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Date: 15th September 2020

AGENDA

TO: THE MEMBERS OF THE JOINT AUDIT COMMITTEE

CUMBRIA POLICE & CRIME COMMISSIONER AND CUMBRIA CONSTABULARY JOINT AUDIT COMMITTEE

A Meeting of the Joint Audit Committee will take place on **Thursday 24th September 2020** via Microsoft Teams, at **10:30am**.

Vivian Stafford, Gill Shearer
Chief Executive

Note: If members of the public wish to participate in this meeting please contact inge.redpath@cumbria.police.uk by 21st September 2020 for a calendar invitation.

COMMITTEE MEMBERSHIP

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

AGENDA

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

1. APOLOGIES FOR ABSENCE

2. URGENT BUSINESS AND EXCLUSION OF PRESS AND PUBLIC

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

3. DISCLOSURE OF PERSONAL INTERESTS

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

4. MINUTES OF MEETING AND MATTERS ARISING

To receive and approve the minutes of the committee meeting held on 24th June 2020.

5. ACTION SHEET

To receive the action sheet from previous meetings.

- a. Reporting Internal Audit's Findings (Action 580 Update)

6. CORPORATE UPDATE

To receive a briefing on matters relevant to the remit of the Committee.

(To be presented by the Deputy Chief Constable, OPCC Chief Executive and Joint Chief Finance Officer).

7. INTERNAL AUDIT PROGRESS REPORT

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

8. INTERNAL AUDIT REPORT(S)

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

9. STRATEGIC RISK REGISTER

To consider the OPCC and Constabulary strategic risk register as part of the Risk Management Strategy. *(To be presented by the OPCC CE and Joint Chief Finance Officer)*

- i. OPCC Risk Management Monitoring Report
- ii. OPCC Strategic Risk Register
- iii. OPCC Operational Risk Register
- iv. Constabulary Strategic Risk Register

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

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

11. TREASURY MANAGEMENT ACTIVITIES

To receive for information reports on Treasury Management Activity - Quarter 1. *(To be presented by the Deputy Chief Finance Officer)*

12. POINT FOR CONSIDERATION BY THE COMMISSIONER AND THE CHIEF CONSTABLE**Future JAC Meeting Dates (For Information)**

19 November 2020 @ 10:30 am – Via Microsoft Team
 17 March 2021 @ 10:30am – Via Microsoft Team/Conference Room 2
 26 May 2021@ 10:30am - Via Microsoft Team/Conference Room 2
 28 July 2021 @ 10:30am - Via Microsoft Team/Conference Room 2
 22 September 2021 @ 10:30am - Via Microsoft Team/Conference Room 2
 17 November 2021 @ 10:30am - Via Microsoft Team/Conference Room 2
 16 March 2022 @ 10:30am - Via Microsoft Team/Conference Room 2

Future Police & Crime Panel Meeting Dates (For Information)

16 October 2020 – Council Chamber, County Offices, Kendal LA9 4RQ
 28 January 2021 – Council Chamber, Allerdale House, Workington CA14 3YJ
 20 April 2021 – Control Room, Cumbria Fire & Rescue HQ, Carleton Avenue, Penrith CA10 2FA

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Agenda Item 4 – Part 1

CUMBRIA POLICE & CRIME COMMISSIONER AND CUMBRIA CONSTABULARY

JOINT AUDIT COMMITTEE

Minutes of a meeting of the Joint Audit Committee held on Wednesday 24th June 2020 by telephone conference, Police Headquarters, Carleton Hall, Penrith, at 10.30am.

PRESENT

Mrs Fiona Daley (Chair)

Ms Fiona Moore

Mr Jack Jones

Mr Malcolm Iredale

Also present:

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

Deputy Chief Constable (Mark Webster)

Joint Chief Finance Officer (Roger Marshall)

Deputy Chief Finance Officer (Michelle Bellis)

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

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

Engagement Manager Grant Thornton LLP (Gareth Winstanley)

Engagement Lead Grant Thornton LLP (Michael Green)

Financial Services Officer (Dawn Cowperthwaite)

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

The chair called the meeting to order.

568. APOLOGIES FOR ABSENCE

Apologies for absence were received from

Public Sector Audit Associate, Grant Thornton LLP (Hebe Dyson)

569. URGENT BUSINESS AND EXCLUSION OF PRESS AND PUBLIC

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

570. DISCLOSURE OF PERSONAL INTERESTS

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

There were no other declarations of interest.

571. MINUTES OF MEETING AND MATTERS ARISING

No matters arising.

RESOLVED, that the minutes be recorded as a true record of the meeting held on 18th March 2020

572. ACTION SHEET

Item 524 - Internal Audit Report – Local Focus Hubs (Constabulary) – Sep 2019

The Deputy Chief Constable (DCC) advised that the amended date within the comments should read March 2021 rather than May 2020, as recorded in the minutes.

The DCC will have a discussion with the committee out with to clarify the Constabulary's overall position with regards to GDPR.

ACTION: The target date will be amended as advised.

Item 562 – Annual Work Programme

The Deputy Chief Finance Officer (DCFO) asked the committee if they would support the July meeting being cancelled and merged with the September meeting, the committee confirmed that they would support this suggestion.

ACTION: That the meeting for July be cancelled

Item 567 - Lessons Learnt

The possibility of video conferencing using Teams software for future meetings was discussed as a more productive and secure medium. The Chair also advised that if it were possible the committee would prefer to meet in the same room for future meetings, with other attendees dialing in as required. The DCC and the DCFO advised that it would be worth reviewing this in August, as the changing situation around Covid-19 would have an impact on how the meeting could be undertaken.

In relation to the option for committee members to submit questions ahead of meetings, the committee have advised that they wish not to do this, as transparency could well be lost from not having open discussions during the meetings.

ACTION: The use of Teams for future meetings will be investigated and further information will be disseminated.

RESOLVED, all other items were resolved.

573. CORPORATE UPDATE

The DCC gave an update to the meeting around the current coronavirus (COVID 19) outbreak, stating that the force continues to have a detailed and complex response to the situation. Nationwide issues are caused by rapidly changing legislation. There have also been a number of small protests within the county that have also required policing. The DCC also advised that the force had been able to increase the speed of some of the governance to aid better decision making. The Chair asked if either the Business Improvement Unit or Internal Audit were involved with looking at the new ways of working. The DCC advised that there was a lot of work being undertaken by the recovery and renewal group and questioned if there may be a role for the committee also. It was decided that a meeting would be arranged by the committee and the DCC to discuss this further.

The Chief Executive (CE) gave an update from the OPCC.

The level of QSPI's (Quality of Service and Policing Issues) received has increased significantly in the last quarter, with the majority of receipts relating to Covid 19 regulations, the majority of which were dealt with within a couple of days.

The Ethics and Integrity Panel have undertaken a dip sampling of fixed penalty notices issued in relation to Covid 19 regulations, this was a very beneficial piece of work and only 1 minor recommendation had been made.

The OPCC have recently bid for and have been awarded funding from the MOJ that will link in to domestic abuse and sexual violence and are looking at any additional opportunities to bid for funding in order to secure services for Cumbria.

The Joint Chief Finance Officer (JCFO) provided a financial update on the year-end position for the group, which is satisfactory.

574. EXTERNAL AUDIT PLAN UPDATE

The Engagement Manager introduced the progress report highlighting the progress to June 2020. They advised that despite the lockdown they have managed to hold regular virtual meetings with the finance team and that having been through the process already with other clients, they are confident that everything is in hand to be able to conclude a successful audit.

The Engagement Lead took members through the update highlighting specific issues arising from Covid 19 and the resulting lockdown and how they had reassessed the impact on the audit plan in light of these. An additional significant risk has been identified which largely centers around the impact of both the finance and audit staff working remotely and the ability to be able to verify numbers and transactions, it is believed that this will be able to be mitigated with strong challenge from Audit staff.

RESOLVED, that the report be noted.

575. EXTERNAL AUDIT FEES

The Engagement Lead gave a verbal update regarding audit fees. They confirmed that as we were opted into the Public Sector Audit Appointments (PSAA) contract the fee continues to be set in line with the scale fee approach. This being £34,910 for 2020/21 for the group.

The Deputy Chief Finance Officer (DCFO) advised that in previous years they had taken the committees agreement of the fees as a starting point for the purchase order to be created. As the Constabulary will soon be moving to a 'No PO, No Pay' arrangement the DCFO sought clarity on how this process should happen going forward. The Chair suggested that as the fee was being discussed at the Audit Committee meeting, the DCFO should take the minute as the starting point for having the PO created. It was further agreed that the audit fees would remain on the work programme as a discussion to be had on an annual basis.

RESOLVED, that the update be noted and that the Purchase Order for the annual fees should be created.

576. RISK MANAGEMENT MONITORING

The committee noted the report and confirmed that they were satisfied and had no recommendations. A member observed that in the Lead Officer Section 2018/19 was referred to twice and was not sure if this was an error. The CE advised that this would be checked and amended if incorrect.

ACTION: Report to be checked to ensure the correct dates were used throughout.

RESOLVED, all other items were resolved.

11:40am – The Engagement Manager and Lead left the meeting at this point

577. ANTI-FRAUD AND CORRUPTION ACTIVITIES

The committee noted the report and comments/recommendations were made. A member observed that dip sampling was mentioned multiple times throughout the report, but that no indication of the population size was given and asked if this could be included in future reports, as it would give a fuller perspective on the results. Another member queried some dates within the report and the highlighted crossed through section in paragraph 2.2. The CE advised that these would be checked and amended, as required.

ACTION: Information on population size to be added to future reports to increase transparency

ACTION: Report to be checked to ensure the correct dates were used throughout.

RESOLVED, all other items were resolved.

578. ETHICS AND INTEGRITY GOVERNANCE

The CE introduced the Ethics and Integrity Governance report highlighting that the committee had matured and that they were now seeing some real benefits from the committee. They have a well-defined work plan but also have the capability to pick up additional pieces of work as they arise, good examples of this include work carried out on the use of spit guards as well as dip sampling on fixed penalties. The DCC commented that he found the committee to be a good resource to add a lot of value as they can be brought in quickly to review specific pieces of work.

A member commented on paragraph six of section 2 that states there was a 43% increase in calls to the OPCC regarding policing issues and asked if the office had the capacity to deal with such increases. The CE advised that this was being monitored within the office to ensure that the tight timescales could be met.

RESOLVED, that the report be noted.

579. INTERNAL AUDIT – ANNUAL REPORT

The committee had the opportunity to read the report and also meet with the Internal Auditors prior to the meeting. The Head of Internal Audit summarised the report for the attendees stating that it provided reasonable assurance for both organisations, which is consistent with previous years, there is a high level of assurance with 13 out of the 14 being finalised (93%). The Chair advised that they were content with this report.

RESOLVED, all other items were resolved.

12pm – There was a 10 minute break at this point

580. EFFECTIVENESS OF INTERNAL AUDIT

The DCFO introduced the report on the effectiveness of internal audit giving a summary of the report. In line with the recommendations of the report, the committee confirmed that they were satisfied with the effectiveness of internal audit for the year. The committee had some concerns that they may be doing internal audit a disservice by not discussing all of the audit reports at the meetings. The Committee see all Internal Audit reports but only those where members which to discuss issues arising out of the report are tabled at the meeting. The Committee considered the possibility of internal audit providing a summary report to highlight what reports had been completed within a period and what the main recommendations had been. The audit manager advised that they were satisfied with the level of rigor given to all reports by the committee. The JCFO and DCFO confirmed that they would explore this request in further detail before the next meeting.

ACTION: The JCFO and DCFO to explore the implementation of some kind of summary report for internal audits

RESOLVED, all other items were resolved.

581. REASSESSING THE 2020/21 INTERNAL AUDIT PLAN

The Internal Audit Manager (IAM) introduced the report advising that the Institute of Internal auditors (IIA) have suggested that organisations reassess their internal audit plan in light of the emerging covid 19 situation. The reassessed plan provides for 251 days which is a reduction of 30 days from the plan which was presented at the March meeting, they further confirmed that this would be kept under review and would remain fluid. A member commented that although a line had been added into the plan for work resulting from covid 19 there had been no time put against it and questioned whether some of the reduced 30 days should be used for this purpose and whether it was likely that 250 days a year was likely to become the 'new norm'. The IAM advised that the reduction in days was a reflection of the reduced timescale due to the suspension of service in March as a direct result of covid 19, they further advised that if they were able to deliver more days they would and that they were very open to working closely with the organisation to ensure that any urgent emerging pieces of work were picked up. The Chair asked that it be noted that the committee had concerns regarding the reduction of days and asked that it be reviewed at the September meeting.

RESOLVED, all other items were resolved.

582. JOINT AUDIT COMMITTEE – REVIEW OF EFFECTIVENESS

The Chair noted that members had read, commented and made some changes to the report and suggested they discuss what should happen with it going forward as the Police and Crime Panel (PCP) had advised last year that it did propose to receive this report in future. The DCFO advised that it was not the full report that was taken to the PCP panel as once the committee had approved it a much shorter summary report was created which is what was given to the PCP. The CE advised that given the necessary changes this year they felt it was unlikely that the PCP would request to see this report. Following previous committee discussions the Chair asked if it would be possible, going forward, for this report to be produced every other year and in the years it wasn't produced for a 360 review to be conducted with the committee and any other relevant party to discuss any changes that may need to be made, using the CIPFA guidance as an aide memoir. Everyone at the meeting agreed that this seemed to be a sensible course.

ACTION: The work programme to be amended to reflect the change from the report being produced annually to every other year with a 360-review in-between

RESOLVED, all other items were resolved.

583. JAC - TERMS OF REFERENCE AND STANDING ORDERS UPDATE

The DCFO introduced this paper advising that there had been a number of discussions around the tenure of members and that research had been conducted with other police forces resulting with a number of options. The proposal is that the committee move to tenure of 2 terms of 5 years, which is an increase from previous, which was 2 terms of 4 years. A member asked if it would be prudent in future to increase membership from 4 to 5.

The DCFO advised that they were happy to do this if this was a direction that all members wanted to go in and went on to suggest that this be actioned when tenure was next up so as to reduce costs and investment of officers time by only going out for recruitment once. The CE commented that they were happy with this course of action but as two members tenure would expire in 2022 asked whether it would be prudent for there to be a period of transition/training for new members. The JCFO also advised that they would be happy with an increase in membership but commented that they had concerns about being able to recruit 3 members at the same time given the number of applicants they had seen previously and that it might be better to stagger recruitment. The DCFO advised that doing any recruitment activity throughout 2020 might be difficult but suggested that this could be started in early 2021 dependent on the lockdown situation at that time.

ACTION: Look to increase membership from 4 – 5 and/or the possibility of a shadowing programme for new members to enable them to ‘learn the ropes’

RESOLVED, all other items were resolved.

584. TREASURY MANAGERMENTS ACTIVITIES

The DCFO summarised the report for the committee and officers and asked for any comments/questions. A member highlighted an assumed error on Appendix A where the Nationwide interest rate was given as 73%, the DCFO confirmed that this was an error and should read 0.73% and would be amended.

ACTION: That the typo highlighted above be corrected within the report

RESOLVED, all other items were resolved.

585. ANNUAL GOVERNANCE STATEMENT

The Chair noted that when the committee read these reports they also take into account information from other sources such as the Ethics and Integrity Panel report, internal audit reports, risk management and corporate updates and triangulate the information to ensure that what is in the governance reports squares with what they have learnt about the organisation throughout the year. The JCFO advised that a paragraph would be added to the report to address the issues around Freedom of Information requests that were flagged up in 2019/20 and what actions have been taken to remedy this as well as a note regarding how arrangements for governance had been effected/amended in light of covid 19. A member advised that they had noted a number of small amendments required and would forward these to the DCFO for further action, they also noted a number of actions that related to covid 19 that had short timescales and asked if these were all on track for completion. The JCFO advised that did not have any concerns regarding this and they felt that realistic timescales had been set with those officers that were responsible for them.

The Chair queried the review of Grant Regulations which had been put back to the latter part of 2020 as the PCC elections should have taken place in May of that year, in light of the postponement of the elections and the likelihood that they would be undertaken in May

2021, they asked what the implications were for the reviewing of the Regulations. The JCFO advised that the Deputy Chief Executive (DCE) would be best placed to advise on this and as they were not at the meeting they would come back to the committee with a response. The Chair also highlighted mention of the anti-discrimination code and that although the committee had not been previously sighted on this code whether it would be prudent going forward. The JCFO advised that the officers would reflect on this and amend the paper if required. The DCC advised that the force had a strategic independent advisory group made up from members of the community as well as other groups whose remit it was to look at these kinds of issues. The Chair noted that it might be useful for the Governance report to highlight if there were specific groups looking into the anti-discrimination code.

ACTION: Specific amendments within the reports to be advised by members and corrected

ACTION: For the DCE to advise the committee regarding the an amended review date for Grant Regulations

RESOLVED, all other items were resolved.

586. ANNUAL STATEMENTS OF ACCOUNTS

The JCFO gave a summary of the statement of accounts highlighting the high level of work completed by the DCFO and the accounting team, despite a number issues relating to remote working. Members congratulated the finance team for the work put into the accounts process especially given the current situation. The following specific comments were made.

PCC and Constabulary Reports – Performance – clarification around the % changes to the reporting of sexual offences as there is some confusion in the way the report reads (possibly terminology issue).

Constabulary Report – Police Pensions – table on page 17, change in the employers pension contribution, there did not seem to be narrative to explain this. The JCFO advised that this increase was due to the employers' contribution increasing the 21.3% to 31%.

The JCFO advised that they would review this and make amendments to the narrative of these sections, as required.

ACTION: Section on Performance and Police Pensions to be reviewed in line with the above notes, and amended as required

RESOLVED, all other items were resolved.

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

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

Meeting ended at 13:20

Future JAC Meeting Dates (For Information)

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

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

19 November 2020 @ 10:30 am – Conference Room 2

17 March 2021 @ 10:30 am – Conference Room 2

26th May 2021 @ 10.30am – Conference Room 2

28th July 2021 @ 1pm – Conference Room 2 – (pre-meet 11am-12pm)

Future Police & Crime Panel Meeting Dates (For Information)

~~21 July 2020 – Conference Room A/B, Cumbria House, Botchergate, Carlisle, CA1 1RD – Cancelled~~

16 October 2020 – Council Chamber - County Offices, Kendal, LA9 4RQ

28 January 2021 – Venue Council Chamber, Allerdale House, Workington, Cumbria. CA14 3YJ

20 April 2021 - Control Room, Cumbria Fire and Rescue HQ, Carleton Avenue, Penrith, CA10 2FA.

Signed: _____

Date: _____

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Joint Audit Committee – Action Update and Plan

Minute Item and date of Meeting	Action to be taken	Person Responsible	Target Date	Comments	Status
521 (19/09/19)	JAC2 - Support and challenge any new governance arrangements	The DCC & Internal Audit	Mar 2020 amended to Mar 2021	For Officers and Internal audit to consider how the committee can contribute to the review of governance in the collaborative work around the Local Focus Hubs. Following JAC Meeting 18/3/20 target date to be revised the March 2021	Not yet due
524 (19/09/19)	Internal Audit Report - Local Focus Hubs (Constabulary) – Sep 19	Deputy Chief Constable	Nov 2019 amended to Mar 2021	To update committee regarding the compliance on GDPR within the Local Force Hubs to ensure this is being progressed in a timely manner. DCC – 4 out of 6 now completed final 2 given two more weeks to comply, signed documents to be brought to next meeting – Target date amended to Mar 20 Following JAC Meeting 18/3/20 target date to be revised the Mar 2021	Not yet due
540(b) (20/11/19)	Joint Procurement Regulations	Head of Commercial Solutions	Nov 2021	To amend the word “Quotes” to “Tenders” on page 21 mapping document. Sept’20 – The master documents have been updated and the versions on the Commercial intranet page have been updated.	Complete
540(b) (20/11/19)	Joint Procurement Regulations	Head of Commercial Solutions	Nov 2021	To make a formal link from the joint procurement regulations to the procurement handbook. Sept’20 - The master documents have been updated and the versions on the Commercial intranet page have been updated.	Complete

540(e) (20/11/19)	Constabulary Arrangements for Anti-fraud & Corruption /Whistleblowing	DCI PSD	Nov 2020	<p>To check and update definition of Fraud and Corruption on page 7 if appropriate.</p> <p>Sept'20 – There has been a lot of work done on the new policy and procedures around this subject. However, there is still some work to do on these, not least because of the implementation of the Police Conduct and Police Complaints and Misconduct Regulations 2020, which has seen some significant changes to our working procedures.</p> <p>A plan has been developed with the aim of completing this work by November 2020.</p>	Not yet due
545 (20/11/19)	Internal audit consultancy work “review of seized dogs” action plan	DCFO	Mar 2020 amended to Jul 2020	<p>To add the recommendations to the audit monitoring report.</p> <p>Apologies, this has been omitted from the audit recommendations report for this meeting. I am progressing an update and will provide an update on these actions post meeting.</p> <p>Following JAC Meeting 18/3/20 target date to be revised the May 2020</p> <p>Sept'20 - The recommendations have been included on the audit recommendations update report- see agenda item 10.</p>	Completed
553(ii) (18/03/20)	Internal Audit Report – Blue Light Collaboration (OPCC) – Dec 19	Chief Executive	May 2020 Mtg Moved to Jun 2020	<p>To update on the progress of audit recommendations around Blue Light Collaboration.</p> <p>Performance Framework to be signed off by the Executive (Rec 4)</p> <p>Sept'20 – Verbal update to be provided at the meeting 24/09/20</p>	Ongoing

557 (18/03/20)	Internal Audit: Consideration of the value and assurance of consultancy work	Internal Audit	May 2020 Mtg Moved to Jun 2020	To accept this report and propose the way forward at the next meeting following the delivery of the Fleet Utilisation Report. Due to the COVID-19 outbreak all Internal Audit work was temporarily suspended at management's request. We obtained the additional information we were waiting for and the findings from our work on the vehicle utilisation review was presented to 'Fleet Management' on 4th September 2020. We have requested some additional information so we can reflect current developments and will issue our updated draft findings presentation and summary report to the Director of Corporate Support in week commencing 21st September.	Ongoing
567 (18/03/20)	Lessons Learnt	Financial Services Apprentice	May 2020 Mtg Moved to Jun 2020	To further investigate the use of skype video ICT confirm the meeting can be held by either, dial up (currently used), Skype or Teams whichever suits the participants Sep'20 – The June meeting was held as a dial in meeting, further testing has been carried out and the September meeting is being held using Teams technology.	Complete
567 (18/03/20)	Lessons Learnt	DCFO	May 2020 Mtg Moved to Jun 2020	To look at the option of questions in advance being prepared MB – May meeting deferred to 24 June. Sept'20 – This was discussed at the 24 June meeting and members decided that they do not wish to do this, action now closed.	Complete
576 (24/06/20)	Risk Management Monitoring	CE	Sep 2020	Report to be checked to ensure the correct dates were used throughout Sept'20 – reports duly amended	Complete
577 (24/06/20)	Anti-fraud and Corruption Activities	CE	Sep 2020	Information on population size to be added to future reports to increase transparency Sept'20 – reports duly amended	Complete
577 (24/06/20)	Anti-fraud and Corruption Activities	CE	Sep 2020	Report to be checked to ensure the correct dates were used throughout Sept'20 – reports duly amended	Complete

580 (24/06/20)	Effectiveness of Internal Audit	DCFO	Sep 2020	The CFO and DCFO to explore the implementation of some kind of summary report for internal audits Sept'20 - Briefing note/statement provided by internal audit for consideration – see agenda item 05a, members to determine how they wish to proceed for future meetings.	Complete
582 (24/06/20)	JAC Review of Effectiveness	DCFO	Sep 2020	The work programme to be amended to reflect the change from the report being produced annually to every other year with a 360 review in-between Sept'20 - Draft work programme updated to reflect the change, this will be presented to members in March 2021.	Complete
583 (24/06/20)	JAC Terms of Reference & SO Update	CFO/DCFO	Sep 2020	Look to increase membership from 4 – 5 and/or the possibility of a shadowing programme for new members to enable them to 'learn the ropes' Sept'20 – A verbal update will be provided at the meeting.	Complete
584 (24/06/20)	Treasury Management Activities	DCFO	Sep 2020	That the typo around Nationwide Interest be corrected within the report Sept'20 - The typo has been amended and the version on the PCC website TM page updated.	Complete
585 (24/06/20)	Annual Governance Statement	DCFO	Sep 2020	Specific amendments within the reports to be advised by members and corrected Sept'20 – Suggestions received from members have been updated in the draft SoA that are currently being audited.	Complete
585 (24/06/20)	Annual Governance Statement	Deputy Chief Executive	Sep 2020	For the DCE to advise the committee regarding an amended review date for Grant Regulations Sept'20 – verbal update to be provided at the meeting.	Complete
586 (24/06/20)	Annual Statement of Accounts	CFO/DCFO	Sep 2020	Section on Performance and Police Pensions to be reviewed in line with the notes, and amended as required Sept'20 – Suggestions received from members have been updated in the draft SoA that are currently being audited.	Complete

Joint Audit Committee – Review of Effectiveness Action Plan 2020/21

Ref	Improvement Area	Planned Action	Owner	Review Date	Status
JAC1	Support and monitor the OPCC and Constabulary plans to address the current funding environment.	<p>Members to maintain awareness of the national position in relation to the Funding Formula; to receive annual training on the budget and MTFP and consider as appropriate the arrangements flowing from significant changes in funding levels.</p> <p>JAC members to consider efficiency aspects of any recommendations or reports to Committee.</p>	JAC	March 2021	In progress
JAC2	Support and challenge any new governance arrangements, for example, from restructuring and capacity reviews including Operation Uplift, greater collaboration with other organisations, joint working on delivery of services or external factors such as COVID19.	JAC to encourage clarity in any new arrangements; appropriate documentation and; ensure governance arrangements considered as part of the risk assessment.	JAC	March 2021	In progress
JAC3	Consider the impact of new or emerging developments, such as, COVID19 on internal and external audit work programmes to ensure that they remain relevant.	<p>Members to continue maintain awareness of issues through corporate updates and wider reading and seek to understand how this impacts on governance arrangements.</p> <p>JAC to consider on an ongoing basis how the work of the Committee and the internal and external audit work programmes remain relevant.</p>	JAC	March 2021	In progress

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Re: Action Plan Item 580 JAC Meeting 24/06/20

REPORTING INTERNAL AUDIT'S FINDINGS TO JAC

JAC meeting – 24 June 2020

At the Joint Audit Committee meeting on 24 June 2020 the DCFO introduced the report on the effectiveness of internal audit giving a summary of the report.

The Committee had some concerns that they may be doing internal audit a disservice by not considering all of the audit reports at the meetings and have discussed the possibility of internal audit providing a summary in their progress report to highlight what reports had been completed within a period and what the main recommendations had been.

Although, at the meeting, the Group Audit Manager commented that Internal Audit were satisfied with the level of rigor given to all reports by the Committee the CFO and DCFO were requested to explore this before the next meeting in September 2020.

Background

Since the introduction of the PCC and Chief Constable model in 2012 Internal Audit would produce a quarterly progress report on the Internal Audit plan. The progress report summarised the main points from each Internal Audit review and all audit reports were included on the agenda with a copy of each report included within the Joint Audit and Standards Committee papers.

From 2014/15 a summary of the main points from each audit review continued to be included within the progress report with members still receiving copies of each report. Rather than all reports being included in the Joint Audit and Standards Committee papers, only those which the Committee members wanted to discuss in detail were included and the narrative on the progress report set out whether reports were circulated or included for discussion at the meeting. All reports were available to view on the PCC's website. This continued throughout 2015/16.

From 2016/17 the progress report no longer summarised the findings from each audit. Discussion had taken place in the private meeting between Joint Audit and Standards Committee and Internal Audit where it was agreed that the progress report could be streamlined. Members still received copies of all audit reports and those discussed at the meeting were included within the Committee papers and all reports were available on the PCC's website. This detail is noted within the progress report. All reports issued in the period were included on the agenda for the meeting. This continues to be the current arrangement.

Discussions with the Group Audit Manager and Audit Manager

We had a virtual meeting with the Group Audit Manager and Audit Manager on 27 July 2020 to discuss the issue and the options.

We discussed with Internal Audit whether they felt that JAC was doing them a disservice by not considering all of the audit reports at the meetings. The Group Audit Manager made the following points:

- Internal Audit did not believe that JAC was doing it a dis-service by not publically considering all Internal Audit reports at the JAC meeting

- It was clear from discussions at JAC that the members of the Committee had read all the Internal Audit reports and that they had also discussed them at their pre-meeting and agreed which reports they wanted to focus on
- The OPCC and Constabulary have a long history of individual audit reviews having assurance levels of 'Reasonable' or 'Substantial' and the current arrangements allows JAC to focus its limited resources / time on the agenda on the key issues
- All audit reports completed in the period are listed on the agenda for the JAC meeting so if they did decide that they wanted to discuss them they could
- Clear evidence at JAC meetings of discussion on Internal Audit reports with questions / challenge for both Internal Audit and officers
- If Internal Audit felt that there was an important issue in an audit report then this would be brought to JAC's attention in the narrative in the main part of the progress report. By doing this it ensures that JAC are aware of the issue, even if, in the unlikely event, that JAC had not already identified it themselves, or decided not to discuss that specific audit report at the meeting
- An essential part of Internal Audit's role is for management to take ownership of Internal Audit's recommendations. This is the case and they are tracked at each JAC meeting with questions raised about progress
- The public can already access full Internal Audit reports on the PCC website and the full report rather than a summary would be more valuable to them.

The Group Audit Manager view was that they were happy to stay with the current arrangements as he believed that this was working well.

The Options

The options are:

1. **No change** – produce progress report in format that has been used since 2015/16. Full audit reports to be on JAC agenda (and available on the PCC website) and JAC to decide which Internal Audit reports it wants to discuss / consider at its meeting.
2. **Re-introduce summaries in progress report** - produce a summary for each completed audit review in the progress report. Full audit reports to be on JAC agenda (and available on the PCC website) and JAC to decide which Internal Audit reports it wants to discuss / consider at its meeting.
3. **Re-introduce summaries in progress report** - produce a summary for each completed audit review in the progress report. Full audit reports to be available on the PCC website but not on the JAC agenda.

CUMBRIA POLICE & CRIME COMMISSIONER AND CUMBRIA CONSTABULARY JOINT AUDIT COMMITTEE

Meeting date: 24 September 2020

From: Audit Manager (Cumbria Shared Internal Audit Service)

INTERNAL AUDIT: PROGRESS REPORT TO 10TH SEPTEMBER 2020

1.0 EXECUTIVE SUMMARY

1.1 This report provides a review of the work of Internal Audit for the period to 10th September 2020.

1.2 Key points are:

- Work is progressing on the completion of outstanding 2019/20 audit work and on new work from the re-assessed 2020/21 audit plan.
- The final assurance report from the 2019/20 plan on creditors has been finalised. Four risk-based audits from the 2020/21 plan are in progress but one has had to cease as per paragraph 3.13.
- Work is underway on the 'consultancy / advisory' review of Front Office Counters and we have reported back to 'Fleet Management' on the vehicle utilisation work from the 2019/20 audit plan.
- At this stage of the year it is anticipated that sufficient coverage will be achieved to enable to Head of Internal Audit to deliver the annual opinions. The plan will remain fluid this year in light of COVID-19. We will continue to closely monitor the impact of the COVID-19 situation on the delivery of the 2020/21 plan and report any issues as they emerge to Collaborative Board and Joint Audit Committee.
- A revised reporting format and revised audit definitions have been introduced.

OVERVIEW

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

2.0 RECOMMENDATION

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

3.0 BACKGROUND

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

- 3.4 The internal audit plan for 2020/21 was prepared using a risk-based approach and following consultation with senior management to ensure that internal audit coverage is focused on the areas of highest risk to both organisations. The 2020/21 draft plan was presented to JAC on 18th March 2020. This was prior to a request from the Joint Chief Finance Officer on 23rd March to temporarily suspend Internal Audit work so that the Constabulary and OPCC could focus their resources on the COVID-19 response. Given the delay in starting the work in the 2020/21 audit plan, and in the light of the time elapsed and ongoing COVID-19 situation, the plan was reassessed with Collaborative Board. The reassessed plan was presented to JAC on 24th June 2020. The original and reassessed audit plans have been prepared to allow the production of the annual internal audit opinions as required by the PSIAS.
- 3.5 This report provides an update on the work of internal audit for the period to 10th September 2020. It reports progress on the delivery of the reassessed 2020/21 audit plan, including 2019/20 work in progress and includes a summary of the outcomes of audit reviews completed in the period.

Status of internal audit work as at 10th September 2020

- 3.6 The table below shows the number of internal audit reviews completed, in progress and still to be started for the 2020/21 reassessed audit plan and 2019/20 work in progress. Further detail on this is included at Appendix 2.

Audit Status	Number of reviews
<u>Audits completed:</u>	<u>1</u>
Financial systems (2019/20 WIP)	1
<u>Audits in progress:</u>	<u>6</u>
Risk based audits	4 **
Advisory work	1
Advisory work (2019/20 WIP)	1
<u>Audits to be started</u>	<u>9</u>
Risk based audits	5
Financial systems	2
Governance work	1
Follow up	1
Audits in plan	<u>16</u>

** This includes the 'Property Stores' review which has now ceased and has been removed from the 2020/21 audit plan (see paragraph 3.13).

Outcomes from Final Audit Reports to 10th September

- 3.7 Audits completed to 10th September comprise the audit of creditors which was work in progress from the 2019/20 audit plan when work was suspended, at the request of the Joint Chief Finance Officer, so that the OPCC and Constabulary could focus on their COVID-19 response. The report received reasonable assurance
- 3.8 The detailed outcome from the finalised audit is shown in Appendix A. Members have received a copy of the finalised audit report for information and consideration and the report is included on the Agenda for this meeting.

Draft Reports Issued to 10th September

- 3.9 The following draft report has been issued in the period.

Audit	Date of issue of draft report	Initial audit assessment
Vehicle Utilisation (Advisory work)	04/09/2020 (feedback to Fleet Management via presentation)	N/A – Advisory work is not scored

Advisory / consultancy work

- 3.10 Work is underway on the Front Office Counters advisory work. We have analysed the data received on Front Officer Counter usage and are forming conclusions on the data. We will report our findings to management and update JAC on the outcome of this work.
- 3.11 Our fieldwork on our Vehicle Utilisation review was nearing completion in March 2020 and, although awaiting some further information, we had drafted much of our feedback, in the form of a presentation, and were due to discuss our findings with Fleet Management in order to start to bring this piece of work to a close. This was delayed due to the Joint Chief Finance Officer's request to temporarily suspend audit work so that the OPCC and Constabulary could focus on their COVID-19 response. We obtained the additional information and the findings from our work on the vehicle utilisation review (from the 2019/20 audit plan) was presented to 'Fleet Management' on 4th September 2020. We have requested some additional information so we can reflect current developments, and in order to bring this work to a conclusion. We will issue our draft findings presentation and summary report to the Director of Corporate Support in the week commencing 21st September and will discuss our findings with management before reporting a summary of our findings back to the Committee.

- 3.12 The outcomes of advisory / consultancy work will be presented to Senior Management and Joint Audit Committee.

Changes to the audit plan

- 3.13 The reassessed Internal Audit plan for 2020/21 included a piece of work on property stores. We met with management on 28th July 2020 to agree the scope of the work and were, at that meeting, made aware of some independent consultancy work being done in this area. Following on from the meeting we were provided with the Terms of Reference for the work being undertaken by the Consultant, and on review, it became clear that the Internal Audit scope duplicated those areas. We highlighted this to management and they have now confirmed that the Consultant's work will provide them with all the assurance they require over property stores. This was a 20 day review and would have contributed to the Head of Internal Audit Opinion for 2020/21. Therefore, to ensure that we have sufficient assurance work on which to base the Head of Internal Audit opinion for 2020/21 we have asked management to identify another area for review. This is to be discussed at Collaborative Board on 14th September 2020 with a proposed review to be identified at that meeting.

Sufficiency of coverage for 2020/21 Annual Opinions

- 3.14 As reported to Joint Audit Committee in June 2020, Internal Audit work was suspended on 23rd March 2020 at the request of the Joint Chief Finance Officer due to the COVID-19 situation. This was considered to be a sensible and pragmatic way forward in the circumstances. Internal Audit work recommenced later in June 2020 and a reassessed Internal Audit plan for 2020/21 was presented to JAC. The reassessed Internal Audit plan provides for 251 days. This is a reduction of 30 days from the original plan presented to JAC on 18th March 2020 which contained 281 audit days. As discussed at the time this was a conscious decision to reflect the impact of COVID-19 in terms of resources and time available until the Head of Internal Audit Opinions are required for 2020/21. Work on the 2020/21 audit plan and completion of work in progress from 2019/20 is progressing as intended at this point in time.
- 3.15 The Chartered Institute of Internal Auditors has recognised that the impact of the COVID-19 outbreak will continue to be felt during 2020/21 and the challenges and potential impact this might have on delivering the Head of Internal Audit Opinions for 2020/21. When we presented the reassessed 2020/21 audit plan to Joint Audit Committee in June 2020 we highlighted that the audit plan would need to remain fluid this year in light of the current COVID-19 outbreak and the potential for a second wave. We will continue to closely monitor progress on the delivery of the 2020/21 audit plan and will provide Joint Audit Committee with updates through the Internal Audit quarterly progress reports including any changes to the plan and any

potential impact on the delivery of the 2020/21 Head of Internal Audit Opinions.

Improving the Internal Audit service

3.16 As part of our ongoing arrangements for developing and improving the Cumbria Shared Internal Audit Service we have introduced a revised reporting format and revised audit opinion definitions. The key changes in this area are:

- Reports are now structured under priority of recommendations rather than being ordered under the five control objectives
- The audit opinion definitions have been revised to make reference to governance and risk management arrangements as well as internal controls (see Appendix 4)

Emma Toyne
Audit Manager
10th September 2020

APPENDICES

Appendix 1 : Final reports issued to 10th September 2020

Appendix 2 : Progress on all risk based audits from the reassessed 2020/21 plan including work in progress from the 2019/20 plan

Appendix 3 : Internal audit performance measures to 10th September 2020

Appendix 4 : Revised audit opinion definitions

Contact: Emma Toyne, Audit Manager, Cumbria Shared Internal Audit Service.
emma.toyne@cumbria.gov.uk

Appendix 1 – Final reports issued to 10th September 2020

Assignments	Status	Assessment
Creditors (WIP 2019/20)	Report circulated to members of the Joint Audit Committee and included in the 24th September Committee papers for discussion at the meeting if required. Report available on the Commissioner’s website.	Reasonable

Appendix 2 – Progress on 2020/21 Audit Plan, including 2019/20 work in progress

OPCC / Constabulary Review	Audit	Stage	Feedback form returned
Constabulary / OPCC	Creditors (WIP 2019/20)	Completed.	N/A – form issued 10/09/2020
Constabulary	Vehicle Utilisation – Advisory / Consultancy (WIP 2019/20)	Draft findings feedback presented to Fleet management on 04/09/2020.	N/A
Constabulary / OPCC	Financial sustainability		
Constabulary / OPCC	Benefits delivery process		
Constabulary / OPCC	Risk management and governance		
Constabulary / OPCC	Contract management	Scoping meeting held on 20/08/2020. Fieldwork is due to start in November 2020.	N/A
Constabulary	Sickness management		
Constabulary	Collision Reduction Officers (CROs)	Work in progress	N/A
Constabulary	Professional Standards – Reflective Practice Review Process		
Constabulary	Property Stores – to be replaced by an alternative review (see paragraph 3.13)	See paragraph 3.13	N/A
Constabulary	New Business Transformation Project (BTP) finance – Phase 1	Work in progress	N/A

Appendix 2 – Progress on 2020/21 Audit Plan, including 2019/20 work in progress

OPCC / Constabulary Review	Audit	Stage	Feedback form returned
Constabulary	New Business Transformation Project (BTP) finance – Phase 2		
Constabulary / OPCC	Financial systems – Main Accounting System		
Constabulary / OPCC	Financial systems - Pensions		
Constabulary	Front Office Counters (advisory / consultancy)	Work in progress	N/A
Constabulary	TRIM (Trauma Risk Incident Management) – follow up		
Constabulary / OPCC	New work resulting from COVID-19		
	Attendance at Police Audit Training & Development event		N/A
	Internal Audit Management	On-going	N/A

Key: Complete Work in progress Not yet started

Appendix 3 – Internal audit performance measures

Measure	Description	Target	Actual	Explanations for variances / remedial action required
Completion of audit plan	% of audits completed to final report	19% 95% (annual target)	6%	Target is based on the same period last year. There were four audits completed at the same point last year. These were all work in progress from the 2018/19 plan. At the point we suspended audit work there were two reviews which were work in progress. If we had not suspended Internal Audit work due to COVID-19 between March and June we are confident these two audits in the 2019/20 plan would have been completed in time for inclusion within the 2019/20 Annual report and opinions.
Completion of audit plan	Number of planned days delivered *251 days plus 3 days to complete the creditors WIP from 2019/20. 281 per shared service agreement less 30 days removed from the plan due to COVID-19.	82 254* (annual target)	32	Target is based on the same period last year. Internal Audit work delivered has been impacted by the Constabulary and OPCC's request to temporarily suspend Internal Audit work as a result of COVID-19. Internal Audit work recommenced in late Q1.
Audit scopes agreed	Scoping meeting to be held for every risk based audit and client notification issued prior to commencement of fieldwork.	100%	100%	

Appendix 3 – Internal audit performance measures

Measure	Description	Target	Actual	Explanations for variances / remedial action required
Draft reports issued by agreed deadline	Draft reports to be issued in line with agreed deadline or formally approved revised deadline where issues arise during fieldwork.	70%	100%	
Timeliness of final reports	% of final reports issued for Chief Officer / Director comments within five working days of management response or closeout meeting.	90%	100%	
Recommendations agreed	% of recommendations accepted by management	95%	100%	
Assignment completion	% of individual reviews completed to required standard within target days or prior approval of extension by audit manager.	75%	100%	
Quality assurance checks completed	% of QA checks completed	100%	100%	
Follow up	% of high and medium priority audit recommendations implemented by target date	100%	N/A	There is only one follow up audit in the 2020/21 internal audit plan (TRiM) which is due to take place in Q4.

Appendix 3 – Internal audit performance measures

Measure	Description	Target	Actual	Explanations for variances / remedial action required
Customer Feedback	% of customer satisfaction surveys returned	100%	N/A	No forms returned at this point.
Customer Feedback	% of customer satisfaction survey scoring the service as good.	80%	N/A	No forms returned at this point.
Chargeable time	% of available auditor time directly chargeable to audit jobs.	80%	44%	Internal Audit team productivity has been impacted by COVID-19. Internal Audit work on the OPCC and Constabulary's audit plan was suspended at the request of Joint Chief Finance Officer on 23 rd March 2020. Work recommenced in late June 2020.

Appendix 4 – revised audit opinion definitions

Assurance Level	Old Description	New Description
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk. The controls tested are being consistently applied and no weaknesses were identified. Recommendations, if any, are of an advisory nature in context of the systems and operating controls & management of risks.	Sound frameworks of governance, risk management and internal control are in place and are operating effectively. Recommendations, if any, will typically be no greater than advisory.
Reasonable	There is a reasonable system of internal control in place which should ensure that system objectives are generally achieved, but some issues have been raised which may result in a degree of risk exposure beyond that which is considered acceptable. Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed. Recommendations are no greater than medium priority.	Frameworks of governance, risk management and internal control are generally sound with some opportunities to further develop the frameworks or compliance with them. Recommendations will typically be no greater than medium priority.
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses which have been identified and the level of non-compliance and / or weaknesses in the system of internal control puts the system objectives at risk. There is an unsatisfactory level of internal control in place as controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified. Recommendations may include high and medium priority matters for address	Weaknesses in the frameworks of governance, risk management and /or internal control have been identified or there are areas of non-compliance with the established control framework which place the achievement of system / service objectives at risk. Recommendations will typically include high and medium priority issues.
Limited	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk. Significant non-compliance with basic controls which leaves the system open to error and/or abuse. Control is generally weak/does not exist. Recommendations will include high priority matters for address. Some medium priority matters may also be present.	There are significant gaps in the governance, risk management and /or internal control frameworks or there are major lapses in compliance with the control framework that place the achievement of system / service objectives at significant risk. Recommendations will include high priority issues.

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Cumbria Shared Internal Audit Service
Internal Audit report for
Cumbria Constabulary and Cumbria OPCC
Audit of Creditors

Draft Report Issued: 11th August 2020

Final Report Issued: 10th September 2020

Audit Resources

Title	Name	Email	Telephone
Audit Manager	Emma Toyne	emma.toyne@cumbria.gov.uk	07810532759
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Audit Report Distribution

For Action:	Ann Dobinson, Head of Central Services Barry Leighton, Head of Procurement Phil Robinson, Head of Estates and Fleet
For Information:	Michelle Bellis, Deputy Chief Finance Officer Roger Marshall, Joint Chief Finance Officer Stephen Kirkpatrick, Director of Corporate Support
Audit Committee:	The Joint Audit Committee which is due to be held on 24 September will receive the report.

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

Executive Summary

Background

This report summarises the findings from the audit of Creditors. This was a planned audit assignment which was undertaken in accordance with the 2019/20 Audit Plan. Our work on this area was well underway when we were asked by the OPCC and Constabulary, in March 2020, to temporarily suspend Internal Audit work on the 2019/20 plan so that they could focus their efforts on their COVID-19 response. We agreed to this request and work ceased until late June 2020 when we resumed our work in this area.

The creditor payments function sits within the Central Services Department (CSD). A new creditor payment system has been procured and will be introduced in the second half of the 2020/21 financial year.

Audit Approach

Audit Objectives and Methodology

Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems. A risk based audit approach has been applied which aligns to the five key audit control objectives. Detailed findings and recommendations are set out within the Management Action Plan.

Audit Scope and Limitations

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

- Payments processed out with documented procedures (suppliers set up retrospectively)
- Compliance with the Construction Industry Scheme (CIS) for taxation
- Follow up of previous audit recommendation (report issued in June 2018)

As outlined in the background section of this report, work on the 2019/20 audit plan was temporarily suspended, at the request of Constabulary and OPCC management, so that senior officers and their teams could focus on responding to the COVID-19 outbreak. This delayed the completion of the audit but has not had a bearing on the audit findings.

Assurance Opinion

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

From the areas examined and tested as part of this audit review, we consider the current controls operating within **Creditors** provide **reasonable** assurance.

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

Summary of Audit Findings and Recommendations

Controls were operating effectively in the following areas:

- The Estates Department maintain a register of CIS sub-contractors along with HMRC evidence of their tax status;
- Monthly returns are sent to HMRC showing all payments made within the scheme or that no payments were due.

The recommendations arising from this review can be summarised as follows:

High	Medium	Advisory	Total
0	2	0	2

The three levels of audit recommendation are defined in **Appendix A**.

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

High Priority Issues:

- No high priority issues were identified.

Medium Priority Issues:

- The application of the Construction Industry Scheme (CIS) requirements is not consistent;
- Orders are not always raised in accordance with approved procedures.

Advisory issues:

- No advisory issues were identified.

Director of Corporate Support Comments

I am pleased that this audit of creditors has received a reasonable level of assurance which demonstrates that the Constabulary is operating a sound framework of governance, risk management and internal controls, however I recognise that the audit has identified a number of opportunities for improvement.

The audit identifies two new medium priority recommendations and also observes an aspect of the 2018 audit requiring further consideration.

Recommendation 1 regarding the Construction Industry Scheme (CIS) identified that the scheme has been administered inconsistently over recent months. It is fair to observe that the administration of this scheme has been negatively impacted by staff turnover. The new Estates Administrator, along with the Senior Estates & Facilities Manager, will both receive formal HMRC training in January 2021 regarding the administration of CIS. I am confident that this formal training, along with initial training and revised procedures detailed in the management response, will ensure that the recommendation raised will be adequately addressed.

The audit goes on to consider, in recommendation 2, arrangements for ensuring that orders raised outwith approved processes (essentially without a purchase order) are managed effectively. The management response highlights a range of reports and measures that are already in place to effectively manage such instances. Additionally, the Constabulary have recently implemented new 'no purchase order,

no pay' procedures which will further improve compliance in these areas. With the measures already in place, together with the recent implementation of new procedures for 'no PO, no pay', I am content that this recommendation has been addressed.

The report makes observations regarding the 2018 recommendation focusing on old supplier housekeeping. I am confident, based on discussions with the Head of Commercial Solutions, and as detailed within the management response, that appropriate arrangements are in place to ensure that the necessary housekeeping is conducted and feel that, through the production of regular reporting this recommendation from 2018 will also be fully addressed.

I am pleased to observe that the audit also identified areas of good practice in a number of areas.

Overall, I am satisfied with the outcomes of the audit but recognise that improvements can be made in some areas, potentially in terms of articulating and evidencing the many good practises in place across the range of departments involved.

Stephen Kirkpatrick

Director of Corporate Support

Management Action Plan

Medium Priority

Audit Finding	Management response
<p>Compliance with the Construction Industry Scheme (CIS) for taxation</p> <p>The OPCC / Constabulary are registered with HMRC for the Construction Industry Scheme (CIS). The OPCC / Constabulary are classed as a 'Contractor' and payments made by them to subcontractors, for refurbishment and/or new build work, must comply with the CIS requirements.</p> <p>The Contractor must take account of the tax status of its sub-contractors as determined by HMRC and may be required to make a deduction in the payment to the sub-contractor (relating to labour costs). A monthly return is prepared by the Estates Department showing a breakdown of payments made to CIS sub-contractors and if a tax deduction has been made, Finance then make a payment to HMRC where required.</p> <p>Audit testing covered:</p> <ul style="list-style-type: none"> • all payments over a 12 month period (January to December 2019) where tax deductions had been made (5 invoices from 2 suppliers); this was expanded to include a further 2 invoices from 2 suppliers processed in 2018, • a sample of payments where no deductions had been made (8 invoices) and; • a sample of suppliers who did not come under the CIS rules (7 suppliers). <p>All payments tested were discussed with Senior Estates & Facilities Maintenance Manager.</p>	<p>Agreed management action:</p> <p>A new member of staff has been appointed within the Estates Team and will start in September 2020. They will receive initial training on invoice processing and then will undertake specific HMRC training on CIS regulations (course booked for 20/01/2021), the Senior Estates & Facilities Maintenance Manager will also undertake CIS refresher training.</p> <p>The spreadsheet maintained by the Team to record orders has been updated to include a check for CIS compliance at the point of ordering. This is checked by the Senior Estates & Facilities Maintenance Manager before payments are made.</p>

<p>Inconsistencies were found with the application of the scheme for 26% of the audit sample (4 out of 15 invoices NB this percentage error rate is sensitive given the low volume of CIS applicable invoices). Errors included:</p> <ul style="list-style-type: none"> • Single project - different handling of the tax on invoices received; • Refurbishment work - tax not deducted where required; • Repair work undertaken – tax incorrectly deducted. 	
<p>Recommendation 1: Management should ensure that staff involved with the CIS scheme are fully aware of the CIS requirements and the terms are applied consistently in line with the guidance.</p>	
<p>Risk exposure if not addressed:</p> <ul style="list-style-type: none"> • HMRC impose fines due to non-compliance with the scheme. 	<p>Responsible manager for implementing: Senior Estates & Facilities Maintenance Manager. Date to be implemented: 01/2021</p>

Medium Priority

Audit finding	Management response
<p>Invoices received from non-approved suppliers</p> <p>Internal Audit were asked to determine the level of payments made outside of the documented procedures, specifically invoices received from suppliers not already set up on the creditors system, and to identify if there were any trends with departments or individuals not following approved procedures.</p> <p>At the time of our review we were informed that a definitive list of suppliers set up retrospectively is not maintained. We were also advised that there has been a trend of</p>	<p>Agreed management action: Reports have always been available comparing purchase order date with invoice date to ascertain which invoices have been received before the order was raised. A definitive list of suppliers set up retrospectively has not been maintained as trends can be identified through reports and procedures.</p>

<p>invoices received without purchase orders and that this non-adherence to approved procedures has been identified by management. To remedy this a 'no purchase order, no pay' control was implemented in August 2020. Reports can be run to identify order dates later than invoice dates and we advise that management use these to identify and provide for any training needs for individuals raising orders outside of approved practices.</p>	<p>Although a number of invoices are received without PO, many are for valid operational reason. It should be noted that all suppliers are credit checked before adding to the system and all goods or services are separately receipted before payment is made.</p>
<p>Recommendation 2: Arrangements should be put in place to ensure that orders raised out with approved process are identified, understood and training provided where required.</p>	<p>Training is provided on an ongoing basis along with reminders of the need to place Purchase Orders other than in extreme circumstance. To further improve matters implementation of 'no purchase order, no pay' procedures has been implemented.</p> <p>Current challenge and training will be maintained and regular review of KPI's for retrospective PO's will be undertaken.</p>
<p>Risk exposure if not addressed:</p> <ul style="list-style-type: none"> • Appropriate supplier checks not undertaken prior to orders being placed; • Value for money not achieved. 	<p>Responsible manager for implementing: Head of Commercial Solutions</p> <p>Date to be implemented: Completed 08/2020.</p>

Outstanding Actions from Previous Audit Review

<p>Supplier Maintenance (Medium priority) An audit of Creditors undertaken in March 2016 identified that "There is a process in place to report on suppliers that haven't been active for a period of time and consider them for deactivation within the accounts payable system. The last exercise was undertaken in December</p>

2015 and over 600 suppliers were deactivated within the system. Management have not defined and agreed the frequency of this process or the period of inactivity consequently the process is not included in current procedures”.

This was followed up during an audit in 2018 where it was found that a creditors cleansing exercise had been carried out in April 2016 when 1,000 suppliers were removed from the database. The annual exercise had not been undertaken in 2018.

Outcome from 2020 follow up:

A supplier review and de-activation exercise was undertaken twice in 2019 with a total of 387 suppliers de-activated.. We were advised by the Head of Commercial Solutions that supplier maintenance activities are now undertaken monthly but evidence wasn't available to demonstrate this regular, on-going activity.

A full supplier data cleansing exercise was undertaken in 2019/20 in readiness for migration of data to the new creditors system.

Management response:

Evidence is available through spreadsheets of suppliers to be deleted, the Oracle system is available to check deactivations, active supplier numbers demonstrate the reduction and dates suppliers are deactivated are available on the system.

KPI's will be maintained showing total number of suppliers, Number deactivated and number of new suppliers

Audit Assurance Opinions

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

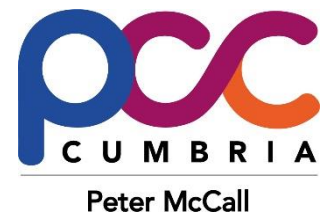
Assurance Level	Definition
Substantial	Sound frameworks of governance, risk management and internal control are in place and are operating effectively. Recommendations, if any, will typically be no greater than advisory.
Reasonable	Frameworks of governance, risk management and internal control are generally sound with some opportunities to further develop the frameworks or compliance with them. Recommendations will typically be no greater than medium priority.
Partial	Weaknesses in the frameworks of governance, risk management and/or internal control have been identified or there are areas of non-compliance with the established control framework which place the achievement of system / service objectives at risk. Recommendations will typically include high and medium priority issues.
Limited	There are significant gaps in the governance, risk management and/or internal control frameworks or there are major lapses in compliance with the control framework that place the achievement of system / service objectives at significant risk. Recommendations will include high priority issues.

Grading of Audit Recommendations

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

Grading	Definition
High	A recommendation to address a significant gap in governance, risk management or internal control frameworks or to address significant non-compliance with controls in place.
Medium	A recommendation to address a gap in governance, risk management or internal control frameworks or to address aspects of non-compliance with controls in place.
Advisory	A recommendation to further strengthen governance, risk management or internal control frameworks or to improve compliance with existing controls.

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Joint Audit Committee

Title: OPCC Risk Management Monitoring

Date: September 2020

Agenda Item No: 09

Originating Officer: Joanne Head

CC:

Executive Summary:

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

Recommendation:

That, the committee notes the changes regarding the OPCC's strategic risk register, the oversight undertaken of the Constabulary's risk management; and the front sheet of the OPCC's operational risk register.

1. Introduction & Background

1.1 The Office of the Police and Crime Commissioner (OPCC) is responsible for providing policing services within Cumbria. To enable it to carry out this function effectively it must monitor and react appropriately to risks. The Joint Audit Committee as part of their role, ensures that the OPCC is actively managing strategic risks and one member of the committee has been appointed as the lead member for risk.

2. Issues for Consideration

2.1 Appended to this report at [Appendix 1](#) is the OPCC's strategic risk register, which has been reviewed and updated since the last meeting of the Committee. There are five identified risks, these being:

- R1 - Strategic Finance
- R2 - The Emergency Services Mobile Communications Programme
- R4 - Information Management (GDPR compliance)
- R6 – OPCC Business Disruption
- R7 – Partnerships and Collaboration

- 2.2 The scoring for R1 remains at 16. As previously reported the 2020/21 grant settlement was more favourable than expected providing short term funding for pensions and increased flexibility to raise council tax, which was utilised in producing the 2020/21 budget. However, this does not alleviate the longer-term concerns regarding the sustainability of a funding model, which relies on local taxpayers to fund all cost increases. Leading to the risk score being maintained
- 2.3 R2 has increased its score from 9 to 12 as recent cost updates have indicated that forces will have to meet an increased share of the cost. There are firmer indications that the project will go ahead as it is picking up pace and will progress.
- 2.4 R4 remains on the strategic risk register, continuing to score 8. The risk remains on both the OPCC's Operational and Strategic Risk Registers whilst the Constabulary's continuing work is carried out. It will continue to appear and be monitored until both organisations are compliant.
- 2.5 R5 has now been removed from the strategic risk register as the Head of Commercial Services has taken the decision to remain with Cumbria Constabulary.
- 2.6 R6 in relation to OPCC Business Disruption, remains on the strategic risk register due to the COVID-19 pandemic remaining. It should be noted that although the OPCC and its staff are working differently there has been minimal disruption to the work it carries out. The OPCC Executive Team continue to closely monitor the situation and make operational business decisions based on the relevant information and guidance available at the time.
- 2.7 A new strategic risk has been added from the operational risk register due to its current score. Partnerships and Collaboration has been escalated to the strategic register due to potential issues with funding for the SARC. Some district councils are yet to confirm funding, however it is envisaged that this will be agreed within the next quarter and will result in the risk score being lowered and therefore the risk being removed from the strategic register.
- 2.8 The OPCC has also reviewed its operational risk register, rationalising it to reflect the operational risks it faces. A review of the operational risk register is carried out on a quarterly basis with all staff being required to review their own risks and make any necessary changes and updates. The OPCC Executive Team consider both the strategic and operational risk registers every quarter as part of their meetings. A copy of the front sheet is attached at [Appendix 2](#). This illustrates whether the scores for the individual risks have risen, remained the same or decreased and assists the Committee to understand how the risks are managed.
- 2.9 A number of low scoring operational risks remain on the register, these being Risks 3 Financial Governance, Risk 4 Shared Services, and Risk 5 Asset management. They remain to show illustrated monitoring of these areas of business which are important to the OPCC's overall Governance regime.

- 2.10 The OPCC Chief Executive met with the Constabulary's Lead for Risk Management on 8 September 2020. This was as part of the OPCC's quarterly oversight of the Constabulary's strategic risks.
- 2.11 Discussions took place in relation to the two separate risk registers, the risks identified therein and any risks that may impact upon the other organisation which may need to be recorded within the relevant strategic risk register if it does not already appear. Both the OPCC and Constabulary's strategic risk registers retained risks in relation to Strategic Finance, ESMCP and GDPR with appropriate scoring. Both registers have retained risks with regards to COVID-19. The Constabulary will report further on their strategic risk register at the meeting.

3. Implications

- 3.1 Financial - the inability of the OPCC to successfully identify and manage its organisational and strategic risks could impact financially on not only the OPCC but Cumbria Constabulary and other partner organisations which are financially dependent.
- 3.2 Legal - the OPCC could face legal challenge on some areas of its business, therefore it is essential that these are identified at an early stage and effectively mitigated and managed.
- 3.3 Risk - if the OPCC does not identify and mitigate risks then it may mean that the OPCC cannot carry out its statutory function efficiently and effectively.

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OFFICE OF THE POLICE & CRIME COMMISSIONER – STRATEGIC RISK REGISTER

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

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

Risk No.	Risk Title	Total Score	Risk Owner		Any outstanding actions YES/NO	Actions to be completed	Reviews Date of next review
			Risk Owner	Action Owner			
R1	Strategic Finance	16	Chief Executive	Joint Chief Finance Officer	No	Continued review of the MTFF as part of the budgeting process. Further development and refinement of savings options in conjunction with the Constabulary.	December 2020
R2	The Emergency Services Mobile Communications Programme (ESMCP)	9	Chief Executive	Chief Executive / Constabulary Lead Officer	No	Continue to monitor the national position and take appropriate actions to prepare for implementation.	December 2020
R4 (10)	Information Management (GDPR Compliance)	8	Head of Comms & Business Services	Governance Manager	Yes	The Constabulary project continues and is becoming more 'day business'. Further work is being carried out by the Constabulary on this area of business to identify ongoing work and resources required.	November 2020
R5	Procurement Commercial REMOVE		Head of Partnerships & Commissioning	Partnerships & Strategy Manager	Yes	Further development and implementation of a detailed procurement action plan. Regular engagement with and updates from Head of Commercial. Internal Audit review during the 2019/20 financial year.	May 2020
R6	OPCC Business Disruption	12	Head of Comms & Business Services	Governance Manager	Yes	Appropriate actions will be taken as the situation develops. Regular monitoring of the situation and staffing levels.	November 2020
R7	Partnerships & Collaboration	9	Head of Partnerships & Commissioning	Partnerships & Strategy Manager	Yes	Continue to hold discussions with funders at appropriate points to ensure their understanding of the value and impacts of withdrawal of or increasing funding.	November 2020

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

Risk No: R1	Risk Title: STRATEGIC FINANCE	The Police and Crime Commissioner is required to set a balanced budget. Resources from central Government formula grant provide the significant majority of funding to deliver police services. Real term reductions in that funding will have a substantial impact on the level of policing that can be provided and on the potential to deliver the Commissioner's wider responsibilities. Police & Crime Plan Objectives - 1 Your Priorities for Cumbria / 2 A Visible and Effective Police Presence / 3 Tackle Crime and Anti-Social Behaviour/ 4 Ensure Offenders Face a Consequence for their Crime / 5 Always Put Victims First / 6 Focus on Police on Online and Sexual Crime / 7 Spend Your Money Wisely / 8 Supporting Young People
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What is the cause of the risk? (Lack offailure to.....)	What is the consequence of the described risk? (Results in.....leads to.....)	Unmitigated Score			Mitigated Score			Risk Owner & Mitigation Strategy (Avoid, reduce, transfer, accept)	Current Controls in Place to Mitigate the Risk	Actions			Action Owner(s)	Review Date
		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score			Assurances	Future or further actions to be taken			
Reduction in real term resources within the medium term time horizon to provide sufficient funding for the Commissioner and Constabulary to deliver current levels of policing service. Current government funding protection is only provided in cash terms, requiring the Commissioner to meet inflation and other service pressures from increased precept or savings. This risk has increased recently due to proposed increases in police pension contributions, introduction of PEQF, over-running national projects which may ultimately impact on force budgets, the relaxation of the public sector pay cap, Brexit and a potential review of the Police Funding Formula.	This risk may lead to a reduction in the level of police services and/or result in Cumbria Constabulary not being viable as an independent force. Alternative options for delivering a police service in Cumbria may have to be considered. This may impact on the extent to which services respond to local needs in Cumbria. During the period of change there may be reductions in public assurance/confidence.	4	4	16	4	4	16	Chief Executive (Reduce)	The budget and medium term financial forecast (MTFF) are reviewed and updated on a regular basis. The budget has been balanced in the short term and reserves provide additional security. The 2020/21 grant settlement was more favourable than expected providing appropriate funding for additional officers recruited as part of Operation Uplift and continued flexibility to raise council tax. However, this does not alleviate the longer term concerns regarding the sustainability of a funding model which relies on local taxpayers to fund all cost increases. Hence the risk score has been maintained Scenario planning to identify potential longer-	Budget monitoring processes and internal controls are in place to manage financial commitments. The financial control environment is tested annually by internal and external audit. HMIC Peel inspections and external auditors review overall financial resilience and the track record of delivering savings. The most recent audit review of preparedness for funding cuts provided reasonable assurance.	Continued review of the MTFF as part of the budgeting process. Further development and refinement of savings options in conjunction with the Constabulary.	Chief Finance Officer	Dec 2020	

									<p>term savings and service re-engineering is on-going in both the OPCC and Constabulary. The Commissioner has joined the National Rural Crime Network to support rural policing issues. There is currently no definite plan to review the police funding formula.</p>				
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Risk No: R2	Risk Title: Emergency Services Mobile Communications Programme	The Emergency Services Network is a major national project to replace the current Airwave radio communications system across all emergency services with Mobile Phone technology. There are national and local risks in relation to uncertainty over the cost and timing of implementation of the new system. Cumbria also specific risks in relation to the coverage due to the topography of the county. Police & Crime Objectives: 1 – Your Priorities in Cumbria / 2 -A visible and Effective Police Presence
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Risk Mitigation Strategies:	
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		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		Current Controls in Place to Mitigate the Risk	Assurances	Future or further actions to be taken	Action Owner(s)	Review Date
The Emergency Services Mobile Communications Programme (ESMCP) is a collaboration between the police, fire and ambulance Emergency Services (3ES) in England, Scotland and Wales to replace the existing mobile radio system known as Airwave. ESCMP will deliver the Emergency Services Network (ESN) which will provide integrated critical voice and broadband data over an enhanced 4G commercial network. This is a significant project. At the present time there are concerns around cost, coverage and timescales for delivery, which has been subject to a series of delays. Recent cost updates have indicated that forces will have to meet an increased share of the cost, hence an increase in the risk score.	This risk may result in significant additional costs and coverage issues may impact upon the Commissioner's ability to ensure Cumbria has an efficient and effective policing service, which could lead to reputational risk.	4	3	12	3	3	9	Chief Executive (Reduce)	The Commissioner is working regionally with other North West Commissioners and nationally through the APCC to highlight concerns. The Chief Constable is a member of the national reference group and Cumbria has seconded a staff member to the regional implementation team. Appropriate staffing resources have been identified within the ICT team to deliver the project and prudent estimates of costs have been included in the capital programme and medium term financial forecast.	Work being undertaken regionally and nationally provides some assurance. The critical nature of this national project and delays in national implementation mean it will be a significant risk for a protracted time period.	Continue to monitor the national position and take appropriate actions to prepare for implementation. Update Sept 2019 No further clarity on final costs. Firmer indications are that the project will go ahead, is picking up pace and will progress.	Chief Executive	Dec 2020

Risk Number: R4 (Op 10)	Risk Title: Information Management	The OPCC has a duty to process information in a fair and transparent manner in line with current legislation. Police & Crime Objectives: 1 Your Priorities in Cumbria
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Risk Mitigation Strategies:	
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		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score			Assurances	Future or further actions to be taken			
The General Data Protection Regulations came into force on 25 May 2019. The OPCC has a responsibility to ensure it processes information in line with legislation.	Should the OPCC fail to comply with the new legislation or have a data breach could result in substantive financial penalties up to 2m Euros. Any significant loss of data could lead to reputational damage.	4	3	12	4	2	8	Head of Communications and Business Services	OPCC Lead officer identified and implemented required changes, where not interdependent upon the Constabulary. National guidance and information provided by APCC and APACE. Joint working with the Constabulary's Data Protection Officer remains ongoing. Monthly progress updates to the Joint Collaborative Board on the implementation and progress of Constabulary project against the action plan and further work to be carried out Six monthly Data Protection meetings between OPCC CEO & Joint DPO Progression and completion of work such as policies, information sharing agreements and training packages by the Constabulary is continually reducing the risk to both organisations.	Regular meetings with OPCC Lead Officer and Project Team to monitor project progression. Reports to Executive Team to enable oversight, Internal Audit review of GDPR preparations gave an assurance of reasonable	The Constabulary project continues and is becoming more 'day business'. Further work is being carried out by the Constabulary on this area of business to identify ongoing work and resources required. The project lead's contract has been extended to enable the continuing work to be completed.	Governance Manager	May 2020	
Failure to process, store or handle data correctly could lead to a data	This could result in sensitive information being seen by unauthorised people, resulting in financial penalties	4	3	12	3	2	6	Head of Communications	OPCC Staff, volunteers and panel members are aware of information security	Staff, volunteers and members	The Constabulary data breach policy has been updated and finalised.	Governance Manager	Sept 2020	

breach and information being lost or stolen.	and reputational damage to the organisation.							and Business Services	<p>requirements. Regular briefings by OPCC Lead at team meetings and training sessions on developments and updates throughout the year. Existing policies and procedures still provide advice and support in relation to Data Protection and are being updated on a rolling programme. The Constabulary data breach policy has been updated, finalised and circulated</p>	awareness training. Reminders regarding information security	<p>The College of Policing has launched additional training in relation to Management Information Refresher training for all staff to complete. The force is able to identify anyone who has not completed it.</p>		
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Risk Number: R6	Risk Title: OPCC Business Disruption	A number of OPCC Members of staff may become infected with, or self isolate due to the COVID-19 coronavirus. This will undoubtedly impact upon staff and the business abilities of the OPCC. External factors such as continued infection and disruption to supplies may adversely affect the OPCC ability to provide full business services. Police & Crime Plan Objectives: 1 Your Priorities for Cumbria / 2 A Visible and Effective Police Presence / 3 Tackle Crime and Anti-Social Behaviour / 4 Ensure Offenders Face a Consequence for their Crime / 5 Always Put Victims First / 7 Spend Your Money Wisely / 8 Supporting Young People
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		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		Current Controls in Place to Mitigate the Risk	Assurances	Future or further actions to be taken			
The spread of COVID-19 Coronavirus within the UK and specifically confirmed cases within Cumbria.	This could result in staff becoming infected; require them to self-isolate; need to care for a dependant or be forced to stay away from their normal place of work due to the virus.	4	3	12	3	3	9	Head of Communications and Business Services	Information on the virus and actions to take to prevent its spread are available on the Constabulary Intranet site. Regular briefings are provided to all officers and staff which the OPCC has access to. Posters have been placed around buildings regarding the regular washing of hands. All staff are aware of the guidance on what to do should staff show symptoms. The Exec Team are in regular contact with the Constabulary's Gold Command receiving updates on the latest position. Staff are continuing to use alternative mediums such as Skype or MS TEAMS. All OPCC staff to work from home and on a monitored	With the opening of a testing station at Police Headquarters, OPCC staff are eligible to be tested should they become symptomatic.	Should anyone contract the virus they will then be required to self-isolate and follow HR guidance on whether they would be able to continue to work from home. HR are continually developing and updating guidance regarding sickness, flexi scheme, leave and other issues. The OPCC continues to utilise these for their staff	Governance Manager	Nov 2020	

									basis from the OPCC suite of offices.				
Business within the OPCC may be limited or in fact cease for a period of time due to the severity of an outbreak within the county or throughout the UK.	OPCC functions may not be carried out, and statutory functions not fulfilled.	3	3	9	3	2	6	Head of Communications and Business Services	<p>The OPCC has an up to date Business Continuity Plan which all staff are aware of.</p> <p>All OPCC are able to work from home and access IT systems remotely. Ensuring service provision is not disrupted.</p>		<p>The Constabulary provide regularly updated information on their staff intranet site. This also links in with national guidance and updates.</p> <p>Guidance from regulatory bodies such as the IOC, IOPC, HMICFRS are awaited where statutory functions are not able to be fulfilled.</p>	Governance Manager	Nov 2020
Procurement and supply chain could be affected by sickness resulting in goods not being supplied.	This could include sanitation, consumables, electricity and fuel, which in turn may affect the ability for staff to work from the OPCC offices.	3	3	9	2	2	4	Head of Communications and Business Services	<p>The OPCC is reliant upon the Constabulary for a number of these services and will be included within any business continuity arrangements they have.</p> <p>All OPCC staff have laptops which enables them to work from home or alternative location.</p> <p>Some non-critical elements of the OPCC business would be ceased for a period of time. This is regularly reviewed by OPCC Exec Team.</p>		<p>The Constabulary are holding regular Gold Command meetings as the situation develops. The OPCC will be kept updated on developments with potentially a member of the Exec Team being present</p>		January 2021
PCC and OPCC Staff meetings and engagement events may need to be cancelled to prevent infection or spread of the virus.	This may result in some statutory functions of the PCC not being carried out or met	3	3	9	2	2	4	Head of Communications and Business Services	<p>Organisations would be advised of the situation (eg ICO, IOPC, HMICFRS) as it developed and when normal service could resume.</p> <p>As from 10/3/2020 PCC and engagement events were cancelled. A number of consultation sessions have been held using a variety of social media platforms.</p>		<p>Ongoing monitoring of the situation in relation to the virus and when the lockdown is to be lifted. Working practices will be monitored in light of any ongoing guidance.</p>		January 2021

									Staff are using alternatives such as Skype, MS TEAMS or cancelling the meetings.				
The spread of the COVID-19 virus may affect the PCC elections due to be held on 7 May 2020.	This may result in only postal votes being made available or ultimately the elections being postponed until a later date.	3	3	9	1	1	1	Head of Communications and Business Services	An announcement was made on 13.03.2020 that the elections were postponed until May 2021.				January 2021
IT Server provision	The Constabulary's IT servers are only able to cope with approx. 400 users accessing it remotely. This may present access issues should a large proportion of staff need to work from home.	3	3	9	3	2	6	Head of Communications and Business Services	Essential users within the Constabulary and OPCC will be identified to ensure critical business will still continue. On 31.3.20 the PCC approved software purchase to improve server capability and capacity. This has improved the IT connection for Constabulary and OPCC staff.		The Constabulary are holding regular Gold Command meetings as the situation develops. The OPCC will be kept updated on developments with potentially a member of the Exec Team being present.		January 2021

Risk Number: R7 (Op 08)	Risk Title: Partnerships & Collaboration	The Commissioner has a statutory duty to deliver in partnership the Victims Code and Community Safety. The Victims Code ensures all victims and witnesses of crime have access to support and redress to help them cope and recover. The commitment to partnership working ensures an approach of shared accountability and services providing value for money. Police & Crime Plan Objectives - 1 Your Priorities for Cumbria / 3 Tackle Crime & Anti-Social Behaviour / 4 Ensure offenders Face a Consequence for their Crime / 5 Always Put Victims First / 6 Focus our Police on Online and Sexual Crime / 7 Spend Your Money Wisely
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Risk Mitigation Strategies:	
Avoid	Stop the risk completely or stop it having an impact.
Reduce	Reduce the likelihood and/or impact of the risk
Transfer	Outsource, use contractors or insure against things going wrong
Accept	The risk is tolerable/accepted

Risk Score	Impact	Likelihood – over the next 4 years
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What is the cause of the risk? (Lack offailure to.....)	What is the consequence of the described risk? (Results in.....leads to.....)	Unmitigated Score			Mitigated Score			Risk Owner & Mitigation Strategy (Avoid, reduce, transfer, accept)	Current Controls in Place to Mitigate the Risk	Assurances	Future or further actions to be taken	Action Owner(s)	Review Date
		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score						
Failure to secure from partners funding for the Bridgeway contract for the next three years.	Results in a failure to provide appropriate levels of service leading to gaps in provision and potential reputational damage	4	3	12	3	3	9	Head of Partnerships and Commissioning	The OPCC has secured funding for 2020-2021 and is currently collaborating with North East PCCs and NHS England to jointly commission a SARC model across these areas from 2021	Executive Team	Maintain an integrated partnership working approach with attendance at Safer Cumbria and other key strategic and operational board meetings. Continue to hold discussions with funders at appropriate points to ensure their understanding of the value and impacts of withdrawal of or increasing funding.	Partnerships and Strategy Manager	Nov 2020

OFFICE OF THE POLICE & CRIME COMMISSIONER – OPERATIONAL RISK REGISTER

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

			Risk Owner		Actions		Reviews
Risk No.	Risk Title	Total Score (direction of travel)	Risk Owner	Action Owner	Any outstanding actions YES/NO	Actions and dates to be completed	Date of review
FINANCE							
01	Budget Management	9 ↔	Joint Chief Finance Officer	Deputy CFO	No	Current forecasts indicate an over spend in 2019/20 as a result of the Covid-19 response. Uplift. Emerging savings may mitigate the risk.	December 2020
02	Investment Counterparty Risk	3 ↔	Joint Chief Finance Officer	Deputy CFO	No	None	May 2021
03	Financial Governance	2 ↔	Joint Chief Finance Officer	Deputy CFO	No	Internal Audit commencing in Nov of Code of Corporate Governance	April 2021
04	Shared Services	2 ↔	Chief Executive	Deputy Chief Executive	No	Governance agreements will be reviewed on an on-going basis.	April 2021
05	Asset Management	2 ↔	Chief Executive	Chief Finance Officer	No	None	November 2020
06	Insurance	4 ↔	Chief Executive	Chief Finance Officer	No	None	November 2020
PARTNERSHIPS & COMMISSIONING							
07	Performance / delivery of the police and crime plan	9 3 ↓	Head of Partnerships & Commissioning	Partnerships & Strategy Mgr	No	This risk is to be removed	n/a
08	Partnerships & Collaboration	6 9 ↑	Head of Partnerships & Commissioning	Partnerships & Strategy Mgr	Yes	Continue to hold discussions with funders at appropriate points to ensure their understanding of the value and impacts of withdrawal of or increasing funding.	November 2020
09	Commissioning of Services	12 9 ↓	Head of Partnerships & Commissioning	Partnerships & Strategy Mgr	Yes	Increase contract management and engagement and improvement plan in place	November 2020
COMMUNICATION AND BUSINESS SERVICES							
10	Information Management (GDPR)	8 ↔	Head of Communications & Business Services	Governance Manager	Yes	The Constabulary project continues and is becoming more 'day business'. The project lead's contract has been extended to June 2020	November 2020
12	Complaints	6 ↔	Head of Communications & Business Services	Governance Manager	Yes	The Home Office laid legislation on 10 January 2020 with the processes coming into force from 1/2/2020. Processes and procedures are being updated to reflect the changes.	March 2021
13	OPCC Business Disruption	12 9 ↓	Head of Communications & Business Services	Governance Manager	Yes	Appropriate actions will be taken as the situation develops. Regular monitoring of the situation and staffing levels.	November 2020

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Joint Audit Committee

TITLE OF REPORT: Constabulary Risk Management Update

DATE OF MEETING: 24th September 2020

ORIGINATING OFFICER: Strategic Development, Corporate Improvement

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

Executive Summary:

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

Corporate Improvement carried out a quality assurance check of all the departmental and operational risk registers, together with those from the new Boards, to ensure that risk is effectively managed across the organisation. The Strategic Risk Register was reviewed by COG on 29th June 2020.

At this meeting it was agreed that:

- The CCR risk should be removed from the Strategic Risk Register
- The risk in relation to lack of professional procurement capability should be remitted to the Commercial Solutions risk register.
- A new risk in relation to ICT Demand should be added (currently being formulated)

Recommendations:

That the Joint Audit Committee:

Note the Constabulary's current strategic risks, and that a review of all risk registers was completed in accordance with the Risk Management Policy in June 2020.

MAIN SECTION

1. Introduction and Background

1.1 Strategic Risks

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

Each risk is managed at the level where the control to manage the risk resides. Therefore strategic risks are managed by the Chief Officer Group, significant operational risks are managed by Crime and Territorial Policing SMT and significant strategic business risks are managed in the relevant directorate by nominated senior managers. Projects and programmes also have their own risks that are managed by the project / programme teams.

Strategic risks are those affecting the medium to long term objectives of the Constabulary and are the key, high level and most critical risks that the Constabulary faces. Best practice indicates that the number should be between 5 and 10. Currently the Constabulary has eight strategic risks, nine including the new ICT demand risk currently being formulated.

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

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

The strategic risks identified by the Constabulary are concerned with:

1. The implications of longer-term reduction in budget and the level of savings required.
2. Covid-19
3. Significant additional and unbudgeted capital and revenue expenditure may be incurred due to delays in ESMCP transition.
4. Healthcare services for those in Custody
5. Uncertainty over cost and coverage of the Emergency Service Mobile Communications Programme.
6. Failure to keep up with technological advances to fight digital crime.
7. GDPR
8. Failure to deliver Cumbria Vison 25 and its associated efficiency plan.
9. ICT demand

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

Strategic Risk Register

Risk Ref No	Responsible Officer(s)	Risk Description	Impact	Likelihood	Score before mitigation	Latest Score	Link to Strategic Objectives	Summary of mitigating actions already taken - update
28	Chief Financial Officer / Director of Corporate Support	As a result of a combination of the inflationary pressures on police budgets particularly pay, the lack of provision for inflation in Government grant allocations, proposed changes to police pension contributions, the impact of national projects and initiatives such as ESN and PEQF and potential changes to the police funding formula (including the removal of dampening funding) there may be a detrimental and significant impact on the available budget and a requirement for substantially increased savings. This would result in a compromise to public safety, significant loss of public confidence and serious damage to the Constabulary's reputation.	Very High	Very High	25	25	All	Both the Constabulary and national budgets will come under pressure as a result of the Covid-19 pandemic. Whilst the Constabulary budget will be impacted in 2020/21 by additional costs arising from the response to the pandemic for ICT, PPE and lost income, this is currently considered to be manageable. However, there may be a significant effect on future formula grant funding and council tax precept income.
42	ACC	There is a risk that the Constabulary is unable to maintain business as usual through the high abstraction of staff; procurement constraints, and change in demand profile, caused by the spread of Covid-19 This would result in the Constabulary diverting resources to maintain core functions.	Very High	High	25	20	All	All business impact assessments have been reviewed in order to identify critical activities that support the core functions in order that specific Business Continuity Plans can be prepared. The Constabulary Business Continuity Plan (V7) has been reviewed in light of Covid-19 particularly around organisational distancing, and enhanced agile working. The Withdrawal of Service Model has been established to manage any possible future consequences of a second wave.

Risk Ref No	Responsible Officer(s)	Risk Description	Impact	Likelihood	Score before mitigation	Latest Score	Link to Strategic Objectives	Summary of mitigating actions already taken - update
								The organisation has now entered a stabilisation period in where we are monitoring absence levels, and have contingencies in place which will be actioned if a second wave hits.
32	Commander - ICT, Business Development and Information Management	The Constabulary may incur significant additional and unbudgeted capital and revenue expenditure caused by a delay in ESMCP transition and consequential extension of reliance on Airwave resulting in the Constabulary having to extend the life of its airwave infrastructure, and potentially having to pay for both systems for a time.	High	High	20	16	All	The Programme business case has been delayed again and is now not expected until early 2021. There are significant concerns as to new additional costs. Due to the delays and lack of confidence, the Constabulary are in the process of replacing their fleet of terminals at significant costs. If ESN is delivered in line with the Integrated Programme Plan this will present a risk to the capital replacement forecasts. The new terminals will assist in Airwave coverage review which has been brought about due to a delay in Airwave national Shutdown which was scheduled 31/12/19. The dual running of Airwave and ESN is seen as unaffordable.
38	Head of Commercial	There is a risk of adequate and timely medical provision not being provided to detainees and other members of the public whilst attending a custody unit in Cumbria. Caused by changes to the existing contract model and provisions, together with staffing levels of the medical provisions contractor. This could result in the delay in assessment and provision of medical care, fitness for interview and other diversion measures provided by Health Care Professionals in a custody environment.	Very High	Medium	25	15	4	Contract extension to March 2022 is complete. Improvements (at nil cost) include extra nurse during peak periods at Kendal and 3 lead nurses to reduce the impact of having to drive between locations. Initial performance figures suggest a significant improvement.

Risk Ref No	Responsible Officer(s)	Risk Description	Impact	Likelihood	Score before mitigation	Latest Score	Link to Strategic Objectives	Summary of mitigating actions already taken - update
25	Commander - ICT, Business Development and Information Management	Commitment to the Emergency Services Mobile Communications Programme (ESMCP) and subsequent use of the Emergency Services Network (ESN) has the potential to breach the Constabulary's risk capacity, cost and levels of service provision. This could potentially result in unacceptable levels of service provision; compromise officer safety, increasing costs and loss of reputation. The duration of impact is likely to exceed 2 years.	High	Medium	16	12	All	The National Programme have now produced an Integrated Programme Plan. This high level set of milestones will allow Policing to hold the Programme to account on delivery. Cheshire assisted by North West Police (alongside South East) have been appointed as Assurance partner which will again assist in holding the Programme to account. The AP initiative is centrally funded and will host a number of proving activities. The AP will also help with business change opportunities.
31	D/Supt Crime	Advances in digital crime may result in the Constabulary being unable to keep up with technological change. This could result in a loss of confidence, both internally and with the wider public.	Medium	Medium	12	9	2,3,4,5,6	<p>The Digital Policing Strategy continues to be progressed at a pace.</p> <p>The Cyber team is now fully established and delivering across the 4P based strategy.</p> <p>Training and accreditation of the additional DFU staff continues. The force is ISO accredited for computer examinations and is working towards accreditation for phones.</p> <p>The primary issue remains very slow network speed. There is also a configuration issue on the networked machines. However, ICT are working on a number of possible solutions.</p>
37	Commander - ICT, Business Development and	The Constabulary may not be fully compliant with new data protection legislation which was implemented on 25 th May 2018 caused by a number of	High	Low	16	8	All	Data Protection Policy and Procedures in place and Data Breach Reporting Guidance and DPIA procedure published.

Risk Ref No	Responsible Officer(s)	Risk Description	Impact	Likelihood	Score before mitigation	Latest Score	Link to Strategic Objectives	Summary of mitigating actions already taken - update
	Information Management	delays and reviews, notably delays in some provisions of the DPA 2018 receiving Royal Assent, a delay in the updated APP in Data Protection; and NPCC Manual of Guidance still being in draft form awaiting completion and final approval, together with the ongoing Information Management review to determine responsibilities, structure and resources and of IM functions. This could result in inadvertent disclosure of personal information and potential action by the Information Commissioner.						Revised procedures embedded into Procurement processes to facilitate the identification of services/equipment to be purchased which will involve the processing of personal data.
2	Director of Corporate Improvement & Director of Corporate Support	The Constabulary may not have the capacity to deliver the Cumbria Vision 25 and its associated Efficiency Plans. If this risk occurs the Constabulary would have to find further savings.	High	Low	10	8	All	The Vision 25 programme area of work is being re-energised as part of the Recovery and Renewal Strategy. Capacity across the organisation will be taken into account as part of this process.

Risk Tolerance Levels

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

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

Robust risk management will help improve decision-making and drive corporate activity that represents value for money.

Effective risk management will help protect the reputation of the Constabulary and the Office of the Police and Crime Commissioner, safeguard against financial loss and minimise service disruption.

1.3 Consultation processes conducted or which needs to be conducted

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

1.4 Impact assessments and implications on services delivered

Not applicable- described in the risk register where appropriate.

1.5 Timescales for decision required

Not applicable to this report.

1.6 Internal or external communications required

None.

2. Financial Implications and Comments

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

3. Legal Implications and Comments

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

4. Risk Implications

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

5. HR / Equality Implications and Comments

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

6. ICT Implications and Comments

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

7. Procurement Implications and Comments

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

8. Supplementary Information

8.1 List any relevant documents and attach to report

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

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

Risk Scoring Matrix

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

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

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

Monitoring Key Audit Recommendations

Introduction

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

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

Report Summary

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

Summary of Actions	PCC	CC	Joint	Total
Open actions b/fwd from last report	3	4	1	8
New actions since last report	0	8	3	11
Total actions this report	3	12	4	19
Actions completed since last report	0	10	3	13
Open actions c/fwd to next report	3	2	1	6

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

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

Summary of Total Actions by Status	PCC	CC	Joint	Total
Completed	0	10	3	13
Ongoing (within original timescale)	0	0	0	0
Ongoing (original timescale extended)	3	2	0	5
Overdue/ timescale exceeded	0	0	0	0
Not yet due	0	0	1	1
Total	3	12	4	19

Key to Grade:

Cumbria Shared Internal Audit Service

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

External Audit – Grant Thornton

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

Monitoring of Individual Audit Reports 2020/21

Audit Report	CC/ PCC/ Joint	Reported Date	Assurance Opinion				Audit Recommendations (Grade)			
			Substantial	Reasonable	Partial	Limited /None	High	Medium	Advisory	Total
Firearms	CC	19/11/19		✓			0	2	0	2
Blue Light Collaboration	PCC	19/12/19		✓			0	4	0	4
Procurement/ Commercial	Joint	18/12/19		✓			0	2	3	5
TRiM	CC	13/02/20			✓		2	1	1	4
Total To JAC 18/03/20			0	3	1	0	2	9	4	15
Body Worn Video	CC	10/03/20		✓			0	1	1	2
Training	CC	01/04/20		✓			0	1	0	1
Treasury Management	Joint	02/04/20		✓			0	1	1	2
Financial Sustainability	Joint	06/05/20		✓			0	0	0	0
Police & Crime Plan	PCC	04/06/20	✓				0	0	2	2
Total To JAC 24/06/20			1	4	0	0	0	3	4	7
Creditors	Joint	10/09/20		✓			0	2	0	2
Total To JAC 24/09/20			0	1	0	0	0	2	0	2

Audit Report	Recommendation Summary	Current Status					
		Completed	Ongoing (within original timescale)	Ongoing (original timescale extended)	Overdue/ timescale exceeded	Not Yet Due	For detail see page
Recommendations B/fwd from Report to JAC 18/03/20							
Local Focus Hubs (CC)	R2) A PMF should be agreed and shared following full countywide consultation that further supports and informs the identification of priorities and targeted interventions.			✓			7
Blue Light Collaboration (OPCC)	R1) Key governance documents such as terms of reference / roles and responsibilities should be regularly reviewed to ensure they remain accurate.			✓			8
Blue Light Collaboration (OPCC)	R2) Appropriate arrangements should be in place to evidence the items considered in determining the governance arrangements for the Collaboration, including where key elements of good governance are not put in place.			✓			9
Blue Light Collaboration (OPCC)	R4) It should be evident how the success of the Blue Light Collaboration agreement will be measured and that this has been agreed by all relevant parties.			✓			10
Commercial Solutions /Procurement (Joint)	R4a) Plans to introduce spend analysis, supplier performance management and supplier relationship management should be progressed, in accordance with the Commercial Strategy 2019-22. R4b) Approved lists of suppliers should be fully developed, to fully comply with the Joint Procurement Regulations.	✓					11
TRiM (CC)	R1) Governance and oversight of TRiM arrangements should be formally established and communicated. Consideration should be given to the arrangements for: <ul style="list-style-type: none"> • Management oversight • Reporting lines Roles and responsibilities.	✓					12

Audit Report	Recommendation Summary	Current Status					For detail see page
		Completed	Ongoing (within original timescale)	Ongoing (original timescale extended)	Overdue/ timescale exceeded	Not Yet Due	
Recommendations B/fwd from Report to JAC 18/03/20 (Continued)							
TRiM (CC)	R2a) A formal and informed assessment of resources should be undertaken and approved. R2b) Selection arrangements should be put in place to ensure TRiM practitioners have clear and reasoned motives, demonstrate professionalism and sensitivity and are emotionally resilient. R2c) Refresher training arrangements to meet the requirements of the national TRiM standards and annual TRiM operating license should be in place.	✓					13
TRiM (CC)	R3) Arrangements should be in place to ensure that TRiM information is readily accessible and maintained accurately and up to date.	✓					14
Totals B/Fwd Recommendations		4	0	4	0	0	
New Recommendation Since Last Report							
Body Worn Video (CC)	R1) Annual audits of evidence.com should take place, in accordance with the Cumbria Body Worn Video procedures.			✓			15
Training (CC)	R1) Plans to address gaps in the current governance arrangements should be progressed in preparation for development and delivery of the 2020/21 Training Plan.	✓					16
Treasury Management (Joint)	R1) To ensure that management can demonstrate that the authorisation requirements set out in the Treasury Management Practice Schedules are being complied with, arrangements should be in place to retain evidence of the DCFO's approval of investments that exceed three months. Management should also consider how to demonstrate that approval to rollover existing investments has been given and by whom.	✓					17
Review of Seized Dogs (Consultancy) (CC)	R1) Monitor the nightly kennel rates charged on an ongoing basis.	✓					18

Audit Report	Recommendation Summary	Current Status					For detail see page
		Completed	Ongoing (within original timescale)	Ongoing (original timescale extended)	Overdue/ timescale exceeded	Not Yet Due	
Review of Seized Dogs (Consultancy) (CC)	R2) Produce an analysis which considers the benefits and risks of using 'Dog' bail. If introduced, a clear process needs to be in place to document the reasons for the decision of whether to allow a dog 'bail' or not.	✓					19
Review of Seized Dogs (Consultancy) (CC)	R3) Identify the key stages in an investigation and agree estimated timescales for each stage. Use this to monitor progress and prompt action.	✓					20
Review of Seized Dogs (Consultancy) (CC)	R4) Improve the arrangements with the areas for updating the Spreadsheet so that this is accurate and updated in a timely manner. Ensure that the Spreadsheet includes an assessment of progress to date.	✓					21
Review of Seized Dogs (Consultancy) (CC)	R5) Introduce a high level monthly summary which is provided to management and shows: <ul style="list-style-type: none"> • Number of dog kenneled at start and end on month and movement in and out • Reason for holding dogs • State of play with each dog including details where timescale excessive • Any action required 	✓					22
Review of Seized Dogs (Consultancy) (CC)	R6) Agree kennel invoices to the Spreadsheet to confirm completeness and accuracy prior to authorising for payment.	✓					23
Creditors (Joint)	R1) Management should ensure that staff involved with the CIS scheme are fully aware of the CIS requirements and the terms are applied consistently in line with the guidance.					✓	24
Creditors (Joint)	R2) Arrangements should be put in place to ensure that orders raised out with approved process are identified, understood and training provided where required.	✓					25
Total New Recommendations		9	0	1	0	1	
Total All Recommendations		13	0	5	0	1	

Audit Report: Local Focus Hubs			
Date Issued: 09/09/2019	Date Considered by JAC: 19/09/2019	Report of: Shared Internal Audit Service	Report for: CC
Recommendation: R2) A PMF should be agreed and shared following full countywide consultation that further supports and informs the identification of priorities and targeted interventions.			Grade: Medium
Agreed Action: The Local Focus Unit Performance Framework (PF) was developed in consultation with the existing Units and Corporate Support and distributed in early 2018 to each of the developing Units. There has been a different pace of development across the County which made it challenging to implement it in its entirety in each location. The Constabulary now have the added bonus of Power Business Intelligence and support from Corporate Development, combined with the audit expertise of Emma Thompson as the manager of Allerdale LFU. Emma has reviewed the PF to make it more relevant to partners, and Corporate Development are looking to systemise it to make production of a performance document simpler and more user friendly. The national problem solving team are awaiting an update on this issue as Cumbria Constabulary are very much in the driving seat nationally in terms of the development of a representative performance framework.			Due Date: 31 December 2019 Responsible Person: Superintendent South Sarah Jackson
Subsequent Updates: November 2019 - As detailed within recommendation one, the Constabulary has a desire to develop a public health approach to policing. This renewed model will require extensive consultation with public and third sector agencies to facilitate the joint creation of multiagency integrated local focus hubs. An essential task will be the development of a joint performance framework, as well as the generation of risk management and partnership relationship agreements. It will also demand a review of internal cross command operating procedures. In order to realise the full benefits of a truly collaborative arrangement, the creation of a performance management framework cannot be undertaken by the police in isolation. It is essential that any design of the hubs, supporting policy and procedures must be co-produced with interested agencies, many of which are themselves bound by their own target operating models. The task to deliver on this recommendation is complex and will require significant negotiation with multiple partners, at scale. Whilst the task has already begun, it will be several months before the hubs are operating sufficiently well to evidence the delivery of an embedded PMF. Therefore, a request to extend the delivery against this recommendation is sought. February 2020 – On 2nd Feb 2020 Chief Officers committed to delivering a child centered and early intervention approach via the NPT Local Focus Hubs. The revised hubs will support the place based Public Health and Contextual Safeguarding agendas of our county, district and wider partnerships. The change programme will require extensive internal remodeling to rationalise workflows across TPA, CJ and Crime Commands, as well as co-production of data sharing agreements, assessment models, and performance management frameworks (not exhaustive) with partners in the public and third sector. Chief Officers have invested two dedicated Inspectors to develop a pilot delivery site in the Barrow Hub, and subject to review and approval, scale the model up across the other five hubs. Governance will be bi-monthly to the management Board with an estimated completion date of February 2021. September 2020 – Due to this being a piece based entirely on collaboration the action has been impacted by Covid. That said, a draft LFH performance framework is in place, and a draft Child Centred Policing framework has been developed. The ambition is to converge the two separate entities once the CCP teams are established, and their initial referral mechanism has been finalised. The teams only went live on 1/9/20 and so it is too early to finalise.			
Status:	Agreed Changes to Due Date:	New Date:	Where & When Approved:
Ongoing (original timescale extended)	(N.B. any changes to due date must be agreed by COG or a Governance Board)	February 2021	COG 02/02/20

Audit Report: Blue Light Collaboration			
Date Issued: 19/12/2019	Date Considered by JAC: 18/03/2020	Report of: Shared Internal Audit Service	Report for: OPCC
Recommendation: R1) Key governance documents such as terms of reference / roles and responsibilities should be regularly reviewed to ensure they remain accurate.			Grade: Medium
Agreed Action: We will review terms of reference for the Boards and roles and responsibilities for the revised structure. We acknowledge and will incorporate recommendation 2 in developing and making changes to the Blue Light Collaboration governance arrangements going forward.			Due Date: 29/02/2020 Responsible Person: Safer Cumbria Coordinator Wendy Binks
Subsequent Updates: February 2020 – Partial completion. Final sign off by Executive Board 1st October September 2020 – Partial completion. Final sign off by Executive Board 1st October			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or Governance Board)</i>	New Date:	Where & When Approved:
Ongoing (original timescale extended)		01/10/2020	

Audit Report: Blue Light Collaboration			
Date Issued: 19/12/2019	Date Considered by JAC: 18/03/2020	Report of: Shared Internal Audit Service	Report for: OPCC
Recommendation: R2 Appropriate arrangements should be in place to evidence the items considered in determining the governance arrangements for the Collaboration, including where key elements of good governance are not put in place.			Grade: Medium
Agreed Action: We will review terms of reference for the Boards and roles and responsibilities for the revised structure. We acknowledge and will incorporate recommendation 2 in developing and making changes to the Blue Light Collaboration governance arrangements going forward.			Due Date: 29/02/2020
			Responsible Person: Safer Cumbria Coordinator Wendy Binks
Subsequent Updates: February 2020 – Partial completion. Final sign off by Executive Board 1st October September 2020 – Partial completion. Final sign off by Executive Board 1st October			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or Governance Board)</i>	New Date:	Where & When Approved:
Ongoing (original timescale extended)		01/10/2020	

Audit Report: Blue Light Collaboration			
Date Issued: 19/12/2019	Date Considered by JAC: 18/03/2020	Report of: Shared Internal Audit Service	Report for: OPCC
Recommendation: R4) It should be evident how the success of the Blue Light Collaboration agreement will be measured and that this has been agreed by all relevant parties.			Grade: Medium
Agreed Action: We will ensure the Executive Board acknowledges how the Blue Light Collaboration and individual projects will be evaluated, and clearly set out how we will know that collaboration has been successful.			Due Date: 29/02/2020 Responsible Person: Safer Cumbria Coordinator Wendy Binks
Subsequent Updates: February 2020 – Partial completion - Performance Framework at Executive Board on 1st October. September 2020 – Partial completion. Final sign off by Executive Board 1st October.			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or Governance Board)</i>	New Date:	Where & When Approved:
Ongoing (original timescale extended)		01/10/2020	

Audit Report: Commercial Solutions / Procurement			
Date Issued: 18/12/2019	Date Considered by JAC: 18/03/2020	Report of: Shared Internal Audit Service	Report for: Joint OPCC & CC
Recommendation: R4a) Plans to introduce spend analysis, supplier performance management and supplier relationship management should be progressed, in accordance with the Commercial Strategy 2019-22. R4b) Approved lists of suppliers should be fully developed, to fully comply with the Joint Procurement Regulations.			Grade: Medium
Agreed Action: a) Joint working with the Corporate support Senior Leadership Team (SLT) to progress spend analysis as part of the improvement plan. b) Fully accepted and will be introduced by April 2020.			Due Date: a) 01/04/2020 b) 30/09/2020 Responsible Person: The Head of Commercial Solutions Barry Leighton
Subsequent Updates: February 2020 – verbal update to be provided at the meeting. September 2020 – a) Access to a comprehensive spend analysis tool is now available with high level highlight reports completed including: <ul style="list-style-type: none"> ○ Spend by month ○ Top 10 Account codes ○ Top 10 Suppliers ○ Top 10 Cost Centre ○ Top 10 spend Line descriptions Along with progress with supplier performance management (G4S, Chronicle, Thomas Graham), supplier relationship management and pipeline management this action can be considered closed. b) <ul style="list-style-type: none"> • All supplier details have been checked as accurate and confirmed with suppliers in readiness for the new system. Updated credit checks will be undertaken as appropriate and links to DUNS numbers explored. • Risk management is in routine practice leading to results including a reduced custody healthcare score and no PPE supply disruptions. 			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or Governance Board)</i>	New Date:	Where & When Approved:
a) Completed			
b) Completed			

Audit Report: TRiM			
Date Issued: 13/02/2020	Date Considered by JAC: 18/03/2020	Report of: Shared Internal Audit Service	Report for: CC
Recommendation: R1) Governance and oversight of TRiM arrangements should be formally established and communicated. Consideration should be given to the arrangements for: <ul style="list-style-type: none"> • Management oversight • Reporting lines Roles and responsibilities.			Grade: High
Agreed Action: Responsibility for TRiM has been assigned to the People Department, reporting into the Health and Wellbeing Board chaired by the Deputy Chief Constable. The Superintendent People Department is the deputy Chair. At an operational level the Chief Inspector CJU & Partnerships oversees three area Advanced TRiM Practitioners. A paper to Chief Officer Group is currently being drafted within the People Department to recommend the creation of a new post. The new post will include responsibility for TRiM co-ordination, administration and support, reporting to the Chief Inspector CJU & Partnerships.			Due Date: 29/02/2020 Responsible Person: Superintendent People Dept Lisa Hogan
Subsequent Updates: February 2020 – The current structure for TRiM will remain in place until agreement has been sought for the new post, this post, if agreed will provide a holistic role for wellbeing capturing the needs of the staff. A role profile with overarching COG paper is currently in progress. September 2020 – This role is now being picked up by an Inspector.			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or Governance Board)</i>	New Date:	Where & When Approved:
Completed		30/04/2020	COG 09/03/2020

Audit Report: TRiM			
Date Issued: 13/02/2020	Date Considered by JAC: 18/03/2020	Report of: Shared Internal Audit Service	Report for: CC
Recommendation: R2a) A formal and informed assessment of resources should be undertaken and approved. R2b) Selection arrangements should be put in place to ensure TRiM practitioners have clear and reasoned motives, demonstrate professionalism and sensitivity and are emotionally resilient. R2c) Refresher training arrangements to meet the requirements of the national TRiM standards and annual TRiM operating license should be in place.			Grade: High
Agreed Action: A new TRiM support post (if approved) will address capacity issues and meet the requirement for more effective co-ordination, record keeping, recruitment and resourcing arrangements. Refresher training for TRiM Practitioners is scheduled to take place on 25/03/20, a venue has been booked and funding has been secured. The event will provide an opportunity to explore issues such as who / how TRiM referrals are picked up and the balance of work across the TRiM team.			Due Date: 29/02/2020 Responsible Person: Superintendent People Dept Lisa Hogan
Subsequent Updates: February 2020 – The TRiM event is organised with several keynote speakers, we will continue to recruit TRiM practitioners as they are required following the recommendations outlined in the report, whilst I'm confident we have the right people involved in trim its appropriate to consider these recommendations. September 2020 – Due to covid-19 we were unable to facilitate a face to face event, we did have a CPD event via teams on 29th July with a future recruitment event scheduled for 12/13th November.			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or Governance Board)</i>	New Date:	Where & When Approved:
Completed		30/04/2020	COG 09/03/2020

Audit Report: TRiM			
Date Issued: 13/02/2020	Date Considered by JAC: 18/03/2020	Report of: Shared Internal Audit Service	Report for: CC
Recommendation: R3) Arrangements should be in place to ensure that TRiM information is readily accessible and maintained accurately and up to date.			Grade: Medium
Agreed Action: A new TRiM support post would include responsibility for ensuring that TRiM information is readily accessible and maintained accurately and up to date.			Due Date: 29/02/2020
			Responsible Person: Superintendent People Dept Lisa Hogan
Subsequent Updates: February 2020 – Once the post is agreed we will consider what arrangements should be in place to ensure that TRiM information is readily accessible and maintained accurately and up to date. September 2020 – This has been allocated to Inspector Annette McClement who now has responsibility for the CPD and overall facilitation of Trim, all records are accurately maintained and our website updated. We've already held one CPD event which was a great success.			
Status:	Agreed Changes to Due Date: (N.B. any changes to due date must be agreed by COG or Governance Board)	New Date:	Where & When Approved:
Completed		30/04/2020	COG 09/03/2020

Audit Report: Body Worn Video			
Date Issued: 10/03/2020	Date Considered by JAC: 24/06/2020	Report of: Shared Internal Audit Service	Report for: CC
Recommendation: R1) Annual audits of evidence.com should take place, in accordance with the Cumbria Body Worn Video procedures.			Grade: Medium
Agreed Action: The Business Improvement Unit will undertake the first annual audit with assistance from the Superintendent (North). Arrangements will be made to ensure that annual audits are undertaken thereafter.			Due Date: 31/08/2020
Responsible Person: Superintendent (North) Matt Kennerley & T / Superintendent (BIU)			
Subsequent Updates: September 2020 – The BIU was re-deployed during the Constabulary response to Covid and as such is now resuming BIU activity, delaying planned work including the Audit. However, this is now tasked to an identified individual with all data reports secured from evidence.com. The work has a completion deadline of 30/09/20. These timescales also support annual refresh as September is more practical for conducting this audit.			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or a Governance Board)</i>	New Date:	Where & When Approved:
Ongoing (original timescale extended)		30/09/2020	Collaborative Board 14/09/20

Audit Report: Training			
Date Issued: 01/04/2020	Date Considered by JAC: 24/06/2020	Report of: Shared Internal Audit Service	Report for: CC
Recommendation: R1) Plans to address gaps in the current governance arrangements should be progressed in preparation for development and delivery of the 2020/21 Training Plan.			Grade: Medium
Agreed Action: Recommendation accepted by the Constabulary.			Due Date: 31/05/2020
Revised governance arrangements to address the recommendations made in this report will be considered by the Workforce Board during April 2020.			Responsible Person: Chief Inspector (Tng) Matt Pearman
Subsequent Updates: September 2020 –The L & D QA governance paper and training plan were presented at Business Board in April and agreed.			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or a Governance Board)</i>	New Date:	Where & When Approved:
Completed			

Audit Report: Treasury Management			
Date Issued: 02/04/2020	Date Considered by JAC: 24/06/2020	Report of: Shared Internal Audit Service	Report for: Joint
Recommendation: R1) To ensure that management can demonstrate that the authorisation requirements set out in the Treasury Management Practice Schedules are being complied with, arrangements should be in place to retain evidence of the DCFO's approval of investments that exceed three months. Management should also consider how to demonstrate that approval to rollover existing investments has been given and by whom.			Grade: Medium
Agreed Action: Although verbal permission is obtained from the Deputy CFO in these cases, it is appreciated that this does not constitute an audit trail. In future a new procedure will be put in place whereby an email will be sent to either the Deputy CFO or Joint CFO to seek approval for investments over 3 months in duration. The responding approval will be retained as part of the audit trail. The same principle will be applied to the rolling over of investments and email approval obtained and retained for audit purposes.			Due Date: 27 March 2020 Responsible Person: Deputy Chief Finance Officer Michelle Bellis
Subsequent Updates: September 2020 – This action was implemented as soon as the draft audit report was received.			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or a Governance Board)</i>	New Date:	Where & When Approved:
Completed			

Audit Report: Review of Seized Dogs (Consultancy)			
Date Issued: November 2019	Date Considered by JAC: 20/11/2019	Report of: Shared Internal Audit Service	Report for: CC
Recommendation: R1) Monitor the nightly kennel rates charged on an ongoing basis.			Grade: N/A Action Plan
Agreed Action: Proposed actions within this recommendation: R1a – All dog kenneling invoices to be progressed via the OS Chief Insp. to ensure consistency in authorisation and costs. R1b – Kennel rates (overnight provision / assessment costs / production costs) should be monitored for consistency over time and across all available kennels.			Due Date: Responsible Person: Chief Insp OS Ben Swinson
Subsequent Updates: September 2020 – An arrangement has been put in place for each of the kennels to advise the Dog Section Sgt. on a twice monthly basis an update on the inventory of current dogs and the current charges in respect of each. This information is used to audit the current dogs and is signed off on a monthly basis by Chief Insp. Operational Support			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or a Governance Board)</i>	New Date:	Where & When Approved:
Completed			

Audit Report: Review of Seized Dogs (Consultancy)			
Date Issued: November 2019	Date Considered by JAC: 20/11/2019	Report of: Shared Internal Audit Service	Report for: CC
Recommendation: R2) Produce an analysis which considers the benefits and risks of using 'Dog' bail. If introduced, a clear process needs to be in place to document the reasons for the decision of whether to allow a dog 'bail' or not.			Grade: N/A Action Plan
Agreed Action: Initial concerns are held in relation to: <ul style="list-style-type: none"> • lack of a legal framework to permit the use of such a restriction; • risk around a secondary offence whilst the animal is "on bail"; • lack of a sanction in the event of said conditions being breached etc. <p>It is however appropriate to consider the option from a low-level S2 minor or no injury type offence where the owner is compliant and voluntarily commits to such a process for example.</p>			Due Date: 31 January 2020 Responsible Person: CJU Chief Inspector Jon Sherlock
Subsequent Updates: September 2020 – A discussion was held between CJU Chief Inspector, Chief Inspector OS and 2 Dog Handlers. Based on their professional advise it was determined that "dog bail" would not be used due to the unpredictable nature of the behaviour of these dogs.			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or a Governance Board)</i>	New Date:	Where & When Approved:
Completed			

Audit Report: Review of Seized Dogs (Consultancy)			
Date Issued: November 2019	Date Considered by JAC: 20/11/2019	Report of: Shared Internal Audit Service	Report for: CC
Recommendation: R3) Identify the key stages in an investigation and agree estimated timescales for each stage. Use this to monitor progress and prompt action.			Grade: N/A Action Plan
Agreed Action: R3a – Seized dog timings to be included within the investigation plan. R3b – Timings are to be incorporated into the spreadsheet as proposed at R4 which can in turn activate review requirements. R3c – Timings are to be shared frequently with finance lead to enable accurate forecasting of expenditures.			Due Date: 31 December 2019 Responsible Person: OS (PSG Insp / Dog Sgt)
Subsequent Updates: September 2020 – In consultation with the Dog section Sgt., the seized dogs are reviewed by relevant dog handler each month in relation to S1 and S3 (dangerous) seized dogs. Any other seized dogs are reviewed to see if they are still required to be kept and where not, this is escalated to TP areas to resolve and relocate dogs outwith Constabulary area of responsibility. The spreadsheet (see R4) will be used to monitor inventory of seizures, assist review validity of retention requirements and will inform action to be taken, the same spreadsheet will also be used by finance to accurately forecast anticipated costs.			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or a Governance Board)</i>	New Date:	Where & When Approved:
Complete			

Audit Report: Review of Seized Dogs (Consultancy)			
Date Issued: November 2019	Date Considered by JAC: 20/11/2019	Report of: Shared Internal Audit Service	Report for: CC
Recommendation: R4) Improve the arrangements with the areas for updating the Spreadsheet so that this is accurate and updated in a timely manner. Ensure that the Spreadsheet includes an assessment of progress to date.			Grade: N/A Action Plan
Agreed Action: R4a – governance of the locally held spreadsheet to be agreed (archiving tipping points; storage of closed cases; updating responsibilities) R4b – Governance to include an overarching owner of the spreadsheet to ensure timely, accurate and consistent compliance.			Due Date: 31 December 2019 Responsible Person: OS Chief Inspector Ben Swinson
Subsequent Updates: September 2020 – A centrally held spreadsheet is maintained and is updated twice monthly as per action R1 above. The spreadsheet provides a better audit trail in respect of seized dogs and facilitates accurate costing. The dog section Sgt. has overall responsibility auditing and monitoring the spreadsheet. In relation to any dogs that fall outwith the dog section responsibilities of S1 & S3 (dangerous), the area Chief Insp. in the relevant area will become the SPOC to ensure matters are dealt with in a timely way. The Dog Sgt. will re-iterate the guidance to all officers and area CI with regards to seized animals to make sure correct protocols are followed and that no unnecessary costs are borne by the Constabulary. This is backed up by the twice monthly review of seized dogs.			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or a Governance Board)</i>	New Date:	Where & When Approved:
Completed			

Audit Report: Review of Seized Dogs (Consultancy)			
Date Issued: November 2019	Date Considered by JAC: 20/11/2019	Report of: Shared Internal Audit Service	Report for: CC
R5) Introduce a high level monthly summary which is provided to management and shows: <ul style="list-style-type: none"> • Number of dog kenneled at start and end on month and movement in and out • Reason for holding dogs • State of play with each dog including details where timescale excessive • Any action required 			Grade: N/A Action Plan
Agreed Action: As above			Due Date: 28 February 2020
			Responsible Person: Dog Sergeant / PSG Inspector
Subsequent Updates: September 2020 – The spreadsheet at R4 above fulfils this requirement and is shared with and discussed with Chief Insp. OS and discussed at OS SLT on a monthly basis. Items requiring escalation will be dealt with at either TP SLT or Ops Board as appropriate.			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or a Governance Board)</i>	New Date:	Where & When Approved:
Completed			

Audit Report: Review of Seized Dogs (Consultancy)			
Date Issued: November 2019	Date Considered by JAC: 20/11/2019	Report of: Shared Internal Audit Service	Report for: CC
Recommendation: R6) Agree kennel invoices to the Spreadsheet to confirm completeness and accuracy prior to authorising for payment.			Grade: N/A Action Plan
Agreed Action: as above			Due Date: 28 February 2020
Responsible Person: OS Chief Inspector Ben Swinson			
Subsequent Updates: September 2020 – The spreadsheet discussed at R4 is cross referenced when invoices are received.			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or a Governance Board)</i>	New Date:	Where & When Approved:
Completed			

Audit Report: Creditors			
Date Issued: 10/09/2020	Date Considered by JAC: 24/09/2020	Report of: Shared Internal Audit Service	Report for: Joint
Recommendation: R1) Management should ensure that staff involved with the CIS scheme are fully aware of the CIS requirements and the terms are applied consistently in line with the guidance.			Grade: Medium
Agreed Action: A new member of staff has been appointed within the Estates Team and will start in September 2020. They will receive initial training on invoice processing and then will undertake specific HMRC training on CIS regulations (course booked for 20/01/2021), the Senior Estates & Facilities Maintenance Manager will also undertake CIS refresher training. The spreadsheet maintained by the Team to record orders has been updated to include a check for CIS compliance at the point of ordering. This is checked by the Senior Estates & Facilities Maintenance Manager before payments are made.			Due Date: 31 January 2021 Responsible Person: Senior Estates & Facilities Maintenance Manager. Eggert Fruchtenicht
Subsequent Updates:			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or a Governance Board)</i>	New Date:	Where & When Approved:
Not yet due			

Audit Report: Creditors			
Date Issued: 10/09/2020	Date Considered by JAC: 24/09/2020	Report of: Shared Internal Audit Service	Report for: Joint
Recommendation: R2) Arrangements should be put in place to ensure that orders raised out with approved process are identified, understood and training provided where required.			Grade: Medium
Agreed Action: Reports have always been available comparing purchase order date with invoice date to ascertain which invoices have been received before the order was raised. A definitive list of suppliers set up retrospectively has not been maintained as trends can be identified through reports and procedures. Although a number of invoices are received without PO, many are for valid operational reason. It should be noted that all suppliers are credit checked before adding to the system and all goods or services are separately receipted before payment is made. Training is provided on an ongoing basis along with reminders of the need to place Purchase Orders other than in extreme circumstance. To further improve matters implementation of 'no purchase order, no pay' procedures has been implemented. Current challenge and training will be maintained and regular review of KPI's for retrospective PO's will be undertaken.			Due Date: August 2020 Responsible Person: Head of Commercial Solutions Barry Leighton
Subsequent Updates:			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or a Governance Board)</i>	New Date:	Where & When Approved:
Completed			

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The Police and Crime Commissioner for Cumbria

Treasury Management Activities 2020/21 as at 30 June 2020 (Quarter 1)

Public Accountability Conference 19 August 2020 and Joint Audit Committee 24 September 2020



Cash flow Balances

Quarterly average balance - £9.423m

Investment balance @ 30/06/20 £4.314m ↓

(Down 40% from £7.245m at 31/03/20).



Investment Interest Forecast

Base Budget - £96,491

Revised Budget - £96,491

Current Estimate - £96,491



Borrowing Strategy

No borrowing was undertaken during the quarter ended 30 June 2020 and none is expected during 2020/21 other than to manage short term liquidity.

Investment Strategy

Category	Category Limit (£m)	Investments at 30 June (£m)	Compliance with Limit
1 - Banks Unsecured	20	0.532	Yes
2 - Banks Secured	20	0.000	Yes
3 - Government (inc LA)	10	2.000	Yes
4 - Registered Providers	10	0.000	Yes
5 - Pooled Funds	15	1.781	Yes
Total		4.314	

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

See page 2 for more information.

Performance Indicators

	Number of Days	Average Balance £	Largest Balance £
Days In Credit	88	12,438	293,422
Days Overdrawn	3	(2,764)	(2,764)

Average interest rate earned 0.37%

Average bank base rate qtr. 1 0.10%

(Current bank base rate 0.10%)

Treasury and Prudential Indicators

During the quarter ended 30 June 2020, the treasury function has operated within the treasury and prudential indicators set out in the Treasury Management Strategy Statement and in compliance with the Treasury Management Practices.

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

Economic Outlook and Treasury position for the quarter ended 30 June 2020

Economic outlook and Interest Rate Forecasts

Uncertainties as a result of the coronavirus outbreak around the extent of the damage that will have been done to businesses by the end of the lockdown period, how consumer confidence and behaviour may be impacted afterwards, whether there could be a second wave of the outbreak, how soon a vaccine will be created and then how quickly it can be administered to the population. This leaves huge uncertainties as to how quickly the economy will recover to what was formerly regarded as normality. However, some changes during lockdown are likely to be long lasting e.g. a shift to online purchasing, working from home, etc.

The Monetary Policy Committee were forced in March into making two emergency cuts in Bank Rate, first to 0.25% and then to 0.10% due to the coronavirus pandemic. The forecast provided by the Treasury's Advisors is that it will remain at this rate until at least March 2023.

Change in Strategy

The credit rating agencies changed their outlook on many UK banks from stable to negative outlook during this quarter, due to upcoming risks to banks' earnings and asset quality during the economic downturn caused by the pandemic, the majority of ratings were affirmed due to the continuing strong credit profiles. In light of this negative outlook, in conjunction with very low returns, the Joint Chief Finance Officer has taken the decision to suspend any new investments in UK banks and Building Societies for the next quarter. The investment portfolio will be split between government backed investments and AAA rated Money Market Funds. Any new investments will be kept relatively short to allow flexibility should the situation improve. This temporary change in strategy will be reviewed before the start of each quarter.

Investments

During the first quarter there were no investments placed as the balance of cash was low and was required to maintain daily/weekly liquidity.

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	0.30%	499,414	499,414
NatWest (Liquidity Select Acc)	A+	30/06/2020	01/07/2020	O/N	1.00%	33,000	33,000
						532,414	532,414
Category 2 - Banks Secured (Includes Banks & Building Societies)							
						0	0
Category 3 - Government (Includes HM Treasury and Other Local Authorities)							
Thurrock Council	LA	03/02/2020	03/08/2020	34	0.95%	2,000,000	2,000,000
						2,000,000	2,000,000
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		Various	On demand	O/N		1,000,000	1,000,000
Fidelity		Various	On demand	O/N		281,129	281,129
BlackRock		Various	On demand	O/N		500,000	500,000
Goldman Sachs	AAA	Various	On demand	O/N		0	0
Aberdeen Standard	AAA	Various	On demand	O/N		0	0
						1,781,129	1,781,129
Total						4,313,543	4,313,543

On the 3 July 2020 the police pension grant was received from the Home Office. The balance of investments on that day increased to £24.298m.

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