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Our reference: JAC/IR

Date: 13 June 2022

AGENDA

TO: THE MEMBERS OF THE JOINT AUDIT COMMITTEE

CUMBRIA POLICE & CRIME COMMISSIONER AND CUMBRIA CONSTABULARY JOINT AUDIT COMMITTEE

A Meeting of the Joint Audit Committee will take place on **Wednesday 22nd June 2022** in **Conference Room Two**, Police Headquarters, Carleton Hall, Penrith at **10:30am**.

**Vivian Stafford, Gill Shearer
Chief Executive**

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

Please note – there will be a private members meeting and Internal Audit (Cumbria CC) from 9.am – 10am

COMMITTEE MEMBERSHIP

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

AGENDA

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

1. APOLOGIES FOR ABSENCE

2. URGENT BUSINESS AND EXCLUSION OF PRESS AND PUBLIC

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

3. DISCLOSURE OF PERSONAL INTERESTS

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

4. MINUTES OF MEETING AND MATTERS ARISING

To receive and approve the minutes of the committee meeting held on 17th March 2022

5. ACTION SHEET

To receive the action sheet from previous meetings.

6. CORPORATE UPDATE

To receive a briefing on matters relevant to the remit of the Committee.
(To be presented by the Temp. Chief Constable and OPCC Chief Executive)

7. INTERNAL AUDIT REPORTS

- a. To receive a report from the Internal Auditors the Summary Internal Controls Assurance (SICA) Report. *(To be presented by TIAA)*
- b. To receive the finalised internal audit plan for 2022/23. *(To be presented by TIAA)*

8. INTERNAL AUDIT REPORT(S)

To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee. *(To be presented by Cumbria CC/TIAA)*

- a) Resource Allocation/Workforce Planning (Constabulary) - May 22
- b) Duties Management (Crown System) (Constabulary & OPCC) - May 22
- c) Establishment Processes - Recruitment (Constabulary & OPCC) - May 22
- d) Business Transformation Project: Finance Phase 2 – (Constabulary) – May 22
- e) Financial Sustainability (Constabulary & OPCC) – June 2022

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

To receive an updated summary of actions implemented in response to audit and inspection recommendations. *(To be presented by JCFO)*

10. INTERNAL AUDIT –ANNUAL REPORT

To receive the Head of Internal Audit's Annual Report including the Annual Audit Opinion. *(To be presented by Head of IA Cumbria CC)*

11. EXTERNAL AUDIT PLAN

To receive from the external auditors an update report in respect of progress on the external audit plan (including proposed audit fees). *(To be presented by Grant Thornton)*

12. RISK MANAGEMENT MONITORING

To receive an annual report from the Chief Executive on Risk Management Activity including the Commissioner's arrangements for holding the CC to account for Constabulary Risk Management. *(To be presented by OPCC CE)*

13. ANTI-FRAUD AND CORRUPTION ACTIVITIES

To receive an annual report from the Chief Executive on activity in line with the arrangements for anti-fraud and corruption. *(To be presented by OPCC CE)*

14. ETHICS AND INTEGRITY GOVERNANCE

To receive an annual report from the chair of the Ethics and Integrity Panel. *(To be presented by OPCC CE)*

15. EFFECTIVENESS OF AUDIT

To receive a report from the Joint Chief Finance Officer in respect of the effectiveness of arrangements for audit. *(To be presented by DCFO)*

16. JOINT AUDIT COMMITTEE - REVIEW OF EFFECTIVENESS

To receive a report reviewing the effectiveness of the Committee as a contribution to the overall effectiveness of arrangements for governance. *(To be presented by DCFO)*

17. ANNUAL GOVERNANCE STATEMENT

- a) Effectiveness of Governance Arrangements
To receive a report from the Joint CFO on the effectiveness of the PCC's and CC's arrangements for Governance. *(To be presented by JCFO)*
- b) Code of Corporate Governance
 - I. To consider the PCC Code of Corporate Governance 2022/23
 - II. To consider the CC Code of Corporate Governance 2022/23
- c) Annual Governance Statement
To consider the PCC/CC Annual Governance Statement for the financial year and to the date of this meeting.
 - I. PCC Annual Governance Statement 2021/22
 - II. CC Annual Governance Statement 2021/22

18. ANNUAL STATEMENT OF ACCOUNTS

To receive the un-audited Statement of Accounts for the Commissioner and Chief Constable and Group Accounts and consider a copy of a summarised non-statutory version of the accounts. *(To be presented by the Deputy Chief Finance Officer)*

- a) Statement of Accounts Narrative 2021/22 – To receive a report from the Joint Chief Finance Officer outlining the statement of accounts process for 2021/22 *(To be presented by the Joint Chief Finance Officer)*
- b) PCC/Group Annual Statement of Accounts 2021/22, incorporating the PCC/Group Summary Statement of Accounts 2021/22 (see pages 3-22) *(To be presented by the Joint Chief Finance Officer)*
- c) CC Annual Statement of Accounts 2020/21 incorporating the CC Summary Statement of Accounts 2021/22 (see pages 3-21) *(To be presented by the Joint Chief Finance Officer)*

19. TREASURY MANagements ACTIVITIES

To receive for information reports on Treasury Management Activity - Quarter 4/Annual Report. *(To be presented by the Deputy Chief Finance Officer)*

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

21st September 2022 @ 10.30am – Conference Room 2/Microsoft Teams
 23rd November 2022 @ 10.30am – Conference Room 2/Microsoft Teams
 22nd March 2023 @ 10.30am – Conference Room 2/Microsoft Teams

Future Police & Crime Panel Meeting Dates (For Information)

19 July 2022 – Council Chamber, County Offices, Kendal, LA9 4RQ
 14 October 2022 – Conference Room A/B, Cumbria House, Botchergate, Carlisle, CA1 1RD
 26 January 2022 – Council Chamber, County Offices, Kendal, LA9 4RQ
 18 April 2022 - Conference Room A/B, Cumbria House, Botchergate, Carlisle, CA1 1RD

Agenda Item 4 – Part 1

CUMBRIA POLICE & CRIME COMMISSIONER AND CUMBRIA CONSTABULARY

JOINT AUDIT COMMITTEE

Minutes of a meeting of the Joint Audit Committee held on Thursday 16th March 2022 by Microsoft Teams, Police Headquarters, Carleton Hall, Penrith, at 10.30am.

PRESENT

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

Also present:

Chief Executive (CE), Office of the Police and Crime Commissioner (Vivian Stafford)
Temp Deputy Chief Constable (DCC), Rob Carden
Joint Chief Finance Officer (JCFO), (Roger Marshall)
Deputy Chief Finance Officer (DCFO), (Michelle Bellis)
Engagement Lead (EL), Grant Thornton LLP (Michael Green)
Engagement Manager(EM), Grant Thornton LLP (Gareth Winstanley)
Head of Internal Audit (HIA), Cumbria Shared Internal Audit Service, CCC (Richard McGahon)
Audit Manager (AM), Cumbria Shared Internal Audit Service, CCC (Emma Toyne)
Financial Services Manager (FSM), Lorraine Holme
Performance Consultant (PC), Claire Griggs
Financial Services Assistant (FSA), Inge Redpath

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

The Chair called the meeting to order at 10.30am

687. APOLOGIES FOR ABSENCE

Apologies were received from:
Deputy Chief Executive, Office of the Police and Crime Commissioner Gillian Shearer
Director of Legal Services, Andrew Dobson
Internal Audit Team TIAA, Andrew McCulloch
Internal Audit Team TIAA, Peter Harrison

688. URGENT BUSINESS AND EXCLUSION OF PRESS AND PUBLIC

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

689. DISCLOSURE OF PERSONAL INTERESTS

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

690. MINUTES OF MEETING AND MATTERS ARISING

The committee received and reviewed the minutes of the meeting held 17th November 2021.

A member queried item 674 corporate update by the DCC, which mentioned the estate. As Cumbria is one of the few remaining forces operating out of a country house, it does not support agile working and other such scenarios following the covid pandemic, but this does not seem to appear on any risk register?

The JCFO replied to say that there is piece of work being undertaken around the estate at Headquarters that will be brought back to the committee, and this will flag up any significant risks.

A member asked about having sight of the HMICFRS inspections report and when that might be.

The CE responded to say the HMICFRS Peel Report had been delayed by HMICFRS not by the OPCC or Constabulary and as soon as the report was available it would be brought to the next appropriate committee meeting.

ACTION, to note that the HMICFRS Peel Report should be brought to committee as soon as practicable after the report has been received.

RESOLVED, that the minutes be recorded as a true record of the meeting held on 17th November 2021.

691. ACTION SHEET

The Action sheet had been circulated and reviewed, all current actions are now complete, and the committee are to discuss between themselves to determine what "Review of Effectiveness" actions they feel are appropriate for 2022/23.

RESOLVED, all other items were resolved.

692. CORPORATE UPDATE

The CE gave an update to committee around the ongoing business case for the PCC to take on fire governance with the consultation ending on 21st March 2022. On the 31st March 2022 Mr McCall (PCC) will make the decision as to whether or not to submit the business case. If submitted it will go to the Home Office and as there have been some negative responses, this will lead to a three-month independent review, then a final decision will be taken by the Secretary of State by November 2022.

The office of the PCC will go into purdah at the end of March 2022 in the lead up to the local elections in May. Overall the office is working well with commissioning works ongoing and the delivery of the Police & Crime plan ongoing.

The chair asked about the risk posed to the organisation by the Local Government Reform (LGR) with the County Council and six district/borough councils merging into two new unitary authorities.

The CE explained that at this moment the PCC has not been formally engaged in the consultation around the structures being put in place for LGR. It has been raised with the Home Office and, following the May elections when there will be shadow unitary authorities in place, we would look to be more formally engaged with them. The Constabulary have set up a working group lead by a Superintendent to look at the impact of LGR on daily working practices. A decision was taken in consultation with the Constabulary that at that moment there was not a significant strategic risk for either the OPCC or the Constabulary.

The HIA stated that through his internal audit work for Cumbria County Council he has been involved in a couple of work streams around LGR, however Fire Governance is a bigger issue for the organisation.

The JCFO explained that the Constabulary and the OPCC are looking at the wider picture and doing financial diligence around the precepting arrangements and the overall divorce settlement for fire governance.

A member asked about the arrangements for precepts, safeguarding and domestic violence.

The DCC added that he will be reviewing the strategic risk register as part of his new role and confirmed that the Constabulary are being proactive in looking at LGR from the wider perspective.

The HIA then confirmed that everything remains what is termed as “Safe & Legal” retaining responsibilities around safeguarding, domestic violence etc.

The CE gave assurance that the business is continuing as it should and all systems currently in place will continue with the responsibilities that are currently set down.

The JCFO then gave his update to say the Constabulary are still maintaining a cautious approach around covid, with most police staff still working from home. Mr Webster the former DCC has now been appointed as Chief Constable for Cleveland Police and has been replaced by Rob Carden on a temporary basis from Merseyside Police. The Constabulary has recently appointed Nancie Shackleton as an Assistant Chief Officer (ACO). This is a civilian role and Nancie will be starting soon. Her responsibilities will cut across financial matters and it is likely that Nancie will attend some future committee meetings. Regarding operation uplift we

are on target to meet the phase two entry numbers by the end of this financial year, and we are also running a recruitment of Police Community Support Officers (PCSO's).

693. REVIEW OF INTERNAL AUDIT CONSULTANCY WORK

The JCFO presented the report around the value of consultancy work in addition to the audit plan. The report recognised that there was some valuable work done as part of this consultancy work. Moving forward, the view of the Collaborative Board is that the areas in which internal audit could undertake this type of work could be restricted and we already have bodies such as HMICFRS who do undertake this type of work. Therefore we are not proposing to commission any further consultancy work at this time but did not rule it out in the future.

A member thanked the JCFO for the report, as it was something he had been asking for and found it very pragmatic.

RESOLVED, that the reports be noted.

694. INTERNAL AUDIT PROGRESS REPORT

The AM presented the progress to 1st March 2022. All work is underway with 9 reports completed and 6 in progress, this will be sufficient for the HIA to give his annual opinions. A piece of advisory/consultancy work on use of Estates has been removed from the plan, as it was felt that timing was not right, and this was agreed at Collaborative Board. This will not influence the overall position around annual opinion and the annual fees have also been reduced to reflect the removal of this piece of work.

A member questioned why the Benefits Delivery Process quarterly reporting to COG and governance boards we not yet being undertaken.

The JCFO explained that due to the restructure of Insight and Performance team this has been missed and there was now a Management Board, which will be chaired by the DCC and going forward it will be a much higher priority.

A member queried why Internal Audit were still waiting for feedback from following the report on Agile Workforce despite two reminders being sent out.

The JCFO agreed to investigate this and report back.

ACTION, for JCFO to check status of feedback form is for the Internal Audit Report into Agile Workforce.

A member asked who sets the targets for Internal Audit reporting?

The JCFO explained that the targets are set in consultation between Internal Audit and the Constabulary when the audit plan is created, and they try to make them stretched.

The DCC then confirmed that the Benefits Delivery Process was part of his remit, and he would be happy to provide committee with an update at the next meeting around the quarterly

reporting to the Management Board.

ACTION, for DCC to update on the Benefits Delivery Process quarterly reporting to the management board.

A member sought clarification on what happens to any change management following a risk being identified, as it did not seem to close the circle. Should any change management be reported back to show closure ?

The DCC explained that not all risks resulted in change management but where they did, he agreed this should be reported back for completeness.

RESOLVED, that the reports be noted.

695. INTERNAL AUDIT REPORT(S)

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

- a) Payroll (Constabulary & OPCC) - Feb 22
- b) Digital Leadership Programme (Constabulary) - Feb 22
- c) Preparedness for McCloud Remedy (Constabulary) - Feb 22
- d) Benefits Delivery Process (Constabulary & OPCC) - Feb 22

The chair asked if as the Benefits Delivery Process audit only gave Partial Assurance would this need to have a follow up audit.

The DCFO explained that as part of the changeover process with new Internal Audit team they would look at any audit recommendations and report back to committee and this would form part of the Monitoring of Audit, Internal Audit and other recommendations and actions plans

- e) Covid-19 Response (Constabulary) - Feb 22
- f) Financial Systems - Inventory (Constabulary) - Mar 22

RESOLVED, that the reports be noted.

696. STRATEGIC RISK REGISTERS

The CE presented the OPCC Risk Management Monitoring report, Strategic and Operational Risk Registers, no significant changes made to these reports.

A member asked about Risk R4 around Fire Governance.

The CE explained that this risk was around the financial envelope for Fire provision and more work has been done around financial due diligence to strengthen the business case.

RESOLVED, that the reports be noted.

The JCFO presented the Constabulary Strategic Risk Register which was presented to COG at the end of February 2022. Adjustments have been made to the risk around ESN to separate them in to Financial, Operational and Coverage risks trying and make them clearer.

RESOLVED, that the reports be noted.

Break 11:54 – 12:00

11:54 - Claire Griggs left the meeting

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

The JCFO presented the report, 11 actions in total, 6 of which have now been completed, leaving 5 outstanding, but 4 are not yet scheduled for completion. There are comments attached to each action shows their status.

RESOLVED, that the reports be noted.

698. ANNUAL EXTERNAL AUDIT REPORT CAPITAL STRATEGY, CAPITAL PROGRAMME, TREASURY MANAGEMENT STRATEGY AND TREASURY MANAGEMENT PRACTICES

The DCFO presented the four reports and explained that the committee's terms of reference relate to the Treasury Management, however, as these reports are interlinked it was prudent to bring to provide the committee with the Capital Strategy and Capital Programme reports.

The Capital Strategy gives a short overview and is specifically written for those without a financial background, and includes the prudential indicators mainly concerned with capital expenditure and ongoing capital financing requirements. Under the code the Commissioner is free to determine his own level of investment controlled by self-regulation and this self-regulation is done through the setting of the prudential indicators, this is to make sure that capital plans are affordable, prudent, and sustainable.

The Capital Programme covers the 5-year Medium Tern Financial Forecast (MTFF) to 2026/27 and a longer 10-Year plan as many larger items run over the 5-years, such as Vehicle replacement, ICT replacement and some Estates work. The Capital Programme falls into 3 main areas, Fleet, ICT and Estates with a smaller other sections, which looks at things like CCTV replacement and firearms equipment. The programme to 2031/32 amounts to £68 million split £36m ICT, £15m Fleet, £15m Estates and £2m Other.

The Capital Strategy over the 10-years show a shortfall £7.8m, of this £3m is in the final year of the current MTFF (2026/27). The capital programme is heavily financed by contributions from the revenue budget, which average approx. £4m per annum over the 10-year programme. The Home Office Capital Grant has steadily reduced over the last few years from just over £1m to £97k in 2021/22 and, as part of the budget settlement for 2022/23, this grant has been removed altogether.

The member asked given the situation around the world would the programme have to be re-thought.

The DCFO explained that the programme is re-assessed every year as part of the budget setting process, we would expect to see any ongoing impacts on inflation be reflected within the figures.

The Treasury Management Strategy and Prudential Indicators is developed in accordance with the CIPFA codes of practice, the commissioner is required to approve a Treasury Management Strategy which includes borrowing, investment and MRP strategies. The Commissioner approved this in February 2022. Treasury Management is inherently risky with the sums peaking at around £30 million in July when the pensions top up grant is received.

The report format consists of general principles, guidance on external guidance received, forecast treasury position, and forecast of interest rates. Interest rates are currently at 0.25% having increased in December from 0.1% the strategy forecasts that rates will steadily rise to around 1.25% the strategy includes a borrowing strategy, an investment strategy. The PCC currently has no plans to borrow in the short term. Our main aim is security of sums invested using counter party selection criteria, which set out the maximum amounts and durations of investments.

Supporting the Treasury Management Strategy are the Treasury Management Practices. These have been developed in conjunction with our management advisors Link.

RESOLVED, that the reports be noted.

699. ANNUAL REVIEW OF GOVERNANCE

The CE presented the OPCC Scheme of Delegations showing only minor changes to sections 5 and 6.

A member asked where it was shown, who was responsible for running the JAC committee meetings etc?

The JCFO said it was part of the DCFO's job description, but the CE agreed it should be shown in the OPCC scheme of delegation that the role had been delegated from the OPCC to the Constabulary and ultimately to the DCFO.

ACTION, for the CE to update the OPCC Scheme of Delegations to show the delegation of responsibility for the JAC Committee to the Constabulary and then to the DCFO.

RESOLVED, that the reports be noted.

The JCFO presented the Constabulary Scheme of Delegation, which has been significantly revamped last year and we have been operating to these changes, however the formal approval of the scheme of delegation has been delayed due to on-going discussions regarding responsibility for staffing decisions. All issues over the changes to the scheme of delegation have now been resolved and the revised scheme of delegation will now be taken to COG for

approval.

The chair commented on the large number of changes, and it was good to see the highlighted changes.

A member liked the report showing the changes and the terms of reference, good to see decisions being moved to places where they are best made and empowering those who are responsible for the decisions.

A member noted that there appears to be many of the same people attending several boards.

The JCFO explained that due to the size of the organisation and the raft of activity that needs to be covered this is the best solution we have.

A member asked about the frequency of the boards having been * what did this mean?

The JCFO explained that this was set out initially at monthly, fortnightly etc as a starting point but would clarify the actual position.

ACTION: for the JCFO to clarify the frequency of the boards.

RESOLVED, that the reports be noted.

700. ANNUAL WORK PROGRAMME: ASSURANCE FORMAT

The DCFO presented the report showing the agreed work programme for the JAC committee, which informs the reports and the work to be received by the committee to ensure that members fulfill their terms of reference. Last year, following the changes to statutory audit dates, the meetings were moved to 4 times a year. It is proposed that this remains the same for 2022/23 with meetings being held in June, September, November, and March. The work programme also includes private sessions with internal and external audit along with development session for members.

A member thanked the DCFO for a good piece of work.

The chair asked members if they wished to use the September development session to look at LGR?

The CE suggested that the development session would be better suited to look at the findings of the HMICFRS inspection report with the DCC and, if the commissioner becomes a Police, Fire and Crime Commissioner (PFCC), what would be the implications for committee.

ACTION: for the DCFO to update the work programme for the September development session to include the findings of the HMICFRS inspection report with the DCC and the implications for committee if the commissioner becomes a PFCC.

RESOLVED, that the reports be noted.

701. ANNUAL EXTERNAL AUDIT REPORT

The EL was very pleased to present the first Auditors Annual Report, which is a new report replacing the Annual Audit Letter. The new report covers value for money arrangements in line with the new codes of audit practice, which came in force for the 2020/21 financial year. The report covers the three core areas specified by the National Audit Office which are:

- Financial Sustainability
- Governance
- Arrangements for improving Economy, Efficiency and Effectiveness

External Audit are also required to make recommendations where appropriate in three classes:

- Statutory Recommendation
- Key Recommendation
- Improvement Recommendation

The EL was please to inform committee that there are suitable arrangements in place to cover the three core areas and only made one recommendation in the Improvement section around financial sustainability.

A member asked how the recommendation will be recorded and monitored?

The DCFO clarified that this should have been added to the monitoring of audit, internal audit and other recommendations and action plans as these covers both internal and external audit.

ACTION, for the DCO to include the Improvement recommendation from the Annual Audit Report to the monitoring of audit, internal audit and other recommendations and action plans

RESOLVED, that the reports be noted.

702. EXTERNAL AUDIT PLAN

The EL gave a verbal update as the plan would have normally come to committee at this meeting but covid has had a lasting impact and therefore the plan will be brought to the June meeting.

12:55-Lorraine Holme left the meeting to attend another meeting

703. EXTERNAL AUDIT UPDATE REPORT

The EM presented the progress report to date which lays out the key reports the committee will see in the forthcoming year which are:

- Accounts Joint Audit Plan
- Joint Audit Findings (ISA260) Report

- Auditors Report
- Auditor's Annual Report

The report also shows that all external auditing suppliers are subject to regular review by the Financial Reporting Council (FRC).

A member asked about cyber security considering the current situation in Europe. The EL confirmed that this is a national report, but it is expected that more guidance will emerge over the next few weeks.

RESOLVED, that the reports be noted.

704. INTERNAL AUDIT STRATEGY AND ANNUAL PLAN (incl. Audit Charter)

The JCFO gave a verbal update to say that at this meeting the committee would normally receive the Internal Audit Plan for the next financial year to sign off, however as some of TIAA's staff have had covid and with the changeover of DCC following the departure of Mr Webster the plan has been delayed. The committee have had a meeting with TIAA regarding the plan. The Constabulary have seen a draft of the plan, and this has been discussed at collaborative board, and now the report requires just slight refinement.

The JCFO suggested that the finalised plan could come to the next JAC meeting in June, or it may be better to have a separate teams meeting to go over and agree the plan sooner.

The chair and members agreed to have a separate teams meeting to agree the plan as soon as it was available.

ACTION, for the JCFO to arrange teams meeting with committee to look at the Internal Audit Plan.

705. QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

The JCFO requested further discussion with committee around this, which will take place at the same separate teams meeting to be arranged.

706. VALUE FOR MONEY

The JCFO presented the summary report based upon HMICFRS Value for Money profiles, which are in turn based upon the Police Objective Analysis, which all forces are required to complete. The aim is to make forces comparable, but this is not always easy given different force priorities and objectives. It does try to compare Cumbria to all and a group of similar forces. The focus is specifically at outliers being the top and bottom 10% in each category. The results are very similar year on year. A number of areas were identified as areas of high expenditure and reasons given for the anomalies. Local policing is an area where we look to be spending higher than similar forces, but that is partially because local policing is a priority for the Commissioner.

A member asked if the criminal justice specifications are the same as other forces or are ours different causing the higher costs?

The JCFO explained that there are national guidelines around what is required and sometimes the costs are greater due to the geography of Cumbria. The contract for custody medical provision has recently been re-let with some savings generated.

RESOLVED, that the reports be noted.

707. TREASURY MANAGEMENT ACTIVITIES

The DCFO provided an update on the Qtr3 position to 31st December 2021 in relation to treasury management activity. The report follows the standardised simplified format that members have previously received. The report shows income from investments of £2,000 falling short of the £10,000 target and this is due to the very low bank interest rates. Further interest rate rises are expected, and as a result the forecast of interest for the year end is now around £7,000.

RESOLVED, that the reports be noted.

708. ACTION PLAN UPDATES

The DCFO presented the two action plan updates starting with the Financial Management (FM) Code Action Plan.

In June last year the committee received an update against the FM code. The FM code applies a principles-based approach to set standards of financial management, and we were required to implement the code with effect 1st April 2020. We carried out a self-assessment against the code and developed an action plan to cover areas where we felt we were not fully compliant. This report provides the committee with an update on the action plan. The initial assessment in June 2021 reported that for 12 of the statements we were fully compliant, 4 were partial and only 1 area was noncompliant. The revised assessment just undertaken shows 13 areas now fully compliant, 4 partial and no areas of non-compliance.

A member asked does this stand up to the current worldwide situation.

The DCFO explained that this review was only undertaken at the end of February and regarding the wider MTFF this is reviewed every year and if necessary, in between times.

The JCFO confirmed that this provides a framework and be adapted accordingly to meet any challenges that may arise.

RESOLVED, that the reports be noted.

The Achieving Financial Excellence in Policing (AFEP) programme is a programme set up by CIPFA initially covering the years 2019/20 and 2020/21. During the initial term we had to undertake a financial management self-assessment, and this is an update to the action plan that arose from the self-assessment.

The PCC/Constabulary have now subscribed for a further 2 years 2021/22 and 2022/23 and

the membership includes access to free publications, places on courses, a future leader course as well as the working groups which are:

- Data and Analytics - the JCFO sits on this group.
- Financial Management – the DCFO sits on this group.
- People Development – we have asked CIPFA to include Lorraine Holme in this group as she has recently qualified as an accountant last month through the CIPFA apprenticeship programme and she takes a leading role in developing newer members of staff.

The action plan gave us an overall score of 4/5.

The Chair gave her congratulations to Lorraine in passing her qualification.

RESOLVED, that the reports be noted.

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

Committee would like to bring the following to the attention of the Commissioner and Chief Constable:

- Concerns over LGR and the risks this may pose.
- Change Management and Benefits Analysis, which the committee will keep a close eye on over the coming months.

Meeting ended at 13.30pm

Future JAC Meeting Dates (For Information)

22nd June 2022 @ 10.30am – Conference Room 2/Microsoft Teams TBC

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

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

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

Future Police & Crime Panel Meeting Dates (For Information)

~~05 April 2022 – Conference Room A/B, Cumbria House, Botchergate, Carlisle, CA1 1RD~~

Meeting Cancelled

19 July 2022 – Council Chamber, County Offices, Kendal, LA9 4RQ

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

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

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

Signature_____

Date_____

Joint Audit Committee – Action Update and Plan

Minute Item and date of Meeting	Action to be taken	Person Responsible	Target Date	Comments	Status
690 (16/03/22)	Minutes Matter Arising Item 675 (17/11/21)	DCC	Jun 22	<p>To note that the HMICFRS Peel Report should be brought to committee as soon as practicable after the report has been received.</p> <p>A link to the HMICFRS website where reports are published was shared with members on 16/03/22.</p> <p>June 2022 – A downloaded copy of the PEEL inspection report was shared with members by the DCFO on 10/06/22.</p>	Completed
694 (16/3/22)	Internal Audit – Progress Report	JCFO	Jun 22	<p>To check status of feedback form is for the Internal Audit Report into Agile Workforce</p> <p>April 2022 – The JCFO has contacted all auditees with outstanding feedback forms and asked them to complete asap.</p>	Completed
694 (16/3/22)	Internal Audit – Progress Report	DCC	Jun 22	<p>To update on the Benefits Delivery Process quarterly reporting to the management board.</p> <p>June 2022 – A verbal update will be provided at the meeting on 22/06/22.</p>	
699(a) (16/3/22)	OPCC Scheme of Delegations	CE	Jun 22	<p>To update the OPCC Scheme of Delegations to show the delegation of responsibility for the JAC Committee to the Constabulary and then to the DCFO.</p> <p>June 2022 – the scheme of delegation has been amended to reflect that the administration for the Joint Audit Committee has been delegated to the Constabulary and then to the DCFO.</p>	Completed
699(b) (16/3/22)	Constabulary Scheme of Delegations	JCFO	Jun 22	<p>To clarify the frequency of the boards.</p> <p>June 2022 - A verbal update will be provided at the meeting on 22/06/22.</p>	

Minute Item and date of Meeting	Action to be taken	Person Responsible	Target Date	Comments	Status
700 (16/3/22)	Annual Work Programme: Assurance Format	DCFO	Jun 22	To update the work programme for the September development session to include the findings of the HMICFRS inspection report with the DCC and the implications for committee if the commissioner becomes a PFCC. April 2022 – The work programme has been updated and development sessions have been diarised.	Completed
701 (16/3/22)	Annual External Audit Report	DCFO	Jun 22	To include the Improvement recommendation from the Annual External Audit Report to the monitoring of audit, internal audit and other recommendations and action plans. June 2022 – This recommendation has been included in the audit recommendations monitoring report on the agenda (see agenda Item 09).	Completed
704 (16/3/22)	Internal Audit Strategy and Annual Audit Plan	JCFO	Jun 22	To arrange teams meeting with committee to look at the Internal Audit Plan. June 2022 – Due to time constraints this meeting did not take place but the audit plan has been tabled on the agenda for the June meeting (see Agenda Item 07b)	Completed

Joint Audit Committee – Review of Effectiveness Action Plan 2021/22

Ref	Improvement Area	Planned Action	Owner	Review Date	Status
JAC1	Support and monitor the OPCC and Constabulary plans to address the ongoing funding environment.	<p>Members to maintain awareness of the national position in relation to the Funding Formula; to receive annual training on the budget and MTFP and consider as appropriate the arrangements flowing from significant changes in funding levels.</p> <p>JAC members to consider efficiency aspects of any recommendations or reports to Committee.</p>	JAC	March 2022	JAC1
JAC2	Support and challenge any new governance arrangements, for example, from restructuring and capacity reviews including Operation Uplift; greater collaboration with other organisations; joint working on delivery of services, such as Local Focus Hubs or external factors such as COVID19.	JAC to encourage clarity in any new arrangements; appropriate documentation including in Financial Regulations and ensure governance arrangements considered as part of the risk assessment.	JAC	March 2022	JAC2
JAC3	Consider the impact of new or emerging developments, including COVID19 on internal and external audit work programmes to ensure that they remain relevant.	<p>Members to continue maintain awareness of issues through corporate updates and wider reading and seek to understand how this impact on governance arrangements.</p> <p>JAC to consider on an ongoing basis how the work of the Committee and the internal and external audit work programmes remain relevant.</p>	JAC	March 2022	JAC3



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

Summary Internal Controls Assurance (SICA) Report

2022/23

June 2022

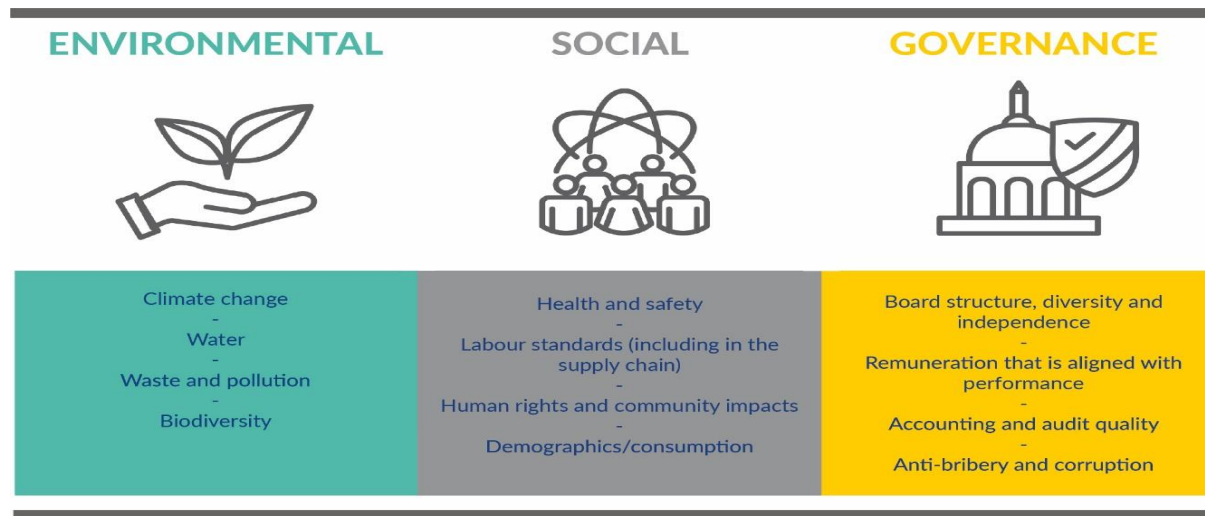
Summary Internal Controls Assurance

Introduction

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

Emerging Governance, Risk and Internal Control Related Issues

2. Sustainability is becoming an ever more important consideration for organisations with the efforts of all sectors to reduce their emissions on a much bigger scale being integral to ensuring that global warming stays within the 1.5°C limit highlighted by the IPCC report and adopted by COP26. The increasing importance of Environmental, Social and Governance (ESG) objectives, as well as the introduction of reporting frameworks, both voluntary and mandatory, highlights the need for organisations to demonstrate greater transparency for their stakeholders. The need for strategic direction and the existence of risks and opportunities within ESG means that the Board and Audit Committee’s role is integral in setting the ESG agenda.



Audits completed since the last SICA report to the Audit Committee

3. There have been no audits finalised since the previous meeting of the Joint Audit Committee.

Progress against the 2022/23 Annual Plan

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

Changes to the Annual Plan 2022/23

5. There are no proposed changes to the Annual Plan for 2022/23.

Frauds/Irregularities

6. We have not been advised of any frauds or irregularities in the period since the contract commenced.

Other Matters

7. We have issued a number of briefing notes and fraud digests, shown in Appendix B, since the commencement of the contract.


Responsibility/Disclaimer


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


Progress against Annual Plan


System	Planned Quarter	Current Status	Comments
Risk Management Framework (PCC/Force)	1	Planned for June/July	
Force – Personal Safety Training	1	Planned for June/July	
Security of Seized Proceeds of Crime (Cash and Assets)	1	Planned for June/July	
Domestic Violence Protection Orders	2	To be booked	
Management of Overtime	2	To be booked	
Resource Planning	2	To be booked	
Estates – Buildings Health and Safety	2	To be booked	
ICT – Cyber Security Maturity Assessment	3	To be booked	
Debtors	3	To be booked	
Firearms Licensing	3	To be booked	
Treasury Management and Banking	4	To be booked	
Performance and Insight CC Assurance	4	To be booked	
Financial Sustainability – Business Planning	4	To be booked	
HMICFRS Action Plan	4	To be booked	
Follow-up	1 - 4	To be booked	

KEY:

 To be commenced

 Site work commenced

 Draft report issued

 Final report issued

Briefings on developments in Governance, Risk and Control

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

Summary of recent Client Briefing Notes (CBNs)

CBN Ref	Subject	Status	TIAA Comments
CBN - 22010	Increased Cyber Security Risks		<p>Action Required - Urgent</p> <p>Organisations are advised to review their key operational Cybersecurity arrangements and take appropriate remedial action.</p>
CBN - 202014	Deadline for the Withdrawal of Old Style £20 and £10 notes		<p>Information Only</p> <p>This is for information purposes. All staff within affected service lines such as cashiers, retail assistants and other should be made aware of the process for handling withdrawn notes. All relevant notes held should be banked before 30th September 2022.</p>



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

Audit Strategy 2022/25 and Annual Plan 2022/23

2022/23

April 2022

DRAFT



OVERVIEW

Introduction

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

Key Emerging Themes

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

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

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

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

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

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

Providing Assurance during the COVID-19 pandemic

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

Adequacy of the planned audit coverage

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

INTERNAL AUDIT PLAN

Audit Strategy Methodology

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

Risk Prioritisation

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

Internal Audit Strategy and Plan

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

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

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

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

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

Release of Report

The table below sets out the history of this plan.

Date plan issued:	2 nd March 2022
Revised Plan issued:	9 th June 2022

APPENDIX A: ROLLING STRATEGIC PLAN

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

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

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

APPENDIX B: ANNUAL PLAN – 2022/23

Quarter	Review	Type	Days	High-level Scope
1	Risk Management Framework (PCC/Force)	Assurance	10	<p><u>Rationale</u></p> <p>It is important that the organisation has effective arrangements for identifying and managing risks.</p> <p><u>Scope</u></p> <p>The review considers the overall arrangements for managing risk within the organisation, including the risk management framework, risk strategy and appetite, identification, monitoring and reporting of risk. The scope of the review does not include providing assurance that all the business significant risks have been correctly prioritised.</p>
1	Force – Personal Safety Training	Assurance	15	<p><u>Rationale</u></p> <p>Training has been disrupted by the pandemic for the last two years.</p> <p><u>Scope</u></p> <p>The review will consider the delivery of Personal Safety Training (PST) in accordance with the College of Policing Guidance on PST. The review will also assess the actions taken to address the reduced training provided during the pandemic to bring training delivery back to the expected level.</p>
1	Security of Seized Proceeds of Crime (Cash and Assets)	Assurance	12	<p><u>Rationale</u></p> <p>Clear processes are required to effectively manage recovered property and seized monies.</p> <p><u>Scope</u></p> <p>The audit will appraise the effectiveness of controls for dealing with recovered property, including evidential property and in particular the arrangements for securing and storing of seized monies and the processing of items.</p>
2	Domestic Violence Protection Orders	Assurance	12	<p><u>Rationale</u></p> <p>A reactive rather than proactive process may lead to a less efficient use of time for Legal Services staff and Constabulary staff.</p> <p><u>Scope</u></p> <p>The review considers the arrangements for identifying, requesting, obtaining and the action taken for Domestic Violence Protection Orders.</p>
2	Management of Overtime	Assurance	15	<p><u>Rationale</u></p> <p>Overtime is a significant area of expenditure and potential overspend for the Constabulary.</p> <p><u>Scope</u></p> <p>The review will consider the strategic arrangements for the management of overtime including: Overtime Policy and Processes, use of the Crown system, auto approvals, financial controls, overtime planning arrangements and changes to planned overtime.</p>

Quarter	Review	Type	Days	High-level Scope
2	Estates – Buildings Health and Safety	Assurance	10	<p><u>Rationale</u></p> <p>The organisation has a moral, legal and financial obligation with regard to health and safety of its staff, contractors, partners and visitors. .</p> <p><u>Scope</u></p> <p>The review considers how the organisation monitors and meets its health and safety obligations in relation to: water hygiene; fire risk assessments; asbestos; and periodic electrical testing. There will be an additional focus on health and safety in relation to buildings that have had reduced use during the Pandemic.</p>
3	ICT – Cyber Security Maturity Assessment	Assurance	10	<p><u>Rationale</u></p> <p>There is a high reliance on ICT systems and a service failure represents a significant risk.</p> <p><u>Scope</u></p> <p>The scope of the review will examine the overarching governance arrangements in place and will include a maturity assessment to assess the management processes in designed to reduce the likelihood and impact of a cyber-incident:</p> <ul style="list-style-type: none"> • Cyber Governance Arrangements • Information Risk Management, • Secure Configuration, • Network Security, • Managing User Privileges, • User education and awareness, • Incident Management, • Malware Prevention, • Monitoring, • Removable Media Controls, • Home/Mobile Working. <p>The output from the review will be an advisory report that identifies management aspirations for maturity in each area, alongside a self-assessment, and independent audit view of the maturity position. This will be supplemented by current plans for improvement in each area. Where governance and maturity gaps exist our report will outline opportunities for improvement.</p>

Quarter	Review	Type	Days	High-level Scope
3	Debtors	Assurance	8	<p><u>Rationale</u></p> <p>Debtors is a key financial system that is subject to cyclical review.</p> <p><u>Scope</u></p> <p>The review considers the raising of debtor accounts, collection of income, receipting, storage and banking of income received by the organisation. The scope of the review does not include identification of the activities giving rise to income for the organisation, the basis of calculating the rates to be charged or that all income receivable has been identified.</p> <p>The review will also consider the effectiveness and success of the approach in meeting targets.</p>
3	Firearms Licensing	Assurance	12	<p><u>Rationale</u></p> <p>Recent incidents in England have highlighted the risk in relation to the licencing of firearms and the heightened associated reputational risk. In addition, new Statutory Guidance was introduced in November 2021.</p> <p><u>Scope</u></p> <p>The review will assess compliance with the Statutory Guidance that came into force in November 2021 and Force policy for Firearms Licensing.</p>
3	Resource Planning	Assurance	15	<p><u>Rationale</u></p> <p>Effective planning and identification of needs is key in ensuring the services are delivered in an efficient and cost appropriate manner.</p> <p><u>Scope</u></p> <p>The review will consider the arrangements in place for the duty management system and the arrangements to identify demand and allocate appropriate resources to ensure the effective and efficient delivery of services.</p>
4	Treasury Management and Banking	Assurance	10	<p><u>Rationale</u></p> <p>Key Audit risk area, completed every three years.</p> <p><u>Scope</u></p> <p>The review considers the arrangements for controlling the investment and borrowing arrangements; compliance with the organisation's overall policy; banking arrangements; reconciliations and the reporting to committee. The scope of the review does not include consideration of the appropriateness of any individual financial institution or broker or of individual investment decisions made by the organisation.</p>

Quarter	Review	Type	Days	High-level Scope
4	Performance and Insight CC Assurance	Assurance	12	<p><u>Rationale</u> A new Performance and Insight Team is being put in place.</p> <p><u>Scope</u> The review will assess the introduction of the Performance and Insight Team and consider performance governance at Corporate and Tactical levels. The scope will be developed further once the Performance and Insight Team is fully operational.</p>
4	Financial Sustainability – Business Planning	Assurance	15	<p><u>Rationale</u> Financial pressures for the OPCC and Force are identified in the Strategic Risk Register.</p> <p><u>Scope</u> The review will consider the action taken to identify savings in the Medium Term Financial Forecast, the monitoring of progress against the targeted savings and how financial sustainability will be achieved during this period of financial uncertainty for the Constabulary.</p>
4	HMICFRS Action Plan	Assurance	10	The review will provide assurance that actions to address findings and recommendations from the latest HMICFRS inspection report are being delivered.
1 – 4	Follow-up	Follow up	12	Follow-up of implementation of agreed priorities one and two actions from audit reports, ensuring the OPCC and the Chief Constable are implementing recommendations, and providing reports to the Joint Audit Committee.
1	Annual Planning	Management	2	Assessing the OPCC and the Chief Constable’s annual audit needs.
4	Annual Report	Management	2	Reporting on the overall conclusions and opinion based on the year’s audits and other information and providing input to the Annual Governance Statement.
1 – 4	Audit Management	Management	18	This time includes: meeting client management, overseeing the audit plan, reporting and supporting the Joint Audit Committee, liaising with External Audit and Client briefings (including fraud alerts, fraud digests and committee briefings).
Total days			200	

APPENDIX C: INTERNAL AUDIT CHARTER

The Need for a Charter

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

The Role of Internal Audit

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

Standards and Approach

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

Scope

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

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

Access

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

Independence

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

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

Conflict of Interest

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

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

Irregularities, Including Fraud and Corruption

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

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

Limitations and Responsibility

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

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

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

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

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

Liaison with the External Auditor

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

Reporting

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

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

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

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

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

Assurance Assessment Gradings

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

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

Data Protection

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

Quality Assurance

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

Joint Audit Committee Responsibility

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

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

Disclaimer

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

Performance Standards

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

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



Cumbria Shared Internal Audit Service
Internal Audit report for Cumbria Constabulary /
Cumbria OPCC
Audit of Resource Allocation / Workforce Planning

Draft Report Issued: 15th March 2022

Final Report Issued: 4th May 2022

Audit Resources

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Lead Auditor	Gemma Benson	gemma.benson@cumbria.gov.uk	07775111856

Audit Report Distribution

For Action:	Dave Stalker, Detective Superintendent – Head of People.
For Information:	Stephen Kirkpatrick, Director of Corporate Support.
Audit Committee:	The Joint Audit Committee which is due to be held on 22 June 2022 will receive the report.

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

Executive Summary

Background

This report summarises the findings from the audit of **Resource Allocation / Workforce Planning**. This was a planned audit assignment which was undertaken in accordance with the 2021/22 Audit Plan.

Resource allocation / workforce planning is important to the Constabulary because it contributes to overall constabulary performance. It ensures that the organisation has the right number of the right people, with the right skills, in the right jobs for the efficient and effective delivery of frontline policing to the people of Cumbria and the achievement of strategic objectives. Accurate and complete establishment data is important in this as it provides base information required for resource allocation / workforce planning including budgeted posts and the actual posts the Constabulary currently has in place.

Audit Approach

Audit Objectives and Methodology

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

Audit Scope and Limitations

The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was Stephen Kirkpatrick, Director of Corporate Support. 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:

- The arrangements to ensure the accuracy / completeness of the Resource Allocation Model (RAM).
- The arrangements for updating and maintaining the RAM, including any approvals required.

- Consideration of aspects to be aware of in the next stage of the workforce planning process – officer requirements / demand management.

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

Assurance Opinion

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

From the areas examined and tested as part of this audit review, we consider the current controls operating within Resource Allocation / Workforce Planning provide **Reasonable Assurance**.

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

Summary of Audit Findings and Recommendations

Controls were operating effectively in the following areas:

- All establishment data is recorded in the HR system (iTrent), and it is this data that is used to prepare the RAM.
- The RAM provides important information for resource allocation / workforce planning as it shows the budgeted establishment post figures as well as the actual, which can be drilled down on to obtain details of those in post.
- The scheme of delegation sets out who can authorise changes that would impact establishment data (the RAM).
- Establishment information is agreed and discussed at monthly workforce plan meetings, which include officers from a number of departments including HR, Finance, Central Services Department and Resource Coordination.

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

High	Medium	Advisory	Total
0	3	2	5

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

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

High Priority Issues:

- None Identified.

Medium Priority Issues:

- The recently introduced ‘structure change request form’ and any other upcoming developments to establishment change processes should be reviewed for effectiveness once they are embedded.
- Establishment changes are not always authorised in line with the scheme of delegation.
- The Workforce Data Officer role is key in maintaining accurate establishment data but there is no guidance on the tasks she performs that could be used to provide resilience in her absence.

Advisory issues:

- Arrangements to confirm and agree the accuracy and completeness of the establishment data in the Resource Allocation Model (RAM) moving forward are not yet formalised.
- The change to budgeted establishment spreadsheet is not consistently completed.

Director of Corporate Support Comments

I am pleased to observe that the recent Internal Audit review of Resource Allocation & Workforce Planning has achieved a reasonable level of assurance which I feel is a fair reflection of performance.

The lack of high priority recommendations illustrates that the relevant processes are broadly working effectively with established levels of governance and control in place. The three medium and two advisory recommendations have accurately captured the areas for development needed in order to move to a substantial assurance level in future.

The recommendations made are all accepted and will be progressed in line with the timescales agreed within the report, with some areas already being complete.

Whilst noting the areas for improvement, it is positive to note that the audit work identified that the establishment data is well recorded and is used to support effective workforce management (previously referred to as the Resource Allocation Model). Additionally, the report highlighted that the scheme of delegation is also being used effectively together with regular cross-functional planning meetings to manage the workforce.

The positive findings within this report are a credit to the People department, CSD, Finance and all involved in the effective management of our workforce.

Stephen Kirkpatrick
Director of Corporate Support
03/05/22.

Management Action Plan

Medium Priority

Audit finding	Management response
<p>Notification of changes and actioning them</p> <p>Changes to the budgeted establishment are recorded on the ‘changes to budgeted establishment’ spreadsheet before being made on the HR system (iTrent). These changes include establishment growth and reduction as well as changes to existing / budgeted posts (such as restructures within departments and using vacant posts to fund new posts). The scheme of delegation states that these types of changes should be agreed at Silver workforce meetings or at COG (depending on the specific change) but we were informed that they come in from various directions (other boards, via email, verbally and often indirectly) and in different formats, often with only limited information provided on the change.</p> <p>It was also noted that many changes recorded on the ‘changes to budgeted establishment’ spreadsheet are made in the HR system after the date they take effect. It was stated that there are several reasons for this including awaiting information needed to make the change, the Workforce Data Officer (WFDO) not being informed of the change, decisions being made but budget not yet being released, and requiring someone to be available within Crown Duties team to make the change on their system at the same time as iTrent is updated.</p> <p>These delays in updating the HR System will mean that the RAM establishment data may not be as accurate as it could be. The RAM is prepared at the start of each month (based on the previous month end) and the WFDO stated that she makes a determined effort to</p>	<p>Agreed management action:</p> <p><i>Improvements made to existing processes, including the ‘change to structure request form’, will be reviewed in six months, once embedded, to ensure they are working effectively.</i></p> <p><i>Further changes in the pipeline, including those that arise from the ‘change of circumstances’ task and finish group and any new electronic forms, will also be reviewed in the future once they have been established and embedded.</i></p>

<p>update the HR system with changes in the month they take effect from so that the RAM is as accurate as possible.</p> <p>It is hoped that the recent formalisation and introduction of a 'change to structure request form', to be completed for changes to existing / budgeted posts where there is no overall financial growth, will improve the process of notifying changes to the HR team along with the detail provided to make the change and will allow changes to be actioned more quickly (assuming Crown Duties Team have the resource).</p> <p>A COG report is still required for changes that involve growth or reduction in force budgeted establishment or for permanent or temporary growth where no funding is identified.</p> <p>In addition to the above, we were informed that changes to the individuals within posts (i.e. the actual figures and data in the RAM) occur frequently and are recorded on a 'change of circumstances spreadsheet'. Review of this spreadsheet also identified that some changes had been made after their effective date however it was stated that this area is currently under review with process changes being investigated.</p>	
<p>Recommendation 1:</p> <p>It should be ensured that, once embedded, the recently introduced change to structure request form and any further development to processes affecting establishment data are reviewed to confirm they are effective and work as intended.</p>	
<p>Risk exposure if not addressed:</p> <ul style="list-style-type: none"> • Governance arrangements around establishment changes are not effective; • Delays in updating establishment data; • Establishment data is not as accurate as it could be. 	<p>Responsible manager for implementing: HR Manager</p> <p>Date to be implemented: 10/2022 (existing processes)</p>

Medium Priority

Audit finding	Management response
<p>Approval of Changes to the Establishment</p> <p>Review of the ‘changes to budgeted establishment spreadsheet’ identified that many changes were shown as approved by individual officers. This is not in line with the Scheme of Delegation which states these types of change (change to existing / budgeted posts with no overall financial growth) can be approved by ‘Chief Superintendents / Directors through Workforce Silver’. We were told that senior officers were being reminded that any decisions concerning structure changes must go via Silver meetings, and whilst the email reminder issued did include the extract from the scheme of delegation it was focused on ensuring changes requiring COG approval first go via Silver.</p> <p>We were informed that when a temporary change ended it would require appropriate authorisation again if it was to continue. Evidence of approval to extend one ‘temporary’ change sampled could not be provided. We were informed that this extension was verbally notified to the WFDO by HR. Whilst this example was different to most (as it related to a long standing counter terrorism secondment post which is externally funded with a formal agreement in place to facilitate specific numbers of officers), it was stated that going forward such extensions would be taken to Silver workforce meeting to note.</p>	<p>Agreed management action:</p> <p><i>The Head of People has communicated the routes that should be used for establishment changes to Commanders / Senior Officers in an email and COG has recently signed off the Scheme of Delegation.</i></p> <p><i>A sense check of approvals recorded on the changes to budgeted establishment spreadsheet will be undertaken in 6 months to ensure approval of changes is in line with the Scheme of Delegation.</i></p>
<p>Recommendation 2:</p> <p>It should be ensured that all changes to the establishment are appropriately authorised in accordance with the Scheme of Delegation.</p>	
<p>Risk exposure if not addressed:</p> <ul style="list-style-type: none"> Establishment changes are incorrectly authorised; 	<p>Responsible manager for implementing:</p> <p>Head of People</p>

<ul style="list-style-type: none"> • Non-compliance with required authorisation process. 	<p>Date to be implemented: 10/2022</p>
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Medium Priority

Audit finding	Management response
<p>Workforce Data Officer Role</p> <p>The Workforce Data Officer (WFDO) role is key in preparing the RAM and ensuring the establishment data in it is maintained up to date and is accurate. However, there is nothing documented on the tasks she performs to ensure that this important role could continue in her absence.</p> <p>We were informed that the WFDO is the person responsible for updating the HR system (iTrent) budgeted establishment data and that currently only one other person has the system access required to be able to do this and create ‘posts’ in the system.</p> <p>It was also noted that some of the tasks performed by the WFDO are not documented meaning there is no evidence of them being undertaken which could make them easy to overlook in her absence. These include the monthly reconciliation of the changes to budgeted establishment spreadsheet to the RAM and the reconciliation of total RAM and Workforce plan establishment figures.</p>	<p>Agreed management action:</p> <p><i>Other individuals within the HR department have been trained to undertake the tasks on iTrent in the absence of the Workforce Data Officer.</i></p> <p><i>System Admin have trained other individuals in CSD to update budgeted establishment data and create posts.</i></p>
<p>Recommendation 3:</p> <p>Information / guidance on the work undertaken by the WFDO should be documented and it should be ensured that there is capacity and resilience within the HR team to perform this important role.</p>	

<p>Risk exposure if not addressed:</p> <ul style="list-style-type: none"> • Lack of resilience around establishment changes in the absence of the WFDO; • Establishment changes are delayed leading to inaccurate data. 	<p>Responsible manager for implementing: HR Manager</p> <p>Date to be implemented: Complete</p>
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Advisory Issue

Audit finding	Management response
<p>Accuracy / Completeness of the Resource Allocation Model (RAM)</p> <p>The RAM includes budget and actual establishment figures against posts for both police officer and police staff roles and is created from data extracted from the HR system (i-Trent). Details of the people in each post can also be obtained by double clicking on the actual figures in the RAM.</p> <p>Significant work was undertaken to update and agree the RAM with reconciliation exercises being undertaken with departmental leads / managers before the data was taken to Commanders / Senior Officers for sign-off.</p> <p>This sign-off by Commanders / Senior Officers was not formally documented and we were informed that it has been acknowledged that the RAM process requires more formal approval with a plan to provide a high-level overview to COG annually including posts created and ended during the year. The Workforce Data Officer also stated that she planned to introduce an annual budget and actual establishment reconciliation exercise to ensure data accuracy moving forward.</p>	<p>Agreed management action:</p> <p><i>A Strategic Workforce Planning Meeting now takes place every month which ratifies agreed establishment changes and ensures they are correctly reflected on the establishment. The meeting includes the Head of People, HR Manager, Chief and Deputy Chief Finance Officer, Senior Finance Officer and the Workforce Data Officer.</i></p>
<p>Recommendation 4:</p>	

<p>Arrangements to ensure the accuracy and completeness of RAM establishment data, and document its agreement, moving forward should be formally established.</p>	
<p>Risk exposure if not addressed:</p> <ul style="list-style-type: none"> • Inaccurate RAM establishment data; • Inaccurate data used to inform resource allocation / workforce planning decisions; • No evidence of senior oversight / agreement of establishment data. 	<p>Responsible manager for implementing: Head of People</p> <p>Date to be implemented: Complete</p>

Advisory Issue

Audit Finding	Management response
<p>Completeness of Changes to budgeted establishment spreadsheet</p> <p>We were informed that all changes to budgeted establishment, structure changes and changes to posts are recorded on a ‘changes to budgeted establishment’ (CBE) spreadsheet before being made on the HR system.</p> <p>However, one change example provided could not be traced to the spreadsheet. It was stated that this related to a significant amount of change that was documented separately but that it had now be added to the spreadsheet for transparency. It was noted that the decision-making forum column was not completed when the post changes were added.</p> <p>Review of the spreadsheet also identified that a few changes were not recorded as having been completed in iTrent and that further clarity could have been provided against some changes including the reason / explanation for change such as:</p> <ul style="list-style-type: none"> • one which just states ‘post should not exist’ and makes no reference to who identified it / how this was identified or the approval for it; 	<p>Agreed management action:</p> <p><i>The introduction of the ‘change to structure request form’, the ratification of establishment changes at Strategic Workforce Planning meetings and the reminder email issued to Commanders / Senior Officers helps to mitigate the risks of a lack of transparency around changes and origins / reasons for changes being unclear.</i></p> <p><i>We recognise the value of an auditable trail of lower level changes and take on board the recommendation. Given the frequency of lower level changes that occur in the Constabulary to enable fluidity within the force, we will weigh up</i></p>

<ul style="list-style-type: none"> • one that just states ‘establishment correction’ and doesn’t include an action against it (e.g. new, end, increase) and; • some that stated ‘outstanding’ in the decision making column. <p>It was also stated that corrections made to the establishment are recorded on the CBE spreadsheet such as post title changes, budget adjustments where roles can be undertaken by either a Police Constable or Detective Constable, changes identified during a reconciliation exercise and changes made to support the Crown Duties system. Although these changes are more minor and do not require COG or Silver workforce approval it was noted that not all of them have the same level of detail recorded against them on the CBE spreadsheet e.g. who/where the change originated from. Consistent completion of the CBE spreadsheet and inclusion of who requested the change would allow for greater transparency, a clearer audit trail of changes made and would help if any queries arose in relation to them.</p>	<p><i>the cost / benefit of maintaining the CBE spreadsheet in this level of detail to determine whether we can aspire to it in the future.</i></p>
<p>Recommendation 5: It should be ensured that the changes to budgeted establishment spreadsheet is consistently completed and includes the origin of the change.</p>	
<p>Risk exposure if not addressed:</p> <ul style="list-style-type: none"> • Lack of transparency around establishment changes; • Origin of / reason for changes are unclear. 	<p>Responsible manager for implementing: Head of People Date to be implemented: Complete (mitigating actions) Cost / benefit analysis – to be determined</p>

Audit Assurance Opinions

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

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

Grading of Audit Recommendations

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

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

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Cumbria Shared Internal Audit Service
Internal Audit report for Cumbria Constabulary /
Cumbria OPCC

Audit of Duties Management (Crown system)

Draft Report Issued: 5th May 2022

Final Report Issued: 24th May 2022

Audit Resources

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Audit Report Distribution

For Action:	Carl Patrick, Superintendent Stuart Henderson, Senior ICT Project Manager
For Information:	Robert Carden, Temporary Deputy Chief Constable
Audit Committee:	The Joint Audit Committee which is due to be held on 22 nd June 2022 will receive the report.

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

Executive Summary

Background

This report summarises the findings from the audit of **Duties Management (Crown system)**. This was a planned audit assignment which was undertaken in accordance with the 2021/22 Audit Plan.

A new Crown Duties Management System was implemented in February 2021. The system aims to allow the Constabulary to better serve the public by scheduling staff more effectively, including having immediate access to details of staff skillsets to ensure that staff with required skills can be allocated to shifts. The system automatically calculates overtime and time off in lieu thereby reducing paperwork.

At the time of undertaking the fieldwork for this audit, Phase 2 of the Crown system implementation project was underway and a Service Design Project was being undertaken to determine how the Team should be resourced and structured.

Audit Approach

Audit Objectives and Methodology

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

Audit Scope and Limitations

The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was Superintendent Carl Patrick. 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:

- System Access controls

- Shift management controls e.g. ensuring minimum staffing levels maintained and that appropriately skilled officers are on shift at the right time, resourcing specific events
- Training provided to the users of the Crown System
- Interaction between the Crown System and other systems
- Reporting facilities available and used within the Crown System
- Future development of the duties management system.

Assurance Opinion

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

From the areas examined and tested as part of this audit review, we consider the current controls operating within Duties Management (Crown system) provide **Reasonable Assurance**.

This opinion recognises the level of controls operating around the Crown system and notable strengths as set out below. A significant amount of work has been undertaken to get the system to the current position. However, at the time of our audit testing, developments were still underway to ensure that the system is used to its full potential given the additional functionality purchased by the Constabulary.

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

Summary of Audit Findings and Recommendations

Controls were operating effectively in the following areas:

System access controls

- Bespoke templates are set up for users and control access to personal information.
- Templates are set up for supervisors and end-users based on administration rights. Sample testing confirmed that individuals are on the appropriate template based on their job role.
- Access levels were determined in line with Data Protection legislation, and we were advised that there was input from the Data Protection Officer.

Shift Management controls

- Shifts are planned 13 months in advance, on a rolling basis, based on various shift patterns in operation. This enables long term planning based on known events, ensuring the right numbers of officers with the required skills are available.
- Minimum staffing levels are set up in the system by shift. Resource Co-ordinators carryout a visual check in the Workforce Scheduling Tool (WFS). If minimum staffing levels have been breached this is highlighted so action can be taken.
- Staffing levels for major operations / events (for example Appleby Fair) have their own roster. Required skill sets are built into the roster and officers are moved from their usual roles into the event roster to ensure that the operation / event has the right level of people with the required skills to undertake the duties required. Setting up separate rosters for major operations / events also aids reporting and cost / overtime coding.
- For planned major events, restricted leave periods are added to officers' annual leave calendars so that they know leave cannot be requested during these periods in order to maintain the required staffing levels.
- Staff and officers cannot swap their own shifts. Responsibility for swapping shifts rests with Supervisors or Resource Co-ordinators thereby ensuring that adequate resource with the right level of skills will be available.
- Arrangements are in place to allow officers to move roles or geographical location to ensure that there is appropriate cover in place.

Training provided to the users of the Crown system

- A full programme of training was delivered to Supervisors following go live of the system. Drop-in sessions were available for end users and a Resource Co-ordination intranet page has been developed to support officers and staff with key training guides available.
- Each member of the Resource Co-ordination Team has received a five day superuser course with team members specialising in difference areas of the system.
- Instructions on how to use the Crown system are available for staff.

Interaction between the Crown system and other systems

- Interfaces exist between the Crown system, HR, Payroll and Command and Control systems. A 'data import rejection' tool within the Crown system flags overnight import failures and the reason. Individual lines can be drilled down to show a dialogue box which shows the reject reason. Interface success and failures are monitored and addressed.

- Workarounds are currently in place for 6 outstanding issues between iTrent (HR) and Crown.

Reporting facilities available and used within the Crown system

- A suite of management reports is available within the system and can be accessed based on permissions. It is managers' responsibility to access and run the reports unless they have requested scheduled reports. The team can see whether system reports have been viewed by managers.

Future development of the duties management system

- All modules of the Crown system have been purchased. At the time of the audit the auto approval of annual leave was the final part of the project to be delivered prior to project closure in April 2022.

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

High	Medium	Advisory	Total
0	1	0	1

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

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

High Priority Issues: None identified

Medium Priority Issues:

- System developments underway at the time of the audit should be concluded to ensure that the system delivers the intended benefits and efficiencies.

Advisory issues: None identified

Temporary Deputy Chief Constable Comments

I am satisfied with the actions taken by line managers to address the issues identified. Progress will be monitored via the Digital Board.

The report can now be finalised and reported to the next meeting of the Joint Audit Committee.

R J Carden

Management Action Plan

Medium Priority

Audit finding	Management response
<p>Further development of the system in Phase 2</p> <p><u>Interfaces</u> We were informed that further development work was underway, to enhance the Command and Control and Period of Absence interfaces, as part of Phase 2 of the project.</p> <p>At the time of our review there were 6 interface issues between ITrent (HR) and Crown. Meetings had been scheduled with the consultants to investigate the ongoing issues so that fixes can be developed. In the meantime, workarounds are in place to deal with the issues.</p> <p><u>Auto approval of annual leave</u> At the time of the audit fieldwork we were informed that auto approval of annual leave was still to be delivered for the project. It was envisaged that this would be concluded by project closure in April 2022. As this element of the system was not in place at the time of the review, Internal Audit has not looked at the controls in place for this aspect of the system.</p> <p><u>Reporting facilities</u> As part of Phase 2 of the Crown system implementation, management are looking at how to make the best use of the system in the future, thereby maximising the benefits of the investment made. We were informed that a piece of work was in progress looking at the types of information being reviewed at monthly bronze, silver and gold meetings and how beneficial the reports are.</p>	<p>Agreed management action: After the audit fieldwork was completed and the report was drafted, the project ended, and the objectives delivered. As a consequence, the recommendation has been actioned. The project ended formally on 30th April 2022, as a result there is no further work to be done.</p>

<p>Recommendation 1: Management should ensure the system developments underway are concluded to ensure that the benefits of the new system are fully realised, and efficiencies are maximised.</p>	
<p>Risk exposure if not addressed:</p> <ul style="list-style-type: none">Investment and benefits from implementing the new system are not fully realised.	<p>Responsible manager for implementing: Superintendent Carl Patrick Date to be implemented: Complete</p>

Audit Assurance Opinions

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

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

Grading of Audit Recommendations

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

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



Cumbria Shared Internal Audit Service
Internal Audit report for Cumbria Constabulary /
Cumbria OPCC

Audit of Establishment Processes - Recruitment

Draft Report Issued: 19th May 2022

Final Report Issued: 31st May 2022

Audit Resources

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Audit Report Distribution

For Action:	Dave Stalker, Detective Superintendent – Head of People. Charlotte Nutter, Temporary Chief Inspector – Head of People.
For Information:	Stephen Kirkpatrick, Director of Corporate Support.
Audit Committee:	The Joint Audit Committee which is due to be held on 22 nd June 2022 will receive the report.

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

Executive Summary

Background

This report summarises the findings from the audit of **Establishment Processes - Recruitment**. This was a planned audit assignment which was undertaken in accordance with the 2021/22 Audit Plan.

Recruitment is very important to the organisation because it is the process used to determine who will join the Constabulary workforce.

A new recruitment module was implemented in August 2021, turning recruitment from a paper-based process into a primarily digital one. This implementation was part of the wider Business Transformation Programme aimed at improving processes and achieving process efficiencies. Applications are now made online and recruitment stages, their outcome, correspondence and documentation are recorded in the module.

Audit Approach

Audit Objectives and Methodology

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

Audit Scope and Limitations

The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was Stephen Kirkpatrick, Director of Corporate Support. 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:

- The project plan for, and governance of, the implementation of the recruitment module
- Controls within the system and timescales to complete different parts of the recruitment process
- Sample testing of police officer and staff recruitment (both internal and external) through the newly established recruitment module process.

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

Assurance Opinion

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

From the areas examined and tested as part of this audit review, we consider the current controls operating within recruitment provide **Reasonable Assurance**.

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

Summary of Audit Findings and Recommendations

Controls were operating effectively in the following areas:

Project plan for, and governance of, the implementation of the recruitment module

- A project board was in place for the recruitment module implementation project which met monthly and had minutes of its meetings documented.
- The project had a terms of reference setting out key aspects of the project including deliverables, scope and exclusions, principal stakeholders and governance structure.
- A project plan was in place for the project which included project stages broken down into specific tasks, start and end dates and any named resources.
- A governance, roles and responsibilities document was prepared for the project which included a RACI chart (responsible / accountable / consulted / informed) setting out Project Board and Project Team responsibilities.
- Staff from HR, Central Services and ICT were on the Project Board and Project Team to provide an appropriate mix of skills and knowledge.
- Project risks were captured in a RAID (risks / assumptions / issues / decisions) log which was reviewed monthly at Project Board Meetings.

- Training sessions were held on the new module, with user guides and videos also prepared which are available to staff on a sharepoint page.
- User Acceptance Testing was undertaken and signed off by the Project Board, as were the decision to go live with the recruitment module and to close the project and handover to Business as Usual.
- The End Project Report was reported to the Digital Transformation Board as well as the Project Board.

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

High	Medium	Advisory	Total
0	2	0	2

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

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

High Priority Issues: none identified

Medium Priority Issues:

- Further work is required to ensure all required information can be obtained from the recruitment module and to determine whether all identified benefits of implementing the module have been realised.
- Since the implementation of the recruitment module, recruitment process and system changes / developments have taken place, and further changes are likely. Sample testing identified that not all required documentation had been retained or was readily available.

Advisory issues: none identified

Director of Corporate Support Comments

I am very pleased to note that the recent internal audit of Establishment Processes, specifically relating to Recruitment, has provided a Reasonable Assurance which I believe recognises the good many practices together with effective and collaborative working in place across a number of Corporate teams.

The review has identified a number of strengths regarding the controls and measures in place, making specific mention of the successful project to implement new recruitment functionality within our Human Resources system. This implementation was achieved alongside the review and development of new processes to streamline and improve recruitment from both the organisation and applicants' perspective.

The review has identified a small number of medium areas for development resulting in two recommendations which are both accepted by the Constabulary and will be addressed within the timescales agreed within the report.

The implementation of the new recruitment module and processes demonstrates a further step with the Constabulary's drive to continually improve services across all areas.

I would like to note my thanks to all involved in the project and the ongoing service provision.

Stephen Kirkpatrick

Director of Corporate Support

Management Action Plan

Medium Priority

Audit finding	Management response
<p>Moving Forward</p> <p><u>Reporting facilities</u></p> <p>Developing / writing reports to obtain information from the recruitment module was in progress at the time of drafting this report. The purpose of the reports is to provide management information and help to make the recruitment process more efficient. We were informed that there are no set or agreed timescales for the overall recruitment process, or the different stages of the recruitment process, and that the recruitment module does not hold information that would show reasons for any delays in the process. One of the reports being developed will help to identify any pinch points in the process and these will be assessed to determine if any action is required to make recruitment more efficient.</p> <p><u>Benefits</u></p> <p>Expected benefits from implementing the recruitment module were reviewed and assessed when the project was closed. However, the timing was probably too soon after implementation to determine if all benefits had been achieved and we were informed that they would be reviewed again in the second half of 2022 after the system was fully embedded and more data was available.</p>	<p>Agreed management action:</p> <p>The reporting from Recruitment has been developed and numerous reports have been produced and scheduled to run to assist the Recruitment Teams with their processes.</p> <p>The system records all the stages the applicant is at in the process and is time stamped when they move stages. This means that a report can show how long it takes an applicant to get through a process, and show what time is spent at each stage. However, we do not record on the system the reason for delays.</p> <p>Processes are being continually reviewed and improvements made where identified. This is a fortnightly meeting between CSD and HR to review any issues that arise and ensure the efficiency of the process.</p>
<p>Recommendation 1:</p> <p>Ensure that required recruitment reports are developed and that the review of benefits realised is undertaken.</p>	

	<p>The benefits are currently being reviewed by Business Leads to ensure all available are realised. Benefits identified to date have been realised</p>
<p>Risk exposure if not addressed:</p> <ul style="list-style-type: none"> • Recruitment information not easily accessible / available; • Recruitment and management of recruitment is inefficient; • Lack of clarity on whether the investment in the recruitment module achieved its expected benefits. 	<p>Responsible manager for implementing: Reporting facilities – Alison Hunter Business Benefits – Di Johnson & Ann Dobinson</p> <p>Date to be implemented: 31 August 2022</p>

Medium Priority

Audit finding	Management response
<p>Sample Testing <u>On-going development of the process</u> We were informed that the recruitment process has been further developed since the system was initially implemented, as in practice, many of the ‘stages’ originally built into the system are not required, or don’t add to the process, so are not used. For example, rather than an applicant being moved to the ‘successful after checks’ stage (where no action is required and no workflow is initiated from) they can be moved straight to the ‘offer’ stage as they would only be moved to this stage if checks had been successful.</p> <p>Sample testing confirmed that recruitment processes have been changed / refined since the implementation of the module. Discussions indicated that further changes may be made. The Payroll and Transactional Services Manager and a Senior HR Advisor are</p>	<p>Agreed management action:</p> <p>Medical Forms To clarify the procedure followed in the initial Recruitment process was that CSD were to delete forms for data protection purposes, as forms to be actioned were sent to OHU for recording. As stated, this process has since been updated and OHU are retaining forms and recording on Recruitment module</p> <p>Vetting forms/recording</p>

currently meeting fortnightly to discuss any issues and processes and to look for improvements that can be made, with issues fed in from the recruitment teams.

Information recorded in the module varied for some of the sample tested due to ongoing developments in the recruitment process and how information was recorded. In addition, the external police officer recruitment was added to the module at the stage they were at in the recruitment process when the module was introduced.

Examples include:

- Three of the five external police staff sample did not have a medical check result recorded in the module. We were informed that initially CSD staff triaged medical forms when they were returned by applicants, and if no issues were raised on the form, it was not sent to occupational health, and nothing was recorded on the recruitment module. We could not confirm that medical information was provided for these three cases as we were told that the forms were deleted. The process has since been changed so that all medical forms go to occupational health, and they record a pass / fail medical check against applicants in the recruitment module.
- Two of the five external police staff sample had no ID / qualification documents attached against their record in the recruitment module and we could not confirm that they had been provided. We were informed that one was before it had been determined how documents were going to be stored and that after copies had been received, they were deleted as the email address they came to was not solely for recruitment and it was considered inappropriate to retain them in the generic email area. The other was a problem where the applicant was unable to upload them to their application. We were informed that copies had been obtained and were held in the recruitment specific email inbox but at the time of drafting this report evidence of

The workflow has been set up to go to vetting to ask them to carry out the checks, once they have done the checks, they record this on the system and a workflow is sent to the Requisition Administrator to let them know to advance the applicant. The system was working but the staff in Vetting were not completing the recording on the system the results, they are all doing it now.

Since the audit, CSD have produced a report from the Recruitment system to show any recording of vetting that was missing. This report was sent to the Vetting Department, and they have updated the relevant records on the system.

This process is now working correctly, and Departments are aware of their obligations, would suggest that this recommendation is reduced to an advisory and we include the further sample testing in 6 months time.

<p>this had not been provided. Another of the five had a document provided by email deleted after checking, though the documents they uploaded with their application form were retained against their record in the recruitment module.</p> <ul style="list-style-type: none"> • Two of the five external police officer sample did not have qualifications attached against their record in the recruitment module. It was stated that the majority should be attached but that sometimes there was an issue with the size of a document meaning it was saved on a drive on the constabulary network rather than in the system. It was confirmed that copies of qualifications are held for the two that were not in the system. • Vetting check results were not recorded in the recruitment module for ten of the twenty recruitments sampled. We were informed that initially Vetting staff were informing results via email instead of directly entering a pass/fail result in the system as they do now. Confirmation of vetting checks was subsequently provided for four of the ten, one was stated as confirmed verbally and at the time of drafting this report nothing had been provided for the remaining five. 	
<p>Recommendation 2: Ensure that once ongoing recruitment process / system developments are implemented that they are fully embedded and working as intended. Further sample testing, at a later date, would help confirm compliance with the requirements and that relevant supporting evidence and documentation has been retained and is readily available for review.</p>	
<p>Risk exposure if not addressed:</p> <ul style="list-style-type: none"> • Changes to processes are not understood and complied with; • All required recruitment information is not obtained / retained. 	<p>Responsible manager for implementing: HR Manager Date to be implemented: Oct 2022</p>

Audit Assurance Opinions

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

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

Grading of Audit Recommendations

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

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

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Cumbria Shared Internal Audit Service
Internal Audit report for Cumbria Constabulary
Audit of the Business Transformation Project:
Finance (phase 2)

Draft Report Issued: 24th March 2022

Final Report Issued: 31st May 2022

Audit Resources

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Audit Report Distribution

For Action:	Roger Marshall (Joint Chief Finance Officer)
For Information:	Robert Carden (Temporary Deputy Chief Constable)
Audit Committee:	The Joint Audit Committee which is due to be held on 22 nd June 2022 will receive the report.

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

Executive Summary

Background

This report summarises the findings from the audit of the **Business Transformation Project: Finance (phase 2)**. This was a planned audit assignment which was undertaken in accordance with the 2021/22 Audit Plan. Phase 1 of the Finance Business Transformation Project was reviewed as part of the 2020/21 Audit Plan and received a **Reasonable** assurance opinion.

Business transformation activity is important to the organisation because it helps to make organisational savings and address inefficiencies in ways of working. This contributes directly to the strategic priority of spending money wisely and the delivery of objectives in the Police and Crime Plan for Cumbria 2016-20 and Vision 2025.

Phase 1 of the Finance and Procurement Project workstream, which was part of the wider Business Transformation Programme ended on the 23rd of November 2020, once the final modules went live. It was agreed that several pieces of functionality, de-scoped from the Go Live period, would be delivered post go live as part of phase 2.

Phase 2 provides an opportunity to deliver tasks outstanding from phase 1, undertake housekeeping activity, deliver training and make continuous improvements. There have been some set backs, such as the Constabulary's partner organisation losing their expertise to deliver and support the Enterprise Planning Module, difficulties extracting and presenting data such as monthly budget monitoring reports and issues around the quality of accruals data required for year end purposes. However, the Constabulary has demonstrated that plans can be swiftly put in place and managed to address issues as they arise and move forwards with the project.

Audit Approach

Audit Objectives and Methodology

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

Audit Scope and Limitations

The Audit Scope was agreed with management prior to the commencement of this audit review. The Client Sponsor for this review was Roger Marshall (Joint Chief Finance Officer). 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:

- Decision making around the project is documented and supported by clear rationale e.g. areas to be progressed, postponed or removed from the project plan.
- Staff awareness and understanding of the new systems and processes, including report writing.
- Arrangements for identifying and progressing any outstanding tasks, further work and improvements.
- Scheduling, monitoring and reporting on progress on planned work.

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

Assurance Opinion

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

From the areas examined and tested as part of this audit review, we consider the current controls operating around the Business Transformation Project: Finance (phase 2) provide **Reasonable Assurance**.

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

Summary of Audit Findings and Recommendations

Controls were operating effectively in the following areas:

- A Design Authority group has been established to provide direction, oversight and leadership of phase 2 of the project. The Design Authority group meets on a monthly basis to oversee progress with outstanding tasks and improvement activity. The group regularly feeds into the Corporate Services Design Project Board within the wider governance structure.
- Nominated staff across Finance, Procurement, Central Services and ICT have been allocated to the project to provide an appropriate mix of skills and knowledge.
- Project risks are captured within a RAID (Risks, Assumptions, Issues and Decisions) Log for ongoing consideration and management. The RAID Log is presented to the Design Authority group on a monthly basis and the standing agenda confirms that time is allocated to reviewing and discussing the RAID Log at each meeting.
- A Design Authority Action Plan is in place that includes full task descriptions, responsibility for individual tasks, realistic target dates, status indicators and regular progress updates.
- Time for training on new systems and processes has been allocated and prioritised throughout the project. Recently, this has included a series of formal report writing courses with Oracle to adequately address issues around data extraction and the development of standard monthly and quarterly monitoring reports.
- Staff are provided with opportunities to test new systems, provide feedback, share experiences and identify improvements. Some training sessions have been deliberately scheduled over more than one week to give staff time to practice what they have learnt and take any queries or issues to the trainer at the following session so they can be addressed.
- Staff across Finance, Procurement and Central Services have jointly attended a number of End-to-End Process Workshops for a better understanding of each teams' responsibilities, priorities and issues. Processes covered include purchase order creation and budget setting.
- Arrangements are in place to communicate regularly with staff and keep them updated on project progress, including timescales. This includes 1:1 sessions with individual staff members, daily team catch ups and monthly department meetings with follow up emails to reinforce messages relayed where necessary.

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

High	Medium	Advisory	Total
0	1	0	1

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

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

High Priority Issues: None identified.

Medium Priority Issues:

- Improvements are required to strengthen the governance arrangements in terms of finalising the Design Authority terms of reference, providing greater transparency around decision making, keeping risks under regular review and plans to report to chief officers on project outcomes and benefits realised.

Advisory issues: None identified.

Temporary Deputy Chief Constable Comments

I note the findings of the audit and recognise that the implementation of the new finance system hasn't been straightforward and continues to present challenges. I am committed to ensuring that business systems operate in a streamlined and efficient manner to support the operation of the Constabulary. I will continue to monitor progress in improving the operation of the finance system through the performance review process.

Rob Carden

T/Deputy Chief Constable

Management Action Plan

Medium Priority

Audit finding	Management response
<p>Governance Arrangements The audit review highlighted a number of issues around governance arrangements:</p> <p><u>Terms of Reference</u> A presentation was delivered to the Finance and Procurement Project Board in February 2021 setting out a proposed terms of reference for a Design Authority group (the Design Authority group is a project group to take the project forward into phase 2, progressing outstanding tasks and implementing improvements). The presentation sets out proposals for the group in terms of leadership, expectations and documentation. However, a final terms of reference document confirming these proposals and also setting out group membership, meeting frequency and accountability was not prepared. It would make sense to revisit the proposed terms of reference to fully clarify and finalise arrangements.</p> <p><u>Key Decisions</u> Minutes of Project Board meetings were taken during phase 1 of the Finance and Procurement project and they clearly demonstrated the level of discussion, scrutiny and challenge in support of decisions taken. However, minute taking was not continued into phase 2 of the project, as originally planned and set out in proposed terms of reference for the Design Authority.</p>	<p>Whilst terms of reference, an action plan and RAID log for the Design Authority are in place with the overall aim of ensuring continuous improvement in relation to the finance system, we will review the governance arrangements to ensure that they remain fit for purpose. This will include periodic updates as part of the benefits management process.</p>

Internal Audit acknowledge that minute taking is no longer standard practice in the Constabulary. Instead, reliance is placed on project plans, action notes and decision logs to capture key activity and decision taking. Supporting documentation around the Design Authority gives an indication of decisions taken but minutes of meetings would provide a greater level of transparency and evidence of the discussions that have taken place. As a minimum action notes and decision logs should give sufficient commentary on discussions that took place.

Risk Register

The RAID Log is a standing agenda item for monthly meetings of the Design Authority and there is an expectation that all risk owners update the log prior to each meeting. The Design Authority Risk Register was last updated on 6 December 2021 and doesn't include a date for the next review. Given the challenges and delays experienced in implementing the new system it is important for risks to be reviewed and managed on a regular basis.

Accountability

Firm plans are not in place to report to Management Board once the project is fully implemented and to provide assurance to chief officers that improvements have been fully delivered and benefits realised. This issue was also identified in a recent audit review of the inventory management module of the Oracle Fusion System and a recommendation was made to address this issue and has been added to the 'Monitoring of Audit Recommendations' document presented to each meeting of the Joint Audit Committee (JAC).

Recommendation 1:

<p>a) Management should ensure that project risks are reviewed on a regularly basis and a final report on outcomes and benefits realised is presented to the Management Board.</p> <p>b) Management should also consider finalising terms of reference for the Design Authority and making sure that if minutes are not taken at the Project Board that action notes and decision logs should give sufficient commentary on discussions that took place.</p>	
<p>Risk exposure if not addressed:</p> <ul style="list-style-type: none"> • Failure to achieve project (and strategic) objectives because governance arrangements around project delivery are inadequate. • Loss of reputation and trust arising from a failure to demonstrate transparency and fully record all key decisions. • Timely actions are not taken to address risks because risks are not being reviewed and managed on a regular basis. • Failure to demonstrate that the project has delivered expected results. 	<p>Officer responsible for Implementing: Joint Chief Finance Officer</p> <p>Date to be implemented: 31/07/2022</p>

Appendix A

Audit Assurance Opinions

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

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

Grading of Audit Recommendations

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

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



Cumbria Shared Internal Audit Service
Internal Audit report for Cumbria Constabulary &
OPCC
Audit of Financial Sustainability

Draft Report Issued: 6 April 2022

Final Report Issued: 1 June 2022

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Audit Report Distribution

For Action:	Roger Marshall (Joint Chief Finance Officer)
For Information:	Rob Carden (Temporary Deputy Chief Constable)
Audit Committee:	The Joint Audit Committee which is due to be held on 22nd June 2022 will receive the report.

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

Executive Summary

Background

This report summarises the findings from the audit of **Financial Sustainability**. This was a planned audit assignment which was undertaken in accordance with the 2021/22 Audit Plan.

Financial sustainability is important to both the OPCC and Constabulary because it contributes to the efficient and effective use of resources to support operational policing needs, directly supports the strategic priority of spending money wisely and helps with the delivery of objectives in the Police and Crime Plan for Cumbria 2016-20 and Vision 2025.

Robust financial planning is fundamental to financial sustainability and requires an understanding of demand pressures, long term financial resources and how sustainable it is to deliver priorities and services. This is particularly important at a time when Cumbria Constabulary, and the wider public sector, is facing increasing financial pressures, including the ongoing need to identify and deliver savings.

Audit Approach

Audit Objectives and Methodology

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

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 Roger Marshall (Joint Chief Finance Officer). 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:

- Identification and consideration of pressures that impact on financial sustainability
- Review of the budget, forecasts and the Medium Term Financial Forecast (MTFF)
- Risk management, scenario planning and financial modelling
- Plans to address savings gap and robustness of service plans.

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

Assurance Opinion

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

From the areas examined and tested as part of this audit review, we consider the current controls operating around Financial Sustainability provide **Reasonable Assurance**.

This opinion recognises the level of controls operating around financial sustainability and notable strengths, as set out below. However, an organisation's financial sustainability can change very quickly and historically we have seen that this can sometimes be due to external factors outside of their control (such as the 2008 financial crash, 2020 coronavirus pandemic or the current situation in Ukraine). Our assessment of 'reasonable assurance' also acknowledges, as does the OPCC and Constabulary in their reports, that there a number of future financial challenges including the potential impact of changes to the Police Funding Formula and the long term sustainability of the capital programme. The OPCC and Constabulary are fully aware of these issues and are working on some areas to address them such as the Productivity and Efficiency Plan - Innovation Programme, which sets out plans to deliver efficiencies and savings required in the Medium Term Financial Forecast. At the time of the audit the plan was being refreshed in light of the updated MTFF with in-year progress against the plan to be included in financial summary reports from December 2021 onwards. In addition, the PCC and Chief Constable are aware of the potential financial risks arising from Local Government Reorganisation (LGR) and the PCC taking on Fire governance. The financial implications of these will be built in to future MTFF if, or when they arise.

Budget monitoring reports are usually prepared for chief officers of both organisations on a monthly basis but the frequency of this lapsed during the early part of 2021/22 due to issues with forecasting and a conscious decision was taken to not produce the October 2021 financial monitoring report so that finance staff could focus on the 2022/23 budget preparation. However, reporting arrangements appear to be back to normal now and meeting minutes demonstrate that the Joint Chief Finance Officer continued to provide regular verbal reports on financial matters and that there was discussion of the budget position and longer term plans.

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

Summary of Audit Findings

Controls were operating effectively in the following areas:

- Risks around financial sustainability are captured in the strategic risk registers of both organisations and are reviewed on an ongoing basis by management. Risk at this level recognises uncertainty around government funding levels, potential changes to the police funding formula (to be implemented in 2023/24), inflationary pressures, changes to police pension contributions and the impact of national ICT initiatives
- The Medium Term Financial Forecast (MTFF) has been extended to cover a 5 year timeframe, in accordance with CIPFA best practice (previously the MTFF was a 4 year timescale)
- There is clarity around the approach to medium term financial forecasting and how it covers details of underlying assumptions, risks involved, savings required, costings and potential outcomes
- There is good consideration and assessment of the impact of local, regional and national factors affecting the 2022/23 budget and in the medium term to 2026/27
- There is clear identification and consideration of all income streams and their impact on the 2022/23 budget and in the medium term to 2026/27
- The 2022/23 budget includes 3.5% for police officer pay award which should be sufficient, given the Home Office's recommendation for a minimum pay rise of 2% for 2022/23. Currently, the MTFF includes realistic assumptions about future pay awards, a cumulative averaging of 2.19% per annum over the four years after 2022/23
- There are reasonable estimates for non-pay inflation within the MTFF from 2023/24 onwards, with a continuation of the sensible approach of using a higher rate for fuel and energy costs
- There is consideration within the 2022/23 budget of the continued impact of COVID-19 pandemic with the retention of a COVID recovery and renewal budget for 2022/23
- A detailed spreadsheet is in place which provides a way of building up the 2022/23 budget and MTFF and can be used to assess different scenarios using different rates for pay, non-pay, fuel and energy prices inflation, pension contributions, council tax and government grants
- Savings are clearly identified in the Medium-Term Financial Forecast and are to be achieved through a number of Vision 2025 initiatives. There are no unidentified savings in the 2022/23 budget
- There is a separate Reserves Strategy in place

- Finance presentations and reports show an awareness and understanding of current and future demand and the pressures on the service that impact on financial sustainability
- Monthly financial reports have been prepared since July 2021 (excluding October 2021) for chief officers of both organisations
- Quarterly budget monitoring is reported to the 'Public Accountability Conference' (with the exception of Q1 in 2021/22) with a summarised version prepared for the Police & Crime Panel
- In response to a recommendation from external audit, from December 2021 the Financial Summary reports to chief officers of both organisations have included details about in year progress on delivery of the savings plan
- The Joint Chief Finance Officer provides verbal updates at Joint Audit Committee (JAC) meetings as to latest financial position and longer-term financial outlook as part of the 'Corporate Update' agenda item. This helps JAC members to understand the current and future financial challenges faced by the PCC and Constabulary. Furthermore, a JAC development session took place in March 2022 that included a budget briefing presentation by the Joint Chief Finance Officer and Deputy Chief Finance Officer
- There is a separate Capital Strategy in place that outlines how capital expenditure plans are underpinned by various asset strategies (Digital, Data & Technology Strategy, Estates Strategy and Fleet Strategy) and linked to the Commissioner's Police and Crime Plan and the Constabulary's Vision 2025
- A ten-year capital programme is in place with plans about how it is financed but it should be noted that there is a £7.62m funding deficit after 2025/26.

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

High	Medium	Advisory	Total
0	3	0	3

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

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

High Priority Issues:

- None

Medium Priority Issues:

- The 2022/23 budget includes general inflation of 3.5% and at 5% for fuel and energy costs. This was not unreasonable, when preparing the budget, but we are now seeing much greater than expected increases in inflation. The Bank of England expects inflation to rise to around 8% in spring 2022, and perhaps even higher later this year, but to fall back over the next couple of years. The impact of this will need closely monitored. Although, budget scenario planning / sensitivity analysis considered changes of 0.5% to 1% there may be a need, moving forward, to extend the top end of the range used
- The ten year capital programme is now only fully funded for the four-year period to 2025/26 with an overall capital programme funding deficit of £7.62m by 2031/32 despite revenue contributions of over £3.7m per annum in the years 2026/27 to 2031/32. There may need to be further revisions to the capital programme, and it is highly likely that additional revenue savings will need to be found to help fund the longer term capital programme against a background of potential changes to the Home Office police funding formula which may mean further, and potentially more significant, revenue savings need to be found
- Unlike in previous years, the Quarter 3 financial summary, considered at the Public Accountability Conference (PAC) on 16 February 2022, was the first time in 2021/22 that a financial summary was publicly available on the PCC's website for taxpayers to get an overview of the financial position for 2021/22.

Advisory Issues:

- None.

Temporary Deputy Chief Constable Comments

I recognise that financial sustainability is critical to the successful long-term operation of the Constabulary and welcome the overall assessment that there are robust financial planning and management processes in place. The recent emergence of inflationary pressures in the world economy will undoubtedly filter through to all public sector organisations. The Constabulary is fully cognisant of the challenges this will present and will be providing enhanced scrutiny of the financial impact through the monthly budget monitoring process. We will also actively explore opportunities to identify savings to offset the effect of increased inflation in 2022/23. Over the medium term, I, alongside the newly appointed Assistant Chief Officer, will personally assume responsibility for ensuring that savings plans and the capital programme are actively developed and managed to ensure financial sustainability. The Constabulary and PCC remain committed to transparency in the reporting of their financial position.

Rob Carden
T/Deputy Chief Constable

Management Action Plan

Medium Priority

Audit finding	Management response
<p>Estimates and scenario planning</p> <p>The PCC's and Constabulary's overall approach to estimates and scenario planning is sound and has been for many years. This has included:</p> <ul style="list-style-type: none"> • Providing for annual pay awards over the lifetime of the MTFF • Providing for general inflation over the lifetime of the MTFF and using a higher rate for fuel and energy costs • Scenario planning on the 2022/23 budget and MTFF for some of the key assumptions (pay inflation, general inflation, fuel inflation, police pensions, local government pensions, council tax precept & council tax base and government grant) by assessing the impact of a change of 0.5% and 1% <p>In previous years changes in inflation, and particularly energy and fuel inflation, will not have been significantly outside of the ranges used in the budget and MTFF. However, there are a number of external factors that are impacting on general inflation and particularly on fuel and energy inflation.</p> <p>For the 2022/23 budget general inflation has been set at 3.5% and at 5% for fuel and energy costs. This was not unreasonable, when preparing the budget, but we are now seeing greater than expected increases in inflation.</p> <p>The Office of National Statistics (ONS) reported on 23 March 2022 that 'The Consumer Prices Index (CPI) rose by 6.2% in the 12 months to February 2022, up from 5.5% to January 2022. This is the highest CPI 12-month inflation rate in the National Statistic series</p>	<p>Agreed management action:</p> <p>Senior management and the finance team are very alive to the potential impact of inflation on the budget position.</p> <p>Whilst this is unlikely to be fully adequate volatile budgets such as energy, fuel and insurance are re-based each year. For example the electricity budget was increased by 23% in 2022/23.</p> <p>In the context of the current inflationary pressures a report on the potential impact of inflation in 2022/23 was submitted to the Chief Officer Group on the 3rd April. Current indications are that whilst there are likely to be overspends on some budget lines as a result of inflation these are considered manageable in the short term. The effect of inflationary pressures will continue to be closely monitored through the normal monthly management accounts process through the year.</p> <p>Exceptional reports may also be produced if the situation warrants it. We will also examine</p>

<p>which began in January 1997, and the highest rate in the historic modelled series since March 1992, when it stood at 7.1%'. Added to this the Bank of England reported on 18 March 2022 that 'We expect inflation to rise to around 8% in spring 2022 and perhaps even higher later this year. We expect it to fall back over the next couple of years'. The specific rates of increases in fuel and energy are likely to be even higher.</p> <p>Given these larger than expected increases there will be a need to closely monitor inflation rates and assess their additional impact, beyond that already included in the 2022/23 budget. Although the Bank of England has suggested that inflation will fall back over the next couple of years it would make sense to also consider 2023/24. In addition, given that scenario planning / sensitivity analysis has already looked at changes of 0.5% to 1% there may be a need, moving forward, to extend the top end of the range used to 2% to 5%.</p>	<p>the best way to communicate the effects of inflation, which may include extending the range of scenario planning. The latest report includes a scalable analysis which allows the effect of a variety of inflation scenarios to be modelled.</p>
<p>Recommendation 1:</p> <p>Management should closely monitor inflation rates and assess their additional impact, beyond that already included in the 2022/23 and 2023/24 budgets. Given the current rates of inflation management should consider extending to extend the top end of the range used to 2% to 5%.</p>	
<p>Risk exposure if not addressed:</p> <ul style="list-style-type: none"> • Insufficient provision made for inflation in annual budget and MTF. • Unexpected savings need to be delivered in current and future years. 	<p>Responsible manager for implementing: Roger Marshall Joint CFO</p> <p>Date to be implemented: 30/06/2022</p>

Medium Priority

Audit finding	Management response
<p>Capital Programme</p> <p>There is a separate ‘Capital Strategy’ in place which outlines how capital expenditure plans are underpinned by various asset strategies, which are linked to the Commissioner’s Police and Crime Plan and the Constabulary’s Vision 2025. There is a more detailed capital programme covering the next 10 years. Significant capital expenditure is planned for 2023/24 (£12.28m) and 2024/25 (£12.23m) on infrastructure replacement projects and planned replacement of the Territorial Policing HQ in West Cumbria at the end of the PFI Contract.</p> <p>Since the last capital programme was agreed in February 2021 there has been an increased number of new capital demands at a cost of around £4.9m plus increased costs for ESN (£3m) and Fleet (£3m). The impact of this is that the capital programme is now only fully funded for the four-year period to 2025/26. In years 5-10 of the programme there are some shortfalls with an overall capital programme funding deficit of £7.62m by 2031/32 despite revenue contributions of over £3.7m per annum in the years 2026/27 to 2031/32.</p> <p>By the end of 2023/24 historic capital grant and general capital reserves will have been fully utilised. This, in combination with the removal of capital grant from 2022/23, means that the capital programme becomes even more reliant on revenue contributions to support capital expenditure. There is a real risk that after 2025/26 the capital programme will no longer meet the ‘affordability, prudence and sustainability’ tests set out in the Prudential Code. This can only be addressed by reducing capital expenditure or further revenue contributions (£0.76m per annum over 10 years or £1.27m per annum over years 5-10). Most worrying is the £2.9m deficit in 2026/27 largely as a result of the increased cost of the Emergency Services Network (ESN) commonly known as ‘Airwave’.</p>	<p>Agreed management action:</p> <p>The Joint Chief Finance Officer has highlighted both to the Constabulary and PCC the need to ensure that savings are delivered to put both the revenue and capital budgets are put on a sustainable basis.</p> <p>The Chief Constable has instigated a Gold Group, part of whose remit is to develop a savings plan to address the medium term savings gap.</p> <p>In the current volatile financial situation both the MTFE and savings plans will be regularly updated to ensure that senior management are aware of the latest position.</p> <p>In relation to funding the capital programme, annual revenue support for the programme has been tripled in recent years and potential need to increase this further will be highlighted as part of budget planning options.</p>

<p>There may need to be further revisions to the capital programme, and it is highly likely that additional revenue savings will need to be found to help fund the longer term capital programme. There is also the potential that the Home Office review of the police funding formula could be implemented in 2023/24 and this may well mean further, and potentially more significant, revenue savings need to be found. Therefore, when considering the capital programme, and the options to address its longer term sustainability, there is a need to ensure that all potential factors are considered.</p>	
<p>Recommendation 2: Ensure that when considering options to address the longer term sustainability of the capital programme that all potential factors are considered e.g. likely impact of the review of the police funding formula (scheduled for implementation by 2023/24).</p>	
<p>Risk exposure if not addressed:</p> <ul style="list-style-type: none"> • Unsustainable capital programme which could impact on the ability of the PCC and Chief Constable to deliver strategic objectives • Additional / unexpected revenue savings need to be delivered in future years. 	<p>Responsible manager for implementing: Roger Marshall Joint CFO Date to be implemented: 31/12/2022</p>

Medium Priority

Audit finding	Management response
<p>Availability of financial summary reports provided at Public Accountability Conference (PAC)</p> <p>Management accounts for June 2021 (Q1) were not produced due to problems with forecasting and the first financial reports produced for 2021/22 were to 31 July 2021, and these went to Chief Officer Group (COG) and the Police and Crime Panel. However, there was no finance Public Accountability Conference (PAC) meeting held at the time that could have received a Quarter 1 report (had it been produced) or the report to 31 July 2021 so the financial information for the early part of 2021/22 was not provided publicly.</p> <p>The Quarter 2 financial summary was considered at the PAC on 3 November 2021 however, unlike previous meetings, the supporting reports were not attached to the agenda (for any of the agenda items) on the Police and Crime Commissioner's (PCC's) website. However, we were informed by management that it was published on the PCC's website under the Finance and Governance section.</p> <p>The Quarter 3 financial summary was considered at the PAC on 16 February 2022 and this time supporting reports were attached to the agenda on the PCC's website. The impact of this is that it was not until the meeting on 16 February 2022 that a summary was publicly available on the PAC agendas and papers for taxpayers to get an overview of the financial position for 2021/22.</p> <p>Publicly available quarterly financial summary reports are a key feature of Public Accountability Conference meetings and a way for the PCC to demonstrate, in a transparent way, his holding the Chief Constable to account for the Constabulary's financial performance. In addition, as the PCC's financial position is also reported it gives the taxpayer a good overview of the PCC's financial performance as well as that of the</p>	<p>Agreed management action:</p> <p>The quarter 2 and quarter 3 financial position has been published on the PCC Website with the quarter 2 position shown published under the finance and governance section of the website from early November when it was presented to the PCC Public Accountability Conference.</p> <p>It is acknowledged that quarter 1 monitoring was not published. This was due to a combination of a delay in collating the data until July due to the new financial system being bedded in and the reduced number of PAC meetings, but this was very much the exception.</p> <p>Going forward we will publish quarterly financial monitoring data irrespective of whether it is presented to PAC and will ensure that there is a link from PAC meetings to the papers on the website.</p>

<p>Chief Constable. For financial information to be of most value to the reader it needs to be timely and therefore there is a need to ensure that financial summary reports to PAC are produced on a quarterly basis and are always attached to the agendas to support the transparency agenda.</p>	
<p>Recommendation 3: Ensure that the financial summary reports that go to Public Accountability Conference (PAC) are produced on a quarterly basis and are always attached to the agendas so that taxpayers are able to get an overview of the overall financial position.</p>	
<p>Risk exposure if not addressed:</p> <ul style="list-style-type: none"> • Lack of transparency about the in-year financial position of the PCC and Chief Constable • Inability of the local taxpayer to assess the overall PCC / Chief Constable financial position making it difficult for them to have an informed view to provide a response to the next year's budget consultation. 	<p>Responsible manager for implementing: Roger Marshall JCFO & Gill Shearer Chief Executive</p> <p>Date to be implemented: 30/06/2022</p>

Appendix A

Audit Assurance Opinions

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

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

Grading of Audit Recommendations

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

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

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Joint Audit Committee 22 June 2022 Agenda Item 09

Monitoring Key Audit Recommendations

Introduction

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

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

Report Summary

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

Summary of Actions	PCC	CC	Joint	Total
Open actions b/fwd from last report	0	4	2	6
New actions since last report	0	1	9	10
Total actions this report	0	5	11	16
Actions completed since last report	0	1	5	6
Open actions c/fwd to next report	0	4	6	10

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

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

Summary of Total Actions by Status	PCC	CC	Joint	Total
Completed	0	1	5	6
Ongoing (within original timescale)	0	2	6	8
Ongoing (original timescale extended)	0	0	0	0
Overdue/ timescale exceeded	0	0	0	0
Not yet due	0	2	0	2
Total	0	5	11	16

Key to Grade:

Cumbria Shared Internal Audit Service

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

External Audit – Grant Thornton

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

Monitoring of Individual Audit Reports 2021/22

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

Audit Report	Recommendation Summary	Current Status					For detail see page
		Completed	Ongoing (within original timescale)	Ongoing (original timescale extended)	Overdue/ timescale exceeded	Not Yet Due	
Totals B/Fwd Recommendations							
The Audit of Financial Statements 2020/21	R1) Access (to the finance system) should be based on the principle of least privilege and commensurate with job responsibilities. It is recommended that: <ul style="list-style-type: none"> Management should review access rights assigned to privileged system users to identify and remove conflicting access rights. If incompatible business functions are granted to users due to organisational size constraints, management should ensure that there are review procedures in place to monitor activities, such as reviewing system reports of detailed transactions; selecting transactions for review of supporting documents. 	✓					7
Digital Leadership Programme (CC)	R1) There are lessons to be learnt from the implementation of the DLP programme regarding the ability to demonstrate good governance arrangements. These lessons should be applied to future collaborative projects.					✓	8
Digital Leadership Programme (CC)	R2) Measures to demonstrate the impact of training and development in the workplace should be considered during the development of future training programmes.					✓	9
Preparedness for McCloud Remedy (CC)	R1) The documented governance arrangements for the McCloud Remedy should be reviewed to ensure that they correctly reflect the intended / actual arrangements in place.	✓					10
Benefits Delivery Process (Joint)	R1) Arrangements to deliver the benefits realisation policy and procedure should continue to be fully developed and embedded, then subsequently assessed for effectiveness, taking into account the points outlined above.		✓				11

Audit Report	Recommendation Summary	Current Status					For detail see page
		Completed	Ongoing (within original timescale)	Ongoing (original timescale extended)	Overdue/ timescale exceeded	Not Yet Due	
Inventory (CC)	R1) Once the system is fully implemented this should be formally reported by the SRO to Management Board to confirm that the improvements have been delivered and benefits realised.		✓				12
Total B/Fwd Recommendations		2	2	0	0	2	
New Recommendations Since Last Report							
Resource Allocation/ Workforce Planning	R1) It should be ensured that, once embedded, the recently introduced change to structure request form and any further development to processes affecting establishment data are reviewed to confirm they are effective and work as intended.	✓					13
Resource Allocation/ Workforce Planning	R2) It should be ensured that all changes to the establishment are appropriately authorised in accordance with the Scheme of Delegation.	✓					14
Resource Allocation/ Workforce Planning	R3) Information / guidance on the work undertaken by the WFDO should be documented and it should be ensured that there is capacity and resilience within the HR team to perform this important role.	✓					15
Duties Management (Crown System)	R1) Management should ensure the system developments underway are concluded to ensure that the benefits of the new system are fully realised, and efficiencies are maximised.	✓					16
Establishment Process - Recruitment	R1) Ensure that required recruitment reports are developed and that the review of benefits realised is undertaken.		✓				17
Establishment Process - Recruitment	R2) Ensure that once ongoing recruitment process / system developments are implemented that they are fully embedded and working as intended. Further sample testing, at a later date, would help confirm compliance with the requirements and that relevant supporting evidence and documentation has been retained and is readily available for review.		✓				18

Audit Report	Recommendation Summary	Current Status					For detail see page
		Completed	Ongoing (within original timescale)	Ongoing (original timescale extended)	Overdue/ timescale exceeded	Not Yet Due	
Business Transformation Project – Finance (Phase 2)	<p>a) Management should ensure that project risks are reviewed on a regularly basis and a final report on outcomes and benefits realised is presented to the Management Board.</p> <p>b) Management should also consider finalising terms of reference for the Design Authority and making sure that if minutes are not taken at the Project Board that action notes and decision logs should give sufficient commentary on discussions that took place.</p>		✓				19
Financial Sustainability	R1) Management should closely monitor inflation rates and assess their additional impact, beyond that already included in the 2022/23 and 2023/24 budgets. Given the current rates of inflation management should consider extending to extend the top end of the range used to 2% to 5%.		✓				20
Financial Sustainability	R2) Ensure that when considering options to address the longer term sustainability of the capital programme that all potential factors are considered e.g. likely impact of the review of the police funding formula (scheduled for implementation by 2023/24).		✓				21
Financial Sustainability	R3) Ensure that the financial summary reports that go to Public Accountability Conference (PAC) are produced on a quarterly basis and are always attached to the agendas so that taxpayers are able to get an overview of the overall financial position.		✓				22
Total New Recommendations		4	6	0	0	0	
Total All Recommendations		6	8	0	0	2	

Audit Report: Audit of the 2020/21 Financial Statements (Audit Findings Report)			
Date Issued: October 2021	Date Considered by JAC: 04/11/2021	Report of: External Audit Grant Thornton	Report for: PCC/CC
Recommendation: R1) Access (to the finance system) should be based on the principle of least privilege and commensurate with job responsibilities. It is recommended that: <ul style="list-style-type: none"> • Management should review access rights assigned to privileged system users to identify and remove conflicting access rights. • If incompatible business functions are granted to users due to organisational size constraints, management should ensure that there are review procedures in place to monitor activities, such as reviewing system reports of detailed transactions; selecting transactions for review of supporting documents. 			Grade: Medium
Agreed Actions: A review will be undertaken of the access rights and the Application Implementation Consultant role will be removed from those not requiring it. Where this is not possible for systems management reasons, the financial access will be reviewed. Where it is not possible to provide complete segregation of duties, a process will be established to produce periodic system reports of detailed transactions and these will be assessed by the Deputy CFO or Joint CFO. A meeting will be arranged with the ICT audit team from Grant Thornton to fully explore segregation of duties control measures and potential conflicts.			Due Date: Responsible Person: Joint Chief Finance Officer
Subsequent Updates: June'22 - A review was carried out regarding access rights and the Application Implementation Consultant Role was removed from Mark Carter. It has not been removed from the Financial Systems Team as they require this role in order to make any configuration changes for the Oracle Fusion System. Access is required to the finance modules in order to provide assistance to users with any issues as well as to run system processes for subledger transfers. The Financial Systems Team minimise the number of journals they input into the system which are restricted to control accounts and the payroll information. Any other journals are purely to correct incorrect information in the system. We are looking into the possibility of restricting the privileged role to one of the Application Administrator Roles but further testing is required to ensure that this role does not limit capability with regards to system configuration.			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or a Governance Board)</i>	New Date:	Where & When Approved:
Completed			

Audit Report: Digital Leadership Programme			
Date Issued: 24/02/2022	Date Considered by JAC: 16/03/2022/	Report of: Shared Internal Audit Service	Report for: CC
Recommendation: R1) There are lessons to be learnt from the implementation of the DLP programme regarding the ability to demonstrate good governance arrangements. These lessons should be applied to future collaborative projects.			Grade: Medium
Agreed Actions: The DLP goes from strength to strength and has developed into a National Digital Leadership Academy. Whilst governance between two forces can be more difficult, especially when innovating, the focus needs to be on the innovation and ambition. The programme was successfully delivered across two forces and whilst it was not presented to both forces as per the audit findings it was mitigated through a joint Chief Superintendent leading for both forces at that senior level. A debrief will take place and lessons learned will be disseminated.			Due Date: 30/09/2022 Responsible Person: ACC Blackwell
Subsequent Updates: June '22 – A verbal update will be provided at the meeting.			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or a Governance Board)</i>	New Date:	Where & When Approved:
Not yet due			

Audit Report: Digital Leadership Programme			
Date Issued: 24/02/2022	Date Considered by JAC: 16/03/2022/	Report of: Shared Internal Audit Service	Report for: CC
Recommendation: R2) Measures to demonstrate the impact of training and development in the workplace should be considered during the development of future training programmes.			Grade: Medium
Agreed Actions: Whilst the programme has been delivered, I agree that how effective we are digitally should be a future focus. That said, the outcome framework is something that is being grappled with nationally. There are no national standards, national performance frameworks or national APP guidance or other available guidance. As we are innovating in a field ahead of all other police forces, its stands to reason that we will have to create a measured outcome framework. This will be done as part of the Digital Leadership Academy working with other forces and national bodies.			Due Date: 30/09/2022 Responsible Person: ACC Blackwell
Subsequent Updates: June '22 – A verbal update will be provided at the meeting.			
Status:	Agreed Changes to Due Date: (N.B. any changes to due date must be agreed by COG or a Governance Board)	New Date:	Where & When Approved:
Not yet due			

Audit Report: Preparedness for McCloud Remedy			
Date Issued: 24/02/2022	Date Considered by JAC: 16/03/2022	Report of: Shared Internal Audit Service	Report for: CC
Recommendation: R1) The documented governance arrangements for the McCloud Remedy should be reviewed to ensure that they correctly reflect the intended / actual arrangements in place.			Grade: Medium
Agreed Actions: A new Terms of Reference for the Pensions Challenge (Cumbria Police) Board will be created which clearly defines its role, expanding to cover all pensions related matters. This Board TOR will reference the role of the Project Team which will provide improved governance and clarity around roles and responsibilities of each group.			Due Date: 01/04/2022 Responsible Person: Ann Dobinson, Head of Central Services
Subsequent Updates: March'22 – This was discussed at the project board meeting on 03/03/22, the terms of reference will be updated in line with the identified timescales. June'22 – new Terms of Reference have been drafted ready for wider consultation.			
Status:	Agreed Changes to Due Date: (N.B. any changes to due date must be agreed by COG or a Governance Board)	New Date:	Where & When Approved:
Completed			

Audit Report: Benefits Delivery Process			
Date Issued: 25/02/2022	Date Considered by JAC: 16/02/2022	Report of: Shared Internal Audit Service	Report for: Joint
Recommendation: R1) Arrangements to deliver the benefits realisation policy and procedure should continue to be fully developed and embedded, then subsequently assessed for effectiveness, taking into account the points outlined above.			Grade: High
Agreed Actions: The Change Manager to implement the following actions, overseen by Supt. Andy Wilkinson: To be completed by 31/03/2022: <ul style="list-style-type: none"> Ensure ICT/DDAT actions are added to the central register Ensure Secretaries and Staff Officers respond to the request for benefits that have been agreed Ensure the processes within Change Team and Police Futures align, including writing a procedure for the administration of benefits. Including an internal SLA of 14 days to add new benefits to the register Report to COG with current status of Benefits, including update on the register 31/03/2022. To be completed by 30/06/2022: <ul style="list-style-type: none"> Finalise standard format of COG reporting Report to COG at the end of Q1 2022/2023. This will allow for financial reconciliation vs. 2021/2022 benefits Establish 'lessons learnt' process 			Due Date: 31/03/22 and 30/06/2022 Responsible Person: Adam Sutton, Change Manager
Subsequent Updates: June 2022 – A verbal update will be provided at the meeting			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or a Governance Board)</i>	New Date:	Where & When Approved:
Ongoing (within original timescale)			TBC

Audit Report: Inventory			
Date Issued: 01/03/2022	Date Considered by JAC: 16/03/2022	Report of: Shared Internal Audit Service	Report for: CC
Recommendation: R1) Once the system is fully implemented this should be formally reported by the SRO to Management Board to confirm that the improvements have been delivered and benefits realised.			Grade: Medium
Agreed Actions: Final features, as described by the inventory team to the auditors, remain outstanding and are currently being implemented by the Commercial team and Oracle in order to achieve full implementation and benefit from the system. Credit should be given to the team who, without previous experience and with increased "day job" demands replaced a system that would have become vulnerable to cyber attacks (without significant investment) with a new, efficient state of the art lean system that is future proof, provides vfm meets the requirements of Vision 25 and provides features such as auto approval and self-service. Achieved benefits have included enabling a Commercial Department redesign, £67k Budget saving and Headcount reduction which has created additional bandwidth to focus on many strategic contracts. As the SRO is a member of Chief Officers Group, Executive team, Management Board, Collaboration Board and Service Design Board each of these Boards has been briefed on updates. In addition, the Head of Commercial provided a briefing at the annual review at the Joint Audit Committee. As the material benefits identified at the start of the transformation program have now been delivered, the final features will deliver smoother operation rather than material benefits.			Due Date: 31/12/2022 Responsible Person: Barry Leighton Head of Commercial
Subsequent Updates: June'22 – Following work with Oracle, the Commercial Team have implemented additional features to improve working practices within Stores. The Stores department are carrying out weekly counts of a subset of stock, this count is generated automatically by the system and selects items randomly based on their value and the count frequency set in the system. The team have also implemented daily pick reports which automatically outputs a list of items to be picked and shipped that day and places orders on backorder where there is not sufficient quantity to fulfil the order. The team are currently planning for an implementation of Min-Max Planning which will automatically reorder stock items where they fall below a minimum level. This should ensure that the Constabulary does not experience a stock out of critical items of uniform and equipment, it will also remove the manual requirement to check shelves to see where replenishment is required.			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or a Governance Board)</i>	New Date:	Where & When Approved:
Ongoing (within original timescale)			TBC

Audit Report: Resource Allocation/Workforce Planning			
Date Issued: 04/05/2022	Date Considered by JAC: 22/06/2022	Report of: Shared Internal Audit Service	Report for: PCC/CC
Recommendation: R1) It should be ensured that, once embedded, the recently introduced change to structure request form and any further development to processes affecting establishment data are reviewed to confirm they are effective and work as intended.			Grade: Medium
Agreed Actions: Improvements made to existing processes, including the 'change to structure request form', will be reviewed in six months, once embedded, to ensure they are working effectively. Further changes in the pipeline, including those that arise from the 'change of circumstances' task and finish group and any new electronic forms, will also be reviewed in the future once they have been established and embedded.			Due Date: 31/10/2022 Responsible Person: HR Manager
Subsequent Updates: June'22 – change to structure request form now in place. A workshop has been held around the Change of Circumstances process with key stakeholders involved which has resulted in further improvements to the process.			
Status:	Agreed Changes to Due Date: (N.B. any changes to due date must be agreed by COG or a Governance Board)	New Date:	Where & When Approved:
Completed			

Audit Report: Resource Allocation/Workforce Planning			
Date Issued: 04/05/2022	Date Considered by JAC: 22/06/2022	Report of: Shared Internal Audit Service	Report for: PCC/CC
Recommendation: R2) It should be ensured that all changes to the establishment are appropriately authorised in accordance with the Scheme of Delegation.			Grade: Medium
Agreed Actions: The Head of People has communicated the routes that should be used for establishment changes to Commanders / Senior Officers in an email and COG has recently signed off the Scheme of Delegation. A sense check of approvals recorded on the changes to budgeted establishment spreadsheet will be undertaken in 6 months to ensure approval of changes is in line with the Scheme of Delegation.			Due Date: 31/10/2022 Responsible Person: The Head of People The Director of Corporate Support
Subsequent Updates: June'22 – changes to establishment are made in line with the scheme of delegation. Please note the accountability for this will now be Director of Corporate Support following removal of the Head of People role.			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or a Governance Board)</i>	New Date:	Where & When Approved:
Completed			

Audit Report: Resource Allocation/Workforce Planning			
Date Issued: 04/05/2022	Date Considered by JAC: 22/06/2022	Report of: Shared Internal Audit Service	Report for: PCC/CC
Recommendation: R3) Information / guidance on the work undertaken by the WFDO should be documented and it should be ensured that there is capacity and resilience within the HR team to perform this important role.			Grade: Medium
Agreed Actions: Other individuals within the HR department have been trained to undertake the tasks on iTrent in the absence of the Workforce Data Officer. System Admin have trained other individuals in CSD to update budgeted establishment data and create posts.			Due Date: Responsible Person: HR Manager
Subsequent Updates: June'22 – This action was completed upon receipt of the draft audit report.			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or a Governance Board)</i>	New Date:	Where & When Approved:
Completed			

Audit Report: Duties Management (Crown System)			
Date Issued: 24/05/2022	Date Considered by JAC: 22/06/2022	Report of: Shared Internal Audit Service	Report for: PCC/CC
Recommendation: R1) Management should ensure the system developments underway are concluded to ensure that the benefits of the new system are fully realised, and efficiencies are maximised.			Grade: Medium
Agreed Actions: Improvements made to existing processes, including the 'change to structure request form', will be reviewed in six months, once embedded, to ensure they are working effectively. Further changes in the pipeline, including those that arise from the 'change of circumstances' task and finish group and any new electronic forms, will also be reviewed in the future once they have been established and embedded.			Due Date: Complete Responsible Person: Supt. Carl Patrick
Subsequent Updates: June'22 – This action was completed upon receipt of the draft audit report.			
Status:	Agreed Changes to Due Date: (N.B. any changes to due date must be agreed by COG or a Governance Board)	New Date:	Where & When Approved:
Completed			

Audit Report: Establishment Process - Recruitment			
Date Issued: 31/05/2022	Date Considered by JAC: 22/06/2022	Report of: Shared Internal Audit Service	Report for: PCC/CC
Recommendation: R1) Ensure that required recruitment reports are developed and that the review of benefits realised is undertaken.			Grade: Medium
Agreed Actions: The reporting from Recruitment has been developed and numerous reports have been produced and scheduled to run to assist the Recruitment Teams with their processes. The system records all the stages the applicant is at in the process and is time stamped when they move stages. This means that a report can show how long it takes an applicant to get through a process, and show what time is spent at each stage. However, we do not record on the system the reason for delays. Processes are being continually reviewed and improvements made where identified. This is a fortnightly meeting between CSD and HR to review any issues that arise and ensure the efficiency of the process. The benefits are currently being reviewed by Business Leads to ensure all available are realised. Benefits identified to date have been realised.			Due Date: 31/08/2022 Responsible Person: Reporting facilities – Alison Hunter Business Benefits – Di Johnson & Ann Dobinson
Subsequent Updates: June'22 – An internal report has been commissioned to highlight the different stages of the recruitment process and identify any time delays. This is ongoing at this time. It should be noted that any delays identified may have justified reasons and not be a negative aspect of the system (i.e. recruiting manager absent or on leave causing delay). Key stakeholders including myself as HR Manager, Ann Dobinson, Head of Central Services and Alison Hunter, system and process aspect, have had regular meetings to discuss benefits. Data has been supplied in relation to timings pre and post system. The final outcome of this is awaited.			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or a Governance Board)</i>	New Date:	Where & When Approved:
Ongoing (within original timescale)			

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

Audit Report: Business Transformation Project: Finance (phase 2)			
Date Issued: 31/05/2022	Date Considered by JAC: 22/06/2022	Report of: Shared Internal Audit Service	Report for: CC
Recommendation: R1: a) Management should ensure that project risks are reviewed on a regularly basis and a final report on outcomes and benefits realised is presented to the Management Board. b) Management should also consider finalising terms of reference for the Design Authority and making sure that if minutes are not taken at the Project Board that action notes and decision logs should give sufficient commentary on discussions that took place.			Grade: Medium
Agreed Actions: Whilst terms of reference, an action plan and RAID log for the Design Authority are in place with the overall aim of ensuring continuous improvement in relation to the finance system, we will review the governance arrangements to ensure that they remain fit for purpose. This will include periodic updates as part of the benefits management process.			Due Date: 31/07/2022 Responsible Person: Joint Chief Finance Officer
Subsequent Updates: June'22 – The upgrade to the system and continuous improvement is an ongoing process. Work in the last few weeks has stalled due to competing priorities associated with the production of the statutory accounts and governance documents. The intention is to reinvigorate the design authority to focus on continuous improvement from early July.			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or a Governance Board)</i>	New Date:	Where & When Approved:
Ongoing (within original timescale)			

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

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

Audit Report: Financial Sustainability			
Date Issued: 01/06/2022	Date Considered by JAC: 22/06/2022	Report of: Shared Internal Audit Service	Report for: PCC/CC
Recommendation: R3) Ensure that the financial summary reports that go to Public Accountability Conference (PAC) are produced on a quarterly basis and are always attached to the agendas so that taxpayers are able to get an overview of the overall financial position.			Grade: Medium
Agreed Actions: The quarter 2 and quarter 3 financial position has been published on the PCC Website with the quarter 2 position shown published under the finance and governance section of the website from early November when it was presented to the PCC Public Accountability Conference. It is acknowledged that quarter 1 monitoring was not published. This was due to a combination of a delay in collating the data until July due to the new financial system being bedded in and the reduced number of PAC meetings, but this was very much the exception. Going forward we will publish quarterly financial monitoring data irrespective of whether it is presented to PAC and will ensure that there is a link from PAC meetings to the papers on the website.			Due Date: 30/06/2022 Responsible Person: Roger Marshall JCFO & Gill Shearer Chief Executive
Subsequent Updates: June'22 – the publication of reports on the PCC website is up to date and will be maintained for the 2022/23 financial year.			
Status:	Agreed Changes to Due Date: <i>(N.B. any changes to due date must be agreed by COG or a Governance Board)</i>	New Date:	Where & When Approved:
Ongoing (within original timescale)			

CUMBRIA POLICE & CRIME COMMISSIONER AND CUMBRIA CONSTABULARY JOINT AUDIT COMMITTEE

Meeting date: 22 June 2022

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

INTERNAL AUDIT: ANNUAL REPORT 2021/22

1.0 EXECUTIVE SUMMARY

1.1 This report provides a summary of the outcomes of the work of internal audit for 2021/22 as at 8 June 2022 and includes the Head of Internal Audit's opinion on the effectiveness of the Police and Crime Commissioner, and the Chief Constable's, arrangements for risk management, governance and internal control in accordance with the requirements of the Public Sector Internal Audit Standards (PSIAS).

1.2 Key points from internal audit's annual report are:

- The annual opinion of the Head of Internal Audit: based on work undertaken by Internal Audit during the year, the Group Audit Manager is able to provide Reasonable assurance over the effectiveness of the Police and Crime Commissioner, and the Chief Constable's, arrangements for governance, risk management and internal control.
- Overall, 93% of audits have resulted in Reasonable or Substantial assurance.
- The work of Internal Audit is considered to have provided an appropriate level of coverage to provide the opinions, and there have been no threats to Internal Audit's independence in the year to which this opinion relates.
- This is the final annual report and Head of Internal Audit opinions from Cumbria Shared Internal Audit service as the contract for the OPCC and Constabulary has now ended. We are pleased to report that the 2021/22 audit plan has been delivered, during challenging times, and to have

received a lot of positive feedback in how the work has been delivered and the continued professionalism of the audit team during our final year.

- 1.3 All finalised audits have received a positive response from management with agreed action plans in place to address all recommendations.
- 1.4 Summaries of the outcomes of all completed audits during the year are included at Appendix 1. The text shaded in grey has been reported to Joint Audit Committee through regular progress reports during the year.
- 1.5 Appendix 2 shows progress against the 2021/22 Internal Audit plan.

2.0 OVERVIEW

- 2.1 Internal Audit's assessment of internal control forms part of the annual assessment of the systems of governance, risk management and internal control, which is now a mandatory requirement.
- 2.2 The Audit Plan aims to match internal audit coverage with the PCC and the Chief Constable's corporate risk assessment.
- 2.3 Internal Audit must conform to the Public Sector Internal Audit Standards which require the preparation by the Head of Internal Audit of an annual opinion on the overall systems of governance, risk management and control. Regular reporting to Joint Audit Committee enables emerging issues to be identified during the year.

3.0 RECOMMENDATION

- 3.1 Joint Audit Committee members are asked to note:
 - The delivery of the 2021/22 audit plan.
 - The Head of Internal Audit's opinion and assurance statement on the PCC, and the Chief Constable's, overall systems of governance, risk management and internal control for the year ended 31st March 2022.
 - The Head of Internal Audit's declaration of conformance with the mandatory Public Sector Internal Audit Standards.
 - The results of the Quality Assurance and Improvement Programme.
 - The Head of Internal Audit's declaration of Internal Audit independence as required by the PSIAS.

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, control and governance processes, taking into account Public Sector Internal Audit Standards or guidance.
- 4.2 Internal audit is responsible for providing independent assurance to the PCC and Chief Constable and to the Joint Audit Committee (JAC) 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 2021/22 was prepared using a risk-based approach, and following consultation with senior management, to ensure that internal audit coverage was focused on the areas of highest risk to both organisations. The audit plan was prepared to allow the production of the annual internal audit opinions as required by the PSIAS.

Annual opinions of the Head of Internal Audit on the PCC and Chief Constable's arrangements for Governance, Risk Management and Internal Control

- 4.5 The purpose of this report is to give my opinions as the Head of Internal Audit for the PCC, and the Chief Constable, on the adequacy and effectiveness of both organisations' systems of risk management, governance and internal control from the work undertaken by internal audit for the year ended 31st March 2022. The annual opinion from the Head of the Internal Audit is a requirement of the Public Sector Internal Audit Standards.
- 4.6 This report is a key contributor to the PCC and the Chief Constable's Annual Governance Statements.
- 4.7 In giving this opinion, it should be noted that assurance can never be absolute, and it is not possible to give complete assurance that there are no major control weaknesses. My opinion is based on the work undertaken by internal audit during the year, including the outcomes of follow up work.

Risk Management

PCC (OPCC)

- 4.8 Internal Audit's review of the PCC's risk management arrangements concluded that they are effective.
- 4.9 The OPCC's risk management strategy 2020-23 was updated in February 2020, approved by Executive Team on 2 April 2020 and has been used from April 2020 onwards. The strategy comprehensively sets out the approach, objectives, framework, methodology and responsibilities in respect of risk management. The OPCC reviews its strategic and operational risks on a quarterly basis and meets with Officers within the Constabulary to review their strategic risks, and any potential impact on the OPCC, as part of the PCC's responsibility to hold the Chief Constable to account. The strategic risk register was presented to the Joint Audit Committee for review and scrutiny at the 17 November 2021 and 16 March 2022 meetings.
- 4.10 Audit work undertaken during the year confirms that operational risks are being managed on a regular basis and have been captured in accordance with the risk management strategy.

Chief Constable (Constabulary)

- 4.11 Our work undertaken on the Chief Constable's risk management arrangements concluded that they are operating effectively.
- 4.12 The Constabulary's risk management policy in place in 2021/22 was approved in May 2019. The policy in place during 2021/22 communicates the Constabulary's overall approach to risk management and sets out what is in place to embed a risk aware culture. The risk appetite for the Constabulary is defined within the policy alongside risk tolerance, risk categories, methodology, roles and responsibilities and accountability and governance arrangements.
- 4.13 The Constabulary's strategic risk register has been presented and discussed at Joint Audit Committee meetings on 17 November 2021 and 16 March 2022.
- 4.14 Various audits, undertaken during the year, have identified that key operational risks are being managed on a regular basis and have been captured in accordance with the risk management policy, thereby demonstrating application of the policy in practice.

Governance

- 4.15 Both organisations have a suite of documents setting out the governance arrangements in place. Cyclical reviews of the documents are timetabled to ensure the documents are kept under review and are current. These are subject to independent scrutiny by the Joint Audit Committee.

- 4.16 The corporate governance arrangements within the OPCC and Constabulary are based on the core principles of good governance set out by CIPFA / SOLACE and in line with the Nolan Principles.
- 4.17 Both organisations have Codes of Conduct setting expectations required of staff / officers.
- 4.18 Both organisations have an anti-fraud and corruption strategy in place. These documents were updated during 2021/22 and were presented to JAC in November 2021.
- 4.19 Formal mechanisms are in place to engage with stakeholders (examples being Public Accountability Conferences, Collaborative Board meetings, events held / attended by the PCC, etc.).

Internal Control

- 4.20 Work undertaken in 2021/22, where all but one review received either substantial or reasonable assurance, supports our view that there are no significant control issues. One Constabulary review, the audit of 'benefits delivery process' received partial assurance. We are informed that management have allocated additional support to the Change Manager to enact the required changes, and manage any barriers to progress, and that a clear action plan is in place to deliver the required improvements. It should be noted that no audit reviews in 2021/22 received our lowest assurance level of 'Limited' assurance.

Internal Audit Opinions 2021/22

- 4.21 I am satisfied that sufficient internal audit work has been undertaken to allow me to give a conclusion on the adequacy and effectiveness of risk management, governance and internal control for the PCC and the Chief Constable. I can also report that there has been no threat to the independence of internal audit that would impact on the provision of my annual opinion statement.
- 4.22 In my opinion, the PCC, and the Chief Constable's, frameworks of governance, risk management and internal control are reasonable and audit testing has confirmed that controls are generally working effectively in practice. Where internal audit work has identified scope for improvements, the management response has been positive, with agreed action plans in place to address all recommendations.
- 4.23 The Shared Service Group Audit Manager has undertaken reviews of internal audit work contributing to the annual opinion statement and is able to confirm that all work has been undertaken in accordance with the Public Sector Internal Audit Standards and with the Quality Assurance and Improvement Programme. All audit work has been reviewed at key stages by the Audit Manager and is supported by appropriate evidence.

Basis of the Opinions

- 4.24 The opinions are based on the work undertaken by Internal Audit during the year, which was based on the 2021/22 audit plan approved by Collaborative Board in February 2021 and presented to the Joint Audit Committee on 17 March 2021.
- 4.25 In overall terms, my opinions are based on 14 completed reviews. This represents 100% of reviews that would receive an assurance opinion in the 2021/22 agreed audit plan.
- 4.26 I am satisfied that there has been sufficient coverage across both organisations to allow me to provide an opinion without any limitation of scope.

Internal audit coverage and outputs

- 4.27 The annual opinion is based on the outcomes of 14 completed reviews. This represents 100% of the planned work for the year (all audits that would have had a scored assessment).
- 4.28 All audits relating specifically to the OPCC have received an assurance level of substantial. Eight Constabulary reviews were assessed as providing substantial or reasonable assurance with the three reviews covering both organisations receiving reasonable assurance.
- 4.29 One Constabulary audit, the audit of benefits delivery process, received partial assurance. We are informed that management have allocated additional support to the Change Manager to enact the required changes, and manage any barriers to progress, and that a clear action plan is in place to deliver the required improvements.
- 4.30 Management responses to Internal Audit reports and recommendations have been positive. Progress in implementing Internal Audit recommendations is monitored by the Joint Audit Committee at each meeting.
- 4.31 The following table summarises the total number of audit evaluations made during 2021/22 for the Constabulary, the OPCC and systems operated jointly for both organisations for finalised reports.

Assurance level	Constabulary	OPCC	Joint	Total	%
Substantial	1	2	0	3	21%
Reasonable	7	0	3	10	72%
Partial	1	0	0	1	7%
Limited	0	0	0	0	0%
Total	9	2	3	14	100%

- 4.32 In addition to the assurance work set out above we have also undertaken the work on risk management for both organisations. The outcome is set out in paragraphs 4.8 - 4.14 of this report and has been reflected within the annual opinions.
- 4.33 Comparison of the level of coverage in previous years reports used for the annual opinion of the Head of Internal Audit is shown in the table below. This shows that the level of coverage is consistent with that used in 2019/20 and 2020/21.

Year	Constabulary	OPCC	Joint	Total
2021/22	9	2	3	14
2020/21 *	8	1	4	13
2019/20	8	2	4	14
2018/19	11	3	3	17
2017/18	12	2	2	16

* 2020/21 - reassessed plan

- 4.34 I have given both organisations 'reasonable' assurance in my Head of Internal Audit's opinions for 2021/22.
- 4.35 Appendix 1 provides the detail of audit work undertaken from the 2021/22 internal audit plan. Text that is shaded in grey has been reported to Joint Audit Committee during the year and is included here for completeness.
- 4.36 This is the final annual report and Head of Internal Audit opinions from Cumbria Shared Internal Audit service as the arrangement has now ended. We are pleased to have delivered the 2021/22 audit plan. Whilst it has been challenging delivering the reviews this year, due to a continuation of COVID and availability of key contacts to progress the reviews, the frequent meetings we implemented with the Joint Chief Finance Officer has helped significantly to advance the work so that the full plan has been delivered. It is also very pleasing to report that we have received a lot of positive feedback, both verbally and through feedback forms, on how the work has been delivered in our final year, including the professionalism of the team.

Statement of Conformance with Public Sector Internal Audit Standards

- 4.37 The risk based approach has been designed to ensure internal audit work is conducted in accordance with the Public Sector Internal Audit Standards. All audit work has been conducted in line with the agreed audit methodology and has been subject to quality assurance checks by Internal Audit management.

Internal audit performance

- 4.38 A suite of performance measures was used to monitor Internal Audit's performance during 2021/22. The results are shown at Appendix 3.

Results of the Quality Assurance and Improvement Programme

- 4.39 The Public Sector Internal Audit Standards require that the 'Chief Audit Executive' must develop and maintain a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of the internal audit activity'. For the Shared Internal Audit Service the Chief Audit Executive is the Group Audit Manager.
- 4.40 The QAIP is designed to provide assurance that the work of internal audit is undertaken in conformance with the Public Sector Internal Audit Standards.
- 4.41 The Quality Assurance and Improvement Programme (QAIP) would normally be brought to the Joint Audit Committee with the annual plan for the next year. As the Shared Service will not deliver the 2022/23 internal audit plan, the QAIP is included as Appendix 4 to this report for completeness. We can confirm that the QAIP was followed in 2021/22.

Final Comments

- 4.42 As we have said, this is the final annual report and Head of Internal Audit opinions from Cumbria Shared Internal Audit service as the arrangement has now ended. We would like to take this opportunity to wish the Police and Crime Commissioner and Chief Constable, and their staff, all the best for the future.

Richard McGahon
Group Audit Manager
June 2022

APPENDICES

Appendix 1: Final reports issued to 8th June 2022
Appendix 2: Progress on all risk based audits from the 2021/22 plan
Appendix 3: Internal audit performance measures to 8th June 2022
Appendix 4: Quality Assurance and Improvement Plan (QAIP)

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Appendix 1 – Final reports issued to 8th June 2022

Assignments	Status	Assessment
Agile workforce (OPCC)	Report circulated to members of the Joint Audit Committee and included in 17 th November Committee papers for discussion at the meeting if required. Report available on the Commissioner’s website.	Substantial
Agile workforce (Constabulary)	Report presented to Joint Audit Committee at 17 th November 2021 meeting. Report included in Committee papers and available on the Commissioner’s website.	Reasonable
Complaint Review Process (OPCC)	Report circulated to members of the Joint Audit Committee and included in 16 th March 2022 Committee papers for discussion at the meeting if required. Report available on the Commissioner’s website.	Substantial
Financial systems – Payroll	Report circulated to members of the Joint Audit Committee and included in 16 th March 2022 Committee papers for discussion at the meeting if required. Report available on the Commissioner’s website.	Reasonable
Benefits delivery process	Report circulated to members of the Joint Audit Committee and included in 16 th March 2022 Committee papers for discussion at the meeting if required. Report available on the Commissioner’s website.	Partial
Digital Leadership Process	Report circulated to members of the Joint Audit Committee and included in 16 th March 2022 Committee papers for discussion at the meeting if required. Report available on the Commissioner’s website.	Reasonable
COVID-19 response	Report circulated to members of the Joint Audit Committee and included in 16 th March 2022 Committee papers for discussion at the meeting if required. Report available on the Commissioner’s website.	Substantial
Preparedness for McCloud Remedy	Report circulated to members of the Joint Audit Committee and included in 16 th March 2022 Committee papers for discussion at the meeting if required. Report available on the Commissioner’s website.	Reasonable

Appendix 1 – Final reports issued to 8th June 2022

Assignments	Status	Assessment
Financial systems - Inventory	Report circulated to members of the Joint Audit Committee and included in 16 th March 2022 Committee papers for discussion at the meeting if required. Report available on the Commissioner's website.	Reasonable
Resource allocation / workforce planning	Report circulated to members of the Joint Audit Committee and included in 22 nd June 2022 Committee papers for discussion at the meeting if required. Report available on the Commissioner's website.	Reasonable
Financial sustainability	Report circulated to members of the Joint Audit Committee and included in 22 nd June 2022 Committee papers for discussion at the meeting if required. Report available on the Commissioner's website.	Reasonable
Business Transformation Project – Finance (Phase 2)	Report circulated to members of the Joint Audit Committee and included in 22 nd June 2022 Committee papers for discussion at the meeting if required. Report available on the Commissioner's website.	Reasonable
Business Transformation Project (BTP) Duties Management	Report circulated to members of the Joint Audit Committee and included in 22 nd June 2022 Committee papers for discussion at the meeting if required. Report available on the Commissioner's website.	Reasonable
Establishment processes (Recruitment)	Report circulated to members of the Joint Audit Committee and included in 22 nd June 2022 Committee papers for discussion at the meeting if required. Report available on the Commissioner's website.	Reasonable

OPCC / Constabulary Review		Audit	Stage	Feedback form returned
Constabulary / OPCC	Financial sustainability	Completed	Completed	N/A – Not yet due. Form issued 01/06/22
Constabulary / OPCC	Benefits delivery process	Completed	Completed	Yes
Constabulary	Establishment processes (Recruitment)	Completed	Completed	N/A – Not yet due. Form issued 31/05/22
Constabulary	New Business Transformation Project (BTP) finance (Phase 2)	Completed	Completed	N/A – Not yet due. Form issued 31/05/22
Constabulary	New Business Transformation Project (BTP) Duties Management	Completed	Completed	Yes
Constabulary	Digital leadership Programme	Completed	Completed	No - Form issued 24/02/22 Reminders sent on 12/04/22 and 01/06/22
Constabulary	Agile workforce	Completed	Completed	No - Form issued 11/10/21 Reminders sent 27/10/21, 24/02/22, 12/04/22 and 01/06/22
OPCC	Agile workforce	Completed	Completed	Yes
Constabulary	Resource allocation / workforce planning	Completed	Completed	Yes
Constabulary	COVID-19 and the organisation's response to	Completed	Completed	Yes

OPCC / Constabulary Review	Audit	Stage	Feedback form returned
	COVID-19		
OPCC	Complaint review process	Completed	Yes
Constabulary	Preparedness for the McCloud remedy	Completed	Yes
Constabulary	Financial systems – Payroll	Completed	Yes
Constabulary	Financial systems - Inventory	Completed	Yes
Constabulary	Use of Estate moving forward (advisory / consultancy)	Removed from the plan as agreed by Collaborative Board.	N/A
Constabulary / OPCC	Risk management and governance	Complete - Work has contributed to the Head of Internal Audit's Annual Opinions	N/A
	Attendance at Police Audit Training & Development event	Virtual event attended on 4 th and 5 th November 2021.	
	Internal audit management		

Key: Complete Work in progress Not yet started

Appendix 3 – Internal Audit performance measures

Measure	Description	Target	Actual	Explanations for variances / remedial action required
Completion of audit plan	% of audits completed to final report	95% (annual target)	100%	Of the work in the 2021/22 audit plan, 14 were planned to result in a written report with an assurance rating. The 100% completion figure represents all 14 finalised reports. The other piece of planned work was work on risk management and governance (completed with an outcome of 'reasonable assurance' and incorporated into the annual opinion)
Days delivered	Number of planned days delivered was 281 per shared service agreement plus 10 days carried forward for BTP Finance - Phase 2 less 25 days for Use of estate moving forward which has been removed from the plan.	266	266	
Audit scopes agreed	Scoping meeting to be held for every risk based audit and client notification issued prior to commencement of fieldwork.	100%	100%	

Measure	Description	Target	Actual	Explanations for variances / remedial action required
Draft reports issued by agreed deadline	Draft reports to be issued in line with agreed deadline or formally approved revised deadline where issues arise during fieldwork.	70%	100%	
Timeliness of final reports	% of final reports issued for Chief Officer / Director comments within five working days of management response or closeout meeting.	90%	100%	
Recommendations agreed	% of recommendations accepted by management	95%	100%	
Assignment completion	% of individual reviews completed to required standard within target days or prior approval of extension by audit manager.	75%	100%	
Quality assurance checks completed	% of QA checks completed	100%	100%	
Customer Feedback	% of customer satisfaction surveys returned	100%	82%	Fourteen forms were issued for audits finalised in 2021/22. Eleven were due by this date, nine have been returned, three are not yet due and a reminder has been sent requesting return of the two outstanding forms.

Measure	Description	Target	Actual	Explanations for variances / remedial action required
Customer Feedback	% of customer satisfaction survey scoring the service as good.	80%	89%	Based on the nine forms returned.
Chargeable time	% of available auditor time directly chargeable to audit jobs.	80%	71%	

Appendix 4 – Quality Assurance and Improvement Plan (QAIP)

INTERNAL ASSESSMENTS (PSIAS ref: 1311)

On-going reviews conducted through	Elements
Supervision of engagements	<ul style="list-style-type: none"> • Work is allocated from the annual risk based plan by the internal audit management team across the shared service • Staff are involved in developing audit scope in conjunction with audit clients prior to commencement • Work is supervised to ensure that it complies with the approved methodology for carrying out an audit • Audit Manager attends close out meetings to support the auditor and ensure that key messages are relayed appropriately • Internal Audit reports signed off by Audit Manager • Audit reports with less than Reasonable Assurance subject to final review by Group Audit Manager
Regular, documented review of working papers during engagements	<p>Audit Manager reviews each audit file to ensure:</p> <ul style="list-style-type: none"> • The scope and objectives of the audit have been agreed with clients and adequately documented and communicated • Key risks have been identified • The audit testing strategy has been designed to meet the objectives of the audit and testing undertaken to the extent necessary to provide an audit opinion for each piece of work • Audit has been completed in a thorough, accurate and timely manner • The standard of working papers and evidence collected during the audit are in accordance with audit processes and procedures • The draft audit report fully reflects all findings from the audit and these are properly explained and practical recommendations made • The assurance rating is fully supported by the working papers and can be justified by the auditor • The audit has been completed within the time allocation

On-going reviews conducted through	Elements
	<ul style="list-style-type: none"> • The audit report has been produced to a good standard in an accurate and timely manner • Training and development needs are identified through the review process. • Periodic reviews by the Group Audit Manager to ensure that the quality assurance process is being applied consistently.
Audit manual containing all key policies and procedures to be used for each engagement to ensure compliance with applicable planning, fieldwork and reporting standards	<ul style="list-style-type: none"> • The audit manual contains the risk based audit methodology and key working papers, the code of ethics and performance measures for the shared internal audit service. • The audit manual is updated on an on-going basis as required.
Feedback from customer survey on individual assignments	<ul style="list-style-type: none"> • Customer feedback form is linked to performance measures for internal audit. • Feedback form issued for all risk based internal audit assignments • Feedback from client satisfaction forms passed on to individual auditors. Any areas identified for learning and development are taken forward • Any common issues are identified and action taken where necessary
Analysis of performance measures established to improve internal audit effectiveness and efficiency	<ul style="list-style-type: none"> • Monthly monitoring of performance measures by the audit management team • Feedback to individuals / teams as appropriate • Reporting to Joint Audit Committee on a quarterly basis.

On-going reviews conducted through	Elements
All final reports and recommendations are reviewed and approved by the Audit Manager	<ul style="list-style-type: none"> • Formal sign off and issue of all final reports and recommendations by Audit Manager. • Audit report template includes comments from Director or equivalent.
Annual risk assessments for the purposes of annual audit planning	<ul style="list-style-type: none"> • Annual risk assessment of each organisation's audit universe as part of the planning process
Annual assessment of Internal Audit's conformance with its Charter, PSIAS with an improvement plan produced to address any areas of non-conformance identified	<ul style="list-style-type: none"> • Review of Charter for conformance • Annual completion of CIPFA checklist for assessing conformance with the PSIAS • Improvement plan produced to address areas of non-conformance. • Service development plan identifying actions for service improvement.
Benchmarking with other Internal Audit service providers	<ul style="list-style-type: none"> • Benchmarking through regional and national level networks including Police Audit Group (national internal auditor group specific to policing)
Quarterly reports to audit committees on progress with delivery of the audit plan	<ul style="list-style-type: none"> • Preparation of progress report for each Joint Audit Committee and attendance at JAC by Group Audit Manager and / or Audit Manager.
Annual sign up to Code of Ethics by all internal audit staff	<ul style="list-style-type: none"> • Signed declaration from all internal audit staff

On-going reviews conducted through	Elements
Annual completion of declaration of business interests from by all internal audit staff	<ul style="list-style-type: none"><li data-bbox="607 309 1294 341">• Signed declaration from all internal audit staff

EXTERNAL ASSESSMENTS (PSIAS ref: 1312)

External Assessments will be carried out in accordance with the requirements of the PSIAS and reported to Joint Audit Committee as appropriate.

The first External Quality Assessment was carried out in November 2017, in line with the requirement of the PSIAS to have an external assessment at least every five years.

REPORTING ON THE QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME (PSIAS ref: 1320)

The results of the quality assurance programme and progress against any improvement plans must be reported in the annual report.

Internal Assessments – outcomes of internal assessments will be reported to the Joint Audit Committee on an annual basis;

External Assessments – results of external assessments are reported to the Joint Audit Committee and S151 officer at the earliest opportunity following receipt of the external assessors report. The external assessment report was accompanied by a written plan in response to findings and recommendations contained in the report and was reported to Joint Audit Committee in March 2018.

Follow up – All audits receiving less than reasonable assurance will be followed up.

EXTERNAL QUALITY ASSESSMENT (EQA) FINDINGS UPDATE

Finding	Action	What we have done	Status
Nature of internal auditing (Standard 2100 Nature of internal audit work)			
<p><u>Finding 1</u> Risk based internal audit is most effective when the organisation has a clear definition of its strategic risks with detailed identification of the controls and monitoring arrangements designed to mitigate the risks to an acceptable level. From this it is then possible to match who is best placed to provide assurance mitigation is working (an assurance map based on the 3 lines of defence) to prevent gaps or duplication in assurance. The annual internal audit plan can then be derived from the assurance map and include review of those other forms of assurance.</p> <p>Our recommendations below are designed to achieve this objective and will further facilitate general conformance to professional internal auditing standards. However, we would ask the Joint Audit & Standards Committee to consider its overall aim for risk based auditing and how a risk based culture will be reinforced.</p>	<p><u>Action 1</u> – OPCC and Constabulary action</p> <p>Both the OPCC and Constabulary consider their approach to risk management is robust and meets the needs of the organisations.</p> <p>The OPCC and Constabulary consider that the current Internal Audit approach to planning gives a broader base than focusing solely on strategic risks.</p>	<p>No action required.</p>	<p>Complete as reported in March 2019</p>

Finding	Action	What we have done	Status
Coordination and reliance (Standard 2010 Planning – non-conformance)			
<p><u>Finding 2</u> We acknowledge the work to date to develop strategic risk management processes. As part of this progress management should begin to map who is best placed to provide assurance that the risk mitigation for strategic risks is reliable and working. Active participation by the Group Audit Manager to achieve a coordinated approach will help to maximise assurance resources and achieve conformance to the standard.</p>	<p><u>Action 2</u> – OPCC, Constabulary and Internal Audit action</p> <p>Internal Audit set time aside in the 2018/19 audit plan to support the OPCC and Constabulary in undertaking an assurance mapping exercise.</p>	<p>We provided information on assurance mapping to the Constabulary and OPCC. The Constabulary produced a document setting out the ‘Assurance Landscape for Policing’ which was appended to the updated risk management policy approved in May 2019.</p>	Complete
Responsibilities regarding governance and risk management (Standard 2110 Governance and Standard 2120 Risk management – partial conformances)			
<p><u>Finding 3</u> The aim of the internal audit plan is to provide a broad range of assurance to enable the board to deliver an annual statement of control. In support of this aim we suggest that the Group Audit Manager gives an annual opinion upon:</p> <p>a) The development of an effective risk culture and risk maturity through specific governance audits and risk management</p>	<p><u>Action 3</u> – Internal Audit action</p> <p>Provision has been included within the 2018/19 audit plan for additional liaison with Risk Management colleagues to fulfil this requirement. In addition, regular audits will continue to include an assessment of risk management arrangements where appropriate. Future audit plans will also include provision for reporting an opinion on risk management.</p>	<p>The annual opinion for 2018/19 included specific commentary on the areas suggested. Work is underway to deliver the 2020/21 opinions.</p> <p>Time has been included in the 2021/22 internal audit plan to report an opinion on risk management.</p>	Complete

<p>audits.</p> <p>b) The application of corporate risk management arrangements, including implementation of processes, management of emerging risks, and the effectiveness of training.</p> <p>c) The development of operational risk management based upon specific assessment of risk processes in individual audits.</p> <p>d) Progress towards assurance mapping and the coordination of assurance arising from specific assurance audits.</p>			
<p>Direct interaction with the Joint Audit & Standards Committee (Standard 1111 – partial conformance)</p>			
<p><u>Finding 4</u> The recommendations above regarding coordination and planning will be challenging and we feel further interaction with the Joint Audit & Standards Committee, along with senior management consultation, is needed to explore how they will be delivered and monitored, particularly with regard to annual priorities.</p>	<p><u>Action 4</u> – Internal Audit action</p> <p>This action plan together with a longer term plan for the Internal Audit service will be reported to Joint Audit & Standards Committee on a regular basis to give clear oversight of the actions planned to further develop the service.</p>	<p>As part of the production of the 2021/22 Internal Audit Plan we continued to have more discussion at Collaborative Board level. This update provides Joint Audit Committee with progress on delivery of improvement actions identified through the EQA and the continuous improvement of the Shared Internal Audit Service</p>	<p>Complete</p>

Finding	Action	What we have done	Status
Overall planning of audit assignments (Standard 2200 Engagement planning, Standard 2201 Planning considerations, Standard 2210 Engagement objectives, Standard 2220 Engagement scope – partial conformances)			
<p><u>Finding 5</u> Individual audits need closer alignment to specific risks (identified during the development of the audit plan) to reaffirm their specific purpose and include definition of the key risks and controls associated with that subject as opposed to reference to wider more generic risks. In some cases, this may prompt sessions with management so auditors can assess the adequacy of controls and monitoring as opposed to the current practice of internal audit documenting 'expected controls' in advance of the audit. We note the most successful audits involve consultation with senior managers as sponsors to fine tune and tighten the objectives and scope to specific risks and we encourage this practice. Realistic timetables need to be set for interviews, testing and reporting in advance with the sponsor to help the achievement of such targets. We also recommend the introduction of shorter 3 – 5 day specific reviews that focus on key controls within systems and procedures where risks</p>	<p><u>Action 5</u> – Internal Audit action A project will be established to take this recommendation forward. Some audits within the 2018/19 audit plan have been included with the intention of focusing in on key controls (eg main financial systems). All audits have a scoping meeting with a Chief Officer to agree the scope. This will continue to be an important part of our audit process. The audit plan for 2018/19 includes a number of shorter audits than in previous years. We will continue to develop our approach during 2018/19 with the aim of reducing these further if possible in 2019/20.</p>	<p>We have continued to hold scoping meeting with relevant Senior Officers. This continues to be an important part of our audit process which allows us to focus on specific risks. Key controls testing takes place on main financial systems.</p>	<p>Complete</p>

and controls are known and established.			
Use of resources (Standard 2030 Resource management – partial conformance)			
<p><u>Finding 6</u> The current audit methodology was developed when the team included staff with little or no experience of risk based internal auditing. This has resulted in several supervision points in the process with extensive documentation requirements. As a result many audits often overrun and audit managers do not have time available to undertake audit work. There is now the opportunity to review the audit methodology to streamline the process. For example, revisiting the documentation standards and supervision stages to reduce time spent on these activities.</p> <p>In doing so a target should be set to increase the number of days available to the plan, which may involve assigning more audits to the most senior audit managers thus ensuring the allocation of challenging audits to the most experienced people.</p>	<p><u>Action 6</u> – Internal Audit action</p> <p>The risk based approach was a significant change in audit approach and a detailed methodology was appropriate at the time. Joint Audit & Standards Committee were briefed at the time about the changes and the challenges the new approach presented.</p> <p>Over runs are not considered to be an issue in delivery of our work for the Constabulary and OPCC. Our approach to overruns has been addressed though the Shared Service host authority’s EQA report and action plan.</p> <p>We will review our audit approach during 2018/19 to identify efficiencies in the process, including where appropriate the management and supervision stages.</p> <p>Audits are assigned according to skills, experience, development needs and availability of team members.</p>	<p>Supervision points are in line with the PSIAS and are defined within the QAIP.</p> <p>We continually seek to identify efficiencies in the process whilst ensuring a quality product through management and supervision.</p> <p>We have adapted the audit methodology to respond to changes required to operate the Internal Audit service during COVID-19.</p>	Complete

Finding	Action	What we have done	Status
Tracking audit recommendations (Standard 2500 Monitoring progress – partial conformance)			
<p><u>Finding 7</u> At present follow up of audit actions is limited and therefore may undermine the overall benefit of internal audit work. Once audit follow-up of partial or limited assurance assignments has been undertaken the responsibility for further progress reporting is handed over to management and there is a risk that some important issues may remain outstanding. We understand that senior managers in some areas have recognised this and have been initiating monitoring and reporting. We recommend that management in all areas are asked to undertake such monitoring and that the Joint Audit & Standards Committee receive regular updates.</p>	<p><u>Action 7</u> Internal Audit considers that this is already in place at the OPCC / Constabulary. All audit recommendations are reported to and monitored by JAC at each meeting until they are implemented.</p>	<p>No action required.</p>	<p>Complete</p>

The Police and Crime Commissioner for Cumbria and Chief Constable for Cumbria Joint Audit Plan

Year ending 31 March 2022

22 June 2022



Contents



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Section

Significant Improvements from FRC inspection	
Key matters	
Introduction and headlines	
Group audit scope and risk assessment	
Significant risks identified	
Accounting estimates and related disclosures	
Other matters	
Materiality	
IT Audit Strategy	
Value for Money Arrangements	
Audit logistics and team	
Audit fees	
Independence and non-audit services	
Digital Audit	
Appendix 1: Progress against prior year recommendations	

Page

3
5
7
8
9
12
15
16
17
18
19
20
22
23
25

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

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Significant improvements from the Financial Reporting Council's (FRC) quality inspection

On 29 October, the FRC published its annual report setting out the findings of its review of the work of local auditors. The report summarises the results of the FRC's inspections of twenty audit files for the last financial year. A link to the report is here: [FRC AQR Major Local Audits October 2021](#)

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

Our file review results

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

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

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

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

Our continued commitment to Audit quality and continuous improvement

Our work over the past year has been undertaken during the backdrop of COVID, when the public sector has faced the huge challenge of providing essential services and helping safeguard the public during the pandemic. Our NHS bodies in particular have been at the forefront of the public health crisis. As auditors we have had to show compassion to NHS staff deeply affected by the crisis, whilst staying focused on the principles of good governance and financial management, things which are more important than ever. We are very proud of the way we have worked effectively with audited bodies, demonstrating empathy in our work whilst still upholding the highest audit quality.

Significant improvements from the Financial Reporting Council's (FRC) quality inspection (cont.)

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

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

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

Conclusion

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

Key matters

Factors

Police sector developments

Police Funding Settlement 2022/23

The Home Office has published the provisional police funding settlement for 2022/23. The Government is proposing a total police funding settlement of up to £16.9 billion for policing in 2022/23. Overall funding available to Police and Crime Commissioners (PCCs) will increase by up to £796m next year - an increase of up to 5.8% when compared to the 2021/22 funding settlement - if PCCs make full use of their flexibility to increase precept. The funding package includes:

- An additional £550 million Government funding to PCCs, including funding to drive the recruitment of the final 8,000 extra officers to reach the 20,000 recruitment target by the end of March 2023.
- Up to an additional £246 million from council tax precept, subject to decisions by PCCs.
- £1.4 billion for national priorities, including police technology.
- Counter-terrorism police funding increasing to over £1 billion for the first time.

Police Officer Uplift

The Government is committed to delivering an additional 20,000 officers nationally by March 2023. The Cumbria region was provided with a total uplift allocation of 169 officers over a 3 year period. As at December 2021, 92 additional officers had been recruited through the police officer uplift programme.

Our response

- We will consider your arrangements in place to secure financial resilience and sustainability for both the PCC and CC as part of our value for money work.

Key matters

Factors

Auditing developments

We have continued to hold regular meeting with the finance team. During these meetings we discuss a range of key issues regarding general developments, current and projected financial performance and emerging financial reporting issues.

Department for Levelling Up, Housing and Communities (DLUHC) asked CIPFA to consider changes to the Code to help alleviate delays to publication of audited financial statements. In response CIPFA Local Authority (Scotland) Accounts Advisory Committee (LASAAC) issued an exceptional consultation which explored two possible changes that may be made as an update to the 2021/22 code and to the 2022/23 code. CIPFA LASAAC preliminary decision was published on 17 March 2022 which highlighted the following:

- not to progress any of the proposals around pausing formal valuation of assets; and
- to pursue the proposal on deferring IFRS 16, but note that this is the Board's preliminary decision, subject to the other steps in the governance process. These include consideration and review by the Financial Reporting Advisory Board (FRAB), and further formal approval processes at CIPFA via Public Finance and Management Board (PFMB) and at LASAAC.

Our response

- As a firm, we are absolutely committed to audit quality and financial reporting in the local government sector. Our proposed work and fee, as set further in our Audit Plan.
- We will consider your arrangements for managing and reporting your financial resources as part of our work in completing our Value for Money work.
- We will continue to provide you with sector updates via our Joint Audit Committee updates.

Introduction and headlines

Purpose

This document provides an overview of the planned scope and timing of the statutory audits of both the Police and Crime Commissioner for Cumbria ('the PCC') and the Chief Constable for Cumbria ('the Chief Constable') for those charged with governance. Those charged with governance are the PCC and the Chief Constable.

Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the agreed in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of the PCC and the Chief Constable. We draw your attention to both of these documents.

Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the PCC, Chief Constable and group's financial statements that have been prepared by management with the oversight of those charged with governance (the PCC and the Chief Constable); and we consider whether there are sufficient arrangements in place at each body for securing economy, efficiency and effectiveness in your use of resources.

The audit of the financial statements does not relieve management or the PCC and the Chief Constable of your responsibilities. It is the responsibility of the PCC and the Chief Constable to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the PCC and the Chief Constable are fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the PCC and the Chief Constable's business and is risk based.

Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- The risk that the valuation of land and buildings in the accounts is materially misstated.
- The risk that the valuation of the net pension fund liability in the accounts is materially misstated.
- The risk of management override of controls.

We will communicate significant findings on these areas as well as any other significant matters arising from the audits to you in our Audit Findings (ISA 260) Report.

Materiality

We have determined planning materiality to be £3.166m (PY £3.045m) for the group, the PCC and the Chief Constable, which equates to 2% of the Chief Constable's prior year gross expenditure for the year. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance.

Clearly trivial has been set at £0.156m (PY £0.152m).

Value for Money arrangements

Our initial risk assessment regarding your arrangements to secure value for money has not identified any significant risks requiring separate attention.

We will continue to monitor and update our risk assessment and responses until we issue our Auditor's Annual Report.

Audit logistics

Our planning work took place in March and April 2022 and our audit of your financial statements will take place between July and September 2022. Our key deliverables are this Audit Plan, our Audit Findings Report and Auditor's Annual Report.

Our fee for the audit will be £46,185 (PY: £41,247) for the PCC and £20,463 (PY: £17,963) for the Chief Constable, subject to management delivering a good set of financial statements and working papers.

We have complied with the Financial Reporting Council's Ethical Standard (revised 2019) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Group audit scope and risk assessment

In accordance with ISA (UK) 600, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

Component	Individually Significant?	Level of response required under ISA (UK) 600	Risks identified	Planned audit approach
Police and Crime Commissioner for Cumbria	Yes		<ul style="list-style-type: none"> Management override of internal controls Valuation of land and buildings 	Full scope audit performed by Grant Thornton UK LLP
Chief Constable for Cumbria	Yes		<ul style="list-style-type: none"> Management override of internal controls Valuation of net pension fund liability 	Full scope audit performed by Grant Thornton UK LLP

Audit scope

- Audit of the financial information of the component using component materiality
- Audit of one more classes of transactions, account balances or disclosures relating to significant risks of material misstatement of the group financial statements
- Review of component's financial information
- Specified audit procedures relating to significant risks of material misstatement of the group financial statements
- Analytical procedures at group level

Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
ISA240 revenue improper recognition risk	Chief Constable, PCC and Group	<p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p> <p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams of the PCC and the Chief Constable, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition; • opportunities to manipulate revenue recognition are very limited; • all revenue received by the Chief Constable comes from the PCC; and • the culture and ethical frameworks of public sector bodies, including the Chief Constable and Police and Crime Commissioner for Cumbria, mean that all forms of fraud are seen as unacceptable. <p>Therefore we do not consider this to be a significant risk for the Chief Constable, PCC or Group.</p>	We have rebutted the presumed risk but we will continue to consider it throughout the audit and will perform sample testing of material revenue streams as part of the audit.
Risk of fraud related to expenditure recognition - Practice Note 10	Chief Constable, PCC and Group	<p>In line with the Public Audit Forum Practice Note 10, in the public sector, auditors must also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period).</p> <p>We have considered this risk for the Chief Constable, PCC and Group and have determined it to be appropriate to rebut this risk based upon the limited incentive and opportunity to manipulate expenditure.</p>	We have rebutted the presumed risk but we will continue to consider it throughout the audit and will perform sample testing of material expenditure streams as part of the audit.

Significant risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Management over-ride of controls	Chief Constable, PCC and Group	<p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.</p> <p>The PCC and Chief Constable face external scrutiny of its spending and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate the design effectiveness of management controls over journals; • analyse the journals listing and determine the criteria for selecting high risk unusual journals; • test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration; • consider the need for further detailed testing based on the findings of IT audit colleagues and the outputs of the FastPath tool; • gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence; and • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.
Valuation of land and buildings	PCC and Group	<p>The PCC and Group revalue their land and buildings on a rolling two-yearly basis. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (£57.057 million as at 31 March 2021) and the sensitivity of this estimate to changes in key assumptions. Additionally, management will need to ensure the carrying value in the PCC and Group financial statements is not materially different from the current value or the fair value (for surplus assets) at the financial statements date, where a rolling programme is used.</p> <p>We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work; • evaluate the competence, capabilities and objectivity of the valuation expert; • write to the valuer to confirm the basis on which the valuation was carried out to ensure that the requirements of the Code are met; • challenge the information and assumptions used by the valuer to assess the completeness and consistency with our understanding; • test revaluations made during the year to see if they had been input correctly into the PCC and Group asset register; and • evaluate the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different from current value at year end.

Significant risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of the pension fund net liability	Chief Constable and Group	<p>The group's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£1.522 million in the group's balance sheet) and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of the group's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • update our understanding of the processes and controls put in place by management to ensure that the group's pension fund net liability is not materially misstated and evaluate the design of the associated controls; • evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work; • assess the competence, capabilities and objectivity of the actuary who carried out the group's pension fund valuation; • assess the accuracy and completeness of the information provided by the group to the actuary to estimate the liability; • test the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; • undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and • obtain assurances from the auditor of Cumbria Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings Report.

Accounting estimates and related disclosures

The Financial Reporting Council issued an updated ISA (UK) 540 (revised): *Auditing Accounting Estimates and Related Disclosures* which includes significant enhancements in respect of the audit risk assessment process for accounting estimates.

Introduction

Under ISA (UK) 540 (Revised December 2018) auditors are required to understand and assess an entity's internal controls over accounting estimates, including:

- the nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates;
- how management identifies the need for and applies specialised skills or knowledge related to accounting estimates;
- how the entity's risk management process identifies and addresses risks relating to accounting estimates;
- the entity's information system as it relates to accounting estimates;
- the entity's control activities in relation to accounting estimates; and
- how management reviews the outcomes of previous accounting estimates.

As part of this process auditors also need to obtain an understanding of the role of those charged with governance, which is particularly important where the estimates have high estimation uncertainty, or require significant judgement.

Specifically do the PCC and the Chief Constable:

- understand the characteristics of the methods and models used to make the accounting estimates and the risks related to them;
- oversee management's process for making accounting estimates, including the use of models, and the monitoring activities undertaken by management; and
- evaluate how management made the accounting estimates?



Accounting estimates and related disclosures

Additional information that will be required

To ensure our compliance with this revised auditing standard, we will be requesting further information from management and those charged with governance during our audits for the year ended 31 March 2022.

Based on our knowledge of the PCC and the Chief Constable, we have identified the following material accounting estimates for which this is likely to apply:

- Valuations of land and buildings
- Depreciation
- Valuation of police officers pension liability
- Valuation of the local government pension liability
- Private Finance Initiative (PFI) liability.

The PCC and the Chief Constable's Information systems

In respect of the PCC and the Chief Constable's information systems, we are required to consider how management identifies the methods, assumptions and source data used for each material accounting estimate and the need for any changes to these. This includes how management selects, or designs, the methods, assumptions and data to be used and applies the methods used in the valuations.

When the models used include increased complexity or subjectivity, as is the case for many valuation models, auditors need to understand and assess the controls in place over the models and the data included therein. Where adequate controls are not in place we may need to report this as a significant control deficiency and this could affect the amount of detailed substantive testing required during the audit.

If management has changed the method for making an accounting estimate we will need to fully understand management's rationale for this change. Any unexpected changes are likely to raise the audit risk profile of this accounting estimate and may result in the need for additional audit procedures.

We are aware that the bodies use management experts in deriving some of its more complex estimates, e.g. asset valuations and pensions liabilities. However, it is important to note that the use of management experts does not diminish the responsibilities of management and those charged with governance to ensure that:

- All accounting estimates and related disclosures included in the financial statements have been prepared in accordance with the requirements of the financial reporting framework, and are materially accurate;
- There are adequate controls in place at the bodies (and where applicable its service provider or management expert) over the models, assumptions and source data used in the preparation of accounting estimates.



Estimation uncertainty

Under ISA (UK) 540 we are required to consider the following:

- How management understands the degree of estimation uncertainty related to each accounting estimate; and
- How management address this estimation uncertainty when selecting their point estimate.

For example, how management identified and considered alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the point estimate used.

The revised standard includes increased emphasis on the importance of the financial statement disclosures. Under ISA (UK) 540 (Revised December 2018), auditors are required to assess whether both the accounting estimates themselves and the related disclosures are reasonable.

Where there is a material uncertainty, that is where there is a significant risk of a material change to the estimated carrying value of an asset or liability within the next year, there needs to be additional disclosures. Note that not all material estimates will have a material uncertainty and it is also possible that an estimate that is not material could have a risk of material uncertainty.

Where there is material estimation uncertainty, we would expect the financial statement disclosures to detail:

- What the assumptions and uncertainties are;
- How sensitive the assets and liabilities are to those assumptions, and why;
- The expected resolution of the uncertainty and the range of reasonably possible outcomes for the next financial year; and
- An explanation of any changes made to past assumptions if the uncertainty is unresolved.

Planning enquiries

As part of our planning risk assessment procedures we have included enquiries within our management letters shared with the PCC and Chief Constable. We would appreciate a prompt response to these enquires in due course.

Further information

Further details on the requirements of ISA (UK) 540 (Revised December 2018) can be found in the auditing standard on the Financial Reporting Council's website:

[https://www.frc.org.uk/getattachment/0fa69c03-49ec-49ae-a8c9-cc7a2b65382a/ISA-\(UK\)-540_Revised-December-2018_final.pdf](https://www.frc.org.uk/getattachment/0fa69c03-49ec-49ae-a8c9-cc7a2b65382a/ISA-(UK)-540_Revised-December-2018_final.pdf)

Other matters

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- we read your Narrative Report[s] and Annual Governance Statement[s] and any other information published alongside your financial statements to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the PCC and the Chief Constable;
- we carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement[s] are in line with requirements set by CIPFA;
- we carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions;
- we consider our other duties under legislation and the Code, as and when required, including:
 - giving electors the opportunity to raise questions about your 2020/21 financial statements, consider and decide upon any objections received in relation to the 2020/21 financial statements;
 - issuing a report in the public interest or written recommendations to the PCC or the Chief Constable under section 24 of the Local Audit and Accountability Act 2014 (the Act);
 - application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act;
 - issuing an advisory notice under section 29 of the Act;
- we certify completion of our audits.

Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

Materiality

The concept of materiality

Materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality for planning purposes

We have determined financial statement materiality based on a proportion of the gross expenditure of the group, the PCC and the Chief Constable for the financial year. In the prior year we used the same benchmark. For our audit testing purposes we apply the lowest of these materiality's, which is £3.116m (PY £3.045m), which equates to 2% of the Chief Constable's prior year gross expenditure for the year. We design our procedures to detect errors in specific accounts at a lower level of precision which we have determined to be 2% of the note value for senior officer remuneration.

We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

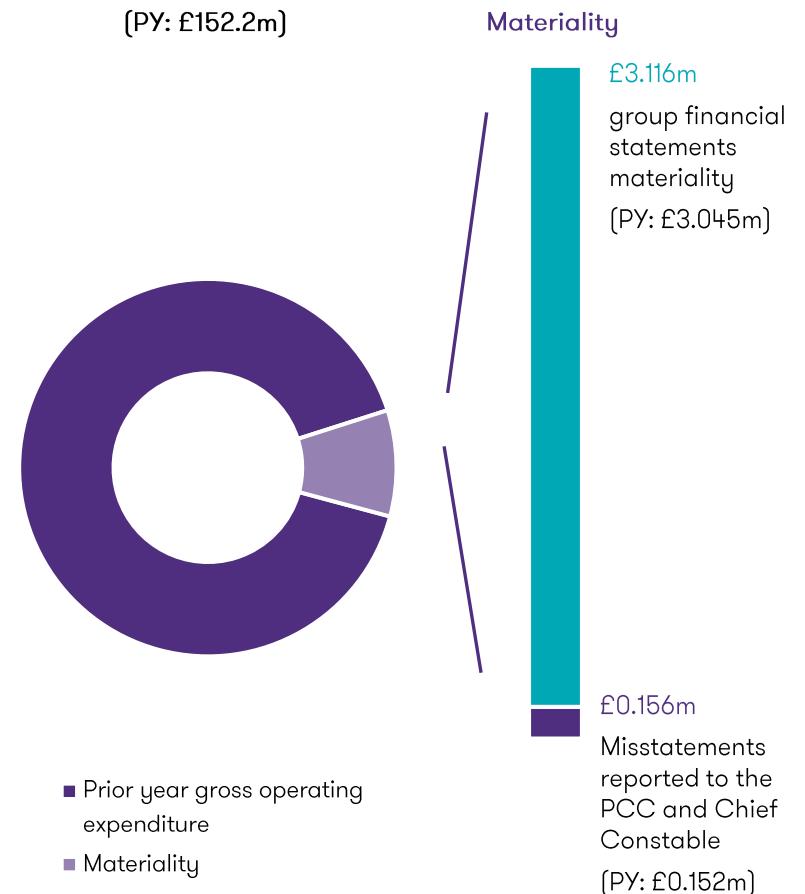
Matters we will report to the PCC and the Chief Constable

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the PCC and the Chief Constable any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria. In the context of the group, the PCC and the Chief Constable, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £0.156m (PY £0.152m).

If management have corrected material misstatements identified during the course of the audits, we will consider whether those corrections should be communicated to the PCC and the Chief Constable to assist it in fulfilling its governance responsibilities.

Prior year gross operating expenditure

£155.8m group
(PY: £152.2m)



IT audit strategy

In accordance with ISA (UK) 315, we are required to obtain an understanding of the information systems relevant to financial reporting to identify and assess the risks of material misstatement. As part of this we obtain an understanding of the controls operating over relevant Information Technology (IT) systems i.e., IT general controls (ITGCs). Our audit will include completing an assessment of the design of ITGCs related to security management; technology acquisition, development and maintenance; and technology infrastructure. Based on the level of assurance required for each IT system the assessment may focus on evaluating key risk areas ('streamlined assessment') or be more in depth ('detailed assessment').

The following IT systems have been judged to be in scope for our audit and based on the planned financial statement audit approach we will perform the indicated level of assessment:

IT system	Audit area	Planned level IT audit assessment
Oracle Fusion	Financial reporting	<p>A detailed review of the IT General Controls related to security management, development and maintenance and technology infrastructure will be carried out by our internal IT specialists team for the 2021/22 financial year. A detailed review was undertaken in the prior year as part of the new system implementation.</p> <p>We will review any changes identified in key controls from the prior year and assess the impact of any changes on the planned audit approach.</p> <p>We will also follow up on any recommendations made in the prior year in relation to IT general controls to assess whether these have been actioned by management.</p> <p>Oracle Cloud (Fusion) is considered to be a complex and customisable system which means that there is an increased risk around the appropriateness of privileged access. One of the issues with Oracle Cloud is that it is difficult to generate the privileged reports, required for our audit procedures, in a useable format. We require assurance that all privileged access roles have been completely and accurately extracted.</p> <p>Additionally, as management override is treated as a significant risk, privileged access should be 100% tested every year to identify any potentially inappropriate access which is then factored into both journal entry testing and the wider audit strategy for other accounts balances. Privileged access cannot be 'rolled forward' as such, as access privileges are not static year to year.</p> <p>We will therefore this year be using an automated tool, FastPath, to extract the raw data tables from Oracle Cloud and analyse them with a specific ruleset tailored for external audit purposes. This helps to address the risk of incomplete or inaccurate reports. FastPath also has the ability to perform segregation of duty reviews to identify conflicting access rights.</p> <p>Further with the introduction of ISA 315 (revised) next year and greater emphasis on the design and implementation testing of IT general control, FastPath will support us with this. Particularly as the revised standard distinguishes the effort required for those more complex systems.</p> <p>The cost associated with needing to use FastPath is highlighted on page 20 .</p>

Value for Money arrangements

Approach to Value for Money work for 2021/22

The National Audit Office (NAO) issued its guidance for auditors in April 2020. The Code requires auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under three specified reporting criteria. These are as set out below:



Improving economy, efficiency and effectiveness

Arrangements for improving the way the body delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Financial Sustainability

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



Governance

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

We have not identified any risks of significant weaknesses from our initial planning work. We will continue our review of your arrangements, including reviewing your Annual Governance Statement, before we issue our auditor's annual report.



Audit logistics and team



Planning and risk assessment

JAC Meeting
22 June 2022

Audit Plan

Year end audit
July to September 2022

JAC Meeting
21 September 2022

Audit Findings
Report/Audit
Opinion

JAC Meeting
23 November 2022

Auditor's
Annual
Report

Michael Green, Key Audit Partner



Michael will be the main point of contact for the PCC, Chief Constable and Committee members. He will share his wealth of knowledge and experience across the sector providing challenge and sharing good practice. Michael will ensure our audit is tailored specifically to you, and he is responsible for the overall quality of our audit work. Michael will sign your audit opinion.

Gareth Winstanley, Audit Manager



Gareth will work with senior members of the finance team ensuring testing is delivered and any accounting issues are addressed on a timely basis. Gareth will also be responsible for the delivery of our work on your arrangements in place to secure value for money.

Bethany Duffy, Audit In-charge



Bethany will lead the team and will be the day to day contact for the audit. Bethany will monitor the deliverables, manage the query log with your finance team and highlight any significant issues and adjustments to senior management. Bethany will undertake the more technical aspects of the audit, coach the junior members of the team and review the teams work.

Audited body responsibilities

Where audited bodies do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other audits. Where the elapsed time to complete an audit exceeds that agreed due to a client not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to a client not meeting their obligations we are not able to guarantee the delivery of the audit to the agreed timescales. In addition, delayed audits will incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit, you need to ensure that you:

- produce draft financial statements of good quality by the agreed timetable you have agreed with us, including all notes, the Narrative Reports and the Annual Governance Statements;
- ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you;
- ensure that the agreed data reports are available to us at the start of the audit and are reconciled to the values in the financial statements, in order to facilitate our selection of samples for testing;
- ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audits; and
- respond promptly and adequately to audit queries.

Audit fees

In 2018, PSAA awarded a contract of audit for Cumbria PCC & CC to begin with effect from 2018/19. The fee agreed in the contract was £27,560 for the PCC and £13,850 for the Chief Constable. Since that time, there have been a number of developments, particularly in relation to the revised Code and ISA's which are relevant for the 2021/22 audit.

Across all sectors and firms, the FRC has set out its expectation of improved financial reporting from organisations and the need for auditors to demonstrate increased scepticism and challenge and to undertake additional and more robust testing, as detailed on page 12 in relation to the updated ISA (UK) 540 (revised): Auditing Accounting Estimates and Related Disclosures

As a firm, we are absolutely committed to meeting the expectations of the FRC with regard to audit quality and public sector financial reporting. Our proposed work and fees for 2021/22, as set out below, is detailed overleaf and will be agreed with the Joint Chief Finance Officer of the PCC and the Chief Constable.

	Actual Fee 2020/21	Proposed fee 2021/22
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PCC Audit	£41,427	£46,185
Chief Constable Audit	£17,963	£20,463
Total audit fees (excluding VAT)	£59,210	£66,648

Assumptions

In setting the above fees, we have assumed that the PCC and Chief Constable will:

- prepare a good quality set of financial statements, supported by comprehensive and well presented working papers which are ready at the start of the audits
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements.

Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard \(revised 2019\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

Audit fees – detailed analysis

	PCC	Chief Constable
Scale fee published by PSAA	£23,360	£11,550
<i>Ongoing increases to scale fee first identified in 2019/20 and 2020/21</i>		
Raising the bar/regulatory factors	£1,875	£0
Enhanced audit procedures for Property, Plant and Equipment	£3,750	£0
Enhanced audit procedures for Pensions	£0	£2,813
Additional work on Value for Money	£7,000	£2,000
ISA 540	£1,200	£600
<i>Journals testing</i>	£2,000	£1,000
New ledger implementation	£2,062	£0
Final 2020/21 fee	£41,247	£17,963
Adjust for non-recurrent element of 2020/21	£(2,062)	£0
Additional IT related procedures for Oracle ledger	£7,000	£2,500
Total audit fees (excluding VAT)	£46,185	£20,463

Independence and non-audit services

Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons, relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard (Revised 2019) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

We confirm that we have implemented policies and procedures to meet the requirements of the Ethical Standard. For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the PCC and the Chief Constable.

Other services

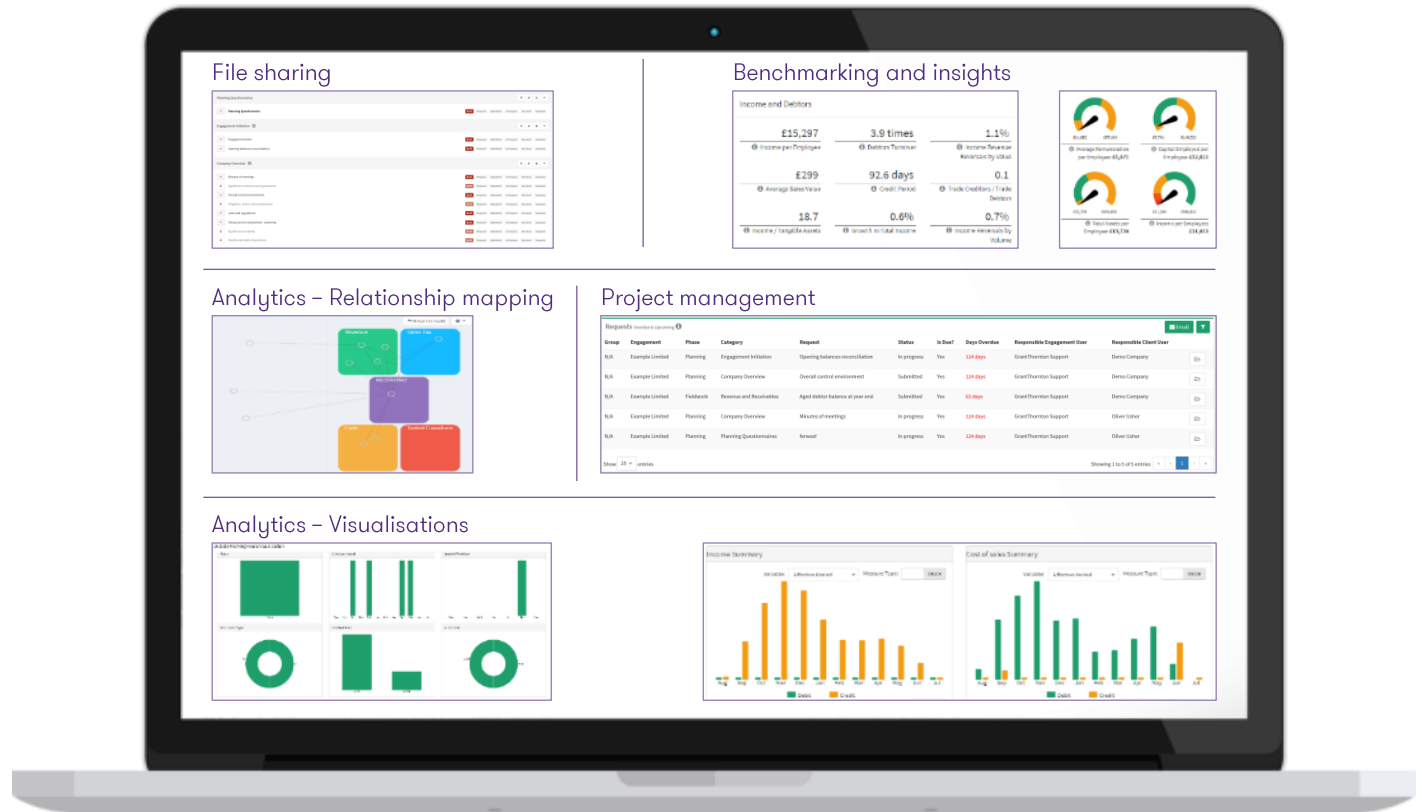
No other services provided by Grant Thornton were identified.

Any changes and full details of all fees charged for audit related and non-audit related services by Grant Thornton UK LLP and by Grant Thornton International Limited network member Firms will be included in our Audit Findings report at the conclusion of the audits.

Our digital audit experience

A key component of our overall audit experience is our comprehensive data analytics tool, which is supported by Inflo Software technology. This tool has a number of key functions within our audit process:

Function	Benefits for you
Data extraction	Providing us with your financial information is made easier
File sharing	An easy-to-use, ISO 27001 certified, purpose-built file sharing tool
Project management	Effective management and oversight of requests and responsibilities
Data analytics	Enhanced assurance from access to complete data populations



Grant Thornton's Analytics solution is supported by Inflo Software technology

Our digital audit experience

A key component of our overall audit experience is our comprehensive data analytics tool, which is supported by Inflo Software technology. This tool has a number of key functions within our audit process:



Data extraction

- Real-time access to data
- Easy step-by-step guides to support you upload your data



File sharing

- Task-based ISO 27001 certified file sharing space, ensuring requests for each task are easy to follow
- Ability to communicate in the tool, ensuring all team members have visibility on discussions about your audit, reducing duplication of work



Project management

- Facilitates oversight of requests
- Access to a live request list at all times



Data analytics

- Relationship mapping, allowing understanding of whole cycles to be obtained quickly
- Visualisation of transactions, allowing easy identification of trends and anomalies

How will analytics add value to your audit?

Analytics will add value to your audit in a number of ways. We see the key benefits of extensive use of data analytics within the audit process to be the following:

Improved fraud procedures using powerful anomaly detection

Being able to analyse every accounting transaction across your business enhances our fraud procedures. We can immediately identify high risk transactions, focusing our work on these to provide greater assurance to you, and other stakeholders.

Examples of anomaly detection include analysis of user activity, which may highlight inappropriate access permissions, and reviewing seldom used accounts, which could identify efficiencies through reducing unnecessary codes and therefore unnecessary internal maintenance.

Another product of this is identification of issues that are not specific to individual postings, such as training requirements being identified for members of staff with high error rates, or who are relying on use of suspense accounts.

More time for you to perform the day job

Providing all this additional value does not require additional input from you or your team. In fact, less of your time is required to prepare information for the audit and to provide supporting information to us.

Complete extracts from your general ledger will be obtained from the data provided to us and requests will therefore be reduced.

We provide transparent project management, allowing us to seamlessly collaborate with each other to complete the audit on time and around other commitments.

We will both have access to a dashboard which provides a real-time overview of audit progress, down to individual information items we need from each other. Tasks can easily be allocated across your team to ensure roles and responsibilities are well defined.

Using filters, you and your team will quickly be able to identify actions required, meaning any delays can be flagged earlier in the process. Accessible through any browser, the audit status is always available on any device providing you with the information to work flexibly around your other commitments.

Appendix 1: Progress against prior year audit recommendations

We identified the following issues in our 2020/21 audit of the group financial statements, which resulted in 1 recommendation being reported in our 2020/21 Audit Findings Report. We will follow up on the implementation of our recommendation as part of the final accounts audit.

Issue and risk previously communicated

Control deficiency identified by IT specialist team in relation to administrative access to Oracle Fusion granted to users who have financial responsibilities. The combination of financial responsibilities with the ability to administer end-user security is considered a segregation of duties conflict. It was noted that Keeley Hayton and Mark Carter (both Finance Service Managers) have privileged access via "Application Implementation Consultant" role in the Oracle production environment.

Recommendation made that management should review access rights assigned to privileged system users to identify and remove conflicting access rights. If incompatible business functions are granted to users due to organisational size constraints, management should ensure that there are review procedures in place to monitor.

Update on actions taken to address the issue

Management Update:

A review was carried out regarding access rights and the Application Implementation Consultant Role was removed from Mark Carter. It has not been removed from the Financial Systems Team as they require this role in order to make any configuration changes for the Oracle Fusion System. Access is required to the finance modules in order to provide assistance to users with any issues as well as to run system processes for subledger transfers. The Financial Systems Team minimise the number of journals they input into the system which are restricted to control accounts and the payroll information. Any other journals are purely to correct incorrect information in the system.

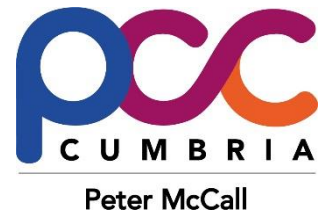
We are looking into the possibility of restricting the privileged role to one of the Application Administrator Roles but further testing is required to ensure that this role does not limit capability with regards to system configuration.



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Joint Audit Committee



Title: Effectiveness of OPCC Risk Management Activity Monitoring

Date: 22 June 2022

Agenda Item No: 12

Originating Officer: Joanne Head, Governance Manager

Report of the Chief Executive

1. Introduction and Background

1.1 The Police and Crime Commissioner has a statutory responsibility to provide policing services for Cumbria. This takes place in a constantly changing and challenging environment and therefore the Office of the Police and Crime Commissioner (OPCC) must ensure that it has robust systems and processes in place to identify, monitor and react appropriately to risk.

2. Effectiveness of Arrangements for Risk Management

2.1 In order to ensure that the OPCC's arrangements for Risk Management are effective a number of areas of business are monitored to ensure compliance and identify any risks to the organisation.

Risk Management Strategy

2.2 The OPCC Risk Management Strategy is reviewed on a three-year cyclical basis with the latest review taking place in March 2020 where a number of updates were included. The strategy was updated in consultation with Mr Jack Jones of the Joint Audit Committee and presented to their meeting in June 2020. The next review is scheduled for March 2023. That said, the strategy is considered on an annual basis to allow any appropriate changes to be made to ensure that the OPCC has robust risk management processes.

2.3 The strategy continues to contribute to the overall governance arrangements in place for the Office of the Police and Crime Commissioner (OPCC). It allows strategic and operational risks to be identified and provides guidance to enable staff to deal with these appropriately and effectively. Being a dynamic document, it assists the consideration of risk to permeate throughout the OPCC's business when making decisions.

Risk Monitoring

2.4 During 2021-22 the risk registers continued to be reviewed and updated on a quarterly basis. The strategic and operational risk registers have a mechanism to enable risks to be moved between the two, allowing risks to be appropriately monitored and reviewed.

2.5 Within the reporting period, and in line with the OPCC's Risk Strategy, JAC were presented with the updated strategic risk register on a four monthly basis to enable them to have oversight in line with their terms of reference. Throughout the year the strategic risks have been reviewed with some risks being elevated from the operational register due to their risk scores.

2.6 During the reporting period there were four risks identified within the strategic risk register. These being Strategic Finance; the Emergency Services Mobile Communications Programme; Insurances; Fire & Rescue Service Governance Business Case and were as a result of identified risks to the OPCC which continue to be actively managed. The OPCC's Executive team retains oversight of the progression of risks on both the strategic and operational risk registers.

2.7 Two new risks were escalated from the operational register to the strategic risk register, the first being R6 – Insurance. Recent insurance renewals have raised concerns that Cyber insurance may be difficult to procure in future. This has been awarded a total score of 8 and therefore been escalated. Negotiations are on-going, and the risk will be monitored. The second is R4 – Fire and Rescue Service Governance Business Case. Following the Government's announcement of the proposed two unitary local authorities in Cumbria, the Police & Crime Commissioner has developed a Business Case to review the option of transferring the governance of Cumbria Fire & Rescue Service to the OPCC this has now been submitted to the Home Office for consideration.

2.9 The OPCC correlates its risks with the priorities contained within the Police and Crime Plan within both the strategic and operational risk registers. Although the objectives within the plan are predominantly for the Constabulary to fulfil, 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.

2.10 The OPCC has also reviewed its operational risk register, rationalising it to reflect the operational risks it faced during 2021/22. A review of the operational risk register is carried out on a four-monthly basis with all staff being required to review their own risks and make any necessary changes and updates. The OPCC Executive Team regularly consider both the strategic and operational risk registers as part of their meetings. A copy of the front sheet of the Operational Risk register is provided to the Joint Audit Committee when the OPCC Strategic Risk register is presented. This illustrates whether the scores for the individual risks have risen, remained the same or decreased and assists the Committee to understand how the risks are managed.

2.11 A number of low scoring operational risks remain on the register, these being Risks 3 Financial Governance, Risk 4 Shared Services, and Risk 5 Asset management. They remain to show illustrated monitoring of these areas of business which are important to the OPCC's overall Governance regime.

2.12 Assurance from the Joint Audit Committee continues through the reporting of both strategic risks in full, supported by a high-level summary for operational risks. This provides the Committee with oversight that all expected risks are captured and being appropriately scored and monitored.

2.13 During 2021-22 a total of 44 decisions were made. These can be broken down into 14 Commissioner decisions, 14 Exec team decisions and 16 OPCC Executive Team Gold decisions. All were based on information provided including any areas of risks which need to be considered. The Executive Support Officer when receiving and logging decision forms ensures that this section of the form is completed to enable the

Commissioner to make an informed decision. No forms have been received where this section has not been completed.

Oversight of Constabulary Strategic Risks

2.14 In addition to monitoring OPCC risks the OPCC Chief Executive and the Governance Manager also carry out monitoring of Cumbria Constabulary's strategic risks. This has taken place on a four-monthly basis during 2021/22 whereby they have met with senior Constabulary staff/officers who have responsibility for the Constabulary's Strategic Risk Management. The meetings provide an opportunity to identify and discuss those risks which impacted upon both organisations and seek assurance from the Constabulary that they had correctly identified risks, had appropriate mitigation in place to deal with and monitor the risk, and no areas of concern were identified.

2.15 During 2021/22, again the risk of a change to the funding formula was present on both organisation's strategic risk registers. The 2021/22 grant settlement was more favourable than expected providing short term funding for pensions and increased flexibility to raise council tax, which was utilised in producing the 2020/21 budget. However current government funding protection is only provided in cash terms, requiring the Commissioner to meet inflation and other service pressures from increased precept or savings. This risk may be impacted as a result of the announcement that the Home Office intends to undertake a review of the Police Funding Formula for implementation in 2023/24, but as the make-up of the formula are unknown at this stage the risk score has not been amended.

2.16 The national project Emergency Services Mobile Communications Programme (ESMCP) has been subject to a series of delays. Work being undertaken regionally and nationally provides some assurance, although the critical nature of this national project and delays in national implementation mean it will be a significant risk for a protracted time period. There is continued uncertainty on final costs and firmer indications are that the project will go ahead, is picking up pace and will progress. However cost and operational risk are continuing to increase which forces will have to meet and allocate funding for.

2.17 Risks continue to be added and removed on the Constabulary's strategic risk register as they are identified and mitigated or dealt with. These have included the effects of the COVID 19 pandemic; the successful delivery against targets within the 2021/22 efficiency plan; recruitment and training of PIP2 accredited detectives. All of these have been reported upon to the Joint Audit Committee during the year.

Risk Training

2.19 The Governance Manager, as OPCC lead officer for risk management, attended a 2-day refresher training course on the 13th and 14th July 2016 facilitated by our insurance risk control consultant Gallagher Bassett. The OPCC Governance Officer attended a 2-day risk management training course on 17th and 18th September 2019. This now affords the OPCC additional resilience with regards to risk management.

Both the Governance Manager and Officer are in the process of completing their CIPFA Corporate Governance qualification and a key element is risk and its management. This qualification has already been completed by the Chief Executive and Deputy Chief Executive in 2018.

2.20 A risk management training session was held in July 2021, highlighting everyone's responsibility for risk management, how to identify, analyse and evaluate risks taking into account the OPCC's risk appetite. No

areas of concern have been raised or identified by staff with regards to risk management. A further risk management session has been incorporated within the OPCC's 2022-23 Training Plan and is scheduled for July 2022.

Joint Audit Committee

2.21 During 2021/22 the OPCC's Chief Executive presented the OPCC's strategic risk register to the Joint Audit Committee on three separate occasions. This afforded the OPCC the benefit of the committee testing the validity of the recorded risks and mitigations; reviewing the current arrangements and ensuring the integration of risk management into governance and decision making processes. Areas of concern or issues identified by the committee have been noted and addressed earlier in this report.

Lead Officer

2.22 The Governance Manager is the OPCC lead officer for risk and carried out this role throughout 2021/22. On a four-monthly basis they have ensured that the OPCC's strategic and operational risk registers were updated by those members of staff who have responsibility for individual risks. No areas of concern or issues have been identified by the Governance Manager during 2021/22.

3. Internal Audit

3.1 As part of the annual audit programme for 2021/22 Internal Audit carried out reviews over a number of areas of business within the OPCC and Cumbria Constabulary. Each review evaluated any exposures to risks relating to the organisation through its governance, operation and information systems. Audit reviews undertaken during 2021/22 did not identify any new or unidentified risks to the OPCC.

4. Conclusions

4.1 From the monitoring which has taken place during 2021/22 by the Office of the Police and Crime Commissioner, no unidentified risks have been identified or occurred. When taking this into consideration assurance can be gained that the strategy, policy, systems and processes in place are working effectively.

5. Recommendations

Members of the Joint Audit Committee are asked to consider this report and:

- (i) determine whether they are satisfied with the effectiveness of the OPCC's processes and monitoring of risk.
- (ii) determine whether they wish to make any recommendations to the Commissioner with regard to future developments or improvements in those arrangements

Financial Implications: 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 organisation which are financially dependent upon it.

Risk Management Implications: if the OPCC does not identify and mitigate risks then it may mean that it cannot carry out its statutory function efficiently and effectively.

Legal Implications: 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.

Contact points for additional information

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DRAFT

Joint Audit Committee



Title: Effectiveness of OPCC Anti-Fraud and Corruption Activity Monitoring

Date: 01 June 2022

Agenda Item No: 13

Originating Officer: Joanne Head, Governance Manager

Report of the Chief Executive

1. Introduction and Background

1.1 The Police and Crime Commissioner has a statutory responsibility to provide policing services for Cumbria. The Office of the Police and Crime Commissioner (OPCC) must ensure that effective processes and procedures are in place to deliver that service in an environment free from fraud and corruption.

1.2 To safeguard against fraud and corruption the Commissioner and OPCC staff operate in an open and transparent environment. This is achieved by a variety of methods including making decisions in public, publishing information on its website including registers of interests, decisions, declarations of gifts and hospitality and expenses.

1.3 Arrangements to prevent and detect Fraud and Corruption are reviewed and approved by the Police and Crime Commissioner on a cyclical basis. These arrangements provide clear definitions of fraud, corruption, theft and irregularity within the strategy. They were reviewed and updated in November 2021 following which a copy was provided to the Joint Audit Committee. The arrangements mirror much of the Constabulary's policy, although there are differences in relation to reporting, monitoring and any disciplinary procedures.

1.4 The OPCC Arrangements for Anti-Fraud and Corruption provides clarity over roles, responsibilities and duties of staff within the OPCC. The Deputy Monitoring Officer undertakes a review between the gifts and hospitality registers, the contact with supplier register and decisions made by the Commissioner. During 2020/21 no irregularities, issues or concerns have been identified.

2. Effectiveness of Arrangements for Anti-Fraud and Corruption

2.1 In order to ensure that the OPCC's arrangements for Anti-Fraud and Corruption are effective a number of areas of business are monitored to ensure compliance and identify any fraudulent or corrupt practices.

2.2 During 2021/22 and in compliance with arrangements covering gifts and hospitality the

Governance Officer has issued a notice on a monthly basis to all OPCC staff formally requesting the documentation of any gifts and hospitality offered during the previous month. Staff identify what the gift or hospitality was; who it was offered to and whether it was accepted or declined. They have made no notification of offers of hospitality during the reporting period. A change in the OPCC's Arrangements for Anti-Fraud and Corruption now means that any only offers over the value of £10 will be recorded by staff. Upon completion the registers are published on the OPCC website at the beginning of the following month. The Governance Officer has not identified any areas of concern or irregularities.

2.3 The Commissioner also identifies any gifts or hospitality which has been offered and again indicates whether this is accepted or declined. During 2021/22 he made 3 notifications of either hospitality or gifts. The COVID-19 pandemic still affected how meetings and engagement events were held with these being eased in the beginning of 2022. Again, upon completion the registers are published on the OPCC website at the beginning of the following month. The Chief Executive has not identified any areas of concern or irregularities.

2.4 In accordance with guidelines set by the Secretary of State, the Commissioner is eligible to claim allowances and expenses whilst carrying out his role. The Commissioner on a monthly basis will complete a form which includes a declaration stating that the expenses being claimed have been necessarily incurred. They are then approved or declined by the Chief Executive. During 2021/22 the Commissioner made 8 expense claims. Again the COVID-19 pandemic had reduced the number of claims due to restrictions, guidance and different ways of working. The Constabulary's Central Services Department would re-check the claims against the Home Office criteria before making payment where any claims are made providing an additional level of assurance. In line with the Elected Local Policing Bodies (Specified Information) Order 2011 authorised expenses are published on the OPCC website.

2.5 OPCC members of staff, Independent Custody Visitors, members of the Joint Audit Committee and members of the Ethics and Integrity Panel are eligible to claim expenses in line with approved policies and procedures. Each individual must sign a declaration stating that the expenses claimed were necessarily incurred during the course of their agreed duties. All claimed expenses are checked for accuracy and signed off by the Chief Executive or the Governance Manager whichever is the appropriate authority to approve the expense claim. Throughout 2021/22 no irregularities or fraudulent claims were made by any of those mentioned above.

2.6 On the 19 April 2021 the Commissioner submitted a signed declaration of interest setting out any business and personal interests for which the Office should be aware in the context of the integrity of decision making. This form was published on the Commissioners website on 20 April 2021 to ensure public transparency of declarations. During 2021/22 the Commissioner and OPCC Exec Team made a total of 44 decisions, of which the decision forms recorded that there were no personal and prejudicial interests. The Governance Manager has undertaken a review during the year of each decision form against the published declaration of interests and has confirmed that no conflicts of interests have been identified regarding any decisions the Commissioner has made during 2021/22.

2.7 During 2021/22 and in compliance with the arrangements governing supplier contacts, the Governance Officer has issued a notice on a monthly basis to all OPCC staff formally requesting the documentation of any supplier contacts that have taken place in the previous month. Staff have made notification of 171 supplier contacts during the year through this process. These notifications form a supplier contact register that has been reviewed by the Governance Officer to provide assurance during procurement processes that there are no conflicts of interest at contract award. The Governance Manager has confirmed that during 2021/22 no issues or areas of concern have been identified in relation to this area of work.

2.8 On behalf of the Commissioner the Ethics and Integrity Panel at their quarterly meetings review the Constabulary's performance in relation to Anti-Corruption. Reports provide information on the

number, categories of reported incidents, officer and staff suspensions, ongoing cases and investigations which are being dealt with by the Constabulary. This enables the Panel to identify emerging trends or patterns which the Panel can then ensure that preventative measures are put into effect. In addition, the Panel also dip sample police officer and police staff misconduct cases which have been finalised on a six-monthly basis. During 2021/22 the Panel were only able to carry out two dip sample processes returning to normal after the COVID-19 pandemic. Over the two sessions they reviewed a total of 30 cases that had been finalised. The Panel report their findings to the Commissioner at his Public Accountability Conference meetings via the Panel minutes and their Annual Report. During 2021/2022 the Panel did not identify any issues or areas of concern to be raised with the Commissioner.

2.9 On an annual basis the Constabulary undertakes a number of financial tasks for the OPCC including under Section 6 of the Audit Commission Act 1998 to provide relevant data for the National Fraud Initiative. The initiative uses advanced data matching techniques to tackle a broad range of fraud risks faced by the public sector. The Constabulary participates, on the OPCC's behalf within the National Fraud Initiative having completed fraud risk assessments for the financial year. As this process is undertaken following the compilation of this report the OPCC is not able to report on the outcome of the 2021/22 process at this time. No incidents of fraud were identified to the Joint Chief Finance Officer during the 2020/21 processes. In terms of wider fraud and corruption there have been no frauds identified against Cumbria Constabulary or the OPCC in the last year.

2.10 To encourage reporting by OPCC staff of anything they are concerned about posters have been reissued throughout the offices providing up to date contact numbers if they feel apprehensive about reporting an issue to their line manager. The OPCC have not been advised of any issues being raised with external organisations. The OPCC website contains information on how members of the public could report any concerns.

3. Internal Audit

3.1 As part of the annual audit programme Internal Audit carry out reviews of a number of areas of business within the OPCC and Cumbria Constabulary. Each review evaluates any exposures to risks relating to the organisations governance, operation and information systems. Audit reviews undertaken during 2021-22 did not identify any risks to the OPCC in relation to fraud or corruption.

4. Conclusions

4.1 From the monitoring which has taken place during 2021/22 by the Office of the Police and Crime Commissioner, no instances of fraud or irregularity have been identified or reported. No allegations have been made against any member of staff or the Police and Crime Commissioner. When taking this into consideration assurance can be gained that the policy, systems and processes in place are working effectively.

5. Recommendations

Members of the Joint Audit Committee are asked to consider this report and:

- (i) determine whether they are satisfied with the effectiveness of the OPCC's monitoring of Anti-Fraud and Corruption Activity.
- (ii) determine whether they wish to make any recommendations to the Commissioner with regard to future developments or improvements in those arrangements

Gill Shearer
Chief Executive

Legal Implications: the OPCC has a statutory obligation with regard to preventing and dealing with fraud and corruption as outlined within the report.

Financial Implications: If the OPCC does not actively manage any potential or actual fraud and corruption then there is the potential for the organisation to suffer financially, therefore having an impact upon its ability to provide policing services in Cumbria.

Risk Management Implications: there is a potential for the organisation to suffer not only financially, but with regard to its reputation leading to a loss of public confidence. The OPCC could be open to legal challenge if it does not actively identify and manage fraud and corruption.

Human Rights Implications: None Identified

Race Equality / Diversity Implications: None Identified

Contact points for additional information

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Ethics & Integrity Panel

2021 ANNUAL REPORT

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Contents

Forward from the Panel Chair	Page 3
The Police & Crime Commissioner and the Chief Constable	Page 4
About the Ethics and Integrity Panel	Page 5
Work of the Panel	Pages 6-10
▪ Code of Ethics and Code of Conduct	
▪ Public Complaints, Quality of Service & Reviews	
▪ Police Officer & Police Staff Misconduct	
▪ Grievances and Civil Claims	
▪ Officer Recruitment	
▪ Officer and Staff wellbeing	
▪ Thematic Sessions	
Response to Public Interest Issues	Page 11
Panel Member Recruitment	Page 12
Conclusion	Page 12



Forward from the Panel Chair

Welcome to the 2021 Ethics and Integrity Panel Annual Report. 2021 has seen continued challenge and change for the Constabulary, its officers and staff and the people of Cumbria that they serve. Through strong individual and team working they have supported communities and each other to face the policing of the continued pandemic with integrity and professionalism. The Panel have been hugely impressed by the commitment, focus and determination to serve our county. This is a great credit to not only the Constabulary as an organisation but to each and every officer and member of staff.

I have had the pleasure of being Chair of the Ethics and Integrity Panel since 2016. The Panel is an independent body, and its purpose is to promote and influence high standards of ethical performance in all aspects of policing in Cumbria and the work carried out by the Police and Crime Commissioner's office (OPCC). It achieves this by investigating, dip sampling, constructively challenging and reviewing a broad range of aspects of policy, process and performance, through the lens of ethics and integrity.

We have an annual work programme that includes both routine and thematic activities through which we seek to always promote the improvement and value adding aspects of ethical responsibility. We will challenge issues and actions where we believe there could have been an improvement, recognise and highlight areas of good practice, whilst helping to promote a wider understanding and awareness of the Constabulary's performance and ethical approach.

The work of the Panel is published on the OPCC's website and whilst the Panel membership is from a diverse range of backgrounds and experience, we have two things in common. We and our families all live in the county and are committed to seeing the area thrive and we all share a strong desire to help ensure that Cumbria Constabulary continues to deliver high quality services to the public, while maintaining our county as the safe and secure place to live that it currently is. The Chief Constable, the Commissioner and their teams, fully support us in our work and are open to challenge, feedback and suggestions for improvement. This in itself is an indicator of a strong, open, transparent and ethical culture.

While 2021 has been an incredibly challenging year, we have maintained our work programme, and have adapted to look at a number of thematic areas, including specific issues and activities. The information in this, and our other quarterly reports, helps to promote a wider understanding and awareness of the Constabulary's performance and ethical approach. We hope that you find the report useful and informative.

Alan Rankin

Ethics and Integrity Panel Chair

The Police and Crime Commissioner, Peter McCall



Oversight of policing remains an important part of my role and it is essential that ethical standards remain high. The legitimacy of our police force is critically dependent on the confidence of the public that they can trust the police to 'do the right thing' on their behalf. Whilst we are blessed with highly professional, dedicated and committed officers and staff, we must always be ready to examine performance to ensure that every member of the organisation maintains the highest possible

standards, when often faced with difficult and challenging circumstances. During 2020 and again in 2021 officers and staff have striven to maintain standards when faced with the challenges of the COVID-19 pandemic.

As Police and Crime Commissioner, it is my role to serve the communities of Cumbria and be their voice for policing matters. Many individuals contact me and it is important that myself and my staff also work to high ethical standards to ensure that public confidence is maintained.

I am grateful for the independent work of the Ethics and Integrity Panel as it is extremely important providing a valuable scrutiny role on the ethical values of both organisations. The variety of issues that they scrutinise continues to evolve to ensure that the Panel remains effective. It seeks to achieve this by acting as a critical friend to the Constabulary and the OPCC in the work it oversees

Peter McCall

Police and Crime Commissioner for Cumbria

The Chief Constable, Michelle Skeer



As a Constabulary, we understand that members of the public have a high expectation of the level of policing service they should receive. This continues to be important during policing, especially in light of recent events over the past 2 years. Now more than ever, policing is scrutinised, and our response is key to maintaining public confidence.

Our principles and standards are underpinned by the Police Code of Ethics. By having an independent Ethics and Integrity Panel we are making a public commitment to ethical policing in Cumbria that is subject to rigorous independent review and advice. Promoting openness, transparency, and public confidence.

The Panel provides me with continued reassurance of our transparency and through their constructive and pro-active challenge, supports our determination in delivering an outstanding policing service to keep the communities of Cumbria safe.

Michelle Skeer

Chief Constable, Cumbria Constabulary

About the Ethics and Integrity Panel

The purpose of the Ethics and Integrity Panel is to promote and influence high standards of professional ethics and to challenge; encourage and support the Police and Crime Commissioner and the Chief Constable in their work, ensuring that standards and inclusion are effective within both organisations. This report provides an overview of the work that the Panel has carried out during 2021.

The Panel meets privately on a quarterly basis to enable open and frank discussions. The agenda and reports are published on the Commissioner's website following each meeting, with only sensitive or confidential information being excluded. Reports are provided by the Panel to the Commissioner's public meeting to provide information about the Constabulary and OPCC's performance in areas that relate to ethics and integrity. The purpose of this is to promote openness, transparency and public confidence.

The Panel decide upon an annual work programme to enable it to fulfil its terms of reference and scrutiny role. In addition, they have critical and important thematic issues referred to them by both Cumbria Constabulary and the Office of the Police and Crime Commissioner.

The work of the Panel has once again continued to develop during 2021 to reflect the changing dynamics of policing in Cumbria and the challenges it faces. Even though the COVID-19 pandemic drastically affected how everyone worked, the Panel held virtual meetings to continue with their oversight; carried out some of their dip sampling processes and undertook a number of thematic sessions to look at specific issues or areas of business. This enabled the Police and Crime Commissioner and the Chief Constable to be provided with independent reassurance.

Further information regarding the Panel, its membership, and the work it carries out can be found on the Commissioner's website:

<https://cumbria-pcc.gov.uk/what-we-do/ethics-integrity-panel/>

The membership of the Panel in 2021 was:

Mr Mike Duff
Ms Lesley Horton
Mr Alan Rankin
Mr Alex Rocke



Work of the Panel During 2021

Code of Ethics and Code of Conduct

The Panel's role is to ensure that both the Constabulary and the Police and Crime Commissioner have embedded within their organisations the **Code of Ethics** and **Code of Conduct** respectively.

The Panel have been provided with assurance whilst carrying out their role that both organisations take the ethos of the Code of Ethics and Code of Conduct seriously and this has been evident in the reviews and dip samples they have undertaken in other areas of business. During their various dip sample sessions, the Panel saw first-hand that policies and procedures within the Constabulary had the ethos of the Code of Ethics embedded within them.

Similarly, the Commissioner upon re-election in May 2021 swore an oath to act with integrity and signed a Code of Conduct and Ethics. It sets out how the Commissioner has agreed to abide by the seven standards of conduct recognised as the Nolan Principles. This Ethical Framework allows transparency in all areas of the work of the Police and Crime Commissioner. These principles encompass the Commissioner's work locally and whilst representing Cumbria in regional and national forums.



Equally importantly, all the OPCC members of staff adhere to a **Staff Code of Conduct** which is based upon the model Code of Conduct for Local Government Employees and incorporates the principles arising from the Nolan Report, providing a framework for all employees in terms of official conduct

During 2021 the Panel did not identify any complaints received from either members of staff or the Commissioner regarding conduct or integrity.

Public Complaints



At their quarterly meetings the Panel received performance data from the Constabulary on the number of complaints received and how these have been managed, including whether they were within the required timescales. During 2021 the Panel carried out two dip sample sessions in which they reviewed a total of 55 files. They carried out the dip samples directly via the Centurion system within the Professional Standards Department, enabling members to view all information, actions and outcomes on the live system. Panel members spoke directly with case workers regarding any issues or concerns. Following the sessions any recommendations or comments were collated within an action sheet to ensure that they are completed and where appropriate implemented in a timely manner. Some of these include:

- Officers not using body worn video when dealing with incidents or members of the public continued to be an issue. A number of complaints could have been dealt with quicker and more effectively if this independent evidence had been available.
- The use of the Practice Requires Improvement (PRI) process had increased during the year allowing officers and their supervisors to reflect on matters and how their service could improve in the future.

Quality of Service



The Office of the Police & Crime Commissioner received 612 letters, emails and telephone calls from members of the public who wished to raise issues or dissatisfaction with the Commissioner. Where the matter related to operational policing the OPCC liaised with the Chief Constable's Staff office to provide information or a solution for the individual. The types of issues raised are varied and detailed below are some of the categories:

- The Police Service Dissatisfaction in relation to the standard of service provided or received.
- Driving Issues – anti-social driving and speeding.
- Crime – drug dealing, rural crime and ongoing 'in progress' ASB neighbour issues.
- Miscellaneous – how crime figures are recorded, DBS check process and CCTV cameras.

The OPCC also received a number of compliments thanking the Commissioner or the Constabulary for the service they provide.

Reviews



From 1 February 2020 the Office of the Police and Crime Commissioner has undertaken reviews of the outcomes of public complaints when requested by the complainant. The Panel dip sampled a number of reviews and felt that they had been dealt with appropriately and within a timely manner.

Police Officer & Police Staff Misconduct



The Panel received information on a quarterly basis relating to **Police Officer and Police Staff Misconduct** from the Constabulary's Professional Standards Department. This enables the Panel to monitor performance in relation to these areas of business and consider any patterns or trends across the whole organisation.

As part of their work programme the Panel have reviewed misconduct files twice during 2021. During the session the Panel reviewed all completed files, providing views and recommendations for any improvement in the way information was provided, how cases were handled or the public perception of the handling of such cases. They were pleased to note that the quality of the files was being maintained and that actions were being fully recorded within each case.



Grievances

On a six-monthly basis the Panel have reviewed **Grievances** being processed by the Constabulary. Although the Constabulary's HR Department dealt with all grievances, they link in with the Anti-Corruption Unit to ensure matters were cross referenced. In April and October 2021, the Panel reviewed a total of 8 finalised cases and discussed each one in turn with the HR Manager. Generally, the grievances were regarding policies and procedures or action taken against an individual. The Panel were keen to ensure that those who raised issues via the Grievance process or by using the Whistleblowing Policy were dealt with fairly; and will look at Whistleblowing Procedures as part of their 2022 work programme.

Civil Claims



On behalf of the Police and Crime Commissioner the Panel also monitor **Civil Claims** being processed by the Constabulary's Legal Department. They received information about the types of claims being made, the stage the proceedings had reached and about the claims that had been resolved. As part of this oversight the Panel seek assurance that any trends are being identified and how the organisation has learnt from particular cases; disseminating such information throughout the organisation to avoid future risks and claims.

Following issues raised by the Panel in November 2020 regarding property, the Constabulary had carried out a review of this area of business and actions taken to ensure that the findings were incorporated into any changes made. This was monitored by the Panel during 2021, who were satisfied with the changes made. The Panel noted that many of the potential court cases had not been progressed due to the impact of the COVID-19 pandemic

Officer Recruitment



The Panel monitored the Constabulary's progress on **Officer Recruitment** following the Government's announcement to appoint 20,000 officers across England and Wales. During 2020 Cumbria Constabulary saw an additional 51 officers recruited. This was the first phase of a 3-year programme. The Constabulary had received a significant number of applications and utilised Positive Action to attract applicants from diverse backgrounds. The Panel monitored how recruitment had been progressed and were keen to ensure that support mechanisms were also in place once all candidates had been appointed to the Constabulary to enable retention and progression.

Officer & Staff Wellbeing



During 2021 the Panel monitored **Officer and Staff Wellbeing and Sickness**. Although the COVID-19 pandemic had affected both officers and staff within the Constabulary, the provision of agile working afforded many the opportunity to work from home where they were able to, prevent the spreading of infection, thereby reducing the overall levels of sickness within the force.

Thematic Sessions

Since its inception, the Panel has delivered a significant programme of work on a planned and responsive basis. During 2020 and 2021 the Panel adapted their style of working due to the pandemic and looked at a number of COVID specific issues and activities such as the issuing of Fixed Penalty Notices for COVID restriction violations. The work programme has also considered thematic topics such as Stop and Search, Mental Health Detention; Spit Guards; and the use of Body Worn Video. Detailed below and overleaf are some of the areas the Panel reviewed during 2021:



In February they reviewed **Mental Health Detention** in custody suites throughout Cumbria, particularly, those relating to detention under Section 136 of the Mental Health Act and those detained under Common Law. The Panel felt that the detention of the individuals had been justified but recognised service provision by health trusts often hindered the quick release of detainees resulting in custody staff having to deal with individuals for long periods of time. Changes to the provision of mental health services had seen the county split in two. Work was being carried out across partner agencies to increase staff training to deal with mental health patients and to have fit for purpose vehicles to be able to transport them to mental health facilities.



The Panel continued to monitor **Body Worn Video** usage within the Constabulary. As has been identified earlier in this report, there remains a number of areas of Constabulary business where Body Worn Video is not used to its full potential. These include Stop and Search and responding to incidents following which a complaint is made. The use of Body Worn Video provides an independent viewpoint of a matter or incident. When it is not used where it should have been it leaves the officer and Constabulary open to complaint, criticism and potentially civil litigation.



The Panel carry out an annual review of **Stop and Search** forms to ensure continued compliance. Of the 40 forms reviewed 17 were identified as requiring improvement and more than 10% indicated that Body Worn Video had not been activated during the stop and search. Had the recording of the incidents on the forms been of a better quality it would have provided a better picture of the circumstances of the stop and would stand up to scrutiny should there be a challenge. None of the forms indicated that the stop and search was not legally carried out.



To provide assurance to the Constabulary and transparency for the communities of Cumbria the Panel again carried out a dip sample in January 2021 of **COVID-19 Fixed Penalty Notices** which were issued during lockdown to individuals who did not comply with the guidance. They assessed whether Fixed Penalty Notices were being issued appropriately and without bias; monitored the use of the “Engage, Explain and Enforce” criteria and were generally satisfied that the regulations and guidance were applied fairly in a constantly changing environment. Although they did identify some issues where people were travelling for exercise and issued with an FPN which they should not have been. The Force subsequently changed how the guidance was applied.



Throughout 2021 the Panel have met as the **Data Ethics Consultation Group** with Cumbria Constabulary. The purpose is to review new processes and technologies being considered to improve service delivery. It facilitates an open environment to examine and discuss the impacts, risks, opportunities and consequences of any new methods of using personal data. The independence of the Panel helps to identify and capture potential societal attitudes and any unintentional consequences arising from changes to how personal data is processed.

Response to Public Interest Issues

Contact with the Public Review

In January 2021 all Chief Constables undertook a commitment to act on issues of diversity, inclusion and concerns about racial inequalities, including the experiences of black people in policing and the criminal justice system. The Panel have monitored the work carried out by the Constabulary during the course of the year. In early 2022 they will be provided with a copy of the Anti-Racist Cumbria report and will monitor the implementation of subsequent action and work plans of the Constabulary, identifying where the Panel can assist by providing a public perspective.

Sarah Everard Case Outcomes

Following the outcome of the Sarah Everard case and its recommendations, in November 2021 the Panel were briefed on the work the Constabulary were due to undertake. Internally the force had implemented a process for members of the public to verify an officer's identity; reviewing their vetting procedures; ensuring student officers were suited to the role; expanding the PREVENT officer role and carrying out due diligence on officers and staff appointed. Externally officers and staff were ensuring they were more visible in communities, monitoring behaviours during the night-time economy and publicising safety processes for anyone who felt in danger or who thought their drink had been 'spiked'.

The Panel will continue to monitor both of these areas of work as part of their 2022 work programme.

Panel Member Recruitment

Some of the current Panel members are due to end their membership in 2023 and 2024. To enable succession planning a recruitment process commenced in September 2021. A successful candidate was identified and joined the Panel in January 2022. This will enable them to work with the Panel during 2022, gaining knowledge and insight on the various elements that the Panel undertake during the year.

A further recruitment campaign will be carried out during 2022 when the Office of the Police and Crime Commissioner and the Constabulary will seek to extend the membership and look to members of the public both within and outwith Cumbria to attract different skill sets.



Cumbria Office of the Police and Crime Commissioner

Public Accountability Conference 23 June 2022: Agenda Item 11a
Joint Audit Committee 22 June 2022: Agenda Item 15

Review of effectiveness of the arrangements for Audit 2021/22

A Joint Report by the Chief Executive and Joint Chief Finance Officer of the Police and Crime Commissioner and Chief Constable

1. Introduction and Background

1.1. The Accounts and Audit Regulations 2015 removed the requirement within the 2011 Regulations to conduct an annual review of the effectiveness of the arrangements for audit. Assurances in respect of the arrangements for audit are however part of a robust governance framework. They support the Commissioner in placing reliance on the opinion of the Group Audit Manager (Head of Internal Audit) and support the Joint Audit Committee in placing reliance on the work and reports of the internal auditors. An effective internal audit service is also a characteristic within the seven principles of the CIPFA 2016 Good Governance Framework.

1.2. The Chartered Institute of Public Finance and Accountancy (CIPFA) defines the system of Internal Audit as the entirety of the arrangements for audit put in place by the entity, including the activities of any oversight committee. This report sets out an overall judgment, based on that review. The review comprises the arrangements for internal audit, detailed within this report and the arrangements for the Joint Audit Committee, detailed in the Committee's Review of Effectiveness. The review of effectiveness in relation to the Joint Audit Committee is now conducted over a biennial cycle as follows:

- Even Years – A report reviewing the effectiveness of the Committee as a contribution to the overall effectiveness of arrangements for governance is produced.

- Odd Years - A 360' review of committee effectiveness which is private meeting between members, DCC, JCFO, CE & DCFO.

1.3. The review process seeks to provide assurance that the arrangements are adequate and effective. This is based on a judgment made following an assessment of compliance with relevant codes and standards. For internal audit the review is undertaken against the Public Sector Internal Audit Standard (PSIAS). The review of the effectiveness of the arrangements for the Joint Audit Committee is undertaken in line with the CIPFA 2018 guidance¹ that provides an evaluation self-assessment framework and a checklist of good practice.

2. Effectiveness of the Internal Audit Function

2.1. Internal Audit Services for the 2021/22 financial year were provided by Cumbria County Council Shared Internal Audit Service. From 2022/23 a new arrangement is in place with TIAA Ltd.

2.2. The effectiveness of the internal audit function is reviewed on the basis of compliance by the Internal Audit shared service provider with the PSIAS. The Group Audit Manager is required under the PSIAS to include within his annual report, a statement of conformance with the Standards. Any instances of non-conformance must be reported to the Joint Audit Committee. Furthermore, any significant non-conformance should be considered for inclusion within the Commissioner and Chief Constable's respective Annual Governance Statements.

2.3. The Public Sector Audit Standards support audit effectiveness by setting out a set of requirements for the governance, management and delivery of internal audit. This includes a requirement to develop and maintain a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of internal audit activity. Key elements of the QAIP include on-going monitoring of the performance of the internal audit activity, periodic assessment or self-assessment and external assessment. The QAIP also ensures that reasonable assurance is provided that Internal Audit is performing its work in accordance with its Internal Audit Charter, which is consistent with the PSIAS and that it operates in an effective and efficient manner.

2.4. The QAIP is included within the Head of Internal Audit's annual report and opinions for 2021/22 and will be presented to members of the Joint Audit Committee at the 22 June 2022 for review. The QAIP report set out what was in place during 2021/22. The QAIP sets out for members how

¹ audit committees\Practical Guidance for Local Authorities and Police

audit engagements are supervised, how work including final reports are reviewed, arrangements for the audit manual and performance measures. The QAIP also includes the annual assessment of Internal Audit's conformance with its Charter and annual completion of the CIPFA checklist for assessing conformance with the PSIAS. The Internal Audit Charter in place during 2021/22 was presented at the 17 March 2021 Joint Audit Committee. The Internal Audit Charter sets out the purpose, authority, responsibility and objectives of Internal Audit, providing clarity on how Audit works, its scope, lines of reporting and requirements in respect of objectivity and independence. The Charter, alongside the QAIP, supports the organisation and its auditors in ensuring the delivery of arrangements for Internal Audit that are effective. During the year members of the Joint Audit Committee have also received monitoring reports on actual performance against Internal Audit's performance framework at their quarterly meetings.

- 2.5. The summary of the outcomes of the completed self-assessment is attached to this report at Appendix A and is further supported by an evaluation of the role of the Group Audit Manager (Head of Internal Audit) against the CIPFA standard at Appendix B. The full 48 page checklist is retained on file for review by the External Auditors. The Annual Report of the Group Audit Manager (Head of Internal Audit), provided within this agenda, confirms that the Standards within the PSIAS have been complied with.
- 2.6. In November 2017, the first external quality assessment (EQA) of the internal audit function was carried out in line with the requirement of PSIAS to have an external assessment at least every five years. The outcome of this process was reported to members of the Joint Audit and Standards Committee at its meeting on 21 March 2018. The overall assessment was that the shared internal audit service "generally conforms" to the standards and this represents the highest of three possible outcomes. An action plan was developed to address the seven recommendations contained within the EQA report.
- 2.7. The review of internal audit against the PSIAS provides the primary source of assurance. Further assurance of the effectiveness of internal audit was previously taken from the opinion provided by the external auditors. In 2020, the external auditor (Grant Thornton) advised that they no longer use the work of internal audit to assist with their own work and as such have not provided an opinion on the work of internal audit.

3. Effectiveness of arrangements for an Audit Committee

3.1. The effectiveness of the arrangements for an audit committee is assessed by reviewing the arrangements for the Joint Audit Committee against the assessment criteria and checklist provided by CIPFA in its 2018 updated publication “audit committees, Practical Guidance for Local Authorities and Police”. The guidance document provides a detailed regulatory framework against which the work and activity of the committee, in addition to the overall arrangements, can be assessed and consideration given to areas for improvement and development. In a change from previous years, from 2020/21 the effectiveness of the committee is to be assessed on a biennial cycle as outlined in paragraph 1.2 above.

3.2. The key messages arising from the review carried out in 2022 are that:

- The Committee has continued to build on the firm foundations put in place at the inception of the OPCC, expanding and refining its remit in the light of changing circumstances and emerging trends.
- Members are recruited appropriately, and the range of skills has been strengthened through recent appointments.
- The Committee’s remit complies with best practice.
- The Committee is supported by key members of the OPCC and Chief Constable’s management teams at all Committee meetings to ensure that members are appropriately informed when considering the issues.
- Audit Committee members have carried out their duties diligently, achieving 100% attendance, have made a valued contribution to governance arrangements and have taken action on specific issues. During 2021/22 as a result of the covid-19 pandemic, all meetings were again held online using MS Teams.
- Members have continued to increase their formal and informal training and development activities.
- The first 360’ review of the committee was undertaken in June 2021.

3.3. The overall conclusion and assessment from the review is that the Joint Audit Committee is effective in its operation. The review has demonstrated that within the areas of the self-

assessment carried out in 2022, the Committee can evidence substantial support, influence and persuasion in carrying out its functions. These are the elements defined by CIPFA as being evidence of effectiveness. Against the self-assessment checklist the committee achieves a consistent grade of the maximum score of 5 across all areas. The full report of the review of effectiveness is included on the agenda to this meeting.

4. Conclusions

4.1. From the reviews described above, it is concluded that:

- i. The review of the internal audit shared service against the PSIAS, and supported by the review of the role of the Head of Internal Audit, demonstrates that the service is effective.
- ii. The annual review of the arrangements for an audit committee in accordance with the guidance, assessment criteria and checklists defined by CIPFA, demonstrates that the Joint Audit Committee is effective in its operation

4.2. When taken together, there are no material shortcomings in the effectiveness of the entirety of the Internal Audit arrangements for the year to 31 March 2022, or to the date of this meeting.

5. Recommendations

5.1. Members of the Joint Audit Committee are asked to consider this report and:

- i. Determine whether they are satisfied with the effectiveness of Internal Audit for the year to 31 March 2022 and to the date of this meeting, and
- ii. Consider any areas where they might wish to make recommendations to the Commissioner and Chief Constable for improvements in 2022/23.

5.2. The Commissioner and Chief Constable are asked to consider this report and:

- i. Determine whether they are satisfied with the effectiveness of Internal Audit for the year to 31 March 2022 and to the date of this meeting, taking into account the views of the Joint Audit Committee, and
- ii. Consider any areas where they might wish to see improvements or changes in 2022/23.

Gill Shearer
Commissioner's Chief Executive

Roger Marshall
Joint Chief Finance Officer
14 June 2022

Human Rights Implications: None Identified

Race Equality / Diversity Implications: None Identified

Personnel Implications: None Identified

Financial Implications: None Identified

Risk Management Implications:

The Annual Governance Statement and the underpinning reviews, including the effectiveness of arrangements for audit are designed and intended to provide assurance on and compliance with high standards of corporate governance, including effective control and mitigation of the risk environment in which the Commissioner and Chief Constable discharge their respective responsibilities.

Contact points for additional information

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Review of Internal Audit Effectiveness

1. Definition of Internal Auditing

- 1.1. Internal audit work is carried out in line with the definition of internal auditing so as to provide independent assurance on the Commissioner's and Chief Constable's systems of risk management, governance and internal control.
- 1.2. All internal audit reviews result in an audit report detailing the level of assurance that can be given. Standard definitions are in place to ensure consistency in the assurance levels across the service.
- 1.3. Internal audit does not have any operational responsibilities, thereby ensuring its ability to independently review all of the Commissioner and Chief Constable's systems, processes and operations

2. Code of Ethics

- 2.1. The internal audit team have been made aware of the mandatory code of ethics within the PSIAS and have the opportunity to discuss this at team meetings.
- 2.2. All internal audit work is performed with independence and objectivity and all staff are aware of the need for them to declare any relevant business interests in order that any potential conflict of interest or compromise to audit objectivity is effectively managed.
- 2.3. Staff are aware of their responsibilities in relation to confidentiality and information governance.
- 2.4. Arrangements are in place to ensure that work is performed by staff with the appropriate skills, knowledge and experience and that training and development needs are identified through annual appraisals and six month reviews.

3. Purpose, Authority and Responsibility

- 3.1. An internal audit charter is in place which defines the purpose, authority and responsibility of internal audit as well as its rights of access to all information, premises and personnel for the purpose of completing internal audit reviews.
- 3.2. The charter sets out the functional reporting line of the Group Audit Manager / Audit Manager to the Joint Audit Committee to ensure internal audit independence.
- 3.3. The Audit Manager attends all meetings of the Joint Audit Committee.
- 3.4. The Audit Manager has direct access to the Chief Officer Group, the Chief Executive, the Commissioner and the Joint Audit Committee Chair.
- 3.5. The reporting lines for the Audit Manager ensure that internal audit independence is maintained and in line with the Standards, the Audit Manager reports directly to the Joint Chief Finance Officer (S151 Officer) who is a member of the Public Accountability Conference.
- 3.6. There have been no identified threats to internal audit independence or objectivity during the year.
- 3.7. The Standards refer to the arrangements for the Audit Manager's appraisal. Input and feedback should be obtained from the Chief Executive or equivalent and Chair of the Joint Audit Committee. This is a requirement of the employing organisation designed to protect the independence of the Audit Manager in relation to those audits that may be subject to undue influence, being within the area of the appraiser's responsibility. Whilst this is not a requirement for either the Commissioner or the Chief Constable, the Joint Chief Finance Officer, on behalf of both entities, will provide feedback on the performance of the Audit Manger as part of the arrangements for management of the shared audit service.

4. Proficiency and Due Professional Care

- 4.1. The Audit Manager is professionally qualified and experienced to deliver an effective internal audit service.
- 4.2. Job descriptions and person specifications reflect the duties required to deliver the risk-based approach to internal auditing and the skills needed to undertake the roles.

- 4.3. The team has a wide range of skills and experience brought about in part by the creation of the Shared Internal Audit Service which brought together a number of existing internal audit teams into a single service.
- 4.4. All audit work is undertaken with due professional care and reviewed by an Audit Manager to ensure that the work undertaken supports conclusions reached.
- 4.5. A Quality Assurance and Improvement Programme (QAIP) has been in place during 2021/22. The programme has been formally documented and is included as an appendix, within the Head of Internal Audit's annual report and opinions for 2021/22, which is included within this agenda. This includes the adoption of a comprehensive performance framework that is incorporated within the audit charter. The Joint Audit Committee have received quarterly reports monitoring actual performance against the framework.

5. Performance Standards

- 5.1. Internal audit work is undertaken to support the purpose of internal audit as defined within the audit charter. Management arrangements are in place to ensure that all work is delivered in accordance with the charter and to deliver relevant assurance to management, the Joint Audit Committee, the Commissioner and Chief Constable.
- 5.2. Risk based audit plans have been developed across the shared internal audit service. The plans have been developed to enable an overall annual opinion to be provided on the arrangements for governance, risk management and internal control.
- 5.3. In developing the plans, account has been taken of the organisation's risk management frameworks, the expectations of senior management and emerging national and local issues.
- 5.4. Audit plans have been developed based on a documented risk assessment. Arrangements are in place to report required amendments to audit plans to the Joint Audit Committee should this become necessary.
- 5.5. The plans identify the audit resources required to deliver them and arrangements are in place to allocate the workload across the audit team in advance to ensure all plans can be delivered.
- 5.6. Arrangements are in place to ensure the audit manual is continually updated as working practices continue to be reviewed.

5.7. Internal audit contributes to improving the Commissioner and Chief Constable's operations through delivery of approved audit plans. Internal audit recommendations are aimed at strengthening performance and risk management, governance and ethical policies and values and internal controls.

6. Engagement Planning

6.1. All internal audit reviews are scoped and a brief prepared setting out the scope and objectives of the audit work together. This process ensures that management input to the scope of each audit. A standard client notification document has been designed and has been used for all audit reviews. Audit scopes include consideration of systems, records, personnel and premises.

6.2. The audit planning process includes a preliminary assessment of risk for each audit included in the plan. Auditors then undertake research as part of planning individual audit reviews to identify specific risks within the area under review. Within the risk based approach, once the scope of an audit is agreed, a full risk identification exercise is undertaken as part of the audit fieldwork. This ensures that risk is considered throughout the audit process.

6.3. The Internal Audit management review process ensures that work plans are prepared for each audit that document how the audit objectives will be met and that sufficient audit work is undertaken to support conclusions reached.

6.4. There is a document retention policy in place to manage audit records.

6.5. All internal audit work is subject to management review, and there is a consistent approach in place to documenting and retaining evidence of this review.

6.6. All internal audit reports are issued in draft for management comments and agreement of the factual accuracy and completion of the action plan. Clients have the opportunity to discuss the draft reports with the auditor.

6.7. Audit final reports issued in relation to 2021/22 audit plans were accurate, comprehensive and complete. All contained an assurance statement and agreed action plan.

6.8. The Audit Manager produces an annual report to the Joint Audit Committee and the Public Accountability Conference, which includes the overall opinion on the arrangements for

governance, risk management and internal control. The report includes a summary of the work undertaken in support of the opinion.

7. Monitoring Progress

- 7.1. Arrangements are in place for follow up of agreed actions arising from internal audit reports and the outcome of these is reported to the Joint Audit Committee within the quarterly progress reports.

8. Communication of the Acceptance of Risks

- 8.1. Arrangements are in place to ensure that where key risks are accepted by management, this is discussed with senior management. Should the Audit Manager consider that the organisation is accepting a level of risk that may be unacceptable, this would be reported to the Joint Audit Committee and the Public Accountability Conference.

CIPFA Statement on the Role of the Head of Internal Audit 2019

1. Introduction

1.1 In 2019, CIPFA published an updated Statement on the Role of the HoIA in Public Sector Organisations in recognition of the critical position occupied by the Head of Internal Audit (HoIA) within any organisation in helping it to achieve its objectives by giving assurance on its internal control and risk management arrangements and playing a key role in promoting good corporate governance. Conformance with the Statement is cited as an example of good governance within the Delivering Good Governance Framework 2016

2. The Five Principles

3.1 The Statement sets out how the requirements of legislation and professional standards should be fulfilled by the HoIA in carrying out their role and is structured under five core principles:

3.2 The Head of Internal Audit in a public service organisation plays a critical role in delivering the organisation's strategic objectives by:

- championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on responses to emerging risks and proposed developments; and
- giving an objective and evidence based opinion on all aspects of governance, risk management and internal control.

3.3 To perform this role, the Head of Audit:

- must be a senior manager with regular and open engagement across the organisation, particularly with the Leadership Team and with the Audit Committee
- must lead and direct an internal audit service that is resourced to be fit for purpose; and
- must be professionally qualified and suitably experienced.

3.4 A completed self-assessment template is attached below for appropriate sign off.

Checklist for Assessing Compliance with the Governance Requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public sector organisations 2019

Ref	Governance Requirement	County Council arrangement and any required actions	Assessment of conformance		
			Y	N	P
Principle 1: The HIA in a public service organisation plays a critical role in delivering the organisation's strategic objectives by championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on responses to emerging risks and proposed developments					
1.1	Set out the HIA's role in good governance and how this fits with the role of others.	HoIA Role Profile sets out the contribution of the annual report of the HoIA to the Annual Governance Statement.	✓		
1.2	Ensure that the importance of good governance is stressed to all in the organisation, through policies, procedures and training	Code of Corporate Governance sets out the frameworks that are in place to support the overall arrangements. There are individual codes for the Cumbria OPCC and Cumbria Constabulary.	✓		
1.3	Ensure that the HIA is consulted on all proposed major projects, programmes and policy initiatives.	Internal audit plan incorporates some capacity to respond to emerging issues and projects.	✓		
Principle 2: The HIA in a public service organisation plays a critical role in delivering the organisation's strategic objectives by giving an objective and evidence based opinion on all aspects of governance, risk management and internal control					
2.1	Set out the responsibilities of the HIA, which should not include the management of operational areas.	Responsibilities of the HoIA are set out in the Role Profile and do not include any operational responsibilities.	✓		
2.2	Ensure that internal audit is independent of external audit.	Internal audit is independent of external audit. IA plans will be shared with external audit, but will not be in any way directed by external audit.	✓		
2.3	Where the HIA does have operational responsibilities the HIA's line manager and the Audit Committee should specifically approve the IA strategy for these and associated plans and reports and ensure the work is independently managed.	Not applicable.			

Checklist for Assessing Compliance with the Governance Requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public sector organisations 2019

Ref	Governance Requirement	County Council arrangement and any required actions	Assessment of conformance		
			Y	N	P
2.4	Establish clear lines of responsibility for those with an interest in governance (e.g. Chief Executive, Chief Legal Officer, Chief Financial Officer, Audit Committee, non-executive directors/elected representatives). This covers responsibilities for drawing up and reviewing key corporate strategies, statements and policies.	Clear lines of responsibility are set out in job roles, the scheme of delegation and key supporting governance documents e.g. financial regulations, procurement regulations, grant regulations. The Joint Audit Committee has a clear Terms of Reference consistent with the CIFA guidance.	✓		
2.5	Establish clear lines of reporting to the Leadership Team and to the Audit Committee where the HIA has significant concerns	Reporting lines are defined within the Internal Audit Charter which has been agreed by the Board.	✓		
2.6	Agree the terms of reference for internal audit with the HIA and the Audit Committee as well as with the Leadership Team	Internal audit charter sets out internal audit's terms of reference. Charter has been approved by Board and presented to Joint Audit Committee.	✓		
2.7	Set out the basis on which the HIA can give assurances to other organisations and the basis on which the HIA can place reliance on assurances from others.	The basis of assurances provided to other organisations is set out within the Shared Services agreement. Various sources of assurance have been taken into consideration in preparing the audit plan to ensure optimum audit coverage.	✓		
2.8	Ensure that comprehensive governance arrangements are in place, with supporting documents covering e.g. risk management, corporate planning, anti-fraud and corruption and whistleblowing.	Key governance documents include the Code of Corporate Governance, scheme of delegation, Anti-fraud and corruption strategy, policy and procedure. Risk management arrangements are in place and the corporate risk register for each organisation is reported to Joint Audit Committee.	✓		
2.9	Ensure that the annual internal audit opinion and report are issued in the name of the HIA.	Annual report of the Head of Internal Audit contains the internal audit opinion for the Police & Crime Commissioner for Cumbria and the Chief Constable for Cumbria Constabulary. This report is presented to Joint Audit Committee by the Head of Internal Audit.	✓		

Checklist for Assessing Compliance with the Governance Requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public sector organisations 2019

Ref	Governance Requirement	County Council arrangement and any required actions	Assessment of conformance		
			Y	N	P
2.10	Include awareness of governance in the competencies required by members of the Leadership Team.	Role profiles for the Chief Executive, Joint CFO and deputy monitoring officer are based on the relevant professional standards and include governance responsibilities. Constabulary Chief Officers are trained on governance matters as part of their professional qualification.	✓		
2.11	Set out the framework of assurance that supports the annual governance report and identify internal audit's role within it. The HIA should not be responsible for preparing the report.	The framework of assurance that supports the annual governance statement is documented within the Statement itself. HIA is not responsible for preparing the AGS.	✓		
2.12	Ensure that the internal audit strategy is approved by the Audit Committee and endorsed by the Leadership Team.	Public Sector Internal Audit Standards (PSIAS) refer to the requirement for internal audit plans to include a statement of how internal audit service will be delivered. This is included within the audit plan.	✓		
Principle 3: The HIA in a public service organisation must be a senior manager with regular and open engagement across the organisation, particularly with the Leadership Team and with the Audit Committee.					
3.1	Designate a named individual as HIA in line with the principles in this Statement. The individual could be someone from another organisation where internal audit is contracted out or shared. Where this is the case then the roles of the HIA and the client manager must be clearly set out in the contract or agreement.	The Group Audit Manager is the designated HoIA for the PCC / Chief Constable.	✓		

Checklist for Assessing Compliance with the Governance Requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public sector organisations 2019

Ref	Governance Requirement	County Council arrangement and any required actions	Assessment of conformance		
			Y	N	P
3.2	Ensure that where the HIA is an employee that they are sufficiently senior and independent within the organisation's structure to allow them to carry out their role effectively and be able to provide credibly constructive challenge to the Management Team.	Not applicable.			
3.3	Ensure that where the HIA is an employee the HIA is line managed by a member of the Management Team. Where the HIA is not an employee then the reporting line must be clearly set out in the contract or agreement with the internal audit supplier.	Not applicable.			
3.4	Establish an Audit Committee in line with guidance and good practice.	There is a Joint OPCC / Constabulary Audit Committee which is the recommended approach in the Financial Management Code of Practice for the Police Forces of England and Wales. The Joint Audit Committee undertakes on a biennial basis a self-assessment against the CIPFA practical guidance checklist and has assessed itself as performing appropriately, in the intervening years, the committee and officers carry out a 360' review of the work of the committee, the first such review has been scheduled for 23/06/21.	✓		
3.5	Set out the HIA's relationship with the Audit Committee and its Chair, including the Committee's role (if any) in appointing the HIA.	The relationship is set out in the Internal Audit Charter.	✓		

Checklist for Assessing Compliance with the Governance Requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public sector organisations 2019

Ref	Governance Requirement	County Council arrangement and any required actions	Assessment of conformance		
			Y	N	P
3.6	Ensure that the organisation's governance arrangements allow the HIA: – to bring influence to bear on material decisions reflecting governance; – direct access to the Chief Executive, other Leadership Team members, the Audit Committee and external audit; and – to attend meetings of the Leadership Team and Management Team where the HIA considers this to be appropriate.	There are appropriate arrangements in place to allow the HIA to perform these functions appropriately.	✓		
3.7	Set out unfettered rights of access for internal audit to all papers and all people in the organisation, as well as appropriate access in (significant) partner organisations.	This is defined within the Internal Audit Charter	✓		
3.8	Set out the HIA's responsibilities relating to partners including joint ventures and outsourced and shared services.	The HoIA responsibilities are defined within the Audit Charter in relation to the Shared Internal Audit Service.	✓		
Principle 4: The HIA in a public service organisation must lead and direct an internal audit service that is resourced to be fit for purpose.					
4.1	Provide the HIA with the resources, expertise and systems necessary to perform their role effectively.	Internal audit is resourced appropriately to deliver the level of service currently required.	✓		
4.2	Ensure that the Audit Committee sets out a performance framework for the HIA and their team and assesses performance and takes action as appropriate.	Internal audit is resourced appropriately to deliver the level of service currently required.	✓		

Checklist for Assessing Compliance with the Governance Requirements of the CIPFA Statement on the Role of the Head of Internal Audit in public sector organisations 2019

Ref	Governance Requirement	County Council arrangement and any required actions	Assessment of conformance		
			Y	N	P
4.3	Ensure that there is a regular external review of internal audit quality	Mandatory EQA was undertaken in October 2017 and the outcome was reported to Audit & Assurance Committee on 20 March 2018 with a further update on progress at the Joint Audit Committee held on 20 March 2019, 18 March 2020, 17 March 2021 and 22 June 2022.	✓		
4.4	Ensure that where the HIA is from another organisation that they do not also provide the external audit service	Cumbria Shared Internal Audit Service does not provide the external audit service to the Police & Crime Commissioner for Cumbria or the Chief Constable for Cumbria Constabulary.	✓		
Principle 5: The HIA in a public service organisation must be professionally qualified and suitably experienced					
5.1	Appoint a professionally qualified HIA whose core responsibilities include those set out under the other principles in this Statement and ensure that these are properly understood throughout the organisation.	HoIA is CIPFA qualified (since 1993). HoIA responsibilities are defined within the role profile for the post and make appropriate reference to the requirements of the 2019 CIPFA Statement.	✓		
5.2	Ensure that the HIA has the skills, knowledge, experience and resources to perform effectively in his or her role.	HoIA has over 32 years' audit experience within Local Government and undertakes CPD to keep his skills up to date. HoIA has regular contact with audit colleagues throughout the North West via the North West Chief Audit Executives Group and the Local Authority Chief Auditors Network (for Counties, Mets and Unitaries).	✓		



Peter McCall



Joint Audit Committee
Review of Effectiveness 2021/22

Executive Summary

The purpose of an audit committee is to provide those charged with governance¹ independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes.

Best practice dictates that governance, risk management and strong financial controls be embedded in the daily and regular business of an organisation. The existence of an audit committee does not remove responsibility from senior managers or leaders, but provides an opportunity and resource to focus on these issues.

Audit committees are a key component of the governance framework.

CIPFA notes the importance of the capacity of the Committee to promote good governance, making things better, not just reviewing what has happened in the past.

CIPFA's guidance document, Audit Committee's Practical Guidance for Local Authorities and Police (2018 edition), recommends that audit committees review their effectiveness annually. In 2020, the decision was taken that the formal written review would move to a biennial report (even years) and in the alternate years (odd years) a 360' review would be undertaken. The first 360' review was undertaken in June 2021. The Annual Report of the Committee sets out the conclusions of that review and provides a commentary on the effectiveness of the Committee in fulfilling its purpose.

The formal review covers four areas, Core Committee Functions, Wider Functions, Independence and Accountability and Membership and Effectiveness. For each area under review, the overall conclusions are assessed against an evaluation key with a score of 1-5, with 5 indicating the highest level of effectiveness.

The overall conclusions from the assessment is that the committee is effective in its operation. The key messages arising from the review are that:

- The Committee has continued to build on the firm foundations put in place at the inception of the OPCC, expanding and refining its remit in the light of changing circumstances and emerging trends.
- Members were appointed based on their skills and experience, are politically neutral.
- The Committee's remit complies with best practice and members are clear about their role and focus of attention.
- The Committee is supported by key members of the OPCC and Chief Constable's management teams at all Committee meetings to ensure that members are appropriately informed when considering the issues.
- Joint Audit Committee members have carried out their duties diligently, achieving 100% attendance at meetings, have made a valued contribution to governance arrangements and have taken action on specific issues.
- Members have maintained formal and informal training and development activities to enhance their understanding of the Constabulary and OPCC.

¹ The Commissioner and the Chief Constable
Corporate Support / Financial Services / MB

The committee achieves a consistent grade of 5 across all areas of the assessment against the Core Functions and a grade 5 assessment against the Wider Functions of Ethical Values and Treasury Management. Independence and Accountability and Membership and Effectiveness both score a grade 5, being evidenced as fully compliant with best practice requirements.

The Committee continues to strive for improvements across all areas of its activities. The Committee has identified XX priority areas within its wider programme where in 2022/23 it will seek to have impact. These priorities are included in an action plan and comprise efforts to:

- These will be added following discussions at the meeting on 22/06/22.

The review of the effectiveness of the arrangements has demonstrated that the Committee can evidence substantial support, influence and persuasion in carrying out its functions. These are the elements defined by CIPFA as the factors that evidence the Committee's effectiveness.

In carrying out the review Committee members have been able to evidence numerous examples of their impact. This has included: (to be discussed/updated following meeting on 22/06/22).

- Attendance at Police and Crime Panel meetings as an observer to understand the PCP's key areas of attention.
- Sharing the Cumbria approach to audit committees with other policing bodies thereby developing and sharing areas of best practice.
- Reviewing the effectiveness of Internal Audit's approach to consultancy work to help ensure it adds value.

The review of the effectiveness of the arrangements has demonstrated that the Committee can evidence substantial support, influence and persuasion in carrying out its functions. These are the elements defined by CIPFA as the factors that evidence the Committee's effectiveness.

The Committee's review of Effectiveness provides information on the assessment process and CIPFA standards, this together with the Committee's Terms and Reference and detailed work programme can be found on the Commissioner's website at [Joint Audit Committee - Cumbria Police and Crime Commissioner \(cumbria-pcc.gov.uk\)](https://www.cumbria-pcc.gov.uk). The Joint Audit Committee holds public meetings, Committee papers and audit reports are all available on the Commissioner's website using the above link.

Introduction

The purpose of an audit committee is to provide those charged with governance (the Police and Crime Commissioner and the Chief Constable) independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes.

The Influential Audit Committee

The audit committee has the potential to be a valuable resource to the whole organisation. Where it operates effectively, an audit committee can add value to its organisation by supporting improvement across a range of objectives. To achieve wide-ranging influence, an audit committee will need commitment and energy from membership together with support and openness from the organisation.



CIPFA’s document, Audit Committee’s Practical Guidance for Local Authorities and Police, recommends that audit committees review annually their effectiveness. This report sets out for the Commissioner and Chief Constable’s Joint Audit Committee the conclusions of that review and provides a commentary on the effectiveness of the Committee in fulfilling its purpose.

Review of Effectiveness

The review has been undertaken against the framework of the CIPFA document. It reviews the activities and impact of the Committee against the guidance in relation to the purpose and functions for Audit Committees and a checklist for effectiveness. The full range of activities undertaken by the Committee during 2021/22 is also set out in Appendix A as a consolidated summary of the work of the Committee in fulfilling its functions. For each of the areas in the CIPFA guidance, an assessment is made to award a grade in accordance with the CIPFA standard, based on the conclusions of the review. The grades are set out in table one below. In addition to consideration of Committee activity the review of effectiveness is also supported by consideration of the issues of Committee independence and objectivity and the skills and experience of members. Audit Committee members have further agreed a self-assessment checklist for good practice, included with the CIPFA document to support the annual review.

Table One: CIPFA Effectiveness Evaluation Assessment Key

Score	Assessment Key
5	Clear evidence is available from a number of sources that the committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.
4	Clear evidence from some sources that the committee is actively and effectively supporting improvements across some aspects of this area.
3	The committee has had mixed experience in supporting improvement in this area. This is some evidence that demonstrates their impact but there are also significant gaps.
2	There is some evidence that the committee has supported improvements, but the impact of this support is limited.
1	No evidence can be found that the audit committee has supported improvements in this area.

Overall Conclusions and Assessment

The overall conclusion and assessment is that the Joint Audit Committee is effective in its operation.

The review has demonstrated that within the areas of the self-assessment the Committee can evidence the effective use of substantial support, influence and persuasion in carrying out its functions. These are the elements defined by CIPFA as being evidence of effectiveness. The committee achieves a consistent grade of 5 in all 10 areas of the assessment against the Core Functions and a grade 5 assessment against the Wider Functions of Ethical Values and Treasury Management. Independence and Accountability score a grade 5 and Membership and Effectiveness also score a grade 5. The key messages arising from the review are that:

- Committee members have carried out their duties diligently, meetings are well attended and members have made an effective contribution to governance arrangements
- Members have kept up to date with training and developments. During 2021/22 these arrangements have continued to include a corporate briefing as part of Committee meetings and for 2021/22 a specific development session covering treasury management with the Commissioner's external advisors was held. A development session on the budget and MTFF was also held
- In 2016/17 Members were provided with an "Induction Pack and Handbook" which provides a number of useful documents in one handbook and includes details of structures, key individuals and governance arrangements within the OPCC and Constabulary, these handbooks are updated on a periodic basis to include latest information.

As part of the overall assessment process the Commissioner and Chief Constable were asked to comment on the effectiveness of the Committee, their comments were as follows:

The Police and Crime Commissioner for Cumbria Comment

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

Chief Constable for Cumbria Constabulary Comment

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

The rest of this report sets out the requirements of the CIPFA guidance, the arrangements for the Committee and the evidence and conclusions of the review. It is set out in four sections with supporting appendices:

- **Section One:** Core Committee Functions and the Effectiveness Checklist page 8-24
- **Section Two:** Possible Wider Functions of an Audit Committee page 25-26
- **Section Three:** Independence and Accountability page 27-28
- **Section Four:** Membership and Effectiveness page 29-31
- **Appendix A:** Committee Activities 2021/22 page 32-34
- **Appendix B:** Committee Terms of Reference Assurance Framework page 35-41
- **Appendix C:** Governance Documents Review Schedule page 42
- **Appendix D:** Committee Attendance page 43
- **Appendix E:** Committee Chair and Member Role Profiles page 44-47
- **Appendix F:** CIPFA Good Practice Checklist page 48-50

Section One: Core Committee Functions and the Effectiveness Checklist

Good Governance and the Annual Governance Statement

CIPFA notes the importance of the capacity of the Committee to promote good governance, making things better, not just reviewing what has happened in the past.

CIPFA guidance makes clear that Audit Committees should address governance principles in the course of its regular business rather than governance being limited to a once a year reporting process.

There should be a local code of governance setting out how the principles of the CIPFA SOLACE good governance framework are applied, that should be reviewed by the Committee. Police Audit Committees should review the Annual Governance statement (AGS) of both the Commissioner and the Chief Constable prior to approval. The CIPFA guidance provides that to meaningfully review the AGS, the Committee should be in a position to draw on their knowledge of the governance arrangements as they are established and on assurances of their operation in practice. It should also ensure that the AGS is underpinned by a framework of assurance.

Over the course of the year the Committee should receive reports and assurances over the application of the governance framework, monitor action plans and recommendations and consider the application of governance principles to other agenda items. CIPFA notes the importance of the capacity of the Committee to promote good governance, making things better, not just reviewing what happened in the past.

Self-evaluation, examples, areas of strength and weakness

The Committee's annual work programme includes an independent cyclical review of the Commissioner and Chief Constable's governance framework and all material governance arrangements. During 2021/22 the work of the Committee has included:

- Reviewing and advising on revisions to the scheme of delegation/consent, the joint procurement regulations, arrangements for anti-fraud, corruption for both the OPCC and Constabulary and the OPCC treasury management strategies and practices. The review of treasury management included a briefing by external treasury management advisors (Link Asset Services) in respect of changes to the wider economic environment and associated implications for the operation of the treasury management function within the OPCC, following which members were able to robustly challenge changes in the approach to investment strategy.

- A review of the role of the Joint Chief Finance Officer against the CIPFA guidance for police and consideration of the Joint Chief Finance Officer's review of the effectiveness of arrangements for governance, including internal audit and a review of the role of the Head of Internal Audit against CIPFA guidance.
- In line with CIPFA recommendations, the Committee reviewed the Chief Constable and Commissioner's AGS in June, prior to the publication of the unaudited statement and again in November prior to publication alongside the audited accounts. Alongside the AGS, members reviewed the Commissioner and Chief Constables Code of Corporate Governance. In addition, members review progress against the respective AGS action plans mid-way through the financial year.
- The Committee receive all audit internal reports in full, at the point at which they were finalised, with members requesting that reports with significant issues are tabled at Committee meetings. Members have given specific focus to audit reports covering agile workforce, complaints review, payroll, benefits delivery, digital leadership, covid-19 response, preparedness for McCloud pensions remedy, inventory, resource allocation/workforce planning, financial sustainability, business transformation project -finance (phase 2), business transformation project (duties management) and establishment process recruitment.
- The scope of the internal audit plan has been significantly developed since 2014/15 to ensure it provides wider governance assurance in addition to that provided on core financial systems and financial governance. The audit areas covered in 2021/21 are highlighted in the bullet above. During 2022/23 the approved audit plan will focus on risk management, personal safety training, security of seized cash & assets, domestic violence protection orders, management of overtime, resource planning, estates building health & safety, cyber security maturity assessment, debtors, firearms licencing, treasury management & banking, insight and performance assurance, financial sustainability and the HMICFRS action plan.
- At their meeting in June 2021 internal audit provided members with a draft annual audit opinion providing assurance from the group Audit Manager (Head of Internal Audit). Members also receive further assurance at each meeting through reports from the external auditors. This included the Audit Findings Report presented to members in November 2021 setting out the external auditor's un-qualified opinion on the financial statements. In line with revised timescales, an un-qualified value for money conclusion was presented to the March 2022 meeting.

Through these arrangements and their prior experience and skills, members develop a robust understanding of governance across the OPCC and Constabulary and the extent to which those arrangements are well embedded. This provided the basis on which Committee members provided assurance and add value with regard to governance.

Conclusion and Overall Assessment: Assessment Grade 5.

The Committee is fully compliant with the CIPFA guidance. Clear evidence is available from a number of sources that the Committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.

Internal Audit

CIPFA guidance makes clear that the Audit Committee has a clear role in relation to oversight of the internal audit function.

The Audit Charter is a key governance document setting out the purpose, authority, responsibilities and objectives of Internal Audit.

Within policing, the advisory role of the Committee means that this responsibility is managed through support and review of the arrangements for internal audit. These arrangements are set out under the requirements of the Public Sector Internal Audit Standard (PSIAS) and the supporting Local Government Application Note (LGAN) within an Audit Charter.

The Audit Charter sets out the functional reporting arrangements between Internal Audit, Collaborative Board² and the Joint Audit Committee. CIPFA guidance sets out a number of roles for the committee as part of the support and review arrangements. These are to oversee Internal Audit's independence, objectivity, performance and professionalism, support the effectiveness of the internal audit process and promote

the effective use of internal audit within the assurance framework.

Self-evaluation, examples, areas of strength and weakness

The Committee's annual work programme, in line with the CIPFA guidance, includes a review of the Internal Audit Charter and a review of a risk based internal audit plan including the audit budget and number of audit days within the plan. The report that incorporates the Plan and Charter was received by members in March 2021 in respect of the 2021/22 financial year. From 2022/23 the provision of internal audit services has changed from Cumbria County Council Shared Internal Audit Services to TIAA Ltd. Members of the committee were involved in the selection process for the new internal audit provider. In February 2022 members were consulted in relation to the draft internal audit plan for 2022/23 and received a copy of the final plan at the meeting in June 2022. The plan sets out the process undertaken to assess risks and develop a programme of audit in accordance with the risk based approach of the PSIAS.

The Committee meets annually and independently with the Internal Auditors and receives an annual report and opinion from the Chief Internal Auditor

The Audit Charter, in compliance with the PSIAS, makes a number of statements setting out how the arrangements for Internal Audit provide assurance with regard to ethics, independence and objectivity, including arrangements for resourcing and ensuring proficiency and due professional care. The

² The Collaborative Board comprising the Deputy Chief Constable, Assistant Chief Constable, the Commissioner's Chief Executive, the Commissioner's Chief Finance Officer, the Director of Corporate Improvement and the Director of Corporate Support
Corporate Support / Financial Services / MB

Committee receive an annual statement on conformance with the PSIAS and LGAN. In reviewing the Audit Charter Committee members are able to assess and challenge the robustness of these arrangements.

The Committee meets annually and independently with the Internal Auditors and receives an annual report and opinion from the Chief Internal Auditor on the adequacy and effectiveness of governance, risk management and internal control. The report includes a summary of the audit work on which the opinion is based. This is supported by a report from the Joint Chief Finance Officer on the overall effectiveness of the arrangements for internal audit.

The Committee receives all internal and external audit reports in full supporting assurance on the overall control environment. The reporting format of internal audit reports was improved in 2014/15 to provide a stronger link between audit recommendations and control objectives. The reports also aim to focus attention on internal control strengths and recommendations. During 2021/22 Members have considered reports across a diverse range of Constabulary and OPCC business including covering agile workforce, complaints review, payroll, benefits delivery, digital leadership, covid-19 response, preparedness for McCloud pensions remedy, inventory, resource allocation/workforce planning, financial sustainability, business transformation project -finance (phase 2), business transformation project (duties management) and establishment process recruitment.

Internal Audit's work is designed to provide assurance to management and members that effective systems of governance, risk management and internal control are in place in support of the delivery of the Commissioner and Chief Constable's objectives

Monitoring against performance measures and benchmarks for the Internal Audit service was introduced in 2014/15 and has continued throughout 2021/22. Proposed performance measures are reviewed at the start of the financial year and have been included within the Internal Audit Charter on the recommendation of the Committee. Members have received a quarterly monitoring report assessing actual performance against the benchmark.

The terms of reference of the Committee and associated annual work programme fully complies with the detailed CIPFA guidance. Collectively these arrangements ensure members are able to make effective judgements on the effectiveness of internal controls and Internal Audit provision, making recommendations with regards to improvement.

Conclusion and Overall Assessment: Assessment Grade 5.

The Committee is fully compliant with the CIPFA guidance. Clear evidence is available from a number of sources that the Committee is actively supporting improvements across all aspects of this area.

Risk Management

CIPFA guidance references that Police Audit Committees are directed in the Home Office Financial Management Code of Practice to advise the Commissioner and Chief Constable on the adoption of appropriate risk management arrangements.

It also notes the assurance that risk management provides in respect of the AGS and when reviewing the risk based internal audit plan. The guidance describes governance of risk as the arrangements for leadership, integration of risk management arrangements, ownership and accountability. The role of the audit committee in relation to risk management covers three major areas:

- Assurance over the governance of risk, including leadership, integration of risk management into wider governance arrangements and the top level ownership and accountability for risks.
- Keeping up to date with the risk profile and the effectiveness of risk management actions.
- Monitoring the effectiveness of risk management arrangements and supporting the development and embedding of good practice in risk management.

The Risk Management Strategy is a comprehensive document that provides the basis for members to challenge and provide assurance over how risks are governed and managed.

Self-evaluation, examples, areas of strength and weakness

In accordance with the CIPFA guidance, specific actions undertaken by the Committee during 2021/22 included:

- Receipt at the Committee's meeting in June of a report from the Chief Executive setting out the OPCC arrangements for monitoring the effectiveness of risk management. This was the eighth annual report on the arrangements for risk management following a recommendation made by the Committee in 2013/14.
- Reviewing the arrangements for risk management within the Constabulary and making specific recommendations regarding improving the openness and transparency of those arrangements. This in previous years has resulted in agenda items on risk management being moved from the private agenda to the public meetings.
- Review of the Commissioner's annual Risk Management Strategy. The strategy is a comprehensive document that provides the basis for members to challenge and provide assurance over how risks are governed and managed. The strategy now includes on recommendation from the Committee arrangements for determining risk appetite. The review of Risk Management Strategy is supported by a four monthly review of strategic risk registers that set out the most

The Committee has nominated a lead member for risk who provides prior input and advice on the Risk Management Strategy prior to its consideration by the full Committee

significant risks facing the Commissioner and Constabulary and the mitigations in accordance with the methodology within the strategy. This ensures the Committee has an effective understanding of the significant risks facing both organisations and can hold risk managers to account.

In accordance with best practice, the Committee also compiles and maintains a separate, dedicated risk register to manage risks relating to the Committee's own activities.

Conclusion and Overall Assessment: **Assessment Grade 5.**

The Committee is fully compliant with the CIPFA guidance. Clear evidence is available from a number of sources that the Committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.

Assurance Frameworks and Assurance Planning

CIPFA guidance explains assurance frameworks as a description that typically outlines the key areas of assurance required by the Joint Audit Committee that supports the AGS and is available to enable the Committee to meet its terms of reference.

A framework will support the ability to ensure that assurance is planned and delivered efficiently and effectively, avoiding duplication and with independence across a range of assurance providers. It also ensures that the Committee is clear on the extent to which assurance is reliant on the arrangements for Internal Audit.

The Joint Committee operates with an assurance-based work programme aligned to its terms of reference

Self-evaluation, examples, areas of strength and weakness

The Joint Audit Committee operates with an assurance-based work programme aligned to its terms of reference and that, in line with the guidance, forms an appropriate balance between cost and risk. The assurance framework that was in place for 2021/22 is set out at appendix B and includes assurances from management, Chief Officers, internal and external audit and external inspectorates. During 2021/22 and in recognition of CIPFA's guidance for Audit Committees, members have:

- Improved the arrangements for assurance in relation to a number of areas within the work programme. This included receipt at the June meeting of monitoring reports covering the areas of risk management anti-fraud and corruption monitoring. At their March meeting the Committee received a report covering the Chief Constable's arrangements for providing value for money (the PCC no longer falls under the inspection regime of HMICFRS).
- The improved efficiency and focus of assurance gathering continued at formal meetings of the Committee by the continuance of the early review of all internal audit reports which enabled members to select which internal audit reports to include on the agenda for specific discussion.
- Received an assurance report from the Joint Chief Finance Officer in respect of the sources of assurance members can place reliance on in respect of their review of the statement of accounts.
- As a result of the change in statutory reporting deadlines as a result of the Covid-19 pandemic the number of meetings for 2021/22 was reduced from 5 to 4. Once the statutory timescales revert, the number of committee meetings will again return to 5 per year to ensure that members can give appropriate time and consideration to agenda items in the context of the widening of the assurance framework.

Conclusion and Overall Assessment: **Assessment Grade 5**

The Committee is fully compliant with the CIPFA guidance. Clear evidence is available from a number of sources that the Committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.

Value for Money and Best Value

The CIPFA guidance notes that in the Police sector it is the Chief Constable that has statutory responsibility for securing value for money and that the Commissioner's responsibility is to hold the Chief Constable to account for this duty.

The Joint Audit Committee role is to support both the Commissioner and Chief Constable to fulfil their responsibilities through the assurance process. This should focus on arrangements to ensure value for money and the progress in achieving value for money. This includes how performance in value for money is evaluated as part of the AGS and the Committee's consideration of the external audit opinion on value for money. The AGS should be focused on outcomes and value for money. The Committee should also consider what other assurances are available.

The Constabulary has developed and agreed a Continuous Improvement, Efficiency and Value for Money Strategy, which sets out the principles the Constabulary will follow and specific reviews which aim to secure maximum value from the resources available to it.

Self-evaluation, examples, areas of strength and weakness

The overall arrangements for value for money are concluded on by the external auditors who provide for the Committee their opinion on value for money. The conclusion for 2020/21 (received in March 2022) was positive.

The Commissioner's Code of Corporate Governance and AGS sets out the arrangements for securing the achievement of the goals and objectives set out within the Police and Crime Plan. This includes a performance framework that supports the Commissioner in holding the Chief Constable to account for VFM. These documents also reference the receipt annually of HMICFRS value for money profiles and inspection reports that further support VFM accountability.

The Chief Constable's Code of Corporate Governance provides reference for the Committee to the Constabulary Continuous Improvement, Efficiency and Value for Money Strategy, which sets out the principles the Constabulary will follow and specific reviews, which aim to secure maximum value from the resources available to it. The AGS references the specific reviews that have been undertaken during the year and the improvements in efficiency and effectiveness arising from that work.

The work of the Committee further supports value for money in providing an overview of the treasury management strategy and activities that helps to promote value in the treasury function. This will have greater impact in future years, when decisions will need to be made in respect of borrowing. The timing of decisions will be instrumental to the value for money achieved from the balance between borrowing costs and investment returns.

The overall arrangements for value for money are concluded on by the external auditors who provide for the Committee their opinion on value for money. The conclusion for 2020/21, received by the Committee in March 2022, in the External Auditor's December 2021 Annual Audit Report was positive.

The format of internal audit reports have supported wider assurance for members by covering a specific control objective on 'value: the effectiveness and efficiency of operations and programmes.' Specific audit recommendations with value for money implications are categorised within audit reports under this heading.

Following a review by the Committee during 2013/14 that identified limited 'other' sources of assurance with regard to value for money and securing best value, the Committee now routinely receives a number of reports from the OPCC and Constabulary with a specific focus on value for money. This has included an analysis of HMICFRS value for money profiles for the Constabulary (the OPCC no longer falls under the remit of HMICFRS), and the outcome of the HMICFRS PEEL review of efficiency, effectiveness and legitimacy. As part of the review of the arrangements for value for money, members also sought assurances regarding the approach to the management of reserves, the reserves strategy was included as part of the member development session on the budget, medium term financial strategy and change programme provided in March 2022.

Conclusion and Overall Assessment: **Assessment Grade 5**

The Committee is fully compliant with the CIPFA guidance. Clear evidence is available from a number of sources that the Committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.

Countering Fraud and Corruption

CIPFA guidance states that the role of the Audit Committee is to have oversight of counter-fraud strategy, assessing whether it meets recommended practice, governance standards and complies with legislation.

The Committee should understand the level of fraud risk to which the organisation is exposed and the implications for the wider control environment. The guidance also recognises the link to ethical standards and the role of the committee in championing good counter-fraud practice. The committee should also monitor performance on counter fraud activity including monitoring action plans and overseeing any major areas of fraud.

The Commissioner and Chief Constable have responsibilities for the effective stewardship of public money and for safeguarding against losses due to fraud and corruption.

Self-evaluation, examples, areas of strength and weakness

The Joint Audit Committee undertakes a cyclical review of counter-fraud strategy, policy and action plans as part of the arrangements for review of all core strategic governance documents. This provides an opportunity for members to consider the approach to counter-fraud within the context of the wider governance arrangements and internal controls that support the anti-fraud approach. These arrangements include those covering codes of conduct and ethical behaviour.

During 2021/22 members reviewed and provided constructive feedback on the overall arrangements for anti-fraud and corruption. As a result of feedback provided by members changes and improvements have been made to support the clarity of key documents. As part of the cyclical review of governance arrangements for anti-fraud are reviewed on a biennial basis.

In June 2021 members received a report from the Chief Executive monitoring the anti-fraud and corruption arrangements within the OPCC. The report sets out the activity that takes place during the year in line with the strategy and policy and to ensure anti-fraud arrangements are well embedded. The report covered the 2020/21 financial year and members will receive in June 2022 a report covering the 2021/22 financial year.

In November 2021, as part of the arrangements for the financial statements, members received copies of the Commissioner and Chief Constable's letter of management assurance. These are prepared by the Joint Chief Finance Officer and include a full fraud risk assessment. Within the assessment members are briefed on any actual or suspect fraud that has taken place during the year and any changes to the control environment as a consequence of that fraud.

Members further support their understanding of the control environment through receipt of audit reports. During 2021/22 members received a variety of audit reports with judgements of substantial (1), reasonable (12)

and partial (1) assurance. The audit reports in relation to major financial systems in respect of payroll and inventory provided reasonable assurance. Members receive the full report on all audits supporting a wider understanding of internal controls that can be gained from summary reports.

During 2021/22 the Committee has operated as a Standards Committee for the Commissioner. This has included monitoring the effectiveness of the Commissioner's Code of Conduct and PCC/Officer Protocol, supporting the approach to ethical standards. In 2015/16 the Commissioner and Constabulary established an independent Ethics and Integrity Panel to facilitate a more in-depth scrutiny of arrangements for ethics and integrity including Constabulary conduct matters and the handling of complaints. The seventh annual report of the Ethics and Integrity Panel was provided to members of the Joint Audit Committee in June 2021.

Conclusion and Overall Assessment: **Assessment Grade 5**

The Committee is fully compliant with the CIPFA guidance. Clear evidence is available from a number of sources that the Committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.

External Audit & Inspection

CIPFA guidance states that the Audit Committees have a role to play in relation to the appointment of external auditors.

In England organisations have the option to appoint auditors themselves via means of an auditor panel or through Public Sector Audit Appointments (PSAA) which has been established by the Local Government Association and specified as an “appointing person”. The Commissioner and Chief Constable have appointed the external auditor via the PSAA route. The audit committee’s role is in providing assurance that the external audit team maintains independence and objectivity. The audit committee has a vital role to play in guarding against threats to independence.

CIPFA guidance states that Audit Committees have a role to play in receiving and considering the work of the external auditor.

This includes receiving the planned work programme and reports following completion of the audit work such that the committee is able to make judgements on audit resources, assess the effectiveness and quality of the audit (this may include feedback from key people e.g. CFO) and report to the Commissioner or Chief Constable where appropriate. The Committee should also support the implementation of external audit recommendations, review any non-audit work undertaken and have the opportunity to meet separately and privately with the external auditors. The guidance also recognises the assurance that can be provided from reports about financial management and governance from wider inspection agencies.

Self-evaluation, examples, areas of strength and weakness

The Joint Audit Committee receive all reports of the External Auditors and conduct an annual private meeting with the External Auditors. During 2021/22 the External Auditors have attended all of the 4 Committee meetings. The Committee’s terms of reference are fully compliant with the CIPFA guidance and provide for an annual private meeting with the External Auditors. The Committee receives inspection reports from other agencies where these are relevant to the Committee’s functions. Recommendations arising from audit and inspection are monitored for implementation by the Committee.

Membership of the Joint Audit Committee includes the skills and experience of a former district auditor and former S151 officers, and also a qualified lawyer. All members have significant experience of committees fulfilling audit and governance functions. This ensures that the Committee have the skills and experience to assess the work of the external auditors and will have clear expectations regarding the requirements in respect of seniority, quality and experience of audit staff. During 2021/22 members have:

- Undertaken robust scrutiny of the external audit plan, including questioning the robustness of work that will be carried out in respect of the value for money conclusion and the assurance it can provide.
- Received the External Auditors Annual Fee letter.
- Received the External Auditors Audit Findings report covering the financial statements, matters of governance and the value for money conclusion in respect of the 2020/21 financial year.
- Scrutinised published HMICFRS reports covering value for money (HMICFRS annual profiles). Members have also received as part of the corporate update from the Deputy Chief Constable updates covering the full HMICFRS inspection programme for the Constabulary and issues that need to be brought the attention of members.
- In 2014/15 Members agreed a change to their terms of reference to incorporate responsibility as an audit panel, to oversee the appointment of external auditors for the Commissioner, at the time the relevant provisions of the 2014 Local Audit and Accountability Act come into effect. During 2021/22 members were involved in the decision making process around the use of PSAA for the appointment of external auditors from 2023/24 onwards.

Conclusion³ : Assessment Grade 5

The Committee is compliant with the CIPFA guidance through a combination of the activity undertaken and the particular specialist mix of skills and experience within the Committee membership.

³ This assessment of effectiveness is undertaken against the core functions of the committee with the CIPFA guidance; it is not included in the effectiveness checklist but has been graded on a similar basis.

Financial Reporting

For policing bodies the draft financial statements must be signed off by 31 July, as the 30 working day period for the exercise of public rights must include the first 10 days in August.

The latest date for publication of the audited statements is 30 November.

The guidance from CIFPA recommends that it is good practice for the accounts and the AGS to be reviewed by the audit committee prior to the commencement of the external audit.

Audit committees may undertake a review of the statements and satisfy themselves that appropriate steps have been taken to meet statutory and recommended professional practices. This is recommended to include reviewing the narrative report to ensure consistency with the statements and the financial challenges and risks facing the organisation in the future. The guidance also notes that the Committee should give consideration to the accessibility, readability and understandability of the statements to the lay person e.g. use of plain English and key messages. The Committee should review the financial statements prior to approval, although best practice is to review the accounts prior to the commencement of the audit.

Self-evaluation, examples, areas of strength and weakness

The statement of accounts is presented to the Joint Audit Committee prior to formal approval and at a joint meeting of the Committee and the Public Accountability Conference. This facilitates members in undertaking their review of financial statements and providing assurances to the Commissioner and Chief Constable.

The financial statements are supported by a report from the Joint Chief Finance Officer that consolidates for members all key areas of assurance on which they can place reliance in respect of the statements and details significant areas of risk and the basis of material judgments. This dialogue assists in explaining a number of complex transactions within the 2020/21 statements arising from changes in legislation that have impacted on how the Chief Constables financial position is presented. During 2021/22 the draft unaudited accounts for 2020/21 were again, for the third time, reported to the Committee in June 2021, prior to publication on the website, in order to provide members with an early opportunity to review and scrutinise the accounts. The subsequent audited accounts were presented in November alongside the External Auditors Audit Findings report.

The financial statements are supported by a report that consolidates all key areas of assurance and details significant areas of risk and the basis of material judgments.

As a result of the Covid-19 pandemic the statutory timelines in relation to the publication of draft and audit accounts were changed. The deadline for the publication of the draft (subject to audit) accounts was changed from 31 May to 31 July. The deadline for the publication of the audited accounts was changed from 30 September to 30 November. These amended deadlines are also in place for the 2021/22 and 2022/23 statements.

Conclusion and Overall Assessment: **Assessment Grade 5**

The Committee is now fully compliant with the CIPFA guidance and best practice standards in relation to its contribution to financial reporting. This is as a result of the change, introduced in 2017/18 for the 2016/17 financial statements, and repeated annually since then whereby the committee received the draft Statement of Accounts at the May/June meeting, prior to audit and publication on the website.

Partnership Governance and Collaboration Agreements

Organisations commonly have a wide range of partnership and collaborative arrangements including strategic relationships with other public sector organisations, shared service arrangements, commercial relationships and a range of service delivery arrangements. CIFPA guidance recognises that ensuring the adequacy of governance and risk management over such arrangements can be complicated, but it is important as accountability for performance and stewardship of public funds remains with the organisation.

The audit committee's role should be to consider the assurance available on whether the partnership or collaboration arrangements are satisfactorily established and are operating effectively. The committee should satisfy itself that the principles of good governance underpin the partnership arrangements. For example, the audit committee should seek assurance that the organisation has appropriate arrangements to identify and manage risks, ensure good governance and obtain assurance on compliance. The committee may also want to know what arrangements have been put in place to maintain accountability to stakeholders and ensure transparency of decision making and standards or probity are maintained.

The Committee should consider how assurances of governance are gained in respect of partnership arrangements and may seek to consider these assurances through processes for the AGS.

The arrangements in respect of governance for partnerships are set out in the appropriate governance documents that are presented to the Committee for cyclical review as part of their review of governance. During 2021/22 members reviewed and contributed to the further development of the Role of the Joint CFO, the Joint Procurement Regulations, the OPCC scheme of delegation/consent and arrangements for anti-fraud and corruption.

The overall arrangements for partnerships are set out within the Commissioner and Chief Constable's Code of Corporate Governance which was received by members in June 2021 alongside the AGS, setting out how those arrangements have been complied with.

Conclusion and Overall Assessment: **Assessment Grade 5**

In respect of partnership governance the Committee receives assurance from a number of sources within the overall arrangements for governance. The conclusion is that there is clear evidence from some sources that the Committee is actively and effectively supporting improvements across some aspects of this area.

Governance and Ethical Values

Public sector entities are accountable not only for how much they spend but also the ways they use resources with which they are entrusted.

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

With its core role of supporting good governance, support for the ethical framework of the organisation is also important for the audit committee. In addition, public sector organisations have an overarching mission to serve the public interest in adhering to the requirements of legislation and government policies. This makes it essential that the entire entity can demonstrate the integrity of all its actions and has mechanisms in place that encourage and enforce a strong commitment to ethical values and legal compliance at all levels. As part of its review of governance arrangements, the audit committee should be satisfied that there are adequate arrangements to achieve this. All organisations should have regard to the Seven Principles of Public Life, known as the Nolan Principles. Within policing, this is further enforced by the College of Policing's Code of Ethics.

As part of the annual governance review, the audit committee should consider how effectively the seven principles and code of ethics are supported.

The arrangements for ethics and integrity are covered within the AGS. In addition, the audit committee review on a cyclical basis the arrangements for anti-fraud and corruption which include sections in relation to abuse of authority for sexual gain and arrangements in place for whistle-blowing.

Conclusion and Overall Assessment: **Assessment Grade 5**

In respect of governance and ethical values the Committee receives assurance from a number of sources within the overall arrangements for governance. The conclusion is that there is clear evidence from some sources that the Committee is actively and effectively supporting improvements across some aspects of this area.

Section Two: Possible Wider Functions of an Audit Committee

Ethical Values and Treasury Management

The Committee has received and reviewed the Treasury Management Strategy, including related investment and borrowing policies and a comprehensive document covering treasury management practices

The Joint Audit Committee undertake two areas of work that CIPFA guidance acknowledges are appropriate to the role of the Committee but not a core function. These areas are Ethical Values and Treasury Management.

In relation to ethical values the guidance acknowledges the role of the Committee in promoting high standards and that it may take on the role and responsibilities of a standards committee.

With regards to Treasury Management the Committee may be nominated as the responsible body for ensuring effective scrutiny of the Treasury Management Strategy and policies. The guidance is clear that this excludes executive and decision making roles in relation to this function. Scrutiny involves developing an understanding of treasury matters and receiving treasury activity reports to support this, reviewing policies and procedures, treasury risks and assurances.

Self-evaluation, examples, areas of strength and weakness

Evaluation of the role of the Committee in respect of ethical values is covered in the section on good governance & countering fraud and corruption. In respect of treasury management the Committee received and reviewed at its March 2021 meeting the treasury management strategy, including related investment and borrowing policies and a comprehensive document covering treasury management practices that would apply to the 2021/22 financial year.

During 2021/22 members have also received and reviewed the arrangements for Treasury Management proposed for 2022/23. This included a robust scrutiny of the strategy, where members have been keen to ensure an appropriate balance between risk and return in respect of the range of permissible investment counterparties and increased risk in the more traditional banking investments.

To ensure members sufficiently understand treasury matters, training has been provided by the Commissioner's treasury management advisors and treasury management activities reports are presented to the Committee at every regular meeting. This understanding is further supported by the skills and experience profile of members of the Committee.

Conclusion⁴ : Assessment Grade 5

The Committee is fully compliant with the CIPFA guidance through a combination of the activity undertaken and the; particular specialist mix of skills and experience within the Committee membership.

⁴ This assessment of effectiveness is undertaken against the core functions of the committee with the CIPFA guidance; it is not included in the effectiveness checklist but has been graded on a similar basis.
Corporate Support / Financial Services / MB

Section Three: Independence and Accountability

CIPFA guidance sets out a position statement that covers the key features that should be evidenced within all Audit Committees.

Outside of this statement arrangements should reflect local circumstances and focus on factors promoting effectiveness. The Committee is fully compliant with the requirements within the CIPFA guidance to ensure independence and accountability. Specifically:

- The Committee acts as the principal non-executive advisory function supporting those charged with governance⁵ and is independent of executive and operational responsibilities. The Committee has access to and is accountable to the Commissioner, the Chief Constable and the respective Chief Officers of both entities, meets at least 4 times a year and operates with a set of Committee standing orders to regulate business including matters received in public and those to be considered in private.
- The Committee meets privately and independently with both the external auditors and the internal auditors (separately) as part of its annual agenda.
- The Chief Officers⁶ or appropriate senior substitutes of the Commissioner and Chief Constable attend all meetings of the Committee. Internal audit and external audit are in attendance in addition to other officers as appropriate to the agenda. The Committee is able to call on other officers as required. The Committee is well attended, attendance for 2021/22 is set out at Appendix C.
- This report constitutes the biennial Report on the assessment of the Committee's performance and is reported to the Public Accountability Conference and the Police and Crime Panel.
- The arrangements for the Committee comply with the guidance set out within the Home Office Financial Management Code of Practice. The Code states that the Commissioner and Chief Constable should establish an independent Audit Committee. It is recommended that this is a joint committee and that the Commissioner and Chief Constable should have regard to the CIPFA Guidance on Audit Committees.
- The Committee maintains its independence by ensuring a focus through the work programme on oversight of governance, risk, control and the audit process. It has no delegated decision making or approval powers from the Commissioner or Chief Constable.

⁵ The Commissioner and the Chief Constable

⁶ Joint Chief Finance Officer, Chief Executive, Deputy Chief Constable
Corporate Support / Financial Services / MB

- Agenda items are planned up to 12 months in advance through the development of an annual work programme agreed by the Committee in March and developed from the assurances needed to fulfil the Committee's terms of reference.
- The relationship between the Committee and the Joint Chief Finance Officer is one of reciprocal support and constructive challenge.
- The Committee receives full audit reports at the point in which they are agreed, determining those that should be considered as part of the formal Committee agenda on the grounds of the materiality and significance of audit findings.
- All meetings of the Committee are held in public and members have actively challenged the reasons for any issues being discussed in private. Agendas and papers are published on the Commissioner's website supporting accountability and transparency.
- The work program of the Committee ensures it can be effective in holding to account those officers who are responsible for implementing recommendations and actions arising from review. This is achieved through monitoring reports presented at each Committee meeting.
- The assurance format of the Committee's work programme and this Annual Report ensure that the Committee itself is effectively held to account for its own performance.

Conclusion⁷ : Assessment Grade 5

The Committee is fully compliant with the CIPFA guidance in respect of independence and accountability. This is based on the arrangements for the Committee that ensures independence, compliance with regulatory requirements and public accountability.

⁷ This assessment of effectiveness is undertaken against the core functions of the committee with the CIPFA guidance; it is not included in the

effectiveness checklist but has been graded on a similar basis.

Section Four: Membership and

Effectiveness

CIPFA guidance recognises that the membership, composition and operation of the audit committee is a key factor in achieving the characteristics of a good audit committee.

Police audit committees should comprise between three and five members who are independent of the Commissioner and Chief Constable

These are defined as:

- Membership that is balanced, objective, independent of mind, knowledgeable and properly trained to fulfil their role.
- Membership that is supportive of good governance principles and their practical application towards the achievement of organisational objectives
- A strong, independently minded chair, displaying a depth of knowledge, skills and interest
- Unbiased attitudes – treating auditors, the executive and management fairly
- The ability to challenge the executive and senior managers when required.

Police audit committees should comprise between three and five members who are independent of the Commissioner and Chief Constable. Recruitment should be publically advertised with a job description that sets out requirements for knowledge and expertise. Candidates should be able to demonstrate their political independence. Appointments should be for a fixed term and formally approved by the Commissioner and Chief Constable and members should follow a Code of Conduct. The guidance acknowledges that the role of Chair may be advertised specifically and will need to take into account the characteristics required by an effective Chair. Induction training and other briefing and training updates should form part of a programme informed by a review of knowledge and skills.

Self-evaluation, examples, areas of strength and weakness

Membership, composition and operation of the Joint Audit Committee comply with the CIPFA guidance. The Committee comprises of up to six independent members, appointed through public advert and for a tenure of 5 years, with a potential to extend to a maximum of 10 years in compliance with the practices recommended by Standards for England. Independence and objectivity, including political independence is secured through restrictions on membership. Specifically membership excludes:

- Serving elected members/officers of a Council/Local Authority represented on the Cumbria Police and Crime Panel and/or similar Cumbria public sector bodies
- Former elected members/officers of the above Council/bodies (time restricted to 3 years)

- Serving Police Officers and Police staff and former Police Officers/staff (time restricted to 3 years)
- Individuals active in local or national politics
- Individuals who have significant business or personal dealings with the Constabulary/OPCC
- Individuals who have close relationships with any of the above including immediate family members

In addition, standard disqualifications apply to ensure the avoidance of any reputational embarrassment, for example individuals who have been removed from a trusteeship of a charity, anyone under a disqualification order under the Company Directors Disqualification Act. Appointed committee Members are required to abide by a Code of Conduct and Member/Officer Protocol.

The requisite skills and experience of members are secured through the recruitment process based on a role profile. The profiles distinguish between the experience and skills expected of the Committee Chair and those expected of Committee members. The role profile is supported by a person specification that sets out essential and desirable skills, experience and ability across a range of governance, risk, finance and audit requirements. The person specification requirements are set out below. The role profiles for committee members, which were updated in November 2021 are set out at appendix E.

Essential experience and knowledge	Special aptitudes, intelligence and skills	Desirable experience and knowledge
<ul style="list-style-type: none"> • <i>Experience in Chairing at Committee/Board level.</i> • Sound experience of strategic planning, risk management and performance management. • Ability to assure financial and statistical information • Experience of leading or conducting or reviewing audit activity. • Experience of scrutinising financial information and processes. • Knowledge of best practices in governance and internal control • Good understanding of the roles of Internal and External Audit. 	<ul style="list-style-type: none"> • <i>Be able to demonstrate leadership skills to fulfil the responsibilities of the Audit Committee Chair.</i> • Ability and confidence to challenge and hold to account. • Treat auditors, executives and management equally and with respect. • To maintain an up to date knowledge and awareness of national and local policing and crime issues. • To have high ethical standards • Good communication skills, both written and oral, with the ability to actively contribute to discussion and debate 	<ul style="list-style-type: none"> • Practical experience in the financial and/or general management of businesses or public sector organisations. • Experience of a Local Government Environment. • Audit Committee/Standards Committee (or equivalent) experience. • Professional Financial Qualification (CCAB or Audit based)

Note – text in italic relates to skill relevant only to the committee chair.

Members are recruited independently of the Commissioner and Chief Constable but are subject to their approval. During 2021/22 a new member was appointed to the committee (June 2021) the former chair of the committee resigned and a new chair was appointed (November 2021).

The work programme for members has again for 2021/22 included formalised development seminars prior to Committee meetings, these sessions support members with a more in-depth understanding of areas within the remit of the Committee's terms of reference. During 2021/22 a development session on treasury management with the Commissioner's external advisors was held. A further development session by way of introduction to the new internal auditors TIAA and their approach to audit planning was held and the annual session on the budget and MTF was held in March. Throughout 2021/22, the meeting agenda has continued to include a corporate update from both the Constabulary and the OPCC, this update is usually provided by the Deputy Chief Constable/Joint Chief Finance Officer and Chief Executive and provides a flavour of the key issues facing the Constabulary/OPCC at the time.

Conclusion⁸ : **Assessment Grade 5**

The Committee is compliant with the CIPFA guidance in respect of effective membership. This is based on the arrangements for the composition, recruitment and operation of the Committee that ensures independence and a specialist mix of skills and experience that make the Committee members effective in their roles. Effectiveness of members scrutiny function has been enhanced during 2021/22 through the continuation of a more structured approach to member development and the regular inclusion of a corporate update on the agenda for all meetings. In addition, updates on all HMICFRS inspection reports are now routinely provided to members and the opportunity to discuss these reports and receive an update regarding report recommendations is included on the agenda for meetings.

⁸ This assessment of effectiveness is undertaken against the core functions of the committee with the CIPFA guidance; it is not included in the effectiveness checklist but has been graded on a similar basis.

Joint Audit Committee 2021/22 Activities

Wednesday 23 June 2021	Wednesday 28 July 2021	Wednesday 22 September 2021	Wednesday 17 November 2021	Wednesday 16 March 2022
<p>PRIVATE INTERNAL AUDIT MEETING: Confidential meeting of Committee members only and the Internal Auditors. (IA)</p> <p>PRIVATE MEETING - JAC Review of Effectiveness (360' Review) - odd years only</p>	<p>PRIVATE DEVELOPMENT SESSION: 1) To be confirmed.</p>	<p>PRIVATE EXTERNAL AUDIT MEETING: Confidential meeting of Committee members only and the external auditors. (GT)</p>	<p>PRIVATE DEVELOPMENT SESSION: 1) Treasury Advisor, to provide an update on Treasury Management developments (DCFO).</p>	<p>PRIVATE DEVELOPMENT SESSION: Medium Term Financial Forecast, capital strategy, capital programme, change programme & value for money (Joint CFO)</p>
Regular Reports				
<p>CORPORATE UPDATE: To receive a briefing on matters relevant to the remit of the Committee (DCC, CFO & CE)</p>	<p>CORPORATE UPDATE: To receive a briefing on matters relevant to the remit of the Committee (DCC, CFO & CE)</p>	<p>CORPORATE UPDATE: To receive a briefing on matters relevant to the remit of the Committee (DCC, CFO & CE)</p>	<p>CORPORATE UPDATE: To receive a briefing on matters relevant to the remit of the Committee (DCC, CFO & CE)</p>	<p>CORPORATE UPDATE: To receive a briefing on matters relevant to the remit of the Committee (DCC, CFO & CE)</p>
<p>TREASURY MANAGEMENT ACTIVITIES: To receive for information reports on Treasury Management Activity - Quarter 4/Annual Report (DCFO)</p>	N/A	<p>TREASURY MANAGEMENT ACTIVITIES: To receive for information reports on Treasury Management Activity - Quarter 1 (DCFO)</p>	<p>TREASURY MANAGEMENT ACTIVITIES: To receive for information reports on Treasury Management Activity - Quarter 2 (DCFO)</p>	<p>TREASURY MANAGEMENT ACTIVITIES: To receive for information reports on Treasury Management Activity - Quarter 3 (DCFO)</p>
N/A	<p>INTERNAL AUDIT – PROGRESS REPORT: To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan. (IA)</p>	<p>INTERNAL AUDIT – PROGRESS REPORT: To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan. (IA)</p>	<p>INTERNAL AUDIT – PROGRESS REPORT: To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan. (IA)</p>	<p>INTERNAL AUDIT – PROGRESS REPORT: To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan. (IA)</p>
<p>INTERNAL AUDIT REPORT(S): To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee. (IA)</p>	<p>INTERNAL AUDIT REPORT(S): To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee. (IA)</p>	<p>INTERNAL AUDIT REPORT(S): To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee. (IA)</p>	<p>INTERNAL AUDIT REPORT(S): To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee. (IA)</p>	<p>INTERNAL AUDIT REPORT(S): To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee. (IA)</p>
N/A	<p>STRATEGIC RISK REGISTER: To consider the OPCC and Constabulary strategic risk register as part of the Risk Management Strategy. (CE or GM & DCC)</p>	N/A	<p>STRATEGIC RISK REGISTER: To consider the OPCC and Constabulary strategic risk register as part of the Risk Management Strategy. (CE or GM & DCC)</p>	<p>STRATEGIC RISK REGISTER: To consider the OPCC and Constabulary strategic risk register as part of the Risk Management Strategy. (CE or GM & DCC)</p>
N/A	<p>MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS: To receive an updated summary of actions implemented in response to audit and inspection recommendations. (CFO)</p>	<p>MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS: To receive an updated summary of actions implemented in response to audit and inspection recommendations. (CFO)</p>	<p>MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS: To receive an updated summary of actions implemented in response to audit and inspection recommendations. (CFO)</p>	<p>MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS: To receive an updated summary of actions implemented in response to audit and inspection recommendations. (CFO)</p>

Joint Audit Committee 2021/22 Activities

Wednesday 23 June 2021	Wednesday 28 July 2021	Wednesday 22 September 2021	Wednesday 17 November 2021	Wednesday 16 March 2022
Cyclical/Annual Reports				
EXTERNAL AUDIT FEES: To receive a verbal update around the proposed PSAA scale charge for external audit fees. (GT/Finance)		AUDIT FINDINGS REPORT: To receive from the external auditors the Audit Findings Report in respect of the annual audit of the financial statements and incorporating the External Auditor's Value for Money Conclusion. (GT)	ANNUAL AUDIT REPORT: To receive from the External Auditors the Annual Audit Report (GT). N.B. This could potentially move to September.	CAPITAL STRATEGY and TREASURY MANAGEMENT STRATEGY AND TREASURY MANAGEMENT PRACTICES: To review the annual Capital Strategy and Treasury Management Strategy incorporating the policy on investment and borrowing activity and treasury management practices. (DCFO)
VALUE FOR MONEY: To receive an annual report on Value for Money within the Constabulary. (JCFO) Deffered from March 2021 meeting.			ANNUAL REVIEW OF GOVERNANCE: To review the OPCC and Constabulary arrangements for governance; cyclical review over a three years. Some documents reported in November, some in March (see Appendix C). (Relevant Chief Officers).	ANNUAL REVIEW OF GOVERNANCE: To review the OPCC and Constabulary arrangements for governance; cyclical review over a three years. Some documents reported in November, some in March (see Appendix C). (Relevant Chief Officers).
RISK MANAGEMENT MONITORING: To receive an annual report from the Chief Executive on Risk Management Activity including the Commissioner's arrangements for holding the CC to account for Constabulary Risk Management. (CE or GM)		ASSURANCE FRAMEWORK STATEMENT OF ACCOUNTS: To receive a report from the Joint CFO in respect of the PCC's and CC's framework of assurance. (CFO)	ANNUAL GOVERNANCE STATEMENT DEVELOPMENT AND IMPROVEMENT PLAN UPDATE: To receive an update on progress against the development and improvement plan within the annual governance statement (CFO)	RISK MANAGEMENT STRATEGY: To provide the tri-ennial review of the COPCC (CE/GM) and Constabulary (DCC) Risk Management Strategies. (next due 2023)
ANTI-FRAUD AND CORRUPTION ACTIVITIES: To receive an annual report from the Chief Executive on activity in line with the arrangements for anti-fraud and corruption. (CE/GM)		ANNUAL STATEMENT OF ACCOUNTS: To receive the audited Statement of Accounts for the Commissioner and Chief Constable and Group Accounts and consider a copy of a summarised non-statutory version of the accounts (DCFO)	PROCUREMENT ANNUAL REPORT: To receive an annual Procurement Report and Dashboard (HoC)	ANNUAL WORK PROGRAMME: ASSURANCE FORMAT: To review and approve an annual work programme covering the framework of assurance against the Committee's terms of reference. (DCFO)
ETHICS AND INTEGRITY GOVERNANCE: To receive an annual report from the chair of the Ethics and Integrity Panel.	PCC ANNUAL REPORT To receive a copy of the PCCs annual report. (CE)			EXTERNAL AUDIT PLAN: To receive from the external auditors the Joint Annual External Audit Plan. (GT)
INTERNAL AUDIT –ANNUAL REPORT: To receive the Head of Internal Audit's Annual Report including the Annual Audit Opinion.(IA)				EXTERNAL AUDIT UPDATE REPORT: To receive from the external auditors an update report in respect of progress on the external audit plan. (GT)
EFFECTIVENESS OF INTERNAL AUDIT: To receive a report from the Joint Chief Finance Officer in respect of the effectiveness of internal audit. (DCFO)				PROPOSED INTERNAL AUDIT PLAN/ INTERNAL AUDIT CHARTER: To receive a report from the Internal Auditors on the proposed Internal Audit Annual Plan and any proposed revisions. To receive a copy of the internal audit charter from the Internal Auditors.(IA)

Joint Audit Committee 2021/22 Activities

Wednesday 23 June 2021	Wednesday 28 July 2021	Wednesday 22 September 2021	Wednesday 17 November 2021	Wednesday 16 March 2022
Cyclical/Annual Reports (continued)				
JOINT AUDIT COMMITTEE - REVIEW OF EFFECTIVENESS (bi-ennial Activity) : To receive a report reviewing the effectiveness of the Committee as a contribution to the overall effectiveness of arrangements for governance. (DCFO) -Even Years : To conduct a 360' review of committee effectiveness (private meeting between members, DCC, JCFO, CE & DCFO) - Odd Years				QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME: To receive from the Internal Auditors a report setting out the arrangements for quality assurance and improvement. (IA)
ANNUAL GOVERNANCE STATEMENT <ul style="list-style-type: none"> ▪ Effectiveness of Governance Arrangements: To receive a report from the Joint CFO on the effectiveness of the PCC's and CC's arrangements for Governance. ▪ Code of Corporate Governance: To consider the PCC/CC Code of Corporate Governance ▪ Annual Governance Statement: To consider the PCC/CC Annual Governance Statement for the financial year and to the date of this meeting 				VALUE FOR MONEY: To receive an annual report on Value for Money within the Constabulary. (DCI)
ANNUAL STATEMENT OF ACCOUNTS: To receive the un-audited Statement of Accounts for the Commissioner and Chief Constable and Group Accounts and consider a copy of a summarised non-statutory version of the accounts (DCFO)				INTERNAL AUDIT: External Quality Assessment (5 yearly, next one due 2023)
Ad Hoc Reports				
ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, INSPECTION: To consider any other reports falling within the remit of the Committee's terms of reference	ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, INSPECTION: To consider any other reports falling within the remit of the Committee's terms of reference	ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, INSPECTION: To consider any other reports falling within the remit of the Committee's terms of reference	ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, INSPECTION: To consider any other reports falling within the remit of the Committee's terms of reference	ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, INSPECTION: To consider any other reports falling within the remit of the Committee's terms of reference

Joint Audit Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: Governance, Risk and Control		
2.1) Review the corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance. Note - Underlined governance documents are scheduled for review in 2021.	May (Ethics and Integrity Annual Report)	ETHICS AND INTEGRITY GOVERNANCE: To receive an annual report from the Chair of the Ethics and Integrity Panel, advising the Committee of the work of the Panel over the previous year and matters pertaining to governance in respect of the arrangements for ethics and integrity.
	November: (All governance reviews excluding ethics and integrity) March: Risk Management Strategies, Scheme of Delegation/Consent	<p>ANNUAL REVIEW OF GOVERNANCE: To review the COPCC and Constabulary arrangements for governance; cyclical review over a three years covering:</p> <ul style="list-style-type: none"> ▪ <u>Role of the Chief Finance Officer: annual review (2021)</u> ▪ Financial Regulations & Financial Rules: bi-ennial review (2022) ▪ Grant Regulations: tri-annual review (2023) ▪ <u>Scheme of Delegation/Consent: annual review (2021) - March meeting</u> ▪ <u>Joint Procurement Regulations: bi-ennial review (2021)</u> ▪ Risk Management Strategy: tri-ennial review (2023) - March meeting ▪ <u>Joint Audit Committee Terms of Reference & Role Profiles: tri-ennial review (2021)</u> ▪ <u>Arrangements for Anti-Fraud and Corruption /whistleblowing: bi-ennial review (2021)</u>
2.2) Review the Annual Governance Statements prior to approval and consider whether they properly reflect the governance, risk and control environment and supporting assurances and identify any actions required for improvement	May	ANNUAL GOVERNANCE STATEMENT
	September (updated governance statement prior to approval and publication). Note this would normally be July but has been moved to September for 2 years)	<ul style="list-style-type: none"> ▪ Effectiveness of Governance Arrangements: To receive a report from the Joint CFO on the effectiveness of the PCC's and Chief Constable's arrangements for Governance. ▪ Codes of Corporate Governance: To consider the PCC/CC Codes of Corporate Governance ▪ Annual Governance Statements: To consider the PCC/CC Annual Governance Statements for the financial year and to the date of this meeting
	November	ANNUAL GOVERNANCE STATEMENT DEVELOPMENT AND IMPROVEMENT PLAN UPDATE: To receive an update on progress against the development and improvement plan within the annual governance statement.

Joint Audit Committee: Annual Work Programme Assurance Format

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

Joint Audit Committee: Annual Work Programme Assurance Format

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

Joint Audit Committee: Annual Work Programme Assurance Format

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

Joint Audit Committee: Annual Work Programme Assurance Format

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

Joint Audit Committee: Annual Work Programme Assurance Format

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

Joint Audit Committee: Annual Work Programme Assurance Format

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

Governance Documents Review Schedule

Documents	Review Cycle	Lead Officer	March 2019	March 2020	March 2021	March 2022	March 2023	March 2024
OPCC Risk Management Strategy	tri-ennial (from 2017 onwards)	Governance Manager Joanne Head	✗	✓	✗	✗	✓	✗
Constabulary Risk Management Strategy	tri-ennial (from 2017 onwards)	Joint Chief Finance Officer Roger Marshall	✗	✓	✗	✗	✓	✗
OPCC Scheme of Delegation/Consent	annual	Chief Executive/Communications & Engagement Executive, Gillian Shearer and/or Governance Manager, Joanne Head	✓	✓	✓	✓	✓	✓
Constabulary Scheme of Delegation	annual	Director of Legal Services - Andrew Dobson	added to programme from Nov'19	✓	✓	✓	✓	✓
			November 2019	November 2020	November 2021	November 2022	November 2023	November 2024
Role of the Joint Chief Finance Officer	annual	Deputy CFO Michelle Bellis	✓	✓	✓	✓	✓	✓
Joint Procurement Regulations	bi-ennial	Head of Commercial Solutions Barry Leighton	✓	✗	✓	✗	✓	✗
OPCC Arrangements for Anti-fraud & Corruption/Whistleblowing	bi-ennial	Chief Executive/Communications & Engagement Executive, Gillian Shearer and/or Governance Manager, Joanne Head	✓	✗	✓	✗	✓	✗
Constabulary Arrangements for Anti-fraud & Corruption/Whistleblowing	bi-ennial	Head of People, Supt. Lisa Hogan and/or Head of Professional Standards	✓	✗	✓	✗	✓	✗
Financial Regulations & Financial Rules	bi-ennial	Deputy CFO Michelle Bellis	✗	✓	✗	✓	✗	✓
Joint Audit Committee Terms of Reference and Role Profiles	tri-ennial	Deputy CFO Michelle Bellis	✗	✗	✓	✗	✗	✓
OPCC Grant Regulations & Procedures	tri-ennial	Chief Executive/Head of Partnerships and Commissioning, Vivian Stafford	✗	✓	✗	✗	✓	✗

Attendance Listing for Joint Audit Committee Meetings 2021/22

	26 May 2021 Cancelled	23/06/2021 (Repl 26/05/21)	28 July 2021 Cancelled	04/11/2021 (repl 28/07/21)	17 November 2021	16 March 2022	Totals
Independent Members							
Mrs Fiona Moore (New Chair)		✓		✓	✓	✓	4
Mr Jack Jones		✓		✓	✓	✓	4
Mr Malcolm Iredale		✓		✓	✓	✓	4
Wing Commander (Retired) Tim Mann		✓		✓	✓	✓	4
Mrs Fiona Daley (Chair)		✓		✓	FD retired from 04/11/21		2
Commissioner's Officers							
Police & Crime Commissioner for Cumbria (Peter McCall)				✓			1
Chief Executive (Vivian Stafford)				✓	✓	✓	3
Chief Executive (Gillian Shearer)		✓					1
Constabulary Officers							
Chief Constable (Michelle Skeer)				✓			1
Deputy Chief Constable (Mark Webster)					✓		1
Deputy Chief Constable (Rob Carden)						✓	1
Joint Chief Finance Officer (Roger Marshall)		✓		✓	✓	✓	4
Deputy Chief Finance Officer (Michelle Bellis)		✓		✓	✓	✓	4
Financial Services Manager (Lorraine Holme)		✓		✓		✓	3
Detective Chief Inspector (Craig Smith)					✓		1
Performance Consultant (Claire Griggs)					✓	✓	2
Head of Commercial (Barry Leighton)					✓		1
Financial Services Trainee (Inge Redpath)						✓	1
Financial Service Assistant (Monika Demczuk)		✓					1
Corporate Directorates PA (Olivia Muir)					✓		1
Internal Audit							
Head of Internal Audit, Shared Internal Audit Services, Cumbria County Council (Richard McGahon)		✓			✓	✓	3
Audit Manager, Management Audit Unit, Cumbria County Council (Emma Toyne)		✓			✓	✓	3
Audit Manager, TIAA (Andrew McCulloch)							
Audit Manager, TIAA (Peter Harrison)							
External Audit							
Senior Manager, Grant Thornton LLP (Michael Green)		✓		✓	✓	✓	4
Auditor Manager, Grant Thornton LLP (Gareth Winstanley)		✓		✓		✓	3
Associate, Grant Thornton LLP (Ben Hall)				✓			1
Total		14		14	15	15	58

Joint Audit Committee - Role Profile

Job Title: Committee Chair

1. Job purpose / key responsibilities - Chair

- 1.1. The Chair of the committee is responsible for providing leadership to the committee in effectively discharging its duties and responsibilities as set out in the committee terms of reference.
- 1.2. Ensuring that the committee achieves its purpose of providing an independent assurance function for the governance, internal control, risk and financial and non-financial performance of the Constabulary and OPCC.
- 1.3. The Chair must create and manage effective working relationships among the committee, the Commissioner, the Chief Constable, Section 151 officer (Joint Chief Finance Officer) and both internal and external auditors.
- 1.4. Meet separately with the Section 151 officer and External Auditor to discuss risk compliance and governance issues arising as a result of external or internal audit activity.
- 1.5. Act as the committee's spokesperson using their best efforts to see that the committee receives all material to be discussed at the meeting at least one week before the meeting to ensure sufficient time to review information.

2. Conduct of Committee Meetings

- 2.1. Act as the chair of each committee meeting ensuring the appropriate conduct of business in accordance with the committee terms of reference.
- 2.2. Conduct the business of each committee meeting in a manner which will result in all matters on the agenda being dealt with effectively and appropriately.
- 2.3. Propose the termination of discussion on any matter when they are of the opinion that the matter has been thoroughly canvassed and discussed and that no new points of view or information are being presented.

- 2.4. Attempt to achieve resolution of all issues discussed at the meeting in respect of which a decision is required and members express conflicting positions, views, or advice, but such attempt should in no way inhibit a member from maintaining a different position, view, or advice.
- 2.5. Ensure that all members who wish to address a matter at a meeting are afforded a reasonable opportunity to do so.
- 2.6. In any case where a member of the committee has an interest or potential conflict in respect of a matter to be discussed at a meeting, arrange for that member to excuse themselves from all or a portion of the committee discussion.

3. Committee Culture

- 3.1. Provide leadership in promoting and supporting a committee culture characterised by:
 - i) The willingness of each member to use their best efforts in carrying out their duties as a member of the committee;
 - ii) The committee's insistence on the highest level of integrity accountability and honesty in the actions of the committee and of the Commissioner, Chief Constable and the other officers of the OPCC/Constabulary;
 - iii) Respect and dignity among the members, officers and the external and internal auditor;
 - iv) The candid and timely sharing of information among the members of the committee, management and the external auditor;
 - v) Acceptance by all members of the committee of the right of every member to hold and express a dissenting opinion; and
 - vi) A commitment to best governance practices and standards practices.

4. Miscellaneous Matters

- 4.1. Assist the committee and management to understand and respect the responsibilities of each.
- 4.2. Whenever necessary or desirable, to facilitate the effective performance of the committee's duties, attend other meetings and committees including those to facilitate governance of the internal audit shared service.

Joint Audit Committee - Role Profile

Job Title: Committee Members

1. Job purpose / key responsibilities – Committee Member

- 1.1. To contribute to the effective discharge of the duties and responsibilities of the committee as set out in the committee terms of reference.
- 1.2. To maintain effective working relationships with committee members, the Police and Crime Commissioner, the Chief Constable, Section 151 officer (Joint Chief Finance Officer) and both internal and external auditors.
- 1.3. To be diligent in preparing for committee meetings and making an effective contribution to those meetings to provide independent assurance of the governance, internal control and finance, risk and performance management arrangements of the OPCC and Constabulary.

2. Conduct of Committee Meetings

- 2.1. Contribute to the business of each committee meeting in a manner which supports all matters on the agenda being dealt with effectively and appropriately.
- 2.2. Address the committee on all matters where an opinion or decision is required and in such a manner that does not inhibit other members of the committee wishing to express a different opinion.
- 2.3. Advise the committee Chair where an interest or potential conflict of interest may exist in respect of a matter to be discussed at a meeting and act on the advice of the Chair.

3. Committee Culture

- 3.1. As a member of the committee, contribute to a culture that supports:
 - i) Each member to use their best efforts in carrying out their duties as a member of the Committee;
 - ii) The highest level of integrity accountability and honesty in the actions of the committee and of the Commissioner, Chief Constable and the other officers of the OPCC/Constabulary;
 - iii) Respect and dignity among the members, officers and the external and internal auditor;

iv) The candid and timely sharing of information among the members of the committee, management and the external auditor;

v) Acceptance by all members of the committee of the right of every member to hold and express a dissenting opinion; and

vi) A commitment to best governance practices.

4. [Miscellaneous Matters](#)

4.1. When necessary or desirable, to facilitate the effective performance of the committee's duties, attend other meetings and committees.

CIPFA Self-assessment of Good Practice

Good Practice Questions	Yes	Partly	No
Audit committee purpose and governance			
Does the Commissioner/Chief Constable have a dedicated audit committee?	✓		
Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?	✓		
Is the role and purpose of the audit committee understood and accepted within the OPCC & Constabulary?	✓		
Does the audit committee provide support to the OPCC & Constabulary in meeting the requirements of good governance?	✓		
Are the arrangements to hold the committee to account for its performance operating satisfactorily?	✓		
Functions of the committee			
Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?	✓		
good governance	✓		
assurance framework, including partnerships and collaboration arrangements	✓		
internal audit	✓		
external audit	✓		
financial reporting	✓		
risk management	✓		

value for money or best value	✓		
counter-fraud and corruption	✓		
Supporting the ethical framework	✓		
Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?	✓		
Has the audit committee considered the wider areas identified in CIPFA's Position Statement and whether it would be appropriate for the committee to undertake them?	✓		
Where coverage of core areas has been found to be limited, are plans in place to address this?	✓		
Has the committee maintained its non-advisory role by not taking on any decision-making powers that are not in line with its core purpose?	✓		
Membership and support			
Has an effective audit committee structure and composition of the committee been selected? This should include:	✓		
separation from the executive	✓		
an appropriate mix of knowledge and skills among the membership	✓		
a size of committee this is not unwieldy	✓		
where independent members are used, that they have been appointed using an appropriate process	✓		
Does the chair of the committee have appropriate knowledge and skills?	✓		
Are arrangements in place to support the committee with briefings and training?	✓		
Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?	✓		

Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief finance officer?	✓		
Is adequate secretariat and administrative support to the committee provided?	✓		
Effectiveness of the committee			
Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	✓		
Are meetings effective with a good level of discussion and engagement from all the members?	✓		
Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?	✓		
Does the committee make recommendations for the improvement of governance, risk and control and are those acted on?	✓		
Has the committee evaluated whether and how it is adding value to the organisation?	✓		
Does the committee have an action plan to improve any areas of weakness?	✓		
Does the committee publish an annual report to account for its performance and explain its work?	✓		

Joint Audit Committee 22 June 2022 item 17a

Public Accountability Conference 23 June 2022 item 12a

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

Effectiveness of Governance Arrangements 2021/22

Report of the Chief Executive and Joint Chief Finance Officer

1. Introduction and background

- 1.1 This report has been prepared as a joint report to cover both entities with details appropriate to each organisation as required.
- 1.2 Each local government body operates through a governance framework which brings together an underlying set of legislative requirements, governance principles and management processes. The 2015 Accounts and Audit Regulations place a requirement on those bodies to conduct a review of the effectiveness of the system of internal control and prepare an Annual Governance Statement (AGS). The Commissioner and Chief Constable are required to consider the findings of that review, approve the respective AGS and publish (which must include publication on the Commissioner's and Constabulary's respective websites) the Statements alongside the Statement of Accounts. The AGS are prepared in accordance with the CIPFA/SOLACE Good Governance framework that defines 'proper practices' for discharging accountability for the proper conduct of public business through the publication of an Annual Governance Statement that makes those practices open and explicit.
- 1.3 The Police and Crime Commissioner approves a Code of Corporate Governance, 'The Code', setting out his corporate governance framework. The Code is subject to review and updated annually alongside the process to review the arrangements for governance and prepare an Annual Governance Statement. The 2021/22 Code was subject to review by the Joint Audit Committee prior to approval by the Commissioner. It is the compliance with this Code by the Commissioner, together with an assessment of its effectiveness, which is reflected in the 2021/22 Annual Governance Statement.

1.4 The Chief Constable approves a Code of Corporate Governance, 'The Code', setting out her corporate governance framework. The Code is subject to review and updated annually alongside the process to review the arrangements for governance and prepare an Annual Governance Statement. The 2021/22 Code was subject to review by the Joint Audit Committee prior to approval by the Chief Constable. It is the compliance with this Code by the Chief Constable, together with an assessment of its effectiveness, which is reflected in the 2021/22 Annual Governance Statement.

2. Governance Framework & Effectiveness

- 2.1 The annual review of the arrangements for governance and their effectiveness support the production of the respective Annual Governance Statements for both the Police and Crime Commissioner and the Chief Constable. The review provides assurance on governance arrangements and the controls in place to achieve the organisational objectives. The review has been prepared by the Commissioner's Chief Executive, the Joint Chief Finance Officer and Constabulary Senior Officers in accordance with the CIPFA delivering good governance in local government guidance note for Police 2016. The guidance supports the application of the CIPFA/SOLACE Good Governance Framework to Policing, recognising the specific structure and governance responsibilities arising from the 2011 Police Reform and Social Responsibility Act.
- 2.2 Within the OPCC, the approach to the production of the statement has been to use the CIPFA guidance, and particularly the guidance section on core governance principles as a benchmark of good practice as a when designing and monitoring governance. Those core principles and the arrangements that support them are set out in the 2021/22 Code of Corporate Governance approved by the Commissioner following review by the Joint Audit Committee in June 2021. The development of the Annual Government Statement is an integral part of the review, setting out how the Code has been complied with over the course of the year. Where the review has identified areas where developments are planned or improvements can be made, the AGS sets out an action plan to deliver those changes. The statement also highlights areas where further assurance is gained, such as the work of internal audit and the reports of the external auditors. The Commissioner's Annual Governance Statement setting out the review of governance arrangements for 2021/22 and to the date of this meeting, is presented to the Joint Audit Committee for review, prior to being received by the Commissioner for final endorsement and publication alongside the Statement of Accounts.
- 2.3 Within the Constabulary, the approach to the production of the statement has been to use the CIPFA guidance, and particularly the guidance section on core governance principles. These have been used as a review checklist. The first stage of the process has been to ensure that the Chief Constable's Code of Corporate Governance adequately reflects all the requirements of the framework. The second stage of the process has been to ensure that the Governance Statement has evidence of the arrangements and practices

in place to comply with the framework. Where the review has identified areas where developments are planned or it is identified that improvements can be made, the intended actions are outlined in the 'Areas for Further Development and Improvement' for each core principle. The statement also highlights areas where further assurance is gained, such as the work of internal audit, the reports of the external auditors and the results of inspections carried out by Her Majesty's Inspector of Constabularies, Fire and Rescue Services (HMICFRS). The Chief Constable's Governance Statement setting out the review of governance arrangements for 2021/22 and to the date of this meeting is presented to the Joint Audit Committee for review, prior to being received by the Chief Officer Group for final endorsement and publication alongside the Statement of Accounts.

2.4 Whilst the review of arrangements described above has been specific to the production of the Annual Governance Statements, this process is supported by wider reviews of the arrangements for governance that take place during the financial year. This includes cyclical review and updates to core elements of the governance framework. During 2021/22 this has included a review and update of the Joint Procurement Regulations, the arrangements for anti-fraud and corruption and the Scheme of Delegation in both organisations. In addition, the Public Sector Internal Audit Standards and guidance from CIPFA in respect of Audit Committees forms the basis of further reviews of the overall arrangements for audit, with action plans being put in place where potential for improvement and development have been identified. This is supplemented by specific assessments on compliance by the Joint Chief Finance Officer and Head of Internal Audit with the requirements of the CIPFA statement for these roles. The governance review is also supported by an annually developed comprehensive audit plan from internal and external audit and an opinion from the Head of Internal Audit on the arrangements for internal control and risk. Management assurances are obtained for all financial systems on an annual basis. These requirements, whilst challenging, have enabled an approach that has sought to ensure all arrangements take account of best practice, codes and guidance.

3. The Effectiveness of Internal Audit

3.1 A separate report reviewing the effectiveness of the arrangements for Audit is set out elsewhere on the agenda and includes a review of the effectiveness of the internal audit function and the effectiveness of the Joint Audit Committee. The report demonstrates the effectiveness of the arrangements for Audit against independent and objective criteria as a contribution to good governance. In doing so it concludes the process of providing the necessary assurances that the governance arrangements set out in the respective Codes of Corporate Governance are working as intended and are effective.

4. The Code of Corporate Governance 2022/23

4.1 On an annual basis the respective Codes of Corporate Governance are reviewed and updated, setting out the framework for governance within the OPCC and Constabulary. The 2022/23 Codes of Corporate

Governance applies the standards set out in the Delivering Good Governance in Local Government Framework published by CIPFA in 2016, with particular reference to the guidance notes for policing bodies, which recognise the governance implications of the structural differences between policing and other areas of local government. The CIPFA good governance framework is the best practice standard for Public Sector governance. The 2016 governance framework is based on seven principles, as set out in the respective codes and has a much broader focus on delivering value for money, including outcomes and demonstrating effective performance, often working in partnership to achieve this in comparison with the previous code.

5. Recommendations

5.1 Members of the Joint Audit Committee are asked to:

- (i) Review the respective Codes of Corporate Governance 2022/23
- (ii) Review the respective Annual Governance Statements 2021/22
- (iii) Make any recommendations with regard to the respective Codes, Statements and arrangements for governance for consideration by the Commissioner and Chief Constable prior to publication alongside the financial statements

5.2 The Commissioner and Chief Constable are asked to:

- (i) Where applicable, consider the recommendations of the Joint Audit Committee, determining any actions and/or amendments to the respective Codes of Corporate Governance 2022/23 and Annual Governance Statements 2021/22.
- (ii) Approve for signature, where applicable with amendments, the respective Annual Governance Statements for 2021/22 and to the date of this meeting, which will then accompany the respective Statements of Account for 2021/22.

Gillian Shearer

Roger Marshall

Chief Executive

Joint Chief Finance Officer

Human Rights Implications: None Identified

Race Equality / Diversity Implications: None Identified

Personnel Implications: None Identified

Financial Implications: None Identified

Risk Management Implications: The Governance Statement and the underpinning reviews, including the Effectiveness of Internal Audit are designed and intended to provide assurance on and compliance with high standards of corporate governance, including effective control and mitigation of the risk environment in which the Commissioner discharges his respective responsibilities.

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Cumbria Office of the Police and Crime
Commissioner
Code of Corporate Governance 2022/23

Foreword

Welcome and thank you for taking the time to read the Police and Crime Commissioner for Cumbria's Code of Corporate Governance. I am pleased to introduce this Code, which sets out the Commissioner's commitment to continue to uphold the highest possible standards of good governance. This document clearly demonstrates the Commissioner's and the senior management team drive to ensure that this is in place. Good governance is about how the Commissioner will ensure that he is doing the right things, in the right way, for the communities he serves, in a timely, inclusive, open, honest and accountable way.

The Code provides clarity about how the Commissioner and Chief Constable will govern their organisations both jointly and separately, in accordance with their statutory responsibilities. It will do this by highlighting the key enablers for ensuring good governance. The Code sets out how the organisations will govern, using the seven good governance principles as the structure for setting out the statutory framework and local arrangements.

Robust governance enables the Commissioner to pursue his vision effectively as well as underpinning that vision with mechanisms for control and management of risk.

Gill Shearer
Chief Executive and Monitoring Officer
Office of the Police and Crime Commissioner

Introduction

The Police Reform and Social Responsibility Act 2011 (PR&SRA) established Police and Crime Commissioners as elected officials with statutory functions and responsibilities for Policing and Crime within their area. Those responsibilities include: setting the strategic direction and objectives for policing and crime and disorder reduction in their area; maintaining the police force; and holding the Chief Constable to account. Police and Crime Commissioners also have wider responsibility for community safety, enhancing criminal justice and supporting victims.

The statutory and regulatory framework setting out the responsibilities, powers and duties of Police and Crime Commissioners is continually developing. The PR&SRA is supported by the Policing Protocol Order 2011, the Home Office Strategic Policing Requirement 2015 and the Home Office Financial Management Code of Practice 2018. The Anti-Social Behaviour, Crime and Policing Act 2014 has developed and conferred further powers in respect of the wider responsibilities of Police and Crime Commissioners. These powers have been extended through the Policing and Crime Act 2017.

The Police and Crime Commissioner for Cumbria (the Commissioner) is responsible for ensuring that business is conducted in accordance with this statutory and regulatory framework and in accordance with proper standards. This includes ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. In fulfilling this overall responsibility, the Commissioner is responsible for putting in place proper arrangements for governance, including risk management and the arrangements for ensuring the delivery of the functions and duties of his office.

In doing this, the Commissioner approves and adopts annually this Code of Corporate Governance, 'The Code'. The Code gives clarity to the way the Commissioner governs and sets out the frameworks that are in place to support the overall arrangements for the Cumbria Office of the Police and Crime Commissioner (COPCC). The Code is based on the core principles of governance set out within the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016. The Code is appended with a schematic that sets out diagrammatically all the key elements of the governance framework.

On an annual basis the Commissioner will produce an Annual Governance Statement (AGS). The AGS reviews the effectiveness of the arrangements for governance and sets out how this Code of Corporate Governance has been complied with.

The Code of Corporate Governance

This code of corporate governance sets out how the Police and Crime Commissioner will govern. It is based on the seven good governance core principles highlighted by the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016, and supported by the Nolan Principles of Public Life. This Code uses those principles of governance as the structure for setting out the statutory framework and local arrangements that are in place to achieve them.

The seven good governance principles are:

- Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Principle B: Ensuring openness and comprehensive stakeholder engagement
- Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits
- Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes
- Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it
- Principle F: Managing risks and performance through robust internal control and strong public financial management
- Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

NOLAN PRINCIPLES OF PUBLIC LIFE

SELFLESSNESS: Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

INTEGRITY: Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

OBJECTIVITY: In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

ACCOUNTABILITY: Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

OPENNESS: Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands it.

HONESTY: Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

LEADERSHIP: Holders of public office should promote and support these principles by leadership and example.

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

Police and Crime Commissioners are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Ethics and Integrity

The arrangements for governance within the Office of the Police and Crime Commissioner are based on a culture of ethics, integrity and acting in the public interest. This is demonstrated and communicated through a number of policies and codes that set out the standards of conduct and personal behaviour expected in the Commissioner's office.

Specifically:

- A Code of Conduct commits to the Nolan Principles of Public Life. The Code sets out Commitments with regard

Business Code of Conduct: Staff shall:

Maintain the highest possible standards of probity in all commercial relationships;

Reject business practice which might reasonably be deemed improper and never use authority for personal gain;

Enhance the proficiency and stature of the organisation by acquiring and maintaining technical knowledge and the highest standards of behaviour;

Ensure the highest possible standards of professional competence, including technical and commercial knowledge;

Optimise the use of resources to provide the maximum benefit to the organisation.

INTEGRITY: *Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.*

to how people will be treated, the use of resources, disclosure and conflicts of interest, disclosure of information and transparency.

- A Code of Ethics developed by the Association of Police and Crime Commissioners (APCC) has also been adopted by the Commissioner. It sets out how the Commissioner has agreed to abide by the seven standards of conduct recognised as the Nolan Principles. This Ethical Framework allows transparency in all areas of work of the Police and Crime Commissioner.

These principles encompass the Commissioner's work locally and whilst representing Cumbria in national forums. The principles are listed in the Code of Ethics with examples of how these are achieved.

- The Commissioner's arrangements for antifraud and corruption make clear the duty everyone has with regard to their own conduct and those of others. The arrangements incorporate an anti-fraud and corruption policy and plan covering the culture expected within the organisation and provide contact information for confidential reporting (whistleblowing).

- Anti-fraud and corruption procedures cover arrangements for integrity in respect of gifts and hospitality, completion of a register of interests, supplier contact and declarations of related party transactions. These ensure staff avoid being engaged in any activity where an actual or perceived conflict may exist and that there is transparency in respect of any personal or business relationships. Staff are reminded on a monthly basis of the need to make declarations.

- The Office of Cumbria Police & Crime Commissioner is responsible for investigating complaints about the Chief Constable, any appointed Deputy Commissioner, the Office of Cumbria Police & Crime Commissioner's own staff and Independent Custody Visitors. A formal process exists for dealing with complaints. The arrangements are clearly set out, including the role of the Police and Crime Panel, on the 'contact us' section within the Commissioner's website. The protocol for managing complaints is set out in the Commissioner's Complaints Policy and reinforces the commitment to upholding the highest ethical standards.

- Complaints against the Police & Crime Commissioner are referred by the Commissioner's Monitoring Officer to Cumbria County Council's

Monitoring Officer on behalf of the Police and Crime Panel who investigates the complaints and then seeks to either resolve them locally with the complainant or refers to the Independent Police Complaints Commission.

- A Business Code of Conduct supports the Procurement Regulations, re-enforcing the integrity requirements within the anti-fraud and corruption policy in the context of procurement activity.

- Financial Regulations make arrangements for the proper administration of financial affairs. They also seek to reinforce the standards of conduct in public life, particularly the need for openness, accountability and integrity.

- Grant regulations are based on a framework that provides minimum standards and terms and conditions for the grant award process that seek to ensure grants are awarded within the public interest.

- The Commissioner and all staff are required to sign up to an anti-discrimination code that sets out values and standards with regard to the prevention of any kind of discrimination.

All policies and codes are reviewed on a cyclical basis to ensure they are operating effectively. Independent external assurance is provided through the work of an Ethics and Integrity Panel and Joint Audit Committee. The purpose of the Ethics and Integrity Panel is to promote and influence professional ethics in all aspects of policing and within both organisations. It provides scrutiny and review in respect of the arrangements for codes of conduct, integrity, and complaints. It

also provides assurance to the public that any issues or concerns are highlighted and monitored.

The Joint Audit Committee provides scrutiny and review in respect of the Commissioner's arrangements for anti-fraud and corruption and financial, procurement and grant regulations. Agendas and papers are available to the public on the Commissioner's website to aid transparency.

The leadership values for the organisation have been developed by our staff to support good governance and advocate high standards of integrity and ethical behaviour. They are set out in our Corporate Plan. All staff within the OPCC have been appointed following open and transparent appointment processes. Following appointment, staff commit to the various codes of conduct and ethical standards that are in place for the OPCC. All staff also undertake a structured induction process arranged by the Governance Manager.

Respecting the Rule of Law

The Chief Executive is the Commissioner's Monitoring Officer with responsibility for ensuring that the Commissioner and staff of the Office of the Police and Crime Commissioner do not contravene any rule of law or engage in any activity that constitutes maladministration or injustice. The responsibilities of the Chief Executive are codified within legislation, within the Commissioner's scheme of delegation and within the documents comprising the Commissioner's wider governance framework. The Chief Executive is responsible to the Commissioner for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with. The Chief Executive is supported by an internal legal team and will instruct external legal advisers where there are

significant legal complexities or legal risk. The office structure includes an arrangement for the Deputy Chief Executive and a post of a Deputy Monitoring Officer to ensure continuity in the delivery of this role in the absence of the Chief Executive.

Our Values

We are a single team with a culture of trust and confidence

We develop the capacity and capability of our office to be effective and recognise high performance

We have empowered staff who are high performing, professional and have high levels of satisfaction in their roles

We embrace and deliver change, achieve national recognition for what we do and are exemplars of best practice

We hold ourselves to account for what we deliver, measuring our outcomes, customer satisfaction and value for money, striving for continuous improvement

We promote our values and demonstrate the values of good governance through upholding high standards of conduct and behaviour

Principle B: Ensuring openness and comprehensive stakeholder engagement

Police and Crime Commissioners and their Offices are run for the public good, they therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Openness

The Commissioner operates in accordance with the Elected Local Policing Bodies (Specified Information) Orders 2011, 2012 & 2013 and the guidance provided by the Information Commissioner. This is demonstrated, documented and communicated through an information publication scheme that ensures the openness of all key information to the public and wider stakeholders. This includes information in respect of the Commissioner, his staff, income and expenditure, property, decisions, policies and the independent custody visiting scheme. The Commissioner's Monitoring Officer has overall responsibility for ensuring compliance with the Orders and Scheme.

To ensure transparency of decision making, all decisions are recorded and published on the Commissioner's website for public scrutiny. The Police and Crime Panel may call in any decisions for further public scrutiny.

The Commissioner adopts rigorous standards in his decision-making and all decisions are taken solely in the public interest. This is achieved by adherence to a decision-making policy that sets out the parameters and the application of a set of principles that guide decision making. The approach within the policy adheres to the Good Governance Standard for Public Services and the Good Administrative Practice 2.

Reports for decision are based on a template that ensures the consequences of any recommendations are clearly explained and that there is clear reasoning and evidence for decisions. This includes relevant financial, legal, human resources, equality, procurement, IT and risk management advice.

Decision Making Policy: Principles of Decision Making

Decision-making will be well informed

The decision-making process will be open and transparent

To have 'due regard' within the decision making process

Be rigorous and transparent about how the decisions are taken

All decisions of significant public interest will be recorded and published.

The PCC will uphold the highest standards of integrity and honesty when taking decisions, as set out in the Nolan Principles.

Engaging Comprehensively with Institutional Stakeholders

The Police and Crime Plan recognises the importance of stakeholder engagement and collaborative working in developing and delivering priorities for the future direction of policing, crime reduction, and

supporting victims. The process for development of the Plan includes consultation with the Police and Crime Panel, wider partners and the Constabulary. Consultation processes support the development of objectives and outcomes prior to the formal approval and publication of the Plan on the Commissioner's website.

The Plan recognises that in preventing crime and supporting victims a commitment to collaborative working is needed from a range of organisations involved in policing, community safety and criminal justice. The Plan commits to utilising the existing partnership structures across the County to do this wherever possible. This enables the Commissioner and partners to build commitment to shared priorities and to exercise oversight of the delivery of shared outcomes.

As part of these arrangements the Commissioner has signed up to the Cumbria Compact, an agreement and set of principles that govern effective relationships between public and third sector organisations.

Grant agreements govern the funding arrangements with partners and the third sector and set out the purpose, objectives and shared outcomes which that funding is planned to deliver.

Joint boards, collaborative procurement and third sector partnerships are central to the Commissioning Strategy that seeks to efficiently and effectively deliver the Police and Crime Plan. The underlying Commissioning Plan uses commissioning approaches and a grant framework that enable partners to determine interventions that will be appropriate and effective in delivering outcomes.

Engaging Stakeholders Effectively including Citizens and Service Users

A Public Engagement Strategy sets out how the Commissioner will make arrangements for obtaining the views of the community on policing and for obtaining the views of victims of crime. The strategy aims to ensure clear channels of communication are in place with all sections of the community and other stakeholders. As part of the Public Engagement Strategy, the Commissioner undertakes formal consultation with the public, partners and other stakeholders in respect of the Police and Crime Plan and the budget.

The OPCC is instrumental in giving the people of Cumbria the ability to communicate with the Commissioner and plays a key role in ensuring public opinion can influence the Commissioner's decision making. The Office ensures a wide range of engagement approaches so that the Commissioner actively listens, considers and effectively uses the views of the people of Cumbria. The office plays a critical role in ensuring that two-way communication with communities take place and that the Commissioner is publicly available to speak to communities and individuals.

The OPCC has responsibility for keeping people informed, ensuring that activities and decisions are transparent and that effective, transparent and accessible arrangements are in place for providing feedback. This includes the statutory requirement of producing and publishing an Annual Report setting out what has been achieved in a 12-month period.

The OPCC also supports the Commissioner around public affairs, if necessary, highlighting the impacts on policing and people in Cumbria.

A complaints process and quality of service procedure provides clarity over the arrangements to respond to the breadth of concerns raised by local people. If trends are identified these are used to improve customer service from the Constabulary and influence the decisions of the Police and Crime Commissioner.

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

The long-term nature and impact of many of the Police and Crime Commissioners' responsibilities mean that they should define and plan outcomes and that these should be sustainable. Decisions should contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available

*The Commissioner's
Police and Crime
Plan can be found
on our website at
[www.cumbria-
pcc.gov.uk](http://www.cumbria-pcc.gov.uk)*

Defining Outcomes

The Police Reform and Social Responsibility Act (PRSR) 2011 and the Policing Protocol Order set out the purpose of the Police and Crime Commissioner, conferring statutory duties and responsibilities. These include the requirement to issue a Police and Crime Plan. The Plan sets out the vision and strategic direction for policing and reducing crime for the local area. It outlines police and crime objectives, priorities and outcomes for policing and victims that the Commissioner will focus on in carrying out his purpose.

Key performance indicators are set to support the objectives within the Police and Crime Plan. This is supported by a comprehensive performance management framework, which is embedded within a robust accountability and governance structure. The performance framework and HMICFRS inspection and value for money reports support the Commissioner in holding the Chief Constable to account for the performance of the force and its efficiency and effectiveness. User

Satisfaction Performance measures are included in the Performance Management Framework.

The Police and Crime Plan is developed alongside a Medium-Term Financial Strategy that ensures funding is aligned to the resources needed to deliver priorities and outcomes. The forecast supports the Commissioner in setting a robust budget and in his purpose of maintaining the force for the Cumbria police area.

A Commissioning Strategy and framework supports the delivery of the Commissioner's wider duties and responsibilities and the objectives and outcomes within the Police and Crime Plan. The strategy sets out how the Commissioner will work with partners, including community and voluntary sector groups, to deliver activity and interventions that will support victims, improve community safety, reduce crime and enhance criminal justice. The strategy is underpinned by a commissioned services budget and programme.

Sustainable economic, social and environmental benefits

A process is in place to support policy and strategy development. Oversight of the central policy record, including compliance with procedure and equality impact assessments, is managed by the Executive Team. This ensures that the sustainability of policies and strategies and the wider benefits and interrelationships across the business are fully understood.

When developing strategies, policies or business plans the Office of the Police and Crime Commissioner will undertake an impact assessment on such documents prior to their development. The outcomes of these assessments will inform development work and be taken into consideration when policies and strategies are approved. In this way, our policies and strategies provide a framework to support decision making.

The process for making decisions, particularly those that involve expenditure, includes an assessment of the longer term impact of proposals to ensure sustainability. Decisions on human resource planning, the most significant factor influencing the delivery of sustainable economic, social and environmental benefits, take account of the longer term financial outlook alongside projections of future turnover. This enables workforce planning and recruitment in a way that supports the economic management of training and supervision requirements and maximises the benefits to the business.

All decision reports include a section which allows the author to identify any equality issues. These will be taken into account by the Commissioner when considering the decision.

To manage risk and ensure transparency of interests in decision making, the Commissioner and officers are required to make declarations where there are or may be perceived to be conflicts of interest. The role of the Monitoring Officer and the Commissioner's Oath of Office further supports decisions being made in the wider interest of the people of Cumbria, rather than representing any particular political interests.

The Police and Crime Plan and the policy and strategy documents that support it are developed to cover a four-year rolling timeframe and take into account feedback from public consultation and engagement.

All of these documents and the outcomes from consultation are published and are publicly available on the Commissioner's website.

Information is published in a variety of mediums. The OPCC website has the functionality to assist in the access to information held. The COPCC would look to assist with translation of information or send information to a third party who can assist them. The COPCC website has the ability to translate into the main languages.

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

Police and Crime Commissioners achieve their intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice and Commissioners have to make sure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

Determining Interventions

The Commissioner sets the strategic direction for Policing and wider interventions within the Police and Crime Plan. The Plan is reviewed annually to ensure decision making on activity and outcomes remains robust. The Commissioner's decision making policy adopts a set of principles to ensure all decision making is well informed, that options are rigorously considered and information is provided on potential risks.

The Constabulary is the primary provider of policing services and the recipient of the substantial proportion of funding from the Commissioner to deliver the Police and Crime Plan. Achieving best value through the delivery of an effective policing strategy is a condition of the arrangements for funding between the Commissioner and the Constabulary. Decisions are made annually on the level of resources and how they should be directed as part of the Commissioner's budget setting process.

The performance, outcomes and costs of the Constabulary are monitored through a framework that includes external comparators (HMICFRS Value for Money Profiles), Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection reports and an annual Value for Money Report from the External Auditors. Recommendations from PEEL inspections are used to review decisions in year on resources and determine whether intervention are needed to respond to inspection findings.

Grant and Procurement Regulations set out a framework for commissioning and procurement activity that supports the achievement of best value and practical interventions to support Police and Crime Plan outcomes within wider commissioned services. A review of value for money arrangements is reported annually to the Joint Audit Committee, focused on the Constabulary's activities. This provides external oversight of staffing and wider financial resources committed to fulfilling legal and regulatory requirements of the service.

Medium Term Financial Strategy Objectives

To deliver a robust and balanced medium term financial plan and annual budget supported by an in year reporting framework that monitors its delivery.

To ensure arrangements for funding between the Commissioner and Constabulary deliver value for money and support the priorities of the Police and Crime Plan

To ensure capital expenditure plans are robustly scrutinised, fully funded for a minimum of four years and are supported by capital strategies that meet the needs of the business

To maintain a risk assessed level of reserves to meet unplanned expenditure and to provide revenue budget smoothing for intermittent costs.

To ensure treasury management activities provide for the security of the Commissioner's funds whilst meeting the cash management needs of the Commissioner and Constabulary

To provide a framework for financial governance that ensures the proper administration of the Commissioner's financial affairs

The Medium-Term Financial Strategy sets out the financial plans for revenue and capital expenditure. An annual funding arrangement for the Chief Constable codifies the amounts and conditions of funding based on a financial proposal from the Constabulary. It sets out how the budget will be monitored including financial information and reporting requirements. Financial reporting provides a control to assess the extent to which planning assumptions for the budget have been matched by actual activity and expenditure in year. Further controls over the management of income and expenditure are detailed in the Commissioner's financial regulations. Key financial performance indicators for example prudential indicators, are set as part of the budget process, and monitored on a quarterly basis to ensure they are being met.

The Medium-Term Financial Strategy sets out revenue forecasts of income and expenditure and the key financial assumptions and policies on which the forecasts are based. This supports a strategic approach to operational planning, savings requirements and decision making in support of the objectives within the Police and Crime Plan. It also ensures that the financial liabilities, risks and the level of provision and reserves within the budget are fully understood. The budget includes a 10 year capital programme aligned to plans for ICT, the estate and fleet, ensuring resources are balanced in the medium and longer term to meet the requirements of the business.

Financial, operational and commissioning plans are developed taking into account the feedback from the public and wider stakeholders. The Engagement Strategy sets out how the Commissioner will engage with a wide range of people and partners encompassing and including diversity within the

Planning Interventions

A Commissioning Strategy and joint Procurement Regulations set out how services will be planned, procured and delivered. The Safer Cumbria Partnership provides a flexible and supportive mechanism through which services can be developed and delivered with shared risk. Grant and contract management arrangements are in place to monitor and review service quality.

County. The Commissioner in his role of consulting with the public uses the guiding principles of we asked, you said, we did as many engagement activities personally involve the Commissioner. To formally support the role of two-way engagement a six-monthly paper is presented to the Commissioner outlining trends from the various forms of engagement and this information is used as an integral part in the process of any key decisions. Further communication tools are used to ensure target audiences are kept up to date of developments and key decisions for the Commissioner.

Optimising Achievement of Intended Outcomes

The Medium-Term Financial Forecast integrates the budget and funding arrangements for the Constabulary with the Commissioner's directly managed budgets. The totality of estimated funding forms the basis for considerations regarding the trade-off between resources for commissioning and resources for policing to optimise outcomes within the Police and Crime Plan. Strategic priorities within the Plan support decision making on the respective policing and commissioning strategies. This determines for example, the number of police officers, the balance between people resources verses equipment and the balance between supporting victim's verses crime prevention activity.

The budget process is based on a proposal from the Constabulary. It takes a zero-based approach, working closely with the business to forecast operational requirements over 5 years for revenue expenditure and 10 years for capital expenditure. This includes a series of 'star chambers' providing Chief Officers with the forum through which budget

holders can be challenged. Through the budget process targets and plans are developed for savings and consideration is given to growth bids to resource new and changing requirements.

The Medium-Term Financial Strategy includes information on national financial settlements for policing and what is known about settlements in future years. It also sets out the key financial risks that could impact on funding and expenditure nationally and locally. Sensitivity analysis provides information on the potential impact of changes to assumptions. Collectively this supports decisions on resources, services, performance and outcomes and ensures the business has a robust understanding of risks to the affordability of future plans. The Strategy incorporates information on plans for savings and the impact of funding changes for the number of police officers, PCSO's and police staff. This supports an on-going dialogue and monitoring between the Commissioner and Constabulary in respect of the necessary business change and its impact on outcomes and performance.

Through our Commissioning Strategy we engage and consult with the wider community on support and service provision gaps, this ensures that commissioning objectives and outcomes align with the needs of the local community as well as creating an opportunity for providers to innovate. Commissioning to local based providers ensures the economic, social and environmental well-being of the wider Community. Awarding of Contracts or Grant Agreements are based on the social outcomes and measures which meet local priorities and needs as opposed to financial gains and benefits.

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

Police and Crime Commissioners need appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. Commissioners must ensure that they have both the capacity to fulfil their mandate and to make certain that there are policies in place to guarantee that management has the operational capacity for the entity as a whole. Both the individuals involved and the environment in which Commissioners operate will change over time, and there will be a continuous need to develop its capacity as well as the skills and experience of the leadership and individual staff members. Leadership is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of their communities.

Developing the entity's capacity

Legislation provides that the Commissioner must appoint a Chief Executive and a Chief Finance Officer (statutory officers). The Chief Executive is the Commissioner's Head of Staff with responsibility for overall management of the Commissioner's office. The Chief Finance Officer (CFO) operates on a shared basis acting as CFO for both the Commissioner and the Chief Constable. Both the Chief Executive and Chief Finance Officer have statutory responsibilities with regards to determining the requirements in respect of staffing resources.

The Chief Executive is a member of the Association of Police and Crime Chief Executives (APACCE) and operates within the APACCE statement on the role of the Chief Executive and Monitoring Officers for Police and Crime Commissioners. The Chief Executive's job profile is based on the APACCE model to ensure the right skills, experience and

qualifications for the role. The role of Chief Executive is undertaken on a six-month rotating basis with the Deputy Chief Executive.

The role and functions of the Chief Finance Officer to support the Commissioner's mandate is set out within the Home Office Financial Management Code of Practice and by the Chartered Institute of Public Finance and Accountancy (CIPFA), the CIPFA statement. The job profile for this role is based on the CIPFA Statement. Compliance with the statement is self-assessed on an annual basis and reviewed by the Joint Audit Committee. Professional body subscriptions ensure the Chief Finance Officer has access to up to date Codes of Practice, guidance and professional standards

The structure and arrangements for staffing ensures the Chief Executive has management of overall staffing as Head of Paid Service with responsibility for effective succession planning and resilience on matters of business within a small team.

A framework for the development and review of the corporate plan and underlying business plans ensures action plans and performance targets are delivered to support continuous improvement.

The costs of the Constabulary are benchmarked annually with reports presented for scrutiny to the Joint Audit Committee. Comparisons to most similar group policing areas are used to inform the budget savings programme and reduce costs.

Procurement regulations are developed jointly with the Constabulary and supported by a procurement strategy. The regulations incorporate procurement policy and procedures that aim to support the understanding and skills of all staff engaged in the procurement process. The procurement strategy sets out how the function will develop to deliver best value from procurement activity. The procurement regulations are supported by a set of grant regulations governing commissioning activity through a grant based process.

Developing the entity's leadership

The key functions and roles of the Commissioner, the Chief Executive/Monitoring Office and Chief Finance Officer are set out in the Police Reform and Social Responsibility Act 2011 (PRSRA) and the Policing Protocol Order 2011 (PPO). These functions and roles define the responsibilities for leadership and are codified in the Commissioner's Scheme of Delegation and wider documents within the Corporate Governance Framework.

The Chief Executive is the Commissioner's lead advisor. Key responsibilities include working with the Commissioner to enable delivery against his vision, strategy and identified priorities and

Key functions and role of the Commissioner

Sets strategic direction & objectives of the force, issues the Police and Crime Plan (the Plan) & an annual report

Holds the Chief Constable to account for the exercise of his/her functions and force performance; Monitors complaints.

Receives all funding, decides the budget & precept; allocates funding to maintain an efficient and effective police force

Provides the link between the police and communities; publishes information on Commissioner and force performance

Responsible for the delivery of community safety, crime reduction, the enhancement of criminal justice and victim support

facilitating the accurate and appropriate scrutiny of the Constabulary's activities. The Chief Executive is also the Commissioner's statutory Monitoring Officer, providing support to ensure the Commissioner's functions are carried out and has specific legal, financial and governance duties in addition to those which derive from statutory responsibilities. The Chief Executive operates in accordance with professional standards and the legislative and fiduciary responsibilities of the statutory office.

The Chief Finance Officer is the lead financial advisor to the Commissioner and has statutory responsibility to ensure that the financial affairs of the Commissioner are properly administered. The CFO provides all financial advice, provides a statutory report on the robustness of the budget and ensures systems of internal financial control are effective.

The Commissioner's Scheme of Delegation is part of a wider governance framework that further details specific decision making and wider responsibilities of key officers in relation to areas of governance and ensure all staff have a shared understanding of the roles, responsibilities and decision making authority within the Commissioner's Office. All governance documents are regularly reviewed and updated as roles develop to respond to changing legislation, regulations and other new requirements.

A member/officer protocol further sets out the roles of political office holders (the Commissioner/Deputy Commissioner) and non-political office holders (staff employees) to provide clarification on respective responsibilities and expectations around how relationships are anticipated to work. This is supported by arrangements for the declaration of interests to ensure the Commissioner, members and staff are free from relationships that would materially interfere with decisions making and their roles.

Members of the Joint Audit Committee are recruited for their specific skills and experience to fulfil the role of the Committee. Role profiles include a person specification that requires applicants to demonstrate a sound understanding and relevant professional experience. The Committee has clear terms of reference and membership that is consistent with the requirements of the Home Office Financial Management Code of Practice, and CIPFA guidance. Development sessions, access to relevant publications and CIPFA/Grant Thornton external workshops support members continued development.

The Cumbria ICV Scheme comprises of four panels of volunteer Custody Visitors. Every new volunteer

is required to undertake a half-day basic induction course, followed by an accompanied night observation visit; thereafter, new visitors are trained "on the job" by attending visits in the company of a more experienced colleague for the first six months. On-going ICV training is provided at the regular panel meetings and annual local and regional conferences.

In 2016 the OPCC became a member of the Independent Custody Visitors Association (ICVA) to which it pays an annual subscription. ICVA is a Home Office funded organisation set up to promote and support the effective provision of custody visiting nationally. ICVA works closely with government and criminal justice organisations providing advice on best practice for independent custody visiting schemes nationally; training; and publicity to Police and Crime Commissioner and custody visitors.

The Police and Crime Commissioner subscribes as a member of the Association of Police and Crime Commissioners (APCC). The APCC delivers daily written briefings received by the Commissioner and office staff, covering press and parliamentary reporting on those areas within the Commissioner's responsibilities to ensure the Office is kept updated on current developments.

The APCC and APACCE deliver national events to ensure Commissioners and their Chief Executives remain informed and have the opportunity to discuss significant issues and develop collective approaches. There are also bi-monthly regional meetings of Chief Executives and quarterly regional meetings of Commissioners and Chief Executives. The Chief Executive/Monitoring Officer leads for the Commissioner on ensuring that appropriate policies and procedures are adopted and followed to ensure

the COPCC complies with relevant statutes and regulations and has the capacity to deliver across these requirements.

The CFO subscribes to the Police and Crime Commissioners' Treasurers' Society (PaCCTS), supporting continuous development and ensuring the CFO maintains a breadth of understanding on policing finance. Further capacity and expertise is commissioned to support specialist services for treasury management, taxation and insurance brokerage.

Arrangements for staff appraisal provide the opportunity to discuss and review individual performance and training and development needs.

Developing the capability of individuals within the entity

The Commissioner has adopted a number of joint personnel policies with the Constabulary in addition to operating within a suite of COPCC specific policies that provide a framework for all issues related to employee management, terms and conditions. This includes policies on how staff and staff associations will be engaged in any change processes. There is a general principle for on-going consultation and engagement during any areas of business change, creating an environment where staff can perform well and where ideas and suggestions are welcomed.

Personnel policies aim to promote a motivated and competent workforce whilst supporting the health and well-being of staff. They include arrangements for work-life balance through a scheme of flexible working and facilitate access to wider benefits e.g. special leave at times of specific personal need.

Business is carried out supported by policies and procedures that support the full range of human resource management responsibilities and all policies are subject to cyclical review in accordance with the Commissioner's policy framework. This supports continuous improvement, ensuring updated guidance is available for staff on how to carry out their roles and the wider responsibilities they should take into account.

All officers have clearly defined role descriptions and reporting lines based on the roles and the functions for which they are accountable, to ensure service delivery responsibilities are clear and can be monitored. Individual capabilities, performance and development requirements are assessed annually through a review process to agree the support, training and development staff need to carry out their duties and responsibilities.

Professional staff undertake continued professional development in line with the requirements of their professional bodies. The budget setting process provides for training and development budgets to support mandatory and discretionary training and development requirements.

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

Police and Crime Commissioners need to ensure that the entities and governance structures that they oversee have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management, business continuity and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. They consist of an ongoing process designed to identify and address significant risks involved in achieving outcomes. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

Managing risk

The Commissioner's Risk Management Strategy sets out the overall arrangements for managing risk including the arrangements for holding to account the Chief Constable in respect of those risks that fall within his functions. The Strategy establishes how risk is embedded throughout the various elements of corporate governance of the COPCC, whether operating solely or jointly with the Constabulary. The Strategy incorporates a clear framework of objectives, designates roles and responsibilities for risk management and provides a mechanism for evaluating and scoring risks, and supporting decision making in respect of mitigating action.

The strategy and risk registers are regularly reviewed to ensure a clear alignment between risk management activity and the organisation's objectives. Reporting formats ensure arrangements are dynamic and support the early identification of strategic and operational risks. Identified risks are logged on a risk register with clear ownership and are reviewed cyclically based

on a score that denotes the severity and impact of the risk should it occur. Every project run by the COPCC has a separate risk register. All decision and report forms include a section for the author to complete in which to identify any risks or potential risks. To ensure effective ownership and monitoring of risks, the Office of the Police and Crime Commissioner provides risk management training to all staff.

The arrangements for risk management are subject to on-going monitoring and review to ensure their continued effectiveness. This comprises review by internal audit and review by the Joint Audit Committee. The strategic risk register is presented to the Committee quarterly. The Committee also receives the Risk Management Strategy on a quarterly basis and a report from the Chief Executive annually reporting on the effectiveness of arrangements for managing risk.

Managing performance

The Commissioner holds Public Accountability Conferences, which facilitates the arrangements for monitoring service delivery and holding the Chief Constable to account. This is supported by regular one to one briefings between the Commissioner and Chief Constable and an office level Collaborative Board. Senior Officers within the OPCC attend strategic Constabulary meetings to provide challenge and oversight of the arrangements that support decision making, delivery of key areas of business and the allocation of resources.

The Police and Crime Panel is the statutory body that provides the public accountability checks and balances in relation to the performance of the Commissioner and scrutiny of any decision made. The Panel receives cyclical information and reports on service delivery plans and progress towards outcomes. The Panel is consulted on the development of the Police and Crime Plan and budget, with a power of veto over the Commissioner's precept. The panel receives an Annual Report setting out what has been achieved in respect of delivery of the Police and Crime Plan objectives, and a financial outturn report comparing actual expenditure against the budget and including summary financial statements.

Robust internal control

The Commissioner is responsible for reviewing the effectiveness of his governance framework including the system of internal control. This work is informed by the work of Chief Officers and Senior Managers who undertake an overarching review of key controls and governance arrangements in support of the key principles in this Code.

Police and Crime Panel Functions

The functions of the Police and Crime Panel include reviewing the draft police and crime plan, public scrutiny of the annual report and the power of veto over the level of the Commissioner's proposed precept

Senior Managers with responsibility for financial systems provide annual management assurances using a CIPFA internal control framework as part of this process. This is further supported by an annual fraud risk assessment completed by the Chief Finance Officer and reviewed by the external auditors. Arrangements for anti-fraud and corruption are subject to cyclical internal audit review.

An independent internal audit service is commissioned through TIAA Ltd. Internal audit develops and delivers a risk based annual audit plan of work that reviews internal controls. This supports an annual opinion from the Chief Internal Auditor on the overall adequacy and effectiveness of the framework of governance, risk management and control.

An independent Joint Audit Committee assures cyclical internal reviews of key governance documents (e.g. financial regulations, arrangements for anti-fraud and corruption and the risk management strategy) at its November meeting and receives annual reports reviewing the effectiveness of arrangements for risk, governance and internal control in June and September. The Joint Audit Committee receive a copy of all internal and external audit reports, can table reports for discussion and monitor the implementation of audit recommendations. The Committee undertakes an

annual self-assessment to ensure on-going compliance with the CIPFA framework for Police Audit Committees.

Managing Data

The Office of the Police and Crime Commissioner operates within the parameters of legislation, such as the Data Protection Act. It ensures that all data, including personal data, is appropriately stored and shared where necessary. Data is held in accordance with the COPCC Retention Schedule, removed or destroyed appropriately and access to information is restricted where appropriate to relevant members of staff. Data will not be held for longer than is necessary. Appropriate security measures are taken for both electronic and physical data. All staff are aware of their responsibilities when handling and storing both electronic and physical data and the need to comply with General Data Protection Regulations. The OPCC has a Joint Data Protection Officer with Cumbria Constabulary who provides expert advice and support.

Strong public financial management

Arrangements for financial management support for the Commissioner in achieving outcomes and delivering strong operational and financial performance by ensuring that resources are used in accordance with approved plans for service delivery and investment. The arrangements for financial management are codified within a suite of financial governance documents and comply with the relevant CIPFA Codes of Practice and guidance. Financial management controls ensure expenditure is only committed in accordance with the approved budget and the purpose for which

approvals have been given. Financial monitoring supports the early identification of variances between actual expenditure and income, supporting timely decision making on remedial action.

A funding arrangement between the Commissioner and Constabulary sets out the consents and arrangements for financial management between the Commissioner and Chief Constable. This ensures funding within the Constabulary is directed toward the achievement of the Policing Strategy and priority outcomes within the Police and Crime Plan.

Financial regulations set out the role and responsibilities of Chief Officers and senior staff for financial management and governance. They include financial management standards to be adhered to by all staff across the organisation and the wider framework of controls including the arrangements for the statement of accounts.

Financial risks and mitigations are set out within the Medium-Term Financial Strategy and are managed within the Commissioner's overall framework for managing risk. The Joint Chief Finance Officer takes ownership of all financial risks and reports to the Joint Audit Committee on the management of strategic financial risks. Arrangements for financial management are cyclically reviewed by the internal auditors for assurance and form part of the arrangements reviewed by the external auditors in forming their conclusions on the financial statements and value for money.

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

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Implementing good practice in transparency

The Commissioner's annual report is the primary communication through which the public can access and understand the performance and activities of the Commissioner and his Office. Design work for the report is commissioned from external media and communication professionals which alongside the written style aims to support transparency and public accessibility of the report.

All public documents are published on the COPCC website and are available in accessible formats. Further options can be offered on request. The intention is to ensure that all documents are written in such a way as to make them accessible to readers that may not have a detailed knowledge of the subject matter, though with some complex issues this is not always possible. The publication of key documents, such as the Police and Crime Plan, is supported by a media release to raise awareness of the document and its purpose.

Arrangements for financial reporting aim to ensure the accessibility of financial information for readers and users of financial reports. On complex matters of communication, for example consultation on budget, precept and services,

professional support has been procured to ensure a robust public understanding of complex issues.

Implementing good practices in reporting

The Office publishes an annual report, scrutinised by the Police and Crime Panel, to communicate the Commissioner's activities, achievements and performance and that of the Chief Constable and the force. The annual report presents the performance outcomes achieved against an agreed framework of targets and measures.

The Commissioner is subject to the Accounts and Audit (England) Regulations 2015 and prepares a set of accounts in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting. Compliance with the Code of Practice ensures the comparability of financial information within the statements with other similar entities and their publication in accordance with statutory timeframes. The financial statements include a comprehensive income and expenditure statement, which is aligned to in year financial reporting and monitoring. A narrative statement by the Chief Finance Officer sets out the overall financial and business performance for the year within an accessible summary statement. The financial

statements include the external auditors report setting out the overall opinion. A separate annual report details the external auditor's conclusions on the Commissioner's arrangements for value for money.

The Commissioner's overall arrangements for governance are reviewed annually against this Code of Corporate Governance with a report made on how it has been complied with. This 'Annual Governance Statement (AGS)' is subject to review by the Joint Audit Committee. The AGS includes an action plan setting out the work that will be undertaken over the following year to support continuous improvement in line with the principles of this Code and the CIPFA good governance framework.

The Commissioner and the Joint Audit Committee receive annually a report reviewing the governance arrangements for internal audit against the requirements of the Public Sector Internal Audit Standard (PSIAS).

Assurance and effective accountability

Grant Thornton UK LLP are the external auditors appointed to both the Police and Crime Commissioner for Cumbria and the Chief Constable for Cumbria Constabulary, to report key matters arising from audits of the Commissioner and Chief Constable's financial statements. The external auditors also reach a formal conclusion on whether the Commissioner and Chief and Constable have put in place proper arrangements to secure economy, efficiency and effectiveness in the use of resources. The audit findings report is published in the financial

statements and presented to the Commissioner and Joint Audit Committee for review. The Joint Audit Committee monitors the implementation of recommendations arising from the audit and have the expertise to challenge the external audit approach, supporting assurance of its effectiveness. Further accountability is provided through the arrangements for internal audit. Internal audit is delivered through a contract with TIAA Ltd and in accordance with an Internal Audit Charter that ensures compliance with the PSIAS. An annual review of the effectiveness of the internal audit service, including the arrangements for the Joint Audit Committee, is undertaken annually by the Joint Chief Finance Officer against CIPFA best practice standards. The report is published on the Commissioner's website to support assurances on internal control.

The arrangements for accountability further incorporate challenge, reviews and inspections from HMICFRS. Whilst these are primarily aimed at Constabulary performance, elements of specific reviews include jointly delivered activities and specifically commissioned reports that cover governance across both organisations. Recommendations are reported to and monitored by the Commissioner and Joint Audit Committee.

The Ethics and Integrity Panel also monitors and reports on some specific areas of activity, such as complaint handling and ethical issues. The Panel has carried out a series of thematic inspections into specific areas of Constabulary activity. The Panel are able to look objectively at these areas and provide valuable independent scrutiny and feedback to the Constabulary on their findings.

The arrangements in this document set out our framework for governance in accordance with CIPFA's Good Governance Principles and guidance. Annex A to this Code sets out our governance schematic, summarising the arrangements we have in place internally and sources of external guidance and support. Further information on the arrangements for Governance can be found on the Commissioner's website under the tab headed Governance and Transparency.

We welcome your views on the Commissioner's Code of Corporate Governance. You can do this by using the contact information below:

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The Chief Constable for Cumbria Constabulary

Code of Corporate Governance 2022/23

Introduction

The statutory responsibilities of the Chief Constable 'to maintain the Queen's Peace' are outlined in various Police Acts. The Police and Social Responsibility Act 2011 (PR&SRA), which introduced Police and Crime Commissioners, re-enforced the operational independence of the Chief Constable and clarified her role in supporting the delivery of the Commissioner's Police and Crime Plan.

The PR&SRA also established the Chief Constable for Cumbria Constabulary (the Constabulary) as a separate corporate sole. Accordingly, the Chief Constable is responsible for ensuring that business of the Constabulary is conducted in accordance with this statutory and regulatory framework and in accordance with proper standards. This includes ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. In fulfilling this overall responsibility, the Chief Constable is responsible for putting in place proper arrangements for governance, including risk management and the arrangements for ensuring the delivery of the functions and duties of her office.

In doing this, the Chief Constable approves and adopts annually this Code of Corporate Governance, 'The Code'. The Code gives clarity to the way the Chief Constable governs and sets out the frameworks that are in place to support the overall arrangements for Cumbria Constabulary. The Code is based on the core principles of governance set out within the CIPFA/SOLACE good governance standard for public services which has 'proper practices' status.

On an annual basis the Chief Constable will produce an Annual Governance Statement (AGS). The AGS reviews the effectiveness of the arrangements for governance and sets out how this Code of Corporate Governance has been complied with.

The Code of Corporate Governance

This code of corporate governance sets out how the Chief Constable will govern. It is based on the seven good governance principles highlighted by the good governance standard for the public service. This code uses those principles as the structure for setting out the statutory framework and local arrangements that are in place to achieve them.

Those principles are:

- A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
- B. Ensuring openness and comprehensive stakeholder engagement.
- C. Defining outcomes in terms of sustainable, economic, social and environmental benefits.
- D. Determining the interventions necessary to optimise the achievement of intended outcomes.
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- F. Managing risks and performance through robust internal control and strong public financial management.
- G. Implementing good practices in transparency, reporting and audit to deliver effective accountability.

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

Chief Constables are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Ethics and Integrity

The Chief Constable and Chief Officer Group recognise that to operate legitimately it is essential that the Constabulary is able to demonstrate the highest standards of integrity in all its activities.

Officers and staff employed by the Constabulary are expected to adhere to the highest standards of conduct and personal behaviour. The requirements of officers are set out in the Police (Conduct) Regulations. The requirements of Police staff are set out in the Police Staff Council Standards of Professional Behaviour document.

The Constabulary has adopted and provided training on the Code of Ethics produced by the College of Policing and all officers and staff are required to abide by its provisions.

The Constabulary has an Anti-fraud and Corruption Policy and Procedures, which set out clear definitions of fraud and corruption. The policy embodies the values of the Code of Ethics based on the 7 Nolan Principles for Public Life and makes clear the duty of everyone with regard to their own

actions and conduct and those of others to protect the organisation against fraudulent and corrupt acts. The procedure includes guidance for integrity in respect of gifts and hospitality, completion of a register of interests and declarations of related party transactions. These ensure that staff avoid being engaged in any activity where an actual or perceived conflict may exist and that there is transparency in respect of any personal or business relationships.

Ethics and integrity issues are specifically covered in the Constabulary's PDR, in which all officers and staff are required to participate.

The Home Office Financial Management Code of Practice requires the Chief Constable to ensure that governance principles are embedded within the way the organisation operates. This is achieved through the Chief Constable's arrangements for corporate governance, which embody the principles of openness, accountability and integrity in the conduct of the Constabulary's business

The Joint Financial Regulations set out the internal framework and procedures for financial regulation

and administration. They set out the arrangements for the proper administration of financial affairs ensuring these are conducted properly and in compliance with all necessary requirements. They also seek to re-enforce the standards of conduct in public life, particularly the need for openness, accountability and integrity. The Financial Regulations also re-enforce the anti-fraud and corruption policy, covering the culture expected within the organisation, responsibilities and measures in place to prevent fraud and corruption and how it will be detected and investigated.

The Joint Procurement Regulations, re-enforce the integrity requirements within the anti-fraud and corruption policy in the context of procurement activity and interactions with commercial suppliers. They provide a guide to staff and suppliers in respect of the principles that will be followed in the conduct of business and the processes we expect staff to comply with when buying goods and services. Provisions within the tendering process re-enforce the requirement for suppliers to act in an ethical manner.

The Constabulary maintains arrangements for confidential reporting (whistleblowing) and guidance for managers with regard to how any reporting will be responded to. These are contained in the Anti-Fraud and Corruption Policy, which is supported by a regularly publicised internal and external confidential phone line and e-mail reporting system on which individuals can leave anonymous information. The Constabulary also subscribes to and publicises 'Public Concern at Work' (PCaW), an independent authority on public interest whistleblowing to allow employees the

facility to report externally to the Constabulary if required.

The Police and Crime Commissioner and Chief Constable have established an Ethics and Integrity Panel to ensure that arrangements for integrity, standards, conduct and behaviour are subject to independent external scrutiny. As part of its role the Panel reviews performance across agreed indicators of integrity, including public complaints. The Panel's findings are reported annually to the Commissioner's Public Accountability Conference to ensure good practice is recognised and encouraged, while any potential areas requiring improvement can be identified and dealt with accordingly to enhance performance.

The Joint Audit Committee operates within Standing Orders for the regulation of its business. The orders include expectations in respect of the conduct of members and how any conflicts of interest should be managed. Members of the Committee are independent and will scrutinise and monitor the operation and effectiveness the arrangements for governance including arrangements for anti-fraud and corruption.

Respecting the Rule of Law

The Chief Constable recognises that in fulfilling her duty to 'Maintain the Queen's Peace' it is essential that the Constabulary as an organisation is able to demonstrate respect for the law.

The Chief Constable is committed to operating an environment where open debate and transparent governance is the norm, allowing senior officers to

carry out their responsibilities in delivering the Constabulary's objectives.

The Director of Legal Services, who is a qualified solicitor, provides advice to the Constabulary on all legal matters and is consulted on all strategic decisions to ensure that laws are not contravened.

As part of their training police officers receive specific training on the law and its applicability to policing services.

The Constabulary has a People Department, which includes a Professional Standards function, whose role is to promote proper standards of conduct and monitor compliance with codes. The function actively liaises with management teams and other groups with the aim of maintaining high standards of conduct and produces regular reports, which set out details of non-compliance with standards and codes. The function has its own intranet site to facilitate demonstration of best practice and produces a newsletter (PASS) highlighting areas of concern, guidance, learning and signposts officers and staff to those that can provide welfare / support. The Professional Standards function has an anti-corruption unit whose role is to investigate information and intelligence received concerning the conduct of officers and members of police staff.

The Professional Standards function also oversees all complaints, ensuring compliance with Police Reform Act 2002 and the Police (Complaints and Misconduct) Regulations 2020. These complaints are reported to and audited periodically by the Office of the Police and Crime Commissioner. The Chief Constable also has a procedure in place to receive and investigate complaints made to it about

the conduct of Association of Chief Police Officers (with the exception of the Chief Constable who is accountable to the Commissioner) under the relevant conduct regulations.

Principle B: Ensuring openness and comprehensive stakeholder engagement.

Constabularies are run for the public good, they therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Openness

All decision making operates within the specific legislative and regulatory frameworks that confer on the Chief Constable duties, powers and responsibility. The significant elements of the statutory framework for decision making comprise:

- Various Police Acts, which outline the responsibilities of the Chief Constable and provide clarity on her operational independence.
- The Police Reform and Social Responsibility Act 2011 (PR&SRA) providing the legal framework for decision-making.
- The Policing Protocol Order 2011 setting out the framework within which the PCC & CC should work and requiring all parties to abide by the Nolan Principles.
- The Home Office Financial Management Code of Practice for the Police Service embedding the principles of good governance into the way the Chief Constable operates.

Challenge and scrutiny contribute to good governance by being part of accountable decision making, policy making and review. The implementation of a robust decision making process ensures that the right decisions are taken for the right reason at the right time. The Chief Constable adopts rigorous standards of probity, regularity and transparency in decision making and all decisions are

taken solely in the public interest and to maintain the Queen's peace.

The Constabulary has a Chief Officer Group, which has responsibility for strategic decision making and is supported by subsidiary boards organised around delivery of priorities within the future strategic vision outlined in Cumbria Vision 2025, with defined terms of reference. Formal Chief Officer Group meetings are minuted. Decisions of the Chief Officer Group and strategic boards are recorded and made available to key internal stakeholders. All significant strategic decisions are referred to the Chief Officer Group. A forward plan and standing items ensure that all significant areas of Constabulary business are considered on a regular and planned basis. Reports for decisions are prepared on a standard template, which ensures that the implications of all decisions are clearly understood. This includes a requirement to acquire relevant financial, legal, human resources, equality, procurement, ICT and risk management advice. The Director of Legal Services, in conjunction with the Chief Finance Officer has responsibility for the lawfulness of Chief Officer Group decisions.

Items of Constabulary business falling under the remit of the Police and Crime Commissioner or of a strategic nature are referred to the Commissioner from the Chief Officer Group. Decisions for financial investment are subject to a fully developed business

case that provides a clear justification for the expenditure. The Commissioner's decision making policy sets out the decision making process and how decisions will be recorded and published to ensure transparency of all decisions taken. A Code of Conduct provides advice with regard to potential conflict and declarations of interest.

The Constabulary's wider governance framework details specific responsibilities of key officers in relation to areas of governance. The framework includes financial regulations and rules, procurement regulations, anti-fraud and corruption policies, a scheme of delegation and codes of conduct. These documents ensure all officers and staff have a shared understanding of their roles, responsibilities and decision making authority within the organisation.

The Constabulary has also agreed a media protocol with the Commissioner, setting out who is responsible for communicating information and clearly identifying whether there is a single lead organisation, a joint responsibility or a supporting responsibility.

The Chief Constable complies with guidance provided by the Information Commissioner in respect of an information publication scheme. This ensures key information to ensure public accountability is available through the Constabulary's website.

Engaging Effectively with Institutional Stakeholders

The Police and Crime Plan sets out a Pan-Cumbrian vision. The vision recognises that, in preventing crime, commitment is needed from a range of

organisations involved in policing, community safety and criminal justice. The Constabulary works in partnership with a number of public, private and third sector partners to do this. The Chief Constable reports details of actual and planned collaborative ventures to the Commissioner on a regular basis.

The financial and procurement regulations, together with the Constabulary's financial rules provide for the regulation of partnership arrangements and to ensure that the purpose of such partnerships is evaluated and risks assessed before the Constabulary agrees to participate.

Significant partnership working arrangements are supported by memorandums of understanding, strategic plans and operating protocols which clearly state the respective responsibilities expectations of each partner.

Engaging stakeholders effectively, including citizens and service users

The Constabulary has a Community Engagement and Consultation Strategy, which is reported through the Operations Board. This includes a consultation action plan, which co-ordinates all on-going consultation activities and is reviewed and refreshed on an annual basis to continually improve consultation arrangements.

The Constabulary engages with local communities through the work of its Neighbourhood Policing Teams through the Local Focus Hubs and operating Engagement Plans, which use a range of methods that are specific to urban and rural community needs. The plans ensure that community priorities, concerns and areas for improvement are identified and dealt with.

The Constabulary has a marketing and communications strategy aimed at establishing clear channels of communication and engagement with all sections of the community. This includes alternatives to traditional communication methods including the force website to provide key information to the public and undertake surveys. Social media and pro-active media coverage of events are used to provide accurate messages and re-assurance and, to receive direct community feedback to the Neighbourhood Policing Teams.

The Strategic Independent Advisory Group (IAG) meets regularly to discuss emerging issues of strategy and policy both nationally and locally and to support, scrutinise and challenge the Constabulary on how it conducts its policing activity.

The Constabulary meets its requirements under the Equality Act 2010 by setting equality objectives every four years and publishing equality information via its website every three months.

The Constabulary surveys victims of crime and anti-social behaviour which contribute to ensuring that the Victims' Code of Practice is complied with and to use the feedback to improve the experience of victims and the services provided. Service recovery is part of this process.

Local crime data is published at a community level via the Constabulary's website and nationally via police.uk to increase the transparency of crime and performance data.

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

The long-term nature and impact of many of Chief Constables' responsibilities mean that they should define and plan outcomes and that these should be sustainable. Decisions should further the purpose of Police and Crime Commissioners, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

Defining Outcomes

The Chief Constable determines the strategic direction and objectives for the Constabulary. This supports the Police and Crime Commissioner in developing his Police and Crime Plan. The Commissioner approves policing objectives, which are incorporated into the plan, which is available on the Commissioners website at www.cumbria.pcc.gov.uk

In developing the Constabulary's vision and strategic priorities the Chief Constable takes into consideration her statutory responsibilities for maintaining the Queen's Peace, the Home Secretary's Strategic Policing Requirement, the Constabulary's Strategic Assessment, based on operational intelligence, and the views of a range of stakeholders including the community, staff and partners, . Performance outcomes, operational intelligence, strategic risks, the Force Management Statement and the results of audits and inspections are also taken into consideration when setting strategic priorities.

The Constabulary has developed a Plan on a Page, which highlights its operational priorities for the

forthcoming year in delivering the over-arching objective of 'Keeping Cumbria Safe'. The plan also outlines key support activities, its policing style and leadership standards. The presentation of the Plan on a Page provides a concise and easily understood overview designed to focus officers and staff on the Chief Constable's mission.

The Constabulary has developed a longer term Cumbria Vision 2025 plan, which is aligned to the national policing vision 2025. Cumbria 2025 aims to bring together the Constabulary's operational, business, change and financial planning in a single co-ordinated plan, which outlines how it will deliver an effective policing service and respond to changing service demands over the longer term within available resources.

The Constabulary's medium term financial forecasts supports both the Commissioner's medium term financial strategy and the Chief Constable's policing vision by aligning resources with policing priorities over a five year time period, which ensures that a sustainable approach to service delivery is adopted.

Sustainable economic, social and environmental benefits

A wide range of information and stakeholder opinions taken into consideration in developing the Chief Constable's policing vision. This ensures that balanced and comprehensive consideration is given to all aspects of the potential impact of policing policy decisions on the local community.

All decisions by the Chief Constable are taken in the public interest. To manage risk and ensure transparency employees are required to make declarations where there may be or may be perceived to be a conflict of interest

The Constabulary adopts a medium term outlook aligned to the medium term financial planning period when developing business plans, ensuring that the sustainability of service provision is considered as a key element of the business planning process. Due to their long term impact capital expenditure plans are developed over a ten year forecast period.

It is recognised that the Constabulary's officers and staff are its greatest asset and that effective human resource planning is the most significant factor influencing the delivery of sustainable economic, social and environmental benefits. The Constabulary's People Strategy, encompasses a range of strategic themes to ensure that the Constabulary nurtures, cares for and gets the best from its workforce. In addition the People Strategy supports the effective planning, deployment and training of staffing resources.

Themes include:-

- Well-being
- Workforce Planning
- Learning & Development
- Resourcing, succession and talent management
- Reward & recognition
- Performance management
- Supporting change & engagement
- Equality & diversity
- Health & Safety.

The Constabulary complies with the Equalities Act 2010. In doing so all policies, strategic decisions, functions and practices are assessed against the general and specific duties of the Act with the aim of ensuring that we evaluate, document and foster good relations and advance equality of opportunity.

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

Chief Constables achieve their intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of interventions is a critically important strategic choice and Chief Constables have to make to ensure they achieve their intended outcomes. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

Planning Interventions

The Constabulary develops a work programme to deliver its priorities. The work programme is based on

- Cumbria Vision 2025.
- The Strategic Assessment (a document which sets out the Chief Constable's operational priorities based upon performance and intelligence)
- The regional strategic threat risk assessment
- The results of PEEL & Thematic Inspections by Her Majesty's Inspectorate of Constabularies.
- The Change Strategy, which sets out how the Constabulary will improve and deliver savings to balance its budget.
- Business Strategies, which describe what and how the Constabulary will deliver essential support functions including Digital, Data & Technology, HR, training, fleet, estates and commercial.
- The Workforce Plan, which describes how the Constabulary will provide the officers and staff required to deliver operational and other policing services.

- The Force Management Statement, which determines resources required to meet current and future demand based on an extensive analysis of operational demand
- The views of the public and other stakeholders.

The work programme supports and informs the Police and Crime Plan and is underpinned by a Medium Term Financial Forecast, which ensures that funding is aligned to the resources required to deliver policing priorities over a sustainable period.

The Constabulary reviews its vision and strategic activities annually to ensure that they continue to support the Police and Crime Plan and the Constabulary's priorities. To support this process strategic and financial planning within the Constabulary are co-ordinated to ensure that the Commissioner's reporting requirements and decision making processes form part of the overall planning cycle of the Constabulary and support the development of the Commissioner's wider Medium Term Financial Strategy.

The Constabulary's monitoring processes enable emerging issues and threats to the achievement of objectives to be quickly identified and appropriate remedial action taken.

Key performance measures are set to support the objectives within the Police and Crime Plan and the Constabulary's own priorities. This is supported by a comprehensive performance management framework, which is developed jointly with the Commissioner. The performance framework supports the Commissioner in holding the Chief Constable to account for the performance of the Constabulary and is also used to direct and manage activity within the Constabulary through the work programme.

The principles of risk management are fully embedded within the strategy development planning and performance monitoring processes linked to the achievement of organisational objectives. Where specific risks are identified they are integrated with the Constabulary's overall risk management processes.

The Constabulary reviews its governance arrangements on a regular basis to reflect development in the Police and Crime Plan and to support delivery of its own vision and priorities, making adjustments as necessary.

Determining Interventions

The funding agreement between the Commissioner and Constabulary sets out the consents and arrangements for governance between the Commissioner and the Chief Constable, including

specific consents in respect of financial management of the Constabulary budget.

The Constabulary has a Chief Officer Group, which is its strategic decision making body and this is supported by a clearly defined board structure. There are established terms of reference and clear reporting lines to the Chief Officer Group. Reports are presented to Boards on a standard template, which includes details of options evaluation and consultation with all affected business areas to ensure that decisions are robust and the implications fully understood.

Task and Finish Groups and Steering Groups are set up to ensure that specific priorities are delivered. Members of these groups include police staff and officers from all ranks and level, representing decision makers and practitioners. The groups report into the permanent governance framework to ensure effective and co-ordinated decision making.

The decision making authority and duties to be carried out by individual officers on behalf of the Chief Constable are set out in the Chief Constable's Scheme of Delegation, budget management responsibilities and budget protocols.

In the operational environment the Constabulary utilises the National Decision Model (developed by the NPCC Ethics Portfolio and National Risk Co-ordination Group) supported by the THRIVESC (threat, harm, risk, investigative opportunity, vulnerability engagement, safeguarding and ethical crime recording) principles when determining actions. This is a risk assessment framework and decision making process which is used by all police

forces across the country. It provides a logical, evidence based approach to making policing decisions and is used by all police officers in their daily work. Further guidance and support to operational decision making is provided through operational policies and standard operating procedures.

The National Intelligence Model (NIM) is a business model for law enforcement and it takes an intelligence-led approach to policing. The tasking and co-ordination process within NIM provides police managers with a decision making mechanism to manage their business both strategically (national, regional and constabulary level) and tactically (territorial policing area level). Pro-active leadership is an essential requirement of the tasking and co-ordinating process. Management decisions are based on a full understanding of the problems faced and enable managers to prioritise the deployment of resources at their disposal.

The day to day allocation of resources across operational policing is directed by a daily force-wide operational review meeting linked to daily management meetings. These forums operate under the 'THRIVE' principles and soft boundaries to ensure flexibility to respond to priorities across the whole force area.

Performance, outcomes and costs are monitored and benchmarked through a framework which includes external comparators based on HMICFRS Value for Money Profiles, Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection reports and an Annual Value for Money Conclusion from the External Auditors. The results of these inspections are used to inform and plan both

medium and longer term resource allocation processes principally through the Change Programme and more immediate interventions in response to inspection findings.

Optimising achievement of intended outcomes

The Constabulary's Medium Term Financial Planning process is fully integrated with the Commissioner's Medium Term Financial Strategy and wider business planning within the Constabulary. Consistent planning assumptions particularly in relation to the estimation of overall funding are utilised to ensure that the development of business strategies takes place in the context of the resources available and support the development of the Commissioner's wider Medium Term Financial Strategy.

The Constabulary prepares a detailed budget proposal for the Commissioner. The proposal is based upon a zero based budget approach, working closely with the business and functional managers to forecast operational requirements over 4 years for revenue budgets and 10 years for capital expenditure.

In the current financial climate the Constabulary's Productivity and Efficiency Strategy, which sits across all workstreams within the Cumbria Vision 2025 plan is critical to the delivery of a balanced and sustainable budget and is subject to detailed financial scrutiny as part of the budget planning process.

The final budget proposal is developed through an iterative process of on-going dialogue between the

Commissioner and Chief Constable in producing the Medium Term Financial Strategy, which takes into consideration

- Estimates of funding both through government grant settlements and council tax.
- Service priorities and delivery plans.
- Financial and business risks.
- Change Programme savings.
- The impact on numbers of Officers, PCSOs and staff.

Ultimately, the Medium-Term Financial Planning process seeks to align resources to strategic priorities, ensure that decisions on resources, services, performance and expected outcomes are based on a robust understanding of risks to and affordability of future plans.

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

Constabularies need appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. Chief Constables must ensure that they have both the capacity to fulfil their mandate and to make certain that there are policies in place to guarantee that management has the operational capacity for the entity as a whole. Because both individuals and the environment in which Chief Constables operate will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of their communities.

Developing the Entity's capacity

The Force Management Statement is reviewed annually and establishes the resources required across all functions based on current demand and identified future demand trends. The process is the cornerstone of the annual resource allocation process and identifies the numbers and type of resource required for the short and medium term. The results inform workforce and training planning.

The Constabulary's services are subject to independent review by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) and by internal audit, which is provided by TIAA. A Performance and Insight Command has been established re-enforces the work of external inspectorates through a programme of self-assessments and internal inspections, which ensure that both internally identified service improvements and recommendations from

external reviews are acted upon. The Constabulary has developed and agreed a Productivity and Efficiency Strategy, which aims to secure maximum value from the resources available to it. The strategy utilises HMICFRS Value for Money profiles and Police Objective Analysis data, to benchmark resources allocations across all functions in relation to other forces. The conclusions of this work are reported to the Chief Officer Group and the Joint Audit Committee and are used as a basis for identifying areas with the potential to deliver savings through the Change Programme.

The Constabulary is open to the idea of collaboration with other forces and organisations as a means of delivering more efficient services. Collaborative opportunities which deliver benefits to Cumbria are actively pursued.

The Chief Constable's Chief Finance Officer (CFO) is shared with the Police and Crime Commissioner

and is a member of the Chartered Institute of Public Finance and Accountancy (CIPFA). The CFO operates within the guidance set out in the CIPFA Statement on the Role of the Chief Finance Officer of the Constabulary.

Procurement regulations are developed jointly with the Commissioner and supported by a procurement strategy. The regulations incorporate procurement policy and procedures that aim to ensure best value in the use of public money. The regulations also promote an open and transparent approach to procurement and the highest standards of integrity and ethical behaviour for all those involved.

Developing the Entity's Leadership

The key functions and roles of the Chief Constable and the Police and Crime Commissioner are set out in the Police Reform and Social Responsibility Act 2011 (PRSA) and the Policing Protocol Order 2011 (PPO). The PRSA and the PPO also set out the function and roles of statutory officers.

The Constabulary's uniformed Statutory Officers are required to complete the Association of Chief Police Officers Strategic Command Course before they are permitted to undertake Chief Officer roles on a permanent basis. This course is designed to ensure that senior officers are equipped with the requisite leadership skills and competencies to undertake senior officer roles.

Other senior officers and staff posts have clear and accurate job descriptions and are recruited to on the basis of relevant knowledge, experience and qualifications.

The Constabulary fully utilises the College of Policing leadership programmes to develop its senior officers and staff. The Constabulary ensures that senior uniformed officers and detectives maintain their national accreditation to provide strategic command for major and critical incidents and serious investigations.

The Chief Constable is statutorily required to appoint a Chief Finance Officer (CFO). The CFO's responsibilities and job profile are based on the Home Office Financial Management Code of Practice and the CIPFA Statement on the Role of the CFO. The CFO is the financial advisor to the Chief Constable and has statutory responsibility to ensure that the financial affairs of the Chief Constable are properly administered, having regard to their probity, legality and appropriate standards. The CFO provides all financial advice and ensures systems of internal financial control are effective. The CFO is shared with the Commissioner.

The Chief Constable is supported by the Director of Legal Services, who is a qualified solicitor, member of the Law Society and member of the Solicitor's Regulatory Authority. The Director of Legal Services has responsibility for advising the Chief Constable on legal matters. The Director of Legal Services is able to scrutinise the legal implications of all strategic decisions.

Members of the Joint Audit Committee and Ethics and Integrity Panel are recruited for the specific skills and experience requirements to fulfil their respective roles. These bodies have clear terms of reference and membership which are consistent with best practice. Members are supported in their

professional development through provision of seminars prior to meetings, access to relevant publications and external training.

The Constabulary has a leadership development programme which aims to ensure that managers at all levels within the organisation are equipped with the knowledge and skills required to lead. This leadership and skills programme provides bespoke training for aspiring Sergeants and Inspectors to give them the best platform to perform those critical roles. Police staff supervisors are also able to access elements of this training. A series of development workshops are also delivered for experienced supervisors to help deliver CPD and key training.

A toolkit of development options exists such as mentoring and 360 degree feedback to support current and aspiring leaders.

Developing the Capability of Individuals within the entity.

The Constabulary has a range of human resources policies which provide a framework to ensure that officers and staff are treated in a fair and transparent way in accordance with employment legislation. A Workforce Group meets on a weekly basis to consider staffing changes. Part of the terms of reference of this group is to ensure that promotions and appointments processes are equitable.

All personnel policies are reviewed on a periodic basis to ensure that they remain fit for purpose and support officers and staff in working effectively.

The Constabulary has a well-defined organisational structure with clear reporting lines. All officers and staff within the Constabulary have job profiles, which define their roles and include the policing professional framework.

There are national pay scales for police officers and police staff. Terms and conditions of employment are approved nationally for Police Officers, via Police Regulations and locally for police staff, in conjunction with employee representatives. The Constabulary operates an approved job evaluation scheme.

All Constabulary posts are recruited to on the basis of accurate role profiles. The profiles specify appropriate essential and desirable skills, experience and qualifications to ensure that employees are able to deliver their responsibilities effectively. Membership of relevant professional bodies ensure access to up to date Codes of Practice, guidance and professional standards in all areas of business.

The Constabulary is committed to the principles of 'equal opportunities' in relation to the recruitment of officers and staff, accordingly promotion and appointments are undertaken in an open and transparent way in accordance with HR policies.

Staff Associations are represented at the Constabulary's main governance boards, which ensures that they are part of the decision making processes. The Constabulary and Commissioner have adopted joint personnel policies to provide a framework for all issues related to employee management and terms and conditions. This

includes policies on how staff and staff associations will be engaged in any change process. Trade unions and staff associations are consulted during any reviews of personnel policies. There is a general principle of on-going consultation and engagement during any business change, which encourages employees to contribute ideas and suggestions to improve performance.

The Constabulary is committed to ensuring that the capacity and capability of its officers and staff are developed to enable them to operate effectively through the People Strategy.

Police Officer and Police Community Support Officer recruits are provided with rigorous initial training on operational policing and the values and standards of conduct expected of them.

The Constabulary's PDR processes for officer and staff enable training and development requirements to be identified and managed, which are aligned to the role or agreed objectives and actions.

The Constabulary has an approved training plan, which is updated on a regular basis and aims to address the development needs of officers and staff. The training programme also seeks to provide refresher courses, which ensure that specialist skills are maintained in accordance with current national standards.

Areas of corporate training and development need are addressed by a range of training solutions including e-learning, classroom and assessed qualifications, which can be accessed by all officers and staff.

A Performance Development & Review (PDR) process has been introduced for all staff within Cumbria Constabulary. The PDR is based around a national competency and values framework and takes account of performance, well-being and learning requirements.

The Constabulary recognises the importance of supporting the health and well-being of employees in contributing to an effective workforce. As part of the People Strategy all HR policies take account of employee welfare for example provision, where possible for flexible working for staff and officers. The Health and Safety department provide on-going monitoring and advice in relation to safety within the workplace. The Constabulary maintains an occupational health function, which provides advice and support to managers and staff in relation to specific psychological and physiotherapy issues.

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

Chief Constables need to ensure that the entities and governance structures that they oversee have implemented—and can sustain—an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. They consist of an ongoing process designed to identify and address significant risks involved in achieving outcomes. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

Managing risk

The Constabulary's risk management policy sets out the overall arrangements for managing risk within the Constabulary and is based on good practice identified by the Institute of Risk Management. The policy incorporates a clear framework of objectives, designated roles and responsibilities for risk management and provides a mechanism for evaluating and scoring risks to support decision making in respect of mitigating action. Identified risks are logged on a risk register with clear ownership and reviewed regularly as a standing item at strategic and management meetings. Individual project boards, departments and commands each maintain risk registers, which are updated on a quarterly basis and integrated with the corporate risk management process. Specific risks can be escalated to a strategic risk register for consideration by the Chief Officer Group.

Arrangements for risk management are subject to review by the Joint Audit Committee. The

Constabulary's Strategic Risk Register is presented to the Committee three times a year.

The Constabulary maintains comprehensive business continuity plans for all service areas, which aim to ensure that critical activities are maintained in a range of adverse scenarios.

Managing performance

Clear lines of accountability and processes are in place within the Constabulary to monitor and manage delivery of operational and business objectives including:-

- A board structure linked to the delivery of strategic priorities with clear terms of reference / areas of responsibility.
- Chief Officer's holding managers to account for delivery of the work programme in a Performance Management Board.
- Performance management figures which are published on a dashboard available to all Constabulary officers and staff and the Commissioner, which are updated daily. These

figures are subject to statistical analysis to identify areas where significant change is occurring.

- Regular meetings between chief officers and their senior management to discuss progress on the work programme.
- A Daily Operational Review Meeting which ensures that a tactical level operational resources are continuously prioritised and directed towards meeting force objectives.
- Six monthly performance reports which are presented to the Chief Officer Group and the Commissioner's Public Accountability Conference.
- Thematic performance reports which are presented to the Chief Officer Group, Collaborative Board and the Commissioner's Public Accountability Conference and published on the Commissioner's website.
- An individual Officer Performance Dashboard has been developed and implemented. This enables sergeants to quickly view their officers' workload and form the basis of regular one to one performance meetings, improving supervision and productivity.
- Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) also continuously monitors Constabulary performance against other forces and carries out an annual overarching Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection of the Constabulary together with thematic inspections agreed with the Home Secretary. Action plans are developed in response to inspections and are subject to regular review.
- User Satisfaction Performance measures are included in the Performance Management Framework. The Constabulary also pursues strategies to engage effectively with service users including crime surveys and community meetings, with the aim of better meeting the needs of users. A procedure for complaints enables the public to raise concerns about services.
- The Constabulary has a Performance and Insight Command with the aim of providing assurance that operational systems and processes are operating effectively to deliver a high quality policing service.
- A Cumbria Constabulary Improvement Plan (CCIP) which collates all improvement actions from internal and external sources. The plan is managed by the Business Improvement Unit, which requests and coordinates progress updates from action owners and reports results to senior management.
- A funding arrangement is in place between the Police and Crime Commissioner and the Constabulary, which clearly defines the purpose of the funding and sets out information and monitoring requirements to ensure funding is targeted on activities that support the priorities and outcomes within the Police and Crime Plan.

Reports are produced on a standard template with the aim of providing appropriate information to decision makers including evaluation of options, consideration of risks and consultation from specialist support functions to ensure that the full implications of decisions are understood.

The Police and Crime Plan recognises the importance of partnership working between the Chief Constable and the Commissioner to develop the future direction of policing policy and strategy that takes account of public priorities. A Collaborative Board structure comprising the Deputy Chief Constable, Assistant Chief Constable, Assistant Chief Officer, Directors, the Commissioner's Chief Executive and Deputy Chief Executive and the Joint Chief Finance Officer supports joint working and facilitates the arrangements for accountability and performance monitoring. The board provides a mechanism through which the Chief Constable provides briefings on matters or investigations over which the PCC may need to provide public assurance.

The Constabulary's Efficiency and Productivity Strategy is critical to the delivery of an effective policing service at a time of scarce resource. All changes proposals are developed in accordance with principles set out in the Constabulary Change Management policy, which includes comprehensive consultation with all stakeholders and scrutiny through the Vision 2025 thematic boards. All changes are subject to post implementation review.

Robust internal control

The Chief Constable is responsible for reviewing her governance framework and including the system of internal control. This work is informed by the work of Chief Officers and senior managers who undertake an over-arching review of key controls and governance arrangements in support of the key principles in this code.

The Constabulary's arrangements for risk management, internal control and anti-fraud and

corruption are reviewed on a cyclical basis through the wider arrangements for assurance of the governance framework.

Senior managers with responsibility for financial systems provide annual management assurances using a CIPFA internal control framework as part of this process. An annual fraud risk assessment is undertaken as part of the accounts closure process by the Chief Finance Officer and reviewed by external auditors.

A joint internal audit service is commissioned in conjunction with the Commissioner, which is provided by TIAA. This provides assurance in relation to the Constabulary's internal control environment, arrangements for risk management and governance. The internal audit plan is developed on a risk basis following consultation with stake-holders and covers all areas of operation. The Head of Internal Audit provides an annual overall opinion of the adequacy and effectiveness robustness of the internal control framework.

A Joint Audit Committee operates in line with Chartered Institute of Public Finance and Accountancy Code of Practice and the Home Office Financial Management Code of Practice. In line with the Home Office Code, the Committee fulfils the functions of an Audit Committee for both the Commissioner and the Chief Constable. As part its terms of reference the committee reviews

- The Constabulary's key governance documents on a cyclical basis.
- The Constabulary's risk management arrangements.

- Annual reviews of the effectiveness of arrangements for risk, governance and internal control.
- internal and external audit reports and updates on progress in implementing audit recommendations.

The committee undertakes an annual self-assessment to ensure on-going compliance with the CIPFA framework for Police Audit Committees.

Managing Data

The Constabulary has adopted an Information Management Strategy which has the principal objectives of ensuring that information is managed

- within a framework for identifying, considering and owning information and information risk.
- consistently across the organisation.
- to support policing objectives by providing reliable information at the point of need.
- in compliance with relevant legislation concerning the handling and use of data. For example General Data Protection Regulations. In particular data will only be collected or held for either 'lawful policing purposes' as defined by the Management of Police Information (MOPI) Code of Practice (2005) or to support administrative functions.
- Providing guidance to personnel on the correct use of data, sharing it lawfully and protecting it from compromise.

The Constabulary maintains appropriate physical and digital safeguards to protect data from

unauthorised access and misuse. An Information Security Board meets regularly to respond to emerging issues and threats in relation to the management and sharing of data.

The accuracy of police data is critical to the achievement of policing objectives and maintaining public confidence. To ensure that data is managed in an accurate and timely manner, the Constabulary maintains a number of specialist units including :-

- a Crime Management Support Unit whose role is to ensure that crimes are recorded in compliance with National Crime Reporting Standards and, incidents in compliance with National Standards of Incident Recording.
- officers and a criminal justice unit whose role is to support the criminal justice process and to ensure the timely and effective progression of criminal cases through the criminal justice system meeting the evidential requirements of both magistrates and crown courts.
- an Information Management Officer and Team who ensure that performance data is collated and reported on a consistent basis.
- a Central Services Department which manages transactional data on behalf of a number of support functions.

Strong public financial management

Arrangements for financial management support the Chief Constable in achieving objectives and delivering strong operational and financial performance. The arrangements for financial manage-

ment are codified within a suite of financial governance documents, which comply with CIPFA Codes of Practice and ensure that all officers and staff are aware of their responsibilities in this regard.

The governance documents include a funding arrangement between the Commissioner and Constabulary, which sets out the financial consents and responsibilities for financial management between the Commissioner and Chief Constable. This ensures that funding provided to the Chief Constable is directed towards the policing strategy and priorities set out in the Police and Crime Plan.

The Constabulary's budget and medium term financial position provide a framework for all Constabulary decisions. The Joint Chief Finance Officer is a member of the Chief Officer Group ensuring that the financial position and risks are clearly understood and support the operational decision making process.

The Constabulary and Commissioner have a shared finance team which provides a full spectrum of financial management services to both organisations including budget planning, budget monitoring, preparation of the statutory financial statements and treasury management. There is

financial representation at all decision making and project boards and report templates incorporate the financial implications of proposals.

The management of all Constabulary budgets (including capital projects) are assigned to named budget-holders, who are required to formally accept their responsibilities including any arrangements for sub-delegation. These responsibilities require regular monitoring and reporting of financial information, enabling early identification of variances. Each budget-holder receives support from a designated member of the financial services team.

The financial services team works closely with both operational and support functions to ensure that business planning and financial planning processes, such as workforce planning and the preparation of strategies are fully integrated.

All financial systems and process are subject to risk based cyclical review by internal audit to provide assurance that financial controls are operating effectively, which also forms part of the arrangements reviewed by external audit in forming their conclusions on the financial statements and value for money.

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

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Implementing good practice in transparency

In all communications to the public the Constabulary seeks to ensure that the content and reporting style are as clear and easily understandable as possible. A number of different forms of media are often utilised to maximise public engagement.

The Constabulary's website, Facebook and Twitter accounts aim to provide key information to the public in a readily accessible format.

The Constabulary is committed to open and transparent governance and complies with the Freedom of Information Act 2000. A dedicated function within the Constabulary's Information Management function aims to ensure that requests for information under the Act are responded to promptly, proportionately and accurately.

The Constabulary complies with the Government's transparency agenda in respect of publishing details of all expenditure over £500.

Implementing good practices in reporting

The principal means by which the Chief Constable formally reports to the public is through the Commissioner's Annual Report, which incorporates activities, performance and achievements of the Constabulary. The annual report presents outcomes achieved against an agreed framework of targets and measures.

The Constabulary publishes an Annual Governance Statement (AGS) alongside its Statement of Accounts. This document outlines the measures in place to ensure compliance with its Code of Corporate Governance. The AGS also incorporates an action plan of work which will be undertaken in the following financial year to enhance its governance arrangements. The AGS is subject to scrutiny by the Joint Audit Committee prior to publication.

The Constabulary is subject to the Accounts and Audit (England) Regulations 2015 and prepares a set of single entity accounts in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting and are subject to external audit.

The Constabulary's financial statements include a narrative statement, which provides an overview of financial and organisational performance in a concise and easily understandable format.

Assurance and effective accountability

Grant Thornton UK LLP are the external auditors appointed to both the Police and Crime Commissioner for Cumbria and the Chief Constable for Cumbria Constabulary to report key matters arising from the audits of the Commissioner and Chief Constable's financial statements. The external auditors also reach a formal conclusion on whether the Commissioner and Chief Constable have put in place proper arrangements to secure economy, efficiency and effectiveness in the use of resources. These are presented in the External Auditor's Annual Report. The external auditor's opinion on the financial statements is presented in the Independent Auditor's Report published in the financial statements. The Joint Audit Committee monitors the implementation of recommendations arising from the audit.

The Constabulary has joint arrangements for internal audit in place in conjunction with the Commissioner. This service is provided by TIAA Central to this function is an annual risk based audit plan, which complies with the Public Sector Internal

Audit Standard. The Chief Internal Auditor reports to the Joint Audit Committee on its findings, including recommendations for improvements. The Committee monitors the implementation of audit recommendations. Internal Audit makes an annual assessment and reports on the overall internal control environment and arrangements for risk management.

The Constabulary is subject to review by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS), who produced themed reviews and an annual overall assessment of Police Efficiency, Effectiveness and Legitimacy (PEEL). HMICFRS reports are reviewed by the Joint Audit Committee. Action plans are developed to respond to HMICFRS recommendations. Where appropriate the Constabulary engages peer reviews of specific activities or functions to provide additional assurance. The Constabulary's Performance and Insight Command monitors the implementation of recommendations, which are also reported to the Commissioner's Public Accountability Conference and the Joint Audit Committee.

The Ethics and Integrity Panel also monitors and reports on specific areas of activity, such as complaints handling and ethical issues.



Police and Crime Commissioner for Cumbria Annual Governance Statement 2021/22

INTRODUCTION AND SCOPE OF RESPONSIBILITIES

The Police and Crime Commissioner for Cumbria (the Commissioner) is responsible for ensuring business is carried out in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

To meet this overall responsibility, the Commissioner has put in place proper arrangements for overseeing what we do. This is what we mean by governance. These arrangements are intended to make sure that we do the right things, in the right way and are fair, open, honest and accountable.

Our arrangements for governance are set out within a Code of Corporate Governance ('The Code'). The Code explains the way the Commissioner governs and the frameworks that are in place to support the overall arrangements for fulfilling his functions. The Code of Corporate Governance is published alongside the Annual Governance Statement on the Commissioner's website at www.cumbria-pcc.gov.uk

This Annual Governance Statement (AGS) describes how the Commissioner has followed The Code. It also meets the requirements of regulation 6(1) and 10(1) of the Accounts and Audit Regulations 2015. The regulations say that we must prepare and publish an Annual Governance Statement (AGS) to accompany the Commissioner's statement of accounts.

REVIEW OF EFFECTIVENESS

The key systems and processes that comprise the Commissioner's governance arrangements for 2021/22 have been guided by the seven core principles of Corporate Governance from the CIPFA/Solace Governance Framework applicable to the 2021/22 financial year. This is the standard against which all local government bodies, including police, should assess themselves.

The Commissioner has responsibility for conducting, at least annually, a review of the effectiveness of his governance framework including the system of internal control. The review of effectiveness is informed by the work of Chief Officers and senior managers who have

responsibility for the development and maintenance of the governance environment. The review process comprises:

- A cyclical detailed review of the key documents within the Commissioner's governance framework.
- A review of the governance arrangements in place to support each core principle, culminating in an updated Code of Corporate governance.
- A review of what has happened during the past year to evidence how the governance framework has been complied with.
- A review of the effectiveness of the arrangements for Internal Audit. The review is supported by consideration of the opinion of the Chief Internal Auditor, as set out in his annual report.
- A review of the effectiveness of the Joint Audit Committee against CIPFA guidance on Audit Committees for Police.

The following Annual Governance Statement demonstrates how the Commissioner has complied with the governance framework set out within the Code, to

meet of each of the seven governance principles. The Annual Governance Statement is published alongside the Statement of Accounts and also incorporates an action plan of planned future improvements for governance arrangements.

Principle A: Behaving with integrity, Demonstrating strong commitment to ethical values, and respecting the rule of law

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Ethics and Integrity

The Commissioner has in place arrangements for antifraud and corruption, which are reviewed on a 3-year cyclical basis, the last time being in November 2021 by the Governance Manager. The conclusions of this review were reported to the Joint Audit Committee in November 2021. The review concluded that arrangements are effective. Whilst fraud risk remains low within the OPCC

office, matters of integrity are re-enforced including enhanced arrangements in respect of recording gifts and hospitality and/or supplier contact. The anti-fraud and corruption arrangements also highlight mechanisms for confidential reporting and whistleblowing.

The process of commissioning services and awarding of grants present a potentially high risk with regards to integrity. Grant Regulations are in place to ensure that grant awards are made in a fair, transparent and consistent manner and that appropriate conditions are attached to safeguard public money. The grant regulations were reviewed in 2020 and the conclusions were reported to the Joint Audit Committee in November 2020.

A fraud risk assessment undertaken by the Joint Chief Finance Officer in compliance with International Financial Reporting Standards did not reveal serious concerns.

In respect of the arrangements for standards, ethics and integrity, three complaints have been received against the Commissioner with two against members of his office, but none were in relation to matters of integrity.

Despite the lockdown and restrictions of the COVID-19 pandemic, during 2021/22 the Ethics and Integrity Panel have carried out dip sample processes and thematic inspections for a number of different areas of business including, adherence with the Code of Ethics and Code of Conduct, public complaints, police misconduct and staff misconduct cases, all of which were found to support high standards of ethics and integrity. This enabled the Police and Crime Commissioner to fulfil his statutory duty to have oversight of the Constabulary's complaints and misconduct processes.

The scope of the Panel's work has developed during 2021/22 through the completion of thematic inspections, in relation to Mental Health Detention, the use of Stop and Stop/Search, the use of Body Worn Video, the issuing of Fixed Penalty Notices during the COVID-19 pandemic and lockdown and tiered restrictions; and the Data Ethics Consultation Group. The findings of the Panel's work, including recommendations, have been reported to the Commissioner's Public Accountability Conference to improve transparency and support public scrutiny and published on the OPCC's website.

The Joint Audit Committee received the 2021 annual report of the Ethics & Integrity Panel at their meeting on

23 June 2021 to support assurances in respect of arrangements for standards and ethical governance.

From 1 February 2020 the OPCC has been responsible for reviews of public complaints. It appointed an independent reviewing officer to carry out the reviews assessing the complaint handling and whether the outcome provided was reasonable and proportionate, thereby providing an openness and transparency to the process. During 2021 the OPCC received 52 requests for a review this being a 62% increase on the previous year.

Respecting the rule of law

Officers within the OPCC receive updates on changes in legislation through their professional bodies, APACCE, PACTS, the APCC and from the government. The Commissioner provides funding to the Constabulary's Legal Services Department, who deliver support to the OPCC on legal matters.

During the year formal reviews have been undertaken of the role of the Commissioner's Chief Finance Officer and the Head of Internal Audit (HIA) and the Joint Audit

Committee against the respective CIPFA statements, which concluded there was full compliance.

Principle B: Ensuring openness and Comprehensive stakeholder engagement

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Openness

Openness is a key element of the role of the Commissioner and is not just about publishing information but listening and influencing as well. The Commissioner operates in accordance with the Elected Local Policing Bodies (Specified Information) Orders of 2011, 2012, 2013 and the guidance provided by the Information Commissioner. This is demonstrated, documented, and communicated through an information publication scheme that ensures the openness of all key information to the public. Examples of information that is published includes agendas and reports of public

meetings, guidance on the Commissioner's funds, freedom of information requests, financial information, and details of key decisions.

The Commissioner is highly committed to be the voice of the people of Cumbria. This is demonstrated through a wide range of engagement opportunities for the public to make contact, so their views are heard and responded to.

Despite Covid-19, a range of engagement opportunities have continued to be made available to the public. Examples include online focus groups with community groups, charities, and partners, online public surgeries and Facebook live, covering general and themed issues.

To promote openness and transparency, all Public Accountability Conferences have continued to be advertised to allow members of the press and public to attend, and all minutes arising from these meetings are published subsequently. An Annual Report, outlining the work of the Commissioner, is published.

In general terms, the engagement over the last five years has been comprehensive and had been flexible to develop to meet the changing needs of how people like to communicate and especially the impact of social media.

A three-year communication and engagement strategy covering 2021 -2024 has been developed and is now a live working document.

Engaging Comprehensively with Institutional Stakeholders

The Commissioner is actively engaged with a wide range of bodies to encourage a multi-agency approach to matters within his remit. For example, he chairs the Safer Cumbria Partnership Delivery Board, which is both the county-wide Community Safety Partnership and Criminal Justice Board for Cumbria, and he also chairs the Blue Light Executive Board.

During 2021/22 the Commissioner has continued to lead a range of partnership working initiatives to deliver his Commissioning Strategy and ensure arrangements are in place for victims support services. In the last year he has secured £1.4m of additional funding mainly for Victims Services and Safer Streets.

Engaging Stakeholders Effectively including Citizens and Service Users

The Policing Protocol Order highlights the accountability of the Police and Crime Commissioner to local people. This responsibility is delivered through the OPCC to ensure a wide range of engagement approaches so that the Commissioner actively listens, considers, and effectively uses the view of the people of Cumbria to influence decisions.

The Commissioner is directly involved in all the engagement activities and encourages the Commissioner's ethos of 'we, not they' to emphasise that communities, stakeholders and partners need to all work together to help deliver the Police and Crime Plan, to make Cumbria even safer. As a result of the pandemic, some engagement events have adapted, as they proved more effective online and others have returned to face-to-face meetings.

During 2021/22, engagement included:

- Public surgeries for members of the public to submit questions or speak to the PCC.
- website and social media (including the OPCC's website, Facebook page and Zoom meetings)
- face-to-face meetings – public health regulations permitting (including opportunities to 'Meet your PCC' at different venues and attendance at local events)
- 'You said, we did' feedback and media (including interviews, 'question and answer sessions' on local radio and live streams on Facebook)
- formal publications (including the PCC's Annual Report and Police and Crime Plan)
- the ICV Scheme and volunteering roles - Police Cadets and Special Constabulary
- interactive surveys (such as online questionnaires on perceptions of violence and public consultation on setting the council tax precept)
- co-ordinated campaigns focussing on anti-social driving, rural crime, cyber-crime, drugs and victims

- Promotion of Safer Streets funding, including a county-wide campaign on consent.
- general correspondence (letters, emails, freedom of information)
- Consultation for the business case to transfer the governance of Cumbria Fire and Rescue service to the OPCC.

The Commissioner launched public consultation on the proposal to increase the policing part of the council tax precept for 2021/22 by 65p a month for a Band B property. 60% of the respondents (822) agreed with raising council tax.

The OPCC logs all quality-of-service issues that are raised with the Commissioner, which are tracked and escalated with the Chief Constable where appropriate. This feedback is also used by the Constabulary to assess what lessons can be learned from examples of poor or unsatisfactory service, to make improvements.

In summary, the engagement with all stakeholders allows the Commissioner to develop a vision for policing services,

which in turn influences decisions and is incorporated within the Police and Crime Plan.

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

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Defining Outcomes

The Police Reform and Social Responsibility Act (PR&SRA) requires the Commissioner to produce a Police and Crime Plan setting the vision and strategic direction for policing, crime reduction and community safety. Following his re-election in May 2021, the Commissioner developed a new Police and Crime Plan, drawing on the results of a public consultation and a strategic analysis of crime and community safety trends, emerging issues and partner agency feedback. This Plan was launched in early

December 2021. It contains the police and crime objectives which all contribute toward achieving the Commissioner's overall aim of 'Keeping Cumbria safe'. The priorities within the plan are:

1. A Focus on Crime and the Causes of Crime
2. A Visible and Effective Police Presence
3. A Focus on Victims
4. Preventing Offending and Reducing Reoffending
5. Be the Voice of the Public on Policing Matters
6. Ensuring the Police are at the Forefront of the Response
7. Integrating Blue Light Services

During 2021/22, the Police and Crime Panel has continued to facilitate effective scrutiny of delivery of the plan's objectives through quarterly meetings. Thematic reports are presented to the Panel and follow terms of reference agreed in advance with the Panel Chair.

The Chief Constable is held to account for delivery of policing objectives through the Commissioner's Public Accountability Conferences (PACs). These meetings are divided into two key areas of business: performance and finance. A reporting schedule for these meetings is agreed annually with the Constabulary and ensures the

Commissioner monitors performance against a number of areas of policing identified in the Police and Crime Plan. During 2021/22 thematic reports provided assurance on the Constabulary's response to antisocial behaviour, drug misuse and violence against women and girls. In addition, reports were also received covering financial monitoring and crime data.

Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) Inspections further support the Commissioner in identifying areas which are working well and which would benefit from improvement, which supports him in holding the Chief Constable to account for performance of the force.

The Police and Crime Act 2017 conferred a duty on Commissioners to collaborate on the delivery of emergency services. In 2020/21 the Commissioner continued to chair the Blue Light Executive Board which manages shared areas of collaboration between the Police, Fire and Ambulance.

The Commissioning Strategy sets out the processes by which the Commissioner will identify and fund services to support his priorities. For each service commissioned, whether through the giving of a grant or a contractual

relationship, specific outcomes and measurable indicators are included which define how the impact can be assessed.

Sustainable economic, social and environmental benefits

The Head of Partnerships and Commissioning ensures that the services commissioned are consistent with the PCC's objectives as set out in the Police and Crime Plan. During 2021/22 the Commissioner has committed funding to projects and initiatives aimed at reducing offending and re-offending and supporting victims of crime. A significant proportion of that funding has been committed to supporting victims of domestic abuse and sexual violence during the pandemic.

To support procurement and commissioning activity, the OPCC & Constabulary have in place Joint Procurement Regulations and a Social Value Policy, incorporating a modern slavery statement.

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

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Planning and Determining Interventions

During the course of 2021/22 the Commissioner continued to hold the Chief Constable to account through his Public Accountability Conferences, held virtually. However, as we have moved into the post pandemic phase, subsequently they may be held in person. Through this forum, the Commissioner received Constabulary assurance covering a range of areas of performance including Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) performance improvement recommendations. Crime data and police performance have also been regularly monitored. The Commissioner also scrutinised the Constabulary's response to the pandemic, including policing issues raised by the Government's emergency measures such as social distancing, travel and exercise.

The Cumbria 'Out of Court (OoCDs) Disposal Scrutiny Panel' is chaired by the OPCC Chief Executive. The OoCDs allow the police to deal quickly and proportionately with low level, often first time, offending, which can be appropriately resolved without a prosecution at court. The Panel seeks to increase the public's understanding and confidence in how the Constabulary uses OoCDs. During 2021/22, meetings have been held virtually.

During the last year, the Commissioner has continued to build on partnership working to address priorities in the Police and Crime. Projects have included:

- Working with Cumbria Constabulary and district councils to deliver the Safer Streets Fund Round 2 Project in St Michael's ward, Workington with a primary focus on residential burglary. This project has delivered crime prevention measures, home security equipment, street lighting, CCTV around the local infant school, lighting and CCTV in the public park. The funding also provided 1300 home security packs including property marking kits to residents

- Working with Cumbria Constabulary, Copeland Borough Council and Cumbria County Council to deliver the Safer Streets Fund Round 3 Project in Whitehaven with a primary focus on the safety of women in public spaces. This project has provided lighting and CCTV in the public park, active bystander training for local schools and colleges, CCTV in areas identified as being of concern to women and girls and a local and countywide media campaign to raise awareness and encourage reporting of offences. Nearly 1,400 young people have received this training with outcomes such as increased awareness and heightened personal security.
- Working with Cumbria Constabulary, Carlisle City Council, University of Cumbria and Crimestoppers to deliver the Safety of Women at Night (SWAN) Project in Carlisle with a primary focus on the safety of women in the night-time economy. This project has provided a team of Safer Streets Volunteers and Safer Streets Officers to work on Saturday nights offering assistance to women or anyone in need of help. The project has developed the Cumbria Night Safety Charter which will be rolled out to businesses that operate in the night-time economy. The project has

allowed the University of Cumbria to create a production for secondary schools to be used as an up-to-date resource within the PSHE curriculum as a direct response to the June 2021 Ofsted Inspection Report into schools' culture and funded a Crimestoppers campaign to raise awareness and encourage reporting.

- In partnership with the Constabulary have helped to reduce reoffending via the Adult Out of Courts Cumbria Disposal Framework. The Offender Management programme is known as 'The Pathways Programme', which is delivered by commissioned provider Remedi. In the first year of delivery, Pathways has received 314 referrals with equal spread of referrals across the county.
- Working with Get Safe Online to raise public knowledge of how to protect themselves against fraud and other crimes committed via the internet. The OPCC communications team sent 100 social media posts to our 5,000 followers.
- Working with the Constabulary and through Safer Cumbria, developed a better understanding of modern slavery and human trafficking across all

partner agencies in Cumbria. This included delivering Victim Liaison Officer Training (VLO's) and continual refresher training within the last 6 months. To date there are 18 VLO's throughout Cumbria.

- Conducted research in partnership with the Northwest Regional Organised Crime Unit aimed at developing an in-depth understanding of modern slavery and human trafficking in Cumbria and to understand the level of victimisation and exploitation impacting on local communities. The recommendations from the final Report 'Hidden from View' have been acknowledged and incorporated into the Safer Cumbria Partnership Action Plans, ensuring a multi-agency response to tackling Modern Slavery and Human Trafficking in Cumbria.
- Working with partners to deliver a Safer Driving Campaign, in response to what local residents said is one of their main local concerns. The campaign focuses on raising awareness of the Fatal Four (no seatbelts; speeding; distracted driving and drug/drink driving). In addition, delivery of a rural crime campaign, which has been influenced by current issues raised by the Constabulary and

National Farmers Union (NFU), with all partners working together to promote rural safety and prevent rural crime.

- Developed a co-commissioning agreement with the National Probation Service to pilot a Women's Outreach Service to enable women in rurally isolated communities to access support services. This holistic approach has been developed to provide information, support, training, education in a safe trusted space across the county in North, South and West of the county.
- Working in partnership with Probation to deliver a hate crime project bringing together specialist groups, charities and organisations to understand the nature and impact of hate crime in the county. A series of workshops supported the design and commissioning of an intervention for young people who have or appear to be at risk of committing hate crimes.
- Alongside this, the Commissioner secured funding to carry out research with victims, witnesses and community groups to develop a greater understanding of the types and level of hate-based

prejudice and hate crimes impacting on local communities. The recommendations from the final report 'More than Just Words' has been included in the Safer Cumbria Community Safety Action Plans.

- Extended the Co-commissioning arrangement with Probation for a further two years following successful implementation of a jointly managed Integrated Offender Management Co-ordinators post. The collaboration agreement allows a member of police staff to act as a representative to the Northwest Regional Integrated Offender Management Team for Cumbria to assist with the regional design and implementation of the Integrated Offender Management Strategy.
- Worked with NHS England to secure funding for and to re-commission Sexual Assault Referral Centre services for victims of all ages in Cumbria.
- Continued to lead on the implementation of the Quality Assessment Framework to review and improve how criminal justice and support agencies comply with the national Code of Practice for Victims of Crime.

- The Commissioner continues to chair the Blue Light Collaboration Executive Leaders Board, which oversees joint work-streams between the Police, Fire and Ambulance.
- Successfully procured an early intervention child mentor programme for children and young people in collaboration with the Child Centred Policing Team. The provider is the national 3rd sector organisation Barnardo's.
- Procured and co-commissioned a Restorative Justice and mediation contract for the next 3 years.
- In partnership with the Constabulary and The Well Communities (TWC) developed a programme called 1CLIC (County Lines Informed Cumbria) to prevent people getting involved in illicit drug taking. The programme will target organised crime, including county lines to prevent harm in local communities, over a 2-year period.
- Implemented the "They Matter" high risk domestic abuse perpetrator intervention programme
- Working in partnership with High Sheriff of Cumbria and Cumbria Community Foundation over a 3-year

period to develop a funded training programme to encourage people within Cumbria to become trained in youth work, leading to accredited qualifications with the option to progress to degree level and to increase the number of young people having access to support from youth workers to improve their life chance through the 'Better Tomorrows Programme'.

The Commissioner has held regular one-to-one meetings with the Chief Constable during the pandemic, maintaining a good oversight of how the Constabulary has continued to work in partnership, locally, regionally and nationally, to provide an efficient and effective local response post Covid-19 and support Cumbria's recovery back to normal life.

The Safer Cumbria Partnership remains the primary vehicle by which community safety and criminal justice are delivered and national contingency plans are translated into local actions. The OPCC has worked with the partnership to review its key strategic priorities to ensure they reflect the main issues, risks and threats likely to impact upon crime and community safety in Cumbria from 2022 onwards. The Partnership's overarching Strategy has been updated to reflect these changes.

Safer Cumbria Partnership will lead a multi-agency response to driving a public health approach to tackling and reducing violence and serious violence in the County through its unique business structure. During 2021/22 the OPCC in collaboration with Safer Cumbria Partnership and 3rd sector organisations developed a Serious Violence Needs Assessment incorporating 14 Recommendations aimed at assisting public and 3rd sector organisations who have a vested interest in reducing the number of people and communities who are harmed by violent behaviour and occurrences by undertaking a public health approach to violence prevention.

During 2021/22, the Commissioner developed a business case to assess the best option for the future governance of Cumbria Fire & Rescue Service following the Home Secretary's announcement to abolish Cumbria County Council (the current Fire & Rescue Authority) and create two unitary authorities from 2023/24. The business case was developed by BearingPoint Consultants in collaboration with the Fire & Rescue Service, Cumbria County Council and other blue light services in Cumbria and was scrutinised through the Safer Cumbria Partnership governance structure. Further key stakeholder engagement and public consultation on the

business case also took place. The Commissioner submitted the business case to the Home Secretary on 31st March 2022 proposing that he takes on responsibility for the Fire & Rescue Service under Section 4A of the Fire & Rescue Services Act 2004. It is now for the Home Secretary to consider this proposal and determine the future of the fire service in line with the statutory framework under which fire services operate.

The policing grant settlement, received in December 2021 provided £4.0m in additional grant funding for 2022/23, principally to support the final phase of Operation Uplift; the Government's plan to recruit 20,000 new officers by 2023. The settlement also provided Commissioners with a degree of flexibility to levy increased council tax. Following a public consultation exercise, the Commissioner approved the 2022/23 budget in February 2022 based on a council tax increase of 3.67%. The additional funding provided to the Constabulary will allow existing services to be maintained and has facilitated planned recruitment of an additional 68 officers in 2022/23 in fulfilment of the Constabulary's overall Operation Uplift target of recruiting an additional 168 officers over the three years of the Uplift programme. In consultation with the Commissioner, once trained, the

additional officers will be deployed by the Chief Constable to areas, which will support the Police and Crime Plan's principal objective of keeping Cumbria safe. The budget has also supported investment in a new records management system, analytical capability and resource co-ordination which are seen as critical to deliver the Chief Constable's strategic objectives.

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

Against this background, modelling of a range of financial scenarios through the Medium Term Financial Planning process, undertaken jointly by the OPCC and Constabulary, have continued to inform wider business planning and develop savings proposals, as a means of balancing the budget over the medium term.

Optimising Achievement of Intended Outcomes:

All planning is undertaken in the context of a four-year medium term financial strategy, incorporating financial modelling, operational plans and capital strategies.

During, the last year, the Commissioner has continued to:

- Successful working with the Constabulary to reduce re-offending through the implementation of an Out of Court Disposal Framework through the Pathways Project. 94 independently selected cases were audited during 2021 which equates to a dip sample of 4.5% of available cases. Overall, 88 cases were found to have a disposal that was both appropriate to the offence and consistent with national guidelines

and local policy, which is 93% of the cases that were selected. there were 5 Deferred Cautions audited in the Nov 2021 panel meeting. All 5 were found to be appropriate and consistent with policy. Offenders had all engaged with the Pathways project.

- Provided restorative services, enabling victims to inform offenders of the impact a crime/antisocial behaviour incident has had on them: 233 victims engaged with restorative services, 27 victim-offender conferences were held, and 87 indirect restorative interventions were undertaken. 100% of victims who engaged in restorative services were satisfied with the outcome, 98.6% would recommend RJ, 89% of service users were able to cope and recover. In addition, 2201 individuals benefited from anti-social mediation services, 85% expressed overall satisfaction with the service, 80% of service users were able to cope and recover, 75% expressed increased feelings of well-being and 90% would recommend the service to others.
- Worked with partners to develop proposals to pilot a Women's Outreach Service. The Women's Outreach Service for North Cumbria has supported 48 clients during 2021/22. All clients have reported 100%

satisfaction with the service they have received and 73% have reported an improvement in health and wellbeing. South Cumbria Womens Outreach Service has supported 67 Clients of those, 36 were referred due to domestic abuse issues and 22 were referred for other issues such as mental health and social isolation. 93% of clients reported and improvement in health and wellbeing.

- Provide a support service for victims, which integrates emotional, practical, advocacy and signposting services for people who have experienced all types of crime. 1957 victims of crime received a service from Victim Support during 2021-22 [NB we don't have year-end data yet so Q4 is missing - this will be chased and the figure updated asap]
- Develop services for victims of domestic abuse, including commissioning and launching a service for children and young people who have witnessed domestic abuse, after securing over £600,000 from Ministry of Justice to fund the service over two years. The Commissioner also secured additional funding from Ministry of Justice to support organisations working with sexual and domestic abuse victims to

respond to the impact of increased referrals once restrictions related to the Covid-19 pandemic were lifted.

- Together with Cumbria County Council, continued to fund an Independent Domestic and Sexual Violence Advisor support, alongside other practical and emotional support for victims of domestic and sexual abuse, as part of the wider victims' service through Victim Support. This service has continued to be bolstered through funding secured by the Commissioner from the Ministry of Justice, which has funded an additional 2 ISVA posts. The team includes 7 Independent Sexual Violence Advisor posts which dealt with 504 referrals of victims of sexual assault or abuse in the period January to December 2021.
- Fund and manage contracts for the services which make up the Bridgeway Sexual Assault Support Service. 170 people received therapeutic services, 119 victims were supported to have a forensic-medical examination following rape or sexual assault and 74 people sought telephone advice through the Bridgeway Sexual Assault Support Services during the year ending December 2021. For the therapeutic service, 92% of service users with a planned closure

to their support reported an improvement in health and well-being, 87% felt better able to cope with everyday life and 81% felt safer (data for January to December 2021).

- Fund a county-wide Domestic Abuse Perpetrator Programme "Turning the Spotlight" which received 306 referrals in 2021-22. Positive outcomes included 100% of clients reporting improved understanding of healthy relationships.
- Funding from the Commissioner has supported 45 families to take part in the "Step Up" programme for families experiencing child-on-parent or guardian violence. 66.6% of referrals reported an improvement in behaviour and relationships.
- Provide financial support to numerous projects working with victims and local communities across Cumbria through his Property Fund. 38 community organisations and charities benefitted from Property Fund grants of up to £2,500. Funding provided to Drop Zone in the Furness area assisted in support

being provided to 20 young people with low level mental health issues. Funding provided to Cockermouth RUFC for turf to be installed has enabled a better facility for the community and has been positively received. Carlisle Samaritans received funding which enabled them to deliver core training to 17 new Samaritans, support one-to-one mentoring for each new Samaritan and provided a more enhanced service to callers to the Samaritans.

- Worked with the Constabulary to provide "Keep Safe" - a service offered to all victims of crime so they may receive high quality crime prevention advice to keep themselves safe. Where necessary housing providers have been given advice and/or products to target harden homes to keep their tenants safe, and where there is no other option security equipment and products have been installed funded by this scheme.
- Received funding for the STAR project. The webinars were around Modern Slavery in Lettings and Accommodation, Agriculture and the Rural Community and Business Supply Chains. Feedback after the webinar was also responded to and showed that the presentations had been "extremely clear"

the training and training content had been over all “extremely engaging” and 100% of attendees at two of the webinars were “very satisfied” overall with the training provided.

- Secure funding from NHS England to address needs in relation to sexual offences in the county. This resulted in the commissioning of a service for young people who have shared nude images to understand the impact of doing so and to develop resilience, with the aim of preventing any further sharing of images or inappropriate sexual behaviour. A research project was also commissioned to understand the lived experience of survivors of sexual assault and abuse, to identify whether further focus is needed to improve the journey of coping and recovery.

Principle E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Developing the entity’s capacity

The key functions and roles of the Commissioner and the Chief Constable are set out in the Police Reform and Social Responsibility Act 2011 (PRSRA). The PRASA also sets out the function and roles of statutory officers, namely the Monitoring Officer (Chief Executive) and the Chief Finance Officer (CFO). The monitoring officer has specific legal, financial and governance duties in addition to a statutory responsibility for the lawfulness of decision making. The functions and roles set out in legislation and guidance are codified in the Commissioner’s scheme of delegation.

During 2021/22 there have been no major changes to the structure of the OPCC. The OPCC is a small team and works together to address any issues arising from staff turnover.

The Chief Executive and Deputy Chief Executive rotate roles on a six-monthly basis and this provides a cost-effective approach as well as offering greater resilience. This arrangement continues to work well.

The Commissioner and Chief Constable have agreed to a shared Chief Finance Officer arrangement. A protocol and range of safeguards have been put in place to handle potential conflicts of interest arising from the joint role. A review of the operation of the Joint Chief Finance Officer arrangement has been conducted aligned to the CIPFA statement on the Role of the Chief Finance Officer. This exercise has shown full compliance and has not revealed any significant issues.

Developing the entity’s leadership

The Chief Executive receives support through the Association of Police and Crime Commissioner Chief Executives (APACCE), while the Chief Finance Officer continues to receive support from the Police and Crime Commissioner’s Treasurer’s Society (PaCCTS) and the associated technical information service. During 2021/22 the Chief Finance Officer and wider finance team have continued to actively participate in the ‘Achieving Financial Excellence in Policing’ programme developed by

the Chartered Institute of Public Finance and Accountancy. Central to this programme has been work on delivering an action plan to address areas for improvement in financial management arising from a self-assessment undertaken in 2020/21.

During 2021/22 development activity for members of the Joint Audit Committee was limited by the pandemic, however sessions took place remotely in relation to treasury management and the Commissioner / Constabulary's budget and medium-term financial forecast. A formal review of effectiveness of the Committee against the new CIPFA guidance for Audit Committees evidenced compliance with CIPFA guidance and elements constituting best practice. The full report of the Committee can be found on the Commissioner's website at:

<http://www.cumbria-pcc.gov.uk/governancetransparency/audit-committee.aspx>.

The Independent Custody Visiting Scheme continued to operate on a revised basis (telephone visits) until July 2021, when physical visits were re-introduced. Developments during the year included:

- Virtual four monthly panel meetings on social media platforms to remain connected with the volunteers.
- Recruitment campaign to attract new candidates
- Delivery of on-going ICVA thematic training packages for existing members.
- Membership of the Independent Custody Visitors Association (ICVA).
- Attendance at virtual national conferences
- The Scheme Administrator joins the Constabulary's Custody Forum meetings to advise on the scheme and keep up to date with developments in custody.
- Animal Welfare Scheme - monthly visits to Cumbria Constabulary and the Civil Nuclear Constabulary were re-introduced in July 2021.

Developing the capability of individuals within the entity

A comprehensive OPCC Training Plan has been developed. This sets out the overall training plan for the office and cascades into individual responsibilities.

During 2021/22 arrangements to support staff in tasking and performance have been embedded and are working well:

- Weekly tasking meetings attended by all staff.
- Monthly team meetings focused on policy and procedures.
- Annual Performance Development Reviews monitored on a quarterly basis with supporting tasking 1-2-1s.

A monthly informal team catch-up also takes places where staff can share information about their role or themselves in a less formal environment.

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

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Managing risk

The Commissioner's Risk Management Strategy is reviewed on a 3-year cyclical basis and was reviewed in 2020. The conclusions of this review were reported to the Joint Audit Committee in March 2020. A high-level review is undertaken annually to ensure that the strategy reflects the current risk environment. Any changes are presented to the Joint Audit Committee. Risk has become embedded within the everyday work of the OPCC, staff continually assess risks within their roles. Both strategic and operational risks are reviewed on a quarterly basis and appropriate updates made. The OPCC also provides scrutiny of the Constabulary's management of strategic risks.

The strategic risk register is updated on a quarterly basis and currently incorporates risks in relation to strategic finance, risks relating to the implementation of the Emergency Services Network, Insurances and the Fire & Rescue Governance Business case.

The Commissioner's arrangements for Risk Management include procedures for Business Continuity, which are regularly reviewed and tested throughout the year. Throughout the COVID-19 pandemic the Business Continuity Plan has been utilised and where necessary updated to reflect the changing environment.

Managing Performance

The Public Accountability Conferences facilitate arrangements for the scrutiny of quarterly thematic reports from the Constabulary around priority areas of policing including its response to the Covid-19 pandemic. In addition, six monthly performance reports provide an understanding of the demand placed on the Constabulary, how it addresses this demand and improves outcomes for victims. The Commissioner also receives updates on how the Constabulary is supporting victims of crime and antisocial behaviour and monitors the implementation of actions and recommendations

arising from inspections, including those undertaken by HMICFRS. This is supported by regular one to one meetings between the Chief Constable and Commissioner. Senior officers within the OPCC also attend Constabulary meetings to provide challenge and oversight of the arrangements that support decision making, delivery of key areas of business and the allocation of resources.

All Police and Crime Panel meetings are held in public, providing an open and transparent process for scrutinising the decisions and work of the Commissioner. During 2021/22 the Panel has placed a significant focus on monitoring delivery of the Police and Crime Plan and underpinning Action Plan, receiving thematic reports against these at each meeting. The Panel has also unanimously supported the Commissioner's proposed precept for 2022/23.

Robust Internal Control

During 2021/22 a number of areas of the corporate governance framework have been subject to cyclical review and update. This process is supported by the professional advice of the Joint Audit Committee. During 2020/21 the Committee has considered and provided

scrutiny of the Commissioner's the Code of Corporate Governance, the Internal Audit Charter, the PCC Scheme of Delegation, the PCC's Arrangements for Anti-Fraud and Corruption activities, the Treasury Management Strategy, Statement of Accounts and Annual Governance Statement.

Internal controls have also been reviewed through the annual process of management assurances and the annual internal audit plan. The full audit plan of audits which were scored for assessment for 2021/22 has been delivered. This has allowed the Head of Internal audit to provide 'Reasonable Assurance' on the PCC's arrangements for risk management, governance and internal control. Overall, of the fourteen audits completed in 2021/22 covering the activities of the OPCC and Constabulary, 93% provided either substantial or reasonable assurance. Management have put in place to address all audit recommendations.

Managing Data

The OPCC operates within the parameters of legislation governing the protection of data, ensuring that all data is

appropriately stored and shared where necessary. Information is provided to members of the public under the Freedom of Information Act, with requests and responses published on the Commissioner's website. The Ethics and Integrity Panel provide additional assurance in this respect. Physical data within the OPCC is held securely with appropriate office and cabinet security provided. The OPCC is reliant upon Cumbria Constabulary in relation to some business functions and regular meetings are held to monitor compliance and developments. Regular meetings are held with the Constabulary to assess the continued compliance and any effect on the OPCC.

The OPCC has a joint Data Protection Officer with Cumbria Constabulary. Any identified data breaches notified to, or within, the OPCC are highlighted to the Joint DPO to assess and advise of any course of action to be taken.

Strong Public Financial Management

The policing grant settlement, received in December 2021 provided £4.0m in additional grant funding for 2022/23, principally to support the final phase of Operation Uplift; the Government's plan to recruit 20,000 new officers by 2023. The settlement also provided Commissioners with a degree of flexibility to levy increased council tax

Following a public consultation exercise, the Commissioner approved the 2022/23 budget in February 2022 based on a council tax increase of 3.67%. The additional funding provided to the Constabulary will allow existing services to be maintained and has facilitated planned recruitment of an additional 68 officers in 2022/23 in fulfilment of the Constabulary's overall Operation Uplift target of recruiting an additional 168 officers over the three years of the Uplift programme. In consultation with the Commissioner, once trained, the additional officers will be deployed by the Chief Constable to areas, which will support the Police and Crime Plan's principal objective of Keeping Cumbria Safe. The budget has also supported investment in a new records management system, analytical capability and resource co-ordination which are seen as critical to deliver the Chief Constable's strategic objectives.

The Government's spending plans as set out in its spending review announcement in autumn 2021 and the investment in Operation Uplift have been generally favourable to policing. However, the emergence of inflationary pressures not seen for a generation in the latter part of 2021/22, in combination with existing

financial risks in relation to the cost of implementing the Emergency Services Network, pension cost pressures and the impact of the review of the Police Funding Formula, make the Constabulary's future financial outlook uncertain. The budget for 2022/23 has been balanced, however savings will be required from 2023/24 onwards.

At the Public Accountability Conference on the 16th February 2022, the Commissioner set the 2022/23 annual budget and precept in the context of a medium-term financial strategy 2022-2027. In line with his duty to maintain the police force the Commissioner agreed a net revenue budget of £139.1m and a capital budget of £4.5m for the Chief Constable for the 2022/23 financial year and a funding arrangement that codifies the terms for that funding, including arrangements for financial management. The budget for 2022/23 also included £0.9m for the operation of the Office of the Police and Crime Commissioner and £2.35m funding within a commissioned services budget for victims, community safety and crime reduction.

During 2021/22 the Commissioner received regular financial reports including the revenue and capital budgets, in year monitoring of expenditure against budget and treasury management. A summary format of

financial reports incorporating tables and graphs, wherever appropriate, is used to improve accessibility. Financial reports are published on the Commissioner's website.

The outcome of all audits of financial arrangements during 2021/22 was an opinion that provided either reasonable or substantial assurance.

Financial sustainability over the medium term has remained on the Commissioner's strategic risk register. A number of mitigation measures have been put in place including the detailed medium-term financial forecast, financial scenario planning, use of reserves and development of savings plans in conjunction with the Constabulary.

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

either completed or on track for completion, improvements delivered included :-

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

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

The Financial Management Code developed by the Chartered Institute of Public Finance and Accountancy came into effect from the 1st April 2020, with the aim of supporting good practice in financial management in local authorities including the policing sector. In the most recent self-assessment undertaken in March 2021, the Constabulary largely meets the requirements of the code with full compliance in thirteen out of seventeen

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

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

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

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Implementing good practice in transparency

The Commissioner is committed to good transparency. Every opportunity is taken to demonstrate the good work that the Commissioner is involved with especially around the support to third-parties and commissioned services. This is further reinforced by publishing information from across the OPCC using different formats to allow people to access information in range of forms. The Commissioner's website remains the central place for all information to be accessed.

Throughout the year the Commissioner has published regular financial monitoring information in a short and succinct format that aims to increase the transparency and accessibility of financial information. Further to this,

the statutory financial statements for 2020/21, published in June 2021, include the Chief Finance Officers' Narrative Report. The Narrative report incorporates a more accessible summary of the statements and financial and performance information, alongside a business review.

Implementing good practices in reporting

The Commissioner's activities, performance and achievements have been published in an annual report, which can be found on the Commissioner's website at www.cumbria-pcc.gov.uk. It highlights the commissioner's key achievements during his sixth year in office, including:

- Continuation of funding for many community projects and support services to tackle the key priorities in the Police and Crime Plan and maintain vital services for victims.
- Setting the policing budget for 2022/23, maintaining the additional 45 police officers secured over the Commissioner's term of office and are on schedule to recruit all 168 extra officers under the Government's

Operation Uplift Programme to recruit an additional 20,000 officers nationally by March 2023.

- Improved youth engagement through the work of the Mini Police and Cadets.
- Prioritised and supported work to address the top public concerns raised with him namely, police visibility, safer driving, cyber-crime, drugs and rural crime.

An updated Code of Corporate Governance was adopted in line with the 2016 CIPFA/Solace Good Governance Framework for Local Government.

A review of the arrangements for internal audit have confirmed that the service meets the requirements of the Public Sector Internal Audit Standards (PSIAS) during 2021/22.

Assurance and effective accountability

The Constabulary's unaudited financial statements for 2020/21 were released in June, with the final version

published in November, meeting the deadlines for financial reporting, which continued to be less stringent than prior to the Covid-19 pandemic. The External Auditor's Annual Report gave an unqualified audit opinion. In relation to value for money in the External Auditor concluded that the Constabulary has appropriate arrangements in place to manage the risks it faces in respect of its financial resilience and that they had not identified any significant weaknesses in the Constabulary's arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. One recommendation was made in relation to reporting of savings.

Implementation of recommendations arising from the internal audit plan, external audit reports and HMICFRS are monitored by the Joint Audit Committee.

The Ethics and Integrity Panel continues to monitor and reports on some specific areas of activity, such as complaint handling, misconduct cases and ethical issues.

During the pandemic the Panel continued to provide assurance around the Constabulary's use of the emergency powers by conducting dip-samples of the Fixed Penalty Notices issued relating to Covid-19 restrictions and the Governments Guidelines.

Impact of the Coronavirus Pandemic

During 2021/22 the work of the Office of the Police and Crime Commissioner has been impacted by the Covid-19 pandemic. For the most part staff have been working remotely but have been able to continue business as usual. Meetings and engagement activities have been moved on-line and have operated effectively. Due to Government guidelines being removed, more face-to-face engagements, both externally and internally, are taking place.

FURTHER INFORMATION

Further information on the arrangements for Governance can be found on the Commissioner's website under the tab headed Governance and Transparency.

We welcome your views on the Commissioner's Annual Governance Statement. You can do this by using the contact information below:

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Chief Executive

*Roger Marshall

Joint Chief Finance Officer

24 June 2022

*Signatures are removed for the purposes of Publication on the website

Appendix A Update on 2021/22 Development and Improvement Plan

Ref	B/fwd from 2020/21 (ref)	Action	Lead Officer	Implementation by	Action Update	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		Develop a succession plan to ensure resilience and continuity of the membership and skills of the Ethics & Integrity Panel.	Governance Manager	28 February 2022	A new member was successfully recruited in December 2021.		Completed
Core Principle B: Focusing on ensuring openness and comprehensive stakeholder engagement.							
CPB/1	CPB2	Develop a communications and engagement strategy for 2021-24	Communications and Engagement Officers.	30 June 2021	A new strategy has been developed and is now in place.		Completed
Core Principle C: Focusing on defining outcomes in terms of sustainable, economic, social and environmental benefits							
CPC/1		Work with the newly elected Police & Crime Commissioner to develop a new Police & Crime Plan for 2021-2024	Partnership & Strategy Manager	31 December 2021	Following public and partner agency consultation, the draft Plan was developed and considered by the Police and Crime Panel, which was supportive of the Plan. The Plan was launched in November 2021.		Completed
Core Principle D: Focusing on determining the interventions necessary to optimise the achievement of intended outcomes.							
CPD/1		Develop a holistic approach for women services through the Women Centres.	Project Manager	31 March 2022	A consistent service with a single point of access has now been put in place.		Completed
CPD/2		Working with the Constabulary to reduce reoffending through the implementation of an Out of Courts Disposal Framework through the Pathways project.	Project Manager	31 March 2022	The Pathways Project delivered in conjunction with the Constabulary has been implemented and is operating.		Completed
CPD/3		Continue to deliver the Government's policy around Safer Streets	Safer Streets Co-ordinator	31 March 2022	Safer Streets 1,2 and 3 have been completed.		Completed
CPD/4		Develop and commission an intervention for perpetrators of Hate Crime.	Partnership & Strategy Manager	31 October 2021	Following engagement with stakeholders via a series of workshops, market engagement was conducted to find a suitable provider for this pilot intervention, which proved challenging due to local provider capacity issues. This service has been commissioned and is receiving referrals.		Completed

Appendix A Update on 2021/22 Development and Improvement Plan

Ref	B/fwd from 2020/21 (ref)	Action	Lead Officer	Implementation by	Action Update	Revised Implementation Date	Status
CPD/5	CPD/2	Continue to work in collaboration with Cleveland, Northumbria and Durham OPCCs and NHS England / NHS Improvement to jointly commission an integrated Sexual Assault Referral Centre (SARC) model across these areas.	Partnerships and Strategy Manager	31 December 2021	After working jointly with North East OPCCs, it was found that the best route to successfully getting a provider for Cumbria's SARC was to procure this separately. The procurement was successful and the new contract went live on 1st April 2022. Responsibilities related to the SACR premises have been transferred to the new provider.		Completed
Core Principle E: Focusing on developing the entity's capacity, including the capability of its leadership and the individuals within it.							
CPE/1		Internal Audit of the OPCC's Agile Working arrangements.	Governance Manager	30 September 2021	IA completed and final report issued on 4 August 2021		Completed
CPE/2		Implement the recommendations from the 2021 PCC review	Chief Executive	31 March 2022	All required actions to date have been completed but awaiting national guidance in some areas.	31st March 2023	Ongoing (within original timescale)
Core Principle F: Focusing on managing risks and performance through internal control and strong public financial management.							
CPF/1		Review of governance structure and processes in preparation for the outcome of PCC Reviews.	Governance Manager	31 December 2021	Work has commenced on this review with some completed actions.	31st December 2022	Ongoing (original timescale extended)
CPF/2		Consider the implications of local government re-organisation on the Office of the Police & Crime Commissioner and make recommendations to the Police & Crime Commissioner.	Chief Executive	31 August 2021	The Business Case for Fire Governance was submitted to the Home Office in March 2022.		Completed
CPF/3		Develop partnership arrangements with the Youth Endowment Fund to ensure access to future funding streams that helps to prevent the criminalisation of children	Partnership & Strategy Manager	31 March 2021	The OPCC has engaged with the YEF around potential areas for funding in the future and submitted two bids to available funding streams in 2021-22. Feedback has been obtained on these funding bids which were unsuccessful. The value of further developing the relationship with the YEF is being reviewed in the light of the challenges areas like Cumbria face in obtaining YEF funding.	31 March 2021	Completed
CPF/4		Complete a self-assessment against the CIPFA Good Governance Guide for the Safer Cumbria Partnership to drive recommendations for improvement	Safer Cumbria Co-ordinator	30 November 2021	Self Assessment completed and identified actions incorporated into the Business Area Group Delivery Plans	31 December 2021	Completed

Appendix B 2022/23 Development and Improvement Plan

Ref	B/fwd from 2021/22 (ref)	Action	Lead Officer	Implementation by
		Core Principle A: Focusing on behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.		
CPA/1		Review the work programme for the joint Ethics and Integrity Plan ensuring that work supports the recommendations from the HMICFRS Peel assessment.	Governance Manager	31st December 2022
		Core Principle B: Focusing on ensuring openness and comprehensive stakeholder engagement.		
CPB/1		Develop an annual engagement strategy ensuring that all stakeholders have a voice and are listen to.	Engagement Officer	30th September 2022
		Core Principle C: Focusing on defining outcomes in terms of sustainable, economic, social and environmental benefits		
CPC/1		Review and develop the Accountability Framework to ensure it is fit for purpose	Partnership & Strategy Manager	31st March 2023
		Core Principle D: Focusing on determining the interventions necessary to optimise the achievement of intended outcomes.		
CPD/1		Review the OPCC's approach to capturing victims'/ survivors' lived experience to inform its commissioning and contract management and implement the outcomes.	Partnership & Strategy Manager	31st March 2023
CPD/2		Implement early intervention programme for children and young people to reduce criminalisation of young people.	Project Manager	31st March 2023
CPD/3		Engage in opportunities to secure funding and, where successful, deliver projects to support victims, reduce crime and antisocial behaviour in local communities to include Safer Streets.	Safer Cumbria Co-ordinator	31st March 2023

Appendix B 2021/22 Development and Improvement Plan

Ref	B/fwd from 2021/22 (ref)	Action	Lead Officer	Implementation by
CPD/4		Work in partnership to develop a public health approach to deliver the serious violence duty.	Safer Cumbria Business Manager	31st March 2023
CPD/5		As part of the local government reform programme, plan for the transfer of fire governance to the OPCC.	Blue Light Collaboration Manager	31st March 2023
		Core Principle E: Focusing on developing the entity's capacity, including the capability of its leadership and the individuals within it.		
CPE/1		Review the existing training plan and ensure that its implementation meets all requirements to support the development of staff.	Governance Manager	30th September 2022
CPE/2	CPE/2	Implement the recommendations from the 2021 PCC review	Chief Executive	31st March 2023
		Core Principle F: Focusing on managing risks and performance through internal control and strong public financial management.		
CPF/1		Following the internal audit review of risk, implement any recommendations.	Governance Manager	31st March 2023
CPF/2		Review arrangements for CFO in the context of fire governance.	Chief Executive	31st December 2022
CPF/3	CPF/1	Review of governance structure and processes in preparation for the outcome of PCC Reviews.	Governance Manager	31st December 2022



The Chief Constable of Cumbria Constabulary

Annual Governance Statement 2021/22

INTRODUCTION AND SCOPE OF RESPONSIBILITIES

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

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

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

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

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

THE REVIEW OF EFFECTIVENESS

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

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

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

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

Michelle Skeer

Chief Constable
24 June 2022

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

Roger Marshall

Joint Chief Finance Officer

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

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Ethics and Integrity & Respecting the Rule of Law

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

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

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

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

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

Key priorities which are currently identified are:-

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

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

Pursue

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

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

Prevent

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

Prepare

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

Protect

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

The Professional Standards Department operate a preventative approach designed to ensure all officers and staff are aware of their responsibilities and potential consequences if their conduct falls below required professional standards. This includes the issue of PASS

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

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

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

The key areas of vulnerability remain as:-

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

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

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

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

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

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

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

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

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

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

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

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

Core Principle B: Ensuring openness and comprehensive stakeholder engagement.

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Openness

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

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

Engaging Effectively with Institutional Stakeholders

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

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

- the Local Resilience Forum (major incident planning)

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

In accordance with the Joint Financial Regulations and Rules, arrangements are in place to ensure that for significant partnerships and joint working relationships there is appropriate governance including, a legal power to engage, appropriate approval by the Chief Constable and Commissioner, clear objectives, documentation of financial and other resource commitments and risk

assessment.

Engaging stakeholders effectively, including citizens and service users

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Chief Constable and Assistant Chief Constable to the public.

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

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

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Defining Outcomes

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

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

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

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

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

Sustainable economic, social and environmental benefits

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

Cumbria Vision 25 has five key themes:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Police Digital Service nationally and shared with other forces.

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

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

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

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

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

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

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

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

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

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

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

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

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

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Planning Interventions

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

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

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

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

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

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

Determining Interventions & Optimising Outcomes

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

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

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

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

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

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

- Whether to deploy officers to incidents.

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

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

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

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Developing the Entity's capacity & leadership

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

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

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

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

Developing the Capability of Individuals within the entity

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Performance
- Well-being
- Learning & Development

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

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

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Managing risk

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

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

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

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

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

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

Managing performance

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

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

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

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

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

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

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

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

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

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

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

Robust internal control

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

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

Managing Data

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

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

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

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

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

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

Strong public financial management

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

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

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

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

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

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

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

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

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

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Implementing good practice in Transparency & Reporting

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

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

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

Assurance & Effective Accountability

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendix 1 Response to the Coronavirus Pandemic

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendix A Update on 2021/22 Development and Improvement Plan

The improvement plan will be added once approved by the Chief Officer Group

Appendix B 2022/23 Development and Improvement Plan

The improvement plan will be added once approved by the Chief Officer Group