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Our reference: JAC/IR

Date: 15 September 2022

AGENDA

TO: THE MEMBERS OF THE JOINT AUDIT COMMITTEE

CUMBRIA POLICE & CRIME COMMISSIONER AND CUMBRIA CONSTABULARY JOINT AUDIT COMMITTEE

A Meeting of the Joint Audit Committee will take place on **Wednesday 21st September 2022** in **Conference Room Two**, Police Headquarters, Carleton Hall, Penrith, at **10:30am**.

Vivian Stafford, Gill Shearer
Chief Executive

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

Please note – there will be a private members meeting from 9am – 10.15am

Afternoon development session for members from 2pm – 4pm:

- External Inspection & Assurance (HMICFRS)
- LGR and Potential Implications of PFCC

COMMITTEE MEMBERSHIP

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

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.

Items for Exclusion of Press and Public

- i. Statutory Accounts Audit – Enquiries of Management

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 22nd June 2022.

5. ACTION SHEET

To receive the action sheet from previous meetings.

6. CORPORATE UPDATE

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

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

7. STRATEGIC RISK REGISTER

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

- a) OPCC Risk Management Monitoring *(To be presented by OPCC Chief Executive)*
- b) OPCC Strategic Risk Register *(To be presented by OPCC Chief Executive)*
- c) OPCC Operational Risk Register *(To be presented by OPCC Chief Executive)*
- d) Constabulary Strategic Risk Register *(To be presented by Joint Chief Finance Officer)*

8. **INTERNAL AUDIT – SUMMARY INTERNAL CONTROLS ASSURANCE REPORT**
To receive the Internal Auditors the Summary Internal Controls Assurance (SICA) Report. *(To be presented by TIAA Ltd Engagement Manager)*
9. **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 TIAA Ltd Engagement Manager)*
 - a) Personal Safety Training (Constabulary)
 - b) Security of Seized Proceeds of Crime (Cash and Assets) (Constabulary)
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 Joint Chief Finance)*
11. **PCC ANNUAL REPORT**
To receive a copy of the PCCs annual report. *(To be presented by OPCC Chief Executive)*
12. **JAC ANNUAL REPORT**
To receive the annual report of the joint audit committee following the committees review of effectiveness. *(To be presented by the Deputy Chief Finance Officer)*
13. **EXTERNAL AUDIT PROGRESS REPORT**
To receive the Police Audit Committee Progress Report August 2022- Sector update. *(To be presented by the Grant Thornton)*
14. **TREASURY MANAGERMENTS ACTIVITIES**
To receive for information reports on Treasury Management Activity - Quarter 1. *(To be presented by the Deputy Chief Finance Officer)*
15. **POINT FOR CONSIDERATION BY THE COMMISSIONER AND THE CHIEF CONSTABLE**

Future JAC Meeting Dates (For Information)

23rd November 2022 @ 10.30am – Conference Room 2/Microsoft Teams TBC

22nd March 2023 @ 10.30am – Conference Room 2/Microsoft Teams TBC

21st June 2023 @ 10.30– Conference Room 2/Microsoft Teams TBC

20th September 2023 @ 10.30– Conference Room 2/Microsoft Teams TBC

Future Police & Crime Panel Meeting Dates (For Information)

14 October 2022 – Conference Room A/B, Cumbria House, Botchergate, Carlisle, CA1 1RD

26 January 2023 – Council Chamber, County Offices, Kendal, LA9 4RQ

18 April 2023 - Conference Room A/B, Cumbria House, Botchergate, Carlisle, CA1 1RD

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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 22nd June 2022
Conference Room 2, Police Headquarters, Carleton Hall, Penrith, at 10.30am.

PRESENT

Ms Fiona Moore (Chair)
Mr Jack Jones
Mr Malcolm Iredale
Wing Commander (Retired) Tim Mann

Also present:

Chief Executive (CE), Office of the Police and Crime Commissioner (Gill Shearer)
Temp Deputy Chief Constable (DCC), Rob Carden
Joint Chief Finance Officer (JCFO), (Roger Marshall)
Deputy Chief Finance Officer (DCFO), (Michelle Bellis)
Engagement Manager(EM), Grant Thornton LLP (Gareth Winstanley)
Head of Internal Audit (HIA), Cumbria Shared Internal Audit Service, CCC (Richard McGahon)
Audit Manager (AM), Cumbria Shared Internal Audit Service, CCC (Emma Toyne)
Engagement Manager(EM), TIAA, Andrew McCulloch
Financial Services Manager (FSM), Lorraine Holme
Financial Services Assistant (FSA), Inge Redpath

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

The Chair called the meeting to order at 10.30am

710. APOLOGIES FOR ABSENCE

Apologies were received from:

Chief Executive (CE), Office of the Police and Crime Commissioner (Vivian Stafford)
Engagement Lead (EL), Grant Thornton LLP (Michael Green)
Engagement Manager (EM), TIAA, Peter Harrison

711. 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.

712. DISCLOSURE OF PERSONAL INTERESTS

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

713. MINUTES OF THE PREVIOUS MEETING

The Committee received and reviewed the minutes of the meeting held 16th March 2022.

The CE requested a correction be made to the action on item 699 to read, CE to update the OPCC Scheme of Delegations to show the delegation of responsibility for the 'administration' of the JAC Committee to the Constabulary and then to the DCFO as the word administration had been omitted.

ACTION, for FSA to update minutes with corrections then submit to the Chair for signature.

RESOLVED, that the minutes be recorded as a true record of the meeting held on 16th March 2022.

714. MATTERS ARISING

Matter arising from the minutes of the meeting held 16th March 2022.

A member requested more clarification on the process around Benefits Delivery (Item 694) and how identified risk would be shown and would there be a business process to include this?

The DCC confirmed that at present the Corporate Governance framework in the force now does not support the development of benefits realisation, the processes are there to capture benefits but the mechanism for monitoring and reporting needs to be developed . The DCC explained that at a recent strategy day he provided a presentation on the proposed Governance Framework to senior officers. The Constabulary are to develop a Strategic Management Board chaired by the Chief Constable and a Change Board chaired by himself supported by strategic performance meetings and workforce development. The Change board being the key one in relation to benefits realisation and change, it will become the gatekeeper of all change and benefits realisation and will include the saving plan. This group will ensure that any benefits realisation change that has been identified do take place and the policy is adopted and is quality assured and followed through.

715. ACTION SHEET

The action sheet had been circulated and reviewed, and the following verbal updates were given:

Item 694 – The DCC to update on the Benefits Delivery Process quarterly reporting to the management board.

The JCFO spoke to confirm the information given by the DCC in the previous matters arising section and reported that the process and framework have been put in place and the responsibilities clearly assigned and also how everything will be recorded and documented. The intention is to be able to report benefits delivery through the governance structure, a report has been produced but it has yet to be presented to the Chief Officer Group.

The DCC explained that there will be significant changes to the Constabulary following a full operating model review, performance framework review, corporate governance review & PDR's have been reviewed, all of these will help to make sure that a platform is in place to enable benefit realisation to move forward and be audited.

The chair queried if all the changes were in response to the LGR changes.

The DCC advised that a significant number of the changes are because of LGR, and the Constabulary has moved to a new two Basic Command Unit (BCU) structure which are aligned with the two new unitary authorities to facilitate working in partnership. The new operating model will come into effect on 5th September 2022.

ACTION, for the DCC to give a further update on the Benefits Delivery Process at the September meeting.

Item 699(b) - Constabulary Scheme of Delegation - To clarify the frequency of the boards.

The JCFO explained that most boards happen on a monthly basis with the Chief Officer Group taking place weekly, the DCC has instigated a number of changes with the creation of new boards to meet the changes in governance and these can be brought back to Committee in November 2022 to show how the new boards and the frequency of boards aligns to the Scheme of Delegation.

The chair then spoke in relation to the Joint Audit Committee, Review of Effectiveness Action Plan 2022/23 requesting the following changes for 2022/23:

JAC1 to remain but to add "and sustainability" to the Improvement Area.

JAC2 to remain but to include Fire and LGR and to remove "Local Focus Hubs or external factors such as COVID19"

JAC3 to be closed and replaced with new action – "to have a greater understanding of partnerships in which both the PCC and Constabulary participate in light of the impact of LGR and other restructuring within the organisation"

JAC4 to be a new action for 2022/23 – "to have a greater understanding of the findings of the HMICFRS reports and how those findings are integrated and responded to and how these are reflected within the strategic risk registers if necessary"

ACTION, for the FSA to update the Joint Audit Committee, Review of Effectiveness Action Plan 2022/23

To assist the Committee with their Action Plan the DCC then offered to bring a presentation to the Nov 2022 meeting on the new corporate model, the operating model, governance and talk about HMICFRS and how the Constabulary are responding to the findings of the recent inspection.

ACTION, for the DCC bring an update presentation on new corporate model, the operating model and governance to the Nov 2022 meeting.

RESOLVED, all other items were resolved.

716. CORPORATE UPDATES

The DCC gave his corporate update to say the operating model is changing to bring the Constabulary in line with the new look Cumbria under the LGR and bring greater accountability and public expectation especially around Operation Uplift. There are now league tables and public exposure in relation to police data and performance indicators which are being published, the response to 999 calls being one such example. The Constabulary needs to be able to accommodate this and will be incorporated into the continuous improvement of the organisation. The DCC also mentioned again how the Constabulary have moved to a two BCU model to allow better working relationships with the two new unitary authorities as they begin to operate. The DCC then spoke about the plans to update the Corporate Governance Framework with the aim of improving accountability, transparency and have an audit trail in terms of change. The plan is for the new arrangements to be in place by early September 2022. To support all these changes a new Assistant Chief Officer Nancie Shackleton has been appointed and will start in post on Monday 28th June 22. Finally, the DCC spoke about Strategic Assessments, which have not been completed for several years, which was highlighted by HMICFRS and the specific need for the understanding of external threat and risk, which then informs the strategic planning cycle.

The chair asked about the Constabulary leading the way on digital access to avoid officers having to return to station every time they want to check something on the systems.

The DCC explained about the work with Mark43 which is the development of an integrated records management and custody system. This is the first one in the country, very ambitious and aspirational, to give some reassurance around this system we are being supported by the National Public Contact Team and Police Digital Service, who have also provided funding towards this. Many other forces are taking a keen interest in how Cumbria are progressing with this. Secondly there is a laptop pilot scheme which is headed up by himself for response officers which will enable officers in vehicles to remain out in the public domain instead of driving back to station to do report writing tasks.

The chair then asked about appraisals Strength Based Conversations (SBC's) and how you bring the officers/staff with you during all this change?

The DCC explained that SBCs no longer exist as they were felt to be not the right way to go for the Constabulary and compliance was a very low 13%. These have now been replaced by Performance Development Reviews (PDR's) which cover the three main elements of performance appraisal i.e. :-

1. Contribution toward the strategy, aims and goals of the organisation.
2. Personal welfare, how are you?
3. Promotion, lateral development.

Since the introduction of the new PDR's the compliance rate has increased quite significantly.

A member then asked about policing the recent Appleby Fair?

The DCC explained that this was his first Appleby Fair and there had been pro-active policing with 200 fixed penalty notices, 70 stop searches and a number of arrests. Incidents shown on social media demonstrated the police acting in a very professional and calm manner when faced with a large crowd with hostile intent., overall a successful event.

A member asked about the cost in overtime for Appleby Fair compared with last year.

The JCFO explained that these figures were being pulled together now as overtime is paid a month in arrears so the exact figures for comparison are not yet available.

The CE gave the corporate update from the PCC's office starting with the business case for Fire Governance, which has been submitted to the Home Office. CIPFA had conducted an independent assessment at the end of May 2022, and they concluded that there was no reason to oppose the transfer of Fire Governance to a PFCC model. A briefing pack is being created for the Home Secretary, which will be sent Friday 24th June 2022 and a decision is expected from the Home Secretary before the summer recess.

The office is in the process of finalising the PCC Annual Report which will go to the Police & Crime Panel in July and to JAC in September.

Funding remains a key part of the work done by the OPCC, and this week further £268k of funding for domestic abuse and sexual violence has been secured.

The chair asked for clarification around date for the Fire Governance business case.

The CE explained that a decision from the Home Secretary is due before the summer recess and then if the Home Secretary agrees, the Statutory Instruments are laid down in November 2022 for implementation from 1st April 2023.

The JCFO gave a financial update, firstly on the year end position for 2021/22 showing a £500k underspend overall, however within this, the Constabulary were significantly overspent on police pay being a combination of changes to the workforce plan to deliver Operation Uplift, restructuring of ranks to give more supervisory roles to assist new officers and finally overtime due to the high amount of abstraction for training of the new PEQF officers. These overspends were offset by savings in non-police staffing costs and revenue budgets.

The underspend is also due to several budgets being set up for Covid recovery works but as Covid was still impacting Constabulary activities for most of 2021/22 the Constabulary was unable to move fully to the recovery stage, so these budgets have been moved to an earmarked reserve for covid recovery with the expectation that this will be spent in the 2022/23 financial year.

The JCFO then updated the Committee on the funding formula which is still being reviewed by the Home Office. The Constabulary have not received any further information as yet. Changes to the funding formula were due to be implemented in the financial year 2023/24 however this looks very much like it will be delayed and that could have a knock-on effect with any general election planned for 2024/25.

Finally the JCFO explained that he had been working on the business case for Fire Governance around the budget to ensure that the PCC receives the correct share of the County Council in relation to the Fire Service Budget. The Commissioner has stated that the bottom line is that this must be adequately funded, currently the OPCC have not been given exact figures.

A member asked about the controls on police office pay and overtime to ensure that they are sustainable.

The JCFO explained that the pay budgets are zero based each year and worked out from the work force plan, we are currently over establishment on Operation Uplift as the government are going to withhold funding if forces fail to meet these Uplift targets, so the Constabulary took the view to recruit more now to ensure that the overall targets were met by 31st March 2023 to avoid losing funding further down the line.

The DCFO gave a brief update on JAC recruitment, the recruitment has been open for two weeks and we have not had any applications to date. However, it could be seen that there were two open applications on the system yet to be completed. The closing date for applications is 4th July 2022.

717. INTERNAL AUDIT REPORT(S)

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

a) Resource Allocation/Workforce Planning (Constabulary) - May 2022

A member sought clarification over the recommendations on page 10 around documentation and capacity to undertake the role.

The JCFO explained that this process has been significantly enhanced and the current Head of People department, a serving police officer, has done a great deal of work to ensure that this is well documented and linked to the scheme of delegation and the JCFO is confident that there are good documentation processes in place.

b) Duties Management (Crown System) (Constabulary & OPCC) - May 22

The chair queried the management response “ The project ended formally on 30th April 2022, as a result there is no further work to be done” as this sounded very final for a new system. The JCFO explained that as a project it was complete, but as a service delivery item there is always more work to be done and C/Sup Carl Patrick oversees duties management and is constantly looking at ways to improve service delivery of the system.

c) Establishment Processes - Recruitment (Constabulary & OPCC) - May 2022

The chair asked if we are likely to meet the target by 31st March 2023?
The DCC explained that we currently have 1299 officers against a target of 1368 with forecast intakes of 150 new recruits and 14 transferees. The Constabulary also looks at numbers of potential leavers and those transferring out. The Home Office have introduced a moratorium on transferees from January to March 2023 to give Constabularies more stability in recruitment as we near the end of the uplift period.

A member asked about vetting checks of new officers.
The DCC gave assurance that the vetting process has been improved recently and there is a new system called “Core-Vet” which tracks the process of vetting.

ACTION, for the DCC to confirm in the March 2023 meeting that the target has been reached.

d) Business Transformation Project: Finance Phase 2 – (Constabulary) – May 2022

A member asked if this was linked to the overall changes currently going on within the organisation?
The JCFO explained that the business transformation project initially focused on changing and updating the Finance, Duties, HR, and Procurement systems and now the focus has moved to the realisation of the benefits of these new systems.

e) Financial Sustainability (Constabulary & OPCC) – June 2022

The HIA gave a brief update on this report and spoke about current inflation rates which were around 3.5% but are likely to hit around 11% and the impact this would have on the current budgets. The report also covered the amount of work moved to the Capital Programme and the sustainability after year 4 of the MTFF.

A member asked if the pension situation had been resolved?

The JCFO explained that following the McCloud judgement the pension remedy had been determined, however the question of who will cover the cost of this judgement remains unclear. Currently, the Constabulary pay an employers’ pensions contribution of 31% for each police officer which is usually reviewed every 3 years, the next review has however now been

delayed until the year 2024/25 and if that creates a significant increase then the question will again be whether the government fund this? This issue is still shown on the risk register and will remain there until resolution.

RESOLVED, that the reports be noted.

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

The JCFO presented the report, showing 16 actions in total, 6 are brought forward and 10 are new ones. Overall, 6 have been completed since the last meeting.

There are comments attached to each action shows their status.

A member was pleased to note that there were no overdue actions.

RESOLVED, that the reports be noted.

719. INTERNAL AUDIT - ANNUAL REPORT

The HIA updated the Committee on the Internal Audit Annual Report for 2021/22 which provides a summary of all the Internal Audit reports for the year and builds on the progress report brought to Committee during the year.

This report included the HIA opinion on the effectiveness of the PCC and the Chief Constable's arrangements for risk management, governance, and internal control in accordance with the requirements of the Public Sector Internal Audit Standards (PSIAS).

The HIA explained it has been a challenging year for Internal Audit in undertaking the reviews due to the ongoing covid issue and availability of key contacts for the reviews, however the frequency of meetings with the JCFO has helped significantly to advance the work to enable the team to complete the work.

The HIA thanked the JCFO for his time which was greatly appreciated.

The key points to note are both organisations achieved an overall rating of "reasonable assurance" which is a high level of assurance. The HIA reported that 93% of the reviews undertaken provided reasonable or substantive assurances compared with 85% in the previous year. The HIA also reported that sufficient work had been completed in order to provide these opinions with appropriate levels of coverage across both organisations. The HIA also reported that there were no threats to independence of Internal Audit to impact the opinions given.

Overall the HIA concluded that arrangements are operating effectively.

The HIA advised that this would be the last audit opinion from the Cumbria County Council Shared Internal Audit Team and said he wanted to thank the OPCC, Constabulary and the Committee for the positive feedback on how the work has been delivered over the years. The HIA stated that the overall satisfaction level has risen from 89% to 92%. The HIA finished by wishing the OPCC, Constabulary and the committee all the best as they move to a new internal audit provider.

A member was pleased to note not only the opinion but that all audits had been completed to provide the overall level of assurance given.

The Chair clarified that the recommendation of this report is set out in paragraph 3 and Committee are asked to note the items within.

The Chair then thanked the HIA, AM and their Internal Audit team for all the work done, this was then echoed by the JCFO, CE and DCFO on behalf of both the OPCC and Constabulary.

RESOLVED, that the report be noted.

Break 12:00 – 12:05

720. INTERNAL AUDIT REPORTS

The new EM from TIAA gave an overview of the following reports and apologised for the delays in starting audit work which were in part due to delay to vetting clearances for staff to attend sites, but these have now been resolved and work is well underway.

- a) To receive a report from the Internal Auditors the Summary Internal Controls Assurance (SICA) Report.

The chair asked where the briefing notes are made available?

The EM explained that all notes and reports are held on the client portal and there was no reason JAC members could not have access to this portal.

ACTION, for the DCFO to arrange access to the client portal for the Committee members.

- b) To receive the finalised Internal Audit plan for 2022/23.

The EM gave a brief overview of the Internal Audit plan for 2022/23, key points are around remote working and TIAA will look at each assignment to determine the best way to proceed as not all reviews can be done remotely.

The assurance grading is slightly different from the previous provider in that the levels are Substantial, Reasonable and Limited as opposed to Substantial, Reasonable, Partial and Limited.

A member asked if the plan is open to change should anything come from HMICFRS reports etc.

The EM confirmed that there is a half yearly review of the plan to ensure it is fit for purpose and the option to remove and add reports should the organisations feel it necessary.

A member asked if officers were happy with the new assurance grading as they are fewer than previous.

The JCFO agreed to investigate this further and report back to Committee.

ACTION, for the JCFO to check with OPCC and Constabulary that they are happy with the new assurance levels for Internal Audit.

RESOLVED, that the reports be noted.

721. EXTERNAL AUDIT PLAN

The EM gave an update to Committee on the External Audit Plan for 2021/22 and the key points to note are on pages 10 and 11 showing what external audit deem as high risk or significant areas on which to focus their work and testing. These include national issues, large areas of estimation uncertainty, including valuation of property, plant, and equipment (PPE) and the valuation of the pension fund and targeted work looking at journals for the potential of management override.

The materiality level which is currently set at just over £3m but will be reviewed again at the start of the final accounts work.

A member asked how we compare against other organisation around valuation of PPE and pensions to gain assurance that we are within the industry norm.

The EM confirmed that they receive a national report from a company Gerald Eve LLP who benchmark movement in asset valuation, to enable comparison to be made to ensure we are within the industry norms.

A member queried the increase in the number of improvements shown on the table page 3 and why it appears to be on an upward trend.

The EM explained that these were just the number of audits undertaken and the good point to note is that no audits in the last two years have required significant improvement.

RESOLVED, that the reports be noted.

722. RISK MANAGEMENT MONITORING

The CE gave a brief overview of the risk management monitoring report, this is regarding the oversight of the Constabulary to ensure that the correct risks are shown on both risk registers.

A member queried the lack of risk around LGR.

The CE confirmed that when the actual risk register is next presented to the Committee there will be a significant change to recognise the risks in relation to deemed necessary LGR.

A member commented on the funding formula and pension risk and was concerned about the values.

The JCFO explained that the Constabulary is fully aware and recognises the risk, however, until a decision is made by the government there is little that can be done.

The CE also confirmed that the pensions issue is a national issue and is spoken about at national PCC levels so there will be a great deal of lobbying from all quarters around this.

A member asked about continuous improvement from the OPCC as well as the Constabulary. The CE explained that like the Constabulary there is always an element of continuous improvement, and there have been 2 reviews into the role of PCCs, the second review has just come out and the world of PCCs is changing and looking at taking on more responsibility.

RESOLVED, that the reports be noted.

723. ANTI-FRAUD AND CORRUPTION ACTIVITIES

The CE gave a brief overview of the annual report into anti-fraud and corruption activity in line with the arrangements for anti-fraud and corruption.

Please to note that no incidents of fraud have been reported.

RESOLVED, that the reports be noted.

724. ETHICS AND INTEGRITY GOVERNANCE

The CE gave a brief overview on the annual report from the Ethics and Integrity Panel, which is brought to Committee every year. This is a critical panel for the OPCC, and the Constabulary and the report shows the scope of work looked at during the year. The panel are also looking at their roles with a view to improvements to how they can support the OPCC and Constabulary moving forward.

A member asked about the number of letters received by the PCC and was this higher or lower than in previous years, as the report does not show a comparison.

The CE confirmed that the trend is increasing, and this is in part due to the lack of face-to-face PCC surgeries due to the pandemic and also due to social media, the public find it much more acceptable to communicate in this way.

RESOLVED, that the reports be noted.

725. EFFECTIVENESS OF AUDIT

The DCFO updated the Committee on the report into Effectiveness of Audit.

The arrangements for audit support the Commissioner, the Chief Constable, and the Committee in placing reliance on the opinion of Internal Audit and the work and reports of the internal audit team. An effective internal audit system is a characteristic within the seven principles of the good governance framework.

CIPFA defines a system of internal audit as the entirety of the arrangement put in place by the entity including the oversight committee, therefore the report covers both the work on Internal Audit and that of the JAC Committee. Internal audit is reviewed on the basis of compliance with the Public Sector Internal Audit Standards.

Members of the committee are asked to consider this report and determine whether they are satisfied with the effectiveness of internal audit for the year ending 31st March 2022 and consider any areas where they might wish to make recommendations to the Commissioner and the Chief Constable for improvements for 2022/23.

A member sought clarification about point 2.7 page 3 which states “external auditor (Grant Thornton) advised that they no longer use the work of internal audit to assist with their own work” and felt this was incorrect.

The HIA explained that internal audit provides certain information to external audit that has been collated during the internal audit on Financial Sustainability to avoid the need for the DCFO and her team to have to provide the same information twice.

ACTION, for the DCFO to update the wording on point 2.7 to reflect the sharing of information already provided to internal audit to external audit.

The Chair confirmed that the JAC Committee are satisfied with the Effectiveness of Audit as of 31st March 2022. There are no recommendations to the Commissioner and the Chief Constable for improvement for 2022/23 other than to update them with a copy of the JAC Review of Effectiveness Action Plan 2022/23.

ACTION, to forward a copy of the JAC Review of Effectiveness Action Plan 2022/23 to the Commissioner and Chief Constable.

RESOLVED, that the reports be noted.

726. JOINT AUDIT COMMITTEE – REVIEW OF EFFECTIVENESS

The DCFO gave an overview of the report into the review of effectiveness of the Joint Audit Committee. This was changed last year to a biennial format with a 360° review being undertaken in odd years and a more formal report being undertaken in even years.

Guidance is contained with CIFPA publication around audit committees, practical guidance for local authorities and police which was update in 2018 and covers the four main areas:

- Core Committee Functions

- Wider Functions

- Independence and Accountability

- Membership and Effectiveness

In each area a self-assessment is carried with a score from 1 to 5 (5 being the highest) the Committee reached the highest level on each section indicating the highest level of effectiveness.

Page 3 has placeholder paragraphs to be completed following discussion at this meeting.

Once the report has been summarised the review of effectiveness is used to produce a more summarised annual report for the Committee and this report will be prepared and circulated before coming to Committee in September and then published on the JAC pages of the PCC website.

The Chair commented on the placeholder paragraphs on page 3 to say she would email the DCFO to discuss getting the wording correct and due to covid they were unable to attend the Police & Crime Panel meetings and other training/networking event but would look at providing further examples of effectiveness such as the Chairs attendance at the CIPFA training event.

A member commented that in 2021/22 the Committee were involved discussion into the preparation of the internal audit plan for 2022/23 as this could be used as an example of effectiveness.

RESOLVED, that the report be noted.

727. ANNUAL GOVERNANCE STATEMENTS

The JCFO gave an overview of the Annual Governance Statements and Codes of Corporate Governance, the covering report shows how the Annual Governance Statements and Codes of Corporate Governance demonstrate compliance with the Accounts and Audit Regulations.

The reports are produced in line with CIPFA Solace Good Governance Framework, which is best practice in this area, also linked to this are the areas of governance such as the work of Internal and External Audit, HMICFRS and other cyclical reviews such are Anti-fraud and Corruption and Schemes of Delegation.

The Committee are asked to review the documents and make any comments or recommendations to the Commissioner and the Chief Constable.

The Chair asked if these would be another review if Fire was to come on board.

The JCFO explained that this could cause a further set of governance documents to have to be produced making three Annual Governance Statements and three Codes of Corporate Governance.

The Annual Governance Statements look back and say how the PCC and CC have complied with the Codes of Corporate Governance set in the previous .

The Chair asked about the Action Plan for the CC as there is one for the PCC but not the CC. The JCFO explained that due to time constraints this has not been finalised in time for this meeting but would be shared with Committee in due course.

ACTION, for the JCFO to share the CC action from the Annual Governance Statement once finalised.

A member asked where the overall performance of the Constabulary is measured and shown. The DCC confirmed that this is done by the HMICFRS and reported as such.

The Chair confirmed that the Committee have reviewed the documents and do not have any recommendations to the Commissioner and the Chief Constable.

RESOLVED, that the reports be noted.

728. ANNUAL STATEMENT OF ACCOUNTS

The JCFO presented the Annual Statement of Accounts and the Narrative Statement for 2021/22 which show how the two sets of accounts interrelate.

These have been brought to Committee for comment on before being released subject to audit and will return in September following the work done by External Audit.

The JCFO has already received emails from two members with their comments on the accounts and these are being worked through.

The JCFO thanked the DCFO and her team for all their hard work in producing the final accounts. A member also wanted to acknowledge the amount of work undertaken in the production of the final accounts as they are an excellent piece of work.

A member also asked for clarity on the PCC Narrative Statement around possibility of Fire becoming part of the PCC's remit.

ACTION, for the CE to update the Narrative Statement regarding Fire provision.

The Chair confirmed that the Committee have reviewed the documents and do not have any recommendations to the Commissioner and the Chief Constable.

RESOLVED, that the reports be noted.

729. TREASURY MANAGEMENT ACTIVITIES

The DCFO provided an update on the Qtr4 position to 31st March 2022 and an overall summary for the year 2021/22 in relation to treasury management activity.

The report follows the standardised simplified format that members have previously received. The report shows income from investments of £9,000 falling just short of the £10,000 target and this is due to the very low bank interest rates. The average daily balances for investment over the year were £19.7 million and the average return on investments worked out at 0.05%, which is lower than the average base rate, but in line with the Commissioner's cautious approach to investment. The maximum daily investment was £34 million in early July when we received the Home Office pensions top up grant.

RESOLVED, that the report be noted.

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

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

Meeting ended at 13.20pm

Future JAC Meeting Dates (For Information)

21st September 2022 @ 10.30am – Conference Room 2/Microsoft Teams TBC

23rd November 2022 @ 10.30am – Conference Room 2/Microsoft Teams TBC

22nd March 2023 @ 10.30am – Conference Room 2/Microsoft Teams TBC

21st June 2023 @ 10.30– Conference Room 2/Microsoft Teams TBC

20th September 2023 @ 10.30– Conference Room 2/Microsoft Teams TBC

Future Police & Crime Panel Meeting Dates (For Information)

14 October 2022 – Conference Room A/B, Cumbria House, Botchergate, Carlisle, CA1 1RD

26 January 2023 – Council Chamber, County Offices, Kendal, LA9 4RQ

18 April 2023 - Conference Room A/B, Cumbria House, Botchergate, Carlisle, CA1 1RD

Signature _____

Date _____

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Joint Audit Committee – Action Update and Plan

Minute Item and date	Action to be taken	Person Responsible	Target Date	Comments	Status
694 (16/3/22)	Internal Audit – Progress Report	DCC	Jun 22	To update on the Benefits Delivery Process quarterly reporting to the management board June 2022 – A verbal update will be provided at the meeting on 22/06/22	Ongoing
715 (22/6/22)			Sep 22	September 2022 - To give a further verbal update at the meeting on 21/09/22	
699(b) (16/3/22)	Constabulary Scheme of Delegations	JCFO	Jun 22	To clarify the frequency of the boards June 2022 - A verbal update was provided at the meeting on 22/06/22. The new Scheme of Delegation will be brought to committee in November 2022 as per timetable - this action is now considered complete	Completed
713 (22/6/22)	Matters Arising	FSA	Sep 22	To update Minutes of the meeting held 16/3/22 Item 699 and Action plan to read, “CE to update the OPCC Scheme of Delegations to show the delegation of responsibility for the administration of the JAC Committee to the Constabulary and then to the DCFO” as the word administration had been omitted September 2022 - Minutes & Action Plan updated - this action is now considered complete	Completed
715 (22/6/22)	Action Plan	DCC	Sep 22	To give a further verbal update on the Benefits Delivery Process at the September meeting. September 2022 – A verbal update will be provided at the meeting.	Ongoing
715 (22/6/22)	Action Plan	FSA	Sep 22	To update the Joint Audit Committee, Review of Effectiveness Action Plan for 2022/23. July 2022 – The JAC action plan has been updated (see below).	Completed

Minute Item and date	Action to be taken	Person Responsible	Target Date	Comments	Status
715 (22/6/22)	Action Plan	DCC	Nov 22	To bring an update presentation on new corporate model, the operating model, governance to the Nov 2022 meeting. September 2022 - An update presentation will be provided at the November meeting.	Ongoing
717(c) (22/6/22)	Internal Audit Report - Establishment Processes - Recruitment (Constabulary & OPCC) - May 22	DCC	Mar 23	To confirm we have achieved the target for uplift officer by 31 st March 2023 September 2022 – As at 31/08/22 the headcount of police officers stood at 1295 against a uplift target number by 31/03/2023 of 1368. Further recruitments are planned and the estimated headcount at 31/03/23 is now 1405. This shows that the Constabulary is on track to recruit the required number of police officers. A further update will be provided at the November and March meetings.	Ongoing
720(a) (22/6/22)	Internal Audit Reports	DCFO	Sep 22	To arrange access to the client portal for the committee members. September 2022 – This will be discussed at collaborative board and an update provided.	Ongoing
720(b) (22/6/22)	Internal Audit Reports	JCFO	Sep 22	To check with OPCC and Constabulary that they are happy with the new assurance levels for Internal Audit August 2022 – Details of the change in internal audit report assurance gradings have been provided to the OPCC Executive Team and the Chief Officer Group. Any feedback received will be provided to the committee at the September meeting.	Completed
725 (22/6/22)	Effectiveness of Audit	DCFO	Sep 22	To update the wording on point 2.7 to reflect the sharing of information already provided to Internal Audit to External Audit August 2022 – The wording on the template report has been updated.	Ongoing
725 (22/6/22)	Effectiveness of Audit	DCFO	Sep 22	To forward a copy of the JAC Review of Effectiveness Action Plan 2022/23 to the Commissioner and Chief Constable August 2022 – A copy of the JAC action plan has been forwarded to the CC/PCC 08/08/22. If any comments come back the committee will be advised at the September meeting.	Complete

Minute Item and date	Action to be taken	Person Responsible	Target Date	Comments	Status
727 (22/6/22)	Annual Governance Statements	JCFO	Sep 22	To share the CC action from the Annual Governance Statement once finalised September 2022 – The action plan has been completed and is awaiting sign off from COG. Once approved the action plan will be circulated to members.	Ongoing
728(a) (22/6/22)	PCC Narrative Statement	CE/JCFO	Sep 22	To update the PCC Narrative Statement regarding Fire provision September 2022 – The narrative statement has been updated to include reference to fire and will be revisited in light of the Home Office decision before the SOA are finalised for the November meeting.	Ongoing

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

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

Joint Audit Committee



Peter McCall

Title: OPCC Risk Management Monitoring

Date: 5 September 2022

Agenda Item No: 07(a)

Originating Officer: Joanne Head, OPCC Governance Manager

CC:

Executive Summary:

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

Recommendation:

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

1. Introduction & Background

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

2. Issues for Consideration

Strategic Risk Register

2.1 Appended to this report at Appendix 1 is the OPCC's strategic risk register, which has been reviewed and updated since the last meeting of the Committee. There are 4 identified risks, these being:

- R1 - Strategic Finance
- R2 - The Emergency Services Mobile Communications Programme
- R3 – Insurance
- R4 – Fire and Rescue Governance

- 2.2 The scoring for R1 remains at 9. Current government funding protection is only provided in cash terms, requiring the Commissioner to meet inflation and other service pressures from increased precept or savings. The current level of inflation is raising concerns as to its impact on the budget, however the level of government funding in response to the increased costs is uncertain. This risk may be impacted as a result of the announcement that the Home Office intends to undertake a review of the Police Funding Formula, but its implementation date in 2023/24 now looks increasingly unlikely. This risk will be continually monitored as part of the budget and MTF setting process during the autumn.
- 2.3 R2 score remains at 12 following review as there is continued uncertainty on final costs. Financial modelling based on a national finance model has added a further £3m to the forecast capital cost of the project over 10 years.
- 2.4 Risk R3 re insurance remains on the strategic risk register. Recent insurance renewals have raised concerns that Cyber insurance may be difficult to procure in future. This has been awarded a total score of 8 and therefore been escalated. The insurance renewal tender exercise for autumn 2022 has commenced. The insurance renewal tender exercise for autumn 2022 is now well advanced.
- 2.5 Risk 4 re Fire Governance has been updated following the Home Secretary's decision at the beginning of August 2022. The OPCC continues to work with officials from the Home Office and DLUHC with regards all financial aspects to secure a sustainable budget for the Fire & Rescue Service from 2023 onwards.

Operational Risk Register

- 2.6 The OPCC has also reviewed its operational risk register, rationalising it to reflect the operational risks it faces. A review of the operational risk register is carried out on a quarterly basis with all staff being required to review their own risks and make any necessary changes and updates. The OPCC Executive Team consider both the strategic and operational risk registers every quarter as part of their meetings. A copy of the front sheet is attached at [Appendix 2](#). This illustrates whether the scores for the individual risks have risen, remained the same or decreased and assists the Committee to understand how the risks are managed.
- 2.7 A number of low scoring operational risks remain on the register, these being Risks 3 Financial Governance, Risk 4 Shared Services, and Risk 5 Asset management. They remain to show illustrated monitoring of these areas of business which are important to the OPCC's overall Governance regime.
- 2.8 There still remains a risk that staff could still contract COVID-19 infection, particularly as we head into the autumn and winter months when cold and flu infections rise. All staff have been advised that should they contract COVID 19 then they should work from home to avoid spread of the virus. The OPCC will ensure staff adhere to any updated recommendations or restrictions and its Business Continuity Plan would be invoked should a number of staff become ill at any one time.

- 2.10 The OPCC Chief Executive met with the Constabulary's Lead for Risk Management in early September 2022. This was as part of the OPCC's quarterly oversight of the Constabulary's strategic risks.
- 2.11 Discussions took place in relation to the two separate risk registers, the risks identified therein and any risks that may impact upon the other organisation which may need to be recorded within the relevant strategic risk register if it does not already appear. Both the OPCC and Constabulary's strategic risk registers retained risks in relation to Strategic Finance and ESMCP with appropriate scoring. The Constabulary will report further on their strategic risk register at the meeting.

3. Implications

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

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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
			Risk Owner	Action Owner			
R1	Strategic Finance	9 ↔	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 2022
R2	The Emergency Services Mobile Communications Programme (ESMCP)	12 ↔	Chief Executive	Chief Executive / Constabulary Lead Officer	No	Continue to monitor the national position and take appropriate actions to prepare for implementation.	December 2022
R3	Insurances	8 ↔	Chief Executive	Chief Finance Officer	Yes	Update September 2022 The insurance renewal tender exercise for autumn 2022 is well advanced.	November 2022
R4	Fire & Rescue Service Governance	12 ↑	Chief Executive	Joint Chief Finance Officer	Yes	The OPCC continues to work with officials from the Home Office and DLUHC with regards all financial aspects to secure a sustainable budget for the Fire & Rescue Service from 2023 onwards	October 2022

Scores:

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

POLICING AND CRIME OBJECTIVES



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

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

What is the cause of the risk? (Lack offailure to.....)	What is the consequence of the described risk? (Results in.....leads to.....)	Unmitigated Score			Mitigated Score			Risk Owner & Mitigation Strategy (Avoid, reduce, transfer, accept)	Current Controls in Place to Mitigate the Risk	Actions			Action Owner(s)	Review Date
		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score			Assurances	Future or further actions to be taken			
Reduction in real term resources within the medium term time horizon to provide sufficient funding for the Commissioner and Constabulary to deliver current levels of policing service. Current government funding protection is only provided in cash terms, requiring the Commissioner to meet inflation and other service pressures from increased precept or savings. This risk may be impacted as a result of the announcement that the Home Office intends to undertake a review of the Police Funding Formula for implementation in 2023/24, but as the make-up of the formula are unknown at this stage the risk score has not been amended.	This risk may lead to a reduction in the level of police services and/or result in Cumbria Constabulary not being viable as an independent force. Alternative options for delivering a police service in Cumbria may have to be considered. This may impact on the extent to which services respond to local needs in Cumbria. During the period of change there may be reductions in public assurance/confidence.	4	4	16	3	3	9	Chief Executive (Reduce)	The budget and medium term financial forecast (MTFF) are reviewed and updated on a regular basis. The budget has been balanced in the short term and reserves provide additional security. Both the 2020/21 and 2021/22 grant settlements were more favourable than expected providing appropriate funding for additional officers recruited as part of Operation Uplift and continued flexibility to raise council tax. However, this does not fully alleviate the longer-term concerns regarding the sustainability of Government funding and in particular the impact of increasing inflationary pressures. On balance the short-term risk has been left unchanged despite current levels of inflation	Budget monitoring processes and internal controls are in place to manage financial commitments. The financial control environment is tested annually by internal and external audit. HMIC Peel inspections and external auditors review overall financial resilience and the track record of delivering savings. The most recent audit review of preparedness for funding cuts provided reasonable assurance.	Continued review of the MTFF as part of the budgeting process. Further development and refinement of savings options in conjunction with the Constabulary.	Chief Finance Officer	December 2022	

									as the level of government support is uncertain at this point. This risk will be subject to continual monitoring during the budget and MTF setting process through the autumn.				
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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 Focus on Crime & Causes of Crime; 2 Visible & Effective Police Presence; 4 Preventing Offending & Reducing Reoffending; 6 Ensure the Police are at the Forefront of the Response; 7 Integrating Blue Light Services
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Risk Mitigation Strategies:	
Avoid	Stop the risk completely or stop it having an impact.
Reduce	Reduce the likelihood and/or impact of the risk
Transfer	Outsource, use contractors or insure against things going wrong
Accept	The risk is tolerable/accepted

Risk Score	Impact	Likelihood – over the next 4 years
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What is the cause of the risk? (Lack offailure to.....)	What is the consequence of the described risk? (Results in.....leads to.....)	Unmitigated Score			Mitigated Score			Risk Owner & Mitigation Strategy (Avoid, reduce, transfer, accept)	Actions				Action Owner(s)	Review Date
		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		Current Controls in Place to Mitigate the Risk	Assurances	Future or further actions to be taken			
The Emergency Services Mobile Communications Programme (ESMCP) is a collaboration between the police, fire and ambulance Emergency Services (3ES) in England, Scotland and Wales to replace the existing mobile radio system known as Airwave. ESCMP will deliver the Emergency Services Network (ESN) which will provide integrated critical voice and broadband data over an enhanced 4G commercial network. This is a significant project. At the present time there are concerns around cost, coverage and timescales for delivery, which has been subject to a series of delays. Recent cost updates have indicated that forces will have to meet an increased share of the cost, hence an increase in the risk score.	This risk may result in significant additional costs and coverage issues may impact upon the Commissioner's ability to ensure Cumbria has an efficient and effective policing service, which could lead to reputational risk.	4	3	12	4	3	12	Chief Executive (Reduce)	The Commissioner is working regionally with other 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 Nov 2021 Continued uncertainty on final costs. Firmer indications are that the project will go ahead, is picking up pace and will progress. However cost and operational risk are continuing to increase. Update Feb 2022 Financial modelling based on a national finance model has added a further £3m to the forecast capital cost of the project over 10 years.	Chief Executive	December 2022	

Risk Number: R3 (Op 06)	Risk Title: Insurances	The Commissioner and Chief Constable take out insurance to transfer the financial risks in respect of a range of liabilities/risks including public and employee liability, assets, investment fraud. Police & Crime Plan Objectives: 2 Visible & Effective Police Presence; 6 Ensuring the Police are at the Forefront of the Response
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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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3	High	Will probably happen, but not a persistent issue
4	Very High	Will undoubtedly happen, possibly frequently

What is the cause of the risk? (Lack offailure to.....)	What is the consequence of the described risk? (Results in.....leads to.....)	Unmitigated Score			Mitigated Score			Risk Owner & Mitigation Strategy (Avoid, reduce, transfer, accept)	Actions				Review Date
		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		Current Controls in Place to Mitigate the Risk	Assurances	Future or further actions to be taken	Action Owner(s)	
Failure to adequately insure the organisation against all of the risks that it faces and/or failure to procure sufficient insurance cover/failure of the insurance provider	Potential significant financial implications should either the insurer fail commercially or the insurance cover taken fall short of the full liability incurred	4	2	8	4	2	8	Chief Executive Reduce/Accept	An insurance broker is procured to provide specialist advice on the level of cover. Broker advice includes a rating for the financial stability of the insurance provider. Deputy CFO provides detailed insurance schedules to ensure broker and insurers have a full understanding of the business and risks. Business managers in specialist areas are asked to advise on options regarding additional/bespoke insurance policies. Annual report from the Director of Legal in respect of significant public and employee liability claims.	Bi-annual external actuarial review of levels of insurance liability against existing provision and reserves. Decisions on level of cover and whether to self-insure are taken for review to the Executive Board and determined by the Commissioner and Chief Constable providing further scrutiny. Recent insurance renewals have raised concerns that Cyber insurance may be difficult to procure in future. Negotiations are on-going.	Update Feb 2022 The insurance renewal tender exercise for autumn 2022 is well advanced.	Chief Finance Officer	November 2022

Risk Number: R4 (Project R3)	Risk Title: Fire & Rescue Governance	Police & Crime Plan Objective 7 – Integrate Blue Light Services	<ul style="list-style-type: none"> Continue to build relationships between blue light services (Police, Fire and Ambulance services) to ensure they are run as efficiently as possible Understand the implications of Local Government Reorganisation for policing and other local services
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Risk Mitigation Strategies:	
Avoid	Stop the risk completely or stop it having an impact.
Reduce	Reduce the likelihood and/or impact of the risk
Transfer	Outsource, use contractors or insure against things going wrong
Accept	The risk is tolerable/accepted

Risk Score	Impact	Likelihood – over the next 4 years
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4	Very High	Will undoubtedly happen, possibly frequently

What is the cause of the risk? (Lack offailure to.....)	What is the consequence of the described risk? (Results in.....leads to.....)	Unmitigated Score			Mitigated Score			Risk Owner & Mitigation Strategy (Avoid, reduce, transfer, accept)	Actions				Action Owner(s)	Review Date
		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		Current Controls in Place to Mitigate the Risk	Assurances	Future or further actions to be taken			
There is a risk that the final Fire & Rescue Service budget agreed with Cumbria County Council is lower than estimated in the business case. This risk has been revised following the Home Secretary's decision at the beginning of August 2022	This will result in a reduction in the revenue budget available for the Fire & Rescue Service, which will impact on the level of borrowing required to finance an annual capital programme.	4	4	16	4	3	12	Reduce	The OPCC Chief Executive Team and Chief Fire Officer are engaged in ongoing discussions with Cumbria County Council. The disaggregation of the County Council's budget will be approved by the end of September 2022. The OPCC Chief Executive Team has liaised with officials in the Home Office and Department for Levelling Up, Housing & Communities (DLUHC) to gain assurances on the budget.	The Commissioner's Chief Finance Officer has undertaken a financial due diligence exercise, using Cumbria County Council's 2021/2022 financial outturn and details of the 2022/2023 budget, to identify a draft budget for the Fire & Rescue Service for 2023/2024 and a Mid-term Financial Forecast. The assessment shows the budget is affordable. This information is being used to inform negotiations with the County Council.	The OPCC continues to work with officials from the Home Office and DLUHC with regards all financial aspects to secure a sustainable budget for the Fire & Rescue Service from 2023 onwards	Chief Executive Team	October 2022	

OFFICE OF THE POLICE & CRIME COMMISSIONER – OPERATIONAL RISK REGISTER

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

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

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

			Risk Owner		Actions		Reviews
Risk No.	Risk Title	Total Score (direction of travel)	Risk Owner	Action Owner	Any outstanding actions YES/NO	Actions and dates to be completed	Date of review
FINANCE							
01	Budget Management	6 ↔	Joint Chief Finance Officer	Deputy CFO	No	Current forecasts indicate expenditure for 2021/22 is broadly on budget.	December 2022
02	Investment Counterparty Risk	3 ↔	Joint Chief Finance Officer	Deputy CFO	No	None	December 2022
03	Financial Governance	2 ↔	Joint Chief Finance Officer	Deputy CFO	No	None	December 2022
04	Shared Services	2 ↔	Chief Executive	Deputy Chief Executive	No	Governance agreements will be reviewed on an on-going basis.	December 2022
05	Asset Management	2 ↔	Chief Executive	Chief Finance Officer	No	None	December 2022
06	Insurance	8 ↔	Chief Executive	Chief Finance Officer	No	None	November 2022
PARTNERSHIPS & COMMISSIONING							
08	Partnerships & Collaboration	6 ↔	Chief Executive	Partnerships and Strategy Manager	Yes	Funding requirements are being shared with Shadow Authority Leaders/Chief Executives to feed into their budget decision process. The new ICBs (former CCGs) are being engaged to establish their position on funding from April 2023. Current contracts run until March 2023 (except for the SARC which has confirmed funding).	December 2022
COMMUNICATION AND BUSINESS SERVICES							
13	OPCC Business Disruption	3 ↔	Chief Executive	Governance Manager	No		March 2023

POLICING AND CRIME OBJECTIVES



Risk Number: 01	Risk Title: Budget Management	Budget management concerns the arrangements for monitoring and reviewing our actual expenditure against the budget and taking corrective action to manage areas of under or overspend. Police & Crime Plan Objectives –1 Focus on Crime & Causes of Crime; 2 Visible & Effective Police Presence; 3 Focus on Victims; 4 Prevent Offending & Reduce Reoffending; 5 Be the Voice of the Public; 6 Ensuring the Police are at the Forefront of the Response; 7 Integrating Blue Light Services
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Risk Mitigation Strategies:	
Avoid	Stop the risk completely or stop it having an impact.
Reduce	Reduce the likelihood and/or impact of the risk
Transfer	Outsource, use contractors or insure against things going wrong
Accept	The risk is tolerable/accepted

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

What is the cause of the risk? (Lack offailure to.....)	What is the consequence of the described risk? (Results in.....leads to.....)	Unmitigated Score			Mitigated Score			Risk Owner & Mitigation Strategy (Avoid, reduce, transfer, accept)	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			
Failure to effectively manage budgets resulting in under or overspend	Reputational damage Financial pressures resulting in the need to cease services or recruitment Failure to deliver services. Unanticipated draw down of reserves.	3	4	12	3	2	6	Joint Chief Finance Officer Reduce	Robust budget setting and monitoring arrangements. Named budget owners for all budget lines. Close working between finance and all departments within the Constabulary, including People, to identify deviations from budget at an early stage and take corrective action. Regular financial reporting. Financial Regulations Use of Reserves.	Financial regulations reviewed by JASC External and internal audit reviews of budget management have consistently given a minimum of reasonable assurance.	Current forecasts indicate expenditure for 2021/22 is broadly on budget.	Joint CFO in conjunction with PCC & COG	December 2022	

Risk Number: 02	Risk Title: Investment Counterparty Risk	We invest with a number of counterparties to provide security and returns on the cash balances we hold as a result of having reserves and timing differences between our income and expenditure Police & Crime Plan Objectives – 1 Your Priorities for Cumbria / 2 A Visible and Effective Police Presence / 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
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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			
There is risk that the counterparty we invest in fails or under banking regulations is required to restructure capital, resulting in the loss of our investment or a reduction in value	Reputational damage – there may be an assumption that our treasury management activities have not been carried out responsibly. Financial loss – a complete or partial loss of the funds invested.	4	2	8	3	1	3	Chief Finance Officer Reduce	Procurement of external specialist advisors on counterparty risk Spread of investment and limits for investment categories and individual counterparties in the treasury management strategy Controls over authorisation of investments Compliance with the CIPFA code for Treasury Management. Monitoring of TM Activity	Internal Audit of TM function JAC review the strategy & activity reports External audit of year end balances		Deputy CFO	December 2022	

Risk Number: 03	Risk Title: Financial Governance	A number of financial governance arrangements are in place to ensure the proper administration of financial affairs. This includes financial regulations, financial rules and structural governance e.g. CFO, Deputy CFO, JASC, audit. It is basically a framework for robust financial control and rules supported by checks and balances that ensure it is operating effectively. Police & Crime Plan Objectives –1 Focus on Crime & Causes of Crime; 2 Visible & Effective Police Presence; 3 Focus on Victims; 4 Prevent Offending & Reduce Reoffending; 6 Ensuring the Police are at the Forefront of the Response; 7 Integrating Blue Light Services
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		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		Current Controls in Place to Mitigate the Risk	Assurances	Future or further actions to be taken			
A failure in financial governance	Reputational damage Potential Financial loss Unlawful expenditure	4	4	16	2	1	2	CFO Reduce & transfer	Arrangements for financial governance as detailed in the Code of Corporate Governance, Financial Regulations and Financial Rules.	Internal and external audit reports. Annual Governance Statement subject to audit Internal and External Audit Management assurances on systems and processes. Specific insurance for fraud risk on investments		Deputy CFO	December 2022	

Risk Number: 04	Risk Title: Shared Services	The OPCC is dependent on partner organisations for a number of key support services to enable it to deliver its functions. This includes legal services, financial services inc internal audit, HR, procurement and estates. Police & Crime Plan Objectives - Police & Crime Plan Objectives – 1 Focus on Crime & Causes of Crime; 2 Visible & Effective Police Presence; 3 Focus on Victims; 4 Prevent Offending & Reduce Reoffending; 5 Be the Voice of the Public; 6 Ensuring the Police are at the Forefront of the Response; 7 Integrating Blue Light Services
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Failure of the partner organisation to deliver a sufficiently qualitative and responsive service.	Lack of sufficiently/timely/robust information has implications regarding the ability to make decisions, potential risk regarding the quality of decision making In some cases areas of work may not be able to be delivered.	3	1	4	2	1	2	Chief Executive	Shared Service Agreement & Annual Resource Planning with Audit NW employers subscription (HR) Named on legal frameworks/OPCC networks CC Funding agreements includes controls on resource changes to support services	Progress on the annual audit plan is monitored by JAC/CFO attends shared service board meetings The Joint CFO has statutory decision making powers in respect of finance resources	Governance agreements will be reviewed on an on-going basis.	Deputy Chief Executive	December 2022	

Risk Number: 05	Risk Title: Asset Management	The Commissioner is the owner of all capital assets procured and used by the commissioner and the constabulary – the estate, ICT, and fleet. The Constabulary on behalf of the Commissioner manages assets. Police & Crime Plan Objectives - 1 Focus on Crime & Causes of Crime; 2 Visible & Effective Police Presence; 4 Prevent Offending & Reduce Reoffending; 6 Ensuring the Police are at the Forefront of the Response; 7 Integrating Blue Light Services
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		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		Current Controls in Place to Mitigate the Risk	Assurances	Future or further actions to be taken			
Failure of the Constabulary to manage the commissioner’s assets resulting in breach of regulations and/or public/employee liability, loss or damage to the asset, failure to secure value for money from the use of assets	Accident or injury by employee or the public resulting from use of inadequately maintained assets Loss/damage to the asset as a result of inadequate security/management of the asset. Financial and reputational implications regarding the use of public money.	3	1	4	2	1	2	Chief Executive Reduce Transfer	Public and employer liability Insurance Insurance for fleet, estates and ICT assets Insurance reserve and provision Financial regulations include rules for managing assets – including authorisation for write off CC Funding agreement places requirements on the CC with regard to asset management and security. Responsibilities for asset management are outlined in budget protocols.	Procurement of a broker to provide professional advice on insurance Bi-annual actuarial review of levels of insurance liability Internal audit of asset management/asset safeguarding		Chief Finance Officer	December 2022	

Risk Number: 06	Risk Title: Insurances	The Commissioner and Chief Constable take out insurance to transfer the financial risks in respect of a range of liabilities/risks including public and employee liability, assets, investment fraud. Police & Crime Plan Objectives -
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Failure to adequately insure the organisation against all of the risks that it faces and/or failure to procure sufficient insurance cover/failure of the insurance provider	Potential significant financial implications should either the insurer fail commercially or the insurance cover taken fall short of the full liability incurred	4	2	8	4	2	8	Chief Executive Reduce/Accept	An insurance broker is procured to provide specialist advice on the level of cover. Broker advice includes a rating for the financial stability of the insurance provider. Deputy CFO provides detailed insurance schedules to ensure broker and insurers have a full understanding of the business and risks Business managers in specialist areas are asked to advise on options regarding additional/bespoke insurance policies Annual report from the Director of Legal in respect of significant public and employee liability claims.	Bi-annual external actuarial review of levels of insurance liability against existing provision and reserves. Decisions on level of cover and whether to self-insure are taken for review to the Executive Board and determined by the Commissioner and Chief Constable providing further scrutiny. Recent insurance renewals have raised concerns that Cyber insurance may be difficult to procure in future. Negotiations are on-going.	Update Feb 2022 The insurance renewal tender exercise for autumn 2022 has commenced.	Chief Finance Officer	November 2022	

Risk Number: 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 Focus on Crime & Causes of Crime; 2 Visible & Effective Police Presence; 3 Focus on Victims; 4 Prevent Offending & Reduce Reoffending; 5 Be the Voice of the Public on Policing Matters; 6 Ensuring the Police are at the Forefront of the Response; 7 Integrating Blue Light Services
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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	2	6	Chief Executive	Funding has been agreed for the 3 years until March 2023. The funding has been reduced / tapered from 2020/21 to 2022/2023 with a loss of £30,000 in 2021/22 & £60,000 in 2022/23 but has been secured for the duration. Following market feedback on the potential cost of a SARC service, both the OPCC and NHSE&I agreed increased funding from 2022-23 and the contract has successfully been put in place until March 2026, the lead contract responsibility transferred to NHS England. A report submitted to Safer Cumbria Board put the funding position on their radar and gave advice on next steps.	Executive Team	A report detailing the funding requirement and options is being prepared for discussion with Shadow Authority Leaders and Chief Executives, in good time to feed into their budget discussions. The new ICBs (former CCGs) are being engaged to establish their position on funding from April 2023. Current contracts run until March 2023 (except for the SARC which has confirmed funding). If required, notice will be given on relevant contract(s) and a plan agreed.	Partnerships and Strategy Manager	Dec 2022

Risk Number: 13	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 Focus on Crime & Causes of Crime; 2 Visible & Effective Police Presence; 3 Focus on Victims; 4 Prevent Offending & Reduce Reoffending; 5 Be the Voice of the Public on Policing Matters; 6 Ensuring the Police are at the Forefront of the Response; 7 Integrating Blue Light Services
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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			
There is a risk that the continuing risk from COVID-19 infection could result in staff sickness, particularly coming into the autumn and winter.	This may result in the PCC/OPCC being unable to carry out all of its functions for short or prolonged periods of time	3	2	6	3	1	3	Chief Executive	<p>Agile working enables staff to work from home using personal issue laptops. Access to systems and ability to hold meetings has been carried out successfully since March 2020.</p> <p>The OPCC has a current Business Continuity Plan which deals with staff absence and ensuring that functions are still carried out.</p> <p>8.8.22 - COVID restrictions have been removed an although there was a spike in cases during June & July attributed to the Platinum Jubilee celebrates, case numbers are falling again.</p>	<p>The majority of OPCC staff have received full or booster vaccination depending on their age.</p> <p>Office space has been designed to allow appropriate distance between staff when they are working within the OPCC office suite.</p> <p>All OPCC staff are advised to work from home to avoid infecting other members of staff. Similar to cold/flu advice.</p>	<p>The OPCC Exec Team are kept up to date with any major developments in relation to the pandemic.</p> <p>Risks will be reviewed again as we enter the autumn and winter periods of 2022/23 to assess any actions necessary.</p>	Governance Manager	March 2023	

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Joint Audit Committee

TITLE OF REPORT: Constabulary Risk Management Update

DATE OF MEETING: 21st September 2022

ORIGINATING OFFICER: Julie Johnstone Standards, Insight and Performance Command

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

Executive Summary:

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

As part of this process, quarterly quality assurance checks of all departmental and operational risk registers are completed, to ensure that risk is effectively managed across the organisation. COG also receive quarterly updates which include a review of the strategic risk register. Since the last update provided to the Joint Audit Committee in March 2022, COG have reviewed the Constabulary's Strategic Risk Register twice (in May 2022, and again in September 2022).

At these meetings COG agreed the following changes to the Constabulary's Strategic Risk Register:

- Three new risks to be added in relation to Local Government Reform; TP Resourcing; and Deployable AFO Resilience.
- Risk 42 (Covid) - reduce the likelihood score from 3 to 2
- Reduce the impact and likelihood scores of Risk 47 (Analytical resources) to 3 as recruitment of additional analysts is nearly complete.
- Amend the wording of Risk 48 (ESMCP and ESN potentially breaching the Constabulary's risk capacity) to include device availability as an additional cause to device security.

Recommendations:

That the Joint Audit Committee:

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

MAIN SECTION

1. Introduction and Background

1.1 Strategic Risks

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

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

Strategic risks are those affecting the medium to long term objectives of the Constabulary and are the key, high level and most critical risks that the Constabulary faces. Best practice indicates that the number should be between 5 and 10. Currently the Constabulary has 11 strategic risks.

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

1. Tackling criminality
2. Helping those in need
3. Connecting with communities

The strategic risks identified by the Constabulary are concerned with:

1. The implications of longer-term reduction in budget and the level of savings required.
2. Failure to deliver Cumbria Vision 25 and its associated efficiency plan.
3. Covid-19.
4. Serious Crime within the Constabulary will not be investigated by trained and accredited PIP 2 detectives.
5. Capacity and capability of the analytical resource in the force is insufficient to meet demand, and key strategic products are not being produced.
6. ESMCP and ESN potentially breaching the Constabulary's risk capacity due to unknowns around device security, device availability, H&S concerns, and the availability of in-building coverage.
7. ESMCP and ESN potentially breaching what the Constabulary would consider acceptable levels of service provision.
8. Force capital and revenue costs will not sustain the implementation, maintenance, and operational change of ESMCP.
9. Local Government Reform.
10. TP Resourcing unable to meet demand levels.
11. Lack of deployable AFO resilience.

The table on page three outlines the Constabulary's eleven 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	Current Impact	Current 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	<p>There may be a detrimental and significant impact on the available budget and a requirement for substantially increased savings, as a result of:</p> <ul style="list-style-type: none"> • a combination of the inflationary pressures on police budgets particularly pay • the lack of provision for inflation in Government grant allocation • proposed changes to police pension contributions • the impact of national projects and initiatives such as ESN and PEQF, and • potential changes to the police funding formula (including the removal of dampening funding) <p>This would result in a compromise to public safety, significant loss of public confidence and serious damage to the Constabulary's reputation.</p>	High	High	25	16	All	The financial outlook is broadly as previously articulated in the MTF. Budget pressures through overtime and inflation continue to grow. The police pay award is higher than budgeted but will be funded in the short term by Government but has triggered a re-opening of the police staff pay negotiation and may have a longer-term financial implication. There are concerns regarding the potential impact of rising inflation on the Constabulary budget. However, the extent to which additional support will be received from the government is currently uncertain. This risk will be subject to continual monitoring as part of the budget and MTF setting process for 2023/24.
2	Director of Corporate	The Constabulary may not have the capacity to deliver the	High	High	10	16	All	Review of 21/22 efficiency plan completed and updated at the Strategy Day.

Risk Ref No	Responsible Officer(s)	Risk Description	Current Impact	Current Likelihood	Score before mitigation	Latest Score	Link to Strategic Objectives	Summary of mitigating actions already taken - update
	Improvement & Director of Corporate Support	Cumbria Vision 25 and its associated Efficiency Plans. If this risk occurs the Constabulary would have to find further savings.						Review meetings with ACC and a number of Commands held to identify potential efficiency areas. Plan updated to reflect impact of investment and savings decisions made. Working with ACO and CFO, forward efficiency plan to be developed as part of development of new budget planning cycle following introduction of new target operating model.
53 NEW	Supt Operations	The Constabulary is unable to effectively supply the requisite number of ARVs caused by a lack of deployable AFO resilience due to vacancies. This would result in a detrimental impact on officer wellbeing, and cover being backfilled from TSG to find the resource. This has a knock-on effect for TSG capability.	High	High	16	16	All	All available AFO officers including TSG AFO's are being effectively utilised to provide effective daily ARV cover, but this remains at a significant overtime cost. Plans have been identified to rectify the situation with requests via Op Uplift, a review of the operational structure and set up in line with the APSTRA and 3 yr departmental plan.
46	Det Supt Crime	Serious Crime within the Constabulary might not be investigated by trained and accredited PIP 2 detectives, caused by an insufficient number, which may result in a poor service to victims, staff welfare concerns, and reputational damage.	High	Medium	12	12	All	We still continue to only have 33% of our FTE establishment at DC level trained/accredited on our frontline CAST. Although mitigation in the form of transferees, direct entry detective recruitment and the lift of the embargo from response, a PIP2 COURSE in the coming months will all improve the situation, this is not yet a reality.
50	ESMCP Programme Executive	Risk that Force capital and revenue costs will not sustain the implementation, maintenance and operational change of ESMCP, caused by the financial	High	Medium	12	12	All	There is a minimum of 13 months delay. However, the mobilisation date remains as Q2 2023. This fixed date introduces uncertainty and prevents the project from truly reassessing and realigning budgets.

Risk Ref No	Responsible Officer(s)	Risk Description	Current Impact	Current Likelihood	Score before mitigation	Latest Score	Link to Strategic Objectives	Summary of mitigating actions already taken - update
		benefits suggested by Home Office ESMCP not being realised and a potential increase in operational resources, equipment and fleet.						
51 NEW	DCC	As a result of local government reform multi-agency / partnership working will need to be redefined; existing relationships could be lost, and mismanagement of information may occur during the changeover period. This is the realigning of council boundaries in moving to 2 unitary authorities and could result in lack of information sharing and vulnerable people being exposed to an increased risk of harm.	High	Medium	20	12	All	<p>Continue to support the OPCC with the CFRS governance work and enabled services. Provide constabulary SMEs to work with their counterparts to work up detailed assessments in their areas of expertise.</p> <p>Work with partners to create business cases to present to elected members around partnership arrangements.</p> <p>Deliver a new operating model that will ensure performance and accountability using a BCU structure. This went live on Monday 5th September. Numerous benefits are expected to be realised including more effective management to threat harm and risk.</p>
52 NEW		TP resourcing is unable to meet demand levels with the potential that we fail to resource calls for service. This is caused by PEQF abstraction rates; high numbers of movements to other departments; mutual aid requests; increased training abstractions; organisational restructure. It could result in loss of public confidence, and reputational damage to the	High	Medium	16	12	All	<p>In April 2022, ACC Blackwell agreed suspending movement of resources from TP until Sept 22. In addition:</p> <ul style="list-style-type: none"> • A number of mutual aid requests have been refused. • There have been Increased abstractions from Neighbourhood Policing and proactive resources. • Increased investment has been made in Duties Management. • A Gold Resourcing Group has been set up, chaired by ACC. • A number of moves have been completed county-wide to balance numbers.

Risk Ref No	Responsible Officer(s)	Risk Description	Current Impact	Current Likelihood	Score before mitigation	Latest Score	Link to Strategic Objectives	Summary of mitigating actions already taken - update
		Constabulary. Damage to officer wellbeing and organisational risk around retention of officers. Financial cost in increased overtime payments. Reduction in performance and compliance. Restricted capability in neighbourhood policing. Increased pressure on duties management and reduced levels of service to the public and partners.						<ul style="list-style-type: none"> • ICIDP and Transferee intakes have been initiated to reduce PEQF abstractions. • RSL numbers have been reviewed. • Crime allocation policy is being reviewed. • Force wide Laptop rollout is taking place. • Shift Patterns review completed and new shift Pattern on track for October. • Backfill from other departments has been planned on specified dates. • Additional support has been provided by the Special Constabulary. • Training and abstractions have been reduced where possible.
42	ACC	The Constabulary is unable to maintain business as usual through the high abstraction of staff; procurement constraints, and change in demand profile, caused by the spread of Covid-19 This would result in the Constabulary diverting resources to maintain core functions.	Very High	Low	25	10	All	In July Covid 19 sickness absence was only 1% of overall absence (5.5%) consisting of 20 cases (12 officers, 8 staff, and 1 PCSO). The situation will continue to be monitored; however it is expected that the spread of the virus will reduce when school term time ends. There is an established Gold and Tactical Group to co-ordinate any required response should the situation change.
47	Temp Ch Supt, Commander Standards, Insight and Performance	Insufficient capacity and capability of analytical resource to meet demand and key strategic products.	Medium	Medium	20	9	All	Recruitment of the increase in analytical posts agreed by COG to mitigate the risks identified is almost complete. There are two posts being advertised in the next couple of weeks and, once those posts are filled and candidates vetted (anticipated mid-late October), that will conclude the recruitment exercise. There are also on-going discussions with COG over more senior analytical posts required in support of the new force structure.

Risk Ref No	Responsible Officer(s)	Risk Description	Current Impact	Current Likelihood	Score before mitigation	Latest Score	Link to Strategic Objectives	Summary of mitigating actions already taken - update
48	ESMCP Programme Executive	ESMCP and ESN have the potential to breach the Constabulary's risk capacity, caused by unknowns around the device security, device availability, H&S concerns, and the availability of in-building coverage.	Medium	Medium	9	9	All	As mentioned in Risk 50, there is a minimum of 13 months delay to the project. On 12 th September 2022, GOG agreed to amend the wording of this risk slightly, to include device availability as an additional cause.
49	ESMCP Programme Executive	ESMCP and ESN have the potential to breach what the Constabulary would consider as acceptable levels of service provision, caused by insufficient capacity, lack of network & service availability, limited availability of extended area service (EAS).	Medium	Medium	9	9	All	The project is expecting to undertake assessment of critical operational locations in Q3 and Q4 2022.

Risk Tolerance Levels

<p>Risk Score 1-4 Acceptable. No action is required but continue monitoring.</p>	<p>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.</p>	<p>Risk Score 15-25 Unacceptable. Urgent attention is required. Investigate and take steps to mitigate or avoid within a specified short term.</p>
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1.2 Drivers for Change

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

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

1.3 Consultation processes conducted or which needs to be conducted

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

1.4 Impact assessments and implications on services delivered

Not applicable- described in the risk register where appropriate.

1.5 Timescales for decision required

Not applicable to this report.

1.6 Internal or external communications required

None.

2. Financial Implications and Comments

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

3. Legal Implications and Comments

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

4. Risk Implications

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

5. HR / Equality Implications and Comments

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

6. ICT Implications and Comments

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

7. Procurement Implications and Comments

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

8. Supplementary Information

8.1 List any relevant documents and attach to report

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

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

Risk Scoring Matrix

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

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

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

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Police and Crime Commissioner for Cumbria and Cumbria Constabulary

Summary Internal Controls Assurance (SICA) Report

2022/23

September 2022

Summary Internal Controls Assurance

Introduction

1. This summary controls assurance report provides the Joint Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work as at 9th September 2022.

Emerging Governance, Risk and Internal Control Related Issues

2. According to the United Nations (UN) World Commission on Environment and Development, environmental sustainability is about acting in a way that ensures future generations have the natural resources available to live an equal, if not better, way of life as the current generations.

The world is now looking towards a vital global goal: net-zero. According to climate science it is essential that we meet this target by 2050 if we are to give ourselves a chance of limiting global warming and avoiding the most catastrophic impacts of climate change. The UK's Climate Change Act 2008 sets the framework for how the UK will manage and respond to the threat of climate change. Under the Act, the UK must reduce total GHG emissions by at least 78% below 1990 levels by 2035 and reach net zero by 2050.

Since 1st October 2013 the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has required all UK quoted companies to report on their greenhouse gas emissions as part of their annual Directors' Report. Increasingly, organisations are seeking information from their suppliers on greenhouse gas emissions, and as a result, many small businesses will be expected to measure and report on their emissions.



At TIAA, we have been taking this seriously for a number of years and are proud to have been accredited to the Green Dragon Environmental Certification since 2012, achieving Standard 3 in February 2022. Through our accreditation with Green Dragon, we understand our baseline emissions, set annual targets in order to reduce our impact and are focussed on implementing our most straight forward carbon reduction opportunities in the near future, before tackling longer term, more complex issues that may require cooperative working with other organisations.

Audits completed since the last SICA report to the Audit Committee

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

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Force – Personal Safety Training	Reasonable	15/08/2022	13/09/2022	13/09/2022	0	2	0	0
Security of Seized Proceeds of Crime (Cash and Assets)	Reasonable	17/08/2022	14/09/2022	14/09/2022	0	2	0	1

Progress against the 2022/23 Annual Plan

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

Changes to the Annual Plan 2022/23

5. There are no proposed changes to the Annual Plan.

Frauds/Irregularities

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

Other Matters

7. We have issued a number of briefing notes, shown in Appendix B, since the previous meeting of the Joint Audit Committee.

Responsibility/Disclaimer

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

Progress against Annual Plan

System	Planned Quarter	Current Status	Comments
Risk Management Framework (PCC/Force)	1	Site work commenced	
Force – Personal Safety Training	1	Final Report issued	
Security of Seized Proceeds of Crime (Cash and Assets)	1	Final Report Issued	
Domestic Violence Protection Orders	2	Provisional start date 26 th September 2022	
Management of Overtime	2	Provisional start date 5 th October 2022	
Estates – Buildings Health and Safety	2	Start date 28 th September 2022	
ICT – Cyber Security Maturity Assessment	3	To be booked	
Debtors	3	To be booked	
Resource Planning	2	To be booked	
Firearms Licensing	3	To be booked	
Treasury Management and Banking	4	To be booked	
Performance and Insight CC Assurance	4	To be booked	
Financial Sustainability – Business Planning	4	To be booked	
HMICFRS Action Plan	4	To be booked	
Follow-up	1 - 4	To be booked	

KEY:

To be commenced

Site work commenced

Draft report issued

Final report issued

Briefings on developments in Governance, Risk and Control

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

Summary of recent Client Briefing Notes (CBNs)

CBN Ref	Subject	Status	TIAA Comments
CBN - 22019	Internal Audit: Untapped Potential		No Action Required Audit Committees and Boards / Governing Bodies are advised to note the report.
CBN - 22022	Public Sector Readiness for Net Zero Carbon by 2030		Action Required Audit Committees and Boards / Governing Bodies are advised to note the report and consider the action their organisation is taking in relation to net zero carbon readiness.
CBN - 22023	UK Government reveals new Data Protection rules		Action Required Audit Committees and Boards / Governing Bodies are advised to familiarise themselves with the response document in line with current Data Protection practices.
CBN- 22026	Rise in Environmental, Social and Governance and Supply Chain fraud		Action Required Audit Committees and Boards / Governing Bodies are advised to note the outcome of the survey.



Police and Crime Commissioner for Cumbria and Cumbria Constabulary

Assurance Review of Force - Personal Safety Training

2022/23

September 2022

Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

There is a risk that officers will use force on members of the public while being out of date with their mandatory Personal Safety Training (PST) and Job-Related Fitness Test (JRFT).

SCOPE

The review considered the delivery of Personal Safety Training (PST) in accordance with the College of Policing Guidance on PST. The review also assessed the actions taken to address the reduced training provided during the pandemic to bring training delivery back to the expected level.

KEY STRATEGIC FINDINGS



Approximately 500 officers have not completed their personal safety training (PST) within the last 12 months. This includes circa 150 who are currently recorded by Occupational Health as unfit to undertake the training.



175 staff with overdue training have not yet been booked onto a future course.



Resource co-ordinating meetings monitor the progress made in completing actions undertaken that are aimed at reducing the number of staff with overdue training.

GOOD PRACTICE IDENTIFIED



The police job-related fitness test (JRFT), which officers are required to complete prior to undertaking any personal safety training, is undertaken on the first day of the PST course.

ACTION POINTS

Urgent	Important	Routine	Operational
0	2	0	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>A spreadsheet provided by the Specialist Training Manager contained the expiry dates of individual staff personal safety training (PST) courses. This highlighted where the PST had expired and showed that 483 staff had expired PST (including 146 where occupation health had noted that they were unfit to undertake the training) – a net position of 337 eligible members of staff overdue.</p> <p>Analysis of these staff showed that 175 did not have a future course date booked. This represents approximately 52% of the staff with overdue training. The majority of the remaining staff were booked onto courses in July and August 2022.</p> <p>An exercise should be undertaken to prioritise those officers with expired training to ensure that courses are booked at the earliest opportunity. This will assist in providing assurance to Workforce Bronze that the force will achieve a fully compliant position with regards to PST training.</p>	Course dates be booked without delay for all officers with expired PST.	2	<p><i>Courses are scheduled up to the end of March 2023, and a potential training plan for 2023/24 has been produced, pending approval.</i></p> <p><i>There is course availability for all officers that have expired or due to expire until the end of March 2023.</i></p> <p><i>Resource Coordinators have recently been restructured to have more oversight on course bookings. However, they have recently prioritised changes to Crown and force restructure due to Government reform. Officers shift patterns have also been reviewed and changed. This has also taken priority over PST bookings.</i></p> <p><i>Once all the changes to Crown have been made due to LGR and change in shift pattern, Resource Coordinators will be able to look to book officers on to courses that are currently out of date, or due to expire. Regular L&D and Resource Coordination meetings will review the list of Officers with expired skills.</i></p>	<p><i>To be raised and actioned at the next L&D and Resource Coordination meeting 16th September 2022</i></p>	C/Insp Charlotte Nutter

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	Although course dates are held within Chronicle, the spreadsheet provided and used by the Specialist Training Manager did not contain the date that the training expired. It was therefore not possible to establish how overdue officers' PST was. This data should be utilised to prioritise those whose PST course expired first.	The expiry date of PST courses be logged within the spreadsheet to enable those officers with the oldest course dates to be identified and prioritised when booking onto courses.	2	<p><i>Chronicle Manager currently provides a list to duties of when officer's skills will expire so they can be booked on the course in a timely manner.</i></p> <p><i>Chronicle is able to produce a list of all police officers and their PST expiry date. At present Chronicle will not show how long an officer's skills have been expired for.</i></p> <p><i>Determining a list of officer's priority is multi-faceted depending on role, specialist skills, operational commitments and various other aspects. These need to be considered when booking courses.</i></p> <p><i>Streamlining the system so there are not as many spreadsheets for Resource Coordinators to look at will simplify the process.</i></p> <p><i>From 5th September, when the force structure changes, the current spreadsheet will need revising to match the new structure.</i></p> <p><i>L&D are looking to produce Teams solution to simplify the management of expiry dates.</i></p>	To be raised and actioned at the next L&D and Resource Coordination meeting 16 th September 2022	C/Insp Charlotte Nutter

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No operational effectiveness matters were identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings



Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	1 & 2	-

Other Findings



There had previously been no forward planning of PST courses with these being booked at relatively short notice, albeit allowing six weeks' notice in order for officers to ensure that their physical condition was sufficient to pass the fitness test.

The new arrangements involve staff being booked onto a course 12/13 months after taking their current course.

Course dates are created by the Specialist Training Manager and provided to the Chronicle Team who book officers onto the course. The PST course dates booked will also be entered onto Crown, which will enable officers' duties to be scheduled with the knowledge of who will be unavailable for duty due to attending a course. This should alleviate staff not being able to attend a course due to operational needs.



Prior to undertaking any personal safety training (PST), officers are required to complete and pass the police job-related fitness test (JRFT). This is to ensure that officers have a minimum level of fitness to be able to undertake the PST. Discussions with the Specialist Training Manager identified that the fitness test is scheduled to be undertaken on the first day of the PST and has a failure rate of approximately 1%

Other Findings



The Learning and Development Risk Register contains the following entry: "There is a risk that officers will use force on members of the public while being out of date with their mandatory Personal Safety Training (PST) and Job-Related Fitness Test (JRFT), caused by training being postponed due to the Covid pandemic resulting in officers authorisation expiring and reputational risk to the Constabulary". The latest update relating to mitigating actions, dated February 2022, records that PST delegate numbers have been increased from 12 to 20 to try and reduce the numbers of officers out of authorisation and the current number of officers out of authorisation was 398.

It was noted that an action recorded within the Risk Register was to "take a risk-based approach to prioritising training with response officers being the highest priority". It was established that this is a manual process carried out by the Resource Co-ordinators who take into consideration the skills and specialisms held by officers when booking in course dates.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	Sustainability The impact on the organisation's sustainability agenda has been considered.	Out of scope	-	-
R	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Findings



Resource co-ordinating meetings are held approximately every two weeks in order to monitor the progress made in completing actions undertaken that are aimed at reducing the number of staff with overdue training. Attendees at these meetings include the Specialist Training Manager, the Resource Coordinator Team Supervisor, Chronicle Manager, Strategic Development Manager, Inspector in charge of resource coordination, the Superintendent managing the Police Office shift review and the Chief Inspector (Head of People).

A review of the minutes/notes of the initial meeting in February 2022 and subsequent meetings in April and May showed that subjects discussed included:

- Planning for the next 12-18 months and to establish the aims and purpose of the group (for information the define purpose of the group is to "devise a co-ordinated and tactical approach to create and deliver a training calendar planned on duties with a 12-month advance");
- How the process currently works including what systems are used and how training notifications are communicated;
- Ensuring that the disruption to training is minimised by the effect of external events such as the Appleby Horse Fair and the Commonwealth Games; and
- The option to co-ordinate PST with first aid training.



The latest data available from Chronicle showed that there are 540 Officers with out of date PST (from a total of 1,338 officers), however this includes 257 that are not eligible for PST due to a restriction or on recuperative duties. The adjusted figure is therefore 283/1,081 or approximately 26% out of date. The Specialist Training Manager stated that prior to the Covid-19 pandemic, approximately 90% of officers had completed their PST. For information, an action contained within the Risk Register is for officers that are exempt from JRFT or PST due to being either long- or short-term injury/restriction to be removed from the list of expired officers. This cannot be recorded within Chronicle and therefore the performance figures have to be manually adjusted.

Other Findings



At the meeting undertaken in February 2022 it was agreed that the main reason for staff not attending their booked PST course was 'operational demand'. A discussion took place at the meeting regarding when this is acceptable and what elements are cultural. It was also stated that "there was an agreed protocol that officers needed their Chief Inspector's permission to miss PST. This needs to be re-invigorated and agreed as a process across the Force". Discussions with the Specialist Training Manager identified that, with the exception of some officers with specific skills, for example firearms or Taser, who would lose their skill if they did not complete the PST, although a list of officers who have not turning up for their course is discussed at the Workforce Bronze meetings, there is currently no consequence to an officer for failing to ensure that their PST remains in date.



The Specialist Training Manager stated that although up to 18 places were previously available for each PST course, only around 12 officers actually attend. Although data to substantiate this assertion could not be obtained, this would result in one additional course having to be booked for each three previously taking place (to accommodate the six non-attendees for each course). Courses are now, however, planned on the basis that 12 attend.

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

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

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

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

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

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

Stage	Issued	Response Received
Audit Planning Memorandum:	17 th June 2022	17 th June 2022
Draft Report:	15 th August 2022	13 th September 2022
Final Report:	13 th September 2022	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	PCC Cumbria & Cumbria Constabulary		
Review:	Force – Personal Safety Training		
Type of Review:	Assurance	Audit Lead:	David Robinson

Outline scope (per Annual Plan):	The review will consider the delivery of Personal Safety Training (PST) in accordance with the College of Policing Guidance on PST. The review will also assess the actions taken to address the reduced training provided during the pandemic to bring training delivery back to the expected level.		
Detailed scope will consider:	<p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Sustainability: The impact on the organisation's sustainability agenda has been considered.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>	

Planned Start Date:	20/06/2022	Exit Meeting Date:	19/07/2022	Exit Meeting to be held with:	Specialist Training Team Manager
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SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N

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PCC Cumbria & Cumbria Constabulary

Compliance Review of Security of Seized Proceeds of
Crime (Cash and Assets)

2022/23

September 2022

Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Seized property and monies are not held securely and details are not properly recorded.

SCOPE

The audit considered the effectiveness of controls for dealing with recovered property, including evidential property and in particular the arrangements for securing and storing of seized monies and the processing of items.

KEY STRATEGIC FINDINGS

- Clear processes are in place to effectively manage recovered property and seized monies and controls are operating effectively.
- Testing confirmed details of recovered property and seized monies held on site are in agreement with the item's corresponding entry in the property register.
- Each Area should undertake, record and monitor periodic, systematic reconciliations of their records with seized property and monies being held.
- A Form 51 does not always accompany the seized cash received at Area offices. Differences in the way such cash is subsequently stored should be eliminated.

GOOD PRACTICE IDENTIFIED

- Appropriate Regulations, Rules, Policies and Procedures are in place and are being followed at Headquarters and across each Area.
- Staff at Headquarters and at each Area were seen to be very security-conscious when handling, storing and recording seized property and monies.

ACTION POINTS

Urgent	Important	Routine	Operational
0	2	0	1

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	Testing highlighted that reconciliations are being undertaken at each site of items on hand against details recorded in the property register, including a complete stock-take of property at Kendal within the past year and ongoing checking at each site of longer-held items with a view to clearing these from the stores or safes. Best practice would be that existing arrangements be formalised into ongoing periodic checking of a sample of items, selected both from the property register and from the stores and safes, to minimise the risk that records are no longer in agreement with items on hand. Such checking should be recorded separately such that the percentage of items checked can be established and monitored on an ongoing basis.	Existing arrangements at each site for the periodic checking of a sample of items, selected both from the property register and from the stores and safes, be formalised and recorded separately. The percentage of items so checked be established and monitored on an ongoing basis.	2	<i>A review of wider front counter operations is currently being undertaken. The audit recommendation regarding establishing arrangements for periodic checking and recording of property records will be considered as part of the future standard operating procedures for the property stores.</i>	31/12/22	<i>Matt Pearman Superintendent Westmorland & Furness</i>

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	The Financial Rules state that responsibilities of all Commanders, Directors, Heads of Service and Senior Managers include that, in relation to cash seized under the Proceeds of Crime Act 2002, a seized cash form should be completed on seizure of the cash. Discussions with staff indicated that such form is referred to as a Form 51. Testing revealed that a Form 51 is not always received together with the related seized cash when the cash is delivered to the Area offices. Area variations were noted as to how the seized cash is then stored if not accompanied by a Form 51. For example, Carlisle does not accept cash being transferred to the main safe until such form is received to accompany the cash, whereas Workington does.	Area variations be eliminated regarding the storage of seized cash which is not accompanied by a Form 51 at the time of receipt of the cash.	2	<p><i>It should be noted that Form 51 is always received prior to any cash being transferred to Headquarters for disposal to ensure compliance with the Proceeds of Crime Act.</i></p> <p><i>A meeting will be arranged with all Area staff involved in the seized cash process to discuss, agree, and document a consistent process across all areas, with the focus on ensuring the safe storage of cash.</i></p>	30/09/22	Sarah Bradley, Central Services Team Leader

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
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2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
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3	ROUTINE	Control issue on which action should be taken.
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Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Directed	It was noted during testing that there are Area variations in the way the Seized Cash spreadsheets are being completed. For example, not all Areas consistently record the exhibit number or the value of monies seized. Whilst these are not key controls, best practice would be to have all Areas operating in an agreed and consistent manner. A meeting of staff across each site was held in late 2021 to raise consistency of operations. A further such meeting would be beneficial in addressing any remaining inconsistencies.	A further meeting should be held between the relevant staff from each site with a view to eliminating Area variations in the way the Seized Cash spreadsheets are being completed.	<p><i>Sarah Bradley, Central Services Team Leader will arrange a further meeting with all area staff involved in the Seized cash process to review and standardise record keeping and remove any inconsistencies in the way the area seized cash spreadsheets are completed.</i></p> <p><i>This meeting will be held before the end of September 2022.</i></p>

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings



Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially In place	1, & 2	1

Other Findings





The PCC Cumbria Financial Regulations were approved by the Police and Crime Commissioner in February 2019 and are available online. Section C is Management of Risks and Resources. Within this, Section C12 relates to Evidential and Non-Evidential Property. This states the responsibilities of the Chief Constable and the Joint Chief Finance Officer, one of which is to issue separate financial procedures for dealing with cash, including seized cash under the Proceeds of Crime Act 2002.





The PCC Cumbria Financial Rules are dated January 2017 and are also available on the website of the CPCC. Section C12, Evidential and Non-Evidential Property, states that the Chief Constable is required to exercise a duty of care and safeguard found or seized property pending decisions on its ownership, or private property of an individual e.g. a suspect in custody. Stated responsibilities of all Commanders, Directors, Heads of Service and Senior Managers include adequate measures to ensure the safekeeping of the private property of a person under his guardianship or supervision, including found or seized property in accordance with the Seized and Evidential Property Policy and Standard Operating Procedures. Such measure are to include: a register of all property held; a secure and appropriate storage arrangement to ensure property is not damaged; and, cash held temporarily should be held in a locked safe and should not, in total, exceed the insurance limit.


Other Findings


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The Seizure, Management, Retention and Disposal of Personal Property Policy was approved by the Operations Board in July 2014, with a review date of November 2025. It notes that matters under the Policy are dealt with through Standard Operating Procedures. It states that property should only be seized or retained: for use as evidence at a trial for an offence; for forensic examination or investigation in connection with an offence or suspected offence; or, in order to establish its lawful owner where there are reasons for believing that it has been obtained as a result of an offence.
- 

Standard Operating Procedures for the Seizure, Management, Retention and Disposal of Personal Property were evidenced. The owner is the Superintendent Public Contact and Engagement. Several revisions are documented, with the next review dated stated to be July 2024. Appended to the Procedures are 12 flowcharts, including for: Crime and Evidence Seizure; Crime and Evidence Movement and Continuity; Crime and Evidence Retention; Property Disposal; and, Money. Property Responsibilities are also Appended, including that Enquiry Desk Staff should create the initial Property Register record and update the Register with movements in and out of the main store, as well as maintain security of the main property store at all times. The Enquiry Desk Staff Supervisor should conduct/manage regular audits of property stores and facilities.
- 

A total of 90 items were sampled across five sites: Headquarters, Barrow, Carlisle, Kendal, and, Workington. The sample comprised 40 items of seized property and 50 items of seized monies. No seized property is held at Headquarters. Of the total sampled, 45 were chosen from items held on site and traced to the property register. The other 45 of the total sampled were chosen from the property register and traced to items held on site. For seized monies, the regional Seized Cash spreadsheets were used as an additional resource to trace from items on the property register to items held on site. Testing was successful in that each sampled item was able to be traced promptly, with the sampled data fields held in the property register agreeing with corresponding data fields attached to the corresponding items held on site. Arrangements at each site were seen to be in compliance with the related provisions of the Financial Rules detailing the responsibilities of all Commanders, Directors, Heads of Service and Senior Managers and also the responsibilities of all Officers and Staff.
- 

From an overall review of arrangements across each site it was confirmed that cash, unless required for evidential purposes, was banked or otherwise disposed of as soon as practicable, in compliance with the provisions of the Financial Rules.
- 

Testing confirmed that seized items are stored in a secure and appropriate manner with relevant access restrictions. In particular, access to property stores is restricted to a very small number of staff via key-cards and access to safes is similarly restricted by the use of one or more keys; which were seen to be stored securely at all times.
- 

Suitable insurance limits were seen to be in place at each site relating to the value of seized cash that can be held within safes. From an overall review of amounts on hand it was determined that each safe holds amounts within its insured limit.
- 

Across all sites visited it was noted from an overall review of processes that, for property no longer required to be held, records are updated in a timely manner and such property is stored separately awaiting collection. Items held in this manner depend upon the relevant individual arriving in person to request their property. Whilst letters are sent to these individuals in a timely manner informing them that their property can be collected, it is outside the control of the Constabulary as to when the person arrives to reclaim their property. Such property can be legally destroyed if not collected within a reasonable timeframe.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	Sustainability The impact on the organisation's sustainability agenda has been considered.	Out of scope	-	-
R	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Findings



The Financial Rules state that part of the responsibilities of all Commanders, Directors, Heads of Service and Senior Managers is ensuring that officers' performance in relation to the handling of seized and evidential property is monitored as part of the performance management process.



It was observed throughout this review that all staff members interviewed were very security-conscious when handling, storing and recording seized property and monies and were thoroughly engaged in the proper operation of processes in relation to such items.

Scope and Limitations of the Review

- The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

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

Effectiveness of arrangements

- The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

- The definitions of the assurance assessments are:

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

Acknowledgement

- We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

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

Stage	Issued	Response Received
Audit Planning Memorandum:	28 th July 2022	28 th July 2022
Draft Report:	17 th August 2022	14 th September 2022
Final Report:	14 th September 2022	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	PCC Cumbria & Cumbria Constabulary		
Review:	Security of Seized Proceeds of Crime (Cash and Assets)		
Type of Review:	Assurance	Audit Lead:	Ian Goodwin

Outline scope (per Annual Plan):	Clear processes are required to effectively manage recovered property and seized monies. Scope The audit will appraise the effectiveness of controls for dealing with recovered property and in particular the arrangements for securing and storing of seized monies.
Detailed scope will consider:	<p>The review will set out to provide assurance to the Joint Audit Committee that the organisation has robust arrangements in place and operating for seized proceeds of crime (cash and assets).</p> <ul style="list-style-type: none"> • The process is directed by appropriate policy and procedures. • Appropriate records are maintained to record the items seized • Seized items are stored in a secure and appropriate manner with relevant access restrictions • Items are returned promptly and records updated in a timely manner when they are no longer required to be held. • Regular reconciliations of assets held against records are undertaken.
Requested additions to scope:	None
Exclusions from scope:	None

Planned Start Date:	01/08/2022	Exit Meeting Date:	15/08/2022	Exit Meeting to be held with:	Ann Dobinson
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SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc.?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N

Joint Audit Committee 21 September 2022 Agenda Item 10

Monitoring Key Audit Recommendations

Introduction

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

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

Report Summary

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

Summary of Actions	PCC	CC	Joint	Total
Open actions b/fwd from last report	0	4	6	10
New actions since last report	0	0	0	0
Total actions this report	0	4	6	10
Actions completed since last report	0	1	4	5
Open actions c/fwd to next report	0	3	2	5

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	1	4	5
Ongoing (within original timescale)	0	2	1	3
Ongoing (original timescale extended)	0	1	1	2
Overdue/ timescale exceeded	0	0	0	0
Not yet due	0	0	0	0
Total	0	4	6	10

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 2021/22

Audit Report	CC/ PCC/ Joint	Reported Date	Assurance Opinion				Audit Recommendations (Grade)			
			Substantial	Reasonable	Partial	Limited /None	High	Medium	Advisory	Total
External Audit Reports										
External Audit of Financial Statements	Joint	October 2021					0	1	0	1
Total to JAC 04/11/21							0	1	0	1
Internal Audit Reports										
Agile Workforce	PCC	04/08/21	✓				0	0	0	0
Complaint Review Process	PCC	24/09/21	✓				0	0	2	2
Agile Workforce	CC	11/10/21		✓			0	0	0	0
Total to JAC 17/11/21			2	1	0	0	0	0	2	2
Payroll	Joint	17/02/22		✓			0	1	0	1
Digital Leadership Programme	CC	24/02/22		✓			0	2	0	2
Preparedness for McCloud Remedy	CC	24/02/22		✓			0	1	0	1
Benefits Delivery Process	Joint	25/02/22			✓		1	0	0	1
Covid-19 Response	CC	28/02/22	✓				0	0	0	0
Inventory	CC	01/03/22		✓			0	1	2	3
Total to JAC 16/03/22			1	4	1	0	1	5	2	8
Resource Allocation/ Workforce Planning	Joint	04/05/22		✓			0	3	2	5
Duties Management (Crown System)	Joint	24/05/22		✓			0	1	0	1
Establishment Process - Recruitment	Joint	31/05/22		✓			0	2	0	2
Business Transformation Project – Finance (Phase 2)	CC	31/05/22		✓			0	1	0	1
Financial Sustainability	Joint	01/06/22		✓			0	3	0	3
Total to JAC 22/06/22			0	5	0	0	0	10	2	12
Total Internal Audit Reports for 2021/22 Audit Year			3	10	1	0	1	15	6	22

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
Totals B/Fwd Recommendations							
Digital Leadership Programme (CC)	R1) There are lessons to be learnt from the implementation of the DLP programme regarding the ability to demonstrate good governance arrangements. These lessons should be applied to future collaborative projects.		✓				6
Digital Leadership Programme (CC)	R2) Measures to demonstrate the impact of training and development in the workplace should be considered during the development of future training programmes.		✓				7
Benefits Delivery Process (Joint)	R1) Arrangements to deliver the benefits realisation policy and procedure should continue to be fully developed and embedded, then subsequently assessed for effectiveness, taking into account the points outlined above.			✓			8
Inventory (CC)	R1) Once the system is fully implemented this should be formally reported by the SRO to Management Board to confirm that the improvements have been delivered and benefits realised.	✓					9
Establishment Process – Recruitment (Joint)	R1) Ensure that required recruitment reports are developed and that the review of benefits realised is undertaken.	✓					10
Establishment Process – Recruitment (Joint)	R2) Ensure that once ongoing recruitment process / system developments are implemented that they are fully embedded and working as intended. Further sample testing, at a later date, would help confirm compliance with the requirements and that relevant supporting evidence and documentation has been retained and is readily available for review.	✓					11

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	
Business Transformation Project – Finance (Phase 2) (CC)	<p>a) Management should ensure that project risks are reviewed on a regularly basis and a final report on outcomes and benefits realised is presented to the Management Board.</p> <p>b) Management should also consider finalising terms of reference for the Design Authority and making sure that if minutes are not taken at the Project Board that action notes and decision logs should give sufficient commentary on discussions that took place.</p>			✓			12
Financial Sustainability (Joint)	R1) Management should closely monitor inflation rates and assess their additional impact, beyond that already included in the 2022/23 and 2023/24 budgets. Given the current rates of inflation management should consider extending to extend the top end of the range used to 2% to 5%.	✓					13
Financial Sustainability (Joint)	R2) Ensure that when considering options to address the longer term sustainability of the capital programme that all potential factors are considered e.g. likely impact of the review of the police funding formula (scheduled for implementation by 2023/24).		✓				14
Financial Sustainability (Joint)	R3) Ensure that the financial summary reports that go to Public Accountability Conference (PAC) are produced on a quarterly basis and are always attached to the agendas so that taxpayers are able to get an overview of the overall financial position.	✓					15
Total All Recommendations							

Audit Report: Digital Leadership Programme			
Date Issued: 24/02/2022	Date Considered by JAC: 16/03/2022/	Report of: Shared Internal Audit Service	Report for: CC
Recommendation: R1) There are lessons to be learnt from the implementation of the DLP programme regarding the ability to demonstrate good governance arrangements. These lessons should be applied to future collaborative projects.			Grade: Medium
Agreed Actions: The DLP goes from strength to strength and has developed into a National Digital Leadership Academy. Whilst governance between two forces can be more difficult, especially when innovating, the focus needs to be on the innovation and ambition. The programme was successfully delivered across two forces and whilst it was not presented to both forces as per the audit findings it was mitigated through a joint Chief Superintendent leading for both forces at that senior level. A debrief will take place and lessons learned will be disseminated.			Due Date: 30/09/2022 Responsible Person: ACC Blackwell
Subsequent Updates: June 2022 – A verbal update will be provided at the meeting. September 2022 – A full debrief exercise will take place following the roll out of the first model of Digital Leadership Academy to the initial cohort of 4 forces (which includes Durham) which will incorporate learning from the Digital Leadership Programme. Any learning identified will be disseminated and utilised to improve the programme prior to national roll out.			
Status:	Agreed Changes to Due Date: (N.B. any changes to due date must be agreed by COG or a Governance Board)	New Date:	Where & When Approved:
Ongoing (within original timescale)			

Audit Report: Digital Leadership Programme			
Date Issued: 24/02/2022	Date Considered by JAC: 16/03/2022/	Report of: Shared Internal Audit Service	Report for: CC
Recommendation: R2) Measures to demonstrate the impact of training and development in the workplace should be considered during the development of future training programmes.			Grade: Medium
Agreed Actions: Whilst the programme has been delivered, I agree that how effective we are digitally should be a future focus. That said, the outcome framework is something that is being grappled with nationally. There are no national standards, national performance frameworks or national APP guidance or other available guidance. As we are innovating in a field ahead of all other police forces, its stands to reason that we will have to create a measured outcome framework. This will be done as part of the Digital Leadership Academy working with other forces and national bodies.			Due Date: 30/09/2022 Responsible Person: ACC Blackwell
Subsequent Updates: June 2022 – A verbal update will be provided at the meeting. September 2022 – The creation of a measured outcome framework will form part of the responsibility of the Digital Leadership Academy Executive Committee and will be progressed in due course once the committee is up and running.			
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 (within original timescale)			

Audit Report: Benefits Delivery Process			
Date Issued: 25/02/2022	Date Considered by JAC: 16/02/2022	Report of: Shared Internal Audit Service	Report for: Joint
Recommendation: R1) Arrangements to deliver the benefits realisation policy and procedure should continue to be fully developed and embedded, then subsequently assessed for effectiveness, taking into account the points outlined above.			Grade: High
Agreed Actions: The Change Manager to implement the following actions, overseen by Supt. Andy Wilkinson: To be completed by 31/03/2022: <ul style="list-style-type: none"> • Ensure ICT/DDAT actions are added to the central register • Ensure Secretaries and Staff Officers respond to the request for benefits that have been agreed • Ensure the processes within Change Team and Police Futures align, including writing a procedure for the administration of benefits. Including an internal SLA of 14 days to add new benefits to the register • Report to COG with current status of Benefits, including update on the register 31/03/2022. To be completed by 30/06/2022: <ul style="list-style-type: none"> • Finalise standard format of COG reporting • Report to COG at the end of Q1 2022/2023. This will allow for financial reconciliation vs. 2021/2022 benefits • Establish 'lessons learnt' process 			Due Date: 31/03/22 and 30/06/2022 Responsible Person: Adam Sutton, Change Manager
Subsequent Updates: June 2022 – A verbal update will be provided at the meeting September 2022 – Reporting will form part of the new governance structure which is due to go live imminently (following approval). There will be updates provided to Change Board and if necessary escalation to SMB or COG. Project Closure reports will also be presented at Change Board, this will capture lessons learnt and if required CCIP actions can be created to track and monitor these lessons. While these arrangements are later than expected, they are also much more robust that the initial proposals and JAC should take comfort in this additional levels of governance that will follow. The final point for us to iron out going forward will be the reconciliation of the achieved benefits. Happy for this action to remain outstanding for the time being.			
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)			TBC

Audit Report: Inventory			
Date Issued: 01/03/2022	Date Considered by JAC: 16/03/2022	Report of: Shared Internal Audit Service	Report for: CC
Recommendation: R1) Once the system is fully implemented this should be formally reported by the SRO to Management Board to confirm that the improvements have been delivered and benefits realised.			Grade: Medium
Agreed Actions: Final features, as described by the inventory team to the auditors, remain outstanding and are currently being implemented by the Commercial team and Oracle in order to achieve full implementation and benefit from the system. Credit should be given to the team who, without previous experience and with increased "day job" demands replaced a system that would have become vulnerable to cyber attacks (without significant investment) with a new, efficient state of the art lean system that is future proof, provides vfm meets the requirements of Vision 25 and provides features such as auto approval and self-service. Achieved benefits have included enabling a Commercial Department redesign, £67k Budget saving and Headcount reduction which has created additional bandwidth to focus on many strategic contracts. As the SRO is a member of Chief Officers Group, Executive team, Management Board, Collaboration Board and Service Design Board each of these Boards has been briefed on updates. In addition, the Head of Commercial provided a briefing at the annual review at the Joint Audit Committee. As the material benefits identified at the start of the transformation program have now been delivered, the final features will deliver smoother operation rather than material benefits.			Due Date: 31/12/2022 Responsible Person: Barry Leighton Head of Commercial
Subsequent Updates: June 2022 – Following work with Oracle, the Commercial Team have implemented additional features to improve working practices within Stores. The Stores department are carrying out weekly counts of a subset of stock, this count is generated automatically by the system and selects items randomly based on their value and the count frequency set in the system. The team have also implemented daily pick reports which automatically outputs a list of items to be picked and shipped that day and places orders on backorder where there is not sufficient quantity to fulfil the order. The team are currently planning for an implementation of Min-Max Planning which will automatically reorder stock items where they fall below a minimum level. This should ensure that the Constabulary does not experience a stock out of critical items of uniform and equipment, it will also remove the manual requirement to check shelves to see where replenishment is required. September 2022 – This action has now been completed.			
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: Establishment Process - Recruitment			
Date Issued: 31/05/2022	Date Considered by JAC: 22/06/2022	Report of: Shared Internal Audit Service	Report for: PCC/CC
Recommendation: R1) Ensure that required recruitment reports are developed and that the review of benefits realised is undertaken.			Grade: Medium
Agreed Actions: The reporting from Recruitment has been developed and numerous reports have been produced and scheduled to run to assist the Recruitment Teams with their processes. The system records all the stages the applicant is at in the process and is time stamped when they move stages. This means that a report can show how long it takes an applicant to get through a process, and show what time is spent at each stage. However, we do not record on the system the reason for delays. Processes are being continually reviewed and improvements made where identified. This is a fortnightly meeting between CSD and HR to review any issues that arise and ensure the efficiency of the process. The benefits are currently being reviewed by Business Leads to ensure all available are realised. Benefits identified to date have been realised.			Due Date: 31/08/2022 Responsible Person: Reporting facilities – Alison Hunter Business Benefits – Di Johnson & Ann Dobinson
Subsequent Updates: June 2022 – An internal report has been commissioned to highlight the different stages of the recruitment process and identify any time delays. This is ongoing at this time. It should be noted that any delays identified may have justified reasons and not be a negative aspect of the system (i.e. recruiting manager absent or on leave causing delay). Key stakeholders including myself as HR Manager, Ann Dobinson, Head of Central Services and Alison Hunter, system and process aspect, have had regular meetings to discuss benefits. Data has been supplied in relation to timings pre and post system. The final outcome of this is awaited. September 2022 – Data has been provided in relation to benefits using timings pre and post system and are currently being finalised. The report for recruitment has been created (completion date was 31/08/22) so we can now gauge the length of time it takes for the element of the recruitment process.			
Status:	Agreed Changes to Due Date: (N.B. any changes to due date must be agreed by COG or a Governance Board)	New Date:	Where & When Approved:
Completed			

Audit Report: Establishment Process - Recruitment			
Date Issued: 31/05/2022	Date Considered by JAC: 22/06/2022	Report of: Shared Internal Audit Service	Report for: PCC/CC
Recommendation: R2) Ensure that once ongoing recruitment process / system developments are implemented that they are fully embedded and working as intended. Further sample testing, at a later date, would help confirm compliance with the requirements and that relevant supporting evidence and documentation has been retained and is readily available for review.			Grade: Medium
Agreed Actions: Medical Forms To clarify the procedure followed in the initial Recruitment process was that CSD were to delete forms for data protection purposes, as forms to be actioned were sent to OHU for recording. As stated, this process has since been updated and OHU are retaining forms and recording on Recruitment module Vetting forms/recording The workflow has been set up to go to vetting to ask them to carry out the checks, once they have done the checks, they record this on the system and a workflow is sent to the Requisition Administrator to let them know to advance the applicant. The system was working but the staff in Vetting were not completing the recording on the system the results, they are all doing it now. Since the audit, CSD have produced a report from the Recruitment system to show any recording of vetting that was missing. This report was sent to the Vetting Department, and they have updated the relevant records on the system. This process is now working correctly, and Departments are aware of their obligations, would suggest that this recommendation is reduced to an advisory and we include the further sample testing in 6 months time.			Due Date: 31/10/2022 Responsible Person: HR Manager – Di Johnson
Subsequent Updates: June 2022 – HR continue to have a dedicated SPOC for the recruitment team and has regular meetings with others to progress changes and improvements as the system is being used. September 2022 – Continuous changes are considered and developed into the system – these are highlighted and then progressed and a log of issues and changes is maintained.			
Status:	Agreed Changes to Due Date: (N.B. any changes to due date must be agreed by COG or a Governance Board)	New Date:	Where & When Approved:
Completed			

Audit Report: Business Transformation Project: Finance (phase 2)			
Date Issued: 31/05/2022	Date Considered by JAC: 22/06/2022	Report of: Shared Internal Audit Service	Report for: CC
Recommendation: R1: a) Management should ensure that project risks are reviewed on a regularly basis and a final report on outcomes and benefits realised is presented to the Management Board. b) Management should also consider finalising terms of reference for the Design Authority and making sure that if minutes are not taken at the Project Board that action notes and decision logs should give sufficient commentary on discussions that took place.			Grade: Medium
Agreed Actions: Whilst terms of reference, an action plan and RAID log for the Design Authority are in place with the overall aim of ensuring continuous improvement in relation to the finance system, we will review the governance arrangements to ensure that they remain fit for purpose. This will include periodic updates as part of the benefits management process.			Due Date: 31/07/2022 Responsible Person: Joint Chief Finance Officer
Subsequent Updates: June 2022 – The upgrade to the system and continuous improvement is an ongoing process. Work in the last few weeks has stalled due to competing priorities associated with the production of the statutory accounts and governance documents. The intention is to reinvigorate the design authority to focus on continuous improvement from early July. September 2022 – The continuous improvement group has now met with meetings scheduled to take place on a regular basis. In relation to developments, the finance team have begun the implementation of the Planning budgeting cloud service module (PBCS), although the implementation has been hindered by the sickness absence of a key member of the team. The commercial team have been engaged in improving the functionality of the system such as min/max ordering. The latest quarterly release of Oracle includes improved OCR functionality in relation to scanning and matching of invoices which should have a beneficial impact for the work of the central services team.			
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)			TBC

Audit Report: Financial Sustainability			
Date Issued: 01/06/2022	Date Considered by JAC: 22/06/2022	Report of: Shared Internal Audit Service	Report for: PCC/CC
Recommendation: R1) Management should closely monitor inflation rates and assess their additional impact, beyond that already included in the 2022/23 and 2023/24 budgets. Given the current rates of inflation management should consider extending to extend the top end of the range used to 2% to 5%.			Grade: Medium
Agreed Actions: Senior management and the finance team are very alive to the potential impact of inflation on the budget position. Whilst this is unlikely to be fully adequate volatile budgets such as energy, fuel and insurance are re-based each year. For example the electricity budget was increased by 23% in 2022/23. In the context of the current inflationary pressures a report on the potential impact of inflation in 2022/23 was submitted to the Chief Officer Group on the 3rd April. Current indication are that whilst there are likely to be overspends on some budget lines as a result of inflation these are considered manageable in the short term. The effect of inflationary pressures will continue to be closely monitored through the normal monthly management accounts process through the year. Exceptional reports may also be produced if the situation warrants it. We will also examine the best way to communicate the effects of inflation, which may include extending the range of scenario planning. The latest report includes a scalable analysis which allows the effect of a variety of inflation scenarios to be modelled.			Due Date: 30/06/2022 Responsible Person: Roger Marshall - Joint Chief Finance Officer
Subsequent Updates: June 2022 – The first budget monitoring report will be produced in July for the quarter 1 position. A high level report focusing on areas of particular volatility is being prepared for Chief officers and the OPCC based on the position at the end of May. Inflation will continue to be monitored as part of the management accounts process. September 2022 – Inflation continues to be a significant concern for the budget a full assessment of inflation impacts will be incorporated into the budget setting process which will be ongoing throughout the autumn. For example, we are now anticipating an increase to energy costs of over 100%. We propose that this action is now closed as this is now fully incorporated within the budget setting process as business as usual.			
Status:	Agreed Changes to Due Date: (N.B. any changes to due date must be agreed by COG or a Governance Board)	New Date:	Where & When Approved:
Completed			

Audit Report: Financial Sustainability			
Date Issued: 01/06/2022	Date Considered by JAC: 22/06/2022	Report of: Shared Internal Audit Service	Report for: PCC/CC
Recommendation: R2) Ensure that when considering options to address the longer term sustainability of the capital programme that all potential factors are considered e.g. likely impact of the review of the police funding formula (scheduled for implementation by 2023/24).			Grade: Medium
Agreed Actions: The Joint Chief Finance Officer has highlighted both to the Constabulary and PCC the need to ensure that savings are delivered to put both the revenue and capital budgets are put on a sustainable basis. The Chief Constable has instigated a Gold Group, part of whose remit is to develop a savings plan to address the medium term savings gap. In the current volatile financial situation both the MTFF and savings plans will be regularly updated to ensure that senior management are aware of the latest position. In relation to funding the capital programme, annual revenue support for the programme has been tripled in recent years and potential need to increase this further will be highlighted as part of budget planning options.			Due Date: 31/12/2022 Responsible Person: Roger Marshall - Joint Chief Finance Officer
Subsequent Updates: June 2022 – This is an ongoing process, the MTFF and productivity and efficiency plan was recently updated and presented to Chief Officers as part of a strategy day. The position will be updated when there are significant events, otherwise the position will be reviewed as part of the budget setting process in the autumn. The ACC is currently holding a series of efficiency meetings with Commanders and Directors to identify savings opportunities. The DCC in conjunction with the newly appointed Assistant Chief Officer will take responsibility for savings and efficiencies. September 2022 – A full deeper dive review by the ACO in conjunction with the finance team into the capital programme is currently being undertaken as part of the budget and MTFF process for 2023/24 and beyond.			
Status:	Agreed Changes to Due Date: (N.B. any changes to due date must be agreed by COG or a Governance Board)	New Date:	Where & When Approved:
Ongoing (within original timescale)			

Audit Report: Financial Sustainability			
Date Issued: 01/06/2022	Date Considered by JAC: 22/06/2022	Report of: Shared Internal Audit Service	Report for: PCC/CC
Recommendation: R3) Ensure that the financial summary reports that go to Public Accountability Conference (PAC) are produced on a quarterly basis and are always attached to the agendas so that taxpayers are able to get an overview of the overall financial position.			Grade: Medium
Agreed Actions: The quarter 2 and quarter 3 financial position has been published on the PCC Website with the quarter 2 position shown published under the finance and governance section of the website from early November when it was presented to the PCC Public Accountability Conference. It is acknowledged that quarter 1 monitoring was not published. This was due to a combination of a delay in collating the data until July due to the new financial system being bedded in and the reduced number of PAC meetings, but this was very much the exception. Going forward we will publish quarterly financial monitoring data irrespective of whether it is presented to PAC and will ensure that there is a link from PAC meetings to the papers on the website.			Due Date: 30/06/2022 Responsible Person: Roger Marshall JCFO & Gill Shearer Chief Executive
Subsequent Updates: June 2022 – the publication of reports on the PCC website is up to date and will be maintained for the 2022/23 financial year. September 2022 – The quarter 1 reports for 2022/23 were presented to PAC on 02/08/2022 and are now available on the OPCC website both as part of the PAC reports and on the specific budgets page of the website.			
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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ANNUAL REPORT

2021 - 2022

MAKING
CUMBRIA
EVEN SAFER

pcc
CUMBRIA

Peter McCall

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MAKING CUMBRIA EVEN SAFER

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Welcome to my annual report, which highlights areas of work that has taken place during 2021-2022, my sixth year in office. Over the last 12 months, as Covid19 restrictions started to ease, we have made a return to a semblance of pre-pandemic 'normal'. However, I must note that throughout the last two years, the Police have put the needs of others first. They have been

working with increased pace, with much uncertainty and frequently changing guidance, with unprecedented effects on our freedom of movement. This has been a change for us all, not least for the Police who, without the thought of their own safety, have worked tirelessly to keep us all safe. I would like to thank them for their relentless commitment and hard work.

Following my re-election in May 2021, we have developed a new Police and Crime Plan, drawing on the results of a public consultation, a strategic analysis of crime and partner agencies feedback. The Plan was launched in early December 2021. It contains the police and crime objectives for the next four years, which together, contribute towards achieving my overall aim of 'Keeping Cumbria Safe'.

In my last annual report, I noted that due to the pandemic, there had been a sustained fall in recorded crime nationally, which was reflected here in Cumbria. We also correctly anticipated as we recovered and moved into the post covid mobilisation phase, that crime figures would rise. Put simply, it's all about opportunity - when we reduce opportunities for crime to take place, crime goes down and when we return back to the normal ways of living, sadly, so do criminals and crime returns to pre-pandemic levels.

The Constabulary has continued to exceed their targets for recruiting new officers and police officer numbers currently

stand at 1266. I am pleased that we have made significant increases, although recruitment, training and deployment does takes time. However, our latest recruits are now beginning to emerge onto our streets and I am keen that the public begins to see and feel their effect.

It is thanks to your contributions via the council tax precept, that we have maintained and invested in our policing service to help keep people safe. At the time of writing, I am very conscious of the effect that the war in Ukraine is having on world economies including our own and the subsequent impact on household budgets. I can assure the public that this reinforces my focus to ensure that you get the very best value for your council tax contribution to policing.

We have received results of our PEEL inspection, conducted by Her Majesty's Inspectorate of Constabulary, Fire and Rescue Services (HMICFRS). The report praised the hard work and dedication of our officers, staff and departments. We were rated as 'Outstanding' in one area and the report highlighted many positive ways of working, but we should never be complacent. There are always areas where we can make improvements, and the Force remains relentless in striving to provide the highest level of services for residents and visitors in Cumbria. I am pleased that Cumbria Police are one of the best rated forces in the country by the Independent Inspectorate and we are fortunate to have a highly effective and professional Police Service in the county.

Policing in Cumbria is a shared responsibility. It is by continuing to work together, with members of the public, volunteers, partners and key stakeholders, that we secure safer neighbourhoods, maintain personal safety and help make Cumbria one of the safest counties to live in and visit.

With my very best wishes.

Peter McCall

Police and Crime Commissioner for Cumbria

DEMAND ON CUMBRIA CONSTABULARY

1ST APRIL 2021 - 31ST MARCH 2022



POLICE AND CRIME PLAN OBJECTIVES

Following my re-election in May 2021, we have developed a new Police and Crime Plan, drawing on the results of a public consultation, a strategic analysis of crime, emerging issues and partner agencies feedback. The Plan was launched in December 2021. It contains the following police and crime objectives which all contribute towards achieving my overall aim of 'Keeping Cumbria Safe'. The priorities within the plan are:



SAFER STREETS FUNDING



THE OPCC'S YEAR IN NUMBERS



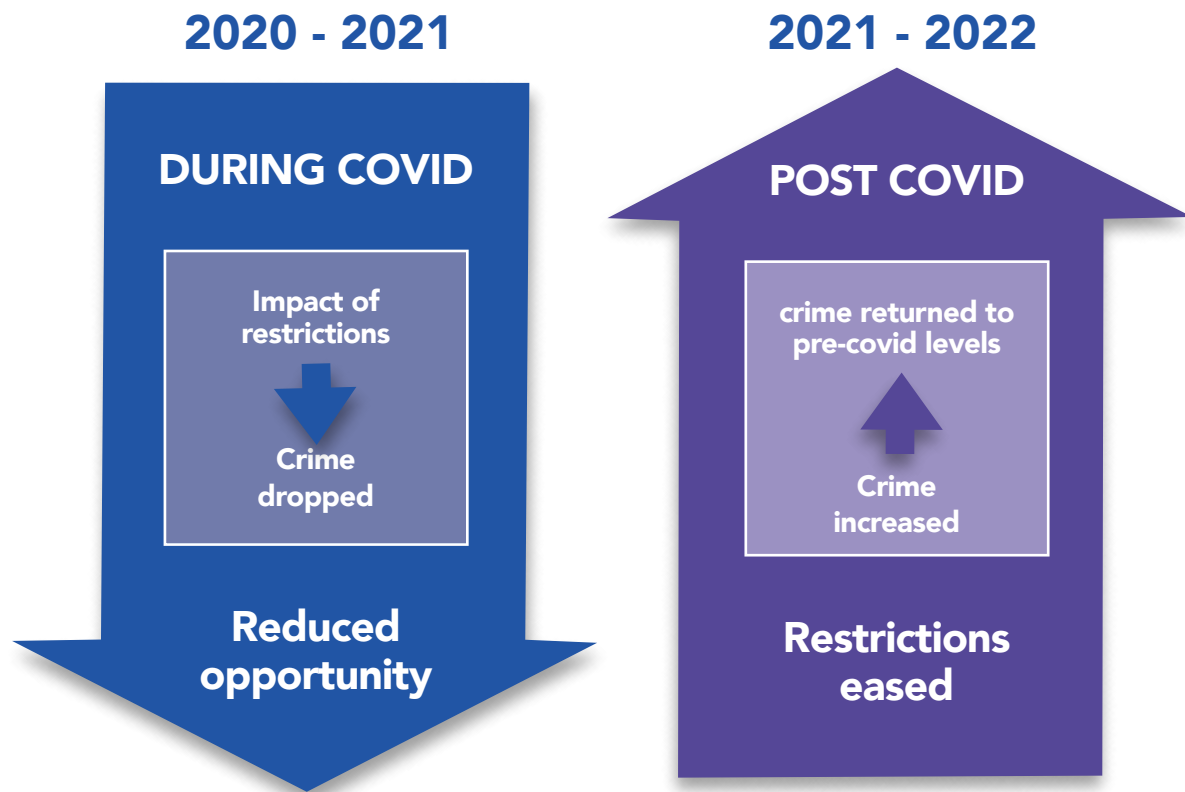
ENSURING THE POLICE ARE AT THE FOREFRONT OF THE RESPONSE

- Supported recovery by working with partner agencies and the Police as the county moved from lockdown, into the post-covid phase
- Deal with potential threats, such as civil emergencies, organised crime, terrorism, cyber-attacks, natural disasters and public order

INTEGRATING BLUE LIGHT SERVICES

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

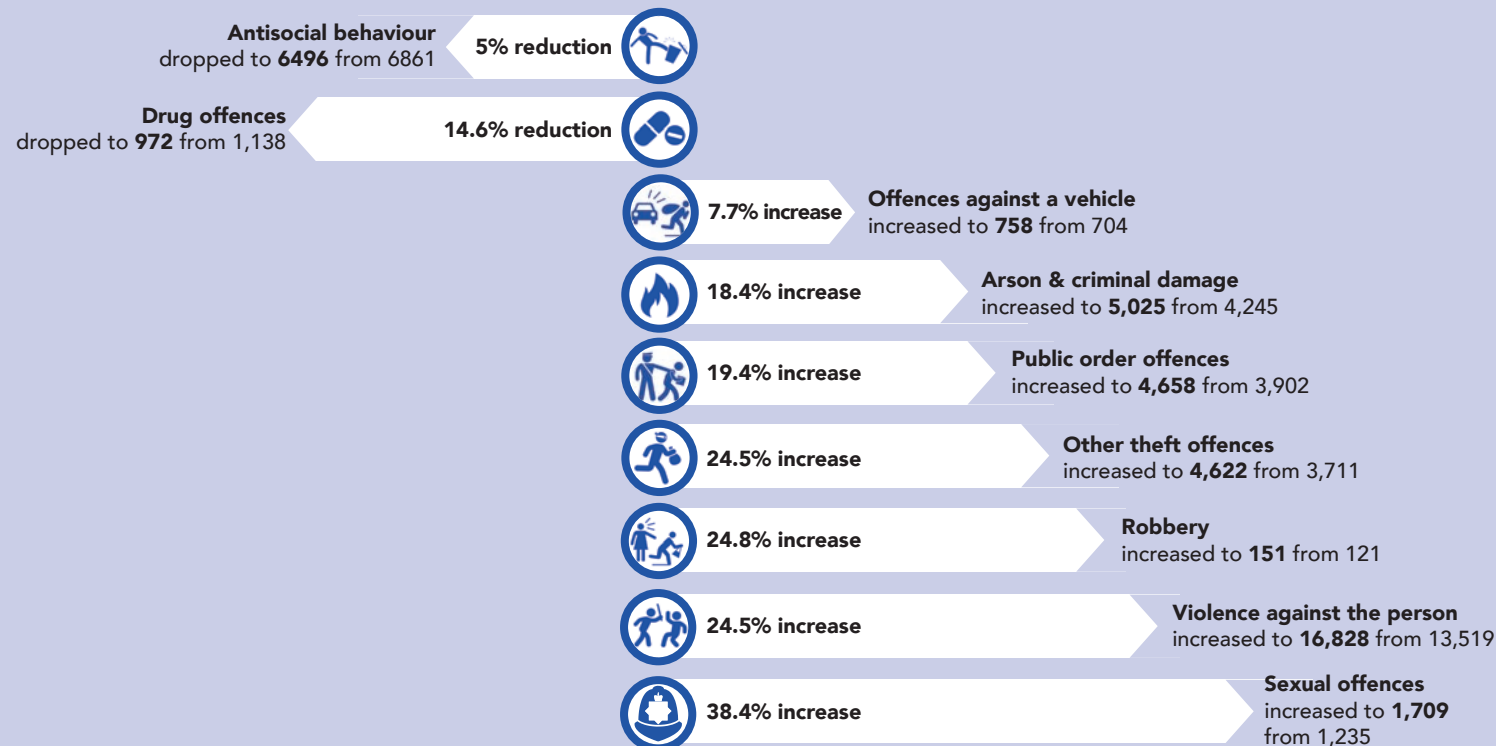
THE EFFECTS OF COVID19 ON RECORDED CRIME



RECORDED CRIME IN CUMBRIA

FROM APRIL 2021 TO MARCH 2022 COMPARED TO THE PREVIOUS FINANCIAL YEAR

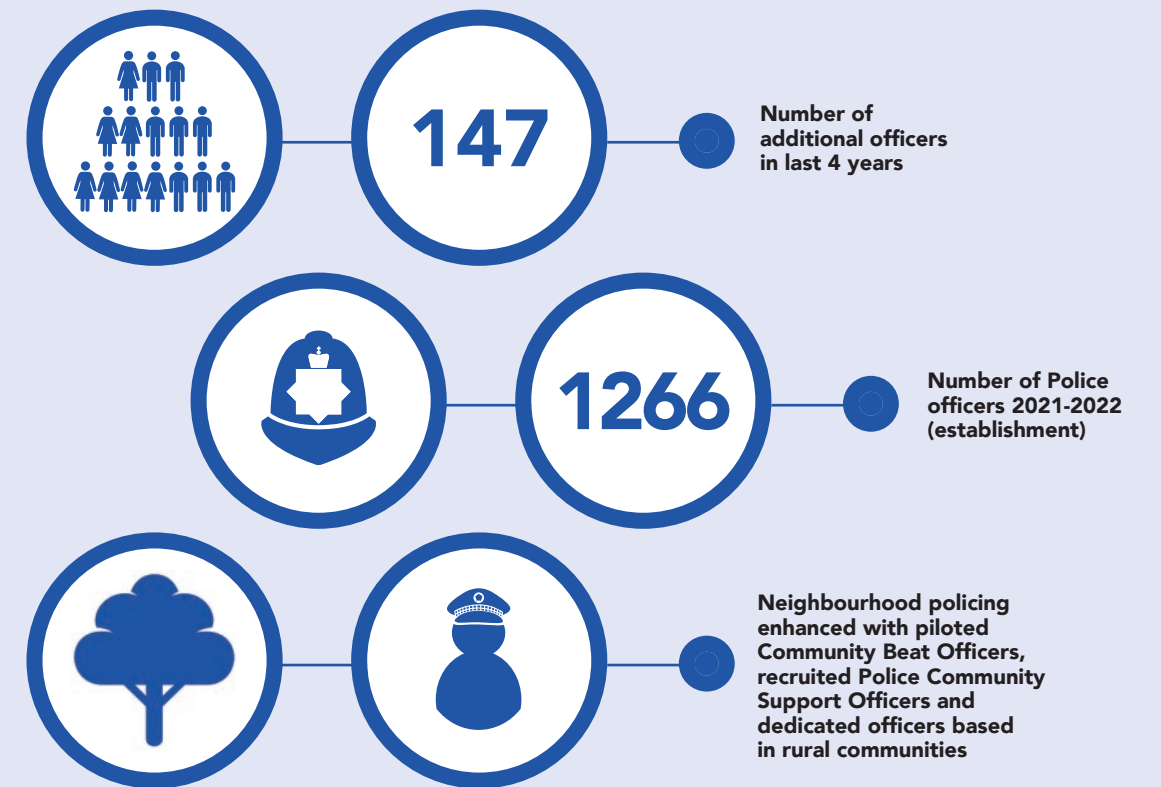
Overall crime increased by 20%
to 37,121 from 30,904



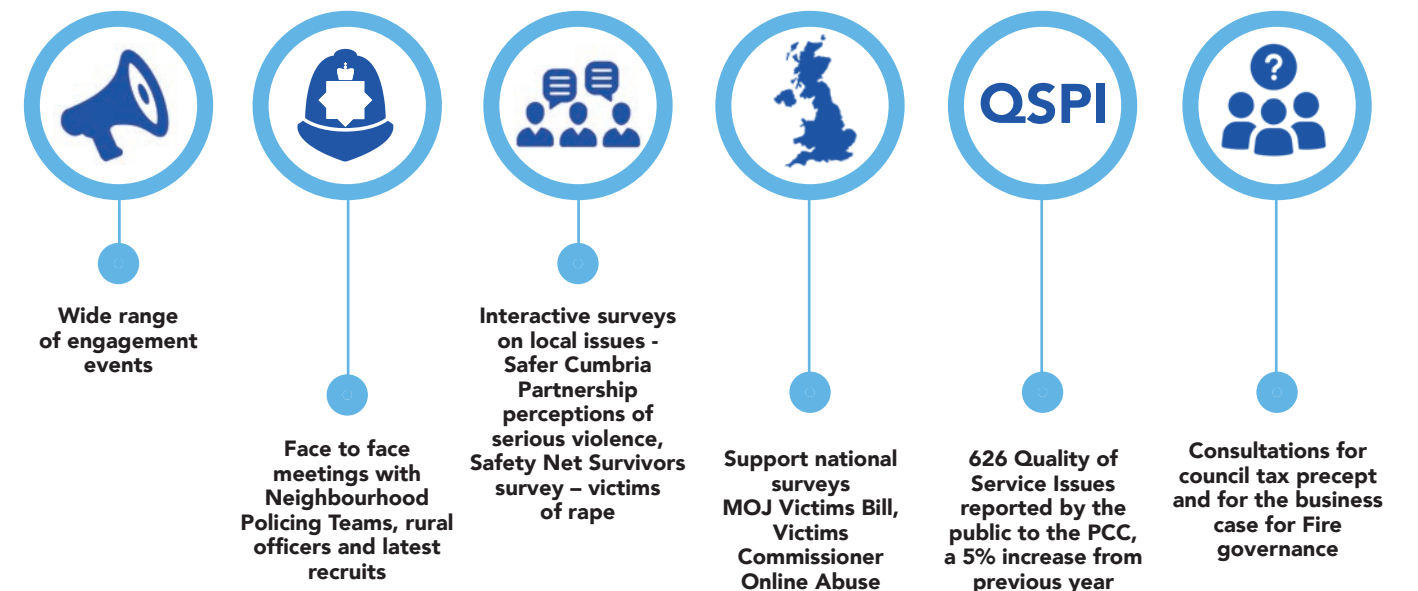
N.B. ASB figures do not include those marked as Covid19 related and overall crime figures are currently comparable to pre-Covid19 levels

VISIBLE AND EFFECTIVE POLICE PRESENCE

The PCC has monitored the Constabulary to ensure they achieved:



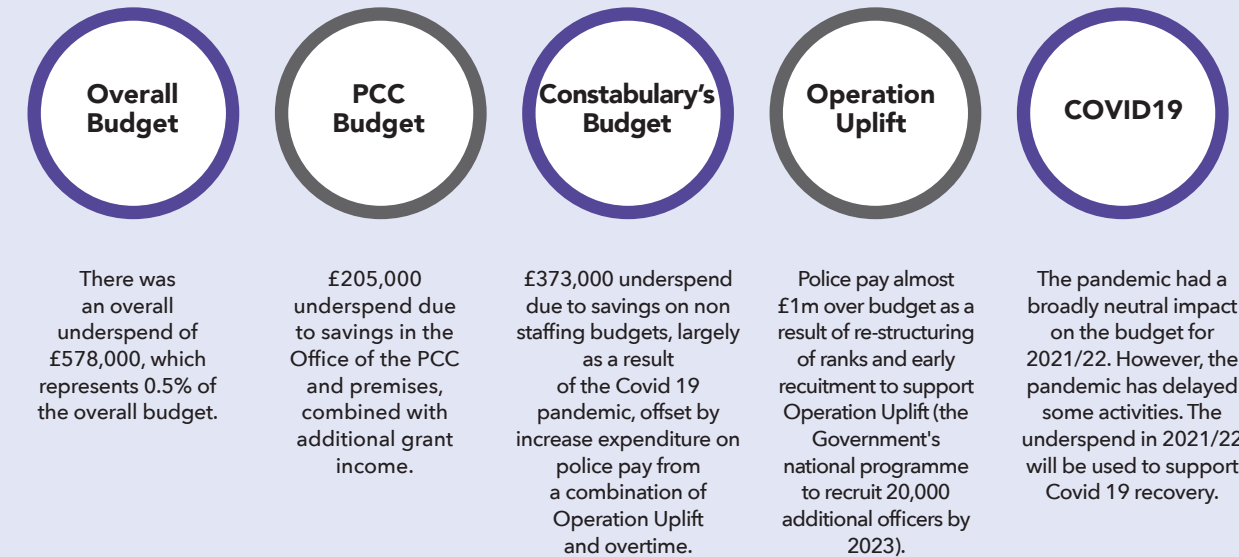
BE THE VOICE OF THE PUBLIC ON POLICING MATTERS



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

Breakdown of Property Fund awarded

- 21 local projects and community groups supported through the Property Fund
- £40,730 money seized from criminals re-distributed to community groups
- £32,993 to projects supporting young people
- Examples of protected characteristic groups support: Cumbria Deaf Association police desks with British Sign Language translators, Penrith Pumas wheelchair basketball equipment and AWAZ walkthrough refugee experience at the Barrow Unity festival



The financial results for the Police and Crime Commissioner's revenue budget for 2021/2022 are summarised in the table below

Description	Budget £000s	Actual Expenditure £000s	(Underspend) / Overspend £000s
Constabulary			
Police Officer Pay	93,061	95,574	2,513
PCSO Pay	1,894	1,929	35
Police Staff pay	25,658	24,861	(797)
Non Pay Expenditure	19,185	18,150	(1,035)
Income	(6,192)	(7,281)	(1,089)
Total Constabulary	133,606	133,233	(373)
PCC			
Office Police Crime Commissioner	977	937	(40)
Other PCC	(20,406)	(20,571)	(165)
Total PCC	(19,429)	(19,634)	(205)
Overall Total	114,177	113,599	(578)

ACCOUNTABILITY AND STATUTORY DUTIES

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

A FOCUS ON CRIME AND THE CAUSES OF CRIME

- £642,130 Home Office – Safer Street fund in Copeland, Allerdale and Carlisle
- Safer Cumbria Partnership in collaboration with the 3rd sector, developed the Serious Violence Needs Assessment
- Launched 1CLIC (County Lines Informed Cumbria) in partnership with the Force and The Well Communities, to help prevent young people becoming involved with illicit drugs in South Cumbria
- Developed pilot intervention with NHS England, working with children who have created and shared nude images and their support network i.e. families/friends and school
- Delivered restorative justice anti-social mediation services to 2,201 individuals
- Consent and sexual harassment campaign
- In its third year, the Cyber and Digital Crime Unit (CDCU) has investigated 271 offences, made 98 arrests and prosecuted 50 different criminals for 178 offences
- CDCU have investigated 204 online child sex offences and, as a result, 168 children have been safeguarded
- Funded Keep Safe initiative to provide a bespoke crime prevention and target hardening service for 587 victims of crime and anti-social behaviour
- Commissioned intervention for young people at risk of committing hate crimes, to help prevent further incidents

A FOCUS ON VICTIMS

- Secured £455,000 additional funding for victim support services from the Ministry of Justice (MOJ)
- Developed co-commissioning agreement with National Probation Service for future Women's Centre Outreach programme
- £600,000 additional MOJ funding to launch tailor made service to support children who have witnessed domestic abuse
- In partnership with Cumbria County Council and Ministry of Justice, funded additional Independent Sexual Violence Advisor (ISVA) posts
- The 11 strong ISVA team dealt with 895 referrals of victims of sexual assault or abuse
- Commissioned Safety Net/Cumbria University to consult with victims of rape, to assess the journey of survivors and support services they receive
- Developed in partnership, a Northwest Sexual Violence Online Directory of support services
- Victims Charitable Trust led a review of criminal justice organisations' compliance with the Victims Code of Practice
- Extension of Victim Support's Livechat service, now available 24/7

PREVENTING OFFENDING AND REDUCING REOFFENDING

- Launch of offender management programme Pathways that reduces re-offending through implementation of out of court disposal framework. In its first year supported 383 offenders of low level crime
- 233 victims engaged with Pathways restorative services, enabling victims to inform offenders of the impact the crime had on them
- 27 victim offender conferences and 89% of victims reported they are able to cope and recover
- Procured an early intervention child mentor programme for children - RISE, in collaboration with Child Centred Policing Team and Barnardo's, goes 'live' June 2022
- Implemented the 'They Matter' high risk domestic abuse perpetrator intervention programme
- Safer Cumbria Partnership (chaired by PCC) and 3rd sector organisations developed a Serious Violence Needs Assessment
- 94 independently selected cases were audited by the out of court scrutiny panel

BEATING CRIME PLAN

- Work aligning to the national Beating Crime Plan includes:
- Recruitment of 147 new officers in the last four years
 - Launched pilot of Community Beat Officers in West Cumbria
 - Safer Street fund in a supported Violence Against Women and Girls (VAWG) and residential theft projects in Copeland, Allerdale and Carlisle
 - Dedicated named local officers are contactable via the Constabulary's website

VIOLENCE AGAINST WOMEN AND GIRLS (VAWG)

Work aligning to the national VAWG strategy includes:

- Consent campaign in Copeland (Safer Street 3 Fund)
- Development of a Cumbria Night Safety Charter in Carlisle
- Development of night-time economy Charter in Carlisle
- Team of Safer Streets volunteers attend weekend welfare hub during the evenings at Carlisle train station
- Relaunch of the 'Ask for Angela' campaign countywide
- By-stander training delivered to 1,394 people
- Cumbria University developed an online production on the safety of women and girls as part of the school personal and social education (PSHE) programme





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

01768 217734

or email

commissioner@cumbria-pcc.gov.uk

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

www.cumbria-pcc.gov.uk



Foreword of the Committee Chair

Welcome to the 2021/22 Annual Report of the Joint Audit Committee (JAC). The committee is an independent body that provides assurance to the Commissioner and Chief Constable on their arrangements for governance. The committee achieves this by undertaking a wide range of reviews against an annual work programme. Through providing support and challenge the committee aims to improve and add value to those areas of governance within its remit.

During the course of the 2021/22 financial year, committee members have considered over 106 reports covering matters of governance including 22 internal audit reviews and the Commissioner and Chief Constable’s Statement of Accounts. Our work included undertaking a substantive review of key elements of the governance framework, challenging and monitoring the approach to risk management, making key recommendations regarding its improvement and scrutinising the effectiveness of arrangements to secure value for money. In addition the committee has contributed to the appointment of a new internal audit provider

effective from 01/04/2022 and to the development of the Internal Audit Strategy and Audit Plan for 2022/23.

Each year a review of effectiveness is completed covering the work of the committee. In a change introduced for 2020/21, in even years this takes the form of a 360’ review and in odd years (such as 2021/22) includes a more formalised Review of Effectiveness. This review, which is classed as a self-assessment is completed on behalf of the committee by the Deputy Chief Finance Officer. The review of the committee’s work for 2021/22 has concluded that the committee meets the CIPFA criteria for being highly effective.



Joint Audit Committee Annual Report 2021/22



For 2022/23 the committee has prepared an action plan to help ensure that the work of the committee is proactive in focusing on new and emerging issues of governance. We will look to:

- Support and monitor the OPCC and Constabulary plans to address the ongoing funding environment and sustainability.
- Support and challenge any new governance arrangements for example arising from restructuring and capacity reviews; Local Government Reorganisation and Fire; greater collaboration with other organisations; joint working on delivery of services.
- Achieve a greater understanding of partnerships the PCC and Constabulary are involved with.
- Achieve a greater understanding of the findings of HMICFRS reports; how these are reflected in the risk registers and evidence of benefit realisation following implementation of inspection findings.
- Improve engagement with the Chief Constable of Police and Crime Commissioner (Committee Chair) and attend Police and Crime Panel Meetings and other governance committees as necessary/considered beneficial to enhance the work of JAC.

In presenting this annual report, the committee wishes to thank the Commissioner and Chief Constable's officers and appointed auditors for their support. I hope you will find this report informative, and that the information it provides supports a wider understanding of the contribution made by the committee to the Commissioner and Chief Constable's arrangements for governance.

Fiona Moore

Joint Audit Committee Chair

The Chief Constable, Michelle Skeer said *"The work of the Joint Audit Committee is invaluable in providing assurance that governance within the Constabulary is effective and supports the delivery of an outstanding policing service for the people of Cumbria. The professional independence, complementary skills and conscientious approach of the committee to their role facilitates robust scrutiny and challenge which contributes to the Constabulary achieving its objectives of being an efficient and effective policing service."*

The PCC for Cumbria, Peter McCall said *"One of my key responsibilities on behalf of the public is to ensure the effective and efficient use and accounting for public money allocated to Policing the county. This is a highly complex and constantly changing financial landscape and it is therefore essential that we have effective and challenging scrutiny of our financial processes. I believe we are blessed in the OPCC and Constabulary in having highly professional and dedicated finance staff who do an excellent job, this is complemented by a rigorous, expert panel in the Joint Audit Committee who in turn conduct Independent audit of a range of Constabulary functions and most especially our accounts. As Commissioner this gives me additional assurance which I am able to pass onto the public that our administration and financial processes are effective, efficient and their probity is assured. There are of course always things we can improve and I am grateful to the Chair and members of JAC for their robust scrutiny and guidance when they find matters which need to be addressed and improved."*



Joint Audit Committee Summary Review of Effectiveness 2021/22



Background

The purpose of an audit committee is to provide those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance process.

The **Joint audit Committee** (JAC) is made up of four independent appointed members and they provide this assurance role for both the Police and Crime Commissioner for Cumbria (PCC) and the Chief Constable for Cumbria Constabulary.

The Chartered Institute of Public Finance and Accountancy (CIPFA) provides guidance on the role of the committee and also recommends that an annual review of effectiveness against

these guidance principles is undertaken. This document summarises the findings of the review for the 2021/22 financial year, the review document in full can be found on the PCC website at:

[JAC-Review-of-Effectiveness-2021-22.pdf](#)
(cumbria-pcc.gov.uk)

Annual Review 2021/22

The review of the committee and its functions using the updated 2018 CIPFA guidance concluded that the committee meets the standard described by CIPFA as “highly effective in its operation”. The review provides a 1-5 score (with 5 being highest) against a number of criteria. The committee has scored 5 in all categories.

The JAC annual work profile is mapped against the CIPFA guidance to ensure all requirements are covered. The annual work programme arranged by meeting and by assurance format is provided in the full report, together with the role profile of committee chair and members, attendance at meetings and the terms of reference.

The remainder of this report provides a summary of the individual categories included in the assessment.

Core Committee Functions

Good Governance and the Annual Governance Statement

The JAC address governance principles in the course of regular business rather than as a once a year exercise. CIPFA notes the importance of the committee to make things better not just review what has happened in the past. The annual work programme (provided in detail in the full report) includes arrangements for cyclical review of governance documents and all material governance arrangements.

During the year members have made a number of contributions to the narrative within corporate governance documents that improves their overall accessibility to users and strengthens or clarifies internal controls. This has included feedback to improve wording within the joint procurement regulations and arrangements for anti-fraud and corruption.

Internal Audit

JAC has a clear role in relation to oversight of the internal audit function. JAC review the audit charter and audit plan on an annual basis. JAC also receive all audit reports at the point at which they are finalised, members will then select those reports that they wish to be discussed in more detail at the following meeting. During the year members have given specific focus to audit reports covering a diverse range of subjects for the Constabulary and OPCC including agile workforce, complaints review, payroll, benefits delivery, digital leadership, covid-19 response, preparedness for McCloud pensions remedy, inventory, resource allocation/workforce planning, financial sustainability, business transformation project -finance (phase 2), business transformation project (duties management) and establishment process recruitment. Increased levels of scrutiny result in improvements to the control environment and provide assurances on the effective implementation of audit recommendations. The committee meet annually and

independently with the Head of Internal audit (HIA) and also receive the HIA annual report and opinion. JAC also monitor the performance of internal audit against agreed indicators on a regular basis. An update on progress against all medium and high level audit recommendations is provided to 4 of the 5 meetings in the year.

Risk Management

The Home Office Financial Management Code of Practice directs committees to advise the Commissioner and Chief Constable on the adoption of appropriate risk management arrangements. JAC consider the risk management strategies and risk registers of the PCC and Constabulary on a regular basis. JAC has a lead member for risk who provides input and advice on risk management strategies prior to consideration by the full committee. In accordance with best practice, the committee also maintains a separate risk register to manage risks associated with the committees own activities.

Assurance Frameworks and Assurance Planning

The committee works within an assurance based programme of work which aligns to the terms of reference. The work programme ensures that assurance activity is planned and delivered efficiently and effectively. The assurance framework includes receiving assurances from chief officers, management, internal and external auditors.

Value for Money (VFM) and Best Value

CIPFA guidance notes that it is the statutory responsibility of the Chief Constable to secure VFM, the Commissioner holds the Chief Constable to account for this responsibility. The role of JAC is to support both the Commissioner and Chief Constable to fulfil their responsibilities. The JAC role focuses on the arrangements to ensure VFM and the progress in achieving VFM. The work includes how VFM performance is evaluated as part of the annual governance statements and

consideration of the external audit opinion with regards to VFM. The committee also receive a number of VFM reports including an analysis of the HMICFRS VFM profiles. In addition, the format of internal audit reports specifically identify any VFM implications of audits.

Countering Fraud and Corruption

CIPFA guidance states that the committee is to have oversight of the counter-fraud strategy, assessing whether it meets recommended practice, governance standards and complies with legislation. JAC has a good understanding of the level of fraud risk to which the organisation is exposed and implications for the wider control environment. The JAC undertakes a cyclical review of the counter fraud strategy including associated codes of conduct on ethical behaviour. On an annual basis the committee receives a report from the OPCC on the effectiveness and monitoring of arrangements for anti-fraud and corruption within the OPCC. In addition as part of the

process for reviewing the annual statement of accounts the committee receives the Commissioner's and Chief Constable's letter of management assurance to the external auditor which include a full fraud risk assessment. Members further support their understanding by their review of all audit reports which provide an understanding of internal controls that are in place and how these are working.

External Audit and Inspection

The JAC role includes receiving and considering the work of the external auditor. Cyclical reports included in the annual work programme cover the annual report and a mid-year update report. In addition the JAC have a private meeting with the external auditor once a year. External audit are represented at each of the JAC meetings and fully engage with any discussions where appropriate. Where external audit reports include recommendations an update on these is monitored at 4 of the 5 meetings during the year.

Financial Reporting

The CIPFA guidance recommends that it is good practice for the accounts and AGS to be reviewed by the committee prior to the commencement of the annual external audit. The work on the statement of accounts includes reviewing consistency between the Joint Chief Finance Officer's narrative forward, the financial statements and the committee's own understanding of the financial challenges and risks facing the organisation. Consideration is also given to the accessibility and overall readability of the statements. The financial statements are accompanied on the agenda by a report from the Joint Chief Finance Officer that consolidates key areas of assurance on the financial statements and explains any key changes. The committee received the annual statement of accounts and AGS at the June meeting, in advance of the accounts being authorised for issue by the Joint Chief Finance Officer and in advance of the audit thereby complying with best practice guidance.

Partnership Governance and Collaboration

The JAC role includes considering the assurance available on whether partnerships or collaboration arrangements are satisfactorily established and operating effectively. The committee should satisfy itself that the principles of good governance underpin such arrangements.

Governance and Ethical Values

With its core role of supporting good governance, support for the ethical framework of the organisation is also important for the committee. Public sector organisations have an overarching mission to serve the public interest in adhering to the requirements of legislation and government policies. This makes it essential that the entire organisation can demonstrate the integrity of all its actions and has mechanisms in place that encourage and enforce a strong commitment to ethical values and legal compliance at all levels. The audit committee should be satisfied that there are adequate arrangements to achieve this.

Wider Committee Functions

Ethical Values and Treasury Management

In relation to ethical values, guidance acknowledges the role of the committee in promoting high standards and that the committee may take on the role of a standards committee. Evidence in support of this requirement is provided within core functions assessment under good governance and countering fraud and corruption. The committee also consider the annual report of the Ethics and Integrity Panel and consider the implications of their finding for the overall systems of governance within the Constabulary.

With regards to treasury management, the committee ensures effective scrutiny of the treasury management strategy and policies. Scrutiny involves developing an understanding of treasury matters and receiving quarterly activity reports to support this. The JAC receive a treasury management briefing directly from the Commissioner's treasury advisors on an annual basis in addition to the quarterly activity reports and annual strategy statement.

Independence and accountability

The CIPFA guidance includes a position statement that covers key features that should be evidenced within audit committees. Outside this statement, arrangements should reflect local circumstances. The committee is fully compliant with the requirements of the CIPFA guidance.

Membership and Effectiveness

CIPFA recognises that membership composition and operation are a key factor in achieving the characteristics of a good audit committee. The JAC currently has four members appointed through a recruitment process. The terms of reference for the committee allows for a membership of between four and six members.

The members come from a range of backgrounds with a wide skillset. A number of development activities are included within the workplan which includes a corporate update at every meeting and members are supported in attending national events relevant to their role.

During 2021/22 there have been a number of changes to the committee. An additional fifth member of the Committee was appointed in June 2021 and in November 2021 the former chair of the committee retired and was replaced by the current chair. During 2022/23 recruitment will be carried out to further strengthen the committee.

Plans for 2022/23

As part of the review a number of areas of development have been identified for 2022/23 which include plans to:

- Support and monitor the OPCC and Constabulary plans to address the ongoing funding environment and sustainability.
- Support and challenge any new governance arrangements for example arising from restructuring and capacity reviews; Local Government Reorganisation and Fire; greater collaboration with other organisations; joint working on delivery of services.
- Achieve a greater understanding of partnerships the PCC and Constabulary are involved with.
- Achieve a greater understanding of the findings of HMICFRS reports; how these are reflected in the risk registers and evidence of benefit realisation following implementation of inspection findings.
- Improve engagement with the Chief Constable of Police and Crime Commissioner (Committee Chair) and attend Police and Crime Panel Meetings and other governance committees as necessary/considered beneficial to enhance the work of JAC.

A brief introduction to the current committee members is provided below:



Fiona Moore – Fiona joined the committee in April 2015 and took over as committee chair in November 2021.

Fiona, a solicitor by profession, has considerable experience working in Criminal Justice based organisations most recently in a Head of Governance role in the Ministry of Justice. Fiona is Chair of Castles and Coasts Housing Association and Chair of Governors of Windermere C of E Primary School. Fiona has served on a number of Committees in a range of roles and as a member of the Two Castles Audit Committee.



Jack Jones – Jack joined the committee in November 2012.

Jack has spent his whole career working within the finance sector, including South Lakeland District Council where he was Treasurer/Director of Finance. As a result, Jack has brought with him experience of working in local government as well as a sound understanding of financial management and relevant technical knowledge. Jack is currently working part time as responsible finance officer for a Cumbrian Town Council.



Malcolm Iredale – Malcolm joined the committee in September 2016.

Malcolm trained and worked in an English Local Authority before moving to Scotland to work as a Local Government Auditor – both external and internal, including Police Authorities. He then spent over 20 years in the Highlands as a Director of Finance in both Local Government and the NHS, with a particular interest in the delivery of public services in remote and rural areas. He has subsequently undertaken procurement roles at both local and national level, and now serves as a Trustee of a local charity.



Tim Mann – Tim joined the committee in June 2021

Tim is a retired Royal Air Force senior officer with over 40 years' experience in the leadership, governance and assurance of large complex and highly regulated organisations. He comes from Loganair Ltd where he was Director of Safety, Security and Compliance. Prior to that he was the consultant responsible for aligning the Quality and Safety management systems in the Omani air force with ISO standards. His career as a 'fast jet' engineer has taken him to the Falklands, the United States and most of the Middle Eastern countries. He has held numerous peacetime and operational command appointments where he has specialised in Strategic Management, Engineering Airworthiness, Safety, Quality, Governance, Operational Planning, Risk Assessment, and Project Management. His early career was at Rolls-Royce, he is a chartered engineer, a Henley MBA graduate and holds Fellowships with the Institution of Mechanical Engineers and the Chartered Management Institute. He is currently undertaking postgraduate Consultancy studies. He is also a serving committee member of the Glasgow and South-West Scotland Group of the Institution of Mechanical Engineers.

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The Police and Crime Commissioner for Cumbria and Chief Constable for Cumbria Audit Progress Report and Sector Update

Year ending 31 March 2022

August 2022



Contents

Section	Page
Key Grant Thornton Team Members	03
Introduction and Headlines	04
The Auditor's statutory responsibilities	05
Progress at August 2022	07
2021/22 Deliverables	09
Sector Update	10

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

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Key Grant Thornton team members



Michael Green

Engagement Lead

T 0161 953 6900
E michael.green@uk.gt.com

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

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



Gareth Winstanley

Manager

T 0161 234 6343
E gareth.j.winstanley@uk.gt.com

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

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

To support delivery of the testing strategy he will:

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



Bethany Duffy

Audit In-Charge

T 0141 223 0741
E bethany.l.duffy@uk.gt.com

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

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

Introduction & headlines

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

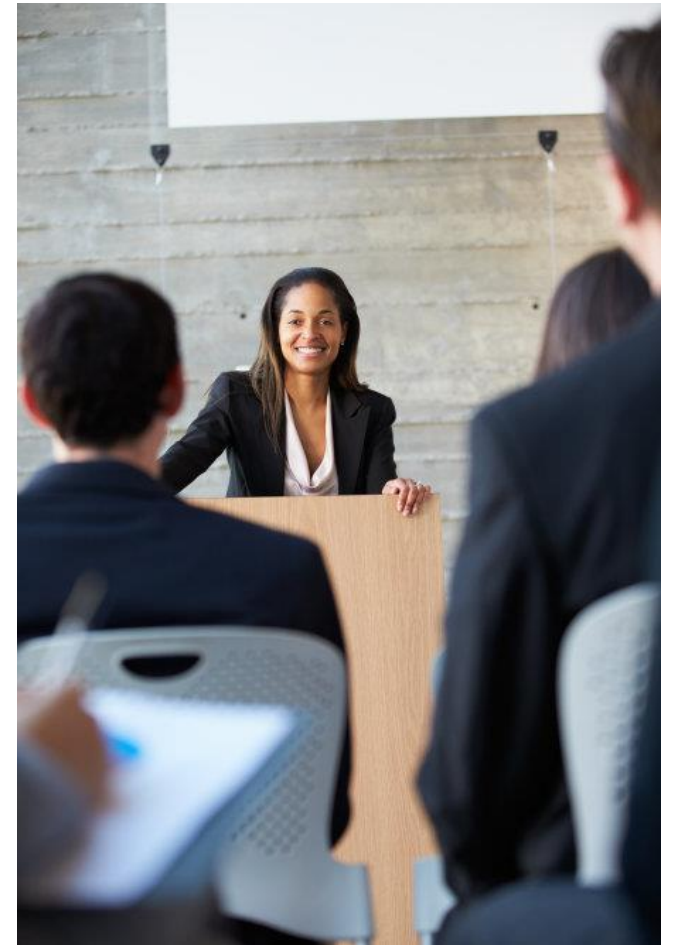
The paper also includes a summary of emerging national issues and developments that may be relevant to you.

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

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

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

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



The auditor's statutory responsibilities

Opinion on the audited body's financial statements

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

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

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

Since we last reported we have:

- continued to have regular discussions with management discussing issues identified in previous audits, and emerging themes which are expected to impact on the current audits;
- reviewed meeting papers and the latest financial and operational performance reports ensuring we understand your current challenges;
- met with the Audit Committee / Chair to provide informal feedback on progress of the audit;
- considered any reports from regulators regarding your operational effectiveness.

We issued our joint audit plan summarising our approach to key risks on the audit in June. We will deliver our final accounts audits in July - September and summarise our work in the Auditors' Annual Report.

Work on value-for-money arrangements

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

Our initial risk assessment builds on our understanding of your arrangements, taking into account any findings from previous work on value for money. We reported our risk assessment to you at your June Joint Audit Committee against the following reporting criteria:

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

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

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

The auditor's statutory responsibilities

Other responsibilities

We are required to give an opinion on whether:

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

We are also required to:

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

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

Other statutory duties

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

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

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

Added value

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

- the opportunity to access support from experienced technical colleagues. This means you will be at the forefront of accounting developments. Through this relationship we also ensure that communication works both ways and feed issues back from our clients.;
- insight from our regular meetings within the sector where we discuss emerging developments. We will also raise any areas of concern that you have over policy, procedure, or regulation with your regulators; and
- technical and sector updates for the Joint Audit Committee.



Progress at August 2022

Financial Statements Audit

We undertook our initial planning for the 2021/22 audit in March 2022, and begin our work on your draft financial statements in late July.

Our planning fieldwork includes:

- Updated review of the Police and Crime Commissioner and Chief Constable's control environment
- Updated understanding of financial systems
- Review of Internal Audit reports on core financial systems
- Understanding how the Police and Crime Commissioner and Chief Constable make material estimates for the financial statements
- Early work on emerging accounting issues

In June we issued a detailed audit plan, setting out our proposed approach to the audit of the 2021/22 financial statements.

We will report our work in the Audit Findings Report and aim to give our opinion on the Statement of Accounts by November 2022.

The Accounts and Audit (Amendment) Regulations 2021 push back the date by which principal authorities need to publish their draft financial statements to the first working day of August. The Department for Levelling Up, Communities and Housing (DLUHC) states that they intend, subject to consultation, to introduce secondary legislation to extend the deadline for publishing audited accounts to 30 November 2022 for the 2021/22 accounts.

Value for Money

The new Code of Audit Practice (the "Code") came into force on 1 April 2020 for audit years 2020/21 and onwards. The most significant change under the new Code was the introduction of an Auditor's Annual Report, containing a commentary on arrangements to secure value for money and any associated recommendations, if required.

The new approach is more complex, more involved and is planned to make more impact.

Under the 2020 Code of Audit Practice, for relevant authorities other than local NHS bodies auditors are required to issue our Auditor's Annual Report no later than 30 September or, where this is not possible, issue an audit letter setting out the reasons for delay.

As a result of the ongoing pandemic, and the impact it has had on both preparers and auditors of accounts to complete their work as quickly as would normally be expected, the National Audit Office has updated its guidance to auditors to allow us to postpone completion of our work on arrangements to secure value for money and focus our resources firstly on the delivery of our opinions on the financial statements. This is intended to help ensure as many as possible could be issued in line with national timetables and legislation. The extended deadline for the issue of the Auditor's Annual Report is now no more than three months after the date of the opinion on the financial statements. We anticipate issuing our Auditor's Annual Report in January 2023.

Progress at August 2022 (cont.)

Other areas

Events

We provide a range of workshops, along with network events for members and publications to support the Police and Crime Commissioner and Chief Constable. Your officers attended our Accounts Workshop in January and February 2022, where we highlighted financial reporting requirements for the 2021/22 accounts and gave insight into elements of the audit approach.

Further details of the publications that may be of interest to the Police and Crime Commissioner, Chief Constable and JAC members are set out in our Sector Update section of this report.

Audit Fees

During 2017, PSAA awarded contracts for audit for a five year period beginning on 1 April 2018. 2021/22 is the fourth year of that contract. Since that time, there have been a number of developments within the accounting and audit profession. Across all sectors and firms, the Financial Reporting Council (FRC) has set out its expectation of improved financial reporting from organisations and the need for auditors to demonstrate increased scepticism and challenge and to undertake additional and more robust testing.

Our work in the Local Government and Police sectors in the period 2018/19 to 2021/22 has highlighted areas where financial reporting, in particular, property, plant and equipment and pensions, needs to improve. There is also an increase in the complexity of public sector financial transactions and financial reporting. This combined with the FRC requirement that all Local Government and Police audits are at or above the “few improvements needed” (2A) rating means that additional audit work is required.

We have reviewed the impact of these changes on both the cost and timing of audits. We have discussed this with your Joint Chief Finance Officer including any proposed variations to the Scale Fee set by PSAA Limited, and have communicated fully with the Joint Audit Committee, Police and Crime Commissioner and Chief Constable.

As a firm, we are absolutely committed to meeting the expectations of the FRC with regard to audit quality and local government financial reporting.

2021/22 deliverables

2021/22 Deliverables

	Planned Date	Status
<p>Accounts Joint Audit Plan</p> <p>We are required to issue a detailed accounts joint audit plan to the Joint Audit Committee setting out our proposed approach in order to give our opinions on the 2021-22 financial statements.</p>	June 2022	Issued
<p>Joint Audit Findings (ISA260) Report</p> <p>The Joint Audit Findings Report will be reported to the November Joint Audit Committee.</p>	November 2022	Not due yet
<p>Auditors Reports</p> <p>These are the opinions on your financial statements and annual governance statements.</p>	November 2022	Not due yet
<p>Auditor's Annual Report</p> <p>The key output from local audit work on arrangements to secure VFM is an annual commentary on arrangements, which will be published as part of the Auditor's Annual Report (AAR).</p>	January 2023	Not due yet

Sector Update

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

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

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

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

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

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

Public Sector

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

Police

HMICFRS

HMICFRS inspections: evaluation of remote inspection methods

Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services independently assesses and reports on the effectiveness and efficiency of police forces and fire and rescue services with the aim of encouraging improvement.

The pandemic required HMICFRS to move to remote inspections, rather than on-site and face-to-face. They have evaluated how the move to remote methods went, to:

- identify where improvements were required;
- understand what happens when the way in which the inspection take place changes; and
- consider whether inspecting remotely is something to continue to do in the future.

This report can be found [here](#).



HMICFRS

Observations on the third generation of force management statements

A force management statement (FMS) is a self-assessment that chief constables (and London equivalents) prepare and submit to Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) each year.

These are the observations of the FMS steering group on the third round of FMSs. Police forces sent in their statements by the end of May 2021.

The steering group is made up of HMICFRS, the National Police Chiefs Council, the College of Policing, the Association of Police and Crime Commissioners, the Home Office, and other parties interested in the development of FMSs.

Get the report [here](#).



Association of Police and Crime Commissioners

Fraud A Priority in all Police And Crime Plans

Fraud is now a priority in all PCCs Police and Crime plans confirms APCC Lead at an evidence session in the House of Lords on Thursday, 16 June.

National Lead for Economic and Cyber Crime and PCC for Avon and Somerset Mark Shelford gave oral evidence to the Digital Fraud Committee and Fraud Act 2006 alongside Rob Jones, Director General from the National Economic Crime Centre and Pete O'Doherty, Assistant Commissioner and NPCC Coordinator for Cyber and Economic Crime.

During the session he expressed the vital role PCCs play in responding to economic and cybercrime, including fraud.

In a statement he said: "I am encouraged to see that all of my colleagues have included fraud in their Police and Crime Plans which sets the direction for their police area and to which they will hold their Chief Constable accountable.

"But more does need to be done. We encourage the government to include fraud in the Strategic Policing Requirement, which would bolster the prioritisation of fraud at the national level and within the National Policing Board performance measures alongside crimes such as burglary.

"Recognising fraud as a priority is a necessary step in continuing the work to build the capabilities and capacity in the whole system to effectively investigate and prosecute fraud. We welcome the inclusion of fraud as a priority crime in the Online Safety Bill. Measures in the Bill will go some way towards mitigating the vulnerability of the public as they shop and socialise online."

See the full article [here](#).



The Value of Internal Audit

One of the key elements of good governance is an independent and objective internal audit service. Some organisations engage fully and reap significant benefits from the assurance, insight and expertise they bring whilst others pay lip-service to them and see their work as an administrative burden.

CIPFA's recent report, [Internal Audit: Untapped Potential](#), lifts the lid on internal audit in public services. For some chief financial officers and chief executives, this report confirms the value and contribution of internal audit teams with 87% of respondents recognising the contribution internal audit makes to their organisation. However, some leadership teams saw internal audit as providing a basic service at minimal cost.

Getting the most out of the function requires honest conversations and long-term planning. Maintaining appropriate skills and knowledge within the function is necessary to ensure high quality internal audit in public services are retained.

Culture and governance

The Joint Audit Committee should monitor the delivery of internal audit and their output will be a key part of the annual work-plan. However, internal audit is not a substitute for risk management and should enhance the overall assurances received by management. Executives and Officers should engage with internal audit recommendations to ensure the organisation gains maximum value from reviews.

Capacity

Reducing internal audit days can lead to a lack of 'corporate grip' not identifying issues at an early stage. This report raises concerns over the capacity of internal audit across the public sector. The profession needs to be valued and invested in to make it more attractive to new blood and for bodies to be able to attract the best candidates to their service.

Expectations

To maximise the impact of internal audit, a clear and aligned strategic audit plan and annual audit plan should be in place. This should be agreed with all stakeholders.

Future plans

Internal audit needs to adapt to the changing landscape, including risks such as climate change, digital and technological developments, cyber-security and ongoing financial and service pressures within their planning processes. For financial resilience and medium- and long-term financial strategies internal audit can provide vital independent assurance to decision makers to allow them to take on more risk and be more ambitious. Leadership teams need to be clear on what assurances they will require going forward.

Challenge

- Does your organisation demonstrate it values internal audit by providing sufficient resource, sufficient voice and sufficient engagement with them?
- Does management direct internal audit to areas of known risk to seek their insights and experience?
- Is internal audit independent, retaining a direct reporting line to Executives or Officers and having sufficient representation at the Joint Audit Committee?
- Is your internal audit service keeping up with the changing landscape and providing assurance in emerging risk areas?

For more information, [Rob Whiteman](#) share his views on this report.



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The Police and Crime Commissioner for Cumbria

Treasury Management Activities 2022/23 for the period 01 April 2022 to 30 June 2022

Public Accountability Conference 02 August 2022 and Joint Audit Committee 21 September 2022



Cash flow Balances

Quarter 1 average daily balance - £10.361m
 Investment balance @ 30/06/22 £5.224m
 (Down 60% from £13.173m at 31/03/22).



Investment Interest Forecast

Base Budget - £10,000
 Revised Budget - £10,000
 Current Estimate - £170,000



Borrowing Strategy

During 2021/22 the scheme to purchase the dog kennels at Wreay was approved. The scheme was estimated to cost £1.5m for the purchase and refurbishment. During 2021/22 £1.133m was borrowed (internally) and in 2022/23 it is expected that £0.367m will be borrowed (internally) to complete the scheme of works.

Investment Strategy

Category	Category Limit (£m)	Investments at 31 Mar (£m)	Compliance with Limit
1 - Banks Unsecured	20	0.524	Yes
2 - Banks Secured	20	0.000	Yes
3 - Government (inc LA)	10	0.000	Yes
4 - Registered Providers	10	0.000	Yes
5 - Pooled Funds	15	4.700	Yes
Total		5.224	

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

Performance Indicators

	Number of Days	Average Balance (£)	Largest Balance (£)
Quarter 1			
Days In Credit	91	65,656	362,306
Days Overdrawn	0	0	0

Average interest rate earned - 0.73%
 Average base rate - 0.94%
 (Current bank base rate – 1.25%)

Treasury and Prudential Indicators

During the period 01 April 2022 and 30 June 2022, the treasury function has operated within the treasury and prudential indicators set out in the Treasury Management Strategy Statement and in compliance with the Treasury Management Practices.

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

Economic Outlook and Treasury position for the quarter ended 30 June 2022

Following the 0.1% month on month fall in GDP in March and the 0.3% month on month contraction in April, the economy is now moving towards a recession (two quarters of falling output in a row). That said, without the joint wind down of the COVID-19 Test and Trace and vaccination programme, GDP would have risen by 0.2% m/m and 0.1% m/m in March and April respectively. That's hardly strong, but it suggests the underlying momentum is not quite as weak as the headline figures imply.

CPI inflation rose from 9.0% in April to a new 40-year high of 9.1% in May and it is not yet close to its peak. The increase in CPI inflation in May was mainly due to a further leap in food price inflation from 6.7% to a 13-year high of 8.5%. With the influence of increases in agricultural commodity prices yet to fully feed into prices on the supermarket shelves, food price inflation could rise above 10% in September. Two-thirds of the observation period for the Ofgem price cap having now passed, something like a 40% rise in utility prices is pretty in line for October. The further rise in core producer price inflation, from 13.9% to 14.8%, suggests that core goods CPI inflation will probably rise to 14% before long. CPI inflation to a peak of around 10.5% in October. Latest figures released for June 2022 show CPI inflation has again risen to 9.4%.

The MPC has now increased interest rates five times in as many meetings and raised rates to their highest level since the Global Financial Crisis. The US Federal Reserve raised rates by 75 basis points (bps) in June and a handful of other central banks have recently raised rates by 50bps, the Bank of England's action is relatively dovish in comparison. The MPC's decision not to follow the Fed and raise rates by more makes some sense. The UK's status as a larger importer of commodities, which have jumped in price, means that households in the UK are now facing a much larger squeeze on their real incomes.

The MPC's new guidance is that if there are signs of "more persistent inflationary pressures" it will, "if necessary act forcefully in response". Link, the treasury advisers to the PCC, expect the MPC to continue to raise rates in steps of 25bps rather than 50bps and predict the MPC will raise rates from 1.25% now to a peak of 2.75% next year. That's higher than the peak of 2.00% forecast by economists, but lower than the peak (3.5%) priced into the financial markets.

Base Rate Estimates	2022/23	2023/24	2024/25
Quarter 1	1.75	2.75	2.25
Quarter 2	2.25	2.75	2.25
Quarter 3	2.75	2.50	2.25
Quarter 4	2.75	2.50	2.25

Investments in place on 30 June 2022

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	0.05%	499,920	499,920
NatWest (Liquidity Select Acc)	A+	30/06/2022	01/07/2022	O/N	0.01%	24,000	24,000
						523,920	523,920
Category 2 - Banks Secured (Includes Banks & Building Societies)							
						0	0
Category 3 - Government (Includes HM Treasury and Other Local Authorities)							
						0	0
Category 4 - Registered Providers (Includes Providers of Social Housing)							
None						0	0
Category 5 - Pooled Funds (Includes AAA rated Money Market Funds)							
Invesco	AAA	Various	On demand	O/N	0.355%	2,000,000	2,000,000
BlackRock	AAA	Various	On demand	O/N	0.158%	0	0
Fidelity	AAA	Various	On demand	O/N	0.397%	0	0
Goldman Sachs	AAA	Various	On demand	O/N	0.443%	2,500,000	2,500,000
Aberdeen Standard	AAA	Various	On demand	O/N	0.381%	200,000	200,000
						4,700,000	4,700,000
Total						5,223,920	5,223,920

On the 30th June the available cash for investment was at its lowest. This is the same every year as a result of the timing of the Police Pension Grant from the Home office. In July 2022 grant of £19.85m was received and is largely in advance and will be drawn down over the remainder of the year. Along with the July grant payment, the investments reached their highest balance of £30.97m. A large proportion of this balance was split between the Debt Management Office (DMO) of HM Treasury, Treasury Bills, Certificates of Deposit and Fixed Term Investments to be returned at regular intervals as cashflow forecasts require, with the remainder being managed through the

Borrowing position for the quarter ended 30 June 2022

At the 30th June 2022 there were no loans outstanding. Both Local Authority loans taken out at the end of March to cover short term liquidity were repaid by the 14th of April.

Treasury and Prudential Indicators 2022/23 at 30 June 2022

Treasury Management Indicators		Result	RAG	Prudential indicators		Result	RAG
<p>The Authorised Limit</p> <p><i>The authorised limit represents an upper limit of external borrowing that could be afforded in the short term but may not be sustainable. It is the expected maximum borrowing need with some headroom for unexpected movements. This is a statutory limit under section 3(1) of the local government Act 2003.</i></p>	TEST - Is current external borrowing within the approved limit	YES	●	<p>Ratio of Financing Costs to Net Revenue Stream</p> <p><i>This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of revenue budget required to meet financing costs</i></p>	TEST - Is the ratio of capital expenditure funded by revenue within planned limits	YES	●
<p>The Operational Boundary</p> <p><i>The operational boundary represents and estimate of the most likely but not worst case scenario it is only a guide and may be breached temporarily due to variations in cash flow.</i></p>	TEST - Is current external borrowing within the approved limit	YES	●	<p>Net Borrowing and the Capital Financing Requirement</p> <p><i>This indicator is to ensure that net borrowing will only be for capital purposes. The commissioner should ensure that the net external borrowing does not exceed the total CFR requirement from the preceding year plus any additional borrowing for the next 2 years.</i></p>	TEST - Is net debt less than the capital financing requirement	YES	●
<p>Actual External Debt</p> <p><i>It is unlikely that the Commissioner will actually exercise external borrowing until there is a change in the present structure of investment rates compared to the costs of borrowing.</i></p>	TEST - Is the external debt within the Authorised limit and operational boundry	YES	●	<p>Capital Expenditure and Capital financing</p> <p><i>The original and current forecasts of capital expenditure and the amount of capital expenditure to be funded by prudential borrowing for 2022/23</i></p>	TEST - Is the current capital outturn within planned limits	YES	●
<p>Gross and Net Debt</p> <p><i>The purpose of this indicator is to highlight a situation where the Commissioner is planning to borrow in advance of need.</i></p>	TEST - Is the PCC planning to borrow in advance of need	NO	●	<p>Capital Financing Requirement</p> <p><i>The CFR is a measure of the extent to which the commissioner needs to borrow to support capital expenditure only. It should be noted that at present all borrowing has been met internally.</i></p>	TEST - Is the capital financing requirement within planned limits	YES	●
<p>Maturity Structure of Borrowing</p> <p><i>The indicator is designed to exercise control over the Commissioner having large concentrations of fixed rate debt needing to be repaid at any one time.</i></p>	TEST - Does the PCC have large amounts of fixed rate debt requiring repayment at any one time	NO	●				
<p>Upper Limit for total principal sums invested for over 365 Days</p> <p><i>The purpose of this indicator is to ensure that the commissioner has protected himself against the risk of loss arising from the need to seek early redemption of principal sums invested.</i></p>	TEST - Is the value of long term investments within the approved limit	YES	●				

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that regular reports are presented with regards to treasury management activities. This half yearly report ensures the Police and Crime Commissioner is implementing best practice in accordance with the Code.

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