published on the PCC website as part of the Key Financial Publications section. During the year regular revenue and capital monitoring reports will highlight changes in significant risks and issues, and suggest appropriate action	Green	
I) The authority has a rolling multi-year Medium Term Financial Plan consistent with sustainable service plans	Does the authority have in place an agreed medium-term financial plan?	Yes, the Medium Term Financial Forecast covering the period 2021/22 to 2024/25 was published in February 2021 alongside the annual revenue budget.	Green	
	Is the medium-term financial plan consistent with and integrated into relevant service plans and its capital strategy?	Yes	Green	
	Has the medium-term financial plan been prepared on the basis of a robust assessment of relevant drivers of cost and demand?	Yes, the Chief Officer Group (COG) consider information on current and future demand pressures (as currently known) including the implications for new technology and equipment The Constabulary also considers relevant NPCC guidance and best practice e.g. stop & search, body worn video. Across COG, members are engaged in national forums which enables the potential financial implications of new national systems and changes to national guidelines and procedures to be identified early	Green	
	Has the medium-term financial plan been tested for resilience against realistic potential variations in key drivers of cost and demand?	Yes, but in an emergency service employing omniscient police officers changes in demand can be accommodated by deployment policies and priorities. Cost drivers and sensitivity analysis to changes in cost, income and demand are included in the MTFE.	Green	
	Does the authority have in place a suitable asset management plan that seeks to ensure that its property, plant and equipment including infrastructure assets contribute effectively to the delivery of services and to the achievement of the authority's strategic aims?	Yes, there are separate asset management plans/strategies for Estates, Fleet and Digital Data and Technology. The plans are developed to coincide with the PCC term of office and an annual update is provided through the Corporate Support Strategy Update which is considered alongside the budget at the February meeting of the Public Accountability Conference. The last published individual asset management strategies cover the period 2019 to 2021. New strategies for the period 2021 to 2024 will be developed in September 2021.	Green	

Financial Management Code Action Plan Update (February 2022)

Theme	Action Ref.	FM Code Standard	Question	RAG	Areas for Improvement	Responsible Officer	Implementation Date	Update February 2022
Leadership	1	A) The leadership team is able to demonstrate that the services provided by the authority provide value for money	Does the authority have a clear and consistent understanding of what value for money means to it and to its leadership team?	Yellow	Review documentation to make VFM more explicit	Joint Chief Finance Officer	30 September 2021 30 September 2022	Consideration will be given to the benefits of a priority based budgeting exercise, to identify areas for savings.
Leadership	2		Does the authority have suitable mechanisms in place to promote value for money at a corporate level and at the level of individual services?	Yellow	Develop an enhanced savings and efficiencies plan, to incorporate benefits management.	Joint Chief Finance Officer	30 September 2021 30 September 2022	A productivity and efficiencies plan, has been developed. This will require further enhancement and development of a systematic process for identifying and delivering savings in the context of the revised MTFF position.
Leadership	3	O) The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability	Has the authority identified the elements of its balance sheet that are most critical to its financial sustainability?	Green	A more systematic approach to balance sheet risk reporting and sensitivity analysis will be put in place.	Deputy Chief Finance Officer	31 July 2021	Key balance sheet information is now included in the quarterly budget monitoring reports provided to COG/PCC. These reports also include details of progress in year against the Productivity and Efficiency Plan. The suite of reports in support of the budget/MTFF now includes a sensitivity analysis table.
Transparency	4	M) The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions	Does the authority have a documented option appraisal methodology that is consistent with the guidance set out in IFAC/PAIB publication 'Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal'?	Yellow	Develop guidance for options appraisal and ensure it is applied systematically including post implementation review.	Joint Chief Finance Officer	30 September 2021 30 September 2022	Whilst options appraisal is a standard requirement in Constabulary and OPCC business cases, work is still required to ensure that options appraisal methods are applied appropriately and systematically in all cases. This will be undertaken when capacity permits.
Standards	5	K) The budget report includes a statement by the Chief Finance Officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves	Does this report accurately identify and consider the most significant estimates used to prepare the budget, the potential for these estimates being incorrect and the impact should this be the case?	Green	Review the S25 report to see what improvements can and should be made	Joint Chief Finance Officer	31 January 2022	The section 25 report has been produced and adequately describes financial risks. Consideration will be given to greater use of scenario planning and sensitivity analysis.

Financial Management Code Action Plan Update (February 2022)

Theme	Action Ref.	FM Code Standard	Question	RAG	Areas for Improvement	Responsible Officer	Implementation Date	Update February 2022
Assurance	6	F) The authority has carried out a credible and transparent Financial Resilience Assessment	<p>Has the authority undertaken a Financial Resilience Assessment?</p> <p>Has the Assessment tested the resilience of the authority's financial plans to a broad range of alternative scenarios?</p> <p>Has the authority taken appropriate action to address any risks identified as part of the assessment?</p>	Yellow	Cumbria Financial Resilience Indicators to be agreed, calculated and reported to Chief Officers & OPCC.	Joint Chief Finance Officer / Deputy CFO	30 September 2021 31 March 2022	A draft set of financial resilience indicators have been prepared in line with CIPFA guidance and is to be considered by COG, PCC Executive Team in March. Once agreed, these will be circulated to JAC.
Assurance	7	N) The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability	Are there mechanisms in place to report the performance of the authority's significant delivery partnerships such a contract monitoring data?	Green	Continue to develop a contract management culture led by the Commercial Department.	Head of Commercial	31 December 2021	Contract Management is operating in critical areas including control room contract, medical services and others. Output from the internal audit on contract management delivered an assurance level of Reasonable. Further training is in hand with Bluelight Commercial.
Sustainability	8	E) The Financial Management Style of the authority supports financial sustainability	Is the authority committed to continuous improvement in terms of the economy, efficiency, effectiveness and equity of its services?	Yellow	Re-invigorate the Efficiency Strategy with a systematic approach, including benefits realisation.	Joint Chief Finance Officer	30 September 2021 31 March 2023	A productivity and efficiencies plan, has been developed. However, this will require further enhancement and development of a systematic process for identifying and delivering savings in the context of the revised MTFF position.
Sustainability	9		Do managers across the authority possess sufficient financial literacy to deliver services cost effectively and to be held accountable for doing so?	Yellow	Develop the business partnering approach between finance and business areas. Implement a systematic training plan for non finance staff.	Deputy Chief Finance Officer	31 December 2021 31 May 2022	A programme of training is being developed utilising support from the CIPFA AFEP Consultancy days. The plan is to train the Financial Services Team on the business partnering approach in April and roll out training for non financial managers (budget holders) from May'22.
Sustainability	10		<p>Has the authority sought an external view on its financial style, for example through a process of peer review?</p> <p>Do individuals with governance and financial management responsibilities have suitable delegated powers and appropriate skills and training to fulfil these responsibilities?</p>	Yellow	Complete the AFEP action plan.	Joint Chief Finance Officer	31 December 2021 31 May 2022	A separate update on the AFEP action plan is provided on the JAC agenda for 16/03/22.
Sustainability	11	G) The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to Members	Does the authority have a strategic plan and long-term financial strategy that address adequately these risks?	Yellow	The MTFF will be reviewed to ascertain whether it needs to be enhanced and extended.	Joint Chief Finance Officer	31 January 2022 30 September 2022	The medium term financial forecast has been reviewed and updated for 2022/23 to 2026/27. Financial risks are outlined in the strategy. The Efficiency and Productivity Plan requires further work to identify savings and is the subject of a Gold Group



Achieving Financial Excellence in Policing – Action Plan Update

Joint Audit Committee: 16 March 2022

Originating Officer: Michelle Bellis, Deputy CFO

1. Introduction

1.1 The Constabulary and PCC have been part of a national programme of work run by CIPFA with the aim of “Achieving Financial Excellence in Policing” known as AFEP. The initial programme (AFEP) covered a two year period 2019/20 and 2020/21. As part of the initial phase, membership included access to a CFO leadership programme and future leaders programme of training, subscription places at a number of CIPFA events and courses, specific working groups in relation to Data and Analytics (the JCFO is a member of this group), Financial Management (the Deputy CFO is a member of this group) and People Development. The programme was extended for a further two years, known as AFEPii covering 2021/22 and 2022/23 and again the PCC/Constabulary will benefit from leadership academies, subscription places, free publications and external consultancy days.

2. Report

2.1. The initial phase of AFEP included a Financial Management Self-Assessment Toolkit (The FM Model) which was completed in 2020. The outcome of the self-assessment was an overall score of 4/5 overall (see table below). The self-assessment exercise included a number of interviews and surveys which covered 30 statements and came together to provide an overall assessment. The 30 statements covered four management dimensions (leadership, people, process & stakeholders) and three management styles (delivering accountability, supporting performance & enabling transformation). A full list of the assessed statements and their initial scores from 2020 is provided at **Appendix A**. As a result of the assessment some areas of improvement were identified, and an action plan produced. The action plan and an update on progress against this is provided for members information at **Appendix B**. Of the 15 actions in the action plan, 13 are now shown as green completed or on track for completion, 1 as amber where further work is required and 1 red where the action is overdue but is being progressed for completion by 31 March 2022.

Summary of Initial Self-Assessment Scores (May 2020)

Financial management styles	Management dimensions			
	Leadership (A)	People (B)	Process (C)	Stakeholders (D)
Delivering Accountability(1)	****	***	****	*****
Supporting performance (2)	****	***	****	*****
Enabling transformation (3)	***	****	**	*****
Overall	****			

3. Recommendations

- 3.1. Members are asked to note the progress made with regards to the implementation of the FM Model/AFEP Action Plan.

Michelle Bellis

Deputy Chief Finance Officer

28 February 2022

Financial Management Model Initial Assessment

Area	Statement	Score (Out of 5)	
Leadership - Delivering Accountability			
Delivering Accountability	L1	Financial capability is regarded as integral to supporting the delivery of the organisation's objectives. The CFO is an active member of the board, is at the heart of corporate strategy/business decision making and leads a highly visible, influential and supportive finance team.	****
	L2	The organisation has an effective framework of financial accountability that is clearly understood and applied throughout, from the <i>board</i> through executive and non-executive directors to front line service <i>managers</i> .	****
	L3	Within an annual budget setting process the organisation's leadership sets income requirements including tax and allocates resources to different activities in order to achieve its objectives. The organisation monitors the organisation's financial and activity performance in delivering planned outcomes.	****
Leadership - Supporting Performance			
Supporting Performance	L4	The organisation has a developed financial strategy to underpin medium and longer term financial health. The organisation integrates its business and financial planning so that it aligns resources to meet current and future outcome focussed business objectives and priorities.	****
	L5	The organisation develops and uses financial/leadership expertise in its strategic decision-making and its performance management based on an appraisal of the financial environment and cost drivers.	****
Leadership - Enabling Transformation			
Enabling Transformation	L6	The organisation's leadership integrates financial management into its strategies to meet future business needs. Its financial management approach supports the change agenda and a culture of customer focus, innovation, improvement and development.	***
People - Delivering Accountability			
Delivering Accountability	P1	The organisation identifies its financial competency needs and puts arrangements in place to meet them.	*
	P2	The organisation has access to sufficient financial skills to meet its business needs.	****
People - Supporting Performance			
Supporting Performance	P3	The organisation manages its finance function to ensure efficiency and effectiveness.	**
	P4	Finance staff provide business partner support by interpreting and explaining performance as well as advising and supporting on key business decisions.	****
	P5	Managers understand they are responsible for delivering services cost effectively and are held accountable for doing so. Financial literacy is diffused throughout the organisation so that decision takers understand and manage the financial implications of their decisions.	**
People - Enabling Transformation			
Enabling Transformation	P6	The organisation develops and sustains its financial management capacity to help shape and support its transformational programme.	****

Financial Management Model Initial Assessment

Area	Statement	Score (Out of 5)	
Process - Delivering Accountability			
Delivering Accountability	PR1	Budgets are accrual-based and robustly calculated	*****
	PR2	The organisation operates financial information systems that enable the consistent production of comprehensive, accrual based, accurate and up to date data that fully meets users' needs.	*
	PR3	The organisation operates and maintains accurate, timely and efficient transactional financial services (e.g. creditor payments, income collection, payroll, and pensions' administration).	****
	PR4	The organisation's treasury management is risk based. It manages its investments and cash flows, its banking, money market and capital market transactions, balancing risk and financial performance.	*****
	PR5	The organisation actively manages budgets, with effective budget monitoring arrangements that ensure 'no surprises' and trigger responsive action.	*****
	PR6	The organisation maintains processes to ensure that information about key assets and liabilities in its balance sheet is a sound and current platform for management action.	**
Delivering Accountability	PR7	Management understands and addresses its risk management and internal control governance responsibilities.	*****
	PR8	Management is supported by effective assurance arrangements, including internal audit, and audit and risk committee(s).	*****
	PR9	The organisation's financial accounting and reporting are accrual based and comply with international standards and meet relevant professional and regulatory standards.	*****
Process - Supporting Performance			
Supporting Performance	PR10	The organisation's medium-term financial planning process underpins fiscal discipline, is focussed upon the achievement of strategic priorities and delivers a dynamic and effective business plan.	*****
	PR11	Forecasting processes and reporting are well developed and supported by accountable operational management. Forecasting is insightful and leads to optimal decision making.	****
Supporting Performance	PR12	The organisation systematically pursues opportunities to reduce costs and improve value for money in its operations.	***
	PR13	The organisation systematically pursues opportunities for improved value for money and cost savings through its procurement, commissioning and contract management.	***
Process - Enabling Transformation			
Enabling Transformation	PR14	The organisation continually re-engineers its financial processes to ensure delivery of agreed outcomes is optimised.	*
	PR15	The organisation's financial management processes support organisational change.	****
Stakeholders - Delivering Accountability			
Delivering Accountability	S1	The organisation provides external stakeholders with evidence of the integrity of its financial conduct and performance, and demonstrates fiscal discipline including compliance with statutory/legal/regulatory obligations.	*****
	S2	The organisation demonstrates that it achieves value for money in the use of its resources.	*****
	S3	The organisation is responsive to its operating environment, seeking and responding to customer and stakeholder service and spending priorities that impact on its financial management.	*****

Financial Management Model / AFEP Action Plan

Theme	Issue	Required action(s)	Priority (H, M, L)	Status (RAG)	Target Date	Responsibility of	Comments
Leadership -Enabling Transformation (L6)	The organisation's leadership integrates financial management into its strategies to meet future business needs. Its financial management approach supports the change agenda and a culture of customer focus, innovation, improvement and development.	Work with other departments to ensure that managers receive consistent, reliable and timely management information linked to finances.	H		31/07/2021	Financial Services Team	The move to CCM will bring about a change in reporting. For Quarter 1, it is hoped that the reports will have been developed and will start to become embedded. Feb'22 - The budget monitoring reports provided to COG and PCC are now provided on an objective basis by command/directorate. Financial Services Officers provide regular and timely updates to budget holders.
		Secure a renewed focus on the delivery of savings to balance the budget.			31/03/2022	Roger Marshall, Stephen Kirkpatrick, Lisa Hogan	The grant settlement for 2022/23 has reduced the urgency of finding savings to balance the budget however longer term financial challenges remain. An efficiency plan, including development and monitoring of savings is in the process of development. Feb'22 - The Productivity and Efficiency plan is now in place and updates on in year progress against the plan are reported to COG/PCC quarterly. The ACC has now established a "Resource and Efficiency" Gold meeting with the aim of providing a renewed focus on the achievement of savings to balance the budget .
		Ensure that there is effective consultation with finance in relation to planned changes.			31/03/2022	Roger Marshall, Stephen Kirkpatrick, Lisa Hogan	As the efficiency plan is developed it is essential that financial services are effectively consulted in relation to costing savings proposals. Feb'22 The Productivity & Efficiency Plan is jointly managed by the Joint Chief Finance Officer and Director of Corporate Support. The JCFO ensures that any proposals put forward are subjected to financial due diligence.

Financial Management Model / AFEP Action Plan

Theme	Issue	Required action(s)	Priority (H, M, L)	Status (RAG)	Target Date	Responsibility of	Comments
People – Delivering Accountability (P1) and Supporting performance (P5)	Identify financial competency needs and putting arrangements in place to achieve them.	Develop a more systematic approach to training and developing financial management skills in managers outside the finance function.	H	Green	31/03/2022	Roger Marshall, Michelle Bellis	At the present moment we do not have a formalised plan for delivery of financial training. There are a number of potential options to be considered, including: - As part of AFEP2 some training for non-financial managers is being developed, which could be rolled out within the Constabulary. - Link into national programmes possibly through the college of policing. - Develop an in-house programme of training potentially using CIPFA AFEP2 consultancy days. Feb'22 - CIPFA AFEP consultancy days are being used to develop a programme for non finance managers (i.e. budget holders) and for finance staff on business partnering. The training is currently being planned and will be delivered by CIPFA in April and May '22. The plan includes the development of specific training materials for budget holders that can be delivered in-house after the initial delivery by CIPFA as and when new budget holders are identified
		Finance staff to provide greater added value support to budget holders through business partnering model. Included within this will be training and guidance on expectations from both parties to the relationship.		Green	30/09/2021 30/06/2022	Financial Services Team & Budget Holders	Plan a session with FS staff and budget holders to develop what business partnering means and how opportunities for the relationship can be maximised. Consider the involvement of CIPFA AFEP2 Consultancy Days for training in this area. Feb'22 - CIPFA AFEP consultancy days are being used to develop a programme of training for finance staff on business partnering. The training is currently being planned and will be delivered by CIPFA in April and May'22. Once the finance team are trained, further sessions will be developed to include budget holders.
	Managers/budget holders understanding their responsibilities to deliver services cost effectively.	Development of cost centre management responsibilities as part of the business futures F&P system replacement programme.		Green	31/03/2022	Financial Services Team	CCMs implemented in October 2020 as part of system upgrade, more work needed to embed into reporting and culture. Feb'22 -Regular reporting to budget holders is now embedded and reports to COG/PCC are provided on an objective basis by command/directorate.
	Changes to scheme of delegation to allow managers more freedom/flexibility to manage financial resources within their area of business, at the same time encouraging greater accountability for business decisions within that context.			Red	30/04/2021 31/03/2022	Roger Marshall	Draft Scheme of Delegation produced to be agreed at April Management Board. Feb'22 - Final approval of the Scheme of Delegation has been delayed see separate item on this agenda. Objective to get the revised scheme of delegation approved by COG prior to the start of the 2022/23 financial year.

Financial Management Model / AFEP Action Plan

Theme	Issue	Required action(s)	Priority (H, M, L)	Status (RAG)	Target Date	Responsibility of	Comments
People – Supporting performance (P3)	The organisation manages the finance function to support efficiency & effectiveness.	Make better use of financial benchmarking and VFM profiles to drive service improvements and improve efficiency & effectiveness.	M		31/03/2022	Roger Marshall, Stephen Kirkpatrick, Lisa Hogan	Some high level use of HMICFRS VFM profiles is currently made to inform business decisions. A more ambitious VFM plan could be considered to include: - Use of the CIPFA AFEP analysis tools could be considered to provide more detailed insight. - Deeper dive into outlier areas to gain a greater understanding and inform the efficiency plan. - Undertake a Priority Based Budgeting Exercise (potentially 2022/23). Feb'22 - Analysis of the 2021 HMICFRS VFM profiles has been undertaken, see report on this agenda. More in depth analysis of CIPFA AFEP tools has not been possible to date due to capacity. Potential to undertake a priority based budgeting exercise still being considered.
Process – Delivering Accountability (PR2)	The organisation operates financial information systems that enable the consistent production of comprehensive, accrual based, accurate and up to date data that fully meets users’ needs.	Ensure the investment in a replacement finance system drives service improvements through improved lean business processes and better financial information.	H		31/03/2022 30/06/2022	Financial Services, Commercial and Central Services Teams	Ensure PBCS module is implemented to support financial reporting. Continue to embed and streamline new system processes. Feb'22 - The PBCS module was initially delayed due to issues with the supplier. The implementation is now well underway with a new delivery partner "Oracle" and is on track to go live in April 2022 for budget monitoring and budget setting from 2022/23.
		Utilise the financial system to develop dashboards and enhanced management information.			31/03/2022 30/06/2022	Financial Services, Commercial and Central Services Teams	This is a workstream as part of the above action. Feb'22 - as above, dashboards will be included in the PBCS delivery. In addition, additional report writing training is being provided so that the finance team can develop reporting including dashboards and infolets.
		Establish a continuous improvement team (from within existing resources) to ensure that business benefits of the system are maximised and that the system remains up to date and fit for purpose.			31/03/2022	Financial Services, Commercial and Central Services Teams	A F&P Design Authority has been established to continue the work of the project board in overseeing Phase 2 of the implementation and embedding the continuous improvement of the system and related processes. Feb'22 - The design authority continues to meet on a monthly basis with a focus on continuous improvement and delivery of system benefits.
Process – Delivering Accountability (PR6)	The organisation maintains processes to ensure that information about key assets and liabilities in its balance sheet is a sound and current platform for management action.	Expand the suite of financial reporting to ensure that management are fully cognisant of information regarding wider assets and liabilities.	L		31/03/2022	Roger Marshall, Michelle Bellis	Currently limited use is made of balance sheet data and projections for financial management. A more comprehensive approach will be developed linked to the FM Code. This will also link to the development and reporting of a set of financial resilience indicators. Feb'22 - balance sheet reporting is now a regular feature of the quarterly financial reports to COG and PCC. A set of financial resilience indicators have been developed in line with CIPFA guidance and will be provided to COG, PCC & JAC in March.

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Financial Management Model / AFEP Action Plan

Theme	Issue	Required action(s)	Priority (H, M, L)	Status (RAG)	Target Date	Responsibility of	Comments
Process – Supporting Performance (PR12,PR13)– Enabling Transformation (PR14)	The organisation systematically:	Make better use of benchmarking and VFM data to drive service and process improvements.	M				This is a duplicate of the action for P3 above.
	<ul style="list-style-type: none"> pursues opportunities to reduce costs and improve value for money in its operations. 	Remove unnecessary bureaucracy/administration to allow time to be freed up by Commercial Staff to add value to contracts and commissioning.			31/03/2022	Barry Leighton	<p>A restructure has been agreed in principle by COG (subject to consultation) with the aim of progressing this objective. Once finally agreed will need to be embedded.</p> <p>Feb'22 - Commercial restructure is complete and Budgets amended accordingly to lock in benefits.</p>
	<ul style="list-style-type: none"> pursues opportunities for improved value for money and cost savings through its procurement, commissioning and contract management. 	Establish a continuous improvement team to continually evaluate financial and procurement processes to ensure these remain lean and fit for purpose. Including feeding into national user groups to drive service improvements at a system level.			31/03/2022	Financial Services, Commercial and Central Services Teams	<p>The F&P Design Authority has been established (as per PR2 above). Membership of the national oracle user group has been renewed and departmental system leads are undertaking training on oracle systems. The teams are committed to the quarterly update cycle and maximising the benefits of the system.</p> <p>Feb'22 - The design authority operates on a regular basis with a focus on continuous improvement and delivery of system benefits feeding into the Service Design Board. Oracle training is being delivered and quarterly updates to Oracle Fusion are successfully implemented.</p>
	<ul style="list-style-type: none"> continually re-engineers its financial processes to ensure delivery of agreed outcomes is optimised. 	Continue to develop procurement, commissioning and contract management processes.			31/03/2022	Barry Leighton	<p>A restructure has been agreed in principle by COG (subject to consultation) with the aim of progressing this objective. Once finally agreed will need to be embedded.</p> <p>Feb'22 - Self service introduced, commercial restructure is complete, apprenticeship program nearing completion with all apprentices successfully completing the CIPS Diploma.</p>