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Our reference: JAC/IR

Date: 23 May 2023

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 **Tuesday 30th May 2023** in **Conference Room One**, Police Headquarters, Carleton Hall, Penrith, at **10:30am**.

Please note – there will be a private meeting between the committee and the internal auditors (TIAA) in advance of the main meeting at **9.30 am**.

**Vivian Stafford, Gill Shearer
Chief Executive**

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

Note: If members of the public wish to participate in this meeting please contact inge.redpath@cumbria.police.uk by 23rd May 2023 for an invitation.

COMMITTEE MEMBERSHIP

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

AGENDA

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

Note – Items to be considered by exception, it is assumed that members will have read all papers before the meeting.

Agenda Item	Agenda Item	Officer Lead	Time (Est)
1	APOLOGIES FOR ABSENCE	Chair	10.30
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.	Chair	10.30
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.	Chair	10.30
4	MINUTES OF MEETING AND MATTERS ARISING To receive and approve the minutes of the committee meeting held on 22 nd March 2023.	Chair	10.35
5	ACTION SHEET To receive the action sheet from previous meetings.	Chair	10.40
6	CORPORATE UPDATE To receive a briefing on matters relevant to the remit of the Committee. a) Constabulary b) The OPCC Chief Executive c) Chief Fire Officer d) Finance	DCC OPCC Chief Exec Chief Fire Officer PCC or CC Chief Finance Officer	10.45 10.50 10.55 11.00
7	JOINT AUDIT COMMITTEE – UPDATED TERMS OF REFERENCE To receive a report detailing changes to the way the committee will operate since the addition of Fire responsibilities from April 2023. Including updated terms of reference and role profiles.	Constabulary Chief Finance Officer	11:05

8	<p>INTERNAL AUDIT – SUMMARY INTERNAL CONTROLS ASSURANCE REPORT</p> <p>To receive the Internal Auditors the Summary Internal Controls Assurance (SICA) Report. To include arrangements for Quality Assurance and Improvement.</p> <p>a) PCC/Constabulary b) Fire & Rescue</p> <p>Not applicable for May meeting, replaced with Annual report.</p>	Director of Audit TIAA Ltd	11.15
9	<p>INTERNAL AUDIT REPORT(S)</p> <p>To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the committee.</p> <p>a) PCC/Constabulary</p> <ol style="list-style-type: none"> i. Risk Management Framework ii. Management of Overtime iii. Financial Sustainability – Business Planning <p>b) Fire – No finalised audits to date.</p>	Director of Audit TIAA Ltd	11.25
10	<p>MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS</p> <p>To receive an updated summary of actions implemented in response to audit and inspection recommendations.</p> <p>a) PCC/Constabulary To follow</p> <p>b) Fire & Rescue N/A for Fire at this stage</p>	Director of Audit TIAA Ltd	11.40
11	<p>INTERNAL AUDIT – ANNUAL REPORT</p> <p>To receive the Head of internal Audit’s Annual Report including the annual Audit opinion.</p> <p>a) PCC/Constabulary</p>	Director of Audit TIAA Ltd	11.45
Comfort Break (10 Mins)			11.55
12	<p>PROPOSED INTERNAL AUDIT PLAN/INTERNAL AUDIT CHARTER</p> <p>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.</p> <p>a) PCC/Constabulary – Finalised Audit Plan 2023/24</p> <p>b) Fire & Rescue Internal Audit Plan 2023/24</p>	Director of Audit TIAA Ltd	12.05
13	<p>RISK MANAGEMENT MONITORING</p> <p>To receive an annual report from the chief Executive on Risk Management Activity including the Commissioner’s arrangements for holding the Chief Constable to account for constabulary risk Management.</p>	OPCC Chief Executive	12.15

14	VALUE FOR MONEY To receive an annual report on Value for Money within the Constabulary – <i>Deferred from March Meeting.</i>	Constabulary Chief Finance Officer	12.20
15	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.	OPCC Chief Executive	12.25
16	ETHICS AND INTEGRITY GOVERNANCE To receive an annual report from the chair of the Ethics and Integrity Panel.	OPCC Chief Executive	12.30
17	EFFECTIVENESS OF AUDIT To receive a report from the PCC Chief Finance Officer in respect of the effectiveness of arrangements for audit.	PCC Chief Finance Officer	12.35
18	ANNUAL GOVERNANCE STATEMENT Effectiveness of Governance Arrangements: To receive a report on the effectiveness of the PCC, Constabulary and Fire arrangements for Governance. a) The Police & Crime Commissioner for Cumbria: i. Code of Corporate Governance: To consider the PCC Code of Corporate Governance 2023/24. ii. Annual Governance Statement: To consider the Annual Governance Statements for the financial year 2022/23 and to the date of this meeting. b) The Chief Constable of Cumbria Constabulary: i. Code of Corporate Governance: To consider the Constabulary Code of Corporate Governance 2023/24. ii. Annual Governance Statement: To consider the Constabulary Annual Governance Statements for the financial year 2022/23 and to the date of this meeting. Paper to follow, a verbal update will be provided at the meeting	PCC Chief Finance Officer PCC Chief Finance Officer Constabulary Chief Finance Officer	12:40 12.45 12.50
19	ANNUAL STATEMENT OF ACCOUNTS To receive the un-audited Statement of Accounts which includes a summarised non-statutory version of the accounts: a) The Police and Crime Commissioner for Cumbria (PCC/Constabulary Group) b) The Chief Constable of Cumbria Constabulary Papers to follow, a verbal update will be provided at the meeting	PCC Chief Finance Officer Constabulary Chief Finance Officer	13:00 13:10
20	TREASURY MANAGERMENTS ACTIVITIES To receive for information reports on Treasury Management Activity - Quarter 4/Annual Report.	Constabulary Chief Finance Officer	13:20

21	POINTS FOR CONSIDERATION BY THE COMMISSIONER AND THE CHIEF CONSTABLE		13:25
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Future JAC Meeting Dates (For Information)

20th September 2023 @ 10.30– Fire HQ Penrith
22nd November 2023 @ 10.30– Conference Room 1
20th March 2024 @ 10.30– Fire HQ Penrith

Future Police, Fire and Crime Panel Meeting Dates (For Information)

29th June 2023 – Conference Room A/B, Cumbria House, Carlisle.
21st July 2023 – Committee Room1, County Hall, Kendal.
9th October 2023 - Committee Room1, County Hall, Kendal.
31st January 2024 – Conference Room A/B, Cumbria House, Carlisle.

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Agenda Item 4 – Part 1

CUMBRIA POLICE & CRIME COMMISSIONER AND CUMBRIA CONSTABULARY

JOINT AUDIT COMMITTEE

Minutes of a meeting of the Joint Audit Committee held on Wednesday 22nd March 2023
Conference Room 1, Police Headquarters, Carleton Hall, Penrith, at 10.30am.

PRESENT

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

Also present:

Chief Executive (CE), Office of the Police and Crime Commissioner (Vivian Stafford)
Deputy Chief Constable (DCC), (Rob Carden)
Joint Chief Finance Officer (JCFO), (Roger Marshall)
Deputy Chief Finance Officer (DCFO), (Michelle Bellis)
Chief Superintendent (CS), (Michael Bird)
Chief Fire Officer (CFO), (John Beard)
Deputy Chief Fire Officer (DCFO), (Brian Steadman)
Audit Manager(AM), TIAA, (Andrew McCulloch)
Engagement Manager(EM), Grant Thornton LLP, (Gareth Winstanley)
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 and asked for formal introductions due to new Committee members and members of the Fire and Rescue Service in attendance.

770. APOLOGIES FOR ABSENCE

There were no apologies received.

771. 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.

772. DISCLOSURE OF PERSONAL INTERESTS

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

773. MINUTES OF THE PREVIOUS MEETING

The Committee received and reviewed the minutes of the meeting held 23rd November 2022.

RESOLVED, that the minutes be recorded as a true record of the meeting held on 23rd November 2022.

774. MATTERS ARISING

There were no matter arising from the from the minutes of the meeting held 23rd November 2022.

775. ACTION SHEET

The Action sheet had been circulated and reviewed:

Action 717(c) Internal Audit Report - Establishment Processes - Recruitment (Constabulary & OPCC) - May 22.

In relation to Operation Uplift, the Constabulary Deputy Chief Finance Officer confirmed that the Constabulary had achieved the uplift target of 169 officers over 3 years in advance of the deadline of 31 March 2023.

The Chair agreed that this action could now be marked as complete.

Action 751 Monitoring of Audit, Internal Audit and Other Recommendations and Action Plans

The Constabulary Deputy Chief Finance Officer explained that TIAA were to pick up the monitoring of the internal audit reports however the TIAA AM clarified that they been having been having new software installed and this has led to a delay in producing a report for committee.

ACTION, for TIAA to produce a manual update report within the next three weeks (deadline 12 April) to the Constabulary Deputy Chief Finance Officer for circulation to committee.

ACTION, for the Constabulary Deputy Chief Finance Officer to create a mechanism for monitoring and reporting audit recommendations from External Audit.

The Chair felt that the actions on the Joint Audit Committee – Review of Effectiveness Action Plan 2022/23 would need to be brought forward to the action plan 2023/24 with some expansion on the Fire Governance, the chair will contact committee members and put forward a plan to the Constabulary DCFO for 2023/24.

RESOLVED, all other items were resolved.

776. CORPORATE UPDATES

The DCC gave the corporate update for the Constabulary starting with the high-profile case of Eleanor Williams who was jailed for 8 ½ years for perverting the course of justice, this was a long and complex investigation but an excellent outcome for the force.

The force restructure has been in place since September 2022 and the Constabulary has been able to be at the forefront of helping to influence the setting up of two new Community Safety Partnerships (CSP) which sit with the new unitary authorities ready for the LGR on 1st April 2023.

The annual HMICFRS inspection is currently underway and includes HMICFRS inspectors attending the Strategic Performance Boards. The serious and organised crime inspection is currently underway and the DCC chairs the daily pacesetter meeting. As part of this the custody inspection report will be published on 24th March 2023 showing that there are many areas for improvement and there has been an improvement plan set up to tackle the issues raised. The DCC is now holding Strategic Development Conferences on a 6 monthly basis looking at the Cumberland BCU (basic command unit), Westmorland BCU, the Crime and Intel Command and the Operations Command.

New boards have been set up a Strategic Management board chaired by the Chief Constable and the Change Board, which is chaired by the DCC, all the commands/department have had to come forward with suggestions for 1, 3,5 and 8% savings targets giving a picture of what is achievable over the upcoming years. The new Performance and Business lead starting in April will lead the savings and efficiency plan along with Detective Superintendent Dan StQuintin. Performance is moving in the right direction with the call handling service level agreement up in the 90's and we are currently 5th in the country for answering 999 calls and our 101 calls are equally as good. The HMICFRS set the abandonment rate for 101 calls at 10% and the DCC has set Cumbria's at 5% and today we were at 3.6%.

Performance times for grade 1 and grade 2 incidents have also radically increased with grade 1's being achieved at 92% and grade 2's in the mid 80%'s.

And finally for the fifth month in a row we are the best out of the 43 forces for guilty convictions at 84-87%.

The Chair requested for a future meeting could the committee receive a short briefing on the impact on the force from the high-profile murders in the press and the accusations about the MET Police.

ACTION, for the DCC to provide a short briefing on the impact on the force from the high-profile murders in the press and the accusations about the MET Police.

The CE updated the committee around the work of the OPCC, stating that the new deputy Police & Crime Commissioner Mike Johnson takes up his post on 1st April 2023.

On 1st April 2023, the OPCC will assume responsibility for fire governance, this has been a difficult process more for the fire than for the OPCC as the fire service have had to deal with the split from the County Council because of LGR.

The Chief Fire Officer, John Beard agreed that the disaggregation from the Cumbria County Council was a very difficult process and will take another 2-3 years to be fully moved away. There is an expectation to be safe and legal by 1st April 2023 but there will still be challenges around budgets and delivering transformational changes.

The chair asked for an organisations chart around fire and the Fire Deputy Chief Fire Officer, Brian Steadman suggested a welcome pack for the committee.

The CE also suggested the committee have sight of the accountability and governance framework for Fire which now is only in draft format until the new Chief Finance Officer Steven Tickner starts in April as he needs to have input into these and other documents.

ACTION, for the CE and Deputy Chief Fire Officer to compile a welcome pack with organisation chart and accountability and governance framework.

The JCFO then gave his last update to committee, starting with the 2023/24 budgets having been agreed for both the OPCC and the Fire Service. The JCFO reported that it had been a challenge with the spike in inflation and the squeeze on public sector finances.

For the police service, a balanced budget has been set for 2023/24 through a combination of a drawdown of reserves, some borrowing and budget savings.

The challenges around saving targets will be mirrored across all public sector organisations now and in the future.

The settlement for Fire from the disaggregation process was fair however with the increases in inflation this has eroded some of the head room that was initially provided.

Finally in relation to the budget for 2022/23 where at quarter 2 a forecast £750k overspend was predicted, largely due to overtime. The most recent forecast is showing to be more on budget and even a little under budget by the end of the year.

777. INTERNAL AUDIT – SUMMARY INTERNAL CONTROLS ASSURANCE REPORT

The AM presented the assurance report to committee showing that the independent EQA assessor was able to conclude that TIAA 'Generally Conforms' to the requirements of the Public Sector Internal Audit Standards and the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF). 'Generally conforms' is the highest rating that can be achieved.

The ICT Cyber Security Maturity Assessment review has been delayed due to resourcing issue at TIAA and this will be completed in Qtr1 2023/24.

TIAA are requesting on behalf of management that the HMICFRS Action plan review be cancelled as it is management's belief that further scrutiny at this time would not add any value or provide additional assurance.

The non-completion of the ICT and HMICFRS reviews in the 2022/23 internal audit programme will not impact on TIAA's Head of Audit's ability to provide an audit opinion for the year.

Committee agreed to the moving of the ICT Cyber Security Maturity Assessment review to Qtr 1 of 2023/24.

A member asked would the HMICFRS audit be done later?

The DCC explained that the audit is the HMICFRS Inspection, they undertake all the checks into processes and procedures so to have this then audited again would serve no purpose as the outcome of the HMICFRS inspection cannot be changed it is as the HMICFRS find.

A member asked if Internal Audit could seek assurance from the HMICFRS inspection to assist in forming their audit opinion.

The AM explained that if the audit was removed there would still be enough work to form an opinion and the organisation would simply not be charged for those days.

The DCC offered to do a presentation on the governance of HMICFRS showing how it is monitored and the links with HMICFRS.

ACTION, for the DCC to create a presentation on the governance of HMICFRS to link to JAC4 of the action plan.

Committee agreed to the removal of the HMICFRS Action plan review.

A member asked if the number of days per audit could be shown on the report so that members could see if a large report was outstanding or just smaller ones.

The AM explained that all audits had now been undertaken and would be signed off by 31st March 2023 and the audit opinion would be issued mid-April 2023, however agreed that this could be added in future reports.

A member asked how the organisation deals with the briefing note shown on the final page. The DCC explained that any updates to policing policies are received daily/weekly and are dealt with as business as usual.

RESOLVED, all other items were resolved.

778. INTERNAL AUDIT REPORT(S)

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

a) Risk Management & Framework

The AM explained that this had been held back as they are awaiting the Risk Management Strategy Policy and this report would now be presented at the May meeting.

b) Debtors

A member asked if there had been 2 important points then why had they not been escalated to the PCC & CC.

The Constabulary Deputy Chief Finance Officer explained that anything identified as Priority 1 Urgent would automatically be escalated to the PCC and CC as these are Priority 2 Important then decisions are made as to whether to escalate and in the case of this report these are around processes rather than reflecting weaknesses in controls.

The chair then asked for clarification on why the use of a proforma was not made mandatory following the recommendation on page 2.

The Constabulary Deputy Chief Finance Officer explained that where invoices are raised by a financial services team member, for items such as seconded staff, then it would be a duplication of work to complete the proforma, however, where an invoice is requested by a different department then the proforma is the correct way to ensure that all the relevant information is captured.

RESOLVED, that the report be noted.

c) Treasury Management

RESOLVED, that the report be noted.

d) Firearms Licensing

The Chair asked who had signed the report.

The CS clarified that he had signed the report.

A member asked again for clarification as to why the four Priority 2 Important points had not been escalated to the PCC and CC?

The CS clarified that prior to the audit, issues with Firearms Licensing had already been escalated to the highest level, there is a gold group currently chaired by the ACC and the CS regularly report to the COG and Strategic Management Board, this report focuses on if we are compliant with the National Statutory Guidance and APP.

There is a bigger broader issue as a force with a department that has been overlooked for many years leading to ingrained issues. We now have two digital projects running to improve systems, the first being 'Single Online Home' (the Constabulary Intranet Site) that is now up and running giving a front face to online applications. This includes the requirement to provide medical evidence with the application, which has always been a hold up in the past. The second being a case management system which is due to be delivered in May 2023 and is a fully digital system for document storage and retrieval. This will replace the current 10,000 paper-based files stored in one building at HQ which are potentially vulnerable to fire or flood and could wipe out all our firearms licensing knowledge. These two systems have now afforded us the opportunity to become more efficient.

There is also a peer review being undertaken by Debbie Tedds the Chief Constable of Warwickshire and the lead for firearm licensing and this will start in the next few weeks.

A member asked is all the work mentioned on track.

The CS confirmed that Single Online Home is up and running and the case management system is on track for delivery on 23rd May 2023.

A member asked about the creation of KPI's.

The CS confirmed that as part of the project a decision has been made as to which activities the force wishes to be able to measure and following testing it looks like we will be able to obtain reports of all items we feel necessary from the new system.

RESOLVED, that the report be noted.

e) Performance & Insight Command

RESOLVED, that the report be noted.

f) Resource Planning

A member asked about recommendation 1 page 2 when the Resource Co-ordination Principles document would be finalised.

The DCC clarified that the level of Strategic response to resource planning was very high, and we have changed the shift system and changed the structure, and this has resulted in a 40% reduction in workload by having the correct people on shift. Every day there is a pacesetter meeting to look at resource planning and the DCC chairs this meeting. The meeting focuses on the Response Staffing Level which is the minimum strength level. If staffing numbers fall below this, a report is required to explain why. This should provide members with assurance that even if the Resource Co-ordination Principles document is not quite signed, we have all this in hand.

A member asked who signed of this report.

The DCC said it was Assistant Chief Officer Nancie Shackleton however it should have been himself and moving forward he should ultimately sign off all audit reports.

ACTION, for the DCC to sign off all audit reports moving forward.

RESOLVED, that the report be noted.

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

As this was covered earlier in the meeting as part of the action plan this item was not discussed further at this point.

780. PROPOSED INTERNAL AUDIT PLAN/INTERNAL AUDIT CHARTER

a) PCC & Constabulary Internal Audit Plan 2023/24

The AM presented the proposed audit plan for 2023/24 for the PCC and Constabulary and explained that there is a rolling strategic plan, and this has resulted in the Police and Crime Plan Review being pushed back a year and this is being replaced by a Victims Support Service Review. All the plans have been discussed at Collaborative Board.

A member asked that as the Cyber Audit has been moved to Qtr1 2023/24 does this also include staff knowledge on things like phishing emails.

The AM confirmed that yes, the Cyber audit does include staff's knowledge around emails etc.

A member then asked if there was any possibility to bring the Grievance Reporting and Management audit forward from 2024/25 to 2023/24 in light of the work review of Police dismissals currently being undertaken by the Home Office.

The DCC agreed this was a good point to look at.

ACTION, for the AM to look at bringing forward the Grievance Reporting and Management audit and moving back something else after consultation with DCC.

A member asked if there was anything in the plan around the culture within the police force. The AM clarified that in 2023/24 there is an audit around Vetting.

A member asked about fraud risk.

The AM confirmed that fraud sits within every audit undertaken.

The Constabulary Deputy Chief Finance Officer added that the Chief Finance Officer has to be advised if there are any frauds against the PCC or Constabulary detected. There is also a duty to bring any such reports to the attention of both Internal and External Audit. The PCC/Constabulary also have to carry out a fraud risk assessment and have to make a declaration that we are "Not aware of any fraud against the PCC or Constabulary".

RESOLVED, that the report be noted.

b) Fire & Rescue Internal Audit Plan 2023/24 Report to Follow

The AM gave out a small handout on the proposed audit plan for Fire 2023/24 with the main risks being around Estate Management, Procurement and Fleet.

The CE explained that the new Chief Finance Officer for the PCC and Fire needs to have significant input into this before it is signed off and Mr Steven Tickner does not start until 1st April 2023.

The Chair called for a break in the meeting at 12.10pm

The Chair called the meeting to order at 12:20pm

781. EXTERNAL AUDIT PROGRESS REPORT

The EM presented the report and highlighted the following points:

- Pages 5 and 6 show the audit responsibilities
- Page 7 shows the outturn and deliverable date for the 2022/23 audit year.

External Audit expect to bring the audit plan to the next JAC Meeting in May 2023 and then undertake the financial accounts audit in the summer resulting in the audit report, value for money report and the auditor's findings report being brought to the JAC meeting in either September or November 2023.

A member asked if they felt there would be any issues following the changes in staffing within the financial services team and the inclusion of Fire?

The EM confirmed that Fire would only form part of the 2023/24 audit so there is no risk to the current audit for 2022/23. The EM also reported that external audit have always worked very well with the Deputy Chief Finance Officer and the financial services team, and he could see any reason why this would not continue.

A member asked about the duty around tackling serious violence, this is new duty introduced in January applying to the Police and the Fire Service, is there an understanding of what this new duty is and are there any risk perceived?

The CE confirmed that yes, they understand what this new duty means, and the Safer Cumbria Partnership (SCP) will deliver the serious violence duty. The SCP is already established with a working group, and they are currently reassessing the serious violence needs assessment which was created 12 months ago. The Constabulary also have representation on the Safer Cumbria Partnership Board along with members of the two new unitary authorities following LGR.

A member commented on the PEEL inspection and how it was good to see how it progresses up to the risk management and action plan but asked if there were any issues around duplication of work done through the PEEL inspection and then done by audit?

The DCC explained that the HMRCFRS inspection looks at all areas of the Constabulary and the work done by audit focuses on very specific areas to give greater assurance and transparency around process and procedures which can only be to the benefit of the organisation as these can be shown to HMICFRS as further evidence.

The EM explained that there are also different roles and responsibilities, the external audit value for money work is driven by the National Audit Office Code which prescribes what work is to be undertaken to fulfil the external audit work and part of this would be to look at the HMICFRS report.

The Constabulary Deputy Chief Finance Officer then clarified some of the dates set out in the external audit plan in that the June meeting has now been moved to 30th May 2023 and it is a firm intention to have the draft account published by 31st May 2023 and confirmed that any planned documentation around Fire will not appear until this time next year for the 2023/24 final accounts.

RESOLVED, that the reports be noted.

782. STRATEGIC RISK REGISTER

a) OPCC Risk Management Monitoring

- b) OPCC Strategic Risk Register
- c) OPCC Operational Risk Register
- d) Constabulary Strategic Risk Register

The CE presented items 782 a, b and c and highlighted the following risks on the Strategic risk register:

- The risk around finance given the enhanced savings targets needed.
- A new risk around Fire and Rescue Service and how tight the budgets are again as a result of the rise in inflation, currently fire will have a number of hosted services that fire will purchase from the unitary authorities however, there have been no confirmed costs to date. It is however anticipated that these will cost no more than the cost of the services previously recharged by Cumbria County Council.

The CE then moved to the Operational risk register and highlighted the following:

- The risk around business disruption and business continuity following the covid pandemic and suggest that this risk now be removed.
- The risk around partnerships and collaboration and the long-term funding arrangements of the Bridgeway (SARC), funding is in place virtually for 2023/24 from both new unitary authorities and health partners and in 2023/24 there is a shortfall of funding from health partners which will impact on therapeutic services.

The Chair queried why the risk around partnerships and collaboration had not increased?

The CE confirm that the risk remained the same as this a formal contract which is now in the final 12 months ending 31st March 2024 and will therefore have to be re-negotiated.

The CS presented the Constabulary strategic risk register and explained that the register is not only discussed at COG but now also at the Strategic Management Board and have been approved at these levels, the following risks were highlighted to committee:

- Risk 28 – Finance, which was discussed earlier in the meeting around the increased saving requirements needed and hopefully the savings plan will lead to a reduction in this risk.
- Risk 2 – Vision 25, it has been agreed internally that the savings plan will supersede the targets of Visions 25 and moving to the new Vision 30.

A member asked why the impact had gone down in both cases, the initial score and lasts score have gone down unless something has changed within the risk should the impact score not remain the same?

The CS agreed to investigate the impact scores on Risks 28 and 2

ACTION, for the CS to investigate the impact scores on Risks 28 and Risk 2 to see why they have been reduced?

- Risk 42 – Covid, it has also been agreed by the Constabulary that this risk should now be closed.
- Risk 47 - Analytical Resource, since this risk has been identified the force has provided additional resources in the form of 7 analysts, a senior performance and change

director who starts on 3rd April and 2 operation analysts to support the new Constabulary structure in line with LGR so it is felt this action can now be closed.

- Risk 54 – Firearms Licensing, this has also been discussed at length earlier in the meeting and following the steps put in place this risk has now reduced.
- Risk 55 – Negotiator Model, during covid the ability to undertake training in negotiators was either cancelled or very sparse. There should always be two qualified negotiators available and there have been times when there has only been one available. Courses have now been planned for this year to bring staff to the required level but this all takes time so the risk will remain for a while longer.

A member asked about the lack of risk around cyber security.

The CS explained that the risk register shows risk to the organisation that they have control over to resolve.

The DCC also clarified that we deal with the possibility of cyber incidents through our business continuity plans and therefore it does not need to be an ongoing risk on the register.

RESOLVED, that the reports be noted.

783. RISK MANAGEMENT STRATEGY

a) OPCC Risk Management Strategy

The CE presented the OPCC Risk Management Strategy stating that there are no significant changes other than the inclusion of the Fire and Rescue Service.

The CE made a proposal to bring the OPCC risk registers to committee twice yearly rather than the current 3 times a year (in March, September and November) reporting that there are not normally any significant changes between September and November. It is proposed to bring the risk registers to the March and September meetings in future, however if there was a significant change that warranted the committee's attention then this would be reported to the next available meeting.

The committee agreed this by exception.

A member asked if the Risk Management Strategy was acceptable to the fire and rescue service. The CE confirmed that this was a risk management strategy for the OPCC and that the fire and rescue service will have their own which will be dovetailed into the governance arrangements. The Chief Fire Officer confirmed that there will be a review of fire governance.

ACTION, for the CE to provide context as to where fire governance fits within the OPCC Risk Management Strategy to the September 2023 meeting.

b) Constabulary Risk Management Strategy

The Joint CFO presented the Constabulary Risk Management Strategy which is a key document used by the Constabulary and this has links to other documents which show how the risk are identified, scored, and escalated, he also confirmed that there were no significant changes.

A member asked why in the Risk Management Toolkit 2021-2024 talks about “Net or Residual Risk” but in the Risk register talks about “Latest Risk” should the language not be constant? The Joint Chief Finance Officer agreed and would move to making the risk register clearer with better descriptions around the actual risk and then what mitigations have been put in place that will now reduce the risk.

ACTION, The Constabulary CFO to look making clearer descriptions around the actual risk and then what mitigations have been put in place that will now reduce the risk.

The Constabulary Deputy Chief Finance Officer asked the committee if they would be happy for the Constabulary Risk Register to also be move to twice yearly in line with those of the OPCC.

The committee agreed this by exception.

RESOLVED, that the reports be noted.

784. CAPITAL STRATEGY and TREASURY MANAGEMENT STRATEGY AND TREASURY MANAGEMENT PRACTICES

- a) Capital Strategy 2023/24
- b) Capital Programme 2023/24 & Beyond
- c) Treasury Management Strategy incorporating the policy on investment and borrowing activity

The Constabulary Deputy Chief Finance Officer presented the Treasury Management Strategy for the Constabulary/PCC Group however, to give the committee context it was reported that the Treasury Management Strategy Statement is part of a whole suite of strategies which are shown above and have been provided to committee as part of the papers.

Moving forward the committee will be given a link to the other strategy documents and only the Treasury Management Strategy Statement will be on the agenda.

In accordance with CIPFA’s codes of practice on treasury management, the Commissioner is required to approve a Treasury Management Strategy that includes a borrowing, investment and MRP strategy and a series of prudential indicators. This was approved by the Commissioner on the 16th February 2023 for the year 2023/24.

The role of the committee is to provide comment to the Commissioner regarding the documents if they feel there are matters that should be brought to their attention. The Constabulary Chief Finance Officer has delegated powers to amend the Treasury Management Strategy as required.

Treasury management was discussed in depth during the morning session, and it is a risky area of business with sums peaking at £30million when the Home Office Pensions Top Up grant is received in early July.

The Treasury Management Strategy is set out as in previous years showing the forecasted treasury position and forecasted interest rate. The strategy also includes the borrowing and investment strategies, there are currently no plans to borrow in the short term however the Commissioner does have an underlying need to borrow as set out in the capital financing requirement (CFR),

which is anticipated to be £25m at the start of 2023/24. This CFR does however include £4m for the PFI.

The Treasury Management Strategy is supported by detailed Treasury Practices shown on the agenda in item 784 (d) and these govern how the team undertake the day to day investing of funds.

The Constabulary Deputy Chief Finance Officer then explained that there is a very similar document in draft form for treasury management of Fire and Rescue funds however there are still some unknowns around funding arrangements and cash flow so this may well be a evolving document until a clearer picture is known.

d) Treasury Management Practices

The Constabulary Deputy Chief Finance Officer then presented the Treasury Management Practices which are a set of detailed principles which set out how treasury management is undertaken by the shared financial services team on behalf of the PCC. It was reported that the team now also carry out this role on behalf of the Fire and Rescue Services, the documents have only been changed to cover the addition of Fire and Rescue Service and also the move from a Joint Chief Finance Officer for the PCC and Constabulary to two separate Chief Finance Officers one for the PCC and Fire and one for the Constabulary.

The Committee have reviewed, and no advice or comments noted.

RESOLVED, that the reports be noted.

785. ANNUAL REVIEW OF GOVERNANCE

a) OPCC Scheme of Delegation/Consent

The CE requested that this be deferred to the May meeting to allow the new Chief Finance Office for the PCC and Fire, Steven Tickner to have sight of this report before being brought to committee.

786. VALUE FOR MONEY

This report has also been deferred to the May meeting as the VFM profiles have only just been received.

787. JAC ANNUAL WORK PROGRAMME: ASSURANCE FORMAT

The Constabulary Deputy Chief Finance Officer presented JAC Annual Work programme which is designed to ensure members fulfil their terms of reference and advisory role. The work programme has been amended to include the extension of the role of the committee to incorporate fire, however as discussed during this meeting the governance around fire is still being discussed so the work programme may need to evolve accordingly.

Appendix A sets out the terms of reference for the committee and the reports and activities received by committee to fulfil this and Appendix B shows the reports due before committee

laid out in a balanced way in terms of volume.

ACTION, for the Constabulary Deputy Chief finance Officer to add development session in September around Fire governance.

A member mentioned the following points for review:

- Around the structure of meeting now with Fire service on board, given the number of reports and length of meetings.
- Updating the JAC Terms of Reference to include Fire.
- Development sessions as he felt it would be very worthwhile having development session around Fire soonest.

The CE asked if the format of the meetings could be taken away and discussed further.

The Constabulary Deputy Chief Finance Officer will update the terms of reference prior to these coming to committee in November allowing time for the Steven Tickner to have input.

The Constabulary Deputy Chief Finance Officer will develop an introduction day covering both Fire and Constabulary for the benefit of all but especially the newer members. The meeting will also now alternate between Police HQ and Fire HQ.

RESOLVED, that the reports be noted.

788. TREASURY MANAGEMENT ACTIVITIES

The Constabulary Deputy Chief Finance Officer provided an update on the Qtr3 position to 31st December 2022 and an overall summary for the year 2022/23 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 £380,000 and now as of the end of February it is £410,000 which far exceeds the £10,000 target when the budget was set. The balances for outstanding investment as of 31st December 2022 was £17.7 million and the report provides assurance that the prudential indicators set as part of the annual TMSS have all been complied with.

RESOLVED, that the report be noted.

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

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

790. AOB

The Chair wanted to express her thanks to Roger Marshall on behalf of the committee for all his support and guidance and to wish him well on his retirement.

Meeting ended at 13:40

Future JAC Meeting Dates (For Information)

30th May 2023 @ 10.30– Conference Room 1 (Please note this date has changed from June)

20th September 2023 @ 10.30– Fire HQ Penrith
22nd November 2023 @ 10.30– Conference Room 1
20th March 2024 @ 10.30– Fire HQ Penrith

Future Police, Fire and Crime Panel Meeting Dates (For Information)

24 May 2023 – Venue TBC

Signature_____

Date_____

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Joint Audit Committee – Action Update and Plan

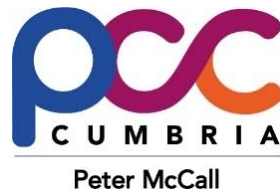
Minute Item and date	Action to be taken	Person Responsible	Target Date	Comments	Status												
717(c) (22/06/22)	Internal Audit Report - Establishment Processes - Recruitment (Constabulary & OPCC) - May 22	DCC	Mar 23	<p>To confirm we have achieved the target for uplift officer by 31st March 2023</p> <p>September 2022 – As at 31/08/22 the headcount of police officers stood at 1295 against an uplift target number by 31/03/2023 of 1368. Further recruitments are planned and the estimated headcount at 31/03/23 is now 1405. This shows that the Constabulary is on track to recruit the required number of police officers. A further update will be provided at the November and March meetings.</p> <p>November 2022 – As at 31/10/22 the headcount of police officers stood at 1308 against an uplift target number by 31/03/2023 of 1368. Further recruitments are planned and the estimated headcount at 31/03/23 is now 1390. Intakes are scheduled up to March 2023 as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="writing-mode: vertical-rl; transform: rotate(180deg);">Intake</th> </tr> </thead> <tbody> <tr> <td>November (DHEP DC)</td> <td style="text-align: center;">10</td> </tr> <tr> <td>December (IPLDP)</td> <td style="text-align: center;">30</td> </tr> <tr> <td>January (PCDA)</td> <td style="text-align: center;">24</td> </tr> <tr> <td>March (1x24 DHEP, 1x30 IPLDP)</td> <td style="text-align: center;">54</td> </tr> <tr> <td>Total required</td> <td style="text-align: center;">118</td> </tr> </tbody> </table> <p>The above intakes do not include re-joiners / transferees. The Constabulary continue to recruit applications for both strands ahead of the national “Transfer embargo” from 1st January 2023-31st March 2023</p> <p>This shows that the Constabulary is on track to recruit the required number of police officers. It is expected the programme will continue beyond March</p>		Intake	November (DHEP DC)	10	December (IPLDP)	30	January (PCDA)	24	March (1x24 DHEP, 1x30 IPLDP)	54	Total required	118	Complete
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March (1x24 DHEP, 1x30 IPLDP)	54																
Total required	118																

				<p>with an expectation number will be sustained. A further update will be provided at the March meeting.</p> <p>March 2023 - The Constabulary achieved the Uplift target of 1368 on 6th March 2023, the current officer headcount is 1372. There are 19 new recruits due to start on 27th March and two Transferees due before 31st March also. When factoring in confirmed leavers this will take us to 1390.</p> <p>The Constabulary are in discussions with the central Uplift team to maintain an establishment of 1388 in 2023/24.</p> <p>May 2023 – The Constabulary achieved it’s operation uplift target on 31/03/2023. For 2023/24 the Constabulary has been asked to maintain it’s operation uplift target of 1368 police officers. Grant funding of £2.3m is ringfenced and is dependent on maintaining this number on two checkpoint dates 30/09/23 and 31/03/24. In addition for 2023/24, the Constabulary has been asked to recruit a further 17 uplift officers, which will be subject to an additional grant of £765k if achieved.</p>	
751 (23/11/22)	Matter Arising	DCFO	Mar 23	<p>Monitoring of Audit, Internal Audit and Other Recommendations and Action Plans, to add reasons and dates for extension to timescales to be added to all actions moving forward.</p> <p>May 2023 – internal audit recommendations are now tracked by TIAA.</p>	Complete
775 (22/03/23)	Action Plan	TIAA	05/04/23	To produce a manual report on the Monitoring of Audit, Internal Audit and Other Recommendations and Action Plans with in the next three weeks for circulation to committee.	Ongoing
775 (22/03/23)	Action Plan	Constabulary DCFO	12/04/23	<p>For the Constabulary DCFO to create a mechanism for monitoring and reporting audit recommendations from External Audit.</p> <p>May 2023 – A verbal update will be provided at the meeting.</p>	Ongoing
776 (22/03/23)	Corporate Update	DCC	May 23	For the DCC to provide a short briefing on the impact on the force from the high-profile murders in the press and the accusations about the MET Police.	Ongoing

776 (22/03/23)	Corporate Update	CE & Deputy Chief Fire Officer	May 23	For the CE and Deputy Chief Fire Officer to compile a welcome pack with organisation chart and accountability and governance framework. May 2023 – An update to the JAC member pack is currently being developed and will incorporate PCC, Constabulary and Fire relevant information. Will aim for the packs to be issued in June 2023.	Ongoing
777 (22/03/23)	Internal Audit – Summary Internal Controls Assurance Report	DCC	TBC	For the DCC to create a presentation on the governance of HMICFRS to link to JAC4 Review of Effectiveness Action Plan 2022/23.	Ongoing
778 (22/03/23)	Internal Audit Reports	DCC	May 23	For the DCC to sign off all audit reports moving forward. May 2023 – A box has now been added to the TIAA internal audit report template for the DCC to formally comment on and approve all internal audit reports.	Complete
780(a) (22/03/23)	PCC & Constabulary Internal Audit Plan 2023/24	AM	May 23	For the AM to look at bringing forward the Grievance Reporting and Management audit and moving back something else after consultation with DCC. May 2023 – The annual audit plan has been updated to reflect this change and is provided on the agenda at item 12a.	Complete
782(d) (22/03/23)	Constabulary Strategic Risk Register	Ch Supt Mick Bird	May 23	For the CS to investigate the impact scores on Risks 28 and Risk 2 to see why they have been reduced?	Ongoing
783(a) (22/03/23)	Risk Management Strategy	PFCC CE	Sep 23	For the CE to provide context as to where fire governance fits within the OPCC Risk Management Strategy	Ongoing
783(b) (22/03/2)	Risk Management Strategy	Constabulary CFO	Sep 23	The Constabulary CFO to look making clearer descriptions around the actual risk and then what mitigations have been put in place that will now reduce the risk. May 2023 – This will be incorporated into the next report in September.	Ongoing
787 (22/03/23)	JAC Annual Work Programme: Assurance Format	Constabulary DCFO	May 23	For the Constabulary DCFO to add development session in September around Fire governance. May 2023 – A development session has been added on the afternoon of 20 September Meeting	Ongoing

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

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



Joint Audit Committee Review of Terms of Reference and Role Profiles

Joint Audit Committee: 30 May 2023

Originating Officer: Michelle Bellis, Constabulary Chief Finance Officer,

1. Introduction

- 1.1. In March 2023, the committee received a paper setting out the implications of the PCC taking on responsibility for governance of Fire from 01/04/23 by becoming the Cumbria Commissioner Fire and Rescue Authority. The document set out the impact that this would have on the committee by Fire related activity being included within the Committee's remit.
- 1.2. As part of the cyclical review of governance documents, the terms of reference and role profiles for the committee are reviewed on a 3 yearly cycle. The ToR document is consistent with the 2018 version of the CIPFA publication "*Audit Committees: Practical Guidance for Local Authorities and Police*". The last review was conducted in November 2021.
- 1.3. Following the March meeting, members requested that the terms of reference for the committee be updated to include responsibilities in relation to fire. An updated terms of reference was emailed to members on 27 March 2023. The proposed updated ToR is included in this report at Appendix A.
- 1.4. In recognition of the increased remit, and in order to make JAC meetings as time efficient as possible, Members were also advised, in an email on 25 April, of the following proposals:
 - An increase in the paid time allowed for reading papers from the previous half day per meeting to one full day per meeting.
 - Suggested timings now included on the agenda.
 - It is expected that members will have read all reports before the meeting and discussions will be on a by exception basis.
 - It is intended to reduce the recorded minutes to key points and decisions only.

2. Recommendations

2.1. Committee members are asked to review and approve the attached documents and make any recommendations for changes.

- Appendix A – JAC Terms of Reference
- Appendix B – Role Profile Committee Chair
- Appendix C – Role Profile Committee Member

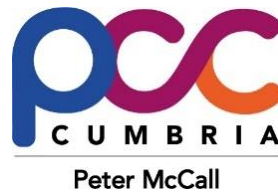
2.2. Members are asked to approve the proposals set out in paragraph 1.4 above.

- An increase in the paid time allowed for reading papers from the previous half day per meeting to one full day per meeting.
- Suggested timings now included on the agenda.
- It is expected that members will have read all reports before the meeting and discussions will be on a by exception basis.
- It is intended to reduce the recorded minutes to key points and decisions only.

Michelle Bellis

Constabulary Chief Finance Officer

22 May 2023



Joint Audit Committee - Terms of Reference

1. Statement of Purpose

1.1. Our **Joint Audit Committee** covers the following three separate legal entities:

- 1.1.1. The Police and Crime Commissioner for Cumbria,
- 1.1.2. The Chief Constable of Cumbria Constabulary,
- 1.1.3. Cumbria Commissioner Fire and Rescue Authority (CCFRA)

The Committee is a key component of the arrangements for corporate governance for all three entities. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

1.2. The purpose of our **Joint Audit Committee** is to provide independent advice and recommendation to the Commissioner, Chief Constable and CCFRA on the adequacy of the governance and risk management frameworks, the internal control environment and financial reporting, thereby helping to ensure efficient and effective assurance arrangements are in place. To this end the committee is enabled and required to have oversight of, and to provide independent review of, the effectiveness of the Commissioner's, Chief Constable's and CCFRAs governance, risk management and control frameworks, its financial reporting and annual governance processes, and the arrangements for both internal audit and external audit.

1.3. These terms of reference will summarise the core functions of the committee in relation to the Office of the Police Fire and Crime Commissioner (OPFCC), the Constabulary and CCFRA and describe the protocols in place to enable it to operate independently, robustly and effectively.

2. Governance, risk and control

The committee will provide advice and recommendations to the Commissioner, Chief Constable or CCFRA in relation to the following areas:

- 2.1. Review the corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.
- 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.
- 2.3. Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- 2.4. Consider the framework of assurance and ensure that it adequately addresses the risks and priorities of the OPFCC, Constabulary and CCFRA.
- 2.5. Monitor the effective development and operation of risk management, review the risk profile, and monitor progress of the Commissioner, the Chief Constable and CCFRA in addressing risk-related issues reported to them.
- 2.6. Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- 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.
- 2.8. To review the governance and assurance arrangements for significant partnerships or collaborations.

3. Internal Audit

The committee will provide advice and recommendations to the Commissioner, Chief Constable or CCFRA in relation to the following areas:

- 3.1. Annually review the internal audit charter and resources.
- 3.2. Review the internal audit plan and any proposed revisions to the internal audit plan.
- 3.3. Oversee the appointment and consider the adequacy of the performance of the internal audit service and its independence in relation to the separate legal entities of the OPFCC, Constabulary and CCFRA.
- 3.4. Consider the Director of Internal Audit's annual report and opinion, and a regular summary of the progress of internal audit activity against the audit plans for both OPFCC/Constabulary and CCFRA, and the level of assurance it can give over corporate governance arrangements.
- 3.5. To consider the Director of Internal Audit's statement of the level of conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN) and the results

of the Quality Assurance & Improvement Programme (QAIP) that support the statement – these will indicate the reliability of the conclusions of internal audit.

- 3.6. Consider summaries of internal audit reports and such detailed reports as the committee may request from the Commissioner, Chief Constable or CCFRA, including issued raised or recommendations made by the internal audit service, management response and progress with agreed actions.
- 3.7. Consider a report on the effectiveness of internal audit to support the Annual Governance Statements.
- 3.8. To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Director of Internal Audit. To make recommendations on safeguards to limit such impairments and periodically review their operation.

4. External Audit/External Inspection

The committee will provide advice and recommendations to the Commissioner, Chief Constable or CCFRA in relation to the following areas:

- 4.1. Support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by either Public Sector Audit Appointments (PSAA) or the auditor panel as appropriate.
- 4.2. Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money.
- 4.3. Consider the external auditor's annual management letters, relevant reports and the report to those charged with governance.
- 4.4. Consider specific reports as agreed with the external auditors/specific inspection reports e.g. His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS), relevant to 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 or relevant bodies.

5. Financial Reporting

The committee will provide advice and recommendations to the Commissioner, Chief Constable or CCFRA in relation to the following areas:

- 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, the Chief Constable and/or CCFRA.

- 5.2. Consider the external auditor's report to those charged with governance on issues arising from the audit of the financial statements.

6. Accountability Arrangements

The committee will do the following:

- 6.1. On a timely basis report to the Commissioner, the Chief Constable and CCFRA with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management.
- 6.2. Report to the Commissioner, the Chief Constable, and CCFRA 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.
- 6.3. Review its performance against its terms of reference and objectives on an annual basis and report the results of this review to the Commissioner, the Chief Constable and CCFRA.
- 6.4. Publish an annual report on the work of the committee.

7. Treasury Management

- 7.1. Review the treasury management policy and procedures to be satisfied that controls are satisfactory.
- 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.
- 7.3. Review the treasury risk profile and adequacy of treasury risk management processes.
- 7.4. Review assurances on treasury management (for example, internal audit reports, external or other reports).

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 OPFCC, Constabulary and Cumbria Commissioner Fire and Rescue Authority (CCFRA).
- 1.3. The Chair must create and manage effective working relationships among the committee, the Commissioner, the Chief Constable, the Chief Fire Officer, the PCC/Fire Chief Finance Officer, the Constabulary Chief Finance Officer (section 151 officers) and both internal and external auditors.
- 1.4. Meet separately with the Section 151 officers 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, Chief Fire Officer and the other officers of the OPFCC, Constabulary and CCFRA;
 - 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, the Chief Fire Officer, the PCC/Fire Chief Finance Officer, the Constabulary Chief Finance Officer (section 151 officers) 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 OPFCC, Constabulary and CCFRA.

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, Chief Fire Officer and the other officers of the OPFCC, Constabulary and CCFRA;
 - 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.



Internal Audit

FINAL

Police and Crime Commissioner Cumbria & Cumbria Constabulary

Assurance Review of Risk Management Framework

2022/23

May 2023

Executive Summary

OVERALL ASSESSMENT

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Risk management is a key activity required to assist an organisation in achieving its objectives.

SCOPE

The review considered 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 did not include providing assurance that all the business significant risks have been correctly prioritised.

KEY STRATEGIC FINDINGS

- The OPCC and Constabulary risk arrangements are well directed with regular review of risk strategy, policy and processes.
- Robust risk review processes are in place in both organisations to ensure timely updating and the identification of emerging or increasing risks.
- Reporting was found to be thorough and subject to appropriate scrutiny and review.

GOOD PRACTICE IDENTIFIED

- Effectiveness reviews of risk management are undertaken and reported to Joint Audit Committee

ACTION POINTS

Urgent	Important	Routine	Operational
0	0	2	1

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	Regular review of both registers was confirmed as being undertaken. With regard to the OPCC Strategic Risk Register, it was noted that whilst the scores are clearly recorded, they are not colour coded back to the RAG rating. Including this in the risk score columns for the unmitigated and mitigated risk columns would provide a better visual guide to the severity of risks.	Colour coding of unmitigated and mitigated risk scores in line with the RAG ratings be included in the OPCC Strategic Risk Register.	3	<i>The colour coding of risk scores to reflect their RAG rating has now been implemented within both the OPFCC Strategic and Operational risk registers</i>	15/05/23	Governance Manager
2	Directed	Additional mitigating actions are identified in both the OPCC and Constabulary Risk Registers although these do not have any associated dates to identify when further controls will be in place.	Dates be used to show when the identified further mitigating actions will be in place in the OPCC and Constabulary risk registers.	3	<i>OPFCC – this practice will be adopted as part of the risk review process. Dates will be inserted when providing future updates on the risks</i>	30/06/23	Governance Manager

PRIORITY GRADINGS

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

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

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

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Directed	Risk Registers for the OPCC and the Constabulary are presented to the Joint Audit Committee for review. Having different matrix sizes may lead to less clarity for the reader when trying to assess the risk levels. Consideration should be given to both registers being recorded on the same size matrix.	Consideration be given to recording the OPCC and the Constabulary Risk Registers on the same matrix size to ensure consistent understanding for those seeking assurance from both registers.	<i>OPFCC – the recommendation has been noted and the OPFCC Executive Team will consider it.</i>

ADVISORY NOTE

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

Findings



Directed Risk:

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

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

Other Findings



A Risk Management Strategy for the Office of the Police and Crime Commissioner (OPCC) is documented and covers the period 2020-23, being approved in March 2020. The Strategy recognises that Police and Crime reduction services are delivered in a high risk environment and that the OPCC approach to risk management ensures that a structured approach is in place to manage risks. The OPCC sees itself as risk aware.















The Strategy sets out the objectives, methodology, framework and responsibilities for risk management within the OPCC. There are four objectives:

- Risk management is part of the process for delivering policing and crime reduction in Cumbria through the Constabulary and our wider Partners.
- The organisation is risk aware and that arrangements for risk management comply with best practice.
- There is clear ownership and accountability for risks.
- Provide a framework for evaluating and responding to risks that is easy to understand and supports decision making.



Responsibilities are defined in the Strategy and cover Police and Crime Commissioner, OPCC Executive Team, OPCC Managers and Staff, Project Managers, Joint Audit Committee and Lead Officer for Risk

Other Findings

-  Risks are classified into three areas, Strategic Risk, Operational Risks and Project Risks, which determines who is responsible for the risks and how they are managed.
-  Risks are scored using a 4 x 4 matrix for Likelihood and Magnitude of Impact and are then RAG rated with scores of 1-3 being Green, 4-6 being Amber and 8-16 being Red. Each of the RAG ratings attract a Risk Management Action Level, which is articulated in the Strategy.
-  Descriptions for scoring are documented for Likelihood and for Impact, with the impact descriptions covering different areas of impact, being Service Objectives, Financial, People, Duration and Reputation. This allows impact to be consistently scored for risks that affect different elements of the operations.
-  Reference is made to risk appetite in the Strategy with the OPCC understanding that a range of appetites is required for different risks faced by the organisation.
-  A Risk Register template is also documented within the Strategy and incorporates risk mitigation strategies as well as showing Unmitigated and Mitigated scores, current controls and further actions to be taken, where applicable.
-  The Constabulary Risk Management Policy was originally approved in May 2019 and was last reviewed in March 2023.
-  The Policy provides guidance in relation to risk management and sets out terms and definitions used within it. Risks are categorised as Strategic or Operational with the Strategic Risks being managed by the Chief Officer Group.
-  Risk appetite is rated using standard definitions and the default risk appetite is recorded as 'Cautious', although the policy acknowledges that an 'Open' appetite may be appropriate for a particular department, project or piece of work. Should this be the case then it must be recorded within the business case and explain the benefits that would arise.
-  Roles and responsibilities are recorded and cover Chief Officer Group, Commanders, Directors, Board Chairs and Heads of Departments, and programme and project managers. It also highlights that all staff have a responsibility in identifying, managing and reporting risks.
-  The Risk Register for the Constabulary uses a 5 x 5 matrix for scoring risks using a RAG rating that categorises risks as Green, scoring 1-3, Amber being 4-12 and Red for those scoring 15-25. Likelihood and Impact scoring is well documented with clear categorisation/assessment for impact set down for Service Provision, Financial, People, Duration and Reputation.
-  A review of both organisation's Risk Registers was undertaken and the detail provided was found to be appropriate and subject to regular review and updating.
-  Formats include a direction of travel and Operational Risk Registers sit under the Strategic Risk Registers providing a mechanism to identify any operational risks that may be starting to escalate and warrant inclusion on the strategic registers.





Delivery Risk:


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

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

Other Findings

- 

As referenced earlier in this review, a robust process operates to review and update the risk registers across both the OPCC and Constabulary. Detailed Operational Risk Registers support the Strategic Risk Registers of both organisations.
- 

Appropriate challenge from the Joint Audit Committee was evident in meeting minutes and risk papers were found to be comprehensive on their updates to members.
- 

Appropriate resources were seen to be in place for a robust and regular review and documentation of risk management activities with staff involved being knowledgeable on the subject.

Assignment Engagement Details

TIAA Auditors	Title	Contact Email	Telephone
Andrew McCulloch	Director of Audit	Andrew.McCulloch@tiaa.co.uk	07980787926
Jane Butterfield	Director Risk and Assurance	Jane.butterfield@tiaa.co.uk	07580164521

Exit Meeting Date	April 2023
Staff Consulted During Audit	Claire Griggs, Performance Consultant, Performance & Policing Futures Joanne Head, Governance Manager

Director/Commander Comment	<p>I welcome the findings of this audit and note the overall assessment of ‘substantial assurance’. The management of our strategic risk register was reviewed recently as part of changes made to our performance and governance arrangements, in support of the new Target Operating Model. The SRR is now reviewed monthly in the Strategic Management Board, which provides a more frequent review by the Chief Officer Team to any changes or amendments required. This continues to be supported by the production of our quarterly assessment document which feeds into COG and ultimately the Joint Audit Committee for oversight. I note the action points above, moreover that two have already been implemented between the force and the OPFCC’s office. The final action point is currently being considered by the OPFCC’s office.</p> <p>Gill Shearer, OPFCC Chief Executive</p>
Deputy Chief Constable Comment	<p>I welcome this report which confirms that risk management, both within the OPFCC and the Constabulary, is well managed. I am reassured that two additional action points have already been addressed and that a final one is under review by the OPFCC’s office.</p> <p>I am grateful to the audit team for their work, but also to the staff who manage our risk management processes. This vital work allows the Chief Officer Group to effectively manage and support key organisational and operational risk, holding strategic leads to account as required.</p> <p>Rob Carden, Deputy Chief Constable</p>
Considered for Risk Escalation	N/a

Scope and Limitations of the Review

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

Disclaimer

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

Effectiveness of arrangements

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

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

Assurance Assessment

4. The definitions of the assurance assessments are:

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

Acknowledgement

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

Release of Report

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

Stage	Issued	Response Received
Audit Planning Memorandum:	1 st June 2022	1 st June 2022
Draft Report:	12 th May 2023	22 nd May 2023
Final Report:	22 nd May 2023	
Revised Final Report:	22 nd May 2023	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	PCC Cumbria & Cumbria Constabulary		
Review:	Risk Management Framework		
Type of Review:	Assurance	Audit Lead:	Andrew McCulloch

Outline scope (per Annual Plan):	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.		
Detailed scope will consider:	<p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Sustainability: The impact on the organisation's sustainability agenda has been considered.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>	
Requested additions to scope:	(if required then please provide brief detail)		
Exclusions from scope:			

Planned Start Date:	22/03/2023	Exit Meeting Date:	27/04/2023	Exit Meeting to be held with:	Joanne Head, Claire Griggs
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SELF ASSESSMENT RESPONSE

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



Internal Audit

FINAL

Police and Crime Commissioner Cumbria & Cumbria Constabulary

Assurance Review of Management of Overtime

2022/23

April 2023

Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Included in 2022/23 audit plan

SCOPE

The review considered the strategic arrangements for the management of overtime including: overtime policy and processes, use of the Crown system, auto approvals, overtime planning arrangements and changes to planned overtime.

KEY STRATEGIC FINDINGS

- The Constabulary's overtime spend is significantly over budget for 2022/23. Meeting the 2023/24 budget will require considerable focus from across the force.
- The recording, authorisation and processing of overtime hours and payments were found to be subject to robust management controls.
- Detailed system reports are available to managers to monitor staff overtime, but it was noted that these are not yet used as widely as intended.
- A limited number of overtime shifts were entered many months after being worked. Such cases are subject to additional scrutiny, but present a control risk.

GOOD PRACTICE IDENTIFIED

- The planning process for major events or mutual aid includes a focus on minimising overtime through identifying the most cost-effective resourcing solutions.
- System parameters and staff procedures were found to be aligned with police regulations and staff conditions, in respect of the overtime rates and entitlements.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	2	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Delivery	<p>The Constabulary Financial Summary to 31st January 2023 confirms that the police officer overtime budget was forecast to be overspent by £1,127k (45%) by the year end. Although annual comparisons are difficult due to the timing of significant operations, the pattern towards the end of 2022 was for lower costs than in the equivalent month in 2021. The Deputy Chief Finance Officer confirmed that overtime expenditure now receives significant attention at Chief Officer level and has become a financial priority for the constabulary.</p> <p>The leadership of each command or directorate has a finance officer providing support and attending key meetings to ensure that financial matters, including overtime, are discussed and that appropriate support is available to managers. It was reported that the force-wide cultural change required to meet the very challenging overtime budget in 2023/24 has begun to make progress but that the momentum and focus in this area must be maintained if this is to be achieved.</p>	Close attention be maintained to performance against the overtime budget during 2023/24, to give the Constabulary the opportunity to avoid the significant overspend seen in 2022/23. The continued provision of management information and guidance from the Finance team, in combination with accountability for budget holders and managers, will be key in meeting budgetary objectives.	2	<p>Specific</p> <p>Overtime will continue to be monitored and reported at the highest level to COG and the PCC as it is now. In addition, a suite of reports for individual Command and Directorate SLTs will be developed and provided on a monthly basis. Furthermore, reporting will be developed for Strategic Performance Board meetings and Local Accountability Meeting Performance Presentation (LAMPP).</p> <p>Measurable</p> <p>The management action is measurable in that the physical production of the reports can be proven. The ultimate test of this action is that the desired result, being that of controlled overtime spend that is within budget, is achieved for the 2023/24 financial year and beyond.</p>	30 th June 2023 for initial reports but maintained throughout 2023/24 and beyond.	Michelle Bellis – Constabulary Chief Finance Officer

PRIORITY GRADINGS

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

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

3 ROUTINE Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
					<p><u>Achievable</u> <i>In recent months, the overtime spend is showing signs of slowing which is assumed to be as a direct result of the enhanced chief officer scrutiny of this area of spend. Enhanced financial reporting across all commands/directorates is being developed which will include specific focus on overtime where required.</i></p> <p><u>Realistic/Relevant</u> <i>The preparation work in relation to enhanced reporting is already underway and the format of reports is to be agreed by colleague in Standards Insight and Performance Command prior to wider roll out.</i></p> <p><u>Timely</u> <i>The enhanced reporting is currently being developed and is intended to be in place by June 2023 for the period ended 31/05/23 which is the first set of management accounting reporting in a year.</i></p>		

PRIORITY GRADINGS

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

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

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

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>Analysis of payroll data showed that there were 298 overtime entries across January and February 2023 relating to hours worked earlier than November 2022 (4.5% of the total), including five cases from 2021 or earlier. When hours are booked promptly, payment is made the following month.</p> <p>Although there are relatively few cases, the delayed entry of overtime hours can increase the potential for error or fraud as memory or records may be less reliable. It was confirmed that claims from earlier periods are subject to additional checks for authorisation and duplication. It was also noted that some circumstances are more likely to entail delayed claims, such as comprehensive reporting on major operations or mutual aid.</p> <p>Management confirmed that there is no time limit on the claiming of overtime and that a formal consultation would be required if this were to be introduced.</p> <p>Resource coordination staff identified that the introduction of overtime processing via Crown bookings has been a major change and that significant work has been made on understanding the new processes. This has led to a reduction of 66% of system exceptions in recent months, including fewer late claims, so the trend is a positive one.</p>	Any staff and managers entering overtime hours with a significant delay be reminded of the need to record hours promptly, to minimise the risk of error or fraud. The resource coordination team should remain alert to such cases and continue to apply additional scrutiny regarding authorisation and accuracy of records.	3	<p><u>Specific</u> The Resource Coordination Inspector to introduce a 3-month cut off point for overtime claims, after which, Superintendents authority is required.</p> <p><u>Measurable</u> This is measurable by the number and frequency of overtime claims in excess of 3 months.</p> <p><u>Achievable</u> This proposal is achievable with support from the Police Federation and Unison. There will need to be a consultation on this proposal with these two Staff Associations. Once consulted, the rule will be written into the Resource Coordination Principles and taken to Work Force Board for ratification at Chief Officer level.</p> <p><u>Realistic/Relevant</u> The report by TIAA clearly shows that late overtime claims reduce control and can increase the potential for mistakes or fraud, and this is a gap that needs to be remedied.</p>	<p>3rd April for the consultation with Staff Associations. Replies by 17th April 2023</p> <p>Proposal to Silver by 25th April 2023</p> <p>Work Force Board by 10th May 2023</p>	Diane Bradbury, Resource Coordination Team Inspector

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.	2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.	3	ROUTINE	Control issue on which action should be taken.
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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
					<p>Timely</p> <p>The consultation with Staff Associations commenced on the 3rd April 2023 with a response time requested of two weeks. In more strategic terms, the Force's focus on expenditure and over time provides the perfect opportunity to place controls around over time claim timescales.</p>		
2	Delivery	<p>Since the introduction of the Crown bookings system to record overtime, the reporting framework has been evolving to better meet the needs of the constabulary and to complement the regular management accounts data. Bronze meetings within command units receive detailed reports showing every instance of overtime within the area of responsibility, providing management with total visibility.</p> <p>Individual supervisors are responsible for ensuring the validity of the overtime records of their own teams, through access to a suite of reports within Crown. Management indicated that the use of these tools has yet to reach the levels expected for a culture of full manager accountability, and that education and awareness-raising remains ongoing.</p>	Development be continued on the framework for reporting of overtime, both in further encouraging individual supervisors to fully utilise the reporting capabilities available to them in managing their team's overtime, and in the development of additional reporting on the reasons behind overtime working.	3	<p>Specific</p> <p>We continue to roll out and publicise OT analysis and reporting tools for supervisors through the Forces Marketing and Media office and by commencing a series of 'master classes' online focussing on reporting functionality.</p> <p>Measurable</p> <p>This activity is measurable in a number of ways; through the number of views and comments on the on-line material, through attendance at the maser-class sessions and through the comparison of Overtime spends at team, and quadrant level via the bronze meetings.</p>	<p>Informational video created by Marketing and Communications filmed 22nd March 2023 and published week commencing 3rd April 2023</p> <p>The master class sessions will commence after Appleby Fair, the King's Coronation and other national operations, in June 2023.</p> <p>Proposal to Senior Leadership teams</p>	Diane Bradbury – Resource Coordination Team Inspector

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.	2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.	3	ROUTINE	Control issue on which action should be taken.
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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
		Since early 2023 the procedure has been changed so that overtime reasons are now entered into Crown. This will allow more granular analysis of the drivers for overtime costs. Development of management reporting utilising this information was in its early stages at the time of the audit.			<p><u>Achievable</u> Educational videos are already part of the Crown information strategy since autumn 2022. This will continue and the mater classes will commence by May 2023. The focus on finance in the Bronze meetings will continue with SLTs being encouraged to place ownership on team focussed reporting at first- and second-line manager level. The aim being to include team overtime spend in Team Performance Meetings. This will be proposed at Silver and Work Force Board processes.</p> <p><u>Realistic/Relevant</u> The focus on overtime and expenditure is a Force priority and it is entirely realistic and relevant that the Force encourages, and expects, oversight and reporting at team level.</p> <p><u>Timely</u> The focus on over time and expenditure is encouraging and raising awareness regarding financial efficacy. The Resource Coordination team already have a robust checking system and these measures, at this time, will contribute to a changing culture of</p>	that team OT focus forms a part of team Performance meetings in July 2023 once the education strategy has embedded.	

PRIORITY GRADINGS

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

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

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

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
					accountability and financial mindfulness.		

PRIORITY GRADINGS

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

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

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

Operational - Effectiveness Matter (OEM) Action Plan

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

ADVISORY NOTE

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

Findings



Directed Risk:

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

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

Other Findings









Authorisation to approve overtime working and payments is delegated to budget holders and line managers in accordance with the principles set out within the Financial Regulations. Rules governing entitlements to payment at specified rates for overtime working are set out within the Police Federation Regulations and Police Staff Terms and Conditions. The current procedures were found to be aligned with the requirements of these governing documents, with the entitlements and rates of pay accurately reflected within the Crown system. Scenarios where Crown is unable to automatically apply the correct rates have been identified and manual workarounds applied.



Detailed guidance is in place defining the required level of permission required for different types of overtime, including staff versus officers, planned versus casual, and other common scenarios. Records confirm that casual overtime was originally approved to be paid automatically without prior approval up to 10 hours by the Chief Officer Group following the implementation of the Crown system. This limit was subsequently reduced to four hours by the Head of Resource Coordination (Chief Superintendent), to enhance controls. The guidance is clear that line managers retain responsibility for any overtime that has been automatically approved, requiring their regular review of Crown reports to validate all hours worked.

Other Findings

-  Minimising overtime costs is a key focus of the resource coordination team. For regular patrol shifts, forward planning allows for swapping of shifts and rest days to fill resourcing gaps without using paid overtime.
- Where the force becomes aware of major events requiring additional resource, planning is undertaken up to a year in advance. Rather than using overtime as standard to provide additional resource, the most cost-effective solution is identified in each case, most commonly changing officers' rest days. The largest events may also carry leave restrictions to ensure a sufficient pool of officers is available. Planning for mutual aid follows a similar process. The need for officers with specialist skills to be on duty is a significant consideration in such cases and can often result in overtime being the only option.
- Where event organisers are to be charged for policing support, this would generally be provided through offering overtime to officers because the costs will be recovered. This approach avoids many of the subsequent downstream scheduling challenges resulting from changing rest days.
- A detailed review was undertaken of one example of mutual aid and one special operation. These were found to have been planned appropriately with due consideration given to the resourcing requirements and overtime was only used as necessary.
-  The risk of fraud or error resulting from human or system oversight is carefully considered within the procedures for management of overtime. Detailed process maps are in place within both resource coordination and corporate support (CSD), alongside a comprehensive checklist of reports and controls to be carried out on a monthly basis before payment. Close collaboration between the two functions ensures that queries or discrepancies should be identified and resolved well before the payroll run is committed.
-  An extract from Crown was reviewed containing 2986 lines relating to casual overtime for police officers in December 2022 and 2023. In all but three cases an entry was present confirming that the first 30 minutes had not been paid, as per the police regulations. Upon further investigation, it was confirmed that the three remaining cases related to bookings crossing into a new police day; hence regulations confirm that the 30 minutes unpaid does not apply to the second day. No errors relating to casual overtime were identified.
-  From a total of 204 entries identified relating to higher band police staff overtime, a sample of eight cases was investigated in detail. Evidence was provided for each of these that they were either a) on the list of specified post holders entitled to overtime, with a copy of authorisation from management, or b) carrying out on-call activity attracting overtime payment in line with policy. No errors relating to higher band staff were identified.
-  All data extracted from the Crown duty management system was compared against that submitted to Payroll. Several types of differences were identified within the raw data, and an example of each category investigated in detail. These were found to relate to either manual workarounds required due to the limitations of the Crown system, or in one case an officer deciding to take TOIL rather than payment. In each case the underlying evidence was examined and the resulting payment records found to be accurate in relation to the regulations and the hours worked.
-  Overtime payments processed via payroll in January and February 2023 were analysed against data from Crown covering the equivalent periods. 94 differences were identified out of a total of 6300 entries (1.5%). These were reviewed, including six cases that were investigated in detail. Through discussions with CSD and the resource coordination team, along with supporting evidence, it was established that these differences were due to a small population of employees for whom manual entries are required in the payroll system for activities that cannot be handled adequately through Crown. In most cases these are staff on temporary secondment or promotion carrying out overtime for a role different from their current position and therefore requiring a different rate of pay. These entries are made manually by payroll following management authorisation. Appropriate records were available for the cases reviewed and payments were found to have been correctly applied.

Other Findings



Planned overtime must be confirmed as such, so that the first half hour is payable (casual overtime is not payable for the first 30 minutes). Approval is accepted through an email to the resource coordination team, either from an inspector or from the individual copying in the relevant supervisor. A sample of ten instances of overtime classified as planned was reviewed for the appropriate authorisation. In nine cases this was in place.

The final case was verified as on-call overtime, which is automatically classed and paid as planned overtime. The inspector was not, however, copied on the confirmation email to resource coordination. In discussion with management and review of the associated records, this was confirmed as an oversight. The on-call overtime was clearly valid according to the system activity records so there was no potential for a fraudulent claim to have been made through this process. Management confirmed that colleagues will be reminded of the need for the inspector to be copied on such communications.



Delivery Risk:

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

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	Partially in place	2	-
S	Sustainability	The impact on the organisation's sustainability agenda has been considered.	Partially in place	3	-
R	Resilience	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

Other Findings



A key development that may ease some of the pressure on overtime budgets is the point at which trainee officers will become fully operational during 2023/24. Although the largest overtime costs are currently seen within response, it was noted that other specialist areas also require additional resource and response officers may be needed to move into those roles over the coming months. Additional fully operational officers should nevertheless contribute towards compliance with the overtime budget across the force as a whole.

Assignment Engagement Details

TIAA Auditors	Title	Contact Email	Telephone
Stuart Whittingham	Principal Auditor	Stuart.Whittingham@tiaa.co.uk	07768888793
David Robinson	Audit Manager	David.Robinson@tiaa.co.uk	07766553339
Andrew McCulloch	Director of Audit	Andrew.McCulloch@tiaa.co.uk	07980787926

Exit Meeting Date	16 th March 2023
Staff Consulted During Audit	<p>Diane Bradbury, Resource Coordination Team Inspector</p> <p>Karen Thompson and Anne Holme, Team Leaders Resource Coordination Team</p> <p>Michelle Bellis, Deputy Chief Finance Officer</p> <p>Sue Hyde, Finance Services Officer</p> <p>Abi Whitbread, Data Reporting and Systems Officer, Corporate Support Directorate</p>

Director/Commander Comment	<p>The situation described in this audit is recognised by the Chief Officer Team and has been the focus of significant activity over the last 6 months. We are encouraged that this additional scrutiny has started to slow the usage of overtime. This coincides with the force achieving its Operation Uplift target. As such, the Force remains optimistic that spending during 23/24 will be within profile now that staffing levels have been optimised.</p> <p>Nancie Shackleton – Assistant Chief Officer 03/04/2023</p>
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<p>Deputy Chief Constable Comment</p>	<p>I welcome this report and its findings, in addition to the leads response to the issues raised. I also support and welcome the comments from ACO Shackleton as articulated above.</p> <p>The ACO rightly highlights the focus the Chief Officer Team has placed on the management of overtime in the last 6 months, and of the expected reduction in overtime spending now we have achieved our Operation Uplift target.</p> <p>From the extensive work I have led to restructure the Force, we now have the required platform to exact enhanced levels of scrutiny to aid performance management, and effective financial management (including overtime spending) is a key focus.</p> <p>Whilst financial updates have always been regularly presented to the Chief Officer Team, they are now regularly heard within the new governance meetings, specifically in the monthly Strategic Management and Strategic Change Boards. This provides situational awareness for all senior managers relating to our fiscal challenges, whilst providing a forum for accountability.</p> <p>Performance products to support the new governance arrangements have also been developed and used since the Autumn of 2022 which supports Commanders and their SLT's to understand their performance, whilst assisting Chief Officer Chairs to hold accountability (Strategic Performance and Local Accountability meetings). In addition, my team and I have just completed our first round of Performance Development Conferences (PDC's), my bi—annual deep dive of Command performance, during which financial management is scrutinised.</p> <p>I am also leading on the production and oversight of the Force Savings and Efficiency Plan which will ensure the Constabulary meets its fiscal challenges over the next 5 years. One of the elements of the strategy is to reduce overtime spending across Commands.</p> <p>Rob Carden – Deputy Chief Constable</p>
<p>Considered for Risk Escalation</p>	<p>No</p>

EXPLANATORY INFORMATION

Appendix A

Scope and Limitations of the Review

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

Disclaimer

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

Effectiveness of arrangements

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

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

Assurance Assessment

4. The definitions of the assurance assessments are:

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

Acknowledgement

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

Release of Report

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

Stage	Issued	Response Received
Audit Planning Memorandum:	10 th January 2023	10 th January 2023
Discussion Draft Report:	21 st March 2023	11 th April 2023
Draft Report:	17 th April 2023	19 th April 2023
Final Report:	21 st April 2023	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	PCC Cumbria & Cumbria Constabulary		
Review:	Management of Overtime		
Type of Review:	Assurance	Audit Lead:	Stuart Whittingham

Outline scope (per Annual Plan):	<p>Overtime is a significant area of expenditure and potential overspend for the Constabulary.</p> <p>The review will consider the strategic arrangements for the management of overtime including: Overtime Policy and Processes, use of the Crown system, auto approvals, overtime planning arrangements and changes to planned overtime.</p>
Detailed scope will consider:	<p>The review will set out to provide assurance to the Joint Audit Committee that the organisation has robust arrangements in place and operating for the management of overtime:</p> <ul style="list-style-type: none"> • The process is directed by appropriate policy and procedures. • Overtime is actively managed to control costs and consequential budgetary overspend. • Out-of-policy overtime is investigated and justified before payment. • Appropriate authorisation is in place for payments, in accordance with financial regulations. • Reporting and analysis is carried out on overtime payments, to allow for challenge and scrutiny.

Planned Start Date:	06/03/2023	Exit Meeting Date:	16/03/2023	Exit Meeting to be held with:	Resource Coordination Team Inspector
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SELF ASSESSMENT RESPONSE

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

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Internal Audit

FINAL

Police and Crime Commissioner Cumbria & Cumbria Constabulary


Assurance Review of Financial Sustainability – Business Planning

2022/23

April 2023

Executive Summary

OVERALL ASSESSMENT







ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

R1 - Strategic Finance



SCOPE

The review considered 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.

KEY STRATEGIC FINDINGS

-  The legal requirement for the Police and Crime Commissioner to set a balanced budget for the year was met in both 2022/23 and in 2023/24.
-  The Medium-Term Budget 2023 to 2028 identifies increasing Net Savings Requirements, rising year-on-year to £15,960K by 2027/28.
-  To help meet the identified Net Savings Requirements the savings plan noted at the Savings and Efficiencies Day should be completed and regularly monitored.
-  The Cumbria Constabulary – Financial Summary 2022/23 as at 31st January 2023 reports an overall forecasted underspend of £72K (0.05%).

GOOD PRACTICE IDENTIFIED

-  The Financial Regulations set out the internal framework and procedures for financial administration and control within the COPCC.
-  Financial governance around budget preparation is strong, with regular monitoring and reporting.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	0	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Delivery	The 'Budget 2023/24 and Financial Forecasts 2024/25 to 2027/28' identifies a Net Savings Requirement for 2024/25 of £4,999K, rising year-on-year to £15,960K by 2027/28. In response to this, a savings and efficiencies planning programme of work has been developed, one part of which was a Savings and Efficiencies Day held in February 2023. The savings plan noted at the Savings and Efficiencies Day is yet to be completed. It is imperative that this be completed as a matter of priority and continually monitored and reported at a sufficiently high level. Any changes to financial forecasts need to be fed into the savings plan, which should be flexible and revised as required. Total reserves are planned to almost halve by March 2028 to £12.5M. The ongoing use of reserves to help fund the Net Savings Requirement is clearly not a sustainable option and also restricts other operational aspirations.	The savings plan noted at the Savings and Efficiencies Day in February 2023 be completed and regularly monitored and reported to the appropriate body.	2	<p>Specific</p> <p>The development of the Savings & Efficiency Plan (S&E) will be an evolving process throughout the financial year as suggestions are validated and progressed. The formulation of an enhanced S&E Plan is being given the highest priority within the constabulary under the leadership of the DCC with the support of the ACO and a specific project team.</p> <p>Measurable</p> <p>The S&E plan will be reported through the Strategic Change Board which is chaired by the DCC and is readily quantifiable by the amount of savings generated/removed from the future MTF.</p> <p>Achievable</p> <p>The development of the S&E plan is being given the highest level of priority within the Constabulary under the leadership of the DCC. Work is already underway and although the quantum</p>	31/03/2024	Dan St.Quintin Supt. Savings and Efficiencies Programme

PRIORITY GRADINGS

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

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

3 ROUTINE Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
					<p><i>of savings to be found is significant, the Constabulary remains confident that these can be achieved.</i></p> <p>Relevant/Realistic</p> <p><i>All savings plans will be validated by the Financial Services team to ensure that they are achievable and that once approved they are removed from the future budgets as part of the MTFF process.</i></p> <p>Timely</p> <p><i>The budget for 2023/24 is balanced, the S&E Plan will be progressed during 2023/24 to ensure a balanced budget for 2024/25 and further developed to meet the savings requirement for future years.</i></p>		

PRIORITY GRADINGS

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

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

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

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No Operational Effectiveness Matters were identified.				

ADVISORY NOTE

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

Assignment Engagement Details

TIAA Auditors	Title	Contact Email	Telephone
Ian Goodwin	Principal Auditor	Ian.Goodwin@tiaa.co.uk	07867 526292
Andrew McCulloch	Director of Audit	Andrew.McCulloch@tiaa.co.uk	07980787926

Exit Meeting Date	27 th March 2023
Attendees	Roger Marshall, Joint Chief Finance Officer Michelle Bellis, Deputy Chief Finance Officer

Director/Commander Comment	<p>I am pleased to note that the audit found that the systems and processes under pinning the preparation of the budget and MTFF are robust. The importance of the Savings and Efficiency Plan in balancing the budget over the medium term is understood and the Deputy Chief Constable is taking personal responsibility for delivery of the plan.</p> <p>Roger Marshall – Joint Chief Finance Officer 31/03/2023</p>
Deputy Chief Constable Comment	<p>I concur with the comments made within the report. The Savings and Efficiency Plan will be the subject of a Peer Review conducted by colleagues from Merseyside. A dedicated team will ensure that the plan is effectively delivered via the corporate governance framework outlined within the report. I am confident that these arrangements will deliver the savings required to meet the Medium-Term Financial Forecast, monitor progress against the targeted savings and ensure that financial sustainability will be achieved during this period.</p> <p>Rob Carden – Deputy Chief Constable 19/04/2023</p>
Considered for Risk Escalation	No

Findings



Directed Risk:

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

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

Other Findings



The Financial Regulations are dated March 2021 and set out the internal framework and procedures for financial administration and control within the Cumbria Office of the Police and Crime Commissioner (OPCC). They state that, when considering budget levels, the Police and Crime Commissioner should ensure that ongoing resource requirements are not dependent on a significant number of uncertain or volatile income sources and should have due regard to sustainable and future year service delivery. They also note that capital investment can be undertaken providing the spending plans are affordable, prudent, and sustainable. The Financial Rules, also dated March 2021, are the detailed supporting guidance and instructions that accompany the Regulations.



At a meeting of the Joint Audit Committee on 2nd November 2022 a paper was presented entitled OPCC Risk Management Monitoring, which noted that the OPCC must ensure that it has robust systems and processes in place to monitor and react appropriately to risk. Appended to the report is the OPCC's strategic risk register; one of the four identified risks in which is R1 - Strategic Finance. The risk's Total Score remains at 9. The Risk Owner is the Chief Executive and the Action Owner is the Joint Chief Finance Officer. An 'Actions to be completed' column notes that the risk will be subject to continual monitoring during the budget and MTF setting process through the autumn and will be re-evaluated once the 2023/24 grant settlement is known. An updated strategic risk register was presented to the Joint Audit Committee on 22nd March 2023. The risk is stated to link to six of the seven Policing and Crime Objectives.

Other Findings



A report of the Joint Chief Finance Officer entitled 'Budget 2022/23 and Financial Forecasts 2023/24 to 2026/27' was presented at the Public Accountability Conference on 16th February 2022. A table showing the Medium-Term Budget 2022 to 2027 showed a balanced budget for 2022/23 and identified a Net Savings Requirement for 2023/24 of £2,238K, rising year-on-year to £6,620K by 2026/27. It is a legal requirement for the Police and Crime Commissioner to annually set a balanced budget and to allocate funds to the Chief Constable to secure the maintenance of the Police Force for Cumbria. The report notes that the key driver in the level of savings requirements is inflationary pressure, with the budget and medium-term forecast being based on assumed increase for general inflation and pay inflation at 3.5% in 2022/23, 2.5% in 2023/24 and 2% thereafter in line with Bank of England estimates. It is further noted that, over the life of the financial forecast, total reserves are planned to reduce from £22M at the start of 2022/23 to £14.9M by March 2027, largely due to provision of funding to support the capital programme. The 2022/23 budget is balanced based on a precept increase of £9.99 for a band D property which equates to an increase of 3.67%.



A report of the Joint Chief Finance Officer entitled 'Budget 2023/24 and Financial Forecasts 2024/25 to 2027/28' was presented at the Public Accountability Conference on 16th February 2023. A table showing the Medium-Term Budget 2023 to 2028 showed a balanced budget for 2023/24 and identified a Net Savings Requirement for 2024/25 of £4,999K, rising year-on-year to £15,960K by 2027/28. As in the prior year, the report again notes that the key driver in the level of savings requirements is inflationary pressure. The budget and medium-term forecast is based on an assumed increase for pay inflation at 3% in 2023/24, and 2% per annum thereafter. General inflation is included at 5% in 2023/24, 3% in 2024/25 and 2% thereafter in line with Bank of England estimates. It is further noted that, over the life of the financial forecast, total reserves are planned to reduce from £24.1M at the start of 2023/24 to £12.5M by March 2028, again largely due to provision of funding to support the capital programme. The 2023/24 budget is balanced based on a precept increase of £14.94 for a band D property which equates to an increase of 5.3%.



A detailed comparison of the two Financial Forecasts presented above highlighted that the single biggest change from forecasts reported in 2022 to those reported in 2023 was in 'Police Pay - Police Officer Pay and Allowances'. This increased in 2023/24 by £1,790K (2.3%) in the Budget 2023/24 over the corresponding figure reported in the 'Financial Forecasts 2023/24 to 2026/27'. Thereafter, the forecast change rises year-on-year to an increase in 2026/27 of £4,841 (5.6%) in the 'Financial Forecasts 2024/25 to 2027/28' over the corresponding figure reported in the 'Financial Forecasts 2023/24 to 2026/27'. Employee-related costs are approximately 80% of 'Total Expenditure'. The main income sources are the Formula Grant, representing approximately 45% of 'Total Income / Funding', and Council Tax Income representing approximately 31% in 2022/23, which is forecast to rise to approximately 36% in 2027/28.





Delivery Risk:


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

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	Sustainability The impact on the organisation's sustainability agenda has been considered.	In place	-	-
R	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	Partially in place	1	-

Other Findings

- 

A document entitled 'Potential Impacts of Inflation on 2022/23 Budgets' was presented to the Chief Officer Group on 4th April 2022. Supported by an extract from Bank of England Monetary Policy Report February 2022, the document notes the budget for 2022/23 was based on an assumption that the inflation peak would be short-lived and then return to more normal levels by the end of 2022. A high-level analysis was then provided of the 2022/23 budget, inflation levels included in base budgets and a sensitivity analysis around the impact of an increase (or decrease) in inflation by 1% over what has been included in the budget. This concluded the total potential Capital and Revenue Impact in 2022/23 to be £968K.
- 

The Cumbria Constabulary – Financial Summary 2022/23 (as at 31st January 2023) was presented by the Deputy Chief Finance Officer to the Chief Officer Group on 24th February 2023. The Executive Summary noted that the combined forecast revenue underspend for the PCC and Constabulary as at the end of January is £94K (compared to a forecast overspend of £71K at the end of December). It further notes that the change in the constabulary forecast underspend from December 2022 to January 2023 is a decrease of £109K; the main reasons being decreases in training and additional income which are partially offset by increases in supplies and services and increases in third party payments. One of the 'Key Themes' reported is an overall forecasted underspend of £72K (0.05%).
- 

A Briefing Paper on the Financial Impact of the 2022/23 Police Officer Pay Award was presented by the Deputy Chief Finance Officer to the Chief Officer Group on 25th July 2022. A table highlighted the estimated financial impact of the Police Officer pay award 2022. The net estimated impact on Constabulary budgets for 2023/24 and beyond was shown as £8,000. The Paper notes a “re-opener” clause whereby, if police officers receive more than a 3% pay award, the pay award for police staff would be re-visited. A further table then showed the estimated combined financial impact of the Police Officer pay award 2022 and the potential impact on Police Staff if the pay settlement is reviewed. The net estimated impact on Constabulary budgets for 2023/24 and beyond was shown as £568,000

Other Findings



The Budget 2022/23 and Financial Forecasts 2023/24 to 2026/27 presented at the Public Accountability Conference on 16th February 2022 notes that, recognising the need to make further budget savings in the medium term in order to deliver a balanced budget, the Commissioner and Chief Constable have engaged in a number of discussions to consider areas of the budget that will be targeted for reductions in expenditure. Whilst no firm decisions have been made, initiatives, which will continue to be explored as part of the Constabulary's Vision 2025 Strategy, include: adjusting the workforce mix; consolidating functions to provide greater resilience; collaboration with other forces and public sector bodies; and, realising benefits from investment in new technology.



A Savings and Efficiencies Day was held on 13th February 2023. The related briefing paper highlighted six areas: Background and Actions Taken to Date; Budget Line Review; Exploring Initial S&Es – circa £2.2M; Recovery & Renewal and Value For Money Profiles; Key S&E Themes to Explore; and Income Generation Ideas. The paper notes that the Constabulary has the requirement to identify £16M of savings over the next five years, with the Constabulary having recognised the need to create a robust savings plan that sets out how these savings and efficiencies will be made. To drive this work, a project team has been created, led by a Detective Superintendent dedicated to this work. The project team includes staff from Business Change, Finance, HR, and Marketing & Comms. The Key S&E Themes to Explore section summarises 32 Areas to Explore. It is anticipated that the savings plan will be written and approved by the end of March 2023, in readiness for the new financial year. The Income Generation Ideas section identifies 15 areas to explore around income generation.



The Joint Chief Finance Officer reports to the Chief Constable, with a reporting line to the Assistant Chief Officer and the OPCC. The Assistant Chief Officer reports to the Deputy Chief Constable. The Deputy Chief Finance Officer reports to the Joint Chief Finance Officer, who in turn reports to the Assistant Chief Officer.

Scope and Limitations of the Review

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

Disclaimer

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

Effectiveness of arrangements

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

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

Assurance Assessment

4. The definitions of the assurance assessments are:

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

Acknowledgement

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

Release of Report

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

Stage	Issued	Response Received
Audit Planning Memorandum:	27 th February 2023	27 th February 2023
Discussion Draft Report:	28 th March 2023	31 st March 2023
Draft Report:	17 th April 2023	20 th April 2023
Final Report:	21 st April 2023	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	PCC Cumbria & Cumbria Constabulary		
Review:	Financial Sustainability – Business Planning		
Type of Review:	Assurance	Audit Lead:	Ian Goodwin

Outline scope (per Annual Plan):	Financial pressures for the OPCC and Force are identified in the Strategic Risk Register. Scope: 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.		
Detailed scope will consider:	<p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Sustainability: The impact on the organisation's sustainability agenda has been considered.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>	
Requested additions to scope:	None		
Exclusions from scope:	None		

Planned Start Date:	27/02/2023	Exit Meeting Date:	27/03/2023	Exit Meeting to be held with:	Michelle Bellis Roger Marshall
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SELF ASSESSMENT RESPONSE

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



**Police and Crime Commissioner Cumbria &
Cumbria Constabulary**

Internal Audit Annual Report

2022/23

May 2023

Internal Audit Annual Report

Introduction

This is the 2022/23 Annual Report by TIAA on the internal control environment at the Police and Crime Commissioner Cumbria & Cumbria Constabulary. The annual internal audit report summaries the outcomes of the reviews we have carried out on the organisation's framework of governance, risk management and control. This report is designed to assist the Board in making its annual governance statement.

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). In 2022, TIAA commissioned an External Quality Assessment (EQA) of its internal audit service. The independent EQA assessor was able to conclude that TIAA 'generally conforms to the requirements of the Public Sector Internal Audit Standards and the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF)'. 'Generally conforms' is the highest rating that can be achieved using the IIA's EQA assessment model.

Ongoing quality assurance work was carried out throughout the year and we continue to comply with ISO 9001:2015 standards. Our work also complies with the IIA-UK Professional Standards and relevant guidance issued by the Accounts & Audit Regulations 2015.

Internal Audit Planned Coverage and Output

The 2022/23 Annual Audit Plan approved by the Joint Audit Committee was for 200 days of internal audit coverage in the year.

During the year there were two changes to the Audit Plan and these changes were reviewed by the Joint Audit Committee. The HMICFRS Action Plan review was cancelled by client management as other sources of assurance were being received. The ICT Cyber Security Maturity Assessment review was deferred to Quarter 1 of 2023-24 due to resourcing at TIAA.

The planned work that has been carried out against the plan and the status of work not completed is set out at Annex A.

No extra work was carried out which was in addition to that set out in the Annual Audit Plan.

HEAD OF INTERNAL AUDIT'S ANNUAL OPINION

TIAA is satisfied that, for the areas reviewed during the year, Office of the Police and Crime Commissioner Cumbria has reasonable and effective risk management, control and governance processes in place.

This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by the Office of the Police and Crime Commissioner Cumbria from its various sources of assurance.

HEAD OF INTERNAL AUDIT'S ANNUAL OPINION

TIAA is satisfied that, for the areas reviewed during the year, the Chief Constable Cumbria Constabulary has reasonable and effective risk management, control and governance processes in place.

This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by the Chief Constable Cumbria Constabulary from its various sources of assurance.

Assurance

TIAA carried out 12 reviews, which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve the Organisations’ objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided. Details of these are provided in Annex A and a summary is set out below.

Assurance Assessments	Number of Reviews
Substantial Assurance	3
Reasonable Assurance	9
Limited Assurance	0
No Assurance	0

The areas on which the assurance assessments have been provided can only provide reasonable and not absolute assurance against misstatement or loss and their effectiveness is reduced if the internal audit recommendations made during the year have not been fully implemented.

We made the following total number of recommendations on our audit work carried out in 2022/23.

Urgent	Important	Routine
0	18	18

Audit Summary

Control weaknesses: There were no areas reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided ‘limited’ or ‘no assurance’.

Recommendations Made: We have analysed our findings/recommendations by risk area and these are summarised below.

Risk Area	Urgent	Important	Routine
Directed			
Governance Framework	0	6	7
Risk Mitigation	0	0	0
Compliance	0	9	7
Delivery			
Performance Monitoring	0	1	3
Sustainability	0	1	1
Resilience	0	1	0

Operational Effectiveness Opportunities: One of the roles of internal audit is to add value and during the financial year we provided advice on opportunities to enhance the operational effectiveness of the areas reviewed and the number of these opportunities is summarised below.

Operational
2

Independence and Objectivity of Internal Audit

There were no limitations or restrictions placed on the internal audit service which impaired either the independence or objectivity of the service provided.

Performance and Quality Assurance

The following Performance Targets were used to measure the performance of internal audit in delivering the Annual Plan.

Performance Measure	Target	Attained
Completion of Planned Audits *	100%	93%
Audits Completed in Time Allocation	100%	100%
Draft report issued within 10 working days of receipt of responses	95%	92%
Final report issued within 10 working days of receipt of responses	95%	100%
Compliance with Public Sector Internal Audit Standards	100%	100%

* Excludes HMICFRS Action Plan review cancelled by client.

Release of Report

The table below sets out the history of this Annual Report.

Date Draft Report issued:	22 nd May 2023
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Annexes

Annex A

Actual against planned Internal Audit Work 2022/23

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Risk Management Framework (PCC/Force)	Assurance	10	10	Substantial	Final report issued
Force – Personal Safety Training	Assurance	15	15	Reasonable	Final Report issued
Security of Seized Proceeds of Crime (Cash and Assets)	Assurance	12	12	Reasonable	Final Report issued
Domestic Violence Protection Orders	Assurance	12	12	Reasonable	Final Report issued
Management of Overtime	Assurance	15	15	Reasonable	Final Report issued
Estates – Buildings Health and Safety	Assurance	10	10	Reasonable	Final Report issued
ICT – Cyber Security Maturity Assessment	Assurance	10	-	Deferred	To be undertaken in Q1 23-24
Debtors	Assurance	8	8	Reasonable	Final Report issued
Resource Planning	Assurance	15	15	Reasonable	Final Report issued
Firearms Licensing	Assurance	12	12	Reasonable	Final Report issued
Treasury Management and Banking	Assurance	10	10	Substantial	Final Report issued
Performance and Insight CC Assurance	Assurance	12	12	Substantial	Final Report issued
Financial Sustainability – Business Planning	Assurance	15	15	Reasonable	Final Report issued
HMICFRS Action Plan	Assurance	10	-	Cancelled	-
Follow-up	Follow Up	12	6		To be issued
Annual Planning	Management	2	2	-	Annual Plan issued
Annual Report	Management	2	2	-	Annual Report issued
Audit Management	Management	18	18	-	-
	Total Days	200	174		

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

Indicative Audit Strategy 2023/26 and Annual Plan 2023/24

2023/24

April 2023

FINAL



OVERVIEW

Introduction

The Audit Plan for 2023/24 has been informed by a risk assessment carried out across our police clients and by an updated 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 the macroeconomic and financial environment, spiralling costs and the labour market. We have identified a number of key areas which will individually and collectively affect the sector in various ways; these require consideration when planning internal audit coverage.

Macroeconomic and financial environment: The UK economy has experienced a sequence of significant events including Brexit, the pandemic and the conflict in Ukraine. Further challenges lie ahead as the government seeks to cut spending and raises taxes to plug the gap in the UK's finances. Rapid and increasingly prolonged inflation, rising interest rates, shortages in the labour market and continuing supply chain disruption are leading to increased costs and a challenging financial situation for many.

Increasing wage demands: One of the consequences of the economic situation is demands for significant pay increases to help combat the effect of inflation and a perceived lack of pay progression for over a decade. This has seen strike action taking place or planned by rail workers, postal workers, lecturers, bus drivers and nurses. This will put pressure on organisational budgets and present challenges in recruitment.

Cyber-security: This continues to be one of the highest ranked risks for organisations and shows no sign of going away. The widespread move to remote working and increased online service delivery has made organisations more vulnerable to phishing, malware, and ransomware attacks, particularly where there has been a lack of investment in infrastructure.

Climate change: Global warming can lead to physical, operational, financial and reputational risks arising. 'Loss and damage' - the phrase used to describe the destruction being wrought by the climate crisis - will remain high on the agenda. Aside from the obvious environmental impact, climate change can stress local economies, threaten business models and pose widespread disruption to organisations.

Vetting: HMICFRS' inspection into police vetting in the wake of the Sara Everard case found that it was falling well below the standards required. It identified that cultural shortcomings were prevalent in all of the forced inspected and warning signs that were not acted upon. The report is long and comprehensive and contains 43 recommendations and five areas for improvement. The deadlines for implementation of the recommendations are relatively tight, being April and October 2023.

Adequacy of the planned audit coverage

The reviews identified in the audit plan for 2023/24 support the Head of Internal Audit's annual opinion on the overall adequacy and effectiveness of the Office of the Police and Crime Commissioner for Cumbria and Cumbria Constabulary's (OPCC and Chief Constable) 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 2023/24, 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 Chief Constable and those within the sector and has been developed with senior management and 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). In 2022, TIAA commissioned an External Quality Assessment (EQA) of its internal audit service. The independent EQA assessor was able to conclude that TIAA ‘generally conforms to the requirements of the Public Sector Internal Audit Standards and the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF).’ ‘Generally, conforms’ is the highest rating that can be achieved using the IIA’s EQA assessment model.

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 Chief Constable. We take in to account any emerging or heightened risks that are facing the sector, 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 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 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:	23 rd February 2023	Date final plan issued:	19 th April 2023
Date revised plan issued:	13 th March 2023		

APPENDIX A: ROLLING STRATEGIC PLAN

Review Area	Entity	Type	2023/24	2024/25	2025/26
Governance					
Partnerships and LGR	OPCC	Assurance	✓		
Victim Support Service	OPCC	Assurance	✓		
Corporate Health and Safety	OPCC/CC	Assurance	✓		
Equality, Diversity and Inclusivity	OPCC/CC	Assurance		✓	
Commissioner's Grants	OPCC	Assurance		✓	
Police and Crime Plan	OPCC	Assurance		✓	
Financial Sustainability – Business Planning	CC	Assurance			✓
Performance & Insight	CC	Assurance			✓
Risk					
Risk –Mitigating Controls (Deep Dive)	OPCC/CC	Assurance	✓		
Business Continuity	CC	Assurance		✓	
Risk Management Framework	OPCC/CC	Assurance			✓
ICT					
Use of Social Media	OPCC/CC	Assurance	✓		
ICT – Disaster Recovery	OPCC/CC	Assurance		✓	
Cyber-Security Maturity Assessment	OPCC/CC	Assurance			✓
Finance					
Accounts Payable (Creditors)	OPCC/CC	Assurance	✓		
General Ledger	OPCC/CC	Assurance	✓		
Risk - Insurance	OPCC/CC	Assurance	✓		
Procurement	OPCC/CC	Assurance		✓	
Budgetary Control	OPCC/CC	Assurance		✓	

Review Area	Entity	Type	2023/24	2024/25	2025/26
Fixed Assets	OPCC/CC	Assurance		✓	
Payroll	OPCC/CC	Assurance		✓	
Pensions	OPCC/CC	Assurance			✓
Debtors	CC	Assurance			✓
Treasury Management and Banking	CC	Assurance			✓
Operational Performance and Infrastructure					
Fleet - Strategy and Management of Fleet	CC	Assurance	✓		
ANPR Camera	CC	Assurance	✓		
Body Worn Video	CC	Assurance		✓	
Fleet - Fuel Usage	CC	Assurance		✓	
Contractor Vetting	CC	Assurance		✓	
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			✓
Workforce					
Vetting	CC	Assurance	✓		
Absence Management	CC	Assurance	✓		
Recruitment	CC	Assurance	✓		
Grievance Reporting and Management	CC	Assurance	✓		
Training	CC	Assurance		✓	
Workforce Planning	CC	Assurance		✓	
Force – Personal Safety Training	CC	Assurance			✓
Management of Overtime	OPCC/CC	Assurance			✓
Resource Planning	CC	Assurance			✓

Review Area	Entity	Type	2023/24	2024/25	2025/26
Follow Up					
HMICFRS Action Plan	OPCC/CC	Assurance			✓
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			190	180	180

APPENDIX B: ANNUAL PLAN – 2023/24

Quarter	Review	Type	Days	High-level Scope
1	Absence Management	Assurance	15	The review considers the arrangements for: recording, reporting and monitoring absence, including the identification of low level trends. The scope of the review will also consider the arrangements to promote wellbeing and reduce absence.
1	Vetting	Assurance	15	The review will consider the extent to which vetting procedures have been strengthened in line with recent guidance and whether national recommendations in this area have been adopted and implemented. The review will also consider what controls are in place to ensure that business interest, secondary employment and any declarations of interests are considered when undertaking vetting.
1	Fleet - Strategy and Management of Fleet	Assurance	12	The review will consider the strategy for the management and replacement of the fleet of vehicles and effectiveness of the delivery of the fleet management repairs and maintenance arrangements, including the planning of services and MOT's, responsive repairs and general maintenance.
2	Grievance Reporting and Management	Assurance	15	The review considers the arrangements for the operation of the grievance procedure at the organisation and will focus on the effectiveness of the process and the appropriateness of the evidence held to support grievances. The review will also consider whether the level of trends or patterns in relation to submitted grievances are being considered and actions are being taken to address concerns.
2	Corporate Health and Safety	Assurance	12	The review considers the adequacy of the arrangements for managing the health and safety requirements of the Police and Crime Commissioner and the force. The review considers the arrangements for compliance with key requirements of health and safety legislation but does not represent an exhaustive review of compliance with all health and safety legislation and cannot be relied upon as such.
2	Use of Social Media	Assurance	12	The review will consider policies in relation to the use of social media and how output is monitored and regulated. The audit will consider corporate use of social media platforms as well as misuse of social media by employees.
3	Risk - Insurance	OPCC	8	The review will also consider the insurance arrangements including the identification of need; sourcing; payment of premiums; procedures to ensure the organisation operates within the requirements of the policies; and the claims procedures. The scope of the review does not include consideration of the appropriateness of the levels of cover obtained or the levels of premiums payable.
3	Recruitment - Induction	Assurance	14	The objective of the audit is to ensure that there is a robust and consistent approach to the induction programme for police officers and staff. The review looks to ensure that appropriate planning and structure is in place to ensure that all aspects of the induction process can be provided at the appropriate moment in the process.
3	ANPR Cameras	Assurance	12	The National ANPR Standards for Policing (NASP) guidance detail the standards that are required to be met for the development and use of ANPR systems. Our review will confirm the deployment of ANPR systems is consistent with NASP guidance and key accountability and responsibilities have been established.

Quarter	Review	Type	Days	High-level Scope
3	Accounts Payable (Creditors)	Assurance	10	The review considers the arrangements for reviewing and authorising and paying costs incurred by the organisation and the arrangement for control of the organisation's cheques and automated payments. The review will consider the management of amendments to supplier standing data, including the verification of requests for change of bank details. The allocation and use of procurement cards will also be considered including the month end reconciliation to statements. The scope does not include providing an assurance that the expenditure was necessary or that value for money was achieved from the expenditure committed.
3	Risk –Mitigating Controls (Deep Dive)	Assurance	10	Two risks from the OPCC and three risks from the Force's risk registers will be selected and the effectiveness of the identified controls will be reviewed. The scope of the review does not include consideration of all potential mitigating arrangements or their effectiveness in minimising the opportunities for the identified risks to occur.
4	Partnerships and LGR	Assurance	10	The review will consider the forming of relationships and arrangements with the newly formed unitary authorities of Westmorland and Furness, and Cumberland. The full scope to be agreed but will include partnerships established for County Drugs, Safer Cumbria and Senior Violence.
4	Victim Support Services	Assurance	10	The review will review the commissioning and introduction of the new victim support service and will consider the steps taken to identify and deliver the new service, including market engagement, use of consultants and implementation of the service.
4	General Ledger	Assurance	6	The review considers the arrangements for providing an effective audit trail for data entered onto the financial ledgers and the appropriateness of the reports generated. The scope of the review does not extend to the budgetary control arrangements and bank reconciliations.
1 – 4	Follow-up	Follow up	7	Follow-up of implementation of agreed priorities one and two actions from audit reports, ensuring the organisation is implementing recommendations and providing reports to the Joint Audit Committee.
1	Annual Planning	Management	2	Assessing the organisation'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			190	

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 OPCC and Chief Constable 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.

Definition of Internal Auditing

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

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 Chief Constable's senior management and 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 Chief Constable's 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 Chief Constable's 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.

As well as providing the required level of assurance, TIAA's may engage in consultancy activity that contributes to the overall assurance that can be delivered to the Joint Audit Committee.

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 Chief Constable 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 Chief Constable 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 Chief Constable's 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 Chief Constable'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 Chief Constable and additional time will be required to carry out such testing. The OPCC and Chief Constable 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 Chief Constable’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.

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 OPCC and Chief Constable 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.

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 Chief Constable’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.

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 Fire and Rescue Service

Indicative Audit Strategy 2023/25 and Annual Plan 2023/24

2023/24

May 2023

DRAFT



OVERVIEW

Introduction

The Audit Plan for 2023/24 has been informed by a risk assessment carried out across our fire service clients and by an updated 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 the fire service in terms of the macroeconomic and financial environment, spiralling costs and the labour market. We have identified a number of key areas which will individually and collectively affect the sector in various ways; these require consideration when planning internal audit coverage.

Macroeconomic and financial environment: The UK economy has experienced a sequence of significant events including Brexit, the pandemic and the conflict in Ukraine. Challenges continue as the government seeks to cut spending and raises taxes to plug the gap in the UK's finances. Rapid and increasingly prolonged inflation, rising interest rates, shortages in the labour market and continuing supply chain disruption continue to see increased costs and a challenging financial situation for many.

Increasing wage demands: One of the consequences of the economic situation is demands for significant pay increases to help combat the effect of inflation and a perceived lack of pay progression for over a decade. This has seen strike action taking place or planned by rail workers, postal workers, lecturers, bus drivers and nurses. This will put pressure on organisational budgets and present challenges in recruitment.

Cyber security: This continues to be one of the highest ranked risks for organisations and shows no sign of going away. The widespread move to remote working and increased online service delivery has made organisations more vulnerable to phishing, malware, and ransomware attacks, particularly where there has been a lack of investment in infrastructure.

Climate change: Global warming can lead to physical, operational, financial and reputational risks arising. 'Loss and damage' - the phrase used to describe the destruction being wrought by the climate crisis - will remain high on the agenda. Aside from the obvious environmental impact, climate change can stress local economies, threaten business models and pose widespread disruption to organisations.

Local Government Reorganisation in Cumbria: The transition to two new unitary authorities in Cumbria and the continued provision of some "back office" services to Cumbria Fire and Rescue needs to be carefully monitored to ensure that delivery of those contracted services is undertaken as expected.

Adequacy of the planned audit coverage

The reviews identified in the audit plan for 2023/24 support the Head of Internal Audit's annual opinion on the overall adequacy and effectiveness of Cumbria Fire and Rescue Service'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 2023/24, 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 Cumbria Fire and Rescue Service and those within the sector and has been developed with senior management and 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). In 2022, TIAA commissioned an External Quality Assessment (EQA) of its internal audit service. The independent EQA assessor was able to conclude that TIAA ‘generally conforms to the requirements of the Public Sector Internal Audit Standards and the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF)’. ‘Generally conforms’ is the highest rating that can be achieved using the IIA’s EQA assessment model.

Risk Prioritisation

Each year an updated risk assessment is carried out to ensure the Audit Strategy remains fully aligned with the key risks facing Cumbria Fire and Rescue Service. We take in to account any emerging or heightened risks that are facing the sector, 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.

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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 Cumbria Fire and Rescue Service. This number of days is fixed and it is TIAA’s responsibility to deliver the Audit Plan for this number of days. Where Cumbria Fire and Rescue Service agrees additional work the required number of days and the aggregate day rate will be agreed in advance with the OPCC Chief Finance Officer (s.151) / CCFRS Chief Finance Officer (s.151) 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:	10 th May 2023
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APPENDIX A: ROLLING STRATEGIC PLAN

Review Area	Type	2023/24	2024/25
Governance			
Procurement – Strategy and Contract Monitoring	Assurance	✓	
Equality, Diversity and Inclusivity	Assurance	✓	
Performance Management	Assurance		✓
Bullying, Harassment and Discrimination	Assurance		✓
Risk			
Prevention and Protection	Assurance		✓
ICT			
SLA – Contract Delivery	Assurance		
Finance			
Key Financial Controls	Assurance	✓	✓
Operational Performance and Infrastructure			
Estate Management – Property Compliance	Assurance	✓	
Fleet - Strategy and Maintenance	Assurance	✓	
Workforce			
HR – Retention and Training	Assurance		✓
Follow Up	Follow Up	✓	✓
Management and Planning			
Annual Planning	Management	✓	✓
Annual Report	Management	✓	✓
Audit Management	Management	✓	✓
Total Days		55	55

APPENDIX B: ANNUAL PLAN – 2023/24

Quarter	Review	Type	Days	High-level Scope
2	Estate Management – Property Compliance	Assurance	8	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.
2	Procurement -- Strategy and Contract Monitoring	Assurance	10	The review considers the Service’s procurement strategy, the controls and practices that ensure procurement activity meets legislative requirements, accords with good practice, minimises the opportunity for fraud and contributes to the delivery of value for money. The review also considers how the Service monitors existing contracts for performance and identification of re-procurement activities.
3	Fleet - Strategy and Maintenance	Assurance	10	The review considers the strategy for the management and replacement of the fleet of vehicles and effectiveness of the delivery of the fleet management repairs and maintenance arrangements, including the planning of services and MOTs, responsive repairs and general maintenance.
3	Key Financial Controls	Assurance	8	A review of the key financial controls will be undertaken. The scope will be agreed once the arrangements for the SLAs with the two new unitary authorities is known and operational.
4	Equality, Diversity and Inclusion	Assurance	8	The review considers the arrangements that the Service has put into place, which demonstrate that the Service operates fairly and equally in its operations. The review also considers how policies and processes have been embedded into the everyday working practices of the Service and consider interaction both internally and externally.
1 – 4	Follow-up	Follow up	3	Follow-up of implementation of agreed recommendations from audit reports, ensuring the Service is implementing recommendations, and providing reports to the Joint Audit Committee.
1	Annual Planning	Management	1	Assessing Cumbria Fire and Rescue Service’s annual audit needs.
4	Annual Report	Management	1	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	6	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			55	

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 Cumbria Fire and Rescue Service 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.

Definition of Internal Auditing

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

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 Cumbria Fire and Rescue Service's senior management and 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 Cumbria Fire and Rescue Service's 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 Cumbria Fire and Rescue Service's 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.

As well as providing the required level of assurance, TIAA's may engage in consultancy activity that contributes to the overall assurance that can be delivered to the Joint Audit Committee.

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 Cumbria Fire and Rescue Service 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 Cumbria Fire and Rescue Service 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 Cumbria Fire and Rescue Service's 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 Cumbria Fire and Rescue Service'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 Cumbria Fire and Rescue Service and additional time will be required to carry out such testing. Cumbria Fire and Rescue Service 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 Cumbria Fire and Rescue Service’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.

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 Cumbria Fire and Rescue Service 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.

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 Cumbria Fire and Rescue Service’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.

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.

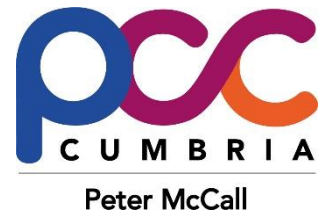
Performance Standards

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%

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Joint Audit Committee



Title: Effectiveness of OPCC Risk Management Activity Monitoring

Date: 26 April 2023

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. 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.

1.2 This report details the effectiveness for Risk Management within the OPCC for the period 1 April 2022 to 31 March 2023

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 reviewed and updated in March 2023 to ensure that the OPCC has a robust risk management process. The strategy was presented to the Joint Audit Committee at its meeting in March 2023 where no alterations or additions were recommended.

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 2022-23 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 three times during the year 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 five 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 Fire Corporate and Support Services 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 In March 2023 a new risk was escalated from the operational register to the strategic risk register, this being Fire Corporate and Support Services. The OPCC has been informed that in principle the cost of a hosted service with the unitary authorities will be no more than the current costs recharged by Cumbria County Council to the Fire & Rescue Service. There will however be inflationary costs that need to be negotiated across the three new organisations due to the current global economic crisis. At that time the OPCC/FRS were still awaiting confirmation of the final costs. This risk was monitored through the OPCC weekly Legal & Governance Board.

2.9 The OPCC correlates its risks with the priorities contained within the Police and Crime Plan in both the strategic and operational risk registers as appropriate. Although the objectives within the plan are predominantly for the Constabulary to fulfil, as it is the Commissioner's 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 2022/23. 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 2022-23 a total of 22 decisions were made. These can be broken down into 17 Commissioner decisions and 5 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 three times during 2022/23 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. Risks between both organisations are also discussed at Collaborative Board meetings to ensure risks of concern have a solution identified and its progression monitored.

2.15 During 2022/23, again the risk of a change to the funding formula was present on both organisation's strategic risk registers. The 2023/24 grant settlement was broadly in line with expectations although additional flexibility was afforded to Police and Crime Commissioners to increase council tax by up to £15 was provided. However, the additional funding was inadequate to cover the recent increases in inflation and as a result the savings requirement over the MTFP has increased significantly. Further development and refinement of savings options in conjunction with the Constabulary is being carried out. In response to the increased risk the Constabulary has committed to preparing an enhanced savings and efficiencies plan headed by the DCC.

2.16 The national project Emergency Services Mobile Communications Programme (ESMCP) had been subject to a series of delays. In the autumn of 2022 it was announced nationally that there would be a significant delay in the rollout of the ESMC Programme. It was therefore decided to close the risk until a new programme was announced.

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; Emergency Services Mobile Communications Programme (ESMCP); Local Government Reform; Firearms Licensing; Vetting; 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 October 2022 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.

2.20 Risk management training sessions for OPCC staff were held in October 2022 and February 2023, 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. Further risk management sessions have been incorporated within the OPCC's 2022-23 Training Plan and is scheduled for July 2023 and February 2024.

Joint Audit Committee

2.21 During 2022/23 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 2022/21. 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 2022/23.

3. Internal Audit

3.1 As part of the annual audit programme for 2022/23 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 2022/23 did not identify any new or unidentified risks to the OPCC.

4. Conclusions

4.1 From the monitoring which has taken place during 2022/21 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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Cumbria Constabulary: 2022 HMICFRS Value for Money Profiles' Analysis

The high level analysis in the table on pages 3 to 9 relates to the 2022 Value for Money Profiles which were published on their website by His Majesty's Inspector of Constabulary and Fire and Rescue Services (HMICFRS) in February 2023. The profiles compare the forces within Cumbria's Most Similar Group (MSG) and these are Lincolnshire, Norfolk and North Wales. The aim of the profiles is to compare performance and the costs of achieving that performance.

It is important to recognise that the VFM Profiles in themselves have limitations and that they require more detailed investigation before they can be safely used as basis for decision making. In particular, the profiles focus on costs per head of population, which tends to show Cumbria as relatively expensive across all services due to its low resident population – it should be noted that the impact of increased population due to tourism, estimated at up to 50m visitors per annum, is not taken into account.

In addition, caution needs to be exercised in ensuring that costs and categorisations give a true comparison on a like for like basis, as forces can - and do - budget in different ways and there may be an element of subjectivity with regard to allocating costs. A national piece of work has started (as part of the CIPFA Achieving Financial Excellence in Policing programme), investigating ways in which the data can be collected and categorised more objectively, and therefore provide a more realistic comparison of cost across forces.

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

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

The 2022 profiles show that the areas identified as being significantly above all forces or MSG average cost are in the main the same this year as they have been in previous years. There were four additional outliers in 2021, all of which remain outliers in 2022. They are: Criminal Justice police officer costs, Training other employment costs, Admin support other staff costs and Serious and Organised Crime police officer costs. There is one new Support Function outlier in 2022 – Finance non employment costs.

Important general points about the VfM profiles

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

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

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

Michelle Bellis
 Constabulary Chief Finance Officer

VfM Category	Cumbria Data Value of difference compared to all forces	Context and/or Explanation
Local policing	<p>Incident/response police officer costs £4.489m MSG (2/4) £10.422m All (2/40)</p> <p>Neighbourhood policing police officer costs -£0.026m MSG (2/4) -£3.183m All (32/40)</p> <p>Neighbourhood policing PCSO costs -£0.005 MSG (3/4) -£0.825m All (32/40)</p> <p>Local investigation and prisoner processing police officer costs -£3.807m MSG (4/4) -£3.515m All (38/40)</p> <p>Local investigation and prisoner processing other staff costs -£0.947m MSG (4/4) -£0.587m All (31/40)</p>	<p>In previous years, the Constabulary has been an outlier in neighbourhood policing because all response/patrol officers were declared as neighbourhood officers in the data return. This approach was changed in 2019. Local policing also includes neighbourhood policing and local investigation and prisoner processing. In both categories Cumbria’s costs are lower than its MSG and all forces, so it is more meaningful to look at local policing costs as a whole rather than breaking costs down to sub-objective level.</p>

VfM Category	Cumbria Data Value of difference compared to all forces	Context and/or Explanation
Dealing with the public	Central Communications (CCR) police officer costs £4.403m MSG (1/4) £3.932m All (2/40)	<p>This reflects the changes made in Command and Control where the Constabulary made a conscious decision to operate with officers rather than police staff. This reduced the demand on frontline officers by 40%- delivering best use of resources by using officer knowledge and expertise at the start of the process, resolving the public’s issues as early as possible and providing the best advice and information.</p> <p>To an extent this is offset by cheaper other staff costs.</p>
	Central Communications (CCR) other staff costs -£2.295m MSG (4/4) -£2.562m All (40/40)	<p>Front Counters: Please note that although Cumbria still has the highest costs of all forces (excluding London forces) per head of population; when compared to its MSG and all forces, we are no longer an outlier in this category as only 10 forces are more than £1 cheaper than Cumbria per head of population. Savings in the region of £220k were made on front counters in 2021/22, through vacancy management which explains why we are no longer an outlier.</p>
Criminal justice arrangements	Criminal Justice police officer costs £0.936m MSG (1/4) £0.750m All (2/40)	<p>This was a new outlier in 2021. We have the highest number of police officers in our MSG and the second highest number of police officers within this function when compared to all forces (11.2 police officers).</p>
	Police doctors, nurses & surgeons non-employment costs £0.909m MSG (1/4) £0.970m All (1/40)	<p>Cumbria has the highest cost of police doctors/nurses and surgeons in the country, and this has been the case since at least 2016. – This is a contracted-out service which is being closely managed.</p>
	Custody police officer costs -£1.300m MSG (4/4) -£1.182m All (40/40)	<p>As a result of the custody review, we reduced the number of dedicated custody sergeants and reallocated them to incident and response in advance of implementing revised custody arrangements. Due to Operation Uplift this did not actually happen, but the adjusted costing arrangements remained in place.</p>

VfM Category	Cumbria Data Value of difference compared to all forces	Context and/or Explanation
Roads policing	Traffic Units police officer costs £3.577m MSG (1/4) £2.958m All (1/40)	Cumbria has been an outlier in this category since VfM profiles were first introduced in 2011. Although these costs are the highest in the country, please note that the comparison is not like for like. For years Cumbria Roads Policing has included the Armed Response Vehicle, using multi-skilled officers who performed a dual role. Other forces have these as separate units. Firearms Units are categorised as Operational Support.
Operational support	Firearms Unit police officer costs -£1.718m MSG (4/4) -£1.843m All (40/40) Advanced public order police officer costs £1.473m MSG (1/4) £1.033m All (3/40)	
Public protection	Other PVP Police officer cost £2.381m MSG (1/4) £1.225m All (8/40) DA, DAO and IDVA police officer costs £1.459m MSG (1/4) £1.035m All (6/40) MASH police officer costs £0.818m MSG (1/4) £0.567m All (3/40) CSE investigation police officer costs £0.178m MSG (2/4) £0.509m All (9/40)	We conducted some significant demand work during 2018/19 and invested in additional resources for public protection because of our evidence-based reallocation decisions.

VfM Category	Cumbria Data Value of difference compared to all forces	Context and/or Explanation
Intelligence	Intelligence analysis/threat assessments police officer costs £0.811m MSG (1/4) £0.496m All (8/40)	This reflects the increasing demand and complexity of policing operations and cases requiring detailed analysis of digital and other data. NB We are no longer an outlier in this category for other staff costs as only 2 forces are more than £1 cheaper than Cumbria per head of population.
Support functions	ICT other staff costs £3.148m MSG (1/4) £3.216m All (1/40) ICT non employment costs -£1.088 MSG £0.271 All	Cumbria has been an outlier in this category since VfM profiles were first introduced in 2011. These costs continue to increase when compared to 2021: £3.054m MSG £2.725m All This may be partially due to the market forces premiums that are currently paid to staff employed in ICT roles Non employment costs include premises related and transport related cost, cost of supplies and services, various third-party payments and PCC commissioned services and capital financing. Although we are cheaper in this category compared to our MSG; when compared to all forces we are more expensive.
	Fleet non employment costs £0.825m MSG (1/4) £0.705m All (1/40)	Cumbria has been an outlier in this category since VfM profiles were first introduced in 2011. Non employment costs include transport related costs. The cost of fleet provision and associated transport costs are high in Cumbria due to the size, geography, and topography of the county. A few years ago, the LSE and HMICFRS completed some work about factors that provide challenges for policing. This identified that Cumbria’s average travel times are 70% more than the national average.
	Training police officer costs £1.610m MSG (1/4) £1.039m All (5/40)	This became an outlier in 2018. The Constabulary has invested in its own function to ensure that staff and officers have the skills to deliver the best service for the public. In addition, the force has increased its rate of police officer recruitment because of Operation Uplift which has required additional trainer resources. Police officer costs in this category continue to increase and are higher than in 2021: £1.335m MSG £0.711m All

VfM Category	Cumbria Data Value of difference compared to all forces	Context and/or Explanation
		<p>There could be potential opportunities to make savings once the Uplift programme has finished. There is also the option to review the mix of police officers and staff within training roles. All our MSG have lower costs per total force staff partly due to lower PO costs within their training functions (i.e. they have police staff trainers rather than police officers in those roles).</p>
	<p>Training other employment costs £1.519m MSG (1/4) £1.565m All (1/40)</p>	<p>This was a new outlier in 2021 and costs have most likely risen because of increased police officer costs detailed above. Other employment costs include staff salaries and overtime, temporary/agency staff costs, injury/ill health costs, other employee costs and restructure, training, and conference costs. The costs in 2022 are far higher than in 2021, so it would be interesting to look at these costs to better understand why they are so high.</p> <p>2021 £0.544m MSG £0.619m All</p> <p>NB Although not an outlier in the non-employment costs category Cumbria is the most expensive force in its MSG and the country (excluding London forces) for transport costs and top in its MSG and 2nd most expensive in the country (excluding London forces) for costs of supplies and services.</p>
	<p>Performance review police officer costs £1.509m MSG (1/4) £1.366m All (1/40)</p>	<p>Increased performance review costs reflect the investment in additional police officer resources within the Standards, Insight and Performance Command. This is partially offset by our lower other staff costs. Nevertheless, police officer costs are higher than in 2021, reflecting strategic decisions which have been made to increase the number of police officers rather than police staff working within this support function.</p> <p>2021 £1.090m MSG £0.949m All</p>
	<p>Performance review other staff costs -£0.798m MSG (4/4) -£0.498m All (37/40)</p>	

VfM Category	Cumbria Data Value of difference compared to all forces	Context and/or Explanation
	Admin Support other staff costs £0.387m MSG (1/4) £0.502m All (3/40)	This was a new outlier in 2021 when there were 593 police staff FTE of which 338.2 were working in support functions in 2022. This has risen to 661.1 police staff FTE (an increase of 68.1 FTE) of which 393.6 (an increase of 55.4FTE) are working in support functions. There are 64.1 Admin support roles in total. This is likely to be the resulting impact of various growth bids that have been approved across the Constabulary.
	Estates non-employment costs £0.861m MSG (1/4) £1.229m All (3/40)	Non employment costs include premises related and transport related cost, cost of supplies and services, various third-party payments and PCC commissioned services and capital financing. This is attributable to the cost of supplies and services where Cumbria is the most expensive in its MSG and second most expensive compared to all forces (excluding London forces). There are 27 forces whose cost of supplies and services are more than £1 cheaper than Cumbria per head of population.
	Finance non-employment costs -£0.951m MSG (3/4) £0.092 All (8/40)	This is a new outlier in 2022. Non employment costs include premises related and transport related cost, cost of supplies and services, various third-party payments and PCC commissioned services and capital financing. When compared to our MSG, we are second most expensive in the subcategories of Third-Party Payments (TPP)- other, costs of supplies and services and transport related costs. Comparing these costs to all forces (excluding London forces) we are 4 th , 7 th , and 11 th most expensive, respectively. Despite this, with regard to non-employment costs as an overall category we are cheaper compared to our MSG. We are an outlier when compared to all forces (excluding London forces), but the cost difference is only £92k. In Cumbria’s case the most likely explanation for the high cost level is likely to be the cost of operating financial systems including the Oracle financial system and the payroll system. There may also be differences in how forces allocate the costs of these systems and further examination would be required to determine if a true comparison is being provided
Investigations	Serious and organised crime police officer costs £0.693m MSG (1/4) £0.567m All (8/40)	This was a new outlier in 2021. In May 2021 Serious & Organised Crime (SOC) departments and resources were subject of a significant restructure in terms of alignment and governance. A ‘Specialist Capability’ Command was created which brought together SOC and Operational Support resources under the same command. As part of this reform, Area Drug Units were rebranded as ‘Community Serious & Organised Crime (C-SOC) Teams’ maintaining a local footprint and local management but with central SOC governance and were co-located with Area Tactical Support Groups to improve communication and joint working.

VfM Category	Cumbria Data Value of difference compared to all forces	Context and/or Explanation
		<p>The ANPR Team was rebranded as a 'Roads Crime Unit' (RCU) and was moved to SOCU/ECU local management with central SOC governance.</p> <p>Dedicated SOC resources include the Serious & Organised Crime Unit, Economic Crime Unit (Fraud & Financial Investigation), Roads Crime Unit, Cyber and Digital Crime Unit (including OCAIT, Cyber, DFU) and the Community SOC Teams</p>
Central costs	Revenue contribution to capital – capital financing £2.727m MSG (1/4) £3.812m All (4/40)	<p>This is to finance the Constabulary's current capital expenditure programme which includes significant investment in ICT, fleet and estates. The high cost relative to other forces may be due to different accounting treatments for revenue support for the capital programme or other forces using different financing mechanisms such as borrowing. Capital expenditure is reviewed annually as part of planning and budget setting and is unlikely to be an outlier in 2023/24 due to the Constabulary's decision to borrow to fund short lived assets.</p> <p>These costs are higher in 2022 than in 2021: £1.741m MSG £2.931m All</p>

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Joint Audit Committee



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

Date: 26 April 2023

Agenda Item No: 15

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 and January 2023 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 2022/23 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 2022/21 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 two notifications 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 2022/23 he made 6 notifications of either hospitality or gifts. 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 2022/23 the Commissioner made 5 expense claims. 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 2022/23 no irregularities or fraudulent claims were made by any of those mentioned above.

2.6 On the 8 June 2022 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 9 June 2022 to ensure public transparency of declarations. During 2022/23 the Commissioner and OPCC Exec Team made a total of 22 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 2022/23.

2.7 During 2022/23 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 60 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 2022/23 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 2022/23 the Panel carried out two dip sample processes where they reviewed a total of 22 cases that had been finalised. The Panel report their findings to the OPCC Chief Executive at their Panel meetings, on the OPCC website via the Panel minutes and within their Annual Report. During 2022/2023 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 2022/23 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 sessions on Integrity were included at Extended Team Meetings in June and October in 2022; and how to report it 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 2022/23 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 2022/23 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

2022 ANNUAL REPORT

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Foreword from the Panel Chair

Welcome to the 2022 Ethics and Integrity Panel Annual Report. Over the last 12 months we have continued to see challenge and change for the Constabulary, it's officers and staff and the people of Cumbria that they serve. This can be attributed to us all emerging from the pandemic and also deal with the challenges of the cost-of-living crisis; in addition to issues both in the UK and abroad that affect us all. The Constabulary have through strong leadership, resilience and pro-active individual and team working have positively supported our communities and each other to deliver policing within our county with integrity and professionalism. The Panel have been hugely impressed by the resilience, commitment, focus and determination to serve our county; constantly striving to offer the policing service that the public require. 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's 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 are entirely independent of both the Office of the Police and Crime Commissioner and the Constabulary.

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 do not hesitate to raise and challenge issues and actions where we believe there could have been an improvement, and importantly we also 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 live in the county and are committed to seeing the area thrive and we all share the strong desire to ensure that Cumbria Constabulary continues to deliver high quality services to the public, while maintaining Cumbria 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. In itself, this is an indicator of a strong, open, transparent and ethical culture.

While 2022 has been an incredibly challenging year, we have enhanced 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



I am incredibly grateful for the commitment, professionalism and pragmatic approach taken by the Ethics and Integrity panel in their work. They provide effective and sensible challenge which I have no doubt enables both my office and the Constabulary to take stock and indeed to change practice where necessary in order to improve the service we are all here to deliver to the public of Cumbria.

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, my staff and indeed the Constabulary work to high ethical standards to ensure that public confidence is maintained. Integrity and ethical values must be one of our highest priorities.

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.

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 ability of the panel to undertake in-depth scrutiny of specific areas provides not only myself but also the communities of Cumbria with additional assurance.

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. I look forward to working with the Panel in 2023 as my role expands to include the Cumbria Fire & Rescue Service.

Peter McCall

Police and Crime Commissioner for Cumbria

The Chief Constable, Michelle Skeer



As a Constabulary we consistently strive to provide members of the public with an outstanding police service to keep Cumbria safe.

The Police Code of Ethics affords underpinning of our standards and principles. Through the Ethics and Integrity Panel there is consistent

independent review and scrutiny of our commitment to ethical policing in Cumbria. I am continually reassured of our transparency and promotion of openness, leading to an increase in public confidence.

Cumbria is one of the safest areas in the country to live, work and visit, as such members of the public have an expectation of the level of policing they should receive. With the rigorous review and advice of the Panel I am encouraged that my officers and staff are determined to continue to deliver an outstanding police service to keep the communities of Cumbria safe.

Michelle Skeer

Chief Constable, Cumbria Constabulary

About the Ethics and Integrity Panel

Within Cumbria Constabulary and the Office of the Police and Crime Commissioner, the Ethics and Integrity Panel challenge, encourage, support and promote and influence high standards of professional work and ethics. Ensuring that these are effective in both organisations. This report provides an overview of the work that the Panel has carried out during 2022.

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.

A programme of work is developed and agreed on an annual basis enabling the Panel to fulfill its terms of reference and scrutiny role. Where necessary the Panel will also provide scrutiny for areas identified during HMICFRS inspections to enable the implementation of recommendations to be monitored. 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. 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 2022 was:

Mr Mike Duff
Mr Alan Rankin
Mr Alex Rocke
Ms Jane Scattergood

Work of the Panel During 2022

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 2022 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. From these reports there were areas which had seen an increase in complaints being received, these being impolite language, race and complaints regarding young in-service officers. The Panel undertook to specifically review some of these complaints to see if there were any trends or concerns.

During 2022 the Panel carried out two dip sample sessions in which they reviewed a total of 67 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, although the situation has improved significantly over recent years. 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. This was evident in a number of cases which confirmed that the process was now embedded within the force and being used to good effect.
- A number of complaints related to officer driving incidents which had resulted in officers undertaking driving training courses as part of the PRI process.

Quality of Service



The Office of the Police & Crime Commissioner received 591 letters, emails and telephone calls from members of the public who wished to raise issues or dissatisfaction with the Commissioner, highlighting issues that were concerning local communities. The majority of these related to operational policing and 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.
- Anti-Social Behaviour
- Miscellaneous – how crime figures are recorded, DBS check process and CCTV cameras.

Many of the solutions were provided by the Constabulary in conjunction with local policing teams, local focus hubs and partner agencies, including local educational establishments, to see to identify the underlying causes of crime or behaviours and seek to support and deter individuals from going on to make further adverse live choices. The information gathered is used to look at how assistance or changes can be provided not only locally but throughout Cumbria. The Commissioner also uses the information to implement local initiatives to make a difference to local communities. Some of these included Safety of Women at Night (SWAN), Safer Streets Projects in Whitehaven and Workington, and funding for local projects through the 'Property Fund'.

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

Complaint Reviews



From 1 February 2020 the Office of the Police and Crime Commissioner (OPCC) has undertaken reviews of the outcomes of public complaints when requested by the complainant. During 2022 the OPCC carried out 57 reviews of which 6 (10%) had been upheld. The Panel dip sampled a number of reviews and felt that they had been dealt with appropriately and within a timely manner. Where a review had been upheld and recommendations made, the Constabulary had carried out further work providing the complainant and OPCC with their findings and outcome. Identified learning from the upheld reviews was collated and disseminated within local teams and more widely across the force.

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 2022. 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. Nearly half of the cases related to officers' conduct when they were 'off-duty'. The Panel 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 2022, the Panel reviewed a total of 3 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.

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 during 2021 and 2022. In November 2022 the Panel were updated on the work carried out and would continue to monitor this area of business as part of their 2023 work programme.

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. By November 2022 Cumbria Constabulary had an overall establishment of 1,308 officers and were programmed to achieve a total establishment of 1,368 officers by the end of March 2023. New officer intakes were programmed for December 2022 and March 2023, combined with officers transferring from other forces. Nationally there had been concerns regarding vetting decisions due to the pressures of recruiting new officers. As part of the Panel's 2023 work programme, they would carry out a dip sample of vetting decisions. A number of officers were due to retire in 2022 and 2023 and this was being factored into the numbers being recruited. It was envisaged that the force would meet the Government's target by 31 March 2023.

As part of their oversight work the Panel were keen to understand the attrition rate of new police officers joining the service following 35 resignations from the Policing Education Qualifications Framework (PEQF) programme in which officers studied for their university degree whilst working. The Panel were assured that support for student officers had been developed to enable them to manage their caseloads and provide academic support throughout their probation period and beyond. The introduction of so many new police officers had resulted in approximately 75% of front-line response officers having less than 3 years' service with their tutor constables having less than 5 years' service. During the year the Constabulary had introduced a Tutor Constable Programme which had seen 49 tutors appointed force wide. This programme enabled the tutors to not only support the new officers but that they themselves were supported and fully understood the requirements of the role. This will continue to be an area of focus for the Panel.

Officer & Staff Wellbeing



During 2022 the Panel monitored **Officer and Staff Wellbeing and Sickness**. During the second half of the year force absence rates had risen to 4%. The number of stress related referrals had increased to 62 which had been attributed to shift patterns and was subsequently raised with the Constabulary's Health and Safety Committee. A new shift pattern had been introduced to alleviate the issues with managers required to carry out a stress risk assessment to enable tailored support to be provided to individuals. A review of occupational health services and support functions was being carried out by the Constabulary; which the Panel would monitor during 2023.

Information Management



During 2022 the Panel received six monthly reports on how the Constabulary and Office of the Police and Crime Commissioner were complying with their statutory duties in relation processing and managing data. This included Freedom of Information Requests, Subject Access Requests and data processing. Both organisations continued to see a year-on-year increase in the number of requests being received. The reports also identified whether any data breaches had occurred and how these were dealt with, including whether or not they had been reported to the Information Commissioner's Office and the subsequent outcomes. The Constabulary had undergone a review of the teams dealing with information across the Constabulary and placed additional resources within these teams.

Violence Against Women and Girls



In February and August, the Panel were provided with updates on the work being carried out by the Constabulary to deliver an array of services in response to offences such as domestic abuse, sexual crime and patterns of behaviour. A strategy was in place which encompassed the three pillars set out by HMICFRS, the NPCC and Cumbria Constabulary's aspirational outcomes. A Violence Against Women and Girls (VAWG) board and scrutiny panel had been set up ensuring that streams of work were being implemented and acted upon. Student and operational officers received training as part of their course or programmed training days.

Race Action Plan



Following the National Police Chief's Council (NPCC) identifying five key areas to change internal cultures and inclusivity towards communities the Constabulary had carried out an internal and external consultation process. HMICFRS as part of their cultural audit process had found the force to have an inclusive culture. The Panel were briefed on how the Constabulary would progress with this work during the forthcoming year and how this work would be benchmarked to enable performance and success to be measured.

The Learning and Development department were working towards a Conscious Inclusion Accreditation Programme for its officers and staff with the assistance of Anti-Racist Cumbria to understand the history and experience of black people with policing. Six monthly reports would be presented to the Panel to enable them to provide oversight of the work being carried out.

Thematic Sessions

Since its inception, the Panel has delivered a significant programme of work on a planned, dynamic and responsive basis. Detailed below and overleaf are some of the areas the Panel reviewed during 2022:



In February the Panel received an annual report on **SpitGuard Usage** within the Constabulary, which had decreased during the previous year. The Panel had sought assurance that where a SpitGuard was used on a young people that it was removed as soon as possible. They asked that an article in the Constabulary's Pass Newsletter advise that body Worn Video should be activated when applying SpitGuards to protect not only the individual but the officers involved. From 2023 this would be included within the annual Stop and Search and Use of Force Report.



During 2022 the Panel undertook quarterly reviews of **Stop and Search** and **Use of Force** incidents following HMICFRS inspections, enabling the implementation of recommendations to be monitored. The Panel carry out reviews of incidents via body worn video and completed forms. The Panel reviewed 11 separate incidents and found that although the incidents themselves were being carried out well the completion of the required forms was not. This had also been recognised by the Constabulary who would be introducing annual refresher training as part of the 3-day personal safety training package and include communication and de-escalation training. The Constabulary were keen to use Stop and Search as a key tool by the proactive policing teams to help prevent and detect crimes.



As part of the Stop and Search incidents reviewed there had been an inclusion of incidents where the use of **TASER** had also been a factor. As part of their work the Panel found that there was no record of such incidents being reviewed by supervision and they believed that this should be done every time to ensure any issues or learning was identified. A process was subsequently implemented by the Constabulary with all 2022 cases being reviewed.




The use of **Body Worn Video** continued to feature within the monitoring work of the Panel. Noticeably when reviewing Stop and Search or Use of Force incidents the first 30 seconds of footage had no sound when activated by the officer. The Panel felt that this timeframe was often when an officer was introducing themselves and provided a good context of the interaction. They asked that this be looked at by the Constabulary and would be included within the Panel's 2023 work programme.

Future Work

Cumbria Fire and Rescue Service

As part of the Local Government Reform programme the governance of Cumbria Fire and Rescue Service (CFRS) will be transferring to the Police and Crime Commissioner from April 2023 following a decision by the Home Secretary. As part of this governance it has been agreed that the Ethics and Integrity Panel will expand their remit to also provide oversight to the Fire Service.

Cumbria Fire and Rescue Service Plan 2022-2023

<p>People: We will have a motivated and committed workforce that is innovative, supported, skilled and customer focused.</p> 	<p>Prevention: We will prevent fires and other emergencies by prioritising the most vulnerable.</p> 
<p>Protection: We will protect people, property and the environment by working with partners to ensure compliance with</p> 	<p>Response: We will plan for and respond effectively to emergencies when they arise.</p> 



Panel Member Recruitment

Following a recruitment programme in the autumn of 2021 a new member, Ms Jane Scattergood, was appointed to the Panel in January 2022. Upon appointment she was provided with induction training from the OPCC Governance Manager and mentoring from other Panel members.

Some of the current Panel members are due to end their membership in 2023 and 2024. A further recruitment campaign will be carried out during early 2023 when the Office of the Police and Crime Commissioner, Cumbria Constabulary and Cumbria Fire and Rescue Service will seek to extend the membership and look to members of the public both within and out with Cumbria to attract different skill sets.

Conclusion

The Panel continues to develop their role, expanding into other areas of business to assist not only the Constabulary but enable the Police and Crime Commissioner to have further and more detailed oversight.

The Panel have shown their ability to respond to emerging and changing situations; adapt to understand the issues; work with the Constabulary and OPCC to carry out work in addition to that scheduled within their work programme; and provide reassurance to both organisations and the public.

Recommendations and guidance given by the Panel continues to be welcomed by both the Constabulary and OPCC; resulting in a number of positive changes and developments to processes and procedures. The Panel's 2023 work programme will continue to ensure that the Panel remain an independent body in their oversight of Cumbria Constabulary, Cumbria Fire and Rescue Service and the Office of the Police and Crime Commissioner.



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Cumbria Office of the Police and Crime Commissioner

Joint Audit Committee 30 May 2023: Agenda Item 17

Review of effectiveness of the arrangements for Audit 2022/23

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

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 Director of Audit (TIAA) 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, OPFCC CFO, OPFCC CEO & CC CFO.

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. A new arrangement was put in place for Internal Audit Services for the 2022/23 with TIAA Ltd providing this function.

2.2. The effectiveness of the internal audit function is reviewed on the basis of compliance by the Internal Audit provider with the PSIAS. The Director of Audit (TIAA) 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 the 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 Director of Audit (TIAA) annual report and opinions for 2022/23 and will be presented to members of the Joint Audit Committee at their meeting on 30 May

¹ audit committees\Practical Guidance for Local Authorities and Police

2023 for review. The QAIP report set out what was in place during 2022/23. The QAIP sets out for members how 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 2022/23 was presented at the 16 March 2022 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 Director of Audit (TIAA) 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 Director of Audit (TIAA), provided within this agenda, confirms that the Standards within the PSIAS have been complied with.
- 2.6. TIAA Limited commissioned an External Quality Assessment (EQA) of its internal audit services in 2022. An EQA is required every five years, in line with the requirements of the International Professional Practices Framework (IPPF) and the Standards set by the Global Institute of Internal Auditors (IIA). The independent EQA considered TIAA's conformance with the IPPF and the Standards and also the Public Sector Internal Audit Standards (PSIAS), which govern internal audit in the public sector. The independent EQA was undertaken by a senior partner at Chiene + Tait, a long-established and high-quality accountancy firm headquartered in Edinburgh with offices in Scotland and London. The review assessed TIAA's internal audit methodology and delivery against the Core Principles, the Code of Ethics and the Standards. It took into account their comprehensive framework, their guiding policies, organisational culture, planning and delivery, investment in their people, tools and techniques and their quality assurance framework, including feedback from clients. The independent EQA assessor was able to conclude that TIAA 'generally conforms to the requirements of the Public Sector Internal Audit Standards and the mandatory elements of the Institute of Internal Auditors (IIA) International

Professional Practices Framework (IPPF)'. 'Generally conforms' is the highest rating that can be achieved using the IIA's EQA assessment model. It was also noted that there were no areas of non-conformance or partial conformance with the Standards.

- 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. The internal auditors have however shared some information with external auditors in relation to the audit on financial sustainability to prevent the finance team having to duplicate provision of information.

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.
- Members have continued to increase their formal and informal training and development activities.

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 arrangements 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 2023, 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 2023 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 2023/24.

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 2023 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 2023/24.

Gill Shearer
OPFCC Chief Executive

Steven Tickner
OPFCC Chief Finance Officer
30 May 2023

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 Director of Audit (TIAA) to the Joint Audit Committee to ensure internal audit independence.
- 3.3. Director of Audit (TIAA) attends all meetings of the Joint Audit Committee.
- 3.4. Director of Audit (TIAA) 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 Director of Audit (TIAA) ensure that internal audit independence is maintained and in line with the Standards, the Director of Audit (TIAA) reports directly to the 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 Director of Audit (TIAA) 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 Director of Audit (TIAA) 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 Chief Finance Officer, on behalf of both entities, will provide feedback on the performance of the Director of Audit (TIAA) as part of the arrangements for management of the internal audit contract.

4. Proficiency and Due Professional Care

- 4.1. Director of Audit (TIAA) 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 TIAA team has a wide range of skills and experience brought about by the fact that they are a specialist internal audit provider operating nationally.
- 4.4. All audit work is undertaken with due professional care and reviewed by an Director of Audit (TIAA) to ensure that the work undertaken supports conclusions reached.
- 4.5. A Quality Assurance and Improvement Programme (QAIP) has been in place during 2022/23. The programme has been formally documented and is included as an appendix, within the Head of Internal Audit's annual report and opinions for 2022/23, 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 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 2022/23 audit plans were accurate, comprehensive and complete. All contained an assurance statement and agreed action plan.

6.8. The Director of Audit (TIAA) 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 Director of Audit (TIAA) 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	TIAA 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	TIAA 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 CIPFA 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 contract. 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 Director of Audit (TIAA) 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 Director of Audit (TIAA).	✓		

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	TIAA 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, 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 Director of Audit (TIAA) 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	TIAA 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.	✓		
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.	✓		
3.6	Ensure that the organisation's governance arrangements allow the HIA:	There are appropriate arrangements in place to allow the HIA to perform these functions appropriately.	✓		

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	TIAA arrangement and any required actions	Assessment of conformance		
			Y	N	P
	<ul style="list-style-type: none"> – 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. 				
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 arrangement with TIAA.	✓		
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.	✓		
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	✓		

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	TIAA arrangement and any required actions	Assessment of conformance		
			Y	N	P
		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	TIAA 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 responsibilities are defined 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.	28 years of internal audit experience which has allowed him to lead auditing projects for private and public sector organisations, financial due diligence and operations for a large number of clients.	✓		

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

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Joint Audit Committee 30 May 2023 item 18

PCC Executive Team 23 May 2023, Chief Officer Group 26 May 2023

Cumbria Office of the Police, Fire and Crime Commissioner and The Chief Constable for Cumbria Constabulary

Effectiveness of Governance Arrangements 2022/23

Report of the Chief Executive, PCC Chief Finance Officer and Constabulary 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 the 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 2022/23 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 2022/23 Annual Governance Statement.

1.4 The Chief Constable approves a Code of Corporate Governance, 'The Code', setting out the 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 2022/23 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 2022/23 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 PCC Chief Finance Officer, the Constabulary Chief Finance Officer and OPFCC 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 OPFCC, 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 2022/23 Code of Corporate Governance approved by the Commissioner following review by the Joint Audit Committee in June 2022. 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 2022/23 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 His Majesty's Inspector of Constabularies, Fire and Rescue Services (HMICFRS). The Chief Constable's Governance Statement setting out the review of governance arrangements for 2022/23 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 2022/23 this has included a review and update of 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 PCC and Constabulary Chief Finance Officers 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 2023/24

4.1 On an annual basis the respective Codes of Corporate Governance are reviewed and updated, setting out the framework for governance within the OPFCC and Constabulary. The 2023/24 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 2023/24
- (ii) Review the respective Annual Governance Statements 2022/23
- (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 2023/24 and Annual Governance Statements 2022/23.
- (ii) Approve for signature, where applicable with amendments, the respective Annual Governance Statements for 2022/23 and to the date of this meeting, which will then accompany the respective Statements of Account for 2022/23.

Gillian Shearer

Steven Tickner

Michelle Bellis

Chief Executive

PCC Chief Finance Officer

Constabulary 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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Agenda Item 18(i)



Cumbria Office of the Police and Crime
Commissioner
Code of Corporate Governance 2023/24

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 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 anti-fraud 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 and 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. They also adhere to a Staff Code of Conduct.

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, 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 & 2021 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, 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*

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.

An Accountability Framework has been set to support the objectives within the Police and Crime Plan. This incorporates a system of reporting against objectives within the Police and Crime Plan and national Crime and Policing measures 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.

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 grants 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 OPCC 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 or 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 case 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

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.

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 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 partner and provider agencies 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 and 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 induction training, followed by an accompanied 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. They also subscribe to the Association of Police and Crime Commissioner Chief Executives (APACCE). They provide professional support and development to its members taking a leading role nationally and working closely with the Home Office, APCC and the National Association of Police Chief Constables (NPCC).

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 performance development reviews, 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 on a four monthly basis. The Committee also receives a report from the Chief Executive annually reporting on the effectiveness of arrangements for managing risk. Updates to the Risk Strategy are provided on a 3-year cyclical basis.

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 a senior officer 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 to 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 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 accessible summary statement. The financial of

communication, for example consultation on budget, precept and services, professional support has been procedure 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 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. They 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:

Office of the Police & Crime Commissioner

Carleton Hall

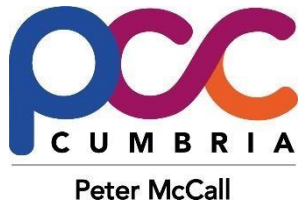
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Police and Crime Commissioner for
Cumbria
Annual Governance Statement
2022/23

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 2022/23 have been guided by the seven core principles of Corporate Governance from the CIPFA/Solace Governance Framework applicable to the 2022/23 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 anti-fraud 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 is potentially a high-risk area 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, two complaints have been received against the Commissioner with two against members of his office, but none were in relation to matters of integrity.

During 2022/23 the Ethics and Integrity Panel have carried out dip sample processes for a number of different areas of business including, adherence with the Code of Ethics and Code of Conduct, public complaints, grievances, police misconduct and staff misconduct cases; OPCC complaints and complaint reviews, 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 2022/23 through the completion of thematic inspections, in relation to the use of Stop and Stop/Search, the use of force, the Data Ethics Consultation Group; and vetting decisions. Meeting reports were also provided with regard to Information Management, Race Action Plan, Violence Against Women and Girls, Officer Recruitment and Officer & Staff Wellbeing. The findings of the Panel's work, including recommendations, are published on the OPCC's website.

The Joint Audit Committee received the 2022 annual report of the Ethics & Integrity Panel at their meeting on 30 May 2023 to support assurances in respect of arrangements for standards and ethical governance.

The OPCC remains responsible for carrying out public complaint reviews. An independent reviewing officer carries 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 2022 the OPCC received 57 requests for a review of which six (10%) were upheld. This represented a 9.6% increase on reviews requests received from 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, 2021 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.

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 has acted as both the county-wide Community Safety Partnership and Criminal Justice Board for Cumbria.

During 2022/23 the Commissioner has continued to lead a range of partnership working initiatives to deliver his Commissioning Strategy and ensure arrangements are in place for victim support services. In the last year he has secured additional funding from external sources to commission £1.7m of services, 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. During 2022/23 engagement included:

- website and social media (including the OPCC's website, Facebook page and Zoom meetings)
- face-to-face meetings – (including opportunities to 'Meet your PCC' and/or members of the OPCC office, 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 livestreams 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 use of CCTV 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.
- 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. Following the closing of the consultation, a document was developed to be included in the overall business case to be sent to the Home Office. In total, 363 responses were received. T
- The Commissioner launched public consultation on the proposal to increase the policing part of the council tax precept for 2022/23 by £1.25 a month for a Band D property. 50% of the respondents (205) agreed with raising council tax.

overall cost of CFRS council tax to £90 for a Band D property. 47% of respondents (233) agreed to the raise.

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. The Commissioner will review the number of correspondences in each area and will, if necessary, arrange with operational officers to visit e.g. hotspots of ASB.

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.

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Due to the transfer of responsibility for Cumbria Fire and Rescue Service's governance, the PCC also launched a public consultation on the proposal to increase the fire element of the council tax for 2023/23 by £5 bringing the

Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

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 2022/23, 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 on a six-monthly basis with the Constabulary and ensures the Commissioner monitors performance against a number of areas of policing identified in the Police and Crime Plan. During 2022/23 thematic reports provided assurance on the Constabulary's response to providing a visible and effective police service, ensuring quality care to victims and tackling rural crime. In addition, reports

were also received covering financial monitoring, crime data and Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services' inspections.

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 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 2022/23 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, as well as preventing violence against women and girls.

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 2022/23 the Commissioner continued to hold the Chief Constable to account through his Public Accountability Conferences, held virtually. 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 approach to providing a visible police force, including its plans around neighbourhood policing and its approach to rural crime.

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 2022/23, meetings have continued to be 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 the following:

- Working with Cumbria Constabulary, Cumbria County Council and Carlisle City Council to deliver the Safer Streets Fund Round 4 (Carlisle) Project and working with Cumbria County Council and Barrow Borough Council to deliver the Safer Streets Fund Round 4 (Barrow) Project. These projects are running in tandem with a primary focus on anti-social behaviour, and both are running until 30th September 2023. So far, the combined projects have delivered:-
 - ✦ Street lighting in Carlisle city centre, lighting in Keenan Park and lighting in the skate park at Bitts Park. The lighting will make people feel safer,

encourage legitimate use of public spaces, make identifying suspects easier therefore deter unwanted behaviours.

- ✦ Street lighting around the multiple back streets and alleys close to Barrow town centre that were previously unlit.
- ✦ 3 ANPR cameras, locations not to be disclosed so as not to compromise operational policing tactics.
- ✦ Carlisle City Council's enforcement officers have received training in conflict resolution, body armour and radios to allow them to identify and deal with more cases of ASB and keep themselves safe.
- ✦ Barrow Borough Council's Stronger and Safer officers have received training in conflict resolution, body armour, radios and body worn video cameras to allow them to deal with more cases of ASB, keep themselves safe, and capture relevant information on their body worn video cameras.
- ✦ Delivery of the multi-agency workshops "Your Life You Choose" into schools, by the end of the

projects this will have been delivered into 18 schools across Cumbria with the aim of teaching young people facts about violence, crime and ASB and encourage them to make healthy positive life choices.

- ✦ Delivery of multi-agency symposiums “Be Safe Stay Safe”, by the end of the project symposiums will have been delivered in four colleges across the county with the aim of educating young people on issues identified by their colleges so they can reach out for support if needed or know how to handle situations amongst their peers.
- ✦ Two teams of youth outreach workers (one team in Carlisle, the other in Barrow), with the Commissioner providing funding for an additional team to cover the west of the county. These teams work 6 days a week and can be directed to the places, times and/or individuals that are ASB hot spots to interact with young people and attempt to divert them from ASB or crime into more positive activities helping them be part of their communities.

- ✦ Two youth ASB restorative caseworkers who work with those affected by youth related ASB. This work can include mediation between the parties, work with the victims to help them cope and recover and know how to handle any ASB incidents, or work with the perpetrators to help them develop empathy and understanding so they won't offend again. By the end of the project, we aim to have worked with 50 cases.

- ✦ Level 3 Crime Prevention training for 18 PCSOs to allow them to conduct home surveys for low and medium risk victims and make practical recommendations to householders to reduce their chance of becoming a victim of crime.

- ✦ Level 4 Crime Prevention training for 1 Crime Prevention Officer to extend skills so they can provide a professional service to high-risk victims of crime.

During 2022/23 together with the Constabulary has helped to reduce reoffending via the Cumbria Adult Out of Courts Disposal Framework. The integrated Offender Management programme known as ‘Pathways’, is delivered by

commissioned service provider Remedi. To date, Pathways has received 779 referrals with equal spread of referrals across the county and 755 onward referrals for specialist support. Mid way through this project 100% participants were satisfied with the service. 98% felt their needs had been fully met. 100% would recommend the programme. 176 victims were contacted by Pathways Support Workers with 39% agreeing to some form of Restorative Justice. 94% of participants have not reoffended 6 months on.

- 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 receives monthly, personalised social media campaigns by Get Safe Online regarding cyber-safety which is then shared to our 5,000 followers.
- 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.

- The Commissioner, in partnership with Northwest Probation Service funded & developed Women's Outreach Services for female victims and offenders residing in the Kendal & surrounding areas & Carlisle and surrounding areas. The outreach services provide practical and emotional support to women experiencing crisis which include victims of domestic abuse, sexual violence and ex-offenders at risk of reoffending due to vulnerability.
- 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.

- Working with partner agencies in health and Local Authorities to secure funding for and to commission support services for victims of all types of crime.
- Enhancing the support available to male victims of crime, particularly domestic and sexual abuse, through the introduction of a Male Independent Domestic and Sexual Violence Advisor based with Victim Support, which has enabled male victims to choose the gender of the person providing support. This post, funded through Ministry of Justice, has also supported a review of the information available for male victims and has focussed on increased promotion of services to men through engaging with places which men they tend to go, including gyms and barbers' shops.
- Working with NHS England to put in place a new contract for the Sexual Assault Referral Centre services for victims of all ages in Cumbria, ensuring this continues to deliver a high quality service for those who have experienced sexual assault or abuse and working with the provider to ensure they make preparations to meet new national standards for forensic integrity.

- Working with Victim Support and North Cumbria Integrated Care NHS Foundation Trust to introduce a Health-Based Independent Domestic and Sexual Violence Advisor post within Carlisle Infirmary, to provide support to survivors of abuse who are accessing health services, particularly those who might not otherwise come into contact with support services. This has been enabled by funding secured from the Ministry of Justice.
- Continuing 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.
- In collaboration with the Child Centred Policing Team (CCPT) successfully procured an early intervention child mentor programme known as RISE (Resilience – Individual – Support – Empower) for children and young people. The core purpose being all children are recognised as “children first” and by using a trauma informed problem-solving approach address the root cause of their behaviour and vulnerability. In procuring this service the CCPT & RISE Mentors help

prevent the unnecessary criminalisation of children, providing positive intervention and signposting to relevant support services as required. The service provider is a third sector organisation Barnardo's.

- Worked with the County Council and Constabulary to pilot a new approach to delivering the Step Up Restore Families programme, trialling one-to-one face-to-face and virtual support for families where a young person is being violent in the home. This mixed approach to delivery of the service builds on learning during the Covid-19 pandemic and feedback from families.
- Procured and co-commissioned with Northwest Probation Service a Restorative Justice and Mediation contract for 2022/23 - 2024/25. Delivered by Remedi, Restorative Justice is a process which brings those harmed by a crime (a victim or victims) and those responsible for the harm (an offender or perpetrator), into some form of communication, enabling everyone affected by a particular incident to play a part in repairing the harm and finding a positive way forward in addition to providing a programme of meditation for victims of antisocial behaviour.

- In partnership with the Constabulary and The Well Communities (TWC) a Lived Experience Recovery Organisation developed a programme called 1CLIC (County Lines Informed Cumbria) to prevent people becoming involved in illicit drug taking and which targets organised drug crime, including County Lines, to prevent the harm this has to individuals and communities. The model incorporates an innovative partnership approach between Cumbria Constabulary and The Well Communities. The pilot is funded between 2022/23 to 2023/23 with an ambition to replicate across the county.
- Continued to support delivery of "They Matter" a high harm high risk domestic abuse perpetrator intervention programme.
- Commissioned evaluations of Turning the Spotlight and They Matter domestic abuse perpetrator programmes, which have provided feedback on the benefits of these schemes, showing they are respected by partners and those accessing the programmes (including the partner support programme) & will inform development and inform future commissioning decisions.

- Reviewed and extended the pilot service for young people who have shared or requested nude or semi-nude images, known as PAKMAN, following promising initial feedback.
- 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 year, 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 policing response.

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.

The 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. The Partnership will provide strategic direction for the delivery of the Serious Violence Duty in Cumbria in line with national requirements. The Safer Cumbria Partnership will also drive the work of the Combating Drugs Partnership for Cumbria to deliver the Governments Ten Year Drug Strategy 'From Harm to Hope' at a local level. The Police & Crime Commissioner as Chair of the Safer Cumbria Partnership is the SRO for both of these key pieces of partnership work across the county.

In July 2021, the Government announced that Cumbria would be divided into two new unitary authorities, replacing the current arrangement of the six district councils and the overarching Cumbria County Council. One of the outcomes of this change is that the governance responsibility of Cumbria Fire & Rescue Service needs to

move to a new organisation as it currently sits with Cumbria County Council, which will no longer exist from 1st April 2023.

The Policing & Crime Act 2017 introduced a range of measures to enable closer collaboration between the emergency services. In particular, it enables Police & Crime Commissioners to take on the governance of the fire & rescue service in their area, where a local case is made. During October 2021 to March 2022, the Commissioner funded a local business case to assess the best option for the future governance of Cumbria Fire & Rescue Service. 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 Blue Light Collaboration Executive Board, chaired by the Commissioner. Further key stakeholder engagement and public consultation on the business case also took place. The Commissioner submitted his business case to the Home Secretary, which was then subject to an independent assessment by the Chartered Institute for Public Finance & Accounting (CIPFA). CIPFA concluded the statutory tests set out in the 2004 Fire & Rescue Service Act had been met (it is in the interest of effectiveness,

efficiency, economy and public safety). On 2nd August 2022, the Home Secretary announced her approval of the Commissioner's proposal to take on the governance of Cumbria Fire & Rescue Service from 1st April 2023.

During 2022/2023, the Commissioner and his office have worked with the Fire & Rescue Service and Cumbria County Council to prepare for the transfer of fire governance. In November 2022, a Statutory Instrument (the 'Order') was laid in Parliament, creating a shadow Fire & Rescue Authority from 1st January 2023, to enable the Commissioner to set the Fire & Rescue Service precept and budget for 2023/2024. The remainder of the Order comes into effect on 1st April 2023. The Commissioner will operate as two distinct legal entities: The Police & Crime Commissioner for Cumbria and the Cumbria Commissioner Fire & Rescue Authority.

As Cumbria Commissioner Fire & Rescue Authority, the Commissioner will be responsible for the governance of the Fire & Rescue Service. He will be the recipient of all funding, including the government grant and precept and other sources of income related to the statutory functions of the Fire & Rescue Service, own all the property, rights, and liabilities of the Fire & Rescue Service, and become

the employer of all fire and rescue staff. The Chief Fire Officer will remain responsible for the operational delivery of the Fire & Rescue Service to which he will be held to account for by the Commissioner.

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:

- Successfully work with the Constabulary to reduce re-offending through the implementation of an Adult Out of Court Disposal Framework with integrated offender management known as Pathways. 94

independently selected cases were audited during 2021, a dip sample of 4.5%. Overall, 88 cases were found to have a disposal that was appropriate to the offence and consistent with national guidelines and local policy. This equates to 93% of the cases selected. In Nov 2021 the panel audited 5 Deferred Cautions, all were found to be appropriate and consistent with policy with offenders engaged with the Pathways project.

- Provided restorative services, enabling victims to inform offenders of the impact a crime/antisocial behaviour incident had upon them: 187 victim referrals made to restorative services, 19 victim - offender conferences were held, and 128 indirect restorative interventions were undertaken. 94% of victims who engaged in restorative services were satisfied with the outcome.
- 56 referrals for anti-social behaviour mediation, were made via the local focus hubs to Restorative Services where 97% expressed overall satisfaction with the service.
- Worked in partnership with Northwest Probation Service, the Women's Centres to develop a Women's

- Women's Community Matters Outreach Service supported 57 referrals into the project. The referrals include 28 for health & wellbeing, 56 for domestic abuse and 7 for criminal justice. There were 41 ongoing referrals from the previous year that have been worked with also. This combined with the new referrals makes a total of 98 women supported.
- Looking at life data following support from the outreach project 75% of women state their feelings of trust have improved. 53% state their feelings of safety have improved. 84% of women state they have felt more purpose and meaning in their lives.
- G4W piloted a different approach to outreach recognising rural communities are very close knit. G4W support women in harder to reach areas by assisting with transport costs to bring them into the centre allowing for disclosure of information away from a watchful glare and having full access to all amenities provided. Approximately 30% of the women are outreach / rural communities and mostly concerning domestic abuse.
- Provide a support service for victims, which integrates emotional, practical, advocacy and

signposting services for people who have experienced all types of crime. In 2022, 5286 victims were engaged by Victim Support, by telephone, email, letter, text or Live Chat. Following an individual needs assessment, 1713 people were provided with support and information tailored to their situation. 100% of survey respondents satisfied with the service received (as a victim), 80% of service users reported an improvement in their ability to cope with aspects of everyday life (non-ISVA/ IDVA clients), 75% reported an improvement in feelings of safety (non-ISVA/IDVA clients), 87% of IDVA clients felt safer and 79% felt their quality of life had improved by the end of support.

- Continued to develop services for victims of domestic abuse, including commissioning and launching a service for children and young people who have witnessed domestic abuse, through funding secured from Ministry of Justice. 286 children and young people have been supported through this service during 2022/23. 100% of young people who completed their support between October and December 2022 reported that they had seen an improvement in their coping strategies and

understanding of what makes a healthy relationship at the end of their support through this service.

- Together with Cumbria County Council, continued to fund Independent Domestic and Sexual Violence Advisor support services, 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, as well as a new Male IDVA and a Health service-based IDVA, who have supported 106 survivors of domestic or sexual abuse. The team includes 7 Independent Sexual Violence Advisor posts.
- Fund and manage contracts for the services which make up the Bridgeway Sexual Assault Support Service. 285 people received therapeutic services, 119 victims were supported to have a forensic-medical examination following rape or sexual assault and 63 people sought telephone advice through the Bridgeway Sexual Assault Support Services during the year ending March 2022. For the therapeutic service, 82% of service users with a planned closure to their

support reported an improvement in health and well-being, 83% felt better able to cope with everyday life and 82% felt safer (data for the 12 months to March 2023).

- Managed Ministry of Justice funding to support services for survivors of domestic abuse and sexual violence, supporting services providing counselling and a range of services through women's centres. This has resulted in services being provided to 471 domestic abuse survivors and 83 sexual violence survivors.
- Fund a county-wide Domestic Abuse Perpetrator Programme "Turning the Spotlight" which received 279 referrals between April and December 2022 and 202 participants completed the programme. Positive outcomes included 100% of clients reporting improved understanding of healthy relationships.
- Commission the "Step Up: Restore Families" programme for families experiencing child-on-parent or child-on-carer violence, working with Cumbria County Council. 43 families have completed the programme during the period July 2023 to March

2023 and 94% of participants reported an improvement in behaviour and family relationships.

- Funded the continuation of a pilot programme working with young people who have taken or shared nude or semi-nude images of themselves. This has been working with 68 young people and 33 parents/carers over the course of the pilot.
- Provide financial support to numerous projects working with victims and local communities across Cumbria through his Property Fund. 11 community organisations and charities benefitted from Property Fund grants of up to £2,500. Funding provided to Eden Network Youth Church which assisted in the purchase of a 'Youth Group Kit' so that the network could visit several established youth groups in the area and engage young people in various projects to help develop interests and make new friends. Funding provided to Maryport Amateur Operatic and Dramatic society helped to pay for costumes for children to be involved in the production of Matilda, and funds were also provided to Millom Recreation Centre to enable extra equipment to be purchased for young people across the area to be able to attend Gym classes.

- 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. 595 cases have been managed through Keep Safe from 1st April 2022 to 30th March 2023. This is a year-on-year rise of the number of victims receiving this support to help reduce the very real risk and subsequent fear of being re-victimised.
- Funded a contribution towards the Crimestoppers regional manager to allow the charity run campaigns and appeals at a local, regional and national level. The charity's guarantee of anonymity helps them to reach out to individuals who may hold vital information for investigations but do not wish to report matters directly to the police, possibly through fear of reprisals.
- Funded a contribution towards Brake National Road Victim Service. This service is for those who suffer a

bereavement or serious life changing injury due to a road collision. The service provides information packs for Constabulary Family Liaison Officers to hand out following a collision, including special materials for children to help them understand and cope with sudden bereavement. The packs contain the details needed for the family to reach out for full free of charge support provided by Brake caseworkers. In 2022 Cumbria Constabulary dealt with 23 fatal road collisions where the packs were distributed, and of these 8 cases were fully supported by Brake caseworkers.

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 2022/23 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 2022/23 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 2022/23 activity of the Joint Audit Committee returned to pre-pandemic levels and meetings covered a wide range of areas. 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:

<https://cumbria-pcc.gov.uk/finance-governance/budget-finance/joint-audit-committee/>

The Independent Custody Visiting Scheme continued to operate with physical visits being carried out weekly in each of the four custody suites. Developments during the year included:

- Annual Cumbria Conference
- Hybrid four monthly panel meetings
- 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 quarterly custody governance board, and monthly custody 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.

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 2022/23 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 a variety of topics and issues, including contract management, policies, procedures, staff wellbeing, social media updates, collaboration updates and finance.
- Annual Performance Development Reviews monitored on a quarterly basis with supporting tasking 1-2-1s.

A monthly informal team catch-up also takes place 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 March 2023. The conclusions of this review were reported to the Joint Audit Committee in March 2023. 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 and Fire Governance.

The Commissioner's arrangements for Risk Management include procedures for Business Continuity, which are regularly reviewed and tested throughout the year.

Managing Performance

The Public Accountability Conferences facilitate arrangements for the scrutiny of thematic reports from the Constabulary around priority areas of policing and the Police and Crime Plan. In addition, six monthly performance reports provide an understanding of the demand placed on the Constabulary, how it addresses this demand and how it 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 2022/23 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 its meetings. The Panel has also unanimously supported the Commissioner's proposed precept for 2023/24.

Robust Internal Control

During 2022/23 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 2022/23 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 2022/23 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 2022/23 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 £4.113m 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 2023/24 budget in February 2023 based on a council tax increase of 5.3%. 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 2022 and the investment in Operation Uplift have been generally favourable to policing. However, the continued increases in inflationary pressures during 2022/23, 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 2023/24 has been balanced, however savings will be required from 2022/25 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
AGS Page 18 of 25

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 £0.89m 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 2022/23 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 2022/23 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 2022/23 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 2022/23, 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 2021/22, published in June 2022, 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 2022/23.

Assurance and effective accountability

The Constabulary's unaudited financial statements for 2021/22 were released in June, with the final version published in November, meeting the deadlines for financial reporting. 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 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. They are able to look objectively at these areas and provide valuable independent scrutiny and feedback to the Constabulary on their findings.

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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Police and Crime Commissioner

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Chief Executive

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Chief Finance Officer

23 November 2022

* Signatures removed for the purpose on publishing on the website.

Appendix A Update on 2022/23 Development and Improvement Plan

Ref	B/fwd from 2021/22 (ref)	Action	Lead Officer	Implementation by	Action Update 31 March 2023	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		Review the work programme for the joint Ethics and Integrity Plan ensuring that work supports the recommendations from the HMICFRS Peel assessment.	Governance Manager	31-Mar-23	During 2022/23 the Panel have carried out a number of dip sample sessions in line with areas of business identified within the HMICFRS report to provide oversight and assurance.		Completed
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	This document has been completed and has moved into implementation stage.		Completed
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	Due to the transfer of Fire governance to the PCC from April 2023 and the need to consider how accountability will work as part of this, the review of the OPCC (police) Accountability Framework will be combined with this piece of work. This will be carried forward into 2023-24.		Ongoing within original timescale
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	This review was completed and an initial action plan agreed. Contract Managers have been working with providers to collect data on service user feedback and work is on-going with Victim Support to implement a new system of collecting details feedback through volunteers. The Victims' Quality Champion role is now in place and has engaged with providers to collect feedback on experiences of the criminal justice system. This will remain an area of continual development but initial approaches have been implemented.		Ongoing (original timescale extended)
CPD/2		Implement early intervention programme for children and young people to reduce criminalisation of young people.	Project Manager	31st March 2023	In April 2022 the OPCC commissioned Barnardo's to deliver an early intervention child mentoring scheme (10-17yr old) to assist vulnerable young people not involved with statutory services but identified by the CCPT as being vulnerable to contact with the CJS to divert towards better choices. The RISE (Resilience, Individual, Support, Empower) mentors commenced delivery July 2022 contract period 01.04.22 - 31.03.24.	31st March 2024	Ongoing (original timescale extended)

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	£760,108.95 secured under Safer Streets Fund Round 4 for 2 projects focusing on the reduction of antisocial behaviour in Carlisle and Barrow to be delivered by 30th September 2023.	30-Sep-23	Ongoing (original timescale extended)
CPD/4	B/fwd from 2021/22 (ref)	Work in partnership to develop a public health approach to deliver the serious violence duty.	Safer Cumbria Business Manager	31st March 2023	Event held with Partners to outline the national requirements, PCC confirmed as SRO and work progressing through regular contact with the Serious Violence Duty Unit in the Home Office	31-Jan-24	Ongoing (original timescale extended)
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	On the 2nd August 2022, the Home Secretary announced her approval of the Commissioner's proposal to take on the governance of Cumbria Fire & Rescue Service from 1st April 2023. A Statutory Instrument (the 'Order') was laid in Parliament on the 28th November 2022 and created the Police, Fire & Crime Commissioner led Fire & Rescue Authority; Cumbria Commissioner Fire & Rescue Authority. The Order included the provision to establish a Shadow Fire & Rescue Authority from 1st January 2023 to allow the Commissioner to set the 2023/24 fire service precept and budget. In March 2023, the Minister approved two statutory transfer schemes which deal with property and people. These are the mechanisms through which all assets (including contracts) and staff are moved from the old Fire & Rescue Authority to the new one. During 2022/2023, the Commissioner, and his office, have worked with the Fire & Rescue Service and Cumbria County Council to prepare for the transfer of fire governance from 1st April 2023.		Complete
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	The plan has been reviewed and updated. Individual requirements are identified within the PDR meetings and where necessary individual or all staff training is sought and provided.		Completed
CPE/2	CPE/2	Implement the recommendations from the 2021 PCC review	Chief Executive	31st March 2023	This work is still ongoing as we are waiting for legislation at government level to be passed.	30.09.2023	Ongoing (original timescale extended)
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	Awaiting final outcome of the audit, which was delayed for a number of months. Draft should be issued w/c 2.5.23 for discussion before final outcome.	30.05.2023	Ongoing - extended timescale
CPF/2		Review arrangements for CFO in the context of fire governance.	Chief Executive	31st December 2022	New OPFCC CEO appointed 1/4/23		Completed
CPF/3	CPF/1	Review of governance structure and processes in preparation for the outcome of PCC Reviews.	Governance Manager	31st December 2022	This work is still ongoing, awaiting outcome of PCC Reviews	31.12.2023	Ongoing (original timescale extended)

Appendix B 2023/24 Development and Improvement Plan

Ref	B/fwd from 2022/23 (ref)	Action	Lead Officer	Implementation by	Action Update 31 October 2022	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		Developing the work programme of the Ethics and Integrity Panel to support the Constabulary re HMICFRS Custody Inspection	Governance Manager	30 September 2023			
Core Principle B: Focusing on ensuring openness and comprehensive stakeholder engagement.							
CPB/1		Develop an engagement plan for the Police, Fire and Crime Commissioner and the Deputy ensuring that all statutory engagement for police and fire is delivered.	Engagement Officer	30 September 2023			
Core Principle C: Focusing on defining outcomes in terms of sustainable, economic, social and environmental benefits							
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	This review was completed and an initial action plan agreed. Contract Managers have been working with providers to collect data on service user feedback and work is on-going with Victim Support to implement a new system of collecting details feedback through volunteers. The Victims' Quality Champion role is now in place and has engaged with providers to collect feedback on experiences of the criminal justice system. This will remain an area of continual development but initial approaches have been implemented.		Ongoing (original timescale extended)
CPD/2		Implement early intervention programme for children and young people to reduce criminalisation of young people.	Project Manager	31st March 2023	In April 2022 the OPCC commissioned Barnardo's to deliver an early intervention child mentoring scheme (10-17yr old) to assist vulnerable young people not involved with statutory services but identified by the CCPT as being vulnerable to contact with the CJS to divert towards better choices. The RISE (Resilience, Individual, Support, Empower) mentors commenced delivery July 2022 contract period 01.04.22 - 31.03.24.	31st March 2024	Ongoing (original timescale extended)

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	£760,108.95 secured under Safer Streets Fund Round 4 for 2 projects focusing on the reduction of antisocial behaviour in Carlisle and Barrow to be delivered by 30th September 2023.	30-Sep-23	Ongoing (original timescale extended)
CPD/4	CPD/4	Work in partnership to develop a public health approach to deliver the serious violence duty.	Safer Cumbria Business Manager	31st March 2023	Event held with Partners to outline the national requirements, PCC confirmed as SRO and work progressing through regular contact with the Serious Violence Duty Unit in the Home Office	31-Jan-24	
Core Principle E: Focusing on developing the entity's capacity, including the capability of its leadership and the individuals within it.							
CPE/1		Undertake a recruitment process for the Ethics & Integrity Panel to enable succession planning for retiring members. Following appointment - induction and training programme to be implemented	Governance Manager	30 August 2023			
CPE/2		Undertake a recruitment process for Independent Custody Visitors to enable the scheme to have sufficient volunteers to fulfill the PFCC's statutory function. Following appointment - induction and training programme to be implemented	Governance Officer	30 September 2023			
CPE/3	CPE/2	Implement the recommendations from the 2021 PCC review	Chief Executive	30 September 2023	This work is still ongoing as we are waiting for legislation at government level to be passed.		
Core Principle F: Focusing on managing risks and performance through internal control and strong public financial management.							
CPF/1		Undertake a comprehensive review of the MTF and budget setting process	OPCC Chief Finance Officer	31 January 2024			
CPF/2		Review the operational effectiveness of JAC to incorporate work plan for CCFRS	OPCC Chief Finance Officer	30 September 2023			
CPF/3	CPF/1	Following the internal audit review of risk, implement any recommendations.	Governance Manager	30 August 2023			

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The Chief Constable for Cumbria Constabulary

Code of Corporate Governance 2023/24

Introduction

The statutory responsibilities of the Chief Constable ‘to maintain the King’s Peace’ are outlined in various Police Acts. The Police Reform and Social Responsibility Act 2011 (PR&SRA), which introduced Police and Crime Commissioners, re-enforced the operational independence of the Chief Constable and clarified their 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 their 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.

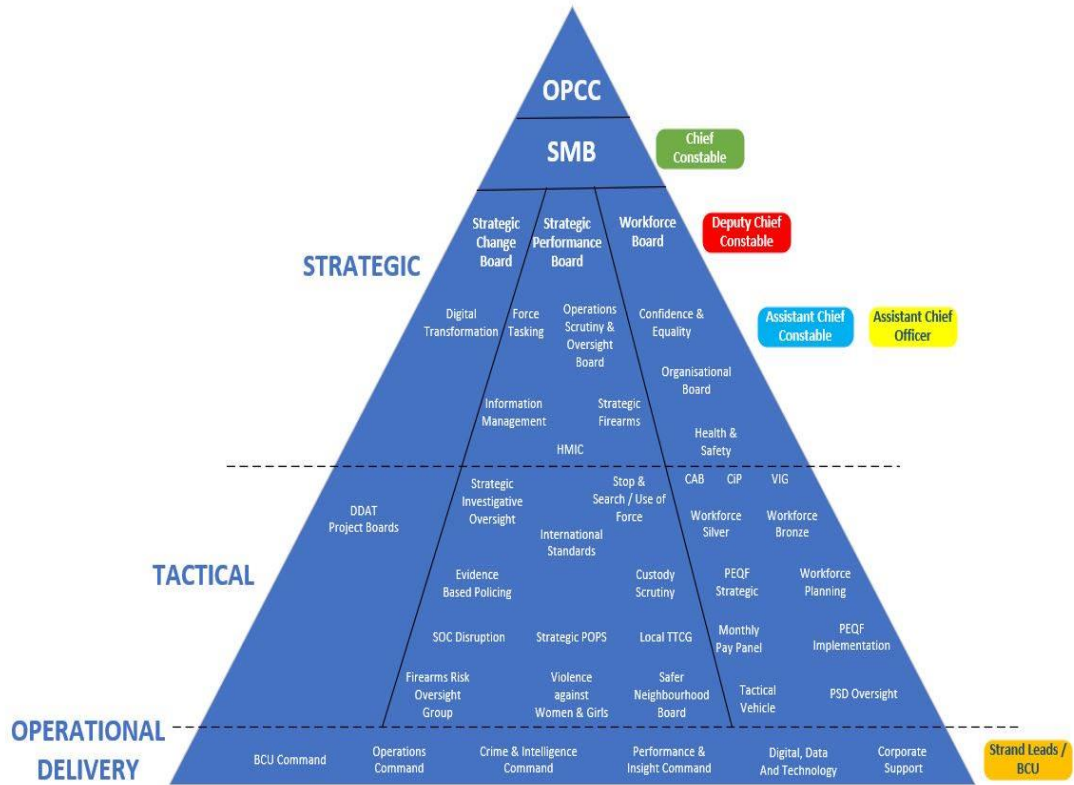
The Code of Corporate Governance

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 standards for 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.

Seven Good Governance Principles		
A	Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.	Pages 4-6
B	Ensuring openness and comprehensive stakeholder engagement.	Pages 7-9
C	Defining outcomes in terms of sustainable, economic, social and environmental benefits.	Pages 10-12
D	Determining the interventions necessary to optimise the achievement of intended outcomes.	Pages 13-16
E	Developing the entity's capacity, including the capability of its leadership and the individuals within it.	Pages 17-20
F	Managing risks and performance through robust internal control and strong public financial management.	Pages 21-26
G	Implementing good practices in transparency, reporting and audit to deliver effective accountability.	Pages 27-28

Corporate Governance Arrangements

The following diagrams depict the Constabulary's Governance Structure through which the Chief Constable discharges their duties and ensures delivery against the seven principles above.



The Chief's vision naturally drives the Constabulary's performance and governance arrangements, as do the strands of the strategic Vision 25 plan. All meetings have a clear term of reference, and the Chief has oversight of all force activity within the Strategic Management Board.

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 Performance Development Review process (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 of the arrangements for governance, including arrangements for anti-fraud and corruption.

Respecting the Rule of Law

The Chief Constable recognises that in fulfilling their duty to 'Maintain the King'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 Standards, Insight and Performance Command, which includes a Professional Standards function (PSD), 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 vetting unit within PSD is also responsible for the initial and continued monitoring of Officer's and Staff's suitability to perform their duties. This includes a variety of financial and intelligence checks as per the requirements of the national vetting approved professional practice (APP) as set by the College of Policing.

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 National Police Chiefs Council (NPCC) Officers (with the exception of the Chief Constable who is accountable to the Commissioner) under the relevant conduct regulations.

Whilst the day-to-day monitoring of public complaints and employee's adherence to the regulations and standards are monitored within PSD, the Deputy Chief Constable also holds a monthly Professional Standards Governance Board meeting for regular Executive oversight.

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 their 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 & Chief Constable 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 King's peace.

The Constabulary has a Chief Officer Group, which has responsibility for strategic decision making and is supported by subsidiary boards as outlined above on page 3. 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 Constabulary 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 (via the national single on-line home platform) to provide key information and online services to the public. Social media and pro-active media coverage of events are used to provide accurate messages, advice, appeals and re-assurance and engage with the local communities, as well another channel to report incidents and, to receive direct community feedback to the force and 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 the 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 their statutory responsibilities for maintaining the King'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 coordinated 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 are, 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 and risk assessment
- The results of PEEL & Thematic Inspections by His Majesty's Inspectorate of Constabularies.
- The Savings & Efficiencies Plan, 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, adjusting 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 Making 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 (basic command unit level (BCU)). 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 pacesetter meeting which is chaired by the Deputy Chief Constable and is fed from the daily management meetings held within Commands. 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 5 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 annual resource allocation 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 His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) and by internal audit, which is provided by TIAA. A Standards, Insight and Performance Command has been established and 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.

From 1st April 2023 the Chief Constable will have a separate Constabulary Chief Finance Officer (CFO) whereas previously the role was shared with the PCC. The Chief Constable's Chief Finance Officer (CFO) 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 commercial 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 (PR&SRA) 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 Statutory Officers are required to complete the National Police Chief's Council (NPCC) Police Executive leadership Programme 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 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 (HR) 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 bi-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 HR 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 HR 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 HR 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, CPD, 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 the 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 all 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 and updated by Chief Officers three times per year. The Strategic Risk Register is then presented to the Joint Audit Committee twice 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 Strategic Performance Board.
- Performance management figures are published on dashboards available to all Constabulary officers and staff, and the Commissioner, and are updated daily. These figures are subject to statistical analysis to identify areas where significant change/demand is occurring.
- Regular meetings between Chief Officers and their senior management to discuss progress on the work programme.
- A Daily Pacesetter Meeting which ensures that 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.
- His 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 Standards, Insight and Performance Command (SIP) 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 (within SIP), 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, the PCCs Chief Finance Officer and the Constabulary 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 change 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 the 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 Constabulary 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 stakeholders and covers all areas of operation. The Director of 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. From April 2023, this role will be expanded to cover similar responsibilities in respect of Cumbria Commissioner Fire and Rescue Authority. 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 staff in 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 management 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 Constabulary 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 financial services 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 of 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 Director of Audit reports to the Joint Audit Committee on their 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 His 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 Standards, Insight and Performance 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.

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Peter McCall

Treasury Management Activities 2022/23 Quarter 4 (January to March 2023) and Annual Report 2022/23

PFCC Executive Team 23 May and JAC Meeting 30 May 2023

Purpose of the Report

The purpose of this paper is to report on the Treasury Management Activities (TMA), which have taken place during the period January to March 2023, in accordance with the requirements of CIPFA's Code of Practice on Treasury Management.

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

Recommendations

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

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

Economic Background

Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022/23. Bank Rate increased steadily throughout 2022/23, starting at 0.75% and finishing at 4.25%.

CPI inflation picked up to what should be a peak reading of 11.1% in October, although hopes for significant falls from this level will very much rest on the movements in the gas and electricity markets, as well as the supply-side factors impacting food prices. On balance, most commentators expect the CPI measure of inflation to drop back towards 4% by the end of 2023. As of February 2023, CPI was 10.4%.

The UK unemployment rate fell through 2022 to a 48-year low of 3.6%, and this despite a net migration increase of ≈500k.

Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at over 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food and energy.

It is anticipated the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures are behind us – but that timing will be one of fine judgment:

- if the cut is too soon inflationary pressures may well build up further.
- if the cut is too late then any downturn or recession may be prolonged.

Link Treasury, the PFCC'S advisors, feel that there is still scope for an early Christmas present for households with a December rate cut priced in, ahead of further reductions in 2024 and 2025.

TM Operations and Performance Measures

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

Outstanding Investments: As at 31 March 2023 the total value of investments was **£12.940m** and all were within TMSS limits.

The chart below shows the outstanding investments at 31 March by category.

Category	Category Limit (£m)	Investments at 31 Mar (£m)	Compliance with Limit
1 - Banks Unsecured	20	0.513	Yes
2 - Banks Secured	20	0.000	Yes
3 - Government (inc LA)	10	0.000	Yes
4 - Registered Providers	10	0.000	Yes
5 - Pooled Funds	15	12.427	Yes
Total		12.940	

A full list of the investments that make up the balance of £12.940m is provided at **Appendix A**.

Investment Activity: During quarter 4 a total of 3 investments with a combined value of £4.95m were made within TM categories 1-3 (banks unsecured, banks secured and Government). In addition to these there were regular smaller investments in category 5 (money market pooled funds).

Non-specified investments: The TMSS sets a limit for investments with a duration of greater than 364 days at the time the investment is made (known as non-specified investments), this limit is £5m. At 31 March the Commissioner had no investments meeting this description.

Investment Income: The base budget for investment interest receivable in 2022/23 was set at £10k based on the interest rate predictions at the time. The budget forecast was quickly revised to £170k in quarter 1, £300k in quarter 2 and £380k in quarter 3. The actual income achieved against this target was £437k. This was as a result of the numerous base rate rises throughout the year as shown in the table below:

Date	Increase	Rate
17/03/2022		0.75%
05/05/2022	0.25%	1.00%
16/06/2022	0.25%	1.25%
04/08/2022	0.50%	1.75%
22/09/2022	0.50%	2.25%
03/11/2022	0.75%	3.00%
15/12/2022	0.50%	3.50%
02/02/2023	0.50%	4.00%
23/03/2023	0.25%	4.25%

The average return on investment during quarter 4 was 3.45%. As a measure of investment performance, the rate achieved on maturing investments of over 3 months in duration would normally be compared with the average BOE base rate for the period of the investment.

The table below illustrates the rate achieved on the four maturing investments of over three months duration in quarter 4 compared with the average base rate for the duration of the investment.

Borrower	Value (£m)	Period (Months)	Actual Rate (%)	Average Base Rate (%)
Debt Management Office	2.00	3.77	3.04%	3.45%
Treasury bills	2.00	4.67	2.96%	3.56%
Treasury bills	1.65	6.07	2.06%	2.59%
Santander CD	2.00	4.20	3.58%	3.66%

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

Quarter 4	Number of Days	Average Balance (£)	Largest Balance (£)
Days In Credit	89	95,658	2,159,228
Days Overdrawn	1	(956,283)	(956,283)

There were a number of occasions where the bank balance exceeded the target balance of £7.5k as the practice of sweeping smaller balances daily into the liquidity select account was halted in August 2021. The time taken to perform and verify the transfers outweighed the lost interest from holding higher balances in the main fund. Both the main fund and liquidity select account are held at the Commissioners main bank (the NatWest) so there was no change to the risk profile.

There was one occurrence where the credit balance was higher than would be within normal operating levels. In March 2023 a £2m grant was received into the PCC's main fund account. The funds were held overnight in this account whilst the correct treatment was determined as the grant was in relation to Fire and Rescue Authority capital expenditure rather than belonging to the PCC or Constabulary. The funds, including interest earned, were transferred to the Fire bank account at the beginning of April.

There was one instance in the fourth quarter where the account was overdrawn. A misunderstanding meant that £1m cash was held in a third-party bank account in the name of the PCC rather than being transferred to the PCC's main bank account. This was not discovered until after the deadline with the Money Market Funds so there were no other source of funds available to prevent the overdrawn balance.

Loan Activity: There were no external loans in place on the 31 March 2023.

Prudential Indicators

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

An analysis of the current position with regard to those prudential indicators for the financial year 2022/23 is provided at **Appendix B**. The analysis confirms that the Prudential Indicators set for 2022/23 have all been complied with.

Annual Report on Treasury Management Operations 2022/23

Treasury Strategy: In February 2022 the Commissioner approved the 2022/23 Treasury Management Strategy Statement (TMSS). The TMSS incorporated the investment and borrowing strategies for the 2022/23 financial year. The investment strategy approved for 2022/23 was largely the same as had been adopted for the previous year. The limits for each category of investment were based on the relative security of each class of financial institution and a percentage of the estimated balances, which would be available for investment during the year.

In relation to borrowing, the Commissioner has an underlying need to borrow funds to finance the capital programme, which is measured by the Capital Financing requirement (CFR).

The CFR at the start of 2022/23 amounted to £22.107m (including £4.197m relating to the PFI agreement for West Cumbria TPA HQ in Workington) leaving a £17.910m exposure to external borrowing at some time in the future, which is presently being covered by the use of internal funds (reserves).

The closing CFR for 2022/23 is £21.468m, of which £3.965m relates to the PFI thereby leaving a £17.503m exposure to the requirement to undertake external borrowing at some point.

During 2022/23 the Commissioner has maintained this strategy of using cash balances, arising primarily from reserves, to meet the cash flow commitments and was not therefore compelled to borrow.

Although long term borrowing rates remained relatively low during

2022/23, a conscious decision was made to defer long term financing decisions as the short term cost of carrying debt (i.e. the differential between the borrowing rate estimated at 4.97% for 20 years fixed rate and the rate of 4.8% available as when such funding was invested for 1 year), as this would have had an adverse effect on the revenue budget for the year and the immediate outlook period.

The provision of treasury management advice services is through a contract with Link Asset Services Ltd.

The Commissioner, in consultation with the treasury advisors continues to look for the most opportune time to undertake any longer term borrowing to fund the capital financing requirement.

Key Statistics

Principal:

Number of investments placed during 2022/23 was 99 (123 in 2021/22).

Value of investments placed during 2022/23 was **£162.728m** (£133.937m in 2021/22).

Of these investments made, 98 were to external counterparties and as such will have attracted a £10 transfer fee per transaction. The transfer to the NatWest Liquidity Select account for overnight money is classed as an inter-account transfer' as the NatWest holds the Commissioner's main bank account. This type of transfer is free although we do pay a small fee to access the internet banking site.

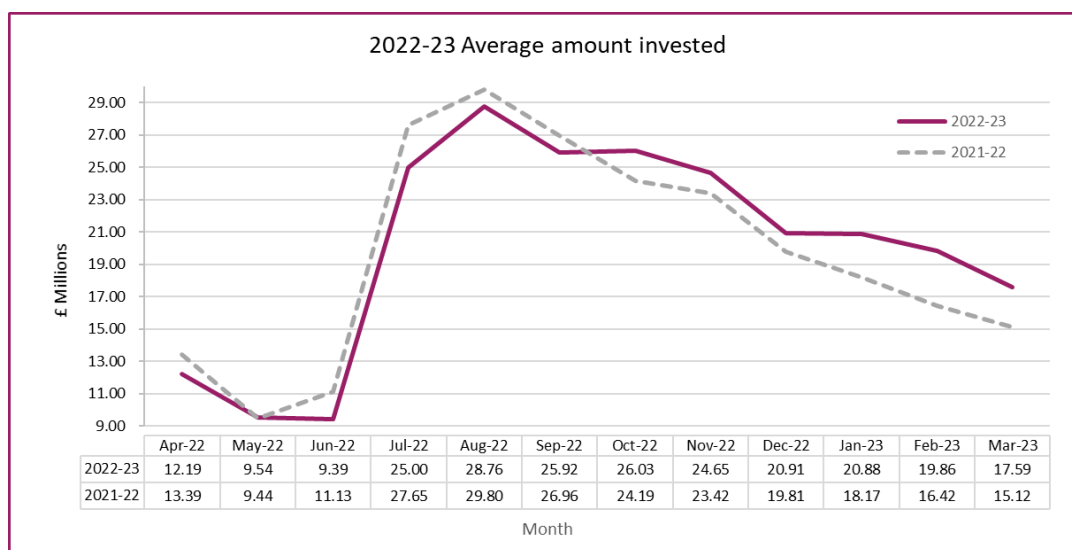
The **average** daily investment balance during 2022/23 was **£20.082m** (£19.661m in 2021/22).

The **highest** daily investment balance in 2022/23 was **£29.197m** (£34.171m in 2021/22)

The **lowest** daily investment balance in 2022/23 was **£4.764m** (£5.873m in 2021/22).

A detailed breakdown of the closing balance invested as at 31 March 2023 is provided at **Appendix A**.

The level of cash reserves available to invest has followed the same pattern as seen in previous years. Following the introduction of the Home Office Police Pensions Grant in 2007/08, there has been an annual spike in investments in July, when the majority of the grant is received, followed by a gradual decline in balances as pension payments are made throughout the remainder of the year.

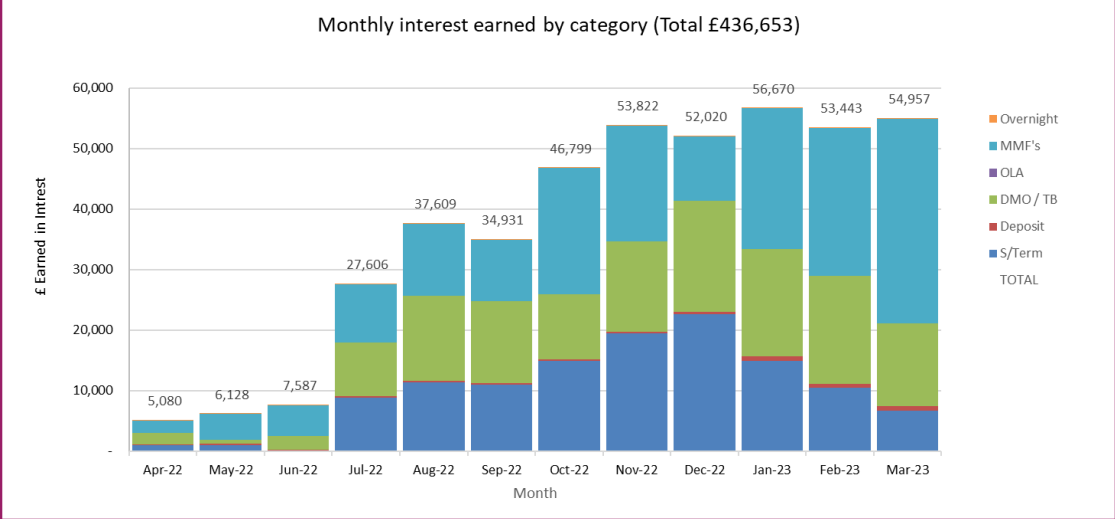


This chart illustrates the monthly average amounts invested during 2022/23 (with monthly comparatives for 2021/22).

Key Statistics

Interest:

A total of £436,653k was earned in 2022/23 (£9k in 2021/22) from the Commissioner’s treasury management activities and can be broken down as follows:



This chart illustrates the monthly interest receipts during 2022/23 – by category of investment

The average return on investments for 2022/23 was 2.17% (0.05% in 2021/22). The base rate started the year at 0.75% and was increased 8 times towards the end of the financial year as follows:

Date	Increase	Rate
17/03/2022		0.75%
05/05/2022	0.25%	1.00%
16/06/2022	0.25%	1.25%
04/08/2022	0.50%	1.75%
22/09/2022	0.50%	2.25%
03/11/2022	0.75%	3.00%
15/12/2022	0.50%	3.50%
02/02/2023	0.50%	4.00%
23/03/2023	0.25%	4.25%

The table above shows the outturn on investment interest as £436,653k for 2022/23 which is considerably above the £10k base budget. The base budget was set at a time when interest rates were at their lowest (even negative in some cases) and fluctuating on a daily basis. In each quarterly treasury management activities report the latest expected outturn has been reported, namely, June £170k, September £300k and December £280k.

After another 0.25% rise to 4.5% in May 2023 it is now expected that this will be the peak.

Treasury Operations - Investments:

As discussed above the aim of the Treasury Management Strategy is to invest surplus cash and minimise the level of un-invested cash balances, whilst limiting risks to the Commissioner’s funds.

Actual un-invested balances for 2022/23 for the Commissioner’s main bank account are summarised in the table below:

2022/23	Number of Days	Average Balance £	Largest Balance £
Days In Credit	364	69,017	2,159,228
Days Overdrawn	1	(956,283)	(956,283)

The largest credit and overdrawn balance occurred during quarter 4 and have already been explained in the quarter 4 review section of this report.

Treasury Operations – Borrowing:

During April 2022 the short-term borrowing from two local authorities was repaid in full. A combination of investing excess cash in fixed deposits and unusually high creditors payment runs (including pension retirement lump sums) led to a cash shortfall over the 31 March 2022 year end. The

loans were for £3m each, for a maximum of 16 days and cost £1,264.93 in interest.

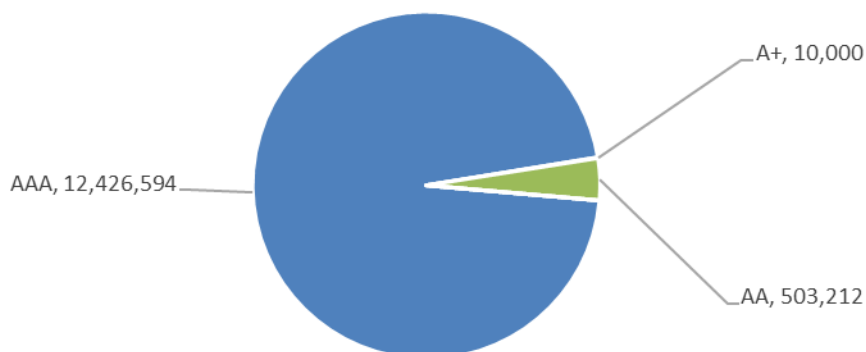
Compliance with Prudential Indicators

All treasury related Prudential Indicators for 2022/23, which were set in February 2022 as part of the annual Statement of Treasury Management Strategy, have been complied with. Further details can be found at **Appendix B**.

Appendix A Investment Balance at 31 March 2023

Category/Institution	Credit Rating	Investment Date	Investment Matures	Days to Maturity	Rate (%)	Counterparty Total (£)
Category 1 - Banks Unsecured (Includes Banks & Building Societies)						
Svenska Handelsbanken (Deposit Acc)	AA	Various	On Demand	N/A	1.70%	503,212
NatWest (Liquidity Select Acc)	A+	31/03/2023	03/04/2023	O/N	1.00%	10,000
						513,212
Category 2 - Banks Secured (Includes Banks & Building Societies)						
None						0
						0
Category 3 - Government (Includes HM Treasury and Other Local Authorities)						
None						0
						0
Category 4 - Registered Providers (Includes Providers of Social Housing)						
None						0
						0
Category 5 - Pooled Funds (Includes AAA rated Money Market Funds)						
Invesco	AAA	Various	On demand	O/N	3.031%	2,780,000
BlackRock	AAA	Various	On demand	O/N	2.850%	2,800,000
Fidelity	AAA	Various	On demand	O/N	3.131%	1,306,594
Goldman Sachs	AAA	Various	On demand	O/N	2.908%	3,640,000
Aberdeen Standard	AAA	Various	On demand	O/N	3.640%	1,900,000
						12,426,594
Total						12,939,806

Analysis of Outstanding Investments by Credit Rating of Counterparty at 31 March 2023



Note – The credit ratings in the table & chart relate to the standing as at 31 March 2023, these ratings are constantly subject to change.

Appendix B

Prudential Indicators 2022/23

Treasury Management Indicators		Result	RAG	Prudential indicators		Result	RAG
<p>The Authorised Limit</p> <p><i>The authorised limit represents an upper limit of external borrowing that could be afforded in the short term but may not be sustainable. It is the expected maximum borrowing needed with some headroom for unexpected movements. This is a statutory limit under section3(1) of the local government Act 2003.</i></p>	<p>TEST - Is current external borrowing within the approved limit</p>	YES		<p>Ratio of Financing Costs to Net Revenue Stream</p> <p><i>This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of revenue budget required to meet financing costs.</i></p>	<p>TEST - Is the ratio of capital expenditure funded by revenue within planned limits</p>	YES	
<p>The Operational Boundary</p> <p><i>The operational boundary represents an estimate of the most likely but not worse case scenario. It is only a guide and may be breached temporarily due to variations in cash flow.</i></p>	<p>TEST - Is current external borrowing within the approved limit</p>	YES		<p>Net Borrowing and the Capital Financing Requirement</p> <p><i>This indicator is to ensure that net borrowing will only be for capital purposes. The Commissioner should ensure that the net external borrowing does not exceed the total CFR requirement from the preceding year plus any additional borrowing for the next 2 years.</i></p>	<p>TEST - Is net debt less than the capital financing requirement</p>	YES	
<p>Actual External Debt</p> <p><i>It is unlikely that the Commissioner will actually exercise external borrowing until there is a change in the present structure of investment rates compared to the costs of borrowing.</i></p>	<p>TEST - Is the external debt within the Authorised limit and operational boundry</p>	YES		<p>Capital Expenditure and Capital financing</p> <p><i>The original and current forecasts of capital expenditure and the amount of capital expenditure to be funded by prudential borrowing for 2022/23.</i></p>	<p>TEST - Is the current capital outturn within planned limits</p>	YES	
<p>Gross and Net Debt</p> <p><i>The purpose of this indicator is to highlight a situation where the Commissioner is planning to borrow in advance of need.</i></p>	<p>TEST - Is the PCC planning to borrow in advance of need</p>	NO		<p>Capital Financing Requirement</p> <p><i>The CFR is a measure of the extent to which the Commissioner needs to borrow to support capital expenditure only. It should be noted that at present all borrowing has been met internally.</i></p>	<p>TEST - Is the capital financing requirement within planned limits</p>	YES	
<p>Maturity Structure of Borrowing</p> <p><i>The indicator is designed to exercise control over the Commissioner having large concentrations of fixed rate debt needing to be repaid at any one time.</i></p>	<p>TEST - Does the PCC have large amounts of fixed rate debt requiring repayment at any one time</p>	NO		This area is intentionally left blank for future indicators.			
<p>Upper Limit for total principal sums invested for over 365 Days</p> <p><i>The purpose of this indicator is to ensure that the Commissioner has protected himself against the risk of loss arising from the need to seek early redemption of principal sums invested.</i></p>	<p>TEST - Is the value of long term investments witin the approved limit</p>	YES					

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