



# Annual Governance Statement 2018/19 Development and Improvement Plan Update

## Introduction

This report is designed to provide members with an update on the progress made to date in respect of the action plans developed for both the Constabulary and the Office of the Police and Crime Commissioner as part of the production of the Annual Governance Statement (AGS).

The update is being provided to provide members with information regarding progress on the implementation of the AGS action plan for the OPCC and Constabulary.

The following appendices provide details of the actions included in the action plan, the target timescale for completion, current progress against the action and the lead officer responsible for that action.

- Appendix A – Annual Governance Statement Action Plan 2018/19 – Constabulary
- Appendix B – Annual Governance Statement Action Plan 2018/19 – OPCC



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

## Report Summary – Constabulary AGS (Detail included at Appendix A)

Summary of Actions	Constabulary	
	No	%
Actions included in the AGS	25	100%
Actions completed since last report	9	36%
<b>Open Actions C/fwd</b>	<b>16</b>	<b>64%</b>
<b>Summary of Total Actions by Status</b>		
Completed	9	36%
Ongoing (within original timescale)	11	44%
Ongoing (original timescale extended)	3	12%
Overdue/ timescale extended	1	4%
Not yet due	1	4%
<b>Total</b>	<b>25</b>	<b>100%</b>

## Report Summary – OPCC AGS (Detail included at Appendix B)

Summary of Actions	Constabulary	
	No	%
Actions included in the AGS	13	100%
Actions completed since last report	4	31%
<b>Open Actions C/fwd</b>	<b>9</b>	<b>69%</b>
<b>Summary of Total Actions by Status</b>		
Completed	4	31%
Ongoing (within original timescale)	5	38%
Ongoing (original timescale extended)	4	31%
Overdue/ timescale extended	0	0%
Not yet due	0	0%
<b>Total</b>	<b>13</b>	<b>100%</b>

## Constabulary AGS Action Plan 2018/19

Ref	Action	Lead Officer	Action Update as at 31 October 2018	Implementation by	Revised Implementation Date	Status
Core Principle A: Focusing on behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.						
CPA/1	Complete outstanding vetting checks to ensure compliance with new enhanced vetting requirements and ensure arrangements are sustainable.	Head of People	All vetting checks in the constabulary have now been now completed and we are 100% compliant	30th September 2018		Completed
Core Principle B: Focusing on ensuring openness and comprehensive stakeholder engagement.						
CPB/1	Evaluate the requirements and implement the Single On-Line Home external website in conjunction with the National Police Chiefs Council to improve public contact and access to services.	Director of Corporate Improvement	The national project has rebased its programme of work and, as a result, the timetable for forces to be included in the project has changed. Latest intelligence suggests that the revised schedule of work will be available by the end November 2018.	30th June 2019 subject to adoption by the national project.	TBA	Not yet due
CPB/2	Hold engagement and consultation events within the Constabulary in relation to Vision 2025	Director of Corporate Improvement	This is a continuous activity, supported by a dedicated website and is being led by the superintendent responsible for benefits delivery.	31st March 2019		Ongoing (within original timescale)
CPB/3	Complete the review of policy management arrangements and make recommendations for streamlining the process, the products and their accessibility.	Director of Corporate Improvement	Due to competing requirements for resources, this work has been reprioritised and will start later in the year	31st July 2018	31st March 2019	Overdue/timescale exceeded
CPB/4	The Constabulary will review the Independent Advisory Group arrangements at strategic and local level with a view to strengthening their impact.	Director of Corporate Improvement	This action was carried forward from the 2017/18 action plan and has now been completed.	30th June 2018		Completed
Core Principle C: Focusing on defining outcomes in terms of sustainable economic, social and environmental benefits						
CPC/1	Develop and deliver a detailed action plan for the Vision 2025 strategy.	Deputy Chief Constable	The action plans has been developed and circulated to all senior staff and supervisors and is available on the constabulary intranet.	31st March 2019		Completed
CPC/2	Embed revised meetings and governance arrangements in support of Vision 2025	Director of Corporate Improvement	Completed. An evaluation is planned during this financial year.	30th September 2018		Completed
CPC/3	Implement Local Focus Hubs across the County including agreed objectives, governance, performance framework and developing collaboration opportunities.	Superintendent - West	The NPT and Local Focus Project has now moved into the formal implementation phase. The key deliverables include: A Constabulary Neighbourhood Policing Strategy. A Revised Local Focus Hub Operating model for the county's 6 districts. A Prevention and Deterrence Strategy. The Adoption of the Connected Communities framework. A bespoke Performance Management Framework and agreed metrics. Revised role profiles for all roles connected with Local Policing and Partnership working, Community safety. A Local Policing T&CG process implemented Nov 2018. Bespoke Training and Development programme for local staff, partners and volunteers ( Nov 2018). The Local focus Hubs are now the Tactical CSPs for the county and work to the three Strategic CSPs using combined data to identify and agree their priorities. The only outstanding action from the remit remains the provision of a Common data platform , work is currently ongoing through ICT to utilise Microsoft 365 in this regards following initial work by Deloitte on behalf of the National ICT Programme. All other actions can be listed as complete.	30th September 2018		Completed

## Constabulary AGS Action Plan 2018/19

Ref	Action	Lead Officer	Action Update as at 31 October 2018	Implementation by	Revised Implementation Date	Status
Core Principle D: Focusing on determining the interventions necessary to optimise the achievement of intended outcomes.						
CPD/1	Embed changes to the scope of the Business Improvement Unit's role to deliver change and business benefits.	Director of Corporate Improvement	The change management portfolio of work has moved into BIU. The process for business benefits has been agreed and work has started to quantify these benefits.	31st March 2019		Ongoing (within original timescale)
CPD/2	Incorporate the production of Force Management Statements into business planning and re-align processes to drive benefits.	Director of Corporate Improvement	Completed. The FMS is part of the Constabulary's resource allocation process, which has been agreed and implemented	30th September 2018		Completed
CPD/3	Undertake further analysis of current and future demand to inform strategic business planning.	Director of Corporate Improvement	Completed as part of FMS work plus additional activity and demand analysis to inform the resource allocation process.	31st March 2019		Completed
CPD/4	Plan and implement actions to demonstrate increased visibility to communities.	Deputy Chief Constable / Director of Corporate Improvement	A performance framework for visibility has been agreed and work is ongoing to include this as part of the Business intelligence product suite. The product will be continuously improved as more IT systems come online.	31st March 2019		Ongoing (within original timescale)
CPD/5	Re-design business processes in relation to the Control Room as part of the implementation of the Safe system to deliver business benefits.	Superintendent - Organisational Business Delivery	Work on implementing the SAFE system in the control room is progressing in line with the plan, as part of the overall project business processes will be re-designed.	30th September 2019		Ongoing (within original timescale)
CPD/6	Roll out and provide training for Body Worn Video for Officers	Superintendent - Organisational Business Delivery	The roll out and training for BWV was completed in the period April to July 2018. Support staff have also been trained over a longer time period. The roll out includes the deployment of 664 body cams and 137 flex cameras and the training of 1,096 users on evidence.com.	31st July 2018		Completed
CPD/7	In conjunction with the OPCC and other stakeholders, plan, evaluate and implement initiatives to improve emergency services inter-operability, including urgent care desk, tri service officers brought forward from 2017/18	Superintendent - North Temporary Assistant Chief Constable	Substantial progress has been made with Bluelight colleagues. An action plan has been developed and is being progressed. Earlier this year the OPCC Bluelight Manager provided a presentation to the PCP.	31st March 2019		Ongoing (within original timescale)

## Constabulary AGS Action Plan 2018/19

Ref	Action	Lead Officer	Action Update as at 31 October 2018	Implementation by	Revised Implementation Date	Status
Core Principle E: Focusing on developing the entity's capacity, including the capability of its leadership and individuals within it.						
CPE/1	Implement the College of Policing PDR process and provide associated training.	Head of People	Our new PDR / Strengths Based Conversation model has now been launched. Training is 50% completed.	31st March 2019		Ongoing (within original timescale)
CPE/2	Evaluate the requirements and prepare an action plan in relation to the introduction of the College of Policing PEQF requirements.	Head of Learning and Development	A full implementation plan was drawn up and progress against it is monitored through the PEQF/Apprenticeship Management Board. We have regular contact with CoP to check progress against key milestones. We are currently out of procurement for a HEI partner and more information will be available once we have a preferred provider.	31st December 2018		Ongoing (within original timescale)
CPE/3	Develop and begin implementing the action plan supporting the Apprenticeship Strategy	Apprenticeship Manager	The Apprenticeship Strategy Implementation Plan has been developed and actions are being progressed as per the plan. Process and procedures are being developed inline with the plan. To date there has been limited success in the number of apprentices within Constabulary, impacting on the ability of the Constabulary to meet the Governments target for apprenticeships in the Public Sector. A PEQF Implementation Plan for the introduction of the PCDA and PCSO Apprenticeships in to the Constabulary, sits alongside the Apprenticeship Strategy. Going forward the action plan which supports the Apprenticeship Strategy will be reviewed to reflect the now proposed date of May 2020 for the implementation of the PCSO apprenticeship and how apprenticeship opportunities can be further promoted. Progress towards the plan is monitored at the PEQF Implementation and Apprenticeship Management Group.	31st March 2019		Ongoing (within original timescale)
CPE/4	Develop an action plan arising from the Well-Being survey.	Head of People	The force has re-established the Wellbeing Board headed up by the DCC. The wellbeing action plan is being formulated as per the national Oscar Kilo programme. We are also working to the Time to Change national pledge/ action plan and the Better Health at Work Bronze award. All will need a significant lead in time to complete	31st July 2018	31st July 2019	Ongoing (original timescale extended)
CPE/5	Develop a vision for the delivery of Procurement within the Constabulary and OPCC to meet organisational needs.	Director of Corporate Support	A Procurement Approach and Direction document has been socialised with stakeholders in the constabulary based on three phases - Mandatory, Transformation and Ambition aiming to reach a point where Procurement can be accredited to professional standards. The sits under the vision of delivering an outstanding Procurement Service enabling safe policing.	30th September 2018		Completed

## Constabulary AGS Action Plan 2018/19

Ref	Action	Lead Officer	Action Update as at 31 October 2018	Implementation by	Revised Implementation Date	Status
Core Principle F: Focusing on managing risks and performance through internal control and strong public financial management.						
CPF/1	Develop the balanced scorecard approach to performance management and embed this within the Vision 2025 governance arrangements.	Director of Corporate Improvement	The balanced scorecards have been developed for Workforce and Business Support strands and are being further refined. The scorecards for local policing, specialist capability and digital policing strands are in early stages. Constraining factors include data available in the data warehouse and, the plan for inclusion has had to be rescheduled to accommodate go live for Red Sigma which was brought forward to November 2018.	30th September 2019	31st March 2019	Ongoing (original timescale extended)
CPF/2	Further develop the strategic resource management performance framework to drive improvements in our use of resources, and ensure that the benefits of significant investment in change and ICT are delivered.	Director of Corporate Improvement	The framework is a combination of resource allocation (completed) benefits realisation (ongoing and on schedule) and the balanced scorecards (see above)	31st March 2019		Ongoing (within original timescale)
CPF/3	Work with the OPCC to develop a revised public accountability framework.	Director of Corporate Improvement	Work started in November 2018	31st March 2019		Ongoing (within original timescale)
CPF/4	Implement an action plan to ensure that the OPCC complies with new General Data Protection Regulations	Head of People	The national self assessment template has been completed and forms the basis for action taken. Additional resources have been invested in GDPR. The longer term plan for GDPR will be revisited in April 2019. Internal Audit are currently have a live audit re GDPR in place.	31st December 2018	30th April 2019	Ongoing (original timescale extended)
CPF/5	Further develop the Business Intelligence Strategy to inform future ICT developments, improve the information available to managers for effective decision making, to support improvements in services for the public and, develop and improve the dashboards available to officers and staff.	Director of Corporate Improvement / Director of Corporate Support	The business case has been approved and the BI strategy will be developed as part of that project. Early developments for reporting are underway.	31st March 2019		Ongoing (within original timescale)

## Office of the Police and Crime Commissioner Action Plan 2018/19

Ref	Action	Lead Officer	Action Update at 31 October 2018	Implementation by	Revised Implementation Date	Status
<b>Core Principle A: Focusing on behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.</b>						
CPA/1	Implement systems and processes to facilitate the OPCC's new responsibility for administering local appeals	Governance Manager	Home Office have advised that they are unable to lay the five statutory instruments before Parliament by February 2019, thereby the implementation will be delayed beyond 1 April 2019. Once laid there will be a 6 months period for arrangements to be made prior to implementation	31st March 2019	To be confirmed by Home Office	Ongoing (original timescale extended)
<b>Core Principle B: Focusing on ensuring openness and comprehensive stakeholder engagement.</b>						
CPB/1	To refresh the Engagement Strategy to reflect the increase in capacity as a result of the new Engagement Officer post.	Head of Communications and Business Services	A Community Engagement Officer has been appointed in September and this role will be leading the review of the strategy.	31st March 2019		Ongoing (within original timescale)
<b>Core Principle C: Focusing on defining outcomes in terms of sustainable, economic, social and environmental benefits</b>						
CPC/1	Implement an over-arching governance framework for the OPCC.	Head of Communications and Business Services	An audit of governance arrangements has been carried out with subsequent work being identified. Development of the framework is ongoing.	31st March 2019		Ongoing (within original timescale)
CPC/2	In collaboration with stakeholders produce a vision for developing Emergency Services collaboration in the County for the remainder of the Police and Crime Plan period, supported by a detailed action plan.	Blue-light Collaboration Manager	Blue Light Collaboration agreement signed by PCC, CFRS, Cumbria Constabulary, CCC, and NWAS. This sets out a clear vision and plan, for the ambitious programme of work. Governance Structure in place with Exec Leaders Board, Programme Board, and Working Group, which drives the programme, providing scrutiny and oversight. There is a detailed TOR for each project within the wider programme. Updates provided monthly to the working group and programme board, and quarterly to the Exec Leaders Board.	30th September 2018		Completed
<b>Core Principle D: Focusing on determining the interventions necessary to optimise the achievement of intended outcomes.</b>						
CPD/1	Embed a new integrated Independent Domestic Violence and Sexual Violence Advisory Service.	Head of Partnerships and Commissioning	Procurement has taken place and a contract has been awarded. The Integrated Service is operating across the county.	31st March 2019		Completed
CPD/2	Collaborate with partner bodies to develop a consistent approach to the delivery of Womens' Centres across the County.	Head of Partnerships and Commissioning	Grant agreements that support a consistent service delivery are in place with the Women's Centre's in the North and South of the County. A business case, supported by the PCC, has been developed by a third sector organisation to open a women's centre in West Cumbria. The OPCC is working collaboratively with Copeland BC and Time to Change to develop the WoW (Women out West) Centre.	31st March 2019	30th September 2019	Ongoing (original timescale extended)
CPD/3	Implement a joint Social Value Policy with the Constabulary	Head of Partnerships and Commissioning	It is proposed that the OPCC leads on the development a Social Value Policy working alongside the constabulary procurement with the view to developing a Joint Social Value Policy. This work is at the early stages of scoping.	30th September 2018	31st March 2019	Ongoing (original timescale extended)

## Office of the Police and Crime Commissioner Action Plan 2018/19

Ref	Action	Lead Officer	Action Update at 31 October 2018	Implementation by	Revised Implementation Date	Status
<b>Core Principle E: Focusing on developing the entity's capacity, including the capability of its leadership and the individuals within it.</b>						
CPE/1	Complete the staffing re-structure of the Office of the Police and Crime Commissioner.	Head of Communications and Business Services	The staffing re-structure has been completed. The new structure came into place from 1 July with new staff recruited for September. The Police and Crime Panel approved the permanent CEO arrangements in October.	30th September 2018		Completed
CPE/2	Evaluate options and implement a formal PDR process for all OPCC staff.	Head of Communications and Business Services	PDR objectives are being completed. Evaluation is taking place to move towards the Constabulary 15 week review process.	31st December 2018		Ongoing (within original timescale)
CPE/3	Develop a rolling training and development programme for all OPCC staff incorporating for example ethics and integrity, risk, well-being and health and safety.	Head of Communications and Business Services	Work has commenced to develop a robust PDR/review process. Scoping work to identify relevant training and development for OPCC staff has also commenced.	31st March 2019		Ongoing (within original timescale)
CPE/4	Develop a vision for the delivery of Procurement within the Constabulary and OPCC to meet organisational needs.	Director of Corporate Support	A Procurement Approach and Direction document has been socialised with stakeholders in the constabulary based on three phases - Mandatory, Transformation and Ambition aiming to reach a point where Procurement can be accredited to professional standards. The sits under the vision of delivering an outstanding Procurement Service enabling safe policing.	30th September 2018		Completed
<b>Core Principle F: Focusing on managing risks and performance through internal control and strong public financial management.</b>						
CPF/1	Work with the Constabulary to develop a revised public accountability framework.	Head of Partnerships and Commissioning	Outline framework has been developed and discussed with the constabulary. Ongoing work is in progress and on track	31st March 2019		Ongoing (within original timescale)
CPF/2	Implement an action plan to ensure that the OPCC complies with new General Data Protection Regulations	Governance Manager	The OPCC is interdependent upon the constabulary for some policies, strategies and data sharing agreements. Monthly monitoring meetings take place the findings from which are reported to the OPCC Exec Team	31st December 2018	31st March 2019	Ongoing (original timescale extended)

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## Monitoring Key Audit Recommendations

### Introduction

This report is designed to monitor the implementation of recommendations and actions arising from Audit and Inspection.

It fulfills the assurance responsibilities of the Audit and Standards Committee with regards to the implementation of control recommendations and best practice arising from Audit and Inspection work.

### Report Summary

Summary of Actions	PCC	CC	Joint	Total
Open actions b/fwd from last report	0	6	1	7
New actions since last report	0	0	0	0
<b>Total actions this report</b>	<b>0</b>	<b>6</b>	<b>1</b>	<b>7</b>
Actions completed since last report	0	2	0	2
<b>Open actions c/fwd to next report</b>	<b>0</b>	<b>4</b>	<b>1</b>	<b>5</b>

Summary of Total Actions by Status	PCC	CC	Joint	Total
Completed	0	2	0	2
Ongoing (within original timescale)	0	1	1	2
Ongoing (original timescale extended)	0	3	0	3
Overdue/ timescale exceeded	0	0	0	0
Not yet due	0	0	0	0
<b>Total</b>	<b>0</b>	<b>6</b>	<b>1</b>	<b>7</b>

### Key to Grade:

#### *Cumbria Shared Internal Audit Service*

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

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

#### *External Audit – Grant Thornton*

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

Audit Report	Report Date	Recommendation	Grade	Person Responsible	Agreed / Intended Action / Progress Update	Target Date	Revised Target Date	Status
Cumbria's Multi-Agency Safeguarding Hub (CC)	04/11/2016	R1 Hub resources should be fully considered in terms of the skills, qualifications and experience required to fulfil defined responsibilities, operate the Hub effectively and deliver improvements. The agreed requirements and individual partner contributions should be formally reflected in a signed funding agreement that is properly communicated, including to individual partner leadership boards.	Medium	Chair of the Programme Board DI Dan StQuintin	<p>The Programme Board, which met on 27th October, established a Task and Finish Group which met on 27th October 2016 and will ensure that the updated MOU is in place by 5th January 2017 and is agreed / endorsed by the Board.</p> <p>The MOU will capture the issue regarding multi-agency resourcing.</p> <p><b>February 2017</b> - Issues of Hub governance are dealt with by the programme board. the MOU is currently under discussion. This is not yet complete because health are a statutory partner and are currently undergoing significant restructure under the strengthening families programme of which their contribution to the hub is part.</p> <p><b>June 2017</b> - The partnership has commissioned an external review of the hub process and model which is currently under way, the company doing the review are Ad Esse and their report is expected to be available around mid-July.</p> <p><b>August 2017</b> - Ad Esse have completed their assessment and we are awaiting the full report back from them. However, they have shared list of recommendations for the safeguarding hub. These recommendations are wide ranging and have triggered significant discussion by LSCB partners. These discussions will move forwards over the next few months at various LSCB programme board meetings. Once decisions on these recommendations have been made. Decisions on resourcing can be made once the future role and structure of the hub has been agreed. A 3 month extension to the deadline has been requested.</p> <p><b>October 2017</b> - Discussions around the Ad Esse recommendations continue at a senior level within Cumbria Constabulary. The discussions continue at a senior level within the LSCB. Request a further 3 month extension to allow decisions to be made and action to be start</p> <p><b>February 2018</b> - The Hub MOU is currently being re-written by the LSCB. All partner agencies have been invited to contribute. The revised MOU is being presented at the next Hub Programme Board meeting which has yet to be arranged but will be in March or April 2018. It is anticipated that the MOU will be agreed and signed off at that meeting.</p> <p><b>June 2018</b> - There are four key pieces of work that need to be done which have been raised by police at the LSCB Hub Programme Board. They are:</p> <ol style="list-style-type: none"> <li>1) Setting out what the aim and purpose of the Safeguarding Hub is,</li> <li>2) Creating a new MOU which sets out the purpose above and is refreshed to bring it up to date,</li> <li>3) Review the LSCB thresholds document so there is clearer criteria for partners agencies to assess and grade risk more consistently,</li> <li>4) Create an LSCB public task statement to meet GDPR requirements.</li> </ol> <p><b>August 2018</b> - There is not much progress on these issues but police will continue to push these. There is some concern that the MOU and aim and purpose have still not been defined which is the first and main recommendation of the Ad Esse review into the Safeguarding Hub.</p> <p><b>October 2018</b> -1) In relation to the Aim &amp; Purpose of the Hub, a meeting was convened two weeks ago between Police, Children's Services and Health to discuss creating a new MOU. In the meeting it was agreed that an MOU will be created which sets out what the current aim &amp; purpose of the hub is ie a front door to children services, where Police and Health assist Children's Services in managing their demand and where the only outcomes currently are children's social care ones. A list of desirable aims for the hub will be listed, agreed and worked towards over the next few months. Ongoing, but progress now being made. 2) An draft MOU has been created by DI St Quintin and shared with Children's Services and Health. It was agreed that all partners will read and comment on the draft and a meeting is planned on 22/11/19 to discuss any contentious issues. A final draft will then be created in time for the Hub Programme Board (which is an LCSB sub-group) on the 6th December where it is hoped it can be signed off and the 'desirables' can also be agreed. Ongoing, but progress now being made. 3) This work is ongoing. I do not have a timescale for completion, but there has been three multi-agency meetings regarding this and an initial draft has been created. Ongoing, but progress now being made. 4) In order to clarify definitively what is required the Information Commissioner's Office was contacted regarding the use of 'Public Task' as a lawful basis for sharing personal information under GDPR. The ICO has stated that there are opportunities to use 'Public Task' to supersede a lack of consent to intervene in child in need cases. For this to happen, all agencies must include that they are using 'Public Task' in their privacy notices. This information will be brought to the Hub Programme Board in December for discussion by the group.</p>	31/01/2017	<del>31/08/2017</del> <del>31/10/2017</del> <del>31/01/2018</del> <del>30/04/2018</del> <del>30/09/2018</del> 31/03/2019	Ongoing (original timescale extended)
Digital Case File Preparation (CC)	08/05/2017	R1 Arrangements to ensure the robustness of digital case files at an earlier stage should be strengthened taking into consideration the outcomes of the Strategic Development Unit's review.	High	Temp Supt CJU/Partnerships  Gordon Rutherford Ben Swinson	<p>The Chief Officer commissioned review will report to COG in May 17.</p> <p>The evidence-gathering phase took place from January to March, with the team now considering data analysis and findings.</p> <p>Once recommendations as to future structure of CJU and the file checking function are considered and approved by Chief Officers, then they will be implemented before September 30th 2017.</p> <p><b>June 2017</b> - The primary causes of file quality issues was identified as a training/knowledge gap, together with a number of national developments. To address this gap, Chief Officers approved a number of measures, increased in staffing within CJ, introduced Area Compliance Teams and a CJ trainer post. The trainer has worked to deliver a comprehensive package of training for all front line officers. This training is informed by issues raised in the file quality process. A recent example, raised by CPS, relates to lack of understanding about disclosure of undermining material. The trainer has developed a package of learning material on the subject that is being rolled out now. Further to that there will be a day's file quality training given to all officers from September 2017.</p> <p><b>August 2017</b> - No change since June update apart from the review paper will be taken to COG on September 4th.</p> <p><b>October 2017</b> - Due to staffing changes within Strategic Development the CJU review has not been completed. Chief Officers extended the period for the review to be completed until December 31st 2017. A further temporary extension was also approved for the CJU and Compliance Team staffing.</p> <p><b>February 2018</b> - Chief Officers considered the paper put forward by Strategic Development and agreed to maintain the 6.5FTE within the CJU that were temporary for the next 4 years. Work was commissioned to ascertain which posts would be recruited to in order to increase capability within the CJU. This process is ongoing and will be completed by the end of September 2018.</p> <p><b>June 2018</b> - The CJU and Compliance teams are being currently reviewed to ensure that the current changes to demand are factored in. At present we are in the stages of submitting a further COG paper which will look at the number and make-up of the two units and I will be able to report back to the next JASC (September) with a more substantial update.</p> <p><b>August 2018</b> - There is wider review work planned around how we deal with Custody and the area compliance teams will be factored in around this review to ensure we do not assess them in isolation and can consider cross-role opportunities. The Area compliance teams will be maintained in areas until this review work can be completed by the Corporate Improvement change team.</p> <p><b>November 2018</b> - The new model for the structure and governance of the compliance teams has been presented at the recent Chief Officer Strategy Day where there was outline agreement for the model proposed. This will now be progressed through COG to be formally agreed and will look to adopt a team of 8 x PC's and 1 x Sgt in full time establishment positions to work on compliance team matters in conjunction with the CJ Unit at Barrow. The wider staffing in the CJ Unit and CJ Trainer position will remain unchanged at this time from its current level.</p>	June 2017 to 30 Sept 2017	<del>31/12/2017</del> 31/03/2019	Ongoing (original timescale extended)
Duty Management (CC)	26/04/2018	R3 It should be ensured that resource management information requirements of all groups are clearly considered and defined as part of the resource management system upgrade project.	Medium	Head of People Sarah Jackson Chief Inspector (Resource Co-ordination) Martin Loebell	<p>There is an ongoing project to upgrade various systems including the duties management system and this aspect will be picked up by the 'Business Futures' project and included in the project plan.</p> <p><b>June 2018</b> - Work has started within Business Futures, working with Paul Bull from Staffordshire Police, identifying our future reporting needs and providing better management reporting. For delivery later this year/early 2019. COG paper being prepared by Louise Butler seeking additional support for further investment in this area.</p> <p><b>August 2018</b> - This is ongoing and further scoping work and options being worked up. Next meeting 18/9. Some reports being worked on as part of business futures, longer term management information assessment ongoing.</p> <p><b>November 2018</b> - This is part of business futures, and the full implementation will not be realised until 2020. The Business Future Board governs all of the work streams and a permanent PM appointment ensures compliance with milestones.</p>	31/10/2019		Ongoing (within original timescale)

Audit Report	Report Date	Recommendation	Grade	Person Responsible	Agreed / Intended Action / Progress Update	Target Date	Revised Target Date	Status
Vulnerability/Hate Crime (CC)	01/05/2018	R1 Management should ensure there is clarity around how the achievement of the hate crime aim will be measured, monitored and reported.	Medium	Det. Supt PPU & Operations Vicki Ellis	We will survey victims of hate crime so that we can assess whether we are increasing confidence levels as per the aim.  <b>July 2018</b> - currently being monitored and managed through the monthly vulnerability meetings as a standing agenda item reviewing the survey information.  <b>August 2018</b> - Ongoing recommendation Standing agenda item on each vulnerability meeting reviewing the survey information, those areas which are in need of service recovery are completed immediately. Any learning is cascaded.  <b>November 2018</b> - Monthly reports are received for survey data from victims, these are actioned at the vulnerability meeting and with DCI Craig Smith and DI Matt Scott tactical leads for Hate Crime. Good practice is shared and learning identified for improvements. Recent survey data has not highlighted any adverse reporting.	30/04/2019		Completed
Vulnerability/Hate Crime (CC)	01/05/2018	R3 Arrangements should be put in place to provide assurance to management that hate crime policy and procedures are being complied with, that all staff are aware of processes and their responsibilities in relation to hate crime and that there is sufficient evidence to demonstrate that these are being undertaken.	Medium	Det. Supt PPU & Operations Vicki Ellis	The Business Improvement Unit checks will identify non-compliance with hate crime policy and procedures and provide a baseline for this. Results will be scrutinised at Vulnerability meetings and reasons for non-compliance identified so that appropriate action can be taken to address it.  July 2018 - Informal dip-sampling is being done to highlight our compliance against the policies and procedures by Inspector Gaynor Taylor through the vulnerability agenda. Crime Management Unit scrutinise all Hate Crime and Incidents within 72 hours for review of investigative quality. BIU reality testing starts on 9/8/18.  August 2018 - Ongoing recommendation. Informal dip-sampling is being done to highlight our compliance against the policies and procedures by Inspector Gaynor Taylor through the vulnerability agenda. Crime Management Unit scrutinise all Hate Crime and Incidents within 72 hours for review of investigative quality. BIU reality testing started on 20/8 with a methodology.  <b>November 2018</b> - Ongoing recommendation. Informal dip-sampling is being done to highlight our compliance against the policies and procedures by Inspector Gaynor Taylor through the vulnerability agenda. Crime Management Unit scrutinise all Hate Crime and Incidents within 72 hours for review of investigative quality. BIU reality testing has been pending until Dec 2018 / Jan 2019 - with a methodology.	31/10/2018	31/01/2019	Ongoing (original timescale extended)
Creditors (CC)	20/06/2018	R1) Arrangements for deactivating suppliers should be defined, agreed, communicated and monitored. Note, this recommendation was originally raised in the previous audit March 2016 and has been re-raised.	Medium	Head of Procurement Barry Leighton	<b>July 2018</b> - It was confirmed at the JASC meeting on 19/07/18 that housekeeping arrangements in relation to the deactivating of suppliers that were no longer in use would be brought up to date by the end of August 2018 and then maintained on a regular basis thereafter.  <b>August 2018</b> - Work is currently progressing with supplier housekeeping, at the point of updating this report, the work had not been completed. A further verbal update will be provided at the meeting.  <b>September 2018</b> - An update was provided to JASC on 12/09/18 which confirmed that the routine supplier maintenance had been brought up to date with a number of dormant suppliers being de-activated.	No date given	<del>31/08/2018</del> 30/09/2018	Completed
Statement of Accounts (Joint)	10/07/2018	R2) Ensure that the justification that assets not revalued are not materially misstated is fully documented. Review the rolling programme of asset revaluations to achieve a more equitable profile to of when assets revalued to minimize the risk of assets not revalued being materially mis-stated.	Medium	Deputy Chief Finance Officer Michelle Bellis	During the preparation of the 2017/18 statement of accounts an evaluation of the asset valuations that had not been subject to review in the year was made. In future years, this process will be better documented and provided as a working paper for the auditors to demonstrate consideration of all values as part of the year end process. In addition, consideration is currently being given to reviewing the valuation schedule to ensure a more even split of asset valuations between years.  <b>August 2018</b> - A meeting has been arranged with the Head of Estates to discuss the valuation cycle and documentation of desk based checks in future.  <b>November 2018</b> - Finance and the Head of Estates & Fleet have met to discuss requirements, the valuer has been instructed and the valuations are expected in January 2019.	31/03/2019		Ongoing (within original timescale)

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# Procurement Approach and Direction

## Presentation to JASC

22 November 2018



 101

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

  [cumbriapolice](https://www.facebook.com/cumbriapolice)



# Progress to Date

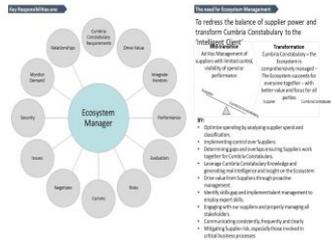
- Head of Procurement in place
- Recruitment process for Business Partner/Contracts Manager in place
- Work on Compliance in advanced stage
- Contract Award meeting in place
- Four Team members targeted to join CIPS
- 1,600 inactive suppliers removed
- Procurement Handbook in place
- Revised spend limits in place.
- Collaboration efforts in place.
- Invitation for audit in first quarter 2019/2020
- Central Contracts Repository in place
- VFM plans in development
- Five complex Procurements progressing
- Vision and Direction agreed



# Procurement Journey

## Who

The Multi Vendor Management function will be the hub



## What

Plan on a Page

Mission	Deliver an Outstanding Procurement Service Enabling Safe Policing				
Values	Integrity	Quality	Accountability	Trust	Respect
<b>Core Procurement</b>	Integrity	Quality	Accountability	Trust	Respect
<b>Approach</b>	Stepping Up Setting Strategy	Stepping Up Improving	Stepping Up Setting up	Stepping Up Setting up	Stepping Up Setting up
<b>Challenges Transformation Action Plans</b>	...	...	...	...	...
<b>Outlook</b>	...	...	...	...	...

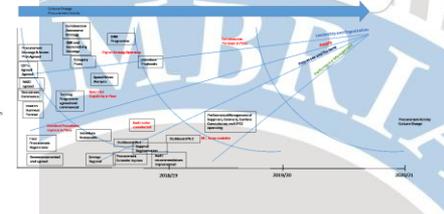
## When

Three Phases



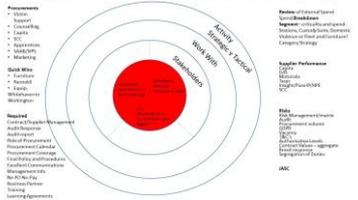
## When

Delivery Plan



## Why?

Intelligent Client and all that....where to start?



## Why?

Statistics

Spend Insight and Visibility				Supplier Performance Measures				Skills and Savings			
Dimension	Q1	Q2	Q3	Dimension	Q1	Q2	Q3	Dimension	Q1	Q2	Q3
...	...	...	...	...	...	...	...	...	...	...	...

## How

Proposed Structure



## How

Governance - to be developed

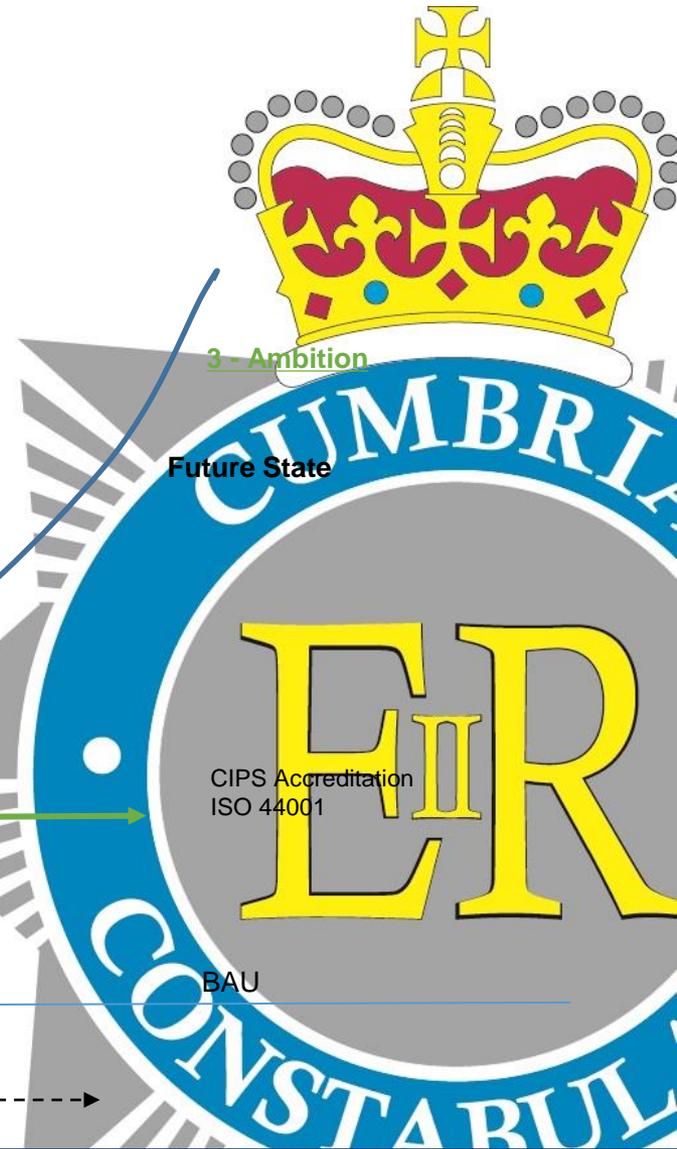
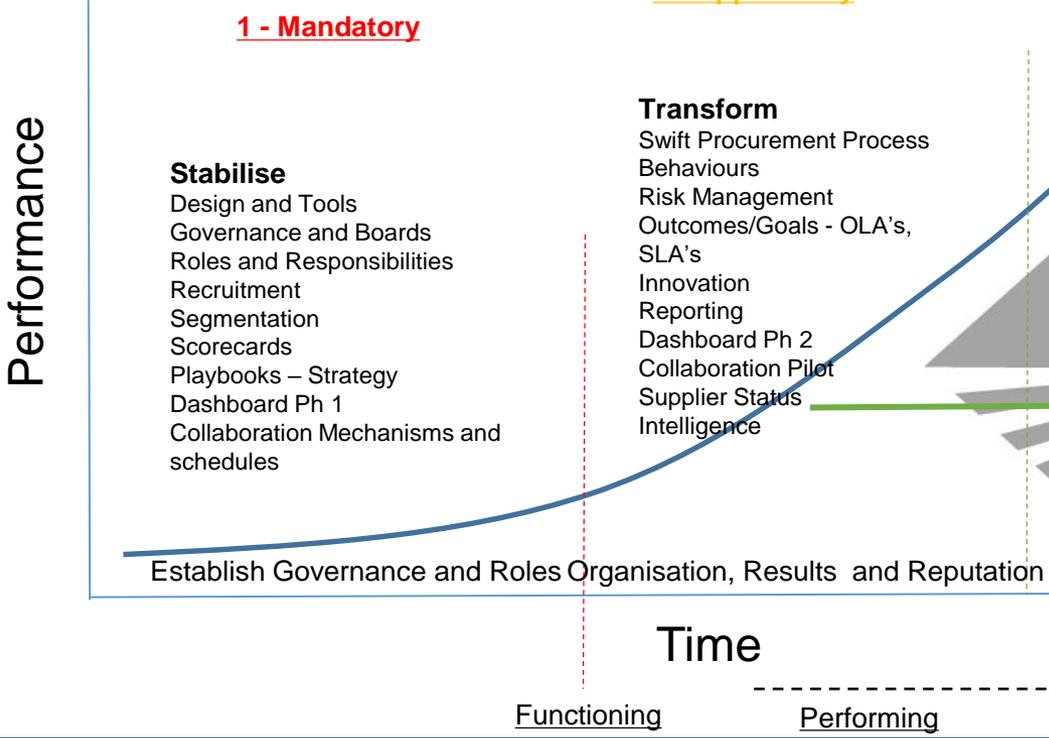


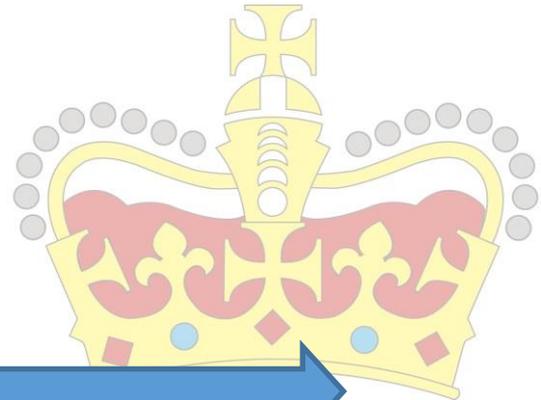


# Plan on a Page

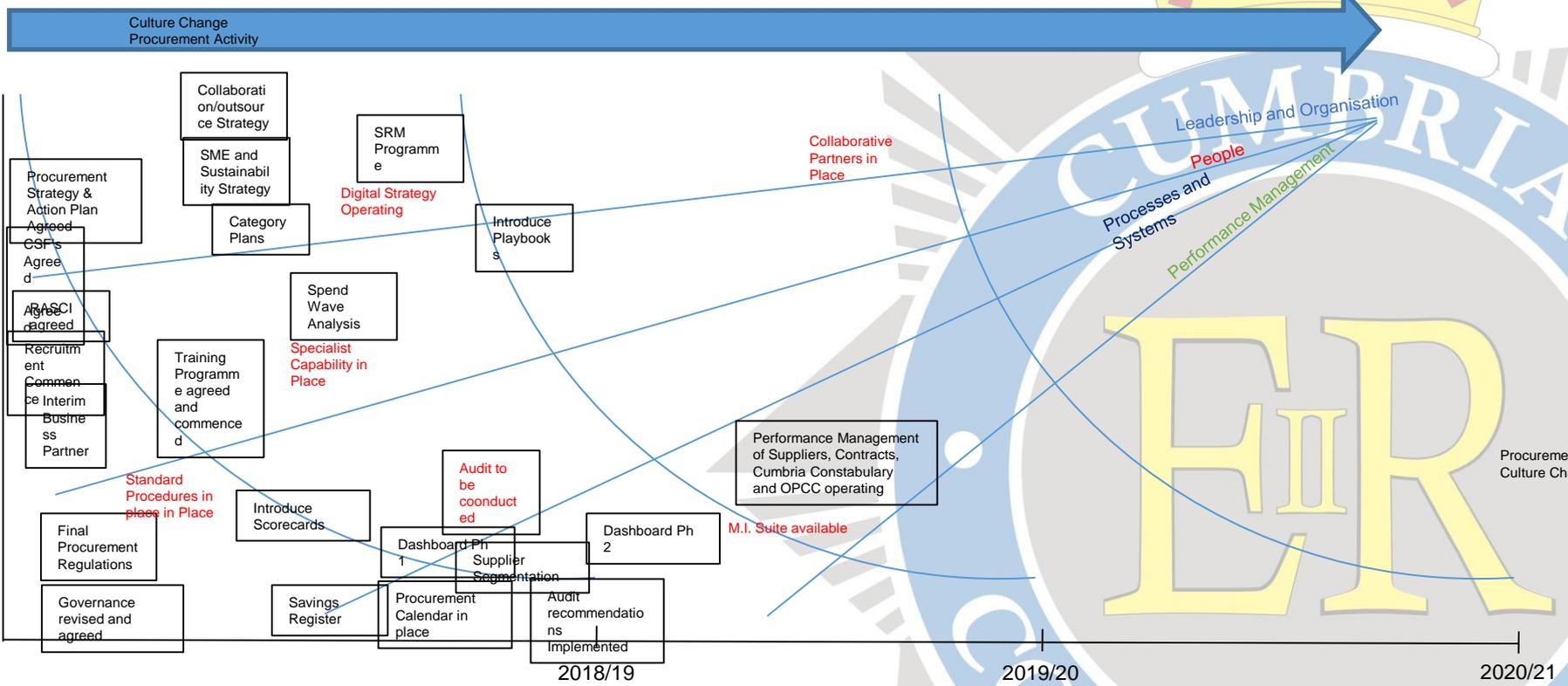
Mission	<b>Deliver an Outstanding Procurement Service Enabling Safe Policing</b>					
Values	Integrity	Leaders	Accountabl	Open	Honest	Objective
Core Procurement	Innovate	Influence	Deliver	Trust	Consistent	Communicate
	<b>Continuous Improvement</b>			<b>One Team</b>		
Approach	<b>Stepping Up Delivering Strategy</b>	<b>Stepping Up Leadership and Organisation</b>	<b>Stepping up Acting with Professionalism - People</b>	<b>Stepping up Delivering Quality Processes and Systems</b>	<b>Stepping up Managing Performance</b>	
Challenges Transformation Action Plans	Vision Programme Action Plan <ul style="list-style-type: none"> <li>Spend Waves</li> <li>Commissioning</li> <li>Ops</li> <li>Digital Policing</li> <li>ICT</li> <li>Logistics</li> <li>Fleet</li> <li>Estate</li> </ul> SME Sustainability Collaboration – YPO, CC, etc	Strategic v Purchasing Maturity Delivery/Sunset Budget <ul style="list-style-type: none"> <li>Training</li> <li>Recruitment</li> <li>Succession Plans</li> </ul>	Professional Standards CPD Targets Communications Leadership Influencing Contract Management	National Guidelines Governance <ul style="list-style-type: none"> <li>Contract Register</li> <li>Data Control</li> <li>Ethics</li> <li>Approval</li> </ul> GDPR <ul style="list-style-type: none"> <li>Implementation, Contract Review, Due Diligence, Mitigation</li> </ul> Audit <ul style="list-style-type: none"> <li>Scope, Maturity/RAG, Spec, Tender, Open Book</li> </ul> Calendar/Pipeline	Segmentation <ul style="list-style-type: none"> <li>Loss of Supplier, Critical, opportunity, Single Source</li> </ul> MIS – Dashboard <ul style="list-style-type: none"> <li>Reports, Awards, Tender status, Spend, No of Suppliers, Supplier Status, Top 10 by spend, category etc, Payment Days</li> </ul> D&B Targets T&C's Home Office Savings	
Outputs	Vision and Direction Procurement Strategy Digital Strategy Standards RESULTS	Supplier and Team Charter Eg 7 principles of Public Life Ethics Cumbria 25	Training Plan Excellence	Policies and Procedures Forward Plans Successful Audits Accreditation	Dashboard T&C's SRM Programme RESULTS	

# Three Phases





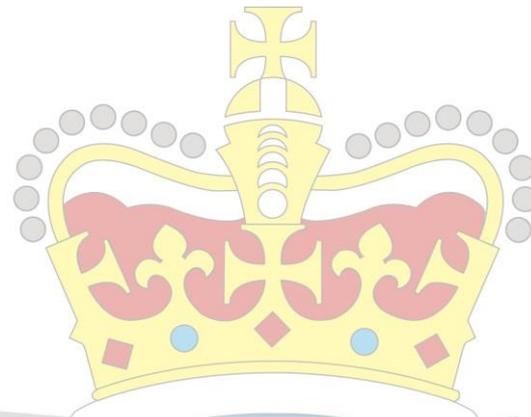
# Delivery Plan



Procurement Culture Change

2019/20

2020/21

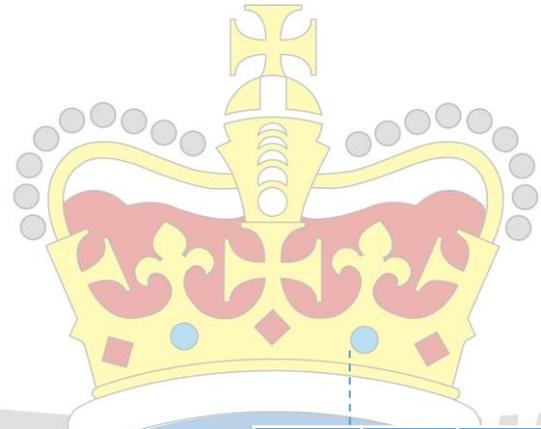


# Statistics

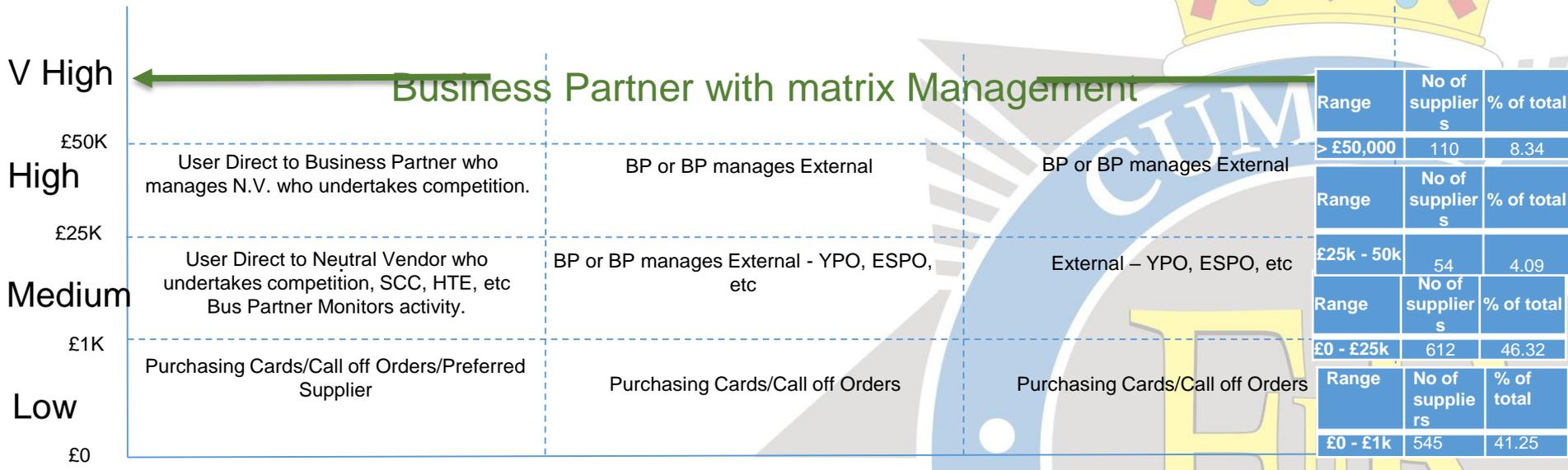
Spend Insight and			
Descriptor	KPI	Commentary	RAG Rating
No Of Registered Suppliers	24,848		Red
No Of Suppliers without DUNS Numbers	100%	Credit Safe	Red
No. of suppliers added in past 12 months	158		Yellow
No. of suppliers deleted in past 12 months	1,603	Reduction exercise August 2018	Green
Annual Spend			
Total No. of PO's			Red
Invoices with no PO			Red
High Spend/Low Value PO			Red

Supplier Performance			
Descriptor	KPI	Commentary	RAG Rating
No of Framework Agreements			Red
No Of Contracts	84	Bluelight	Yellow
Category/ Supplier Strategies			Red
Dashboard			Red
Spend Pattern			
Range	No of suppliers	% of total	
£0 - £999	545	41.25	
£1,000 - £4999	380	28.76	
£5000 - £14999	181	13.7	
£15000 - £24999	51	3.86	
£25,000 - £49000	54	4.09	
£50000 - £149000	73	5.53	
£150000 - £249000	11	0.83	
£250000 - £499000	8	0.61	
£500000 - £1m	10	0.76	
£1m - £2m	8	0.61	

Skills and Savings			
Descriptor	KPI	Commentary	RAG Rating
CIPS Enrolment			Red
Savings 2017/18			Red
Spend Reduction Projects			Red
Pipeline			Red
Segmentation results			Red
No Of Registered Suppliers	24,848		Red
<b>Compliance RED</b> Joint Procurement Regulations Risk Assessment KPI's and Performance Reporting Procurement strategy data			



# Proposed Structure

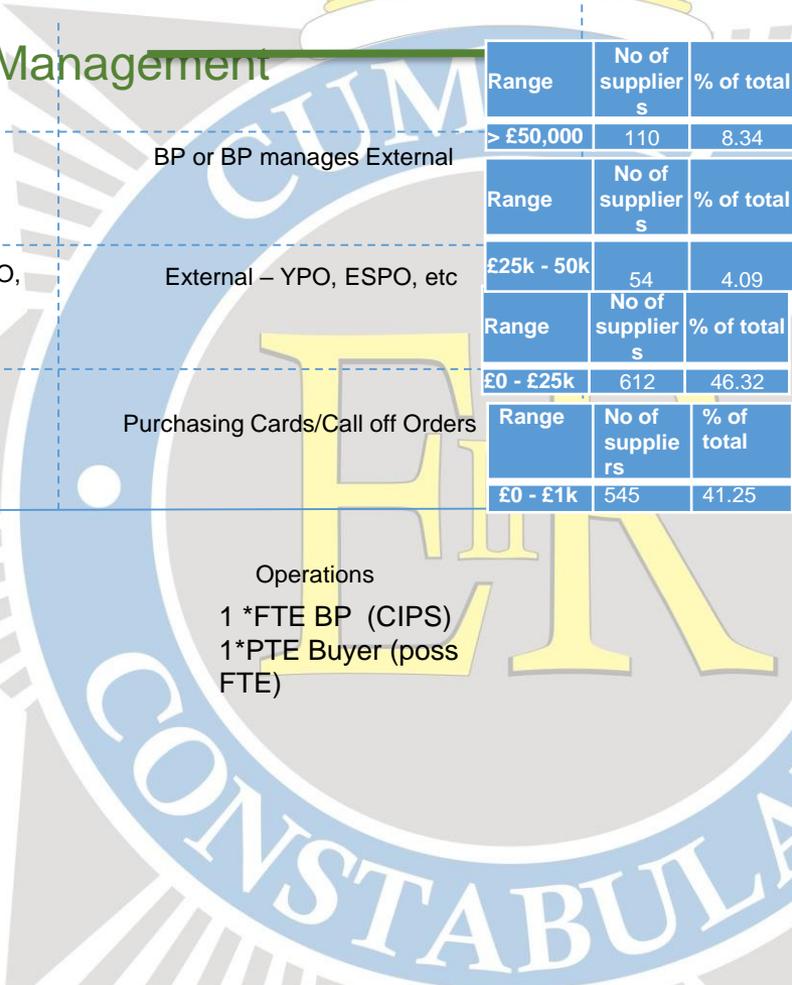


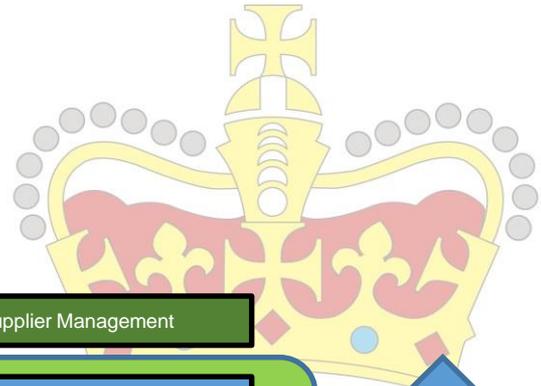
Range	No of suppliers	% of total
> £50,000	110	8.34
Range	No of suppliers	% of total
£25k - 50k	54	4.09
Range	No of suppliers	% of total
£0 - £25k	612	46.32
Range	No of suppliers	% of total
£0 - £1k	545	41.25

ICT  
1 \*FTE BP (CIPS)  
1\*FTE Buyer  
Neutral Vendor

Corporate  
1 \*FTE BP (CIPS)  
1\*PTE (60%) Buyer  
External

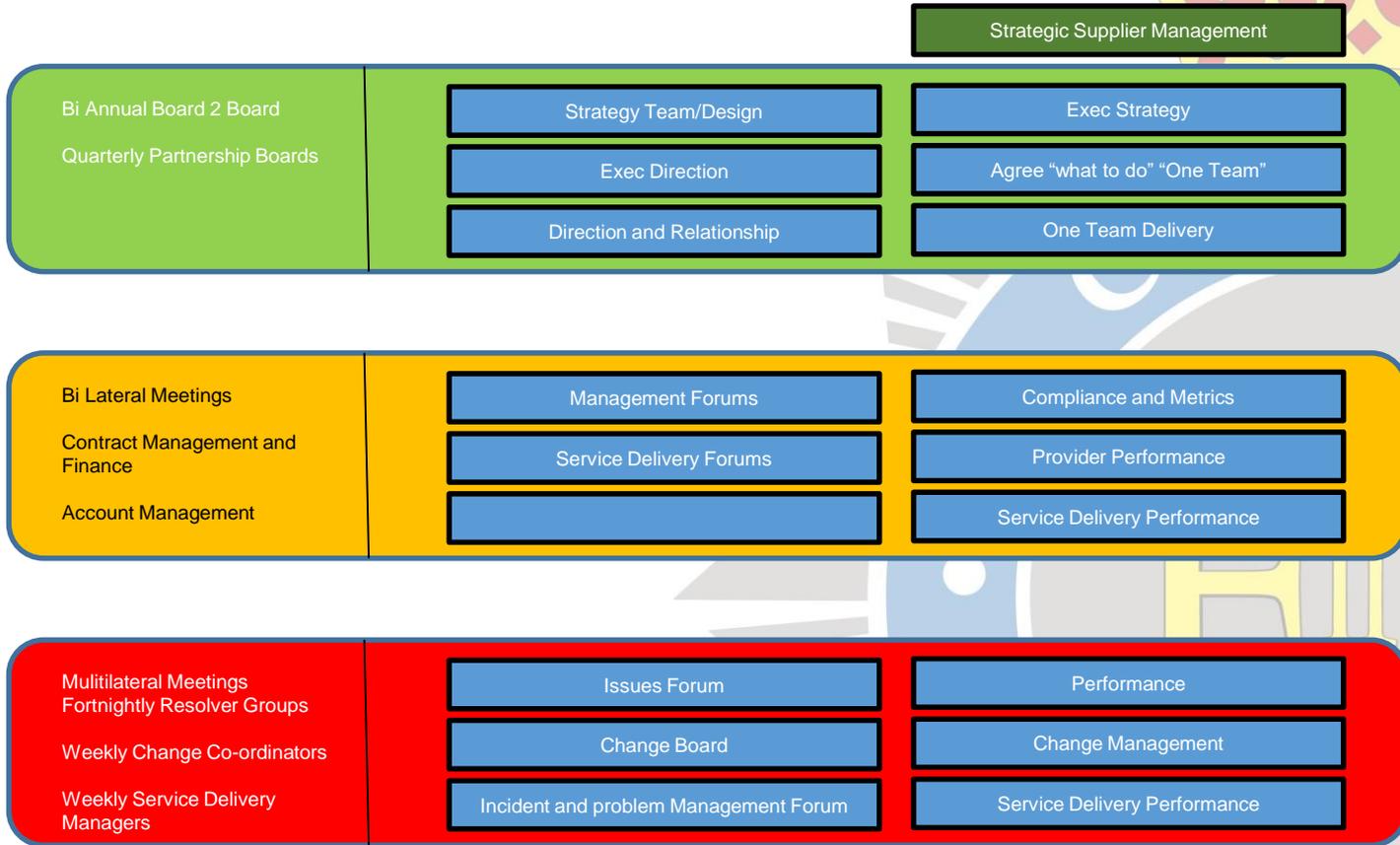
Operations  
1 \*FTE BP (CIPS)  
1\*PTE Buyer (poss  
FTE)





# Governance - to be developed

Management Control Reporting System (MCRS)



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**Cumbria Office of the Police and  
Crime Commissioner  
& Cumbria Constabulary**

**Joint Procurement Regulations**

**November 2018**

## Joint Procurement Regulations

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To be read in conjunction with the Procurement Contracting Procedures Handbook providing details of Public Procurement Regulations, Procurement Routes and Procurement Processes.

## Definitions

**'Authorised Officer'** – means any officer who by the nature of his or her job, or as directed by a manager, is authorised to place orders.

**'Award Criteria'** - means the criteria upon which the decision for the award of the contract is based.

**'Blue light'**-means the Commissioner's and Constabulary e-Tendering Portal.

**'Chief Constable'** – means the Chief Constable for Cumbria Constabulary.

**'Chief Executive'** – means the person appointed by the Commissioner to be Head of the Commissioner's staff as defined within the Police Reform and Social Responsibility Act 2011.

**'Code'** – means the Business Code of Conduct.

**'Commissioner'** – means the Police and Crime Commissioner for Cumbria.

**'Commissioners Monitoring Officer'** – means the Chief Executive.

**'Constabulary'** – means Cumbria Constabulary.

**‘Consultancy Services’** – means the provision of expert or professional advice by a third party.

**‘Contract Change Notice’** – means formal notice agreed by all parties recording a variation to the existing contract.

**‘Contracting Authority’** – means the State, Regional or Local Authorities, bodies governed by public law or associations formed by one or more such authorities or one or more such bodies governed by public law, and includes central government authorities, but does not include Her Majesty in her private capacity;

**‘COPCC’** – means Cumbria Office of the Police & Crime Commissioner.

**‘CSD’** – means Central Services Department.

**‘Customer’** – means a person or organisation that buys goods, services, or works produced by another business.

**‘DPA’** – means the Data Protection Act 1998, 2003, 2018.

**‘EU Procedure’** – means the set of established, detailed procedural rules which must be observed when awarding works, supplies, and services contracts which are intended to promote fair and open competition and a single European Market under The Public Contract Regulations 2015.

**‘Existing Contract’** – means an existing agreement to purchase, goods, services or works from a supplier.

**‘FOI’** – means The Freedom of Information Act 2000.

**‘Framework Agreement’** – means an agreement between one or more contracting authorities and one or more economic operator(supplier), the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and where appropriate, the quantity envisaged (Regulation 2 (1) The Public Contract Regulations 2015).

**‘Funding Arrangement’** – means the arrangement made between the Commissioner and the Chief Constable for the provision of funding.

**‘GDPR’** – means the General Data Protection Regulation 2018

**‘ITT’** – means the Invitation to Tender.

**‘ITQ’** – means Invitation to Quote.

**‘Joint CFO’** – Means the Joint Chief Finance Officer (Joint role shared between the Commissioner and Chief Constable).

**‘Letter of Intent’** – means a document outlining the general plans of an agreement between two or more parties before a legal agreement is finalised.

**‘MEAT’** – means most economically advantageous tender.

**‘Officer’** – means an employee of the COPCC or Constabulary.

**‘Organisation’** – means the Police and Crime Commissioner for Cumbria.

**‘Organisations’** – means The Police and Crime Commissioner for Cumbria and The Chief Constable for Cumbria Constabulary.

**‘Relevant Contract’** – means a contract (not being a contract of employment) made by, or on behalf of, the Police and Crime Commissioner for Cumbria for the carrying out of works or for the supply of goods, materials or services.

**‘SME’** – means Small and Medium sized Enterprises.

**‘Specialist Procurers’** – means Authorised Officers that undertake procurement exercises that require specialist market knowledge.

**‘Total Value’** – means the anticipated total spend over the lifetime of a requirement for goods, services or works. Depending on the nature of the contract, this may include implementation costs, ongoing operational costs, and end of life disposal.

**‘Value for Money’** – means the optimum combination of whole life costs and quality (or fitness for purpose) to meet the user’s requirement.

## Introduction

This document sets out the Joint Procurement Regulations for the Cumbria Office of the Police and Crime Commissioner (COPCC) and Cumbria Constabulary (Constabulary). It describes the rules to be applied by staff and suppliers before, during and throughout the period that COPCC / Constabulary spends money on the supplies, services and works needed in order to deliver our services. They apply to any contracts or Purchase Orders that result in a payment being made by the COPCC / Constabulary. The contents of this document outline procedures to ensure that those engaged in buying or providing goods and services can conduct business professionally in accordance with the procurement principles, which are:

- Equal treatment: that all processes of commissioning and procurement are fair, and non-discriminatory A Breach of this for example would be if you discriminated against a supplier based on location, nationality or any other bias.

- **Transparency:** a duty to ensure all commissioning and procurement processes are transparent, so that all potential bidders can clearly see and understand the procurement and benefit from the same process, purpose and broad activity of the subsequent contract. As a part of this, public bodies must make available to all participating or interested parties, the criteria on which they will be evaluating bids for tenders in the tender documents -so that all potential suppliers can respond accordingly.
- **Proportionality:** a duty to ensure procurement process, evaluative criteria for bids and contract terms are proportional to the size and technicality of the service and goods being purchased. For example, they cannot ask for unrealistic history of financial standing well above the necessary level required to deliver the contract, or insist on qualifications and accreditations not necessary, or above national standards.
- **Free movement and non-discrimination:** a duty not to discriminate between suppliers by way of geography or member states of trade unions. As a result of this,

contracts cannot be awarded on the basis of a potential supplier being 'local'.

All contracts must be in the name of the “**The Police and Crime Commissioner for Cumbria**” (the Commissioner). Where appropriate the Commissioner may consent to the Chief Constable contracting and in those cases the contract must be in the name of “**the Chief Constable for Cumbria Constabulary**” (the Chief Constable). If there is any doubt, advice should be sought from the Procurement Department or Legal Services.

Public procurement is a complex process strictly governed by rules and regulations subject to fines and repeals of contracts when breaches of process have been challenged. The Joint Procurement Regulations aim to ensure the freedom of opportunity to trade with Organisations and to ensure Organisations are open and transparent in the way they undertake business aiming to ensure that Value for Money in all aspects of public sector procurement is achieved along with the right balance between quality, performance and price,

when we purchase goods services and works. Following the Joint Procurement Regulations helps ensure we make the best use of diminishing public resources and prioritise essential services.

The Joint Procurement Regulations will be reviewed annually by the Head of Procurement. Any legislative changes that come into force during such periods will be incorporated into the regulations at the most appropriate earliest revision point in time. The next review is scheduled for November 2019.

The Joint Procurement Regulations do not apply to the policy and procedures for issuing grants. For awards of grant agreements please refer to our Grant and Funding Agreement Regulations.

The Constabulary must adopt the standards within this document for the conduct of Constabulary business as part of the terms of the Funding Arrangement that exists between the Commissioner and the Chief Constable. The Joint

Procurement Regulations are a collective document comprising:

- *The business code of conduct:* This sets out the principles that we will abide by when conducting business and covers issues such as gifts and hospitality. It aims to ensure high standards of integrity in all our business relationships.
- *Procurement & contracting policy and procedures:* These set out the detail of the procurement and contracting rules and processes including the level of authorisation, delegations and responsibilities that exist. They specify the minimum standards we expect our staff to comply with when purchasing goods and services and provide a guide to the steps they must follow as part of each step in the process. They ensure we maximise the opportunities for competition and value for money whilst providing a balance between the amount of administration involved and the value of the items being procured. Procurement and

contracting may only be carried out by Authorised Officers. Authorisations are set out in the **COPCC Scheme of Delegation**.

For practitioners there is a Procurement Contracting Procedures handbook providing details of Public Procurement Regulations, Procurement Routes and Procurement Processes.

## The Business Code of Conduct

### Purpose

This is the Business Code of Conduct for the COPCC / Constabulary. The purpose of this document is to advise the minimum standards required of staff in any commercial relationships and also to ensure fairness and consistency of approach in line with sound commercial practice.

### Application

All staff employed by the Commissioner must abide by this Code in the conduct of the business of the office. In addition, staff and police officers of Cumbria Constabulary are expected to abide by the standards within this code as part of the funding arrangement that exists between the Commissioner and the Chief Constable (CC).

Staff should regard the Code as the basis of best conduct. Staff should raise any matter of concern of an ethical nature with their Line Manager, the Joint Chief Finance Officer (Joint CFO) or the Chief Executive, irrespective of whether it is addressed

in this Code. Constabulary Officers and Staff should raise any concerns with their Line Manager, the Joint Chief Finance Officer (Joint CFO) or the Chief Constable. Staff should also ensure that they comply with the relevant Organisations **Anti-Fraud and Corruption Arrangements/Policy** [\(Insert Link\)](#) requirements in respect of gifts, gratuities and hospitality. Any matters arising which are outside the bounds of this Code should be referred immediately to line management.

## Conduct

Staff shall always seek to uphold and enhance the reputation of the Organisation and always act professionally by:

- maintaining the highest possible standard of probity in all commercial relationships, inside and outside the Organisation;
- rejecting any business practice which might reasonably be deemed improper and never using authority for personal gain;

- enhancing the proficiency and stature of the Organisation by acquiring and maintaining current technical knowledge and the highest standards of ethical behaviour;
- ensuring the highest possible standards of professional competence, including technical and commercial knowledge;
- optimising the use of appropriate resources to provide the maximum sustainable benefit to the Organisation.

Complying both with the letter and the spirit of:

- all legislation governing the procurement activity and the Procurement and Financial Regulations;
- guidance and professional advice and contractual obligations

## Prevention of Fraud and Corruption

Authorised Officers must comply with the COPCC / Constabulary Business Code of Conduct and **Anti-Fraud and Corruption Arrangements/Policy** and must not invite or accept any gift or reward in respect of the award or

performance of any contract. It will be for the Authorised Officer to prove that anything received was not received corruptly. High standards of conduct are obligatory. Corrupt behaviour will lead to disciplinary proceedings.

The following clause should wherever possible be put in every written contract:

*“The Commissioner may terminate this contract, under notice, and recover all its loss if the Contractor, its employees or anyone acting on the Contractor’s behalf commits any of the offences as stated in Regulation 57 (Mandatory Exclusion) of the public contract regulations 2015*

*Any clause limiting the Contractor’s liability shall not apply to this clause.”*

*For example*

*The offence of bribery, where the offence relates to active corruption;*

*The offence of cheating the Revenue;*

*The offence of conspiracy to defraud;*

*If in doubt consult your Procurement Business Partner or Head of Procurement.*

The Commissioner / Chief Constable could be liable where someone who performs services for example an employee or agent, accepts/pays a bribe specifically to get business, keep business, or gain a business advantage for the organisation. Staff must never allow themselves to be deflected from this Code. Failure to do so may result in disciplinary action. In abiding by this code, the rules set out below must be followed:

### Declaration of Interest

Any personal interest which may affect or be seen by others to affect your impartiality in any matter relevant to your duties must be declared. Declarations must be made in any or all of: the register of interests, secondary employment register, and annual related party transaction employee declaration.

### Code of Conduct Declaration Form

This Form must be completed by all parties involved in a procurement exercise prior to the commencement of the

procurement exercise and a completed and signed copy(s) retained with the tender documents.

## Confidentiality and Accuracy of Information

The confidentiality of information received in the course of duty must be respected and must never be used for personal gain. Information given in the course of duty should be honest and clear.

## Competition

The nature and length of contracts and business relationships with suppliers can vary according to circumstances. These should always be constructed to ensure deliverables and benefits. Arrangements which might in the long term prevent the effective operation of fair competition should be avoided.

## Business Gifts

Gifts other than items of small value (not exceeding £10) should not be accepted but should be declined courteously. Where it may cause offence to decline a gift, the Chief Executive or relevant Commander / Director must be

consulted who may make a decision with regard to accepting the gift on behalf of the COPCC / Constabulary. All such acceptances must be recorded in the Gifts and\_Hospitality Register with a record maintained of where the gift is held.

## Hospitality

The recipient should not allow themselves to be influenced, or be perceived by others to have been influenced, in making a business decision as a consequence of hospitality. The frequency and scale of hospitality accepted should be managed openly and with care. It should not be greater than that which the Organisation would reciprocate and which would be acceptable to the public as a use of public funds. Business hospitality must be recorded in the Gifts and Hospitality Register.

## Supplier Contact Form

When purchasing from a new supplier or amending supplier details a supplier contacts form must be completed before any contract is entered into [\(Link\)](#)

# Procurement & Contracting Policy and Procedures

## Introduction

Procurement and Contracting Policy and Procedures aim to ensure that the supply of goods, services and works are procured in accordance with relevant legislation and in the most cost effective manner. They also aim to ensure that procurement activity is undertaken in a fair, transparent and consistent manner, ensuring the highest standards of probity and accountability. These procedures define the minimum processes expected of staff engaged in the procurement of goods, services or works on behalf of the COPCC. The Constabulary must adopt the standards within this document for the conduct of Constabulary business as part of the terms of the Funding Arrangement that exists between the Commissioner and the Chief Constable.

## Purpose

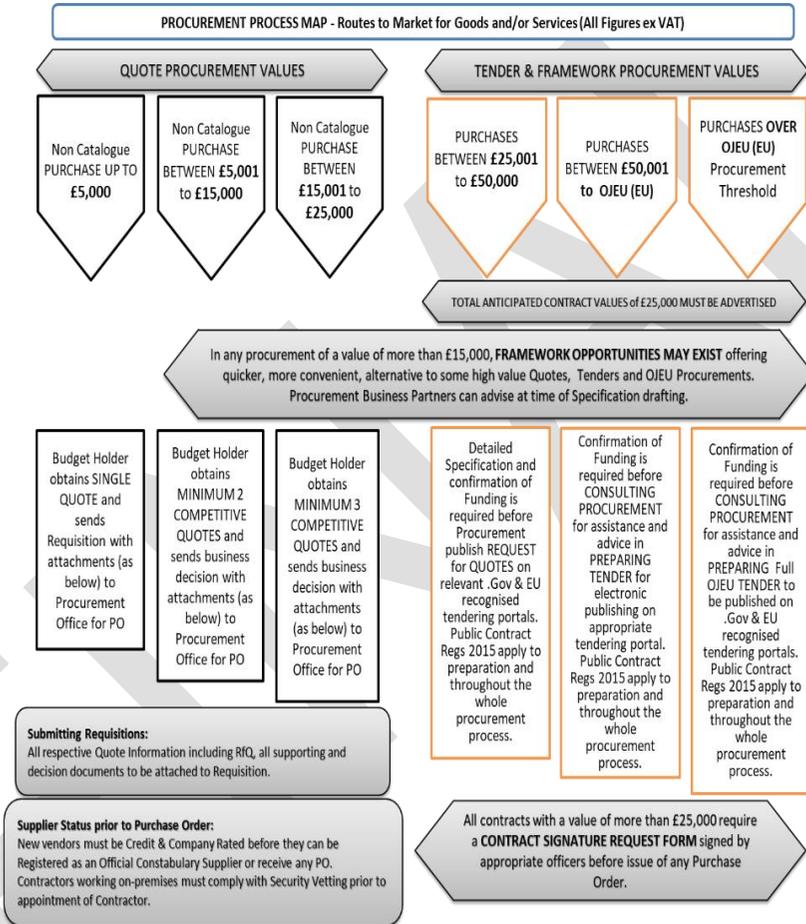
The regulations seek to ensure that we:

- achieve best ethical value for money for public funds spent and support the corporate aims and policies of the COPCC / Constabulary;
- be consistent with the highest standards of integrity and probity and ensure fairness in allocating public contracts;
- have due regard to the relevant Public Procurement and/or Treaty based principles of non-discrimination, equal treatment, transparency, mutual and proportionality;
- comply with all legal requirements, particularly in relation to Treaty and Public Procurement Regulations, other relevant Statutory Instruments and guidance notes published, from time to time, by Crown Commercial Services;
- constantly promote and procure secure robust and transparent governance in respect of decisions to enter into contracts.

## Scope of the Regulations

All staff employed by the Commissioner and the Chief Constable must abide by the Joint Procurement Regulations in the conduct of the business of the office. In addition, Staff and Police Officers of Cumbria Constabulary are required to abide by the standards within the Joint Procurement Regulations. Failure to comply may result in disciplinary action.

## Spend Limits



## Procurement Responsibilities

The Joint CFO *is responsible for* maintaining the Joint Procurement Regulations. The day to day activity of procuring goods, services and

works is delegated to Authorised Officers in accordance with the **Commissioner's and Constabulary's Scheme of Delegation** (Insert Link) and must be conducted in accordance with the principles and rules of this document and the **Financial Regulations** (insert Link).

The *Chief Executive* will be responsible for:

- Ensuring that staff of the COPCC comply with these regulations and that only Authorised Officers are engaged in procurement.
- Securing the safekeeping of registers of contracts under seal and completed by signature and that records are maintained of contract exemptions.

The *Director of Legal Services* will be responsible for:

- Provision of advice on contracts including provision of standard terms and conditions.

The *Head of Procurement* will be responsible for the following:

- Maintaining a procured goods and services Contracts Register.

- Securely storing all contracts related to the procured goods and services (including those under seal) acquired on behalf of the COPCC/Constabulary by procurement.
- Maintaining records of all contract exemptions available as attachments to the relevant contract or purchase record and also copied in sequential date order in a paper file for Audit purposes.
- Advising Authorised Officers with regards to all aspects of procurement.
- Producing and maintaining procurement guidance in virtual and printable formats.
- Developing and implementing a procurement strategy.
- Monitoring the appropriate use of contracts.
- Monitoring aggregated procurement amounts for recommendation as fit for transferral to properly contracted procurements.
- Producing ad-hoc and annual reports on procurement activity.
- Authorising all approved lists.

All Authorised Officers engaged in procurement and contracting activity are responsible for ensuring they comply with the regulations

and that any agents, consultants and contractual partners acting on their behalf also comply. Procurement activity can only be conducted by Authorised Officers.

The Procurement Team will provide advice and leadership on procurement across both Organisations, undertaking the majority of procurement activity, with catalogue and hotel/car bookings services undertaken by the Central Services Department and the business maintaining budgetary and decision making responsibilities in relation to procurement decisions.

A generalised category approach model has been adopted along with the roles of Procurement Business Partners able to provide support within three broad areas of responsibility aligning specific procurement, product and services experience in different areas of the business. The Procurement Business Partner would normally be expected to undertake all technical procurement processes and offer current regulatory advice on commercial aspects of the procurement cycle.

General Category Definitions:

- ICT including Digital requirements

- Operational including Custody Suite, Station requirements, Fleet and Estates.
- Corporate including Commissioner requirements

## Procurement Policy

The Procurement Policy of the COPCC is that:

- Procurement activity is undertaken with the primary objective of supporting the COPCC / Constabulary to achieve its priorities and objectives and operate compliantly, efficiently and effectively.
- All procurement should achieve best Value for Money both for outcomes and the efficiency and effectiveness of the procurement process.
- Procurement activity will achieve an appropriate balance between procurement risk, competition, regulatory compliance and the requirements of the business risk. Where there are conflicts between procurement risk and business risk, decision making will be taken at an appropriate level of seniority within the Organisation.
- All procurement activity will be undertaken in a transparent, fair and consistent manner, ensuring the highest standards of probity and accountability.

- All procurement will operate under robust principles and procedures to ensure best value.
- Procurement activity will only be undertaken by staff authorised to do so within the Commissioner's **Scheme of Delegation**. [\(insert Link\)](#)
- All staff involved in procurement activities will familiarise themselves with the Business Code of Conduct and consideration will be given to circumstances where members of staff would need to be excluded where their position may be compromised.
- Consideration will be given to the register of supplier contact.
- All procurement activity will comply with the Joint Procurement Regulations and Financial Regulations and Financial Rules.
- All procurement activity shall comply with statutory requirements including, but not limited to, UK legislation, Directives of the any Treaty bound Community and relevant, published Government guidance including but not limited to Crown Commercial Services guidance.

- All staff will adhere to the policy and procurement procedure information and seek to achieve acceptance and operation of it among colleagues and stakeholders.

**To be Read in Conjunction with the Procurement Contracting Procedures handbook providing details of Public Procurement Regulations, Procurement Routes and Procurement Processes.**

**End of Document**



**Cumbria Office of the Police and  
Crime Commissioner  
& Cumbria Constabulary**

**Joint Procurement Regulations**

**Procurement Contracting  
Procedures Handbook**

**November 2018**

# Procurement Handbook

## Procurement and Contracting Procedures

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## Definitions

**'Authorised Officer'** – means any officer who by the nature of his or her job, or as directed by a manager, is authorised to place orders.

**'Award Criteria'** - means the criteria upon which the decision for the award of the contract is based.

**'Blue light'**-means the Constabulary e-Tendering Portal

**'Chief Constable'** – means the Chief Constable for Cumbria Constabulary.

**'Chief Executive'** – means the person appointed by the Commissioner to be Head of the Commissioner's staff as defined within the Police Reform and Social Responsibility Act 2011.

**'Code'** – means the Business Code of Conduct.

**'Commissioner'** – means the Police and Crime Commissioner for Cumbria.

**'Commissioners Monitoring Officer'** – means the Chief Executive.

**'Constabulary'** – means Cumbria Constabulary.

**'Consultancy Services'** – means the provision of expert or professional advice by a third party.

**‘Contract Change Notice’** – means formal notice agreed by all parties recording a variation to the existing contract.

**‘Contracting Authority’** – means the State, Regional or Local Authorities, bodies governed by public law or associations formed by one or more such authorities or one or more such bodies governed by public law, and includes central government authorities, but does not include Her Majesty in her private capacity;

**‘COPCC’** – means Cumbria Office of the Police & Crime Commissioner.

**‘CSD’** – means Central Services Department.

**‘Customer’** – means a person or organisation that buys goods, services, or works produced by another business.

**‘DPA’** – means the Data Protection Act 1998, 2003, 2018.

**‘EU Procedure’** – means the set of established, detailed procedural rules which must be observed when awarding works, supplies, and services contracts which are intended to promote fair and open competition and a single European Market under The Public Contract Regulations 2015.

**‘Existing Contract’** – means an existing agreement to purchase, goods, services or works from a supplier.

**‘FOI’** – means The Freedom of Information Act 2000.

**'Framework Agreement'** – means an agreement between one or more contracting authorities and one or more economic operator(supplier), the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and where appropriate, the quantity envisaged (Regulation 2 (1) The Public Contract Regulations 2015).

**'Funding Arrangement'** – means the arrangement made between the Commissioner and the Chief Constable for the provision of funding.

**'GDPR'** – means the General Data Protection Regulation 2018

**'ITT'** – means the Invitation to Tender.

**'ITQ'** – means Invitation to Quote.

**'Joint CFO'** – Means the Joint Chief Finance Officer (Joint role shared between the Commissioner and Chief Constable).

**'Letter of Intent'** – means a document outlining the general plans of an agreement between two or more parties before a legal agreement is finalised.

**'MEAT'** – means most economically advantageous tender.

**'Officer'** – means an employee of the COPCC or Constabulary.

**'Organisation'** – means the Police and Crime Commissioner for Cumbria.

**'Organisations'** – means The Police and Crime Commissioner for Cumbria and The Chief Constable for Cumbria Constabulary

**'Relevant Contract'** – means a contract (not being a contract of employment) made by, or on behalf of, the Police and Crime Commissioner for Cumbria for the carrying out of works or for the supply of goods, materials or services.

**'SME'** – means Small and Medium sized Enterprises.

**'Specialist Procurers'** – means Authorised Officers that undertake procurement exercises that require specialist market knowledge.

**'Total Value'** – means the anticipated total spend over the lifetime of a requirement for goods, services or works. Depending on the nature of the contract, this may include implementation costs, ongoing operational costs, and end of life disposal.

**'Value for Money'** – means the optimum combination of whole life costs and quality (or fitness for purpose) to meet the user's requirement.

## Introduction

Procurement and contracting procedures provide information on how to procure goods, services and works on behalf of the COPCC. They also define the minimum processes expected of staff engaged in a procurement process.

Before undertaking any procurement, staff are required to read through the Joint Procurement Regulations and Handbook to ensure they have appropriate professional, procurement, legal and financial advice. Further advice on procurement procedures and contracts is available from the Constabulary Head of Procurement and Procurement Business Partners as part of the shared services arrangements between the Constabulary and Commissioner.

The Procurement Team contacts are available on the internet and intranet ([Click here for link to pages](#)).

## Procurement Procedures

This Handbook, along with the Joint Procurement Regulations Document, [\(Click here for link to pages\)](#) provides practitioners with a roadmap of procurement routes setting out the rules that apply and the staff to be involved in the procurement process.

Once procurement has begun, rules on how to manage the process including developing specifications, evaluation of tenders, variations to contracts and documents and records that need to be maintained are provided in the Handbook.

Should these procedures not appear to provide the appropriate mechanisms at any stage of the procurement process, advice must be sought from line management or the Procurement Business Partner Team before proceeding further.

**Note these procedures do not apply to the issuing of grants.  
For information on policy and procedures for awarding of**

grant agreements see **Grant and Funding Agreement Regulations..** [\(Click here for link to pages\).](#)

## Competition Requirements

There are a number of routes through which goods, services and works can be procured. These include using existing contracts that have already been negotiated and running a new competitive procurement for which the process is dependent on the total value of spend. Procurement can also be carried out through Approved Lists and Framework Agreements. Whilst a range of considerations will influence the decision with regard to the procurement route, minimum requirements for competition are based on the Total Value of the proposed procurement ([see graphic fig 3](#)).

## Calculating the Realistic Value of Procurement Contracts

Calculation of the estimated value of a procurement shall be based on the total contract value over the life of the contract, excluding VAT, for example if the contract is for a period of 4

years and the annual cost is £50,000 then the total contract value would be £200,000. Should the calculation be found to be a value short of the actual amount spent, by more than 20% of the original advertised anticipated contract value, the COPCC/Constabulary would be required to post a Notice to this effect and, in some cases, re-tender for the remaining additional amounts to be purchased.

Joint Procurement Regulations strictly prohibit the circumvention for convenience of separate, smaller cumulative contracts or select methods of calculating the total contract value in order to avoid the application of these contract procedure rules. The penalties for such are severe in terms of cost, fines, damages and orders to run competition from the start of the process again. The following graphic (fig. 1) provides working examples of the correct method of calculating realistic procurement and contract values, from small single procurement through to the larger tender related examples:

**Fig. 1) Working examples of the correct method of calculating realistic procurement and contract values**

'Purchase Values' are based on the **TOTAL VALUE** of ANTICIPATED EXPENDITURE or CONTRACT VALUE for the WHOLE COST (Ex VAT) of the product or service of the WHOLE SUPPLY ARRANGEMENT over a period of a year. For instance:

A department might require AV monitors for delivery, in various amounts, over a one year period. The combined 'TOTAL VALUE' of all the AV monitor deliveries amount, or is reasonably expected to amount, to more than £25,000 (but not more than £50,000) over the year. In this case the appropriate process for procurement would be "ADVERTISEMENT of REQUESTS FOR QUOTE on .Gov & EU recognised tendering portals" as defined above. Other options would be available, such as Framework Call-off but these would need to be advised on a case-by-case basis by Procurement.

Further Examples

Example 1: *Supply of Goods and/or Services are required for a one-off small procurement of up to £2,500 (ex VAT); the Budget Holding Department would draft a simple specification for the required goods and/or services before seeking no less than one quote. The quote would be attached to the requisition and sent for compliance checks and processing into purchase order by Procurement.*

Example 2: *Supply of Goods and/or Services likely to be required a few times over a year with an estimated Total Value of £19,000 using the same supplier is defined as a single contract, based on the combined purchase value of the 'Whole Cost'; £19,000. A minimum 3 Request for Quotes (RfQ's) would be required. Issue of the RfQ's follows the drafting of a 'Specification' that forms part of RfQs to be sent by the Budget Holder/Business Lead to each supplier. (After*

*the department selects the most appropriate quote, confirmation of choice and details of selected supplier are sent to Procurement with a Requisition. Procurement confirm the process compliance and subsequently issue the appropriate Purchase Order.)*

*Example 3: 2 year contract with annual cost of £20,000 = a total Contract Value of £40,000; a Detailed Specification would be required by Procurement from the Budget Holder/Business Lead. Procurement would then prepare the most appropriate Request for Price or Tender (Quotes or Tender) advert using Blue Light. Delegated Budget Holder(s) evaluate and select Most Economically Advantageous price and award supply contract (latter advised and concluded compliantly by Procurement).*

*Example 4: 3 year contract with annual cost of £50,000 = a total Contract Value of £150,000; a higher level of detail would be required in specification drafting and there may be requirements for Service Level Agreements and Transition Plans particularly when introducing a new supplier. All of this would follow the appropriate confirmation that a budget provision exists for the anticipated procurement. A formal Tender Exercise or Framework Call-off would be is required to complete the exercise. The process should involve Procurement Department advice from the time budget proposals were being made by the Budget Holding Department. (Consult Procurement before drafting specification or communicating with any potential suppliers for compliance and process guidance.)*

*Example 5: A need to spend more than an anticipated £150,000 either on a one-off composite procurement = seek Procurement Department advice at earliest stages of budget planning. This scenario indicates a likelihood that procurement exercise will have 'Total Value' above the prescribed OJEU Threshold and a therefore highly regulated approach to market has to be adopted and managed throughout by Procurement Department.*

## Procurement Routes

The following graphic, (*fig. 2*) provides initial guidance to adopt before you attempt a procurement:

**Fig 2:**

Before any Non-Stock/Catalogue Request for Quote process is undertaken:

- For low value items (especially below £200) check with Procurement if Catalogue arrangement exist.

If no catalogue;

- Check with Procurement if a current Contracted or Framework Supplier exists for the proposed goods and/or service.
- In all Non-Catalogue cases of procurement, the department spending their budget must develop a Specification for the goods and/or services required. The value dictates the detail of Specification, as defined further in this document.
- The exact same Specification should be issued to all suppliers invited to provide Requests for Quotations or Tenders and any variation to the original must be shared between all invited parties at the same time.

**Before Tenders or Frameworks are used:**

- Procurement should be consulted for advice before any possible supplier to the contract is engaged in discussions or meetings or the opportunity is placed to the market.
- A projected 'Whole Cost' by way of a 'realistic anticipated contract value' is required to be published at the same time as the Specification and Invitation to Tender.

- Notes from Tender Evaluation and Moderation must be retained by the Procurement Department. Notes from quotations must be held by the budget holding department.
- All notes must be kept until expiry of time limits prescribed and published in the 'Electronic & Paper Records & Other Information Assets' guidance.

Under normal circumstances all procurement activity other than Catalogue transactions and low-value procurements or quotes (under £25,000) should be managed through the Procurement Team. Procurement requests for Catalogue items will be processed by Supplies Assistants.

CSD publish a Public Access Register of all non-pay purchase spend on a quarterly basis. Publication includes the supplier detail, general description of goods and/or services and the respective amount of each invoice paid. As such, cumulative values spent with any one supplier can be aggregated by any viewer over a period of time.

All purchases and contracts with an estimated value of more than £25,000 are those that should be advertised via the Constabularies E-Tendering portal (Bluelight). This will provide

consistency of approach, transparency and full auditability. Bluelight also serves to advertise the opportunity with the UK Government's tendering portal "Contracts Finder" in accordance with the Public Procurement Regulation 2015<sup>1</sup>

**All procurements with an estimated value in excess of £25,000 should be offered to the market and will be supported and managed by the Procurement Team.**

## Procuring from Existing Arrangements

### Existing Catalogue

For goods that are required on a regular basis a catalogue may be in place based on an existing contract. In these circumstances it may be appropriate to procure the goods by placing a requisition through the Supplies Assistants. The appropriate forms are available electronically on the Procurement intranet site. [\(Click here for link to pages\).](#)

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1

[http://www.legislation.gov.uk/ukxi/2015/102/pdfs/ukxi\\_20150102\\_en.pdf](http://www.legislation.gov.uk/ukxi/2015/102/pdfs/ukxi_20150102_en.pdf)

Catalogues are the most efficient and compliant resources for making regular low-cost procurements without the need for the customer to obtain quotes or complete non-catalogue paperwork. Once the requisition is completed, the purchase order is authorised by the appropriate budget holder and the official order is then sent electronically to the supplier with a copy order being emailed to the Requisitioner.

Catalogues can be requested by stakeholders should they find themselves or anticipate making repeated orders for the same goods and/or services from a supplier. Procurement, including Stores, also monitor procurement activity with a view to rationalising and standardising the frequent or regular non-stock purchase of goods and/or services by the creation of catalogues. Once created, a catalogue will be the preferred or default route to procurement for the items contained within. For instance, when a stationery catalogue exists there will be little or no reason for a non-stock requisition for items contained in the catalogue, such as copier paper, pens, lever arch files, etc., unless the specifically requested item is a more unique or specialist line. It is noted that, at present, non-stock

requisition forms are used for catalogue requisitions. (Click [here for link to pages](#)).

Catalogues are only created for a supplier after the proper supply contract has been established between the COPCC and the supplier, either directly or through an existing national or regional framework.

### Existing Contract

If an existing contract is in place it may be possible to utilise the contract to meet the procurement requirement within the Terms and Conditions of that Contract and Purchase Order may be raised or catalogue created. However if the specific requirement falls outside the terms or scope of any related current contract then consideration should be given to the need for a Contract Change Notice (CCN). In order to identify the best route, advice must be sought from Procurement and Legal Services.

It is advisable for any budget holding department to check the catalogue and contract databases for existing procurement

contracts and arrangements before embarking upon requests for quotes or creating non-catalogue requisitions.

A list of existing contracts is maintained by the Procurement Department and is available on request. Plans are to publish on the he Procurement Intranet site.

Current catalogue lists by content and supplier are being developed.

### Existing Frameworks

Framework Agreements are accessible to the organisation provided they meet a strict Award Commissioner and process criteria<sup>2</sup>.

Best described as a 'super tender', Frameworks normally provide access to an already tendered range of goods and/or services. Normally the categories of goods and/or services available through a Framework are segmented into 'Lots' that

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2

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/539104/Procurement\\_Policy\\_Note\\_Legal\\_requirement\\_to\\_publish\\_on\\_Contracts\\_Finder\\_1\\_.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/539104/Procurement_Policy_Note_Legal_requirement_to_publish_on_Contracts_Finder_1_.pdf)

relate to the categories which, in-turn, constitute the whole of each Framework. The order process for Frameworks, referred to as a 'Call-off' (calling-off a constituent part or amount from the whole or 'Lot' part of the available framework offer), is a prescribed procedure that is particular to each Framework.

The prescribed Call-off process devoted to each Framework must be complied with faithfully to meet the regulatory and contract requirements of any specific Framework. The Terms and Conditions used are also specific to each Framework, forming part of the original offer made by the 'super tender'. The specific prescribed Call-off process must not be adulterated or diluted by an unwarranted variation inserted in a Call-off document because such an action could void the original 'super tender' and/or any subsequent contract.

Framework Agreements can offer a number of benefits. For instance, where already established the Framework will be fully compliant with EU legislation and Procurement Regulations. In some cases there may be access to Direct Award provisions where no requirement to run any further procurement selection process, known as 'Mini Competition',

is required. Efficiencies can be substantial when, through the whole Organisation or other Forces using the same framework, we minimise the administrative costs associated with the use of multiple suppliers. This helps achieve better value for money because we are able to offer suppliers 'aggregated' business. In using Framework Agreements we will usually have assurance that the supplier has met expected standards including financial stability, health & safety, insurance, ethical and environmental standards etc., and that robust contract terms will be in place. Usually this assurance will be greater on higher value contracts.

Many of the COPCC existing contracts are based on Framework Agreements and it can be convenient, in terms of time, cost and compliance to use an available Framework Agreement to access required goods and/or services that are not presently available to the COPCC within an existing or a new contract arrangement. We can benefit from participating in Framework Agreements negotiated by another body, such agreements can be open to multiple, bona fide users, such as Bluelight Services. Before we can become a legitimate participant in any

Framework the Commissioner needs to be identified in the relevant OJEU Framework Notice. Accordingly you must seek advice from your Procurement Business Partner to check whether the COPCC/Constabulary can participate in any Framework Agreement that has been brought to your attention. Similarly, the default Procurement route to market assessment of any new contract or larger value spend proposition will be the research of Framework availability before Tendering on our own account. An example of Frameworks available to a wide variety of users are those procured by the Crown Commercial Service (formerly the Government Procurement Service). In addition there are collaborative purchasing groups in Local Authorities and other Police Forces that have established Framework Agreements available to the COPCC/Constabulary.

If participation in a Framework Agreement which the COPCC/Constabulary have not previously used is proposed, the Terms and Conditions of the specific agreement need to be considered. If the Framework is awarded to one provider then the COPCC/Constabulary can simply call-off the requirement

from the successful supplier as and when it is needed by following the prescribed process as defined in each Framework 'Buyers Guide'. When the Framework is awarded to several suppliers that could fulfil the COPCC/Constabulary need, Procurement Business Partners will define, after consulting the appropriate 'Buyers Guide', the correct process for completing a compliant 'Call off' using a 'Mini Competition' process similar to that defined below:

### Existing Approved Supplier Lists

For certain types of expenditure the COPCC/Constabulary maintains approved lists. If the goods and services required are available under approved lists, usually the list should be used to undertake the procurement. Lists are used where recurrent transactions of a similar type are likely but where such transactions need to be priced individually and cannot easily be aggregated and priced in a single tendering exercise. For example trades services where each job needs to be priced separately but it would be impractical to conduct a procurement process each time a requirement for service arose. Approved lists can only be used where the three year total aggregated value falls below the EU threshold. In these

cases, the Procurement Team, in consultation with the relevant Authorised Officer, may draw up:

- Approved lists of persons ready to perform contracts to supply goods or services on the basis of agreed contract terms on which legal advice has been taken
- Criteria for shortlisting from the lists where appropriate

The development of approved lists must be undertaken with support from the relevant Procurement Business Partner. The process to develop an approved list must ensure there is an evaluation of the financial standing, performance and technical ability of candidates to deliver the contract. The rules and further guidance within these regulations applicable to conducting a procurement process therefore apply to the development of approved lists.

Approved lists and any criteria for shortlisting must be reviewed at least annually jointly by an Authorised Officer and

Procurement Business Partner. The review process should involve:

- The reassessment of the financial and technical ability and performance of those persons on the list, unless this is part of the criteria for shortlisting
- The deletion of those persons no longer qualified with a written record kept justifying the deletion.

Approved lists must be re-advertised at least every three years openly to provide new suppliers with the opportunity to be listed. On re-advertisement a copy of the advertisement must be sent to each person on the list inviting them to reapply.

There are approved lists that are maintained on behalf of Central Government which include registers of pre-qualified contractors and consultants (e.g. Construction line, Exor Management Services). These lists can be used as approved lists by Authorised Officers without the requirement to carry out any further procedures. The relevant Procurement Business Partner can provide more advice with regard to

central government approved lists. Any approved lists must be held by the Procurement Team and published in accordance with the requirements of the Information Commissioner's publication scheme for policing bodies. Available approved lists are detailed on the Procurement Intranet site.

### Publishing Requirements

Procurement will be the conduit and administrative management department for the Crown Commercial Services publishing requirement for any procurements of £25,000 and above. There is, using both the Joint Procurement Regulations and PCR 2015, latitude to procure using a High Value Quote process in some limited circumstances up to a whole contract value of £50,000. The general use of Contract Finder Quotes should be underpinned by clear practical business or finance driven logic. Otherwise, the default position for published opportunities should be Tender whenever a Framework Call Off proves unsuitable or unavailable. Published quotes require a higher degree of Specification preparation by the Budget

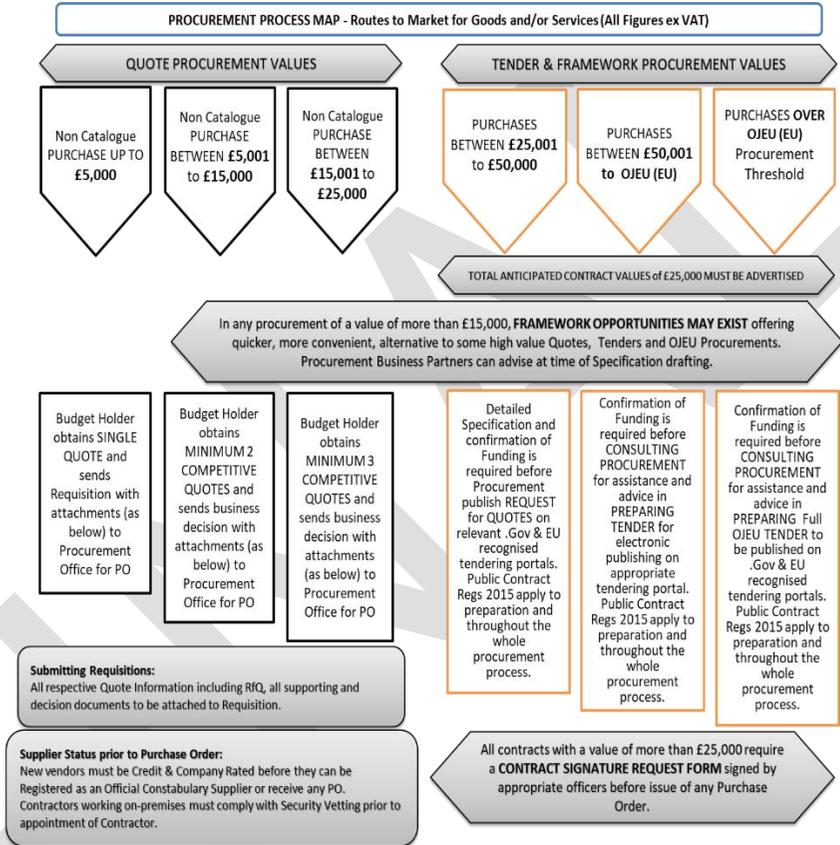
Holder and guidance in the construction of such is available from the Procurement Business Partners.

## New Procurements of Goods and/or Services and Contracts of Non-Catalogue Items

Clear proof of funding approval should be made available to Procurement, before any formal preparation is undertaken prior to publishing the quote. There should be a suitable time for the published RFQ to be available to the market before the deadline for responses. Strict processes are applied to the communication between the COPCC/Constabulary and its employees both inside and outside the work environment during RFQ process, much the same diligence should be adopted as those applied to Tender procedures. Requests for further information or discussions between the parties should be kept in writing or contemporaneously recorded immediately after the discussion has taken place. Any change or variation to the detailed Specification should be communicated through the Tendering portal, such as 'Blue

Light'. Any subsequent award decision must also be published on the same portal. Procurement should be consulted and give advice in the use of published quotes from the point of funding application.

The following graphic (*fig. 3*) helps determine the most suitable routes to market for new products and/or services that are not currently otherwise available through existing contract arrangements or Catalogues. In some cases a more complex process can be adopted that the graphic indicates. For instance at £20,000 the prescribed three quote process can be replaced with a Tender should it be determined more suitable. However, the process cannot normally be replaced by one prescribed for a lower amount. For example, a procurement with a value of more than £50,000 cannot be completed compliantly with the provision of two quotes. The following graphic is a 'Simplified Procurement Map for New Procurements and Contracts of Non Catalogue Items' of the Procurement Process Map (*fig. 3*). A more expanded version can be found on the Intranet Procurement Pages. [\(Click here for link to pages\)](#).



**(Fig. 3) Simplified Procurement Map for New Procurements and Contracts of Non Catalogue Items.**

For a new procurement process there are three main choices, primarily influenced by the total value of estimated

expenditure. The values driven procurement actions are currently:

1. **QUOTES**; up to a value of £25,000 when administered by the Business Budget Holder, and over £25,001 up to £50,000 when administered by Procurement.

Time from preparation to Issue of order spans from a matter of days for smaller, low value goods or services, through 2-4 weeks for medium value Quotes of values between £10-£25,000 from no less than 3 up to 12 weeks and more for high value Quotes of between £25,000-£50,000.

2. **TENDERS**; for amounts from above £25,000 to OJEU Threshold (as defined annually each January). Above OJEU Threshold Tender adopt the prescribed OJEU process.

Estimated time from preparation to issue of order normally spans a period no less than 12 weeks for Tenders up to £50,000, stretching up to 20+ weeks for the more complex higher value Tenders.

3. **FRAMEWORKS**; for any value up to and including anything above OJEU where an appropriate Framework arrangement

has been established by an authorised Framework Commissioner.

Estimated time from enquiry to issue of call-off contract for all lower values (approximate whole value between. £10,000 to £50,000) where Direct Award provision exists, can be less than 4 weeks.

Mini Competitions can extend the process anywhere between approximately 4 and 24 weeks depending on the value, complexity of the Lot(s) anticipated for award and precise prescribed process.

In all cases the following should be observed

- The Budget Holding party should draft a detailed specification based on the required performance, aims and/or anticipated outcomes desired from the goods and/or services required.
- Part numbers and product details including any pre-requisite standards and accreditations should be issued in the Specification wherever practicable and it

is acceptable to refer to the need for compatibility to existing systems, processes and/or equipment.

- The Budget Holding Party should issue the specification as a Request for Quote (RFQ) to appropriately qualified suppliers of their choice.
- Once the Budget Holder is content an acceptable quote has been received a copy of this along with any other supporting paperwork should be sent to Procurement under cover of a completed Requisition.
- The requisition requires confirmation of the supplier, part numbers, part descriptions and units and unit prices, including carriage or delivery charges along with attachment of the RFQ and successful/unsuccessful quotes.
- Following random compliance checks, particularly in respect of obtaining Value for Money and supplier status, Procurement will process the Purchase Order and issue to the named supplier on the provision the same is a registered supplier on the Constabulary/COPCC system.

- Procurement will maintain random checks on the process and total spend of multiple orders for the same goods and/or services as part of the overall audit process. Frequent and repetitive requisitions for a product or service will eventually lead to the item being selected for supply through a Catalogue arrangement.
- After the Goods and/or services have been supplied it falls to the Budget Holder and Requisitioner to ensure the consignment or services fulfilment is in accordance with the quote and Purchase Order before they authorise payment of any related Supplier Invoice.
- Suppliers must be formally registered and rated by Procurement before any Purchase Order can be issued. If the supplier is new to COPCC/Constabulary, the registration process can add time to the process. In some cases subsequent Personnel Security Vetting can add further time before the commercial relationship can be agreed or performed.

- ContractsFinder.Gov publishing of £25,000 required in all cases

### Under £5,000

For small amount purchases only one quote is required. More quotes can be obtained if the internal customer requires a greater level of comparison and higher degree of competitiveness.

### £5,001 to £15,000

A minimum two RFQ's is mandated as the basic requirement.

More than the minimum amount of suppliers can be invited to participate but the exact same Specification and invite information, including latest time for responses should be made to each supplier regardless of number invited. Advice from a Procurement Business Partner should be sought if it becomes evident that only one supplier is able to fulfil the specification or offer a price response to the RFQ. Evaluation of Quotes should be conducted by comparison of the response(s) capacity to fulfil the issued RFQ Specification and

notes retained in respect of the decision process. Parties that were unsuccessful in their RFQ should be informed at the earliest possible time following the decision.

### £15,000 to £25,000

The Budget Holding Party should issue the Specification as a component part of the Request for Quote (RFQ), after agreeing the content is appropriate with a Procurement Business Partner, to no less than three appropriately qualified suppliers of their choice. Advice from a Procurement Business Partner should be sought if it becomes evident that only one supplier is able to fulfil the specification or offer a price response to the RFQ. Evaluation of quotes should be conducted by comparison of the response(s) capacity to fulfil the issued RFQ Specification and standards required. Detailed notes must be retained by the Procurement Department or Budget Holding Department in respect of the decision and final selection of supplier, at least for a period of one year or duration of the whole life of a contract, whichever the shorter.

Parties that were unsuccessful in their RFQ response should be informed in writing at the earliest possible time following the decision. When the Budget Holder is content an acceptable quote has been received, a copy of the quote along with any other supporting paperwork should be sent to Procurement under cover of a completed Requisition. Procurement will scrutinise the process and maintain random checks on the process and total spend of multiple orders for the same goods and/or services as part of the overall audit process.

Suppliers must be formally registered and rated by Procurement before any Purchase Order can be issued. If the supplier is new to COPCC/Constabulary, the registration process can add time to the process. In some cases subsequent Personnel Security Vetting can add further time before the commercial relationship can be agreed or performed.

## £25,000 to £50,000

A Detailed specification and confirmation of funding is required before Procurement publish Request for Quotes on relevant .Gov and EU recognised tendering portals.

## Tenders £50,000 to OJEU Threshold.

Tenders are a highly regulated form of procurement. There are a number of tender processes that the COPCC/Constabulary can adopt and advice on the most appropriate processes will be issued by the Procurement Business Partner during early consultations with the Budget Holding or Project Lead department. It is essential that the prospective project has been granted funding before any Tender activity takes place. It is permissible for stakeholders to research products and services before the Tender takes place, especially for such reasons as Specification development but extreme caution should be observed when making enquiries to, or requesting information from, suppliers during the time immediately before and during the whole Tender process. Strict regulations apply to transparency and fairness when dealing with suppliers, particularly during pre-award stages. The

COPCC/Constabulary applies voluntary standstill periods as a matter of its adopted best practice. Contracts can be inferred and implied; supplier's costs in preparing Tender responses can be substantive and if, through any unintended inference, the unsuccessful or uninvited supplier can reasonably establish there has been information provided to others, or the successful bidder, but not shared with every other potential bidder, a legal challenge could very likely be successfully made. When preparation for the Tender begins, COPCC/Constabulary stakeholder dialogue with any potential individual suppliers that might bid for the Tender must cease.

The planning stages of Tenders require a deal of accurate, clearly presented information including anticipated realistic values of the whole contract including any constituent or associated Lots. Pre-qualifying questionnaires are represented by a Single Questionnaire, with a content prescribed as mandatory in part by the EU.

## OJEU Tenders - above the OJEU Threshold:

Official Journal of the European Union ('OJEU') Tenders are the highest form of a very strictly regulated procurement. It is essential that early engagement with Procurement is undertaken because there are a number of tender processes that the COPCC/Constabulary can adopt. Advice on the most appropriate processes will be issued by the senior members of the Procurement Department during early consultations with the Budget Holding or Project Lead department. Advice may propose an early Prior Information Notice of intention to tender or the publishing of a request for Expressions of Interest (EoI) is some of the more complex procurement subjects. Highly detailed, accurate amounts of information must be processed and completed as part of the pre-tender preparation by both the Procurement and the Budget Holding Department(s). There must be a clearly defined Specification and Realistic Estimate of Whole Contract Value, before any ITT can be published. Because preparation costs can be significant and the need for supporting documents such as contracts, so complex, It is essential that the prospective project has been granted funding before any Tender activity takes place.

### Quotes through Procurement Office:

The Joint Procurement regulations permits a competitive quote process up to £50,000. However requirements under regulations 106, 108, 110 and 112 of the Public Contracts Regulations 2015 (PCRs 2015), contracting authorities must ensure that any procurement opportunities and contract awards above certain low thresholds are published on the Government Contracts Finder <sup>3</sup>

### Mini Competition Procedures:

The use of mini competitions may be adopted, where pre-tendered Framework Agreements exist, such as National or Regional Frameworks, Crown Commercial Services (CCS) or other public sector appointed consortia frameworks, e.g. Yorkshire Purchasing Consortium (YPO). The Framework selection process (Tender) involves identifying companies that are able to meet the requirement of Lot(s) from those who have been pre-tendered and pre-qualified. Sometimes the

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<sup>3</sup> <https://www.gov.uk/contracts-finder>

Framework prices will be predetermined and in such cases strict regulations dictate that the core products and prices that comprise the Framework should not be renegotiated. Only ancillary related goods and/or services can be priced or offered as an addition to the core products, services and published prices. Mini Competitions are complex technical processes and should not be undertaken without the assistance of Procurement Business Partners. A typical Mini Competitive process could include, but might not be limited to, the following prescriptive procedures:

- The Authorised Officer and the Procurement Business Partner must review the framework PQQ to ensure that the financial standing and technical capabilities of the suppliers meet the requirements for the procurement. Where the PQQ response is dated more than two years prior to the procurement, advice must be taken from the Joint CFO, in respect of conducting a current assessment for financial standing where the procurement is for services or works.

- Procurement and Legal advice should be sought on the Terms and Conditions of the contract under the framework. Core Terms and Conditions cannot be re-drafted but particular care and attention should be paid to the correct detailed completion of schedules, realistic whole value of the Call-off and anticipated contract term.
- The Budget Holding Department should provide an adequately detailed list of requirements and aim or objectives for the competitive questionnaire. Advice on the amount and complexity of content must be taken from Procurement prior to the compilation of the questionnaire.
- The Mini Competition must reflect the core products and services available in the Lot(s) of respective Framework; it can't be a whole new competition. To this end, there are strict parameters that govern the 'Weighting' of any subsequent scores. Precise variations are normally indicated in each 'Buyers Guide'.

- All organisations within the Framework Agreement that are capable of executing the subject of the contract must be invited to submit written bids in the Mini Competition.
- A time limit must be fixed which is sufficiently long to allow subsequent bids for each specific contract to be submitted taking into account factors such as the complexity of the subject of the contract
- The contract must be awarded to the bidder who has submitted the most economically advantageous offer (M.E.A.T) on the basis or a very similar Award Criteria set out in the specifications of the Framework Agreement.

Under the Police Act 1996 (Equipment) Regulations 2010 the use of specific framework agreements is mandated. These are set out on the Procurement Intranet pages.

## Procurement of Professional Consultancy

The procurement of professional Consultancy Services should usually be undertaken in accordance with procurement procedures in the same way that all other services are

procured. The same processes as defined by monetary values above dictates the subsequent approach to contracting Professional Consultants save where there are clearly defined, compliant, existing exemptions for some categories of professional services, such as instructing counsel and/or legal advisors and for banking services. For other professional services a procurement exemption can be applied for in circumstances where bona fide continuity and quality of personnel and/or knowledge of the organisation is the most important consideration. The latter is subject to the whole contract or multiple contract values for the same Professional Consultant falling below the minimum values published as the current EU Procurement Directives threshold.

The engagement of a consultant shall follow the agreement of a brief that adequately describes the scope of the services to be provided, payment schedules, performance delivery measurements and shall be subject to completion of a formal letter or contract of appointment. A record of the process and documentation used for appointment must be held by the

Procurement Team and attached to the retained Services Contract.

Consultants shall be required to provide evidence of, and maintain professional indemnity insurance policies to the satisfaction of the Chief Executive for the periods specified in the respective agreement. Copies of insurance are provided and evaluated as part of the tender evaluation criteria. The minimum level of Professional Consultant insurance is £250,000. However, this will be dependent on the nature of the project and you should consult with procurement to determine the appropriate level of insurance that will be required. Where appointment is made outside or below a Tender threshold, a copy of the indemnity insurance policy cover note should be attached to the quote provided by the Professional Consultant.

## Procurement Exemptions

In certain limited cases it may be appropriate to apply for an exemption from the normal procurement procedures. All exemptions must be applied for and granted by way of the

appropriately signed Exemption Form [\(Insert link here\)](#) prior to the order being placed for the procurement of goods, services or works. Purchases made for reasons outlined below, but without prior approval of the Chief Executive (or Director/Commander subject to agreed thresholds), may be treated as breaches of Joint Procurement Regulations and subject to disciplinary action. Requests for exemptions to normal procedures will be considered on a case by case basis under the following circumstances and should be expected to take a reasonable amount of time for decision, normally no less than 2 weeks unless a genuine emergency such as natural disaster or major incident requiring immediate procurement of specialist goods or services.

- Where it can be evidenced that only one supplier is able to carry out the work or service or supply goods for technical reasons or because of exclusive rights or if it is demonstrated there is no real competition, also known as the 'O.E.M.' reason.
- Extensions to existing contracts where there is a genuinely justifiable case to use an existing contractor/supplier to maintain continuity of supply or

site experience. Extensions will not be considered where to do so would breach EU Procurement Legislation or lack of business planning has led to an expected default renewal.

- The contract has been classified as secret by the Chief Executive making the use of a particular contractor essential or a limited competition to a select list of contractors and the avoidance of advertising requirements in the public domain.
- The contract is required so urgently for such reasons as natural disaster or major incident that competition is impractical, for example a genuine unforeseeable operational need arises. Please note failure to take action within appropriate timescales does not constitute grounds for an urgency exemption.

## Procurement and Contracting Procedures: Contract Formalities

### Contract Documents

The COPCC order form or standard terms and conditions issued by a relevant professional body must be used wherever possible.

The Chief Executive, who may seek legal and financial advice, is responsible for securing that all contracts that either exceed £50,000 or involve leasing arrangements or are complex in any other way are prepared in writing by the Director of Legal Services and must clearly specify:-

- What is to be supplied (i.e. the works, goods, supplies, materials, services)
- the provisions for payment (i.e. the price to be paid and when)
- the time, or times, within which the contract is to be performed
- the provision for the Commissioner to terminate the contract

In addition, every contract of purchase over £100,000 must also state clearly, and subject to reaching agreement with the contractor.

- that the contractor may not assign or sub-contract without prior written consent
- any Insurance requirements
- Health and Safety requirements
- GDPR requirements, if relevant
- that professional standards are to be met if relevant
- Equality Act requirements
- FOI requirements
- where agents are used to let contracts, that agents must comply with the COPCC Joint Procurement Regulations
- a right of access to relevant documentation and records of the contractor for monitoring and audit purposes if relevant.

In order to appropriately protect the Organisation contracts may need to include a number of specific clauses in addition to standard terms and conditions. Such clauses may specify

arrangements in the event of a supplier failing to deliver (default clauses) including arrangements for penalties and liquidated damages. It may also be appropriate for some contracts, e.g. construction/works contracts, to include stage payments and/or retention payments that are released after a suitable period for identifying any defects. These types of contracts will typically also make provision for an examination of the final accounts presented for payment. Legal Services will advise on the need for any such clauses and provide a form of words for the contract terms.

Agreement shall be completed as follows:

Total Value	Method of Completion	By
Up to £50,000	Signature	Director/Commander
Above £50,000	Signature or Sealing (as required)	Chief Executive

All contracts above £50,000 must be concluded formally in writing by Legal Services before the supply, service or construction work begins, except in exceptional circumstances, and then only with the written consent of the

Chief Executive (or Deputy in his/her absence). An award letter is insufficient. Letters of Intent must be approved by the Chief Executive. The Authorised Officer responsible for securing signature of the contract must ensure that the person signing for the other contracting party has authority to bind it. It is important to ensure that the contract is in the name of the relevant legal entity.

## Sealing

Where contracts are completed by each side adding their formal seal, such contracts shall be signed by a representative on behalf of the Commissioner, together with the fixing of the Commissioner's seal, and must be witnessed by a further Officer.

Every sealing will be consecutively numbered, recorded and signed by the person witnessing the seal. The seal must not be affixed without the authority of the Chief Executive acting under delegated powers. A contract must be sealed where:

- the Commissioner may wish to enforce the contract more than six years after its end

- the price paid or received under the contract is a nominal price and does not reflect the value of the goods or services,
- or is a 'Contract Variation' which has the effect of increasing the value of a contract which has already been subject to sealing

The Chief Executive shall secure that a register of sealed contracts shall be maintained on behalf of the COPCC by the Legal department.

## Cancellations, variations or extensions of contracts

### Cancellation:

Advice must be taken from Legal Services for any cancellations. Contract terms are complex and any changes to them can be subject to challenge and be expensive. If there are difficulties with the contract or the service is no longer required, legal advice must be taken before contacting the supplier. The terms of the contract may allow for a different way of resolving the issue than termination and if cancellation costs are likely

to be high it may be better to see if other areas of the business can use the supply or service. For some contracts, it may cost more to cancel than to continue with the service. Consideration must be given to all the Terms and Conditions of the Contract before any decision is made to end a contract before the time period required to do this to ensure that cancellation is the most appropriate choice. Where a decision is made to cancel it must be undertaken in accordance with the Terms and Conditions of the Contract and ensure all notice periods are complied with. Wherever possible, it is good practice to convey the reasons for the cancellation, but in the event that this may not be possible additional advice may be sought from Legal Services in the first instance. Under no circumstances should employees verbally instruct suppliers, contractors or others engaged on behalf of contracted suppliers that their services or goods are no longer required. Inappropriate cancellation of contracts may result in legal action and subsequent costs being borne by the COPCC. Contract cancellations ahead of the normal expiry of the contract must be authorised by the Chief Executive. The decision to cancel must be recorded by the Head of

Procurement on behalf of the COPCC with reasons and available for audit. All contract cancellations must be issued by Legal Services.

It is possible to include within contracts terms that allow for early termination, where this is considered a possible requirement. This will however introduce uncertainty for the supplier and will generally result in the contract being more expensive. Such terms should therefore only be used where absolutely necessary and legal advice should support any decision to use early termination clauses.

#### Contract Variations:

Variations to contracts will generally not offer good Value for Money and can result in challenges to the contract where the variation is significant such that it changes the nature of the contract and/or it results in a substantially different contract price. For this reason, all variations to contracts can only be made after legal advice has been taken and the variation has been authorised by the Chief Executive. Advice and approval must be taken prior to contacting the contractor. In authorising a variation to contract, the value of the variation

will be considered in line with the contract value to ensure that these procedures and the requirements of the EU directive have not been breached. A written Change Control Notification must be issued by Legal Services for any contract variation, which must be signed and agreed by both parties, and a copy of the signed document must be retained with the original contract. The approval for the variation must be recorded by the Head of Procurement on behalf of the COPCC with reasons and available for audit. Where the variation results in the contract value increasing to the level that is subject to sealing, the variation must be approved under seal.

#### Contract Extensions:

Authorised Officers are responsible for ensuring that contracts for which they are responsible are renewed at an appropriate time and notice of the impending expiry of the current contract should be sent to the service or goods provider. Contracts should only usually be extended where the terms allow for the extension or where the contract has been let on the basis that it is annually renewable, subject to price. Careful consideration should be given to the duration of contracts and options to extend when the tender is initially issued to avoid

procurement challenge. A written Contract Change Notification must be issued by Legal Services for contract extensions. Where there is a need to extend a contract outside the contract term and provisions allow for extension, legal advice must be sought and the extension must be authorised by the Chief Executive. Any decision to authorise the extension must carefully balance the procurement risk against the business need to extend. The approval for the extension must be recorded by the Head of Procurement on behalf of the COPCC with reasons and available for audit.

Contract signature request forms are required for extensions should the value of the original contract plus extension exceeds the threshold.

## Record Keeping and Document Retention

The requirements in respect of record keeping depend on the amount or Total Value of the Contract. The requirements of these regulations are based on the Total Value exclusive of VAT. For all procurement, including that managed through quotations, basic records must be maintained. This section of

the procedures sets out the requirements for record keeping, document retention and FOI.

The Chief Executive shall secure that all records are maintained in accordance with these regulations. The Head of Procurement will maintain all records on behalf of the COPCC in accordance with the arrangements for shared services. Authorised Officers are responsible for ensuring that records are kept, the procurement process is documented and that all records are submitted to the Head of Procurement.

Where the Total Value is less than £25,000, records must be maintained of:

- The invitation to quote and the pre quote estimate of the expenditure.
- All quotations received and the award made.

Where the Total Value is between £25,000 and £50,000, the following records must be kept:

- Invitation to Quote, Quotations and the pre quote estimate of the expenditure
- any exemptions and the reason for them
- of the reason if the lowest price is not accepted
- Records of communications with the successful contractor

Where the Total Value exceeds £50,000 or where a formal tender process has been conducted, the Authorised Officer must record:

- The method for obtaining bids
- Any contracting decisions and the reasons for it in the form of a formal tender evaluation report
- Any exemptions together with the reasons for it
- The Award Criteria in descending order of importance
- Tender documents sent to and received from candidates
- Pre-tender market research
- Clarification and post-tender negotiations (to include minutes of meetings)
- The contract documents

- Post-contract evaluation and monitoring
- Communications with candidates and with the successful contractor throughout the period of the contract.
- Pre tender estimate of the expenditure.

All documentation relating to contracts should be retained in accordance with the retention scheme. The scheme is:

Records of tenders and contracts must be kept for six years and four months after the end of the contract. Where a contract is made under seal, the records must be kept for twelve years and four months. Records that relate to unsuccessful candidates may be scanned or stored for 12 months from award of contract provided there is no dispute about the awarded.

The Head of Procurement shall maintain a register of all contracts let on behalf of the Commissioner and will provide contract reports for the COPCC / Constabulary. The content

and frequency of reports will be agreed with the Chief Executive, some examples are:

- number and value of contracts awarded;
- contracts awarded other than lowest cost;
- contracts awarded as a Single Tender Action;
- breaches of procurement regulations.

## Freedom of Information (FOI)

Information may be requested at any time on any procurement process and the Elected Local Policing Bodies (Specified Information) Order requires that ITT and Contracts are openly published on the Commissioner's website. It is therefore important that all information that forms part of the procurement process is retained and filed in a way that ensures it can be easily used at a later date. This is particularly important for tender submissions and any correspondence with suppliers.

Generally whilst the submission of a tender will be considered as confidential, under FOI legislation this is likely to be

insufficient as grounds for not releasing the information under an FOI request. Should an FOI request arise, appropriate steps should be adopted to enquire of prospective suppliers what, if any, information they feel should be exempt from FOI legislation, although the decision as to potential release rests with the COPCC. Before any information is released appropriate advice must be sought.

## Providing Services and Asset Disposal

### Providing Services

The rules are:

The Chief Executive must be consulted in respect of contracts to work for organisations other than the COPCC. This ensures that consideration is given to the limited staffing resources within the office and the priorities for resource allocation against the outcomes that aim to be achieved through the provision of external services.

## Asset Disposal

Refer to the Financial Regulations for all asset disposals.

[\(Insert Link\)](#)

Chief Executive must approve all disposals.

Where any asset of the COPCC/Constabulary is deemed no longer required or fit for purpose under the normal and reasonable actions of the responsible budget holder, the asset can be disposed of by means of proper registered waste disposal. Waste disposal must be conducted by a properly certified, registered waste disposal contractor that has been appropriately appointed by contract on behalf of the COPCC/Constabulary. Waste acceptance tickets must be issued for any controlled waste or disposal taking into account the need to adhere to WEEE and other Environmental or Dangerous Material Waste Disposal Regulations.

The Waste Electronic and Electrical Equipment (WEEE) Regulations 2006 aim to reduce the amount of WEEE being

disposed of and require Electronic and Electrical Equipment (EEE) producers to pay for its reuse, recycling and recovery.

The COPCC / Constabulary, where appropriate, will dispose of end of life ICT and electrical equipment in line with WEEE Regulations which will include, where necessary, the use of accredited companies to ensure secure information removal prior to disposal.

Further information regarding the WEEE Regulations can be found on the Environment Agency website at <http://www.environment-agency.gov.uk/business/topics/waste/139283.aspx>.

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## OPCC Re-structure

**Joint Audit & Standards Committee: 22 November 2018**

**Originating Officer: Roger Marshall, Joint Chief Finance Officer,**

**Agenda Item 11**

### 1. Introduction

- 1.1. In September 2017, following the retirement of the Chief Executive and subsequent re-structure within the Office of the Police and Crime Commissioner (OPCC), the Commissioner proposed that the Head of Partnerships and Commissioning and Head of Communications and Business Services would fulfill the role of Chief Executive in conjunction with their existing responsibilities. Each would perform the Chief Executive role for a rotating six month period, with the other acting as Deputy Chief Executive. The appointment was initially on a temporary basis for a year. The Police and Crime Panel approved the new arrangement and appointment of the individuals on condition that the Panel was kept informed as to how the arrangements are working and that the Commissioner communicated his intentions regarding the Chief Executive post beyond September 2018.
- 1.2. The arrangement whereby the Head of Partnerships and Commissioning and the Head of Communications and Business Services perform the role of Chief Executive in the Office of the Police, Crime Commissioner on a rotating basis has now been operating for a full year, and no issues have been raised.
- 1.3. From the Commissioner's perspective the arrangement has been successful with no adverse issues. Both officers have demonstrated that they have the capability to undertake the role of Chief Executive, which they have done effectively and without detriment to the working of the office. The arrangement has also provided resilience, which is essential in a small office, has flattened the

hierarchy making it more effective and has delivered savings to the public purse. The Commissioner therefore submitted a report to the Police and Crime Panel in October 2018 proposing that the arrangement be made permanent.

- 1.4. Following a confirmatory hearing held on the 15<sup>th</sup> October 2018, the Police and Crime Panel supported the Commissioner's proposal. HR arrangements to make the appointments permanent are now being progressed.

## **2. Recommendations**

- 2.1. Committee members are asked to note the new OPCC Chief Executive arrangement.

Roger Marshall

Joint Chief Finance Officer

# **CUMBRIA POLICE & CRIME COMMISSIONER AND CUMBRIA CONSTABULARY JOINT AUDIT AND STANDARDS COMMITTEE**

**Meeting date: 22<sup>nd</sup> November 2018**

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

## **INTERNAL AUDIT: PROGRESS REPORT TO 7<sup>TH</sup> NOVEMBER 2018**

### **1.0 EXECUTIVE SUMMARY**

- 1.1 This report provides a review of the work of Internal Audit for the period to 7th November 2018.
- 1.2 Key points are:
  - Work is progressing as planned.
  - Audits identified for the first three quarters are underway.
  - Arrangements are in place to begin the 2019/20 planning process.

### **2.0 OVERVIEW**

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

annual opinion on the overall systems of governance, risk management and internal control. Regular reporting to Joint Audit and Standards Committee enables emerging issues to be identified during the year.

### **3.0 RECOMMENDATION**

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

### **4.0 BACKGROUND**

- 4.1 The PCC and Chief Constable must make proper provision for internal audit in line with the 1972 Local Government Act. The Accounts and Audit Regulations 2015 require that the PCC and Chief Constable must undertake an effective internal audit to evaluate the effectiveness of its risk management, internal control and governance processes, taking into account the PSIAS or guidance.
- 4.2 Internal audit is responsible for providing independent assurance to the PCC and Chief Constable and to the Joint Audit and Standards Committee on the systems of governance, risk management and internal control.
- 4.3 It is management's responsibility to establish and maintain internal control systems and to ensure that resources are properly applied, risks appropriately managed and that outcomes are achieved. Management is responsible for the system of internal control and should set in place policies and procedures to ensure that controls are operating effectively.
- 4.4 The internal audit plan for 2018/19 was prepared using a risk-based approach and following consultation with senior management to ensure that internal audit coverage is focused on the areas of highest risk to both organisations. The plan has been prepared to allow the production of the annual internal audit opinion as required by the PSIAS.
- 4.5 This report provides an update on the work of internal audit for the period to 7<sup>th</sup> November 2018. It reports progress on the delivery of the 2018/19 audit plan in the period and includes a summary of the outcomes of audit reviews completed in the period.

#### **Status of internal audit work as at 7<sup>th</sup> November 2018**

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

Audit Status	Number of reviews
<u>Audits completed:</u>	<b><u>5</u></b>
Risk based audits (2017/18 WIP)	1
Risk based audits	2
Governance work	0
Financial systems (2017/18 WIP)	1
Financial systems	0
Follow up	1
<u>Audits in progress:</u>	<b><u>10</u></b>
Risk based audits	6
Financial systems	2
Follow up	2
<u>Audits to be started</u>	<b><u>10</u></b>
Risk based audits	6
Financial systems	2
Follow up	2
Audits in plan	<b><u>25</u></b>

#### Outcomes from Final Audit Reports to 7<sup>th</sup> November

- 4.6 Audits completed to 7<sup>th</sup> November comprise two risk based audits, two financial system audits and a follow up.
- 4.7 The detailed outcomes from each finalised audit are shown in Appendix 1. Those shaded grey have previously been reported to JASC.

#### Draft Reports Issued to 7<sup>th</sup> November

- 4.8 This section provides an early indication of the outcomes of internal audit reviews. Should additional information or evidence be received through the closeout process, the initial assessment may be revised prior to finalisation of the report.

Audit	Date of issue of draft report	Initial audit assessment
Digital Media Investigation Unit	14/09/18	Reasonable
Follow up - Stingers	31/10/18	Partial
Follow up – Receipt, handling, storage and disposal of drugs	06/11/18	Reasonable

**Emma Toyne**  
**Audit Manager**  
7<sup>th</sup> November 2018

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## **APPENDICES**

***Appendix 1: Final reports issued to 7<sup>th</sup> November 2018***

***Appendix 2: Progress on all risk based audits from the 2018/19 plan including work in progress from the 2017/18 plan***

***Appendix 3: Internal audit performance measures to 7<sup>th</sup> November 2018***

Contact: Emma Toyne, Audit Manager, Cumbria Shared Internal Audit Service.  
[emma.toyne@cumbria.gov.uk](mailto:emma.toyne@cumbria.gov.uk)

## Appendix 1 – Final reports issued to 7<sup>th</sup> November 2018

Assignments	Status	Assessment
Creditors	Report presented to Joint Audit and Standards Committee at 19 <sup>th</sup> July 2018 meeting. Report included in Committee papers and available on the Commissioner's website.	Reasonable
Information Security (OPCC)	Report presented to Joint Audit and Standards Committee at 19 <sup>th</sup> July 2018 meeting. Report included in Committee papers and available on the Commissioner's website.	Reasonable
Follow up – Multi-agency safeguarding hub (2017/18 WIP)	Report presented to Joint Audit and Standards Committee at 12 <sup>th</sup> September 2018 meeting. Report included in Committee papers and available on the Commissioner's website.	Reasonable
Specified Information Order (OPCC)	Report presented to Joint Audit and Standards Committee at 22 <sup>nd</sup> November 2018 meeting. Report included in Committee papers and available on the Commissioner's website.	Substantial
Workforce Planning	Report circulated to members of the Joint Audit and Standards Committee and included in Committee papers for discussion at the meeting if required. Report available on the Commissioner's website.	Substantial
Internal Audit planning meetings for 2019/20 are scheduled to take place during November and December. Our meetings with Senior Managers at the OPCC and Constabulary will inform the audit universe for both organisations. We will consult with OPCC and Constabulary in January 2019 to consider the areas to be included in the plan which will be approved by Management. The plan will be presented to Joint Audit and Standards Committee in March 2019.		

## Appendix 2 – Progress on 2018/19 Audit Plan, including 2017/18 work in progress

OPCC / Constabulary Review	Audit	Stage	Feedback form returned
Joint	Creditors (2017/18 WIP)	Complete	Yes
OPCC	Information security (2017/18 WIP)	Complete	Yes
Constabulary	Follow up – Multi-agency safeguarding hub (2017/18 WIP)	Complete	N/A
Constabulary	Risk Management	Not yet started	N/A
OPCC	Risk Management	Not yet started	N/A
Constabulary	Emergency Services Mobile Communications Programme (ESMCP) and Emergency Services Network (ESN)	Not yet started	N/A
Constabulary	Governance Structure	Not yet started	N/A
Constabulary	General Data Protection Regulation (GDPR)	Fieldwork	N/A
OPCC	General Data Protection Regulation (GDPR)	Fieldwork	N/A
OPCC	Specified Information Order	Complete	Yes
Constabulary	Digital Media Investigation Unit	Closeout meeting held and management actions agreed. Draft report with T/ACC for sign-off (due w/c 19 <sup>th</sup> November)	N/A
Constabulary	Command and Control Room and 101	Fieldwork	N/A

## Appendix 2 – Progress on 2018/19 Audit Plan, including 2017/18 work in progress

OPCC / Constabulary Review	Audit	Stage	Feedback form returned
Constabulary	Neighbourhood Policing Hubs	Scoping meeting organised	N/A
Constabulary	Overtime Spend	Scoping meeting held on 29th May identified changes to systems in place which require time to embed before the audit is undertaken. Work now planned to start in Q3.	N/A
Constabulary	Workforce Planning	Complete	Yes
Constabulary	Force Tasking and Co-ordination	Fieldwork	N/A
OPCC	Victims Code of Practice	Fieldwork	N/A
Joint	Main Accounting System	Not yet started	N/A
Joint	Debtors	Not yet started	N/A
Joint	Payroll	Fieldwork	N/A
Joint	Pensions	Fieldwork	N/A
Constabulary	Follow up – Offender Management	Not yet started	N/A
Constabulary	Follow up – Criminal Justice Unit	Not yet started – update to JASC in July 2018 indicates that actions are due for completion by March 2019.	N/A
Constabulary	Follow up - Stingers	Draft report issued	N/A

Appendix 2 – Progress on 2018/19 Audit Plan, including 2017/18 work in progress

OPCC / Constabulary Review	Audit	Stage	Feedback form returned
Constabulary	Follow up – Receipt, handling storage and disposal of drugs	Draft report issued	N/A
N/A	Project support / consultancy.	On-going	N/A
N/A	Attendance at Police Audit Training & Development event	Event took place on 12 <sup>th</sup> & 13 <sup>th</sup> July 2018	N/A
N/A	Internal Audit management	On-going	N/A

Key: 

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

Measure	Description	Target	Actual	Explanations for variances / remedial action required
Completion of audit plan	% of audits completed to final report	28%  95% (annual target)	20%	Target is based on the same period last year.  The figure for finalised reports is lower than the same period last year. However, there are three draft reports which will be finalised imminently. We consider the plan to be on track.
	Number of planned days delivered  *296 in 18/19 plan (281 per shared service agreement plus 15 days due to audit deferred from 17/18 at management's request).  5 days of WIP carried forward at 17/18 year end	116  301* (annual target)	115	Target is based on the same period last year.
Audit scopes agreed	Scoping meeting to be held for every risk based audit and client notification issued prior to commencement of fieldwork.	100%	100%	
Draft reports issued by agreed deadline	Draft reports to be issued in line with agreed deadline or formally approved revised deadline where issues arise during fieldwork.	70%	100%	

### Appendix 3 – Internal audit performance measures

Measure	Description	Target	Actual	Explanations for variances / remedial action required
Timeliness of final reports	% of final reports issued for Chief Officer / Director comments within five working days of management response or closeout meeting.	90%	100%	
Recommendations agreed	% of recommendations accepted by management	95%	100%	
Assignment completion	% of individual reviews completed to required standard within target days or prior approval of extension by audit manager.	75%	100%	
Quality assurance checks completed	% of QA checks completed	100%	100%	
Customer Feedback	% of customer satisfaction surveys returned	100%	100%	Five forms returned. One relates to an audit reported in 17/18.
Customer Feedback	% of customer satisfaction survey scoring the service as good.	80%	100%	
Chargeable time	% of available auditor time directly chargeable to audit jobs.	80%	79%	



Draft Report Issued:  
Final Report Issued:

## Audit of Specified

Cumbria Shared Internal Audit Service



19 September 2018  
8 October 2018

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

## Audit Resources

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Audit Manager	Emma Toyne	<a href="mailto:emma.toyne@cumbria.gov.uk">emma.toyne@cumbria.gov.uk</a>	01228 226261
Lead Auditor(s)	Steven Archibald	<a href="mailto:steven.archibald@cumbria.gov.uk">steven.archibald@cumbria.gov.uk</a>	01228 226290

## Audit Report Distribution

For Action:	Joanne Head, Governance Manager
For Information:	Gill Shearer, Chief Executive / Head of Communications and Business Services Vivian Stafford, Deputy Chief Executive / Head of Partnerships and Commissioning
Audit Committee	The Joint Audit & Standards Committee, which is due to be held on 22 <sup>nd</sup> November 2018, will receive the report.

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

### Cumbria Shared Internal Audit Service

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



# Executive Summary

## 1. Background

- 1.1. This report summarises the findings from the audit of the OPCC's Specified Information Order. This was a planned audit assignment which was undertaken in accordance with the 2018/19 Audit Plan.
- 1.2. The Specified Information Order is important to the organisation because Police and Crime Commissioners have a duty by statute to publish documents and information as set out in the Elected Local Policing Bodies (Specified Information) Order 2011 (and amendments 2012 & 2013).
- 1.3. The Elected Local Policing Bodies (Specified Information Order 2011) specifies the information that must be published by the Police and Crime Commissioner regarding:
  - Who they are and what they do
  - What they spend and how they spend it
  - What their priorities are and how they are doing
  - How they make, record and publish their decisions
  - What policies and procedures govern the operation of the office of PCC
  - Public disclosure of a register of interests

## 2. Audit Approach

### 2.1. Audit Objectives and Methodology

- 2.1.1. Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems. A risk based audit approach has been applied which aligns to the five key audit control objectives.

### 2.2. Audit Scope and Limitations

- 2.2.1. The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was Chief

Executive / Head of Communications and Business Services. The agreed scope of the audit was to provide assurance over management's arrangements for governance, risk management and internal control in the following areas:

- **Compliance with the statutory requirements of the Elected Local Policing Bodies (Specified Information) Order 2011.**

2.2.2. There were no instances whereby the audit work undertaken was impaired by the availability of information.

### 3. Assurance Opinion

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

3.2. From the areas examined and tested as part of this audit review, we consider the current controls operating within the Specified Information Order provide **substantial** assurance.

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

### 4. Summary of Recommendations, Audit Findings and Report Distribution

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

There are **no** audit recommendations arising from this audit review.

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

- The Executive Board has assigned responsibility for ensuring compliance with the Specified Information Order (SIO) to the Governance Manager.
- Regular monitoring of information relating to the Specified Information Order takes place on a quarterly basis to ensure that all required information is published on the PCC's website. A standard template has been prepared which identifies all requirements and this is RAG rated each quarter. The monitoring of information provides the Governance Manager with the assurance that compliance with the SIO is being achieved.
- The requirements of the Specified Information Order (SIO) have been identified and understood. Audit testing identified that the PCC website includes all the required information with the exception of publication of all contracts exceeding £10,000. This is an issue which has been raised nationally due to the amount of work needed to comply with this requirement. The PCC website acknowledges the requirement to publish information regarding contracts over £10,000 and provides details on how to obtain copies of such contracts if required. .
- OPCC staff have all been made aware of the SIO and its requirements.
- Information received from professional bodies (eg Association of Policing & Crime Chief Executives, Association of Police and Crime Commissioners) in respect of the SIO is reviewed and where changes arise these are incorporated within the information published.
- Risks in respect of compliance with the SIO have been considered by the Executive Team.
- Access to publish SIO information on the PCC's website is restricted to approved personnel.

**Comment from the Deputy Chief Executive / Head of Partnerships and Commissioning**

*I welcome the findings from the internal audit review of OPCC Specified Information Order and the assurance that it gives to the PCC.*

## Audit Assurance Opinions

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

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

## Grading of Audit Recommendations

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

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

### Recommendation Follow Up Arrangements:

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

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Cumbria Shared Internal Audit Service  
Internal Audit Report for Cumbria Constabulary



## Audit of Workforce Planning

Draft Report Issued: **3rd October 2018**

Final Report Issued: **30th October 2018**

## Audit Resources

Title	Name	Email	Telephone
Audit Manager	Emma Toyne	emma.toyne@cumbria.gov.uk	01228 226261
Lead Auditor(s)	Sarah Fitzpatrick	<a href="mailto:sarah.fitzpatrick@cumbria.gov.uk">sarah.fitzpatrick@cumbria.gov.uk</a>	01228 226255

## Audit Report Distribution

For Action:	Sarah Jackson (Superintendent People Department)
For Information:	Stephen Kirkpatrick (Director of Corporate Support)

### Cumbria Shared Internal Audit Service



Audit Committee	The Joint Audit & Standards Committee, which is due to be held on 22nd November 2018, will receive the report.
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*Note: Audit reports should not be circulated wider than the above distribution without the consent of the Audit Manager.*

## 1. Background

- 1.1. This report summarises the findings from the audit of Workforce Planning. This was a planned audit assignment which was undertaken in accordance with the 2018/19 Audit Plan.
- 1.2. Workforce planning is important to the organisation because it contributes to overall constabulary performance. It ensures that the organisation is proactively planning to have the right number, of the right people, with the right skills and competencies, in the right jobs, for the efficient and effective delivery of frontline policing to the people of Cumbria and the achievement of strategic objectives.
- 1.3. In January 2018 the Police and Crime Panel approved the Commissioner's increased Council Tax precept proposal to fund an increase in the establishment by 25 police officers. Recruitment plans were revised to accommodate this additional intake.

## 2. Audit Approach

### 2.1. Audit Objectives and Methodology

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

### 2.2. Audit Scope and Limitations

The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was the Director of Corporate Support. The agreed scope of the audit was to provide assurance over management's arrangements for ensuring effective governance, risk management and internal control around officer recruitment to manage turnover within budgetary constraints.

- 2.2.1. There were no instances whereby the audit work undertaken was impaired by the availability of information.

### 3. Assurance Opinion

- 3.1. Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A**.
- 3.2. From the areas examined and tested as part of this audit review, we consider the current controls operating around Workforce Planning provide **substantial** assurance.

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

### 4. Summary of Recommendations, Audit Findings and Report Distribution

- 4.1. There are three levels of audit recommendation; the definition for each level is explained in **Appendix B**.
- 4.2. There are no audit recommendations arising from this audit review.
- 4.3. **Strengths:** The following areas of good practice were identified during the course of the audit:
- Strategic responsibility for workforce planning has been formally allocated to the Deputy Chief Constable.
  - A strategic Workforce Board is in place to oversee all aspects of workforce management and ensure the workforce is fit for purpose by 2025, in line with the national and local policing vision.
  - Significant workforce issues are brought to the attention of extended Chief Officer Group, extended Collaborative Board and flagged with the Joint Audit and Standards Committee demonstrating good corporate governance.
  - Risks are regularly considered as part of established risk management processes within Corporate Support. Risk is a standing agenda item at Workforce Board and the risk of not having capacity to deliver the Cumbria Vision 2025 is included on the strategic risk register.

- Workforce actions have been incorporated into the Constabulary's Improvement Plan with action owners and delivery timescales for regular progress monitoring and management. The actions draw on the College of Policing's Workforce Transformation Plan and the National Police Chiefs Council's (NPCC) policing vision to effectively implement the workforce strand of the national 2025 vision for the police service.
- The decision to direct the fast track 'Constable to Inspector' officer to focus on resourcing as a key project in 2018, providing additional capacity within the team
- Development of a temporary bespoke recruitment team in HR to manage new recruits from application through to the achievement of Independent Patrol Status
- Quality assurance activity is undertaken to ensure that establishment information is robust for workforce planning and effective decision making.
- Arrangements are in place for HR to work closely with operational colleagues, Finance, Learning and Development, Corporate Services etc. to analyse and fully understand establishment information, support decision making and inform plans going forwards.
- Arrangements are in place to better understand workforce changes for planning and forecasting purposes through the new structure of bronze and silver meetings.
- Provision of regular establishment data to the OPCC alongside OPCC representation at Workforce Board meetings.
- Opportunities are taken to share information with, and learn from other forces at a national and regional level on recruitment matters.

**Comment from the Director Corporate Support :**

I am very pleased that this review of Workforce Planning has provided Substantial assurance and that there are no areas for action identified. As the audit notes, proactive workforce planning is fundamental in ensuring that the organisation has the right people, with the right skills, in the right numbers, and in the right places at the right times, to effectively meet the demands of frontline policing in order to keep the people of Cumbria safe.

The need for effective workforce planning continues to become more acute in order to balance resources against ever increasing demand, therefore I am very pleased that this report recognises the very good work done across multiple teams.

The report rightly notes the strong governance in place around workforce planning together with the forward action plan, incorporated in to the Constabulary's Improvement Plans, designed to address the needs of workforce transformation identified within the College of Policing's Workforce Transformation Programme.

Other strengths identified, including the fast track scheme and the focused effort to rapidly achieve the increased Police Officer numbers as a result of the Commissioners Council Tax pledge, demonstrate the positive efforts of all involved.

These findings are extremely positive in recognising the excellent work undertaken regarding managing our workforce which is a credit to all involved and will be used as the strong foundations on which to build future plans and workforce management activities.

## Audit Assurance Opinions

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

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



## Grading of Audit Recommendations

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

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

### Recommendation Follow Up Arrangements:

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



# Joint Audit & Standards Committee

## Title: OPCC Risk Management Monitoring

**Date: 8 November 2018**

**Agenda Item No: 14 (i)**

**Originating Officer: Joanne Head**

**CC:**

### **Executive Summary:**

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

### **Recommendation:**

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

## **1. Introduction & Background**

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

## **2. Issues for Consideration**

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

- R1 - Strategic Finance
- R2 - The Emergency Services Mobile Communications Programme
- R3 - OPCC Capacity

- R4 - Information Management (GDPR compliance)
- R5 – Procurement

- 2.2 The scoring for R1 has increased recently due to proposed increases in police pension contributions, introduction of PEQF, over-running national projects which may ultimately impact on force budgets, the relaxation of the public sector pay cap, Brexit and a potential review of the Police Funding Formula.
- 2.3 R2 have remained the same as there have been no significant changes to either risk since their last reviews .
- 2.4 R3 has significantly reduced in its scoring following approval of the permanent appointment to the Chief Executive and Deputy Chief Executive roles. It is proposed that Risk No 4 on the Strategic Risk Register be removed as capacity and capability within the OPCC has proven functionary at a senior level over the past 12 months.
- 2.5 R4 continues to appear on the strategic register due to its total score from the operational risk register due to the OPCC's interdependency on Cumbria Constabulary for areas of business such as policies and data sharing agreements. The OPCC have monthly meetings with the Project Team to oversee their progression of this area of work.
- 2.6 A new strategic risk (R5) relating to Procurement has been included within the strategic risk register due to difficulties in recruiting a Head of Procurement and lack of capacity and skills within the function.
- 2.7 The OPCC has also reviewed its operational risk register, rationalising it to appropriately 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 risk is being managed.
- 2.8 At the committee's meeting in September 2018, the members asked whether it would be possible to correlate the OPCC's risks with the priorities contained within the Police and Crime Plan. When reviewing each risk an assessment of each has been carried out to ascertain what, if any of the priorities they relate to. It should be noted that the Plan is developed around the provision of policing services within the county and many of the priorities and objectives are predominantly for the Constabulary to fulfil rather than the Police and Crime Commissioner directly. However as it is his plan and he holds the Chief Constable to account for the provision of policing services in Cumbria it is essential that the plan is achieved.
- 2.9 The OPCC Chief Executive and the Governance Manager met with the Constabulary's Lead for Risk Management on Tuesday 30 October 2018. This was as part of the OPCC's quarterly oversight of the Constabulary's strategic risks.

- 2.10 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. Proposed changes to the risks included within their Strategic Risk register were to be presented to the Chief Officer Group the following week for final agreement. 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:	
<b>Avoid</b>	Stop the risk completely or stop it having an impact.
<b>Reduce</b>	Reduce the likelihood and/or impact of the risk
<b>Transfer</b>	Outsource, use contractors or insure against things going wrong
<b>Accept</b>	The risk is tolerable/accepted

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

Risk No.	Risk Title	Total Score	Risk Owner		Any outstanding actions YES/NO	Actions to be completed	Reviews Date of next review
			Risk Owner	Action Owner			
R1	Strategic Finance	16 	Chief Executive	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.	January 2019
R2	The Emergency Services Mobile Communications Programme (ESMCP)	9 	Chief Executive	Chief Executive	No	Continue to monitor the national position and take appropriate actions to prepare for implementation.	January 2019
R3	OPCC Capacity	2 	Chief Executive	Deputy Chief Executive/ Head of Comms and Business Services	No	Joint CFO role will be reviewed at the end of the 2017/18 financial year and reported upon to JASC. The Chief Executive arrangements will be reviewed and reported to the Police & Crime Panel in 2018.	November 2019
R4 (10)	Information Management (GDPR Compliance)	9 	Head of Comms & Business Services	Governance Manager	Yes	The OPCC is interdependent upon the Constabulary for some areas of work such as data sharing agreements and updating of shared policies. This work is to be undertaken by the Joint DPO/Team	January 2019
R5	Procurement	9	Head of Partnerships & Commissioning	Partnerships & Strategy Manager	Yes	Further development and implementation of a detailed procurement action plan including review recruitment of vacant posts.	January 2019

Scores:

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

<b>Risk No:</b> <b>R1</b>	<b>Risk Title:</b> <b>STRATEGIC FINANCE</b>	The Police and Crime Commissioner is required to set a balanced budget. Resources from central Government formula grant provide the significant majority of funding to deliver police services. Real term reductions in that funding will have a substantial impact on the level of policing that can be provided and on the potential to deliver the Commissioner's wider responsibilities.  <b>Police &amp; Crime Plan Objectives - 1 Your Priorities for Cumbria / 2 A Visible and Effective Police Presence / 3 Tackle Crime and Anti-Social Behaviour/ 4 Ensure Offenders Face a Consequence for their Crime / 5 Always Put Victims First / 6 Focus on Police on Online and Sexual Crime / 7 Spend Your Money Wisely / 8 Supporting Young People</b>
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Risk Mitigation Strategies:	
<b>Avoid</b>	Stop the risk completely or stop it having an impact.
<b>Reduce</b>	Reduce the likelihood and/or impact of the risk
<b>Transfer</b>	Outsource, use contractors or insure against things going wrong
<b>Accept</b>	The risk is tolerable/accepted

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

What is the cause of the risk? (Lack of .....failure to.....)	What is the consequence of the described risk? (Results in.....leads to.....)	Unmitigated Score			Mitigated Score			Risk Owner & Mitigation Strategy (Avoid, reduce, transfer, accept)	Actions				
		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		Current Controls in Place to Mitigate the Risk	Assurances	Future or further actions to be taken	Action Owner(s)	Review Date
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 savings. This risk has increased recently due to proposed increases in police pension contributions, introduction of PEQF, over-running national projects which may ultimately impact on force budgets, the relaxation of the public sector pay cap, Brexit and a potential review of the Police Funding Formula.	This risk may lead to a reduction in the level of police services and/or result in Cumbria Constabulary not being viable as an independent force. Alternative options for delivering a police service in Cumbria may have to be considered. This may impact on the extent to which services respond to local needs in Cumbria. During the period of change there may be reductions in public assurance/confidence.	4	4	16	4	4	16	Chief Executive (Reduce)	The budget and medium term financial forecast (MTFF) are reviewed and updated on a regular basis. The budget has been balanced in the short term and reserves provide additional security. Scenario planning to identify potential longer-term savings and service re-engineering is on-going in both the OPCC and Constabulary. The Commissioner has joined the National Rural Crime Network to support rural policing issues. In the December 2017 grant settlement the Government announced that the review of the funding formula would be deferred to the next spending review from 2021/22. The settlement was better than anticipated, although there	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	March 2019

									<p>was no increase in grant PCC's were granted additional ability to raise income through council tax which will help mitigate increased inflationary pressure. Whilst savings are still required in the medium term the risk likelihood has been reduced in light of the more favourable funding position</p> <p>The position will be further reviewed in light of the 2019/20 budget.</p>				
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<b>Risk No:</b> <b>R2</b>	<b>Risk Title:</b> <b>Emergency Services Mobile Communications Programme</b>	The Emergency Services Network is a major national project to replace the current Airwave radio communications system across all emergency services with Mobile Phone technology. There are national and local risks in relation to uncertainty over the cost and timing of implementation of the new system. Cumbria also specific risks in relation to the coverage due to the topography of the county.  <b>Police &amp; Crime Objectives: 1 – Your Priorities in Cumbria / 2 -A visible and Effective Police Presence</b>
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Risk Mitigation Strategies:	
<b>Avoid</b>	Stop the risk completely or stop it having an impact.
<b>Reduce</b>	Reduce the likelihood and/or impact of the risk
<b>Transfer</b>	Outsource, use contractors or insure against things going wrong
<b>Accept</b>	The risk is tolerable/accepted

Risk Score	Impact	Likelihood – over the next 4 years
1	Low	Not expected to happen, but is possible
2	Medium	May happen occasionally
3	High	Will probably happen, but not a persistent issue
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		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score		Current Controls in Place to Mitigate the Risk	Assurances	Future or further actions to be taken	Action Owner(s)	Review Date
The Emergency Services Mobile Communications Programme (ESMCP) is a collaboration between the police, fire and ambulance Emergency Services (3ES) in England, Scotland and Wales to replace the existing mobile radio system known as Airwave. ESCMP will deliver the Emergency Services Network (ESN) which will provide integrated critical voice and broadband data over an enhanced 4G commercial network. This is a significant project. At the present time there are concerns around cost, coverage and timescales for delivery.	This risk may result in significant additional costs and coverage issues may impact upon the Commissioner's ability to ensure Cumbria has an efficient and effective policing service, which could lead to reputational risk.	4	3	12	3	3	9	Chief Executive (Reduce)	The Commissioner is working regionally with other North West Commissioners and nationally through the APCC to highlight concerns. The Chief Constable is a member of the national reference group and Cumbria has seconded a staff member to the regional implementation team. Appropriate staffing resources have been identified within the ICT team to deliver the project and prudent estimates of costs have been included in the capital programme and medium term financial forecast.	Work being undertaken regionally and nationally provides some assurance. The critical nature of this national project and delays in national implementation mean it will be a significant risk for a protracted time period.	Continue to monitor the national position and take appropriate actions to prepare for implementation.	Chief Executive	January 2019

<b>Risk No:</b> <b>R3</b>	<b>Risk Title:</b> <b>OPCC CAPACITY</b>	The Police and Crime Commissioner is statutorily required to have a Chief Executive and a Chief Finance Officer post (Section 151 officers). Retirement of previous officers has resulted in temporary appointments being made from within the OPCC for the Chief Executive role and the appointment of a Joint Finance Officer in conjunction with the Constabulary. As a result of these changes there is a risk that there will be a reduction in knowledge and capacity within the Office of the Police and Crime Commissioner which may impact on delivery of the Police and Crime Plan.  <b>Police &amp; Crime Objectives: 1 – Your Priorities in Cumbria / 2 -A visible and Effective Police Presence / 7 – Spending your Money Wisely</b>
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Risk Mitigation Strategies:	
<b>Avoid</b>	Stop the risk completely or stop it having an impact.
<b>Reduce</b>	Reduce the likelihood and/or impact of the risk
<b>Transfer</b>	Outsource, use contractors or insure against things going wrong
<b>Accept</b>	The risk is tolerable/accepted

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		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score						
Reduction of governance expertise and capacity at a senior level within the OPCC following the retirement of both of the OPCC's statutory officers on 31 August 2017.	A governance failure in a significant area of non-financial governance leading to potential reputational damage or flawed decision making that doesn't take account of relevant information, procedures and/ or inherent risks resulting in unexpected consequences/poor decision making or judicial challenge. It could also result in risks materialising and the potential for fraud, error or irregularity.	4	3	12	2	1	2	Chief Executive (Reduce)	Both the incoming Chief Executive and Deputy Chief Executive have considerable experience in public sector bodies. Both have completed a CIPFA Certificate in Corporate Governance course in March 2018. Over the past 9 months there have been no issues regarding the shared role. The Governance Manager Fulfils the role of Deputy Monitoring Officer and has many years' experience. The Joint CFO (Section 151 officer) also brings considerable governance expertise at a senior level to the OPCC team. APACCE have appointed a "buddy" to provide external support to the incoming Chief Executive. The CFO is supported by a protocol and external support in the event of a conflict of interest. There are appointed deputies for the roles of Chief	JASC. Internal Audit. Ethics and Integrity Panel. The Police and Crime Panel have scrutinised and approved both of the arrangements as under statute.	Joint CFO role was reviewed at the end of the 2017/18 financial year and reported upon to JASC.	Deputy Chief Executive/ Head of Communications and Business Services	November 2019

									<p>Executive, Chief Finance Officer and Monitoring Officer.</p> <p>The Executive Team have worked with all staff to identify the areas where additional capacity is required. A new staff structure came into place on 1<sup>st</sup> July 2018 with new staff now in place. The additional resource within the OPCC is working well.</p> <p>At the end of the 2017/18 financial year the Joint CFO role was reviewed and reported upon to JASC.</p> <p>There were no identified issues or areas of concern.</p> <p>The Chief Executive &amp; Deputy Chief Executive arrangements were reviewed at the end of September. A proposal for the existing arrangement to be made permanent was made to the Police &amp; Crime Panel.</p> <p>Following consideration the Panel approved the proposal at a confirmatory hearing on 15 October 2018.</p>				
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<b>Risk Number:</b> R4 (Op 10)	<b>Risk Title:</b> <b>Information Management</b>	The OPCC has a duty to process information in a fair and transparent manner in line with current legislation.  Police & Crime Objectives: 1 Your Priorities in Cumbria
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Risk Mitigation Strategies:	
<b>Avoid</b>	Stop the risk completely or stop it having an impact.
<b>Reduce</b>	Reduce the likelihood and/or impact of the risk
<b>Transfer</b>	Outsource, use contractors or insure against things going wrong
<b>Accept</b>	The risk is tolerable/accepted

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		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score						
The General Data Protection Regulations came into force on 25 May 2019. The OPCC has a responsibility to ensure it processes information in line with legislation.	Should the OPCC fail to comply with the new legislation or have a data breach could result in substantive financial penalties up to 2m Euros. Any significant loss of data could lead to reputational damage.	4	3	12	3	3	9	Head of Communications and Business Services	OPCC Lead officer to identify required changes and progress implementation. National guidance and information to be provided by APCC and APACE Joint working with the Constabulary's Data Protection Officer is ongoing. Action plan developed and implemented. Monthly progress updates to the Joint Collaborative Board on the implementation and progress against the action plan and further work to be carried out Programme of data mapping/ cleansing to remove old or unnecessary data Training programme completed by all OPCC staff Updating OPCC policies and strategies, developing new where appropriate.	Executive Team oversight, provided with regular reports Staff awareness training and mentoring. Risk session from Insurers. APACE & APCC guidance. Internal Audit review of GDPR preparations gave an assurance of reasonable	The OPCC is interdependent upon the Constabulary for some areas of work such as data sharing agreements and updating of shared policies. This work is to be undertaken by the Joint DPO/Team and will be monitored within the agreed an action plan.	Governance Manager	January 2019
Failure to process, store or handle data correctly could lead to a data breach and information being lost or stolen.	This could result in sensitive information being seen by unauthorised people, resulting in financial penalties and reputational damage to the organisation.	4	3	12	3	2	6	Head of Communications and Business Services	Staff, volunteers and panel members are made aware of information security requirements at their induction.	Staff, volunteer and members awareness training.	The OPCC is interdependent upon the Constabulary for some areas of work such as data sharing agreements and	Governance Manager	March 2019

									Reminders are sent out to all upon any changes or when a breach has been encountered. Each situation is assessed and any learning disseminated appropriately. Briefing by Governance Manager at team meeting following DPA/GDPR course regarding information security and data breaches.	Reminders regarding information security	updating of shared policies. The current Constabulary data breach policy is being updated and will be finalised by the end of October.		
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<b>Risk Number:</b> R5	<b>Risk Title:</b> <b>Procurement</b>	The Commissioner shares a procurement team with Cumbria Constabulary. Recent difficulties in recruiting the Head of Procurement and other senior posts within the function have compromised the ability to provide an effective procurement service.  Police & Crime Plan Objectives - 1 Your Priorities for Cumbria / 3 Tackle Crime & Anti-Social Behaviour / 4 Ensure Offenders Face a Consequence for their Crime / 5 Always Put Victims First / 6 Focus our Polie on Online and Sexual Crime / 7 Spend Your Money Wisely / 8 Supporting Young People
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Risk Mitigation Strategies:	
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<b>Reduce</b>	Reduce the likelihood and/or impact of the risk
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		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score						
Difficulties in recruiting a Head of Procurement and lack of capacity and skills within the function.	The procurement function operating sub-optimally, impacting on compliance with the Joint Procurement Regulations, ineffective commissioning processes.	4	3	12	3	3	9	Head of Partnerships and Commissioning	A new Head of Procurement is now in post and is developing an action plan to address weaknesses, strengthen the team and improve procurement processes. An immediate action has been to review the Joint Procurement Regulations.	Oversight of procurement is provided by the Collaborative Board. Additional assurances are provided by scrutiny of procurement by internal audit and JASC.	Further development and implementation of a detailed procurement action plan including review recruitment of vacant posts.	Partnerships & Strategy Manager	January 2019

## OFFICE OF THE POLICE & CRIME COMMISSIONER – OPERATIONAL RISK REGISTER

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

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

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

			Risk Owner		Actions		Reviews
Risk No.	Risk Title	Total Score (direction of travel)	Risk Owner	Action Owner	Any outstanding actions YES/NO	Actions and dates to be completed	Date of review
<b>FINANCE</b>							
01	Budget Management	9 ↔	Joint Chief Finance Officer	Deputy CFO	No	The overall PCC and Constabulary expenditure in 2017/18 came in close to budget at the year end. Budget pressures are likely to remain for the near future, which will need to be carefully monitored.	January 2019
02	Investment Counterparty Risk	3 ↔	Joint Chief Finance Officer	Deputy CFO	No	None	May 2019
03	Financial Governance	2 ↔	Joint Chief Finance Officer	Deputy CFO	No	Internal Audit commencing in Nov of Code of Corporate Governance	March 2019
04	Shared Services	2 ↔	Chief Executive	Deputy Chief Executive	No	Governance agreements will be reviewed on an on-going basis.	March 2019
05	Asset Management	2 ↔	Chief Executive	Chief Finance Officer	No	None	November 2019
06	Insurance	4 ↔	Chief Executive	Chief Finance Officer	No	None	November 2019
<b>PARTNERSHIPS &amp; COMMISSIONING</b>							
07	Performance / delivery of the police and crime plan	6 ↑	Head of Partnerships & Commissioning	Partnerships and Strategy Manager	No	Maintain current staffing levels.	March 2019
08	Partnerships & Collaboration	6 ↔	Head of Partnerships & Commissioning	Partnerships and Strategy Manager	No	Maintain an integrated partnership working approach	March 2019
09	Commissioning of Services	6 ↔	Head of Partnerships & Commissioning	Partnerships and Strategy Manager	Yes	Increase contract management and engagement	March 2019
<b>COMMUNICATION AND BUSINESS SERVICES</b>							
10	Information Management (GDPR)	9 ↔	Head of Communications & Business Services	Governance Manager	Yes	The OPCC is interdependent upon the Constabulary for some areas of work such. This work is to be undertaken by the Joint DPO/Team	January 2019
12	Complaints	4 ↓	Head of Communications & Business Services	Governance Manager	Yes	Guidance, training and development of systems. Delayed implementation until 01.04.2019	April 2019
14	Independent Custody Visiting Scheme & Animal Welfare Scheme	6 ↑	Head of Communications & Business Services	Governance Officer	Yes	A recruitment campaign for 3 Panels has been undertaken. Once appointed the new custody visitors will undertake induction training and a 6-month probationary period.	April 2019



## Joint Audit and Standards Committee

**TITLE OF REPORT:** Constabulary Quarterly Risk Management Update

**DATE OF MEETING:** 22nd November 2018

**ORIGINATING OFFICER:** Strategic Development, Corporate Improvement

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

### Executive Summary:

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

Corporate Improvement has carried out a quality assurance check of all the departmental and operational risk registers to ensure that risk is effectively managed across the organisation. The Strategic Risk Register was reviewed by COG on 12th November 2018 where a decision was made to:

Add the following risks:

- G4S Healthcare services. This will be formulated and agreed within the next few weeks.
- Continuing rise in Policing demand and complexity. This will be formulated and agreed within the next few weeks.

Update the causes of:

- Risk 28 related to budget and increased savings

### Recommendations:

**That the Audit and Standards Committee:**

Note the Constabulary's current strategic risks, and that a quarterly review of all risk registers was completed in accordance with the Risk Management Policy in October/November 2018.

## MAIN SECTION

### 1. Introduction and Background

#### 1.1 Strategic Risks

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

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

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

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

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

The strategic risks identified by the Constabulary are concerned with:

1. Uncertainty over cost and coverage of the Emergency Service Mobile Communications Programme.
2. The implications of longer-term reduction in budget and the level of savings required.
3. Failure to deliver Cumbria Vison 25 and its associated efficiency plan.
4. Reduced public confidence due to delays in answering non-emergency and 999 calls.
5. Failure to keep up with technological advances to fight digital crime.
6. Significant additional and unbudgeted capital and revenue expenditure may be incurred due to delays in ESMCP transition.
7. Lack of professional procurement capability.
8. GDPR

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

## Strategic Risk Register

Risk Ref No	Responsible Officer(s)	Risk Description	Impact	Likelihood	Score before mitigation	Latest Score	Link to Strategic Objectives	Summary of mitigating actions already taken
32	Director of Corporate Support	The Constabulary may incur significant additional and unbudgeted capital and revenue expenditure caused by a delay in ESMCP transition and consequential extension of reliance on Airwave resulting in the Constabulary having to extend the life of its airwave infrastructure, and potentially having to pay for both systems for a time.	High	Very High	20	20	All	<p>The Constabulary are joining with the region to develop a cost model to capture the financial impacts of Airwave extension, and seek Home Office central support.</p> <p>A national review of the programme is currently underway and we are awaiting the results. The Constabulary are actively considering extending/replacing the existing handsets.</p>
28	Chief Financial Officer / Director of Corporate Support	As a result of a combination of the inflationary pressures on police budgets particularly pay, the lack of provision for inflation in Government grant allocations, proposed changes to police pension contributions, the impact of national projects and initiatives such as ESN and PEQF and potential changes to the police funding formula (including the removal of dampening funding) there may be a detrimental and significant impact on the available budget and a requirement for substantially increased savings. This would result in a compromise to	Very High	High	25	20	All	<p>The Constabulary budget is currently experiencing pressure. The Government has previously indicated that police grant funding will be maintained at 2018/19 levels in 2019/20, with greater flexibilities for PCCs to raise council tax introduced in 2018/19 retained for a further year. Beyond this period the financial outlook is very uncertain. The Government has currently begun preparing for the Comprehensive Spending Review. The outcome of this work will be critical in determining resources over the medium term, but the results will not be known until December 2019. In the meantime the Constabulary will engage with the CSR process, work on developing a sustainable budget for 2019/20 and enhance change planning to cover a range of future funding scenarios.</p>

Risk Ref No	Responsible Officer(s)	Risk Description	Impact	Likelihood	Score before mitigation	Latest Score	Link to Strategic Objectives	Summary of mitigating actions already taken
		public safety, significant loss of public confidence and serious damage to the Constabulary's reputation.						
25	Director of Corporate Support	<p>Commitment to the Emergency Services Mobile Communications Programme (ESMCP) and subsequent use of the Emergency Services Network (ESN) has the potential to breach the Constabulary's risk capacity, cost and levels of service provision. This could potentially result in unacceptable levels of service provision; compromise officer safety, increasing costs and loss of reputation.</p> <p>The duration of impact is likely to exceed 2 years.</p>	High	Medium	16	12	All	<p>The Constabulary is working in partnership with other forces and emergency services to deliver ESMCP together as a region.</p> <p>It was expected that the new system would go live in late 2017 however the National Programme announced a time slippage. The programme is expected to begin transition after June 2018 meaning that Cumbria Constabulary is likely to transition in late 2018 / early 2019.</p> <p>The risk owner has transferred over to the Director of Corporate Support. Cumbria continues to be an active participant in the regional group and is leading coverage aspects on behalf of the region.</p> <p>A national review of the ESMCP programme is currently underway and we are awaiting results.</p>
37	Head of People	The Constabulary may not be fully compliant with new data protection legislation which was implemented on 25 <sup>th</sup> May 2018 caused by delays	High	Medium	16	12	All	Self assessment and Preparation Plan (SAPP) completed and areas of likely non-compliance identified. Project team has been set up under Force Disclosure Manager. Regular reporting on progress of project which will run

Risk Ref No	Responsible Officer(s)	Risk Description	Impact	Likelihood	Score before mitigation	Latest Score	Link to Strategic Objectives	Summary of mitigating actions already taken
		in the DPA 2018 receiving Royal Assent. This could result in inadvertent disclosure of personal information and potential action by the Information Commissioner.						until end of March 2019. Additional funding has been provided to support this work.
31	D/Supt Crime	Advances in digital crime may result in the Constabulary being unable to keep up with technological change. This could result in a loss of confidence, both internally and with the wider public.	Medium	High	12	12	2,3,4,5,6	<p>Staff growth in this area has been approved, and all student officers receive cyber-crime training.</p> <p>In addition, the Constabulary has recently trained 12 new DMIS's with a view that all DMIS's will be accredited to College of Policing standards.</p> <p>The Constabulary is about to establish a dedicated Force Specialist Cyber Unit. This is funded from the Constabulary matched by the Police Transformation Fund. Also an additional DFU manager post has been agreed which will assist with demand and ISO accreditation.</p>
36	Head of Procurement	There is a risk that a lack of professional procurement capability compromises our ability to provide an effective and compliant procurement service, resulting in some instances of non-compliance with joint procurement regulations.	Medium	Medium	9	9	All	<p>Head of Procurement in post and recruitment process for Business Partner/Contracts Manager in place.</p> <p>Work on Compliance in advanced stage.</p> <p>Central Contracts repository in place</p> <p>VFM plans in development and vision and direction agreed</p>
29	Chief Supt TPA	Failure to answer 999 and non-emergency calls within a reasonable	Medium	Medium	16	8	All	Temporal analysis is now regularly completed to predict demand in CMR. A review of the current shift pattern has

Risk Ref No	Responsible Officer(s)	Risk Description	Impact	Likelihood	Score before mitigation	Latest Score	Link to Strategic Objectives	Summary of mitigating actions already taken
		time and deal with them proficiently, could result in a loss of public confidence and prevent people reporting future crime / incidents to the Constabulary.						<p>been carried out and a new pattern will be implemented in April 2019.</p> <p>A new CCR business plan is in place which links in with strategic objectives.</p> <p>Quality of service provided is continually monitored.</p> <p>The Constabulary has also launched a number of media campaigns regarding calling 101.</p> <p>All CMR staff have received training on THRIVE SC, Mental Health and NCRS to ensure the correct identification and management of safeguarding and vulnerability.</p> <p>The safeguarding helpdesk now sit within CCR and review high risk incidents.</p> <p>Performance is reviewed daily and after call work and email demand are also monitored.</p>
2	Director of Corporate Improvement & Director of Corporate Support	The Constabulary may not have the capacity to deliver the Cumbria Vision 25 and its associated Efficiency Plans. If this risk occurs the Constabulary would have to find further savings.	High	Low	10	8	All	Governance arrangements for monitoring the progress of delivery and outcomes are via regular and frequent FSDB meetings which coordinates all business change strategies. A dedicated lead has been appointed to support delivery of Cumbria Vision 2025 and a delivery plan is being developed.

Risk Ref No	Responsible Officer(s)	Risk Description	Impact	Likelihood	Score before mitigation	Latest Score	Link to Strategic Objectives	Summary of mitigating actions already taken
								<p>Revised governance arrangements are being developed to ensure effective prioritisation and co-ordinate delivery. High level plan and initial delivery plan completed and disseminated to all managers across the Constabulary. Governance changes now complete with supporting ICT change. Change to structure of Business Improvement Unit to allow delivery arm of BIU.</p> <p>Benefits delivery capture is in the process of being implemented across all projects. All key projects have savings targets as part of benefits realisation and owners held to account for delivery.</p>

**Risk Tolerance Levels**

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

<b>Appendix 1</b>	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



Peter McCall

# Treasury Management Activities 2018/19

## Quarter 2 (July to September 2018)

Public Accountability Conference 07 November 2018 and JASC Meeting 22 November 2018

### Purpose of the Report

The purpose of this paper is to report on the Treasury Management Activities (TMA), which have taken place during the period July to September 2018, in accordance with the requirements of CIPFA's Code of Practice on Treasury Management.

TMA are undertaken in accordance with the Treasury Management Strategy Statement (TMSS) and Treasury Management Practices (TMPs) approved by the Commissioner in February each year.

### Recommendations

The Commissioner is asked to note the contents of this report.

JASC Members are asked to note the contents of this report. The report is provided as part of the arrangements to ensure members are briefed on Treasury Management and maintain an understanding of activity in support of their review of the annual strategy.

### Economic Background

Having raised policy rates in August 2018 to 0.75%, the Bank of England's Monetary Policy Committee (MPC) has maintained expectations of a slow rise in interest rates over the forecast horizon.

The MPC has a definite bias towards tighter monetary policy but is reluctant to push interest rate expectations too strongly.

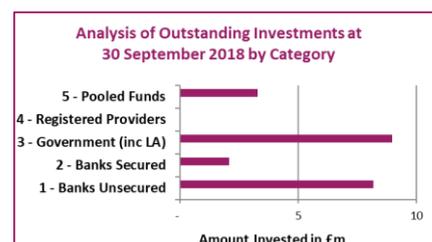
Arlingclose's central case is for Bank rates to rise twice in 2019, to 1.00% in March 2019 and 1.25% in September 2019.

Arlingclose's view is that the UK economy still faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. Central bank actions and geopolitical risks, such as prospective trade wars, have and will continue to produce significant volatility in financial markets, including bond markets.

### TM Operations and Performance Measures

The Commissioners day to day TMA are undertaken in accordance with the TMSS. The TMSS establishes an investment strategy with limits for particular categories of investment and individual counterparty limits within the categories.

**Outstanding Investments:** As at 30 September 2018 the total value of investments was **£22.516m** and all were within TMSS limits. The chart below shows the outstanding investments at 30 September by category.



A full list of the investments that make up the balance of **£22.516m** is provided at **Appendix A**.

**Investment Activity:** During quarter 2 a number of investments were made within TM categories 1 and 3 (Banks unsecured and Government) primarily as a result of the Pension

grant that is received in advance of spend in July.

Month	Number of Investments	Total Value of Investments £m
July 2018	8	17.96
August 2018	0	0.00
September 2018	1	2.00

In addition to the above there are regular smaller investments made via money market funds (category 5 pooled funds).

**Non-specified investments:** The TMSS sets a limit for investments with a duration of greater than 364 days at the time the investment is made (known as non-specified investments), this limit is £5m. At 30 September the Commissioner had one investment meeting this description of £2.2m which will mature in December 2018 – Outstanding duration 78 Days

- Leeds Building Society £2.2m 887 days (13/07/16 to 17/12/18)

**Investment Income:** The budget for investment interest receivable in 2018/19 is £75k. This budget was set prior to the bank of England base rate rise in November 2017. The current forecast against this target is that the actual interest will be in the region of £120k although it is still relatively early in the financial year to provide an accurate estimate.

Factors such as future interest rates available and investment balances will impact.

The average return on investment at the end of quarter 2 is 0.61%. As a measure of investment performance, the rate achieved on maturing investments of over 3 months in duration is compared with the average BOE base rate.

The table below illustrates the rate achieved on the one maturing investment of over three months duration in quarter 2 compared with the average base rate for the duration of the investment.

Borrower	Value £m	Period (Months)	Actual Rate (%)	Average Base Rate (%)
East Dunbartonshire Council	£2m	6	0.80%	0.55%

**Cash Balances:** The aim of the TMSS is to invest surplus funds and minimise the level of un-invested cash balances. The actual un-invested cash balances for the period July to September are summarised in the table below:

	Number of Days	Average Balance £	Largest Balance £
Days In Credit	91	2,540	14,767
Days Overdrawn	1	(76)	(76)

The largest un-invested balance occurred on the 9th August (£15k) whereby numerous sums (including seized cash) were banked late in the afternoon. In line with procedure,

any funds banked during the day are subject to checking by the bank and could be removed from our account again while any issues are resolved which would have resulted in an overdrawn account. It is therefore normal practice that this cash is not invested into the liquidity select account and would have been left in the main fund account.

The largest/only overdrawn balance occurred on 16<sup>th</sup> July (£76) and was as a result of the monthly online banking charges being applied to the account being omitted from the cash flow forecast.

### Prudential Indicators

In accordance with the Prudential Code, the TMSS includes a number of measures known as Prudential Indicators which determine if the TMSS meets the requirements of the Prudential Code in terms of **Affordability, Sustainability and Prudence.**

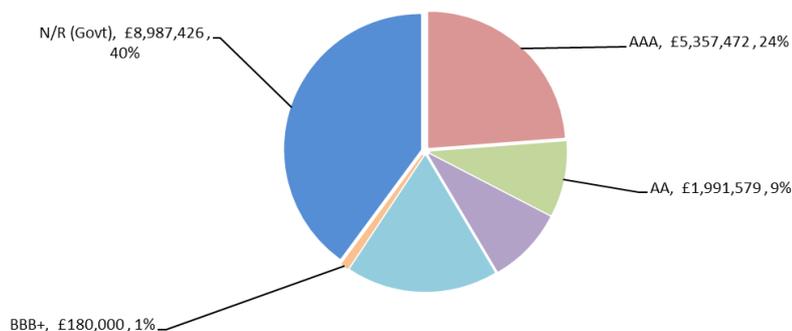
An analysis of the current position with regard to those prudential indicators for the financial year 2018/19 is provided at **Appendix B.** The analysis confirms that the Prudential Indicators set for 2018/19 are all being complied with.

## Appendix A

### Investment Balance at 30 September 2018

Category/Institution	Credit Rating	Investment Date	Investment Matures	Days to Maturity	Rate (%)	Amount (£)	Counterparty Total (£)
<b>Category 1 - Banks Unsecured (Includes Banks &amp; Building Societies)</b>							
Svenska (Deposit Account)	AA	Various	On Demand	N/A	0.30%	1,991,579	1,991,579
Landesbank Hessen Thuringen (Heleba)	AA-	05/07/2018	31/10/2018	31	0.60%	2,000,000	2,000,000
Nationwide Building Society	A+	05/07/2018	30/11/2018	61	0.64%	2,000,000	2,000,000
Lloyds Bank	A+	05/07/2018	24/12/2018	85	0.72%	2,000,000	2,000,000
NatWest (Liquidity Select Account)	BBB+	28/09/2018	01/10/2018	O/N	0.05%	180,000	180,000
						<b>8,171,579</b>	<b>8,171,579</b>
<b>Category 2 - Banks Secured (Includes Banks &amp; Building Societies)</b>							
Leeds Building Society (Bond)	AAA	13/07/2016	17/12/2018	78	0.68%	2,070,884	2,070,884
						<b>2,070,884</b>	<b>2,070,884</b>
<b>Category 3 - Government (Includes HM Treasury and Other Local Authorities)</b>							
East Dunbartonshire Council	NR	06/09/2018	06/03/2019	157	0.80%	2,000,000	2,000,000
Lancashire County Council	NR	17/04/2018	16/04/2019	198	0.60%	2,000,000	2,000,000
HM Treasury Bills	NR	02/07/2018	17/12/2018	78	0.53%	1,995,133	
HM Treasury Bills	NR	09/07/2018	08/10/2018	8	0.58%	998,556	
HM Treasury Bills	NR	09/07/2018	07/01/2019	99	0.63%	1,993,737	4,987,426
						<b>8,987,426</b>	<b>8,987,426</b>
<b>Category 4 - Registered Providers (Includes Providers of Social Housing)</b>							
None						0	0
						<b>0</b>	<b>0</b>
<b>Category 5 - Pooled Funds (Includes AAA rated Money Market Funds)</b>							
Fidelity	AAA	Various	On demand	O/N	0.42%	86,588	86,588
Goldman Sachs	AAA	Various	On demand	O/N	0.45%	900,000	900,000
Invesco	AAA	Various	On demand	O/N	0.50%	200,000	200,000
Standard Life (Formally Ignis)	AAA	Various	On demand	O/N		2,100,000	2,100,000
						<b>3,286,588</b>	<b>3,286,588</b>
<b>Total</b>						<b>22,516,477</b>	<b>22,516,477</b>

#### Analysis of Outstanding Investments by Credit Rating of Counterparty at 30 September 2018 (Minimum Criteria per TMSS A-)



Note – The credit ratings in the table & chart relate to the standing as at 30 September 2018, these ratings are constantly subject to change.

## Appendix B

### Prudential Indicators 2018/19

Prudential indicators (numbering references the indicator number from the Treasury Management Strategy)			Result	RAG
<b>Treasury Management Indicators</b>				
	<b>The Authorised Limit</b>			
5	<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>	TEST - Is current external borrowing within the approved limit	YES	
	<b>The Operational Boundary</b>			
6	<i>The operational boundary represents an 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>	TEST - Is current external borrowing within the approved limit	YES	
	<b>Actual External Debt</b>			
7	<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>	TEST - Is the external debt within the Authorised limit and operational boundary	YES	
	<b>Gross and Net Debt</b>			
9	<i>The purpose of this indicator is to highlight a situation where the Commissioner is planning to borrow in advance of need.</i>	TEST - Is the PCC planning to borrow in advance of need	NO	
	<b>Interest Rate Exposure</b>			
10/11	<i>The purpose of this indicator is to contain the Commissioner's exposure to unfavourable movements in future interest rates. This represents the position that all of the Commissioner's authorised external borrowing may be at a fixed rate at any one time.</i>	TEST - Is the PCC exposed to unfavourable interest rates	NO	
	<b>Maturity Structure of Borrowing</b>			
12	<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>	TEST - Does the PCC have large amounts of fixed rate debt requiring repayment at any one time	NO	
	<b>Upper Limit for total principal sums invested for over 364 Days</b>			
13	<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>	TEST - Is the value of long term investments within the approved limit	YES	
<b>Affordability Indicators</b>				
	<b>Ratio of Financing Costs to Net Revenue Stream</b>			
3	<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>	TEST - Is the ratio of capital expenditure funded by revenue within planned limits	YES	
	<b>Impact of capital investment decisions on the Council Tax</b>			
8	<i>This indicates the incremental impact of the capital investment decisions funded from prudential borrowing proposed for the period 2018/19 based on a Band D property in line with the proposed council tax level.</i>	TEST - Is the effect of capital expenditure on council tax within planned estimates	YES	
<b>Prudence Indicators</b>				
	<b>Net Borrowing and the Capital Financing Requirement</b>			
1	<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>	TEST - Is net debt less than the capital financing requirement	YES	
	<b>Capital Expenditure and Capital financing</b>			
2	<i>The original and current forecasts of capital expenditure and the amount of capital expenditure to be funded by prudential borrowing for 2018/19</i>	TEST - Is the current capital outturn within planned limits	YES	
	<b>Capital Financing Requirement</b>			
3	<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>	TEST - Is the capital financing requirement within planned limits	YES	

# Audit Progress Report and Sector Update

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

Year Ending 31 March 2019

November 2018



# Contents and Introduction



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This paper provides the Joint Audit and Standards Committee (JASC) with a report on progress in delivering our responsibilities as your external auditor.

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

Members of the Joint Audit and Standards 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. Click on the following link to be directed to the website <https://www.grantthornton.co.uk/>.

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.



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<a href="#">Sector Update</a>	5
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# Progress at 1 November 2018

## 2018/19

We have begun our planning processes for the 2018/19 financial year audits.

Our formal work and audit visits will begin later in the year and we will discuss the timing of these visits with management. In the meantime we will;

- continue to hold regular discussions with management to inform our risk assessment for the 2018/19 financial statements and value for money audits;
- review minutes and papers from key meetings; and
- continue to review relevant sector updates to ensure that we capture any emerging issues and consider these as part of audit plans.

## Other areas

### Meetings

We meet with Finance Officers as part of our liaison meetings and continue to be in discussions with finance staff emerging developments and to ensure the audit process is smooth and effective.

In March 2018 we had separate meetings with the Police and Crime Commissioner and the new Chief Constable, to discuss strategic priorities and plans.

### Events

We ran our latest Police Audit Conference event alongside the Police Auditor Group meeting in Warwick on 12 July 2018, which brought together police Audit Committee members from around the country.

Further details of the publications that may be of interest to the members are set out in our Sector Update section of this report.

# Audit Deliverables

2018/19 Deliverables	Planned Date	Status
<b>Fee Letters</b> Confirming audit fees for 2018/19 audits.	April 2018	Complete
<b>Accounts Joint Audit Plan</b> We are required to issue a detailed accounts joint audit plan to the Police and Crime Commissioner, the Chief Constable and present it to the Joint Audit and Standards Committee setting out our proposed approach in order to give an opinion on the Group, Police and Crime Commissioner and Chief Constable 2018-19 financial statements.	March 2019	Not yet due
<b>Interim Audit Findings</b> We will report to you the findings from our interim audit within our Progress Report.	May 2019	Not yet due
<b>Joint Audit Findings Report</b> The Joint Audit Findings Report will be reported to the 24 July 2019 Joint Audit and Standards Committee which will be attended by the Police and Crime Commissioner and the Chief Constable	July 2019	Not yet due
<b>Auditors Reports</b> This is the opinion on the financial statements, annual governance statements and value for money conclusions.	24 July 2019	Not yet due
<b>Joint Annual Audit Letter</b> This letter communicates the key issues arising from our audit work.	August 2019	Not yet due

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# Sector Update

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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 publishes its policing inspection programme and framework 2018/19

New inspections into hate crime, county lines and older people in the justice system, are central to the programme and framework of policing inspections published by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS).

The document sets out HMICFRS's programme of policing inspections up until the end of the financial year, and details those inspections already taking place. The programme and framework builds upon findings from inspections in 2017/18 and continues to place importance on how forces deal with vulnerable people with this element being examined across all inspections.

Proposed thematic inspections this year include hate crime, counter-terrorism, fraud (including cyber-enabled fraud), older people in the criminal justice system, cybercrime and HMICFRS's rolling programmes concerning child protection and crime data integrity. Crime data integrity inspections assess whether police forces record and categorise crimes correctly, and thematic work on county lines will begin in 2018/19.

The programme can be accessed by clicking on the cover of the report below.



### Policing inspection programme and framework 2018/19

An inspection programme and framework under Schedule 4A to the Police Act 1996

July 2018  
© HMICFRS 2018  
[www.justicesector.org.uk/hmicfrs](http://www.justicesector.org.uk/hmicfrs)

## Police must grasp 'one chance' to take action for victims of hate crime

In its first ever report into hate crime, HMICFRS have urged forces to prioritise the service to victims against a background of rising hate crime reported in recent years.

The report emphasises the importance of the police getting their response right first time and at the beginning of their contact with victims. Unless victims feel confident in coming forward and police forces ensure hate crime is recorded properly, there is limited opportunity to root out and proactively prevent hate crime from taking hold within communities.

The inspection which took place last year, revealed that some forces:

- incorrectly flagged hate incidents and crimes;
- did not gather comprehensive data about hate crime victims;
- did not gather sufficient intelligence about hate crime;
- did not always provide adequate information to hate crime victims; and
- did not consistently refer hate crime victims to support services.

However, the inspection identified that police forces across the country have worked hard to raise the awareness of hate crime among staff and in their communities, and most forces have produced information on hate crime and how to report it.

Click on the report cover to read the national report.



### Understanding the difference

The initial police response to hate crime

July 2018  
© HMICFRS 2018  
ISBN: 978-1-7895-603-4  
[www.justicesector.org.uk/hmicfrs](http://www.justicesector.org.uk/hmicfrs)

# Police Transformation Fund 2018/19



Home Office

The Home Office has awarded over £100 million to police transformation projects.

The Home Secretary has approved up to £70 million for investment in 2018/19 in four national major police-led programmes covering forces in England and Wales, designed to ensure maximum benefits are shared among forces. The programmes will transform how police use technology, make it easier for the public to engage with police online, and boost capacity to deal with major threats.

The Home Office also announced 15 successful bids to the fund, totalling £42.7 million across 2018/19 and 2019/20, as well as £0.7 million of additional funding awarded under Phase 1 of the Police Transformation Fund 16/17 and 17/18.

The four police-led national programmes, which are already underway, include:

- The National Enabling Programme: focused on delivering a unified IT system across policing to deliver more joined-up working within and between forces. In Cumbria, for example, cloud-based note-taking technology allows officers preparing to question suspects in custody to view real-time information from victim interviews being conducted by other officers elsewhere, improving the response offered to those affected by crime.
- Specialist Capabilities Programme: this will improve force-to-force resource sharing in key crime areas like roads policing and armed policing. In cyber-crime, for example, the programme seeks to ensure forces can tackle digitally-dependent crime, with oversight provided through regional organised crime units (ROCs).

- The Digital Policing Portfolio: this aims to improve police's use of technology, including by creating a single online hub. The hub allows members of the public to report low-level incidents – such as minor road collisions – online rather than having an officer manually record the information at their local station, providing a better service to the public and improving efficiency for the force.
- Transforming Forensics: this will improve how biometric services and digital forensics are used, including the development of a 24/7, faster, fingerprint identification service.

The national programmes are expected to deliver cash savings, as well as improving efficiency by, for example, freeing up officers for frontline policing roles. Funding will be released in stages to the programmes subject to progress in delivery to provide ongoing assurance of this major investment.

The full list of successful projects can be found [here](#).



### Police workforce, England and Wales: 31 March 2018

Statistics on police workforce numbers in the 43 police forces in England and Wales and the British Transport Police have been released. Statistics cover police officers, police staff, police community support officers, designated officers, special constables and police support volunteers.

The statistics include a number of indicators in respect of promotions, joiners and leavers, frontline and local policing, diversity and officer wellbeing.

The key findings of the report note that the police workforce numbered just under 200,000 full-time equivalents at 31 March 2018, an increase of 1,066 (0.5%) on the 198,686 employed as at 31 March 2017. This is the first yearly increase in police workers since 2010. There were also an additional 11,690 special constables in post as at 31 March 2018.

However, the latest rise was due to an increase in the number of police staff and designated officers rather than officers. The number of police officers fell to 122,404 from 123,142 at 31 March 2017 (down 0.6%). The continued fall in officers means this is the lowest number of police officers since comparable records began in 1996. While records earlier than this are not directly comparable, this is the lowest number of officers since 1981.

The report can be accessed by clicking [here](#), which includes links to the relevant data tables.

### Police pay award 2018/19

Police officers will receive a pay rise of 2% in 2018 to 2019. The increase will consist of:

- a 2% pay increase for all police officer ranks;
- a 2% increase to the London weighting payment; and
- a 2% increase to the dog handlers' allowance.

The Police Remuneration Review Body had recommended that the 1% non-consolidated award received in 2017 to 2018 be consolidated, and that a further 2% consolidated award be given to all police officers. Police employers, however, advised that the maximum affordable award would be a 2% increase. This was recommended by both the National Police Chiefs' Council (NPCC) and the Association of Police and Crime Commissioners (APCC).

### PCC expenses

The Home Secretary's determination on Police and Crime Commissioner expenses has been updated. The guidance sets out the kinds of allowances that can be claimed, setting out any key restrictions and rates that can be claimed. The guidance also re-confirms that all PCC expenses should be reviewed by the Chief Executive, with a breakdown of the details required to be published. The guidance can be accessed by clicking [here](#).

# Other Home Office News



Home Office

## Early Intervention Youth Fund

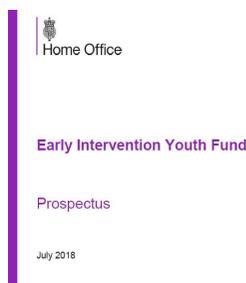
The government's serious violence strategy sets out a programme of work to respond to increases in knife crime, gun crime and homicide. The strategy included a commitment to provide £11 million over 2 years for a new early intervention youth fund, which has subsequently been doubled to £22 million.

The fund is open to Police and Crime Commissioners (PCCs) in England and Wales as lead bidders. PCCs must work with community safety partnerships (or the local equivalent partnership) to bid for funding to support targeted early interventions and prevention activity for serious violence.

The aims of the fund are:

- delivering services to support and prevent young people from getting involved in crime by supporting positive activities;
- delivering positive outcomes for young people, focused on addressing risk factors which are linked to serious violence;
- building on, and developing, our understanding of what works in practice for tackling these risks factors;
- driving improved local, multi-agency partnership working; and
- reducing the levels of serious violence and crime

The scheme opened for bids on Monday 30 July, and the full details of the fund and the assessment criteria are set out in the prospectus which can be accessed by clicking the report cover below.



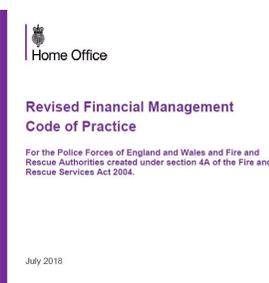
## Financial Management Code of Practice

A revised financial management code of practice has been released. The financial management code of practice provides clarity around the financial governance arrangements within policing and provides high level guidance to help ensure effective and constructive relationships in all financial matters. The revised code of practice also applies to Police and Crime Commissioners in England who are also Fire and Rescue Authorities under section 4A of the Fire and Rescue Services Act 2004.

The revised financial management code of practice came into effect on 24 July 2018, replacing the previous version which had effect from 1 November 2013.

The code continues to include guidance on a number of areas of financial governance including roles and responsibilities, schemes of governance, accounting, value for money, transparency, collaboration and partnerships.

The new code can be accessed by clicking on the report cover below.



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# Links

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## Sector Updates

### Public Sector

<https://www.grantthornton.co.uk/industries/public-sector/>

### Police

<https://www.grantthornton.co.uk/en/insights/?tags=police>

## Police Transformation Fund 2018/19

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/731204/Police transformation fund - investments in 2018-19.ods](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/731204/Police_transformation_fund_-_investments_in_2018-19.ods)

## Other Home Office News

### Early Intervention Youth Fund

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/730217/Prospectus\\_final.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/730217/Prospectus_final.pdf)

### Financial Management Code of Practice

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/727808/CCS207\\_CC\\_S0718021968-001\\_HO\\_FMCP\\_2018\\_Web\\_Accessible.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/727808/CCS207_CC_S0718021968-001_HO_FMCP_2018_Web_Accessible.pdf)

## HMICFRS News

### Policing inspection programme and framework 2018/19

<https://www.justiceinspectorates.gov.uk/hmicfrs/wp-content/uploads/hmicfrs-inspection-programme-2018-19.pdf>

### Understanding the difference

<https://www.justiceinspectorates.gov.uk/hmicfrs/wp-content/uploads/understanding-the-difference-the-initial-police-response-to-hate-crime.pdf>

## Workforce News

### Police workforce, England and Wales: 31 March 2018

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/726401/hosb1118-police-workforce.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/726401/hosb1118-police-workforce.pdf)

### PCC expenses

<https://www.gov.uk/government/publications/expenses-2/expenses>

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