
Enquiries to: Mrs P Coulter
Telephone: 01768 217734

Our reference: PC

Date 25 April 2019

CUMBRIA POLICE & CRIME COMMISSIONER'S PUBLIC ACCOUNTABILITY CONFERENCE

The Police and Crime Commissioner's Public Accountability Conference will take place on **Thursday 9th May 2019** in Conference Room **3**, Police Headquarters, Carleton Hall, Penrith, at **10.00am**.

The purpose of the Conference is to enable the Police and Crime Commissioner to hold the Chief Constable to account for operational performance.

G Shearer
Chief Executive

Attendees:

Police & Crime Commissioner - Mr Peter McCall (Chair)
OPCC Chief Executive - Ms Gill Shearer
Joint Chief Finance Officer - Mr Roger Marshall
Chief Constable - Mrs Michelle Skeer

AGENDA

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

1. APOLOGIES FOR ABSENCE

2. URGENT BUSINESS AND EXCLUSION OF PRESS AND PUBLIC

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

3. QUESTIONS FROM THE PUBLIC

An opportunity (not exceeding 20 minutes) to deal with any questions which have been provided in writing within at least three clear working days before the meeting date to the Chief Executive.

4. DISCLOSURE OF PERSONAL INTERESTS

Attendees 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 should not participate in a discussion of the matter and must withdraw from the room unless a dispensation has previously been obtained.

5. MINUTES OF MEETING

To receive and approve the minutes of the Public Accountability Conference held on the 27th March 2019 (copy enclosed)

6. DECISION 009-2019- CAPITAL BUDGET PROVISIONAL OUTTURN 2018/19

To receive, note and approve the provisional capital outturn position for 2018/19 (copy enclosed)

7. CONSTABULARY REVENUE BUDGET PROVISIONAL OUTTURN REPORT 2018/19

To receive and note the provisional outturn report on the Constabulary revenue budget for 2018/19 (copy enclosed)

8. DECISION 010-2019 FINANCIAL OUTTURN REPORT 2018/19

To receive, note and approve the provisional financial outturn for the 2018/19 financial year (copy enclosed).

9. TREASURY MANAGEMENT ACTIVITIES JANUARY to MARCH 2019 and ANNUAL REPORT 2018/19

To receive and note the Treasury Management Activities January – March 2019 and Annual Report 2018/19 (copy enclosed)

10. DECISION 011-2019 - INTERNAL AUDIT ANNUAL REPORT 2018/19

To receive and note the annual report from the Head of Internal Audit (copy enclosed)

11. DECISION 012-2019 – EFFECTIVENESS OF THE ARRANGEMENTS FOR AUDIT 2018/19

Effectiveness of arrangements for audit

(a) A report of the Joint Chief Finance Officer on the effectiveness of arrangements for audit (copy enclosed)

Review of Effectiveness of the Joint Audit Committee

(b) To receive a report reviewing the activities of the JAC as a contribution to the effectiveness of arrangements for governance (copy enclosed)

12. DECISION 013-2019 – EFFECTIVENESS OF GOVERNANCE ARRANGEMENTS (OPCC) 2018/19

Effectiveness of Governance arrangements

(a) A report of the Chief Executive and Chief Finance Officer of the Commissioner on the effectiveness of Governance arrangements (copy enclosed)

The Commissioner's Annual Governance Statement

(b) For approval of the Commissioner's 2018/19 Annual Governance Statement (copy enclosed)

The Commissioner's Code of Corporate Governance

(c) For approval of the Commissioner's 2019/20 Code of Corporate Governance (copy enclosed)

PART 2 – ITEMS TO BE CONSIDERED IN THE ABSENCE OF THE PRESS AND PUBLIC

(Any members of the public or press in attendance will be asked to leave the meeting room prior to consideration of these matters.)

13. CONSTABULARY REVENUE BUDGET PROVISIONAL OUTTURN REPORT 2018/19

To receive and note the provisional outturn report on the Constabulary revenue budget for 2018/19 (copy enclosed)

**CUMBRIA POLICE & CRIME COMMISSIONER
PUBLIC ACCOUNTABILITY CONFERENCE**

Minutes of the Public Accountability Conference held on
Wednesday 27th March 2019 at Carleton Hall, Penrith
at 10:00am

PRESENT

Police & Crime Commissioner - Mr Peter McCall (Chair)

Also present:

Chief Constable (Michelle Skeer);
Deputy Chief Constable (Mark Webster);
Chief Finance Officer (Roger Marshall);
Superintendent (Justin Bibby);
Detective Chief Inspector (Nick Coughlan);
Constabulary Head of Marketing & Communications (Helen Lacey);
OPCC Chief Executive (Vivian Stafford)
OPCC Deputy Chief Executive (Gill Shearer);
OPCC Executive Support Officer (Paula Coulter) – taking minutes

In attendance:

Staff Officer (Fiona Gray);
OPCC Partnerships & Strategy Manager (Steph Stables)
Member of the press;

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

001. APOLOGIES FOR ABSENCE

Apologies for absence were received from the T/Assistant Chief Constable (Andy Slattery);

002. QUESTIONS FROM MEMBERS OF THE PUBLIC

No questions had been received from members of the public prior to the meeting.

003. URGENT BUSINESS AND EXCLUSION OF THE PRESS AND PUBLIC

There were no items of urgent business to be considered by the Committee.

004. DISCLOSURE OF PERSONAL INTERESTS

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

005. MINUTES

The Chair presented the minutes of the Public Accountability Conference held on the 20th February 2019, these had previously been circulated with the agenda. The minutes were agreed as an accurate record and signed by the Chair.

RESOLVED, that, the

- (i) Minutes of the Public Accountability Conference held on the 20th February 2019 be confirmed as a correct record and signed by the Chair;

006. PERFORMANCE PRESENTATION

The report was presented by Superintendent Bibby, the purpose of which was to present to the Commissioner the Constabulary's performance for the 12 months to February 2019 as agreed in the Police and Crime Plan Accountability Framework. The presentation also contained detail and information about the components of each of the crime classifications and statistical estimates for crime levels at the end of 2018/19 where appropriate. For areas where National Crime Recording Standards (NCRS) training has been delivered further forecasting detail was provided, as well as information about user satisfaction performance.

It was acknowledged that crime figures in Cumbria have risen significantly over the last 12 months, and this follows the national trend. As reported in detail at previous PAC meetings, changes to National Crime Recording Standards; improvements in recording processes; and an increase in confidence in reporting crime (particularly historical crime) has had a significant impact on the figures. Superintendent Bibby assured the Commissioner that the actual crime levels had not increased significantly, but the rise in the figures was attributed mainly to the reasons stated above. Where an actual rise in crime has occurred, the Commissioner was reassured that these crime types have been scrutinised in detail for any trends or patterns, and each one was discussed individually during the presentation. The Commissioner was assured that Cumbria remains one of the safest places to live, work and visit.

During the recent 'Week of Action' which took place in conjunction with Operation Sceptre (knife amnesty) 55 arrests were made and 282 weapons were voluntarily surrendered. Cumbria does not have the scale of knife crime or serious violence as major cities for example, but the Constabulary take pro-active action (such as dedicated patrols in city centres) with the aim of keeping it that way. Together with partner agencies such as Street Pastors; Ambulance; Licences a holistic approach is taken and a night-time welfare hub has been set up in the city. A number of initiatives are running around the county including the Best Bar None scheme.

The proactive use of Criminal Behaviour Orders are helping to deal with specific individuals, who may get an Order not to be allowed in a certain town for a period of time (can be a number of years).

Rural Crime in Eden has seen lots of cross border activity with robust timely responses and good partnership working.

There has been a genuine increase in the Robbery crime classification, a number of cases are shoplifting. There has not been an increase in stranger robbery on the street, retail premises have been targeted. In a number of cases, the offender and the victim are associates known to one another in the drugs fraternity. The Commissioner was advised that almost half of the rise in this category is attributed to those dealing in criminality and are known to each other.

Historical offences of Rape make up 48% of the increase in this area. This is a really strong measure of confidence of members of the public to report a historic crime. The investigation can be very complex, and it does not matter when the offence took place it will receive exactly the same investigation as an offence that is not historic. It was noted that the trend will continue to go up over the next few years as trust increases and more cases are reported. It was also of note that stranger rape is incredibly rare.

A discussion took place around texting / sexting – an education package has been rolled out to schools in Cumbria to raise awareness and to alert students that this can lead to a criminal record.

Following a discussion, the presentation was noted

RESOLVED, that,

- (i) The presentation be noted;

007. THEMATIC PRESENTATION – SERIOUS ORGANISED CRIME and DRUGS SUPPLY

The report was presented by Detective Chief Inspector Coughlan, the purpose of which was to provide the Commissioner with assurance that the Constabulary:

- Understands the scale and complexity of the serious and organised crime threats across Cumbria;
- Has the capability and capacity to proactively target, pursue and dismantle these serious and organised criminals and networks and bring offenders to justice;
- Is working at a local, regional and national level to collaboratively target serious and organised crime to prevent/reduce harm in Cumbria;
- Is identifying and supporting those at risk of engaging in criminality in order to divert them from a life of serious and organised crime and reduce reoffending;
- Is working with the public, businesses and communities to help stop them from being targeted by criminals and support those who are.

A discussion took place around Organised Crime Gangs (OCGs) & Serious Crime in Cumbria, and it was noted that there are currently 18 active OCGs in Cumbria. A lot of pro-active police work taken place around drug detections, with a range of resources utilised.

An explanation of County Lines drugs supply was provided as follows:

- County lines refers to organised crime gangs based in large urban areas expanding their drug dealing operations into small coastal and market towns across the United Kingdom.
- Nationally four major exporting areas are London, Manchester, Birmingham and Liverpool.
- The gangs highly likely to exploit children and vulnerable adults to carry out activities on their behalf.
- The gangs will use mixture of coercion, intimidation, violence (including sexual violence) and weapon's to carry out their activities.
- Cumbria is an importer of County lines criminality

It was noted that extensive support was provided from the ROCU (Regional Organised Crime Unit); the MET and West Midlands Police on recent operations (Horizon & Titanic). The final conviction in Operation Titanic (County Lines) had taken place a couple of weeks previously and the case was showcased in the national media.

Additional ANPR (Automatic Number Plate Recognition) cameras have been placed in and around the county. Work is on-going with Crimestoppers to raise awareness and an education package has been developed and is being delivered via the Mini Police and Cadets to educate their peer groups. Other areas around the country are looking at Cumbria with a view to adopting a similar package.

The Commissioner was assured that:

- Cumbria has significantly lower levels of risk and threat relating to Serious Organised Crime compared to other counties in the region and nationally.
- Cumbria Constabulary has significant dedicated resources and specialist capabilities committed to the SOC threat in the context of the size of the Constabulary with many successes.

- Operation Horizon has been recognised nationally as one of the largest dedicated County Lines operations in terms of the number of targets successfully charged.
- The Constabulary has been rated 'Good' in respect of tackling serious and organised crime by HMICFRS.

Following a discussion, the presentation was noted

RESOLVED, that,

- (i) The presentation be noted;

008. THEMATIC PRESENTATION – ENSURE OFFENDERS FACE A CONSEQUENCE FOR THEIR CRIME

The report was presented by Superintendent Bibby following a pledge from the Commissioner's Police and Crime Plan, to provide assurance to the Commissioner that the Constabulary ensures victims are at the heart of any decisions made with regards to bringing offenders to justice

The report covered each of the following areas and each was discussed in detail:

- Outcomes and scrutiny
- Interventions
- NPCC National Strategy
- Body Worn Video
- Local Focus Hubs
- Managing Dangerous and Prolific Offenders
- HMICFRS recommendations

In Domestic Abuse cases, it was noted that Body Worn Video is a useful tool in capturing the initial scene and disclosure and has been very successful in charging and achieving prosecutions.

Local Focus Hubs take a problem solving approach to local issues. Innovative use of Criminal Behaviour Orders are a very powerful tool and an effective side of problem solving.

Following a discussion, the presentation was noted

RESOLVED, that,

- (ii) The presentation be noted;

009. THEMATIC PRESENTATION – ANNUAL CONSULTATION SURVEY RESULTS

The report was presented by Superintendent Bibby, the purpose of which was to present the Commissioner with the findings from the public survey and what the Constabulary has done as a result. The report included feedback on:

- Feelings of safety
- Perceptions of crime and antisocial behaviour
- Confidence in the police
- Visibility
- County priorities
- Local Concerns
- Engagement
- Satisfaction

It was noted that 1138 individuals completed the survey. 54% of people feel safe in towns at night, this is an improvement from 46%. Cumbria continues to be one of the safest places to live, work and visit in the country.

Following a discussion, the presentation was noted

RESOLVED, that,

(iii) The presentation be noted;

Meeting concluded at 1.05pm

Signed: _____

Date: _____



Office of the Police and Crime Commissioner Report

REQUEST FOR POLICE & CRIME COMMISSIONER DECISION - (N°009 / 2019)

TITLE: Capital Budget Monitoring 2018/19 Quarter 4 to March 2019 (Provisional Outturn)

Executive Summary:

The attached report provides details of the provisional outturn on the capital budget for 2018/19. The figures quoted at this stage are provisional as the final accounts are still subject to audit, but it is not envisaged that there will be any significant changes.

Recommendation:

The Commissioner is asked to:

- Note the provisional capital outturn position for 2018/19 as reported.
- Formally approve a change to the 2018/19 programme budget of £2k, being a net increase arising from completed schemes and returned budgets.
- Formally approve the decision to fund 2018/19 expenditure on the Eden deployment centre from internal borrowing.
- Formally approve the changes to the 4-year capital strategy arising from re-profiling and detailed planning of approved schemes. For 2019/20 this approval includes an additional £28k for investment in electric/hybrid vehicles to enable exploration of the implications for a greener fleet.
- Approve the determinations at section 4 (paragraph 4.1), in respect of the financing of the 2018/19 capital expenditure.

Police & Crime Commissioner

I confirm that I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct for Cumbria Police & Crime Commissioner. Any such interests are recorded below.

I hereby approve/do not approve the recommendation above

Police & Crime Commissioner / Chief Executive (delete as appropriate)

Signature:

Date:

NOT PROTECTIVELY MARKED

PAC 2019-05-09 Item 6 - Capital Budget Monitoring Quarter 4 to March 2019 & Provisional Outturn



Office of the Police & Crime Commissioner

TITLE: Capital Budget Monitoring 2018/19 – Quarter 4 to Mar 2019 (Provisional Outturn)

Date of Meeting: Public Accountability Conference 09 May 2019

Executive Summary:

The attached report provides an updated position of income and expenditure against the capital programme as approved for the 2018/19 financial year. Projections are based on actual expenditure up to the end of March 2019. Known changes to the capital programme budget approved to date have been included in the report, this includes the capital strategy approved by the Commissioner in February 2019.

Recommendation:

The Commissioner is asked to:

- Note the provisional capital outturn position for 2018/19 as reported.
- Formally approve a change to the 2018/19 programme budget of £2k, being a net increase arising from completed schemes and returned budgets.
- Formally approve the decision to fund 2018/19 expenditure on the Eden deployment centre from internal borrowing.
- Formally approve the changes to the 4-year capital strategy arising from re-profiling and detailed planning of approved schemes. For 2019/20 this approval includes an additional £28k for investment in electric/hybrid vehicles to enable exploration of the implications for a greener fleet.
- Approve the determinations at section 4 (paragraph 4.1), in respect of the financing of the 2018/19 capital expenditure.

NOT PROTECTIVELY MARKED

PAC 2019-05-09 Item 6 - Capital Budget Monitoring Quarter 4 to March 2019 & Provisional Outturn

MAIN SECTION**1. Introduction and Background**

- 1.1. The Commissioner approves on an annual basis a 10 year capital strategy and a more detailed four year capital programme. This includes the annual capital budget that finances the delivery of capital schemes and provides for investment in ICT, the estate, vehicles and equipment needed to deliver operational policing.
- 1.2. This report is set out in three main sections:
 - ◆ Section 2, provides an update on the capital budget for the 2018/19 financial year.
 - ◆ Section 3, provides a brief update on the overall capital programme for a four year period to 2021/22.
 - ◆ Section 4, sets out the statutory determinations required to be made by the Commissioner under part IV of the Local Government and Housing Act 1989 in relation to capital financing.

2. Capital Budget 2018/19

- 2.1. On 14 February 2018 the Commissioner approved an indicative 10 year capital strategy up to 2028/29 with a more detailed programme including capital financing for a four year period to 2022/23. The capital programme has subsequently been amended to incorporate the effect of the capital outturn position for 2017/18 and in year changes, such as variations to existing schemes, approved by the Commissioner. The Capital Strategy for 2019/20 and beyond, approved 20 February 2019, has also been reflected in the future year budgets where required.
- 2.2. The table below summarises the movement in the capital budget during 2018/19 and expenditure against it as at the end of the fourth quarter. Total capital expenditure during the year amounted to £5.214m against the budget of £8.634m which represents a net reduction of £3.420m (42.09%) against the approved budget for 2018/19. The overall variance is made up of slippage of expenditure to future years of £3.422m (of which £2.474m had been reported previously) and other net changes to the budget of £2k.

NOT PROTECTIVELY MARKED

PAC 2019-05-09 Item 6 - Capital Budget Monitoring Quarter 4 to March 2019 & Provisional Outturn

Summary of Budget Movement 2018/19	2018/19 £000s
Capital Budget 2018/19 (approved 14/02/18)	11,261
Impact of 2017/18 Outturn (approved 10/05/18)	(1,558)
New Schemes Approved/Drawdown	241
Budgets Changes - Approved	(1,310)
Approved Adjusted Budget 2018/19	8,634
Capital Expenditure Outturn 2018/19	5,214
Forecast Variation	(3,420)
Made up of:	
Budget Changes (Under)/Overspend (Table 2)	2
Slippage to 2018/19 (Table 3)	(3,422)
	(3,420)

Table 1	2018/19
Summary of Capital Budget	£000s
Capital Expenditure	
ICT Schemes	1,969
Fleet Schemes	939
Estates Schemes	2,158
Other Schemes	148
	5,214
Capital Financing	
Capital Receipts	0
Revenue Contributions	1,542
Capital Grants	575
Reserves	1,297
Borrowing	1,800
	5,214

Table 2	Changes 2018/19
Forecast Variation summary	£000's
- ICT End User Hardware	(3)
- Vehicle Replacements	(1)
- Workington - Land Purchase	(4)
- Durranhill CCTV and Cell Call	5
- Ballistic Protective Equipment	(2)
- Accelerated Recruitment	7
	2

Table 3	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total	% of Adjusted
Slippage					£000's	Budget
ICT Schemes	0	0	(1,125)	(324)	(1,449)	17%
Fleet Schemes	0	(209)	(140)	(47)	(396)	5%
Estates Schemes	0	0	(1,000)	(553)	(1,553)	18%
Other Schemes	0	0	0	(24)	(24)	0%
	0	(209)	(2,265)	(948)	(3,422)	40%

A more detailed breakdown of the individual schemes that make up these amounts can be found at **Appendix A.**

NOT PROTECTIVELY MARKED

PAC 2019-05-09 Item 6 - Capital Budget Monitoring Quarter 4 to March 2019 & Provisional Outturn

- 2.3. The paragraphs below provide a brief update on the progress on each of the main categories of scheme:
- 2.4. **ICT Schemes** are comprised of the rolling replacement programme in respect of ICT hardware, software and radios together with schemes to support the roll out of larger specific projects. The position reported previously at quarter 3 included slippage to future years of £1,125k and other changes amounting to a net reduction of £613k. Net changes now requiring approval are a net reduction of £3k and additional slippage of £324k.
- The ICT rolling replacement programmes were largely completed as planned in 2018/19.
 - During 2018/19 work on the integrated Command and Control Room system continued. Although one milestone payment slipped by a week over the year-end, the scheme is broadly on track. The senior project manager has taken this opportunity to reassess the financial milestone payments and has re-profiled these across the 4-year medium term based on the latest information available. The table at 3.2 gives the detailed figures including resulting slippage of £241k from 2019/20 to 2020/21.
 - Other smaller areas of slippage include £28k Business Futures; £21k Digital Policing Programme; £25k service manager upgrade and £9k on smartphone replacements. Net Slippage £144k
- 2.5. **Fleet Schemes** are comprised of the cyclical replacement of the Constabulary fleet of vehicles. The position reported previously at quarter 3 included slippage to future years of £349k and other changes amounting to a net increase of £19k. Net changes now requiring approval are a further increase of £28k (discussed below) and additional slippage of £47k.
- During 2018/19 the budget and financing were both increased by £30k received from the safety camera partnership to replace two pool vehicles used by the team in Cumbria.
 - The budget for 2019/20 was set some time before the start of the financial year. The fleet manager has taken the opportunity to revisit the list of vehicles due to be replaced in 2019/20 and 2020/21. Three vehicles have been identified that are in good repair with lower mileage than expected so they no longer require replacing imminently. This has resulted in £71k of replacement costs being moved

NOT PROTECTIVELY MARKED

PAC 2019-05-09 Item 6 - Capital Budget Monitoring Quarter 4 to March 2019 & Provisional Outturn

from 2019/20 to future years. Also identified are three pool cars that were scheduled for replacement in 2020/21 that have higher than expected mileage, and when taking into consideration the maintenance required need to be brought into the 2019/20 replacements. This gives an increase to the 2019/20 budget of £39k.

The overall change from these 6 vehicles is a decrease of £32k in the 2019/20 budget, an increase of £13k in 2020/21 and an increase of £19k in 2021/22 – net change of zero.

Whilst considering the approved fleet strategy as a whole - particularly around environmental awareness, the fleet manager intends to integrate fully electric and hybrid vehicles into the current pool car fleet. As the technology is still emerging and gathering pace, the initial capital outlay is higher than that of an equivalent diesel engine vehicle, however, with less moving parts and the lack of combustion engine to run & maintain, the revenue costs savings have a significant benefit over the lifespan of the vehicle. Initially the fleet manager has identified four pool vehicles within the 2019/20 replacement list, which are suitable for replacement by electric/hybrid vehicles. An increase to the budget of £28k is now requested to facilitate this purchase. The potential for associated savings within the fleet revenue budgets as a result of the purchase of electric/hybrid vehicles will be explored at budget setting time through the star chamber process once the new vehicles are operational. Over coming years it is intended to replace the current fleet with this type of vehicle wherever this is possible and operational needs allow.

2.6. **Estates Schemes** 2018/19 saw the completion of the flood works at HQ and the purchase of a piece of land in the west of Cumbria to safeguard the Constabulary estate in that area. A small underspend of £4k has been returned from these schemes. The position reported previously at quarter 3 included slippage to future years of £1.0m and other changes amounting to a net reduction of £30k, this being a move to revenue of the Gas Suppression scheme monies. Net changes now requiring approval are for an increase of £5k and additional slippage of £553k.

- During 2018/19 construction begun on the Eden Deployment Centre at the headquarters site in Penrith. Although there has been some slippage with the scheduled financial payments the work on site has continued to plan and the building is scheduled to be complete in September 2019 and become operational shortly after. Additional slippage of £513k has been reported at the end of quarter 4.

NOT PROTECTIVELY MARKED

PAC 2019-05-09 Item 6 - Capital Budget Monitoring Quarter 4 to March 2019 & Provisional Outturn

- In light of current uncertainty regarding police funding it is proposed to finance 2018/19 expenditure on the Eden Deployment centre from internal borrowing rather than depleting the capital reserve. This funding decision will be reviewed once the longer term financial outlook becomes clearer.
- Two schemes of work were scheduled to take place in 2018/19 at the North Cumbria BCU headquarters at Durrhill. Tenders were received to replace the CCTV and cell call facility within the custody suite. The accepted tender is £5k above the budget for the scheme and this overspend is reported for approval. The second scheme to improve the heating ventilation plant at Durrhill has commenced but is not able to be finished until the custody work has been completed. This has led to a total slippage into 2019/20 on these two schemes of £40k. The custody work is expected to be complete early in quarter 1 of 2019/20.

2.7. **Other Schemes** include the Cumbria wide CCTV network, Accelerated recruitment and Ballistic shields.

- Countywide CCTV. The amount remaining, £23k, is required for the link to the Digital Evidence Management System. This was phase 3 of the project and is planned to take place in 2019/20.
- Following the accelerated recruitment programme to maintain future police officer numbers a scheme was established to provide the additional body worn video technology required for the additional officers. The funding for this scheme has been provided by utilising underspends from other ICT related schemes. This scheme is now complete with the total expenditure of £54k, this is an additional £7k to the reported position at quarter 3.
- Liaison with the supplier of the Portable Ballistic Shields has continued throughout 2018/19. Following consultation with the Firearms Unit shields were developed, that were fit for purpose and meet the needs of the unit. Full procurement and receipt of the Shields took place within quarter 4 and the scheme is now complete with a small underspend of £2k being returned.

NOT PROTECTIVELY MARKED

PAC 2019-05-09 Item 6 - Capital Budget Monitoring Quarter 4 to March 2019 & Provisional Outturn

3. Capital Programme 2018/19 to 2021/22

3.1. The table below provides a summary of the capital programme and associated capital financing over the four year period to 2021/22:

Summary of Capital Budget 2018/19 to 2021/22				
	2018/19 £000s	2019/20 £000s	2020/21 £000s	2021/22 £000s
Capital Expenditure				
ICT Schemes	1,969	3,410	7,247	2,433
Fleet Schemes	939	1,534	1,886	966
Estates Schemes	2,158	3,517	590	1,575
Other Schemes	148	274	43	500
	5,214	8,735	9,766	5,474
Capital Financing				
Capital Receipts	0	0	1,422	283
Revenue Contributions	1,542	1,772	3,392	3,244
Capital Grants	575	1,920	4,951	372
Reserves	1,297	5,043	0	1,575
Borrowing	1,800	0	0	0
	5,214	8,735	9,766	5,474

A more detailed schedule is provided at **Appendix B** which also illustrates the whole life costs of the current projects within the capital programme.

3.2. There have been a number of changes to future years expenditure since the 10 year capital strategy was approved. These are summarised in the table below

Changes to the capital strategy following approval in February 2019						
	2018/19 £000s	Yr1 2019/20 £000s	Yr2 2020/21 £000s	Yr3 2021/22 £000s	Yr4-10 FUTURE £000s	TOTAL £000s
Approved Strategy	6,052	8,709	9,466	5,355	41,526	71,108
Current Expenditure Predictions	5,214	8,735	9,766	5,474	41,967	71,156
Difference	(837)	26	299	119	441	48
Effects of slippage from 2018/19 to future years	(713)	641	52	19	0	0
Transfer to/From Revenue	18	0	0	0	0	18
Budgets Brought Forward	96	63	(159)	0	0	0
Control Room Futures Re-Profile	(241)	(706)	406	100	441	0
Budgets returned on completion of schemes	(10)	0	0	0	0	(10)
Budget Increases	12	28	0	0	0	40
						0
Difference	(837)	26	299	119	441	48

The corresponding financing has been moved to match this new profile.

NOT PROTECTIVELY MARKED

PAC 2019-05-09 Item 6 - Capital Budget Monitoring Quarter 4 to March 2019 & Provisional Outturn

4. Capital Determinations

4.1. Part IV of the Local Government and Housing Act 1989 requires a number of “determinations” to be made and approved in relation to the financing of capital expenditure. These are set out below:

- ◆ Useable capital receipts amounting to £647k have been received in 2018/19 from the sale of property. These receipts have not been applied to finance capital expenditure in 2018/19 but have been reserved to meet expenditure commitments in future years. In conclusion, no capital receipts have been applied to meet capital expenditure under part IV (section 60.2) of the act.
- ◆ A sum amounting to £432k has been set aside in the revenue account as a minimum revenue provision (MRP) for credit liabilities (section 63.5 of the act) in line with the policy agreed as part of the Treasury Management Strategy Statement in February 2018.

5. Supplementary Information

5.1. Appendices to this report are provided as follows:

- ◆ Appendix A – Capital Budget 2018/19
- ◆ Appendix B – Capital Programme 2018/19 to 2021/22

NOT PROTECTIVELY MARKED

PAC 2019-05-09 Item 6 - Capital Budget Monitoring Quarter 4 to March 2019 & Provisional Outturn

Appendix A**Capital Budget 2018/19**

Capital Budget 2018/19	Original Approved Budget £000s	Impact of 2018/19 Outturn £000s	New Schemes Approved £000s	Budget Changes Approved £000s	Approved Adjusted Budget £000s	Actual Expenditure to Mar-19 £000s	Forecast Capital Outturn £000s	Forecast Variation £000s
ICT Schemes								
ICT End User Hardware Replacements	340	0	3	(9)	333	92	92	(242)
ICT Infrastructure Solution Replacement	35	0	0	0	35	10	10	(25)
ICT Core Hardware Replacements	570	(132)	96	(167)	367	314	314	(54)
ICT Hardware Replacements Radio / ESN	50	12	0	0	62	0	0	(62)
Case and Custody	92	(3)	0	(50)	38	0	0	(38)
Digital Policing Project	261	44	0	0	305	148	148	(157)
Red Sigma	252	(43)	0	(207)	2	2	2	(0)
Hi Tech Crime Improvements (DMIU)	50	27	0	0	77	85	85	8
Control Room Futures	3,685	(1,720)	0	(75)	1,889	1,231	1,231	(658)
E Business	1,440	(70)	(25)	(97)	1,247	23	23	(1,224)
Body Worn Video	0	65	0	(2)	63	63	63	0
National ANPR	0	0	(28)	28	0	0	0	0
Unified National Systems	51	28	0	(79)	0	0	0	0
General Slippage	(1,000)	0	0	0	(1,000)	0	0	1,000
Total ICT Schemes	5,826	(1,792)	46	(659)	3,421	1,969	1,969	(1,452)
Fleet Schemes								
Vehicle Replacements - 17/18 & 18/19	1,208	67	99	(80)	1,294	898	898	(396)
Fleet - Ballistically Protected Vehicle	0	42	0	0	42	41	41	(1)
Total Fleet Schemes	1,208	109	99	(80)	1,337	939	939	(397)
Estates Schemes								
Eden Deployment Centre	3,503	(203)	0	13	3,313	1,800	1,800	(1,513)
Workington - Land Purchase	0	300	0	(13)	287	283	283	(4)
Flood works at HQ	0	10	0	0	10	10	10	0
Durranhill CCTV and Cell Call	50	0	0	0	50	43	43	(7)
Durranhill heat and Vent Plant	50	0	0	0	50	22	22	(28)
HQ Gas Suppression system	30	0	0	(30)	0	0	0	0
Total Estates Schemes	3,633	107	0	(29)	3,710	2,158	2,158	(1,552)
Other Schemes								
CCTV	29	(5)	0	0	24	0	0	(24)
ANPR	0	0	50	0	50	50	50	0
Accelerated Recruitment	0	0	47	0	47	54	54	7
Portable Ballistic Protective Equipment	23	23	0	0	46	44	44	(2)
Business Analytics	542	0	0	(542)	0	0	0	0
Total Other Schemes	594	18	97	(542)	167	148	148	(19)
Total Capital Expenditure 2018/19	11,261	(1,558)	241	(1,310)	8,634	5,214	5,214	(3,420)

NOT PROTECTIVELY MARKED

PAC 2019-05-09 Item 6 - Capital Budget Monitoring Quarter 4 to March 2019 & Provisional Outturn

Appendix B**Capital Programme 2018/19 to 2021/22**

	Current Budget	Spend to 31 Mar '18	Programme Remaining Budget	Spend to Mar-19	Projected Outturn 2018/19	Projected Outturn 2019/20	Projected Outturn 2020/21	Projected Outturn 2021/22	Projected Total Cost	Variation
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
ICT Schemes										
ICT End User Hardware Replacements	2,857	0	2,857	92	92	1,283	137	1,342	2,854	(3)
ICT Infrastructure Solution Replacement	34	0	34	10	10	24	0	0	34	0
ICT Core Hardware Replacements	4,150	310	3,840	314	314	597	2,530	399	4,150	0
ICT Hardware Radio Replacements / ESN	2,445	34	2,411	0	0	112	1,999	300	2,445	0
Case and Custody	797	758	39	0	0	39	0	0	797	0
Digital Policing Project	2,267	1,962	305	148	148	157	0	0	2,267	0
Red Sigma	73	70	3	3	3	0	0	0	73	0
Hi Tech Crime Improvements (DMIU)	352	23	329	85	85	244	0	0	352	0
Control Room Futures	5,331	1,901	3,430	1,231	1,231	1,593	506	100	5,331	0
E Business	1,377	70	1,307	23	23	1,284	0	0	1,377	0
Body Worn Video	572	225	347	63	63	23	23	238	572	0
Unified National Systems	160	0	160	0	0	53	53	54	160	0
General Slippage	0	0	0	0	0	(2,000)	2,000	0	0	0
Total ICT Schemes	20,415	5,353	15,062	1,969	1,969	3,409	7,248	2,433	20,412	(3)
Fleet Schemes	5,328	31	5,297	939	939	1,534	1,885	966	5,355	27
SUB TOTAL CONSTABULARY PROGRAMME	25,743	5,384	20,359	2,908	2,908	4,943	9,133	3,399	25,767	24

NOT PROTECTIVELY MARKED

PAC 2019-05-09 Item 6 - Capital Budget Monitoring Quarter 4 to March 2019 & Provisional Outturn

Appendix B

Capital Programme 2018/19 to 2021/22 (Continued)

	Current Budget	Spend to 31 Mar '18	Programme Remaining Budget	Spend to Mar-19	Projected Outturn 2018/19	Projected Outturn 2019/20	Projected Outturn 2020/21	Projected Outturn 2021/22	Projected Total Cost	Variation
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Estates Schemes										
South Cumbria Estate	9,114	9,114	0	0	0	0	0	0	9,114	0
Eden Deployment Centre	5,320	235	5,085	1,800	1,800	3,285	0	0	5,320	0
Workington Land Purchase	287	0	287	283	283	0	0	0	283	(4)
Flood works at HQ	89	79	10	10	10	0	0	0	89	0
Durranhill CCTV and Cell Call	50	0	50	43	43	12	0	0	55	5
Durranhill heat and Vent Plant	50	0	50	22	22	28	0	0	50	0
Gas Cylinder replacement	20	0	20	0	0	0	20	0	20	0
UPSHQ	100	0	100	0	0	100	0	0	100	0
Roof Repairs Various	163	0	163	0	0	93	70	0	163	0
Garage Provision (I)	500	0	500	0	0	0	500	0	500	0
West Resilience Flood Management (I)	1,575	0	1,575	0	0	0	0	1,575	1,575	0
Total Estates Schemes	17,268	9,428	7,840	2,158	2,158	3,518	590	1,575	17,269	1
Other Schemes										
CCTV	1,619	1,095	524	0	0	24	0	500	1,619	0
ANPR	50	0	50	50	50	0	0	0	50	0
Accelerated Recruitment	47	0	47	54	54	0	0	0	54	7
Portable Ballistic Equipment (I)	46	0	46	44	44	0	0	0	44	(2)
Taser Migration	250	0	250	0	0	250	0	0	250	0
Glock Pistol Replacements	43	0	43	0	0	0	43	0	43	0
Total Other Schemes	2,055	1,095	960	148	148	274	43	500	2,060	5
GRAND TOTAL CAPITAL PROGRAMME	45,066	15,907	29,159	5,214	5,214	8,735	9,766	5,474	45,096	30



Constabulary Report to OPCC

TITLE OF REPORT:	Revenue Budget Monitoring 2018/19 Quarter 4 to March 2019 and Provisional Outturn
-------------------------	--

DATE OF MEETING:	Public Accountability Conference 09 May 2019
-------------------------	---

ORIGINATING OFFICERS:	Mark Carter, Financial Services Officer and Michelle Bellis, Deputy Chief Finance Officer
------------------------------	--

PART 1 or PART 2 PAPER:	PART 1 (OPEN) and PART 2 (CLOSED)
--------------------------------	--

<p>Executive Summary:</p> <p>The attached report provides details of the provisional outturn on the Constabulary's revenue budget for 2018/19. The figures quoted at this stage are reported as provisional as the final accounts are still subject to audit but it is not envisaged that there will be any significant changes.</p> <p>The figures show net revenue expenditure on Constabulary controlled and managed budgets amounting to £115.397m which represents an overspend of £217k (0.19%) against the approved adjusted budget of £115.180m.</p> <p>The overspend is made up of an overspend on expenditure budgets of £836k (0.69%) offset by additional income totalling £619k (10.21%).</p> <p>The final overspend of £217k represents a reduction of £429k compared to the overspend reported at the end of Quarter 3 at 31 December of £646k. It should, however, be noted that the overspend has already been reduced through the agreed application of revenue budget reserves amounting to £470k. The net overspend prior to application of reserves is therefore £687k which represents 0.6% of the adjusted budget. The principal changes in the last quarter of the financial year related to reductions in expenditure on supplies and services and additional income. Forecasts in relation to officer, PCSO and staff pay have been accurate from early in the financial year.</p>

<p>Recommendation:</p> <p>The Commissioner is asked to note the Constabulary revenue budget provisional outturn for 2018/19.</p>

MAIN SECTION

1. Introduction and Background

- 1.1 The purpose of this report is to provide information on the provisional revenue outturn for 2018/19. Total net expenditure amounts to £115.397m which is £217k above the approved budget. This represents a movement of £429k when compared to the forecast overspend reported at the end of Quarter 3 of £646k.
- 1.2 The total budget is based on the funding arrangement between the Commissioner and the Chief Constable. This was approved and signed off by both the Chief Constable and Police & Crime Commissioner on 12 March 2018.
- 1.3 The approved funding amounted to £123.936m, which is made up of a net revenue budget of £116.902m plus a plant and equipment capital budget of £7.034m. This report deals solely with the revenue funding. The original approved funding has subsequently been amended by a number of budget adjustments. The revised net revenue budget stands at £115.180m.

2. Revenue Expenditure

The provisional outturn of net revenue expenditure for 2018/19 is £115.397m, which is £217k (0.19%) above the approved adjusted budget of £115.180m, which represents a movement of £429k compared to the overspend forecast as at 31 December 2018 (£646k). The provisional outturn is made up of an overspend on expenditure of £836k (0.69%) offset by additional income of £619k (10.21%).

- 2.1 The principal variances at the end of the financial year, together with comparatives as reported at December, are outlined in the table below:

NOT PROTECTIVELY MARKED

PAC 2019-05-09 Item 07 - Constabulary Revenue Budget Monitoring Quarter 4 to March 2019 & Provisional Outturn (Part 1&2)

Description	Revised Budget	Provisional Outturn	Provisional (Under)/Overspend	Provisional (Under)/Overspend	Explanation Paragraph	Projected (Under)/Overspend	Change from DEC-18 to ADJ-19
	2018/19	2018/19	2018/19	2018/19		@ DEC-18	
	£'000s	£'000s	£'000s	%		£'000s	£'000s
Constabulary Funding							
Police Officers	80,918	81,967	1,049	1.30%	2.4	1,034	15
Police Community Support Officers	3,131	2,867	(264)	-8.43%	2.5	(279)	15
Police Staff	21,007	21,198	191	0.91%	2.6	202	(11)
Other Employee Budgets	1,935	2,099	164	8.48%	2.7	86	78
Transport Related Expenditure	2,130	2,171	41	1.92%	2.8	96	(55)
Supplies & Services	10,059	9,723	(336)	-3.34%	2.9	(75)	(261)
Third Party Related Expenses	2,062	2,053	(9)	-0.44%	2.10	(2)	(7)
Total Constabulary Funding	121,242	122,078	836	0.69%		1,062	(226)
Income	(6,062)	(6,681)	(619)	10.21%	2.11	(416)	(203)
Total Constabulary Funding Net of Income	115,180	115,397	217	0.19%		646	(429)

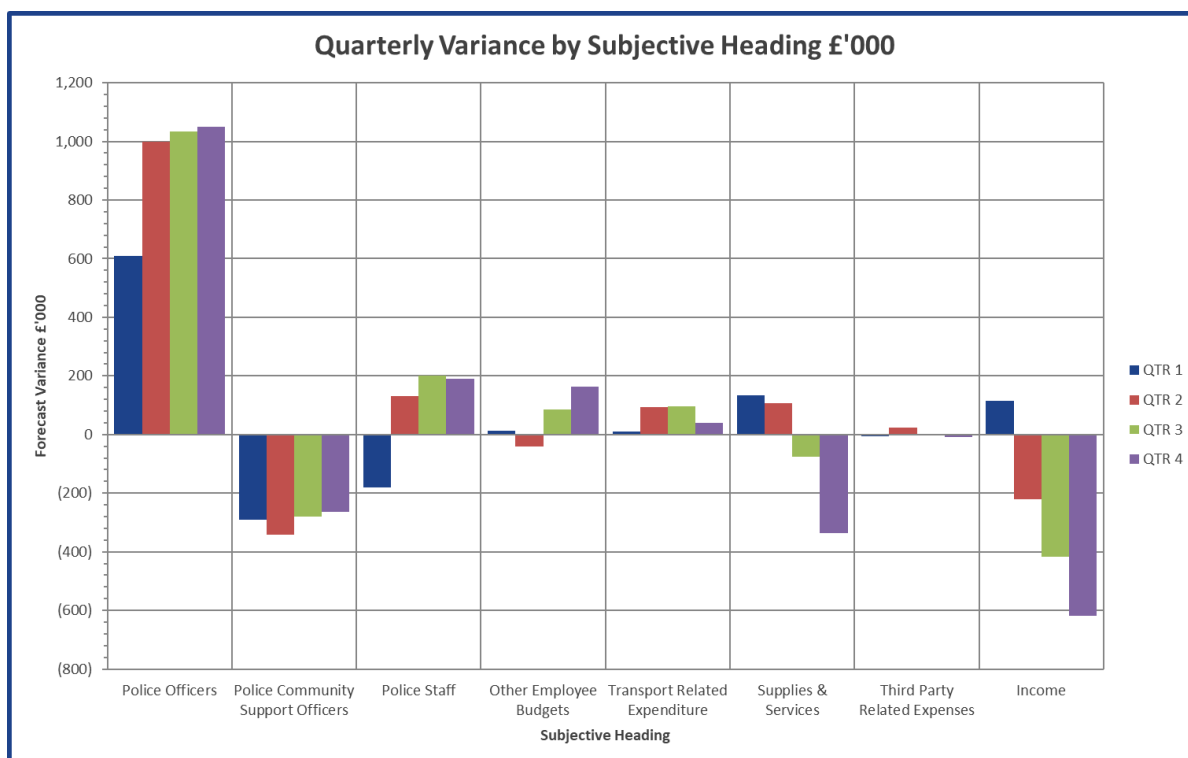
A more detailed analysis of the figures in the above table is provided at **Appendix A**. Commentary on specific variances is provided in the paragraphs below.

- 2.2 The provisional outturn variance reported for 2018/19 is £429k different to the variance forecast as at the end of December (Qtr. 3). The main reasons for this difference will be explained in the remainder of Section 2 heading by heading.

The quarterly reported variances for 2018/19 together with the comparators for 2017/18 are summarised in the table below:

Constabulary Reported Variance	(Under)/Overspend	
	2017/18	2018/19
	£000s	£000s
Quarter 1 to 30 June	257	402
Quarter 2 to 30 September	912	749
Quarter 3 to 31 December	1,008	646
Quarter 4 to 31 March	251	217

The chart below provides a graphical analysis of the forecast variances for 2018/19 quarter by quarter by subjective heading.



2.3 Police Officer Pay, Allowances and Overtime came in over budget by £1,049k (£1,034k as at December).

The cumulative effect of changes in the number and profile of officer recruitment and leavers against the original workforce plan have given rise to additional expenditure of £537k (£543k as at December).

These changes include:

- A number of temporary increases in higher ranks (Sergeants, Inspectors, Chief Inspectors and higher ranks).
- Fewer than originally planned retirements and other leavers during 2018/19 (9.3 FTE).
- Fewer than originally planned transferees into the organisation (12.0 FTE).
- More than originally planned new recruits into the organisation (11.00 FTE).
- Changes to the profile of new recruits to facilitate the earlier recruitment of the additional 25 police officers as pledged by the Commissioner.
- Increased Employers National Insurance contributions related to the overspend on Police Overtime.
- Starting 2018/19 with more officers than originally planned (5.4 FTE).
- Changes in hours and net movements of seconded officers and career breaks (-1.80 FTE).

The above in year changes to WFP reflect the conscious decision to facilitate the earlier recruitment of the additional 25 police officers as pledged by the Commissioner in relation to the increase in council tax precept. In addition, decisions taken to operate approximately 20 officers over establishment for police officers for the remainder of the financial year to counterbalance the reduction in actual PCSO numbers and to safeguard against potential difficulty in recruiting as a result of the forthcoming changes in relation to the Police Education Qualification Framework (PEQF) have impacted on the forecast position. Further decisions to back fill or act up officers into vacant posts or to cover for absences has also had an impact. The slight change between December and March is principally due to changes in the work force plan from the December position. Expenditure on Police Officer Pay has been mitigated by £420k through the agreed drawdown of the budget support reserve.

Appendix B provides more detailed analysis in relation to police officer pay budgets and outturn for 2018/19.

Police Overtime out-turn shows an overspend of £120k (£102k as at December) and has two principal explanations. A more detailed analysis of the overtime position by command/department is provided for information at **Appendix C**.

- Non-public holiday overtime has exceeded the budget by £155k (£151k as at December). This arises principally from additional expenditure in Territorial Policing (£142k). Expenditure on overtime has increased mainly due to pressure being experienced on overtime budgets in Territorial Policing Command. A significant proportion of the additional overtime related to special policing services, the costs of which was recovered from third parties.
- Public holiday payments came in under budget by £35k (£49k as at December). Of this £45k relates to Territorial Policing Command.

Finally, Police Officer Pensions provisional outturn shows an overspend of £391k (£389k as at December). Of the overspend £364k relates to an increase in the number of individuals required to be retired under the pension regulations increasing from 3 to 8. In these circumstances, the Constabulary is required to meet the capital ill health charge of two times annual salary (approx. £80k per retirement). The remainder of the overspend, £25k relates to an increase in payments of injury allowances due to payment of arrears following a successful appeal. Expenditure on ill health retirements has been mitigated by the agreed drawdown of £50k from a pensions reserve.

2.4 PCSO Pay, Allowances and Overtime came in under budget by £264k (£279k as at December).

The provisional underspend is as a result of the following changes to the workforce plan for PCSOs:

- Starting 2018/19 with 1.3 FTE fewer PCSOs than originally planned -£40k
- Fewer starters x 21 FTE -£171k
- Fewer leavers but profiled earlier in the year 4.9 FTE -£53k,

2.5 Police Staff Pay & Allowances came in over budget by £191k (£202k overspend as at December).

The overspend has arisen through a combination of circumstances.

- Starting the year above the originally budgeted number of FTE £71k.
- Leavers / Starters and Vacancies during 2018/19 £90k.
- Changes in hours and regrades -£6k.

Police Staff Overtime provisional out-turn shows an overspend by £36k (£29k overspend as at December). The forecast overspend arises principally from increased expenditure in Crime Command (£18k), Territorial Policing (£14k) and Corporate Support (£4k).

Appendix D provides more detailed analysis in relation to police staff pay budgets and outturn for 2018/19.

2.6 Other Employee Expenditure came in over budget by £164k (£86k overspend as at December).

The primary reasons for the overspend are as follows:

- Training and Conference Fees £112k (£92k overspend as at December). The largest part of this variance (£67k) relates to additional training costs associated with the early recruitment of the 25 additional officers and additional training costs associated with recruiting the additional 20 officers over establishment. In addition, there has been pressure on the Territorial Policing Command budget (£50k) and Crime Command budget (£12k) largely to maintain required accreditations, offset by reductions in other departments (£17k)
- Redundancy and Actuarial Strain £62k (£33k as at December). These relate to termination costs as a result of Constabulary decisions for which there is no budget provision.

NOT PROTECTIVELY MARKED

PAC 2019-05-09 Item 07 - Constabulary Revenue Budget Monitoring Quarter 4 to March 2019 & Provisional Outturn (Part 1&2)

- Staff and Officer Recruitment Costs £47k (£48k as at December). Costs associated with the early recruitment of the 25 additional officers and additional costs to recruit the 20 officers over establishment.
- Agency Staff £16k (£5k as at December).
- Staff Welfare Costs £10k (£7k as at December). These additional costs relate to medical consultants required to take part in the Police Medical Appeal Board processes in respect of the ill health retirement process.

These overspends are offset somewhat by the following underspend:

- Apprenticeship Levy £84k underspend (£100k as at December). The provisional final position shows that £222k of the levy paid in 2017/18 (which was accrued into 2018/19) will now not be used and as a result will be lost and should therefore be accounted for in the current year. The assumptions in relation to the £306k levy paid in relation to 2018/19 is that this will be used in future years and as such will be accrued into 2019/20.

2.7 Transport related expenditure came in over budget by £41k (£96k as at December).

The main reasons for the overspend are as follows:

- Vehicle Fuel £44k overspend (£54k as at December). The overspend can be attributed to a combination of above higher than budgeted fuel prices at the beginning of the year, price fluctuations throughout the year and slightly higher overall anticipated mileage.
- Car Hire, Allowances and Travel Expenses £12k overspend (£3k as at December). Due to increased levels of activity.

These underspends are offset somewhat by underspends on Vehicle Repair, Maintenance & Other £14k (£38k overspend as at December). The difference from December is due to a reduction in spending on tyres and parts.

2.8 Supplies & Services related expenditure came in under budget by £336k (£75k as at December).

The primary underspends are as follows:

- Communications & Computing £161k (£21k as at December). Computer Software Maintenance £78k underspend due to various contract changes and Software Purchases

£22k, Network Private Circuits £33k relating to savings on the old contract. Telephone Landlines £18k savings from reduced usage of fixed lines. Website Running Costs £12k.

- Contingency £145k (£150k as at December). The contingency was included in the budget to cushion against potential price rises as a result of Brexit and the impact of the weakening of the pound against the dollar (in particular in relation to ICT contract pricing which is frequently in dollars), this was ultimately not required 2018/19.
- Efficiency Savings £76k (£76k as at December).
- Accommodation & Subsistence £39k (£20k as at December).
- Police Doctors & Surgeons £31k (£29k as at December). Monthly custody medical contract costs were lower than budgeted.
- Consultants £26k (£10k overspend as at December).
- Interpreters and Translators £18k (£13k as at December).
- Confiscated Animals £14k (£17k as at December). The cost of kennelling / dealing with confiscated animals.
- Advertising £10k (£2k as at December).
- Office Equipment, Furniture & Materials £7k (£2k overspend as at December).

The above underspends are offset by overspends on the following budgets:

- Subscriptions £19k (£6k as at December). Public Performance Licenses £7k, Donation to the Police Treatment Centre £10k.
- Catering £21k (£22k as at December) overspend, this relates to increased expenditure in relation to the in house canteen provision, purchase of food and ingredients which is somewhat offset by increased canteen income of £9k (see 2.10 below).
- Clothing & Uniform £32k (£44k as at December) overspend due to increased recruitment and specialist courses.
- Custody Costs £27k (£18k as at December). Appropriate Adults Services £15k, Clothing, Consumables, Laundry etc. £12k.
- Other overspends on Supplies & Services :
 - Witness Intermediaries £12k (£7k as at December).
 - Testing Kits & Materials £31k (£23k as at December).
 - Breathalyser Equipment and Materials £9k (£8k as at December).

- TASER £10k (£9k as at December).
- Other Operational Equipment £28k (£58k as at December).

2.9 Third Party related expenditure came in under budget by £9k (£2k underspend as at December).

The primary reasons for the underspend are as follows:

- Contribution to NPAS £22k (£22k as at December).
- Payments in respect of the Police National Computer / Database £12k (£0k as at December). This is due to changes to the national products we are asked to support.
- Collaboration Payments £16k (£26k as at December). TITAN Collaboration payments £7k, NW Underwater Search & Marine Unit charge £7k.
- Contribution towards national projects £39k (£43k as at December). Distraction Burglaries £8k, NABIS £13k, Op Elter (undercover policing) £16k, Senior Investigating Officer accreditation £10k.

2.10 Recovery of income has exceeded the budget by £619k (£416k as at December).

The main areas of over recovery of income are:

- Abnormal Loads £393k (£229k as at December). The majority of this extra income relates to income from specialist policing services of £338k with other additional abnormal load escorts contributing a further £55k.
- Mutual Aid income £146k (£142k as at December). Income from mutual aid to offset plain time costs and other overheads.
- Policing Sporting Events, Concerts and Other Events £28k (£28k as at December).
- Sale of Assets & Goods £83k (£63k as at December). Sale of Vehicles £64k, Canteen income £9k, Sale of Surplus Equipment £7k.
- Reimbursed Services £19k (£14k as at December). Immigration income, Court Services Income and reimbursement of other costs.
- Warrant Officer Income £4k (£3k as at December).
- Reimbursements for Training £6k (£3k as at December).
- Vehicle Recovery Income £16k (£19k as at December).

This over recovery of income is offset somewhat by the following areas of under recovery of income:

- Firearms Licensing £83k (£97k as at December). Income follows a five year cycle.

3. Sponsorship Activity

3.1 Under the terms of the funding arrangement, the Chief Constable is required to include in the annual revenue outturn report details of sponsorship activity undertaken/received in the year. Chief Officers responsibilities with regard to sponsorship are set out in section C13 of the Financial regulations and include:

- To determine whether gifts, loans or sponsorship will be accepted
- To ensure there are guidelines in place for staff with regard to gifts, loans and sponsorship and that all staff are aware of and operate within the guidelines.
- To ensure guidelines provide that the Joint CFO is advised of any gifts, loans or sponsorship prior to acceptance to ensure that decision making takes into consideration any financial implications including those pertaining to insurance and taxation.

3.2 During 2018/19 only one item of sponsorship has been notified as accepted. This relates to a vehicle provided by Lloyd Mini for use in the work of the mini constabulary and the promotion of that initiative. Although the sponsorship offer was accepted in the 2017/18 financial year the vehicle (a Mini) was not be handed over until early in 2018/19. In addition, the Constabulary utilises a vehicle provided by DSG Ltd Morecambe for use by the community safety team in the south of the county, this vehicle is replaced on a regular basis.

4. Bad and Doubtful Debts

4.1 In accordance with the funding arrangement, this revenue outturn report is required to include details of bad debts written off during the year and any provision for bad and doubtful debts made at 31 March 2019.

During 2018/19 a total of 7 debtor invoices with a combined value of £1,764.35 were approved for write off by the Joint Chief Finance Officer Roger Marshall. A schedule of all debt write offs is provided at **Appendix E (Note Appendix E to be Part 2 Paper for Public Accountability Conference)**.

4.2 At 31 March 2019 a provision for bad and doubtful debts has been established for an amount of £1,828. This provision relates to 2 debtor invoices for which uncertainty exists as to whether the debt will be recovered. A schedule of these doubtful debts is provided at **Appendix F (Note Appendix F to be Part 2 Paper for Public Accountability Conference)**.

NOT PROTECTIVELY MARKED

PAC 2019-05-09 Item 07 - Constabulary Revenue Budget Monitoring Quarter 4 to March 2019 & Provisional Outturn (Part 1&2)

4.3 At 31 March 2019 the accounts receivable (debtors system) recorded that there were 123 invoices outstanding with a combined total of £771k arising from 71 separate customers. Of this sum, £648k (84%) relates to invoices that are classed as current as they have not yet met their due date. A further analysis of debtors as at 31 March 2019 is provided at **Appendix G. (Note Appendix G to be Part 2 Paper for Public Accountability Conference).**

5. Supplementary Information

5.1 Appendices to this report are provided as follows:

- Appendix A – Constabulary Revenue Budget monitoring as at the end of 2018/19.
- Appendix B – Police Officer Pay Further Analysis.
- Appendix C – Police Officer Overtime Analysis 2018/19.
- Appendix D – Police Staff Pay Further Analysis.
- Appendix E – Schedule of Bad Debts Written Off During 2018/19 (Part 2)
- Appendix F – Calculation of Provision for Bad & Doubtful Debts at 31 March 2019 (Part 2).
- Appendix G – Analysis of Debts at 31 March 2019 (Part 2).

The Chief Constable for Cumbria Constabulary**Revenue Budget Monitoring Full Year 2018/19**

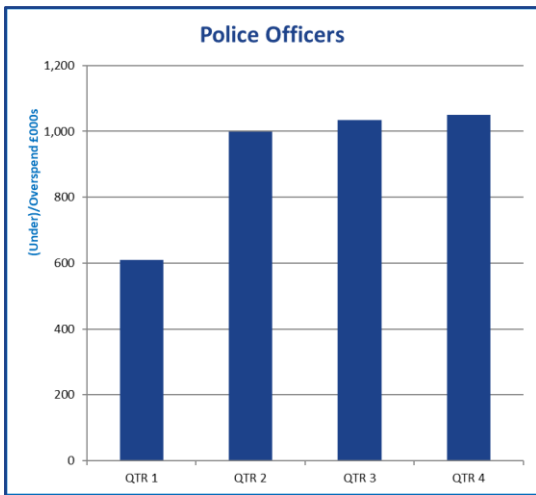
Description	Base Budget 2018/19 £	Revised Budget 2018/19 £	Provisional Expenditure / (Income) 2018/19 £	Provisional (Under)/ Overspend 2018/19 £	Provisional (Under)/ Overspend 2018/19 %	Projected (Under) / Overspend @ DEC-18 £	Change DEC-18 to ADJ-19 £
Constabulary Funding							
Police Officers	82,603,110	80,918,408	81,967,090	1,048,681	1.30%	1,034,054	14,627
Police Community Support Officers	3,131,356	3,131,356	2,867,144	(264,212)	-8.44%	(279,073)	14,861
Police Staff	20,684,681	21,006,987	21,198,347	191,360	0.91%	202,559	(11,198)
Other Employee Budgets	1,160,125	1,934,605	2,098,976	164,371	8.50%	85,562	78,809
Transport Related Expenditure	2,171,152	2,129,563	2,171,460	41,897	1.97%	95,719	(53,822)
Supplies & Services	9,827,801	10,059,220	9,722,684	(336,536)	-3.35%	(75,057)	(261,479)
Third Party Related Expenses	2,108,051	2,062,382	2,052,716	(9,666)	-0.47%	(2,144)	(7,522)
Total Constabulary Funding	121,686,275	121,242,521	122,078,417	835,896	0.69%	1,061,620	(225,724)
Income	(4,784,152)	(6,062,004)	(6,681,179)	(619,175)	10.21%	(415,830)	(203,345)
Total Constabulary Funding Net of Income	116,902,124	115,180,517	115,397,237	216,720	0.19%	645,789	(429,069)

Police Officer Pay

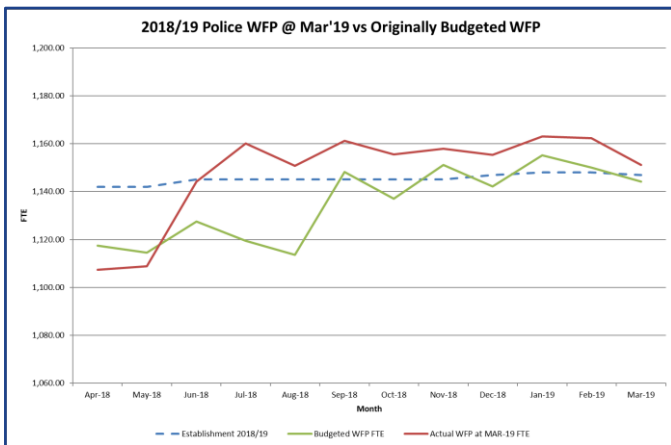
The table below provides a greater level of detail of the final year-end figures.

Description	Revised Budget 2018/19 £	Provisional Outturn 2018/19 £	Provisional (Under)/Overspend £	Projected Variance DEC-18 £	Change DEC-18 to ADJ-19 £
Police Officers					
Police Officer Pay	43,231	42,052	(1,179)	(1,148)	(31)
Police Officer National Insurance	5,023	4,934	(89)	(105)	16
Police Officer Employers Pension Contributions	29,021	28,846	(175)	(152)	(23)
Police Officer Contribution to Pension Fund	1,007	1,158	151	126	25
Police Officer Allowances & Other Payments	1,570	1,705	135	129	7
Police Officer Overtime	1,338	1,494	156	151	4
Police Officer Overtime - Public Holiday	662	627	(35)	(49)	14
Police Officer Turnover	(1,693)	0	1,693	1,693	0
Police Officer Ill Health & Injury Pensions	759	1,151	392	389	2
	80,918	81,967	1,049	1,034	15

Appendix E provides a more detailed analysis of police officer overtime and public holiday payments.



This chart shows how the police officer pay forecast has changed on a quarterly basis. The large increase in forecast between Quarter 1 and 2 reflects the decision taken to accelerate recruitment and to operate approximately 20 officers over police officer establishment in order to safeguard against potential difficulty in recruiting as a result of the forthcoming changes in relation to PEQF.



This chart illustrates the actual WFP compared with the original WFP budget and budgeted establishment. Where the actual WFP (red line) falls below the original WFP budget (green line) an underspend will result, where the workforce plan rises above the original budget line an overspend will result. Although we began the year with actual officer numbers below the originally budgeted figures it was decided to increase recruitment during the year, this has resulted in an increase in expenditure above the budgeted figure for 2018/19.

Police Officer Overtime Analysis 2018/19

2018-19 Police Overtime (Excluding Public Holiday Working) : ADJ-19

Command / Directorate	Department	Revised Budget 2018/19 £	Provisional Outturn 2018/19 £	Provisional (Under)/Overspend 2018/19 £
Chief Officers	Chief Officers	32,000	0	(32,000)
Chief Officers Total		32,000	0	(32,000)
Crime Command	Crime Command - General	15,624	20,532	4,908
	Crime Operations	268,032	325,451	57,419
	Intelligence	127,506	113,566	(13,939)
Crime Command Total		411,162	459,550	48,389
Territorial Policing Command	Territorial Policing Command - General	107,116	148,259	41,143
	Operational Support	333,164	380,077	46,913
	TPA North	73,316	92,753	19,437
	TPA South	81,049	85,416	4,367
	TPA West	60,138	90,604	30,466
Territorial Policing Command Total		654,783	797,108	142,325
Corporate Support	Learning & Development	9,500	1,345	(8,155)
	People Department	2,076	2,780	704
Corporate Support Total		11,576	4,125	(7,451)
Corporate Improvement	Business Improvement Unit	0	316	316
Corporate Improvement Total		0	316	316
Seconded	712600-Seconded - NPAS	1,979	1,979	(0)
Seconded Total		1,979	1,979	(0)
Seconded - TITAN	717570-Seconded - North West ROCU (Merseyside)	3,337	3,337	(0)
Seconded - TITAN Total		3,337	3,337	(0)
Earmarked - Crime Command	747005-CT Prevent	910	910	0
	829005-SO13 Recharges	10,106	10,107	1
Earmarked - Crime Command Total		11,016	11,017	1
Earmarked - Territorial Policing	752005-Appleby Fair	37,736	41,458	3,722
	862000-One-off Mutual Aid	149,448	149,447	(1)
	862020-Operation POTUS	23,480	23,479	(1)
Earmarked - Territorial Policing Total		210,664	214,384	3,720
Earmarked - Sellafield	760000-Sellafield Site Policing	1,324	1,324	(0)
Earmarked - Sellafield Total		1,324	1,324	(0)
Earmarked - Safety Camera / Road Safety	888005-Safety Camera Scheme	267	267	0
Earmarked - Safety Camera / Road Safety Total		267	267	0
Projects - ICT	086A - SaaB - Control Room Futures	343	343	(0)
Projects - ICT Total		343	343	(0)
Grand Total		1,338,451	1,493,751	155,300

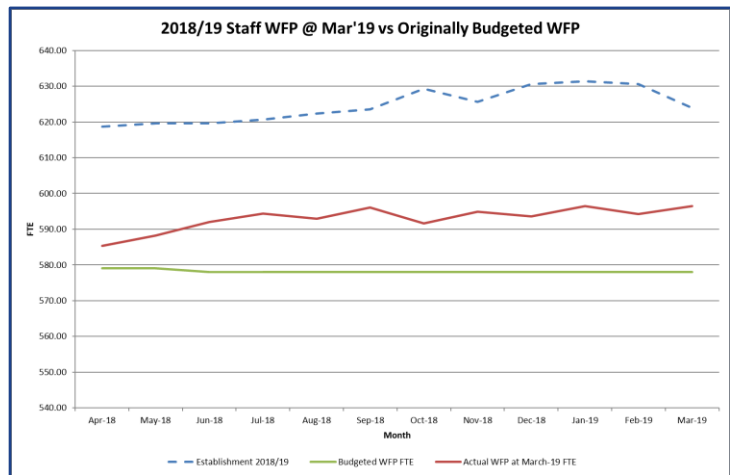
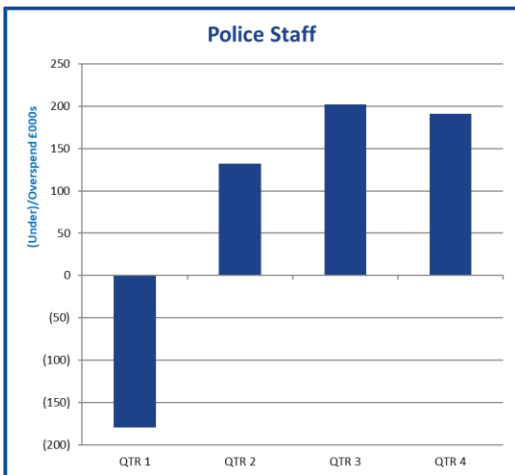
2018-19 Police Overtime (Public Holiday Working only) : ADJ-19

Command / Directorate	Department	Revised Budget 2018/19 £	Provisional Outturn 2018/19 £	Provisional (Under)/Overspend 2018/19 £
Crime Command	Crime Command - General	0	997	997
	Crime Operations	89,916	77,156	(12,760)
	Intelligence	0	18,988	18,988
Crime Command Total		89,916	97,141	7,225
Territorial Policing Command	Territorial Policing Command - General	0	7,293	7,293
	Operational Support	177,741	155,520	(22,221)
	TPA North	121,440	121,876	436
	TPA South	147,136	134,610	(12,526)
	TPA West	120,481	102,248	(18,233)
Territorial Policing Command Total		566,798	521,547	(45,251)
Seconded	712600-Seconded - NPAS	1,582	1,582	(0)
Seconded Total		1,582	1,582	(0)
Seconded - TITAN	717570-Seconded - North West ROCU (Merseyside)	589	589	(0)
Seconded - TITAN Total		589	589	(0)
Earmarked - Territorial Policing	752005-Appleby Fair	3,028	5,869	2,841
Earmarked - Territorial Policing Total		3,028	5,869	2,841
Grand Total		661,913	626,727	(35,186)

Police Staff Pay

The table below provides a greater level of detail of the final year-end figures.

Description	Revised Budget 2018/19 £	Provisional Outturn 2018/19 £	Provisional (Under)/Overspend £	Projected Variance DEC-18 £	Change DEC-18 to ADJ-19 £
Police Staff					
Police Staff Pay	17,290	16,478	(812)	(778)	(34)
Police Staff National Insurance	1,625	1,579	(46)	(53)	7
Police Staff Pensions	2,587	2,526	(61)	(60)	(1)
Police Staff Allowances & Other Payments	250	278	28	19	9
Police Staff Overtime	235	299	64	60	4
Police Staff Overtime - Public Holiday	66	38	(28)	(32)	4
Police Staff Turnover	(1,046)	0	1,046	1,046	0
	21,007	21,198	191	202	(11)



The change in forecast quarter by quarter reflects changes in the WFP and a change in assumptions in relation to when vacant posts will be filled.

The chart above illustrates the actual WFP compared with the original WFP budget and budgeted establishment. Where the actual WFP (red line) falls below the original WFP budget (green line) an underspend will result, where the workforce plan rises above the original budget line an overspend will result.



Office of the Police and Crime Commissioner Report

REQUEST FOR POLICE & CRIME COMMISSIONER DECISION - (N°010/ 2019)

TITLE: Approval of The Commissioner's Revenue Budget Provisional Outturn 2018/19

Executive Summary:

The attached report presents the revenue budget financial outturn for the Commissioner for the 2018/19 financial year. Total net expenditure amounts to £98.823m compared to an approved budget of £98.627m. This is a net variance of £196k (0.20%). The variance represents an overspend of £217k in relation to funding provided to the Constabulary and an underspend of £21k on budgets managed by the OPCC. The forecast variation of £196k represents a reduction in the forecast overspend of £427k compared to the £623k reported as at 31 December 2018.

Recommendation:

- The Commissioner is asked to note the combined provisional outturn position of an overspend of £196k for the financial year 2018/19.
- The Commissioner is asked to approve the financing of this overspend through a drawdown of the budget support earmarked reserve. It should be noted that a contribution was made to the budget support reserve during 2018/19 as a result of an underspend on the Business Intelligence capital project, which offsets the sum utilised to meet the revenue budget overspend.

Police & Crime Commissioner

I confirm that I have considered whether or not I have any personal or prejudicial in this matter and take the proposed decision in compliance with the Code of Conduct for Cumbria Police & Crime Commissioner. Any such interests are recorded below.

I hereby approve/do not approve the recommendation above

Police & Crime Commissioner / Chief Executive (delete as appropriate)

Signature: Date:



Cumbria Office of the Police and Crime Commissioner Report

Title: Commissioner's Revenue Budget Monitoring 2018/19 Quarter 4 and Provisional Outturn 2018/19

Date: 09 May 2019

Originating Officer: Michelle Bellis – Deputy Chief Finance Officer

Report of the Joint Chief Finance Officer

1. Purpose of the Report

1.1. The purpose of this report is to provide information on the provisional revenue outturn for 2018/19. Total net expenditure amounts to £98.823m compared to an approved budget of £98.627m. This is a net variance of £196k (0.20%). The variance represents an overspend of £217k in relation to funding provided to the Constabulary and an underspend of £21k on budgets managed by the OPCC. The forecast variation of £196k represents a reduction in the forecast overspend of £427k compared to the £623k reported as at 31 December 2018.

2. Recommendation

2.1. The Commissioner is asked to note the combined provisional outturn position of an overspend of £196k for the financial year 2018/19.

2.2. The Commissioner is asked to approve the financing of this overspend through a drawdown of the budget support earmarked reserve. It should be noted that a contribution was made to the budget support reserve during 2018/19 as a result of an underspend on the Business Intelligence capital project, which offsets the sum utilised to meet the revenue budget overspend.

3. Revenue Expenditure

- 3.1. The provisional outturn for net expenditure, after taking account of movements to and from earmarked reserves, amounts to £98.823m, and is £196k (0.20%) over the approved budget of £98.627m. The forecast overspend position is made up of an underspend of £21k in respect of budgets controlled by the Commissioner (made up of a net overspend on expenditure of £41k offset by the over recovery of grant and investment income of £62k).
- 3.2. The principal variances at the end of the financial year are outlined in the table below with comparative figures reported as at December 2018:

Description	Revised Budget	Provisional Outturn	Provisional (Under)/Overspend	Provisional (Under)/Overspend	Projected (Under)/Overspend	Change in Forecast
	2018/19	2018/19	2018/19	2018/19	@ DEC-18	DEC-18 to ADJ-19
	£'000s	£'000s	£'000s	%	£'000s	£'000s
Office of the Police and Crime Commissioner	723	676	(47)	-6.50%	(49)	2
Other PCC Budgets	(16,445)	(16,419)	26	-0.16%	26	0
Movements To / (From) Reserves	(831)	(831)	0	0.00%	0	0
Total OPCC Budgets	(16,553)	(16,574)	(21)	0.13%	(23)	2
Funding Provided to the Constabulary	115,180	115,397	217	0.19%	646	(429)
Net Expenditure	98,627	98,823	196	0.20%	623	(427)
External Funding	(98,627)	(98,627)	0	0.00%	0	0
Total	0	196	196		623	(427)

A more detailed analysis of the figures in the above table (not rounded) is provided at **Appendix A**. Commentary on specific variances is provided in the paragraphs below.

- 3.3. The budget for the Office of the Police and Crime Commissioner came in under budget by £47k or 6.50% (previously £49k or 6.77% at December). The underspend is largely as a result of underspends on staffing.
- 3.4. The Other PCC Controlled Budgets came in over budget by £26k or 0.16% (previously over budget by £26k or 0.16% at December). The net overspend is made up of overspends on the following expenditure lines:
- An increased contribution at year end to the Constabulary balance sheet provision in respect of legal claims of a net £37k.
 - Increased estates costs £33k. Including additional spend on repairs and maintenance and utilities.
 - Increased Insurance costs of £18k. This relates to new cyber and data cover.

These overspends are being partially offset by underspends on the following budget lines. The most significant of which was :

- An increase in the amount of investment income received in the year £71k, this is due in the main to increased interest rates achieved on investments.

- 3.5. The Commissioner provides funding to the Chief Constable to operate the Constabulary under the terms of a funding arrangement. The Chief Constable has reported a provisional outturn position of an overspend against this budget of £217k or 0.19% (£646k at December). The forecast overspend is made up of an overspend on expenditure budgets of £836k (previously £1.062m at December) offset by an increase in income of £619k (previously £416k at December). The overspend at the year-end is largely as a result of additional expenditure on police pay to facilitate early recruitment of the additional 25 police officers as pledged by the Commissioner in relation to the increase in council tax precept in 2018. In addition, a decision was made to operate approximately 20 police officers over establishment for the remainder of the 2018/19 financial year to counterbalance the reduction in actual PCSO numbers (who have left to join as regular PCs) and to safeguard against potential difficulty in recruiting as a result of the forthcoming changes in relation to the Police Education Qualification Framework (PEQF).

Other areas of the budget where overspend have occurred include police staff budgets £191k, due to reduced number of vacancies, and other employee costs £164k resulting from additional training, management of change costs and costs associated with additional recruitment. This is partially offset by reduced expenditure on PCSO pay £264k (changes to workforce plan) reduced spending on communications and computing £161k, contingency £145k (this was included in the budget to cushion against potential price rises as a result of Brexit and the impact of the weakening of the pound against the dollar, but was not required in 2018/19). Efficiency savings of £76k were also realised. The Constabulary has also experienced an increase in income above budget for £619k (abnormal loads £393k, mutual aid income £146k, sale of assets £83k).

The Chief Constable has provided a separate report elsewhere on this agenda which provides a specific update regarding funding provided to the Constabulary.

- 3.6. The combined provisional outturn position is for an overspend of £196k. It is proposed that this overspend balance is funded through the drawdown of specific reserves (as outlined in section 2 above).

- 3.7. The Commissioner maintains the police property act fund. This fund has been accumulated over a period of time as a result of the disposal of property coming into the possession of the police under the Police Property Act 1987 and the Powers of Criminal Courts Act 1973. On a quarterly basis community groups or individuals can submit applications for funding to the Commissioner, the proposals should support priorities within the Commissioner's Police and Crime Plan, have an impact on community safety and crime reduction or contribute to the delivery of the Constabulary youth strategy (e.g. diversionary activities for young people). At 31 March 2019, the fund amounted to £40k. During 2018/19 awards to successful applicants totalling £61k were made. Details of these can be found on the Commissioner's website <https://cumbria-pcc.gov.uk/what-we-do/funding/property-fund/>

Appendix A

Revenue Budget Monitoring 2018/19 – Provisional Outturn

Description	Revised Budget	Provisional Outturn	Provisional (Under)/Overspend	Provisional (Under)/Overspend	Forecast (Under)/Overspend @ DEC-18	Change in Forecast DEC-18 to ADJ-19
	2018/19 £	2018/19 £	2018/19 £	2018/19 %	£	£
Office of the Police and Crime Commissioner	722,759	676,173	(46,586)	-6.45%	(48,894)	2,308
Other PCC Budgets						
Commissioned Services Budget	1,899,214	1,899,214	(0)	0.00%	0	(0)
Sexual Assault Support Services	23,512	23,511	(1)	0.00%	0	(1)
Estates	3,982,948	4,016,423	33,475	0.84%	16,868	16,607
Insurances	566,971	584,729	17,758	3.13%	19,345	(1,587)
LGPS Past Service Cost	0	0	0	0.00%	0	0
Provisions for Insurance & Legal Liabilities	105,500	142,675	37,175	35.24%	41,000	(3,825)
Technical Accounting	931,441	930,430	(1,011)	-0.11%	0	(1,012)
Capital Financing	3,873,091	3,873,091	0	0.00%	0	0
Grants & Contributions	(27,752,844)	(27,743,451)	9,393	-0.03%	9,300	93
Interest/Investment Income	(75,000)	(146,279)	(71,279)	95.04%	(60,000)	(11,279)
	(16,445,167)	(16,419,656)	25,511	-0.16%	26,514	(1,003)
Total Police & Crime Commissioner Directly Controlled	(15,722,408)	(15,743,483)	(21,075)	0.13%	(22,380)	1,305
Constabulary Funding	121,242,521	122,078,417	835,896	0.69%	1,061,620	(225,724)
Constabulary Income	(6,062,004)	(6,681,179)	(619,175)	10.21%	(415,830)	(203,345)
Total Constabulary Funding	115,180,517	115,397,237	216,720	0.19%	645,789	(429,069)
Total Approved Budget	99,458,109	99,653,754	195,645	0.20%	623,409	(427,764)
Transfers To/(From) Earmarked Revenue Reserves	1,388,594	1,388,594	0	0.00%	0	(0)
Transfers To/(From) Capital Reserves	(2,219,989)	(2,219,989)	0	0.00%	(0)	0
Transfers To/(From) General Revenue Reserves	0	0	0	0.00%	0	0
Aggregated External Financing	(98,626,714)	(98,626,714)	0	0.00%	0	0
Net Requirement	0	195,645	195,645		623,409	(427,764)



Peter McCall

Treasury Management Activities 2018/19 Quarter 4 (January to March 2019) and Annual Report 2018/19

Public Accountability Conference 09 May 2019 and JAC Meeting 23 May 2019

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 2018, in accordance with the requirements of CIPFA's Code of Practice on Treasury Management.

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

Recommendations

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

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

Investment returns remained low during 2018/19. The expectation for interest rates within the treasury management strategy for 2018/19 was that they would remain at 0.50%. At the start of 2018/19, and after UK GDP growth had proved disappointingly weak in the first few months of 2018, investment interest rates were on a gently rising trend in anticipation that the MPC would raise the Bank Rate in August. This duly happened at the MPC meeting on 2 August 2018.

It was not expected that the MPC would raise Bank Rate again during 2018/19, after August in view of the fact that the UK was entering into a time of major uncertainty with Brexit due in March 2019. Value was therefore sought by placing longer term investments after 2 August where cash balances were sufficient to allow this. Continued uncertainty in the aftermath of the 2008 financial crisis has promoted a cautious approach whereby investments would continue to be dominated by counterparty security risk

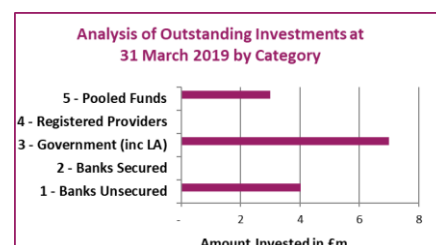
considerations, resulting in relatively low returns compared to borrowing rates.

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 2019 the total value of investments was **£14.009m** and all were within TMSS limits.

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



A full list of the investments that make up the balance of £14.009m is provided at **Appendix A**.

Investment Activity: During quarter 4 a total of 4 investments with a combined value of £6.998m 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 one investment meeting this description for £2.0m. This investment does not have an outstanding duration of over 364 days. The investment is:

- Lancashire County Council £2m (17/04/18 to 16/04/19)

Investment Income: The budget for investment interest receivable in 2018/19 was set at £75k. Shortly after the budget had been set the base rate rose and expected income was anticipated to be in the region of £120k. The actual income achieved against this target was £146k, which provides an surplus of £71k (95%). Previous reports forecast actual interest would be in the region of £135k. Factors such as interest rates

available and increased investment balances due to slippage in the capital programme have increased the final outturn.

The average return on investment during quarter 4 was 0.79%. As a measure of investment performance the rate achieved on maturing investments of over 3 months in duration is compared with the average BOE base rate for the period of the investment.

The table below illustrates the rate achieved on the two 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 (%)
East Dunbartonshire	£2m	6	0.90%	0.80%
Treasury bills	£2m	6	0.63%	0.72%

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:

	Number of Days	Average Balance £	Largest Balance £
Days In Credit	89	2,524	12,155
Days Overdrawn	1	(333)	(333)

The bank account had only one large un-invested balance during quarter

4. This was for an amount of £12k and occurred on 28 March and was in relation to a number of un-anticipated cash bankings being made by central services and area staff.

The largest/only overdrawn balance occurred on 31st December (£333) (and carried over the bank holiday) and was as a result of the monthly online banking charges being applied to the account being omitted from the cash flow forecast. The estimated interest incurred as a result of the unauthorised overdraft usage would be zero as the Commissioners accounts are pooled together.

Prudential Indicators

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

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

Annual Report on Treasury Management Operations 2018/19

Treasury Strategy: In February 2018 the Commissioner approved the 2018/19 Treasury Management Strategy Statement (TMSS). The TMSS incorporated the investment and borrowing strategies for the 2018/19 financial year. The investment strategy approved for 2018/19 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 2018/19 amounted to £17.98m (including £4.89m relating to the PFI agreement for West Cumbria TPA HQ in Workington) leaving a £13.09m 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 2018/19 is anticipated to be £19.35m, of which £4.75m relates to the PFI thereby leaving a £14.60m exposure to the requirement to undertake external borrowing at some point.

During 2018/19 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

2018/19, 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 2.7% and the rate of 1% available when such funding was invested) would have had an adverse effect on the revenue budget for the year and the immediate outlook period.

During 2018/19 the contract for the provision of treasury management advice services was re-tendered with the result that with effect from 1 April 2019 a new advisor (Link Asset Services Ltd) was appointed.

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 2018/19 was **218** (220 in 2017/18).

Value of investments placed during 2018/19 was **£135.565m** (£149.32m in 2017/18).

Of these investments made, 63 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.

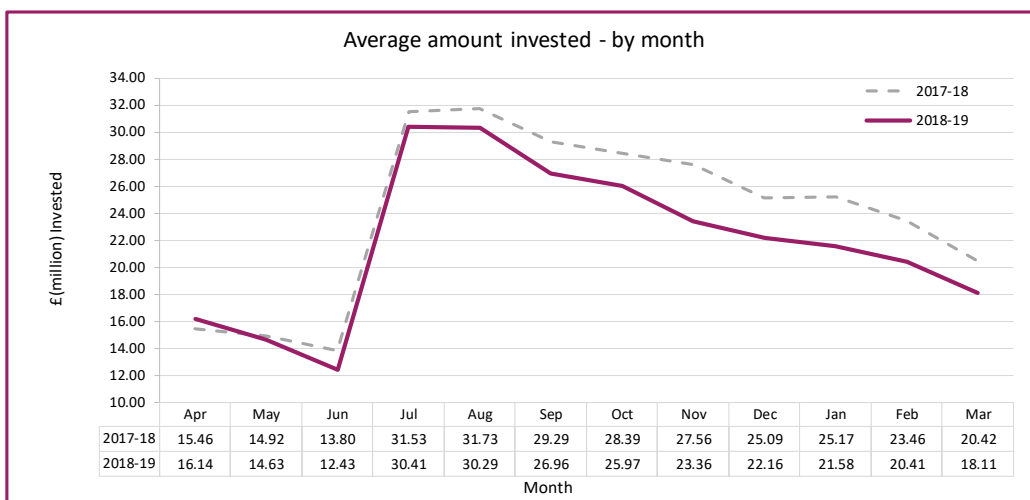
The **average** daily investment balance during 2018/19 was **£21.90m** (£23.93m in 2017/18).

The **highest** daily investment balance in 2018/19 was **£35.11m** (£36.24m in 2017/18)

The **lowest** daily investment balance in 2018/19 was **£9.23m** (£9.68m in 2017/18).

A detailed breakdown of the closing balance invested as at 31 March 2019 is provided at **Appendix A**.

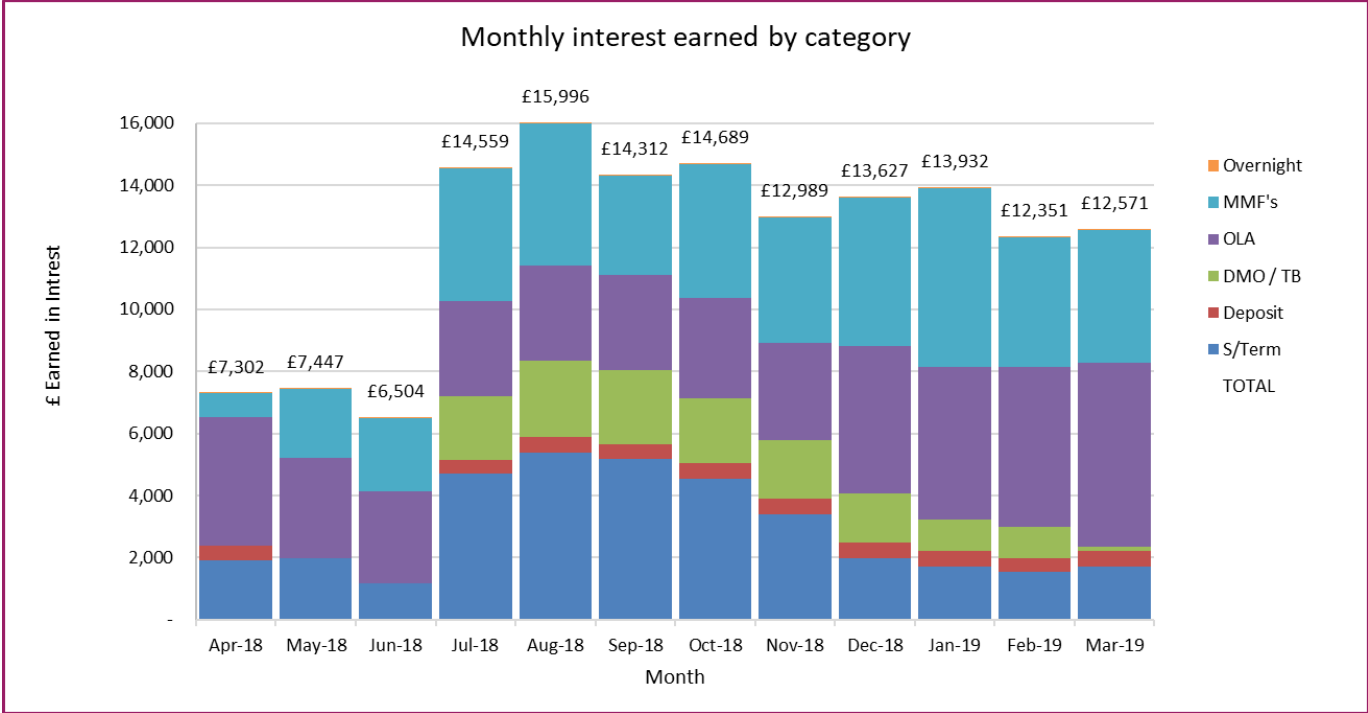
The level of cash reserves available to invest has followed the same pattern as seen in previous years. Following the introduction of the Home Office Police Pensions Grant in 2007/08, there has been an annual spike in investments in July, when the majority of the grant is received, followed by a gradual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



This chart illustrates the monthly average amounts invested during 2018/19 (with monthly comparatives for 2017/18).

Interest:

A total of £146k was earned in 2018/19 (£90k in 2017/18) from the Commissioner’s treasury management activities and can be broken down as follows:



The average return on investments for 2018/19 was 0.67% (0.38% in 2017/18) which is identical to the average bank base rate for the year. The base rate was increased from 0.50% to 0.75% on 2 August 2018.

The table above shows the outturn on investment interest as £146k for 2018/19, which is £71k above a base budget of £75k. The increase compared to the budget is largely as a result of interest rates increasing part the way through the year, which was not forecast when the strategy was produced and budgets were approved.

Treasury Operations:

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 2018/19 for the Commissioner’s main bank account are summarised in the table below:

	Number of Days	Average Balance £	Largest Balance £
Days In Credit	362	4,038	496,109
Days Overdrawn	3	(247)	(333)

The largest credit balance occurred during quarter three, the largest overdrawn balance occurred during the fourth quarter.

The quarter 4 explanation for the highest overdrawn balance is

provided above and the explanation for the quarter 3 credit balance provided below, having previously been reported in the relevant quarterly activity report to the Commissioner and Members.

The largest un-invested balance occurred on the 19th December (£496k) whereby the capital receipt from the sale of Ulverston Police Station was received late in the day from the solicitors. In line with procedure, any funds banked during the day are subject to checking by the bank and could be removed from our account again while any issues are resolved, which would have resulted in an overdrawn account. It is therefore normal practice that this cash is not invested and was left in the main fund.

As outlined on page 2 above, the largest overdrawn balance occurred on 31st December (£333) (and carried over the bank holiday) and was as a result of the monthly online banking charges being applied to the account being omitted from the cash flow forecast.

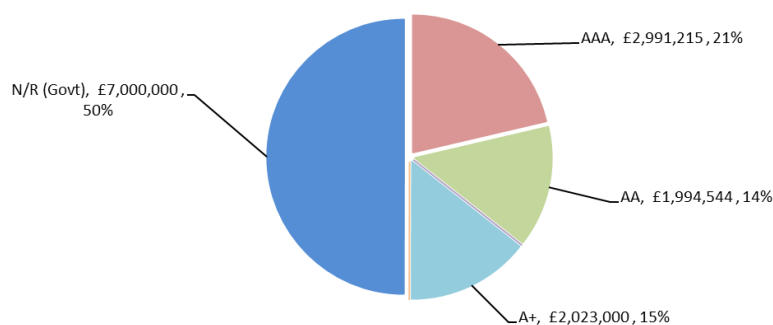
Compliance with Prudential Indicators

All treasury related Prudential Indicators for 2018/19, which were set in February 2018 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 2019

Category/Institution	Credit Rating	Investment Date	Investment Matures	Days to Maturity	Rate (%)	Amount (£)	Counterparty Total (£)
Category 1 - Banks Unsecured (Includes Banks & Building Societies)							
Svenska (Deposit Account)	AA	Various	On Demand	N/A	0.30%	1,994,544	1,994,544
Lloyds Bank	A+	24/12/2018	24/06/2019	85	1.000%	2,000,000	2,000,000
NatWest (Liquidity Select Account)	A+	29/03/2019	01/04/2019	O/N	0.20%	23,000	23,000
						4,017,544	4,017,544
Category 2 - Banks Secured (Includes Banks & Building Societies)							
						0	0
Category 3 - Government (Includes HM Treasury and Other Local Authorities)							
Lancashire County Council	NR	17/04/2018	16/04/2019	16	1.00%	2,000,000	2,000,000
East Dunbartonshire Council	NR	06/03/2019	06/09/2019	159	1.05%	2,000,000	2,000,000
Moray Council	NR	03/12/2018	03/06/2019	64	1.00%	2,000,000	2,000,000
Thurrock Council	NR	31/01/2019	31/07/2019	122	0.93%	1,000,000	1,000,000
						7,000,000	7,000,000
Category 4 - Registered Providers (Includes Providers of Social Housing)							
None						0	0
						0	0
Category 5 - Pooled Funds (Includes AAA rated Money Market Funds)							
Fidelity	AAA	Various	On demand	O/N	0.69%	91,215	91,215
Goldman Sachs	AAA	Various	On demand	O/N	0.72%	400,000	400,000
Invesco	AAA	Various	On demand	O/N	0.78%	400,000	400,000
Aberdeen Standard	AAA	Various	On demand	O/N	0.78%	2,100,000	2,100,000
						2,991,215	2,991,215
Total						14,008,759	14,008,759

Analysis of Outstanding Investments by Credit Rating of Counterparty at 31 March 2019 (Minimum Criteria per TMSS A-)



Note – The credit ratings in the table & chart relate to the standing as at 31 March 2019, these ratings are constantly subject to change.

Appendix B

Prudential Indicators 2018/19

Prudential indicators (numbering references the indicator number from the Treasury Management Strategy)			
Treasury Management Indicators			RAG
	The Authorised Limit		
5	<i>The authorised limit represents an upper limit of external borrowing that could be afforded in the short term but may not be sustainable. It is the expected maximum borrowing need with some headroom for unexpected movements. This is a statutory limit under section 3(1) of the local government Act 2003.</i>	TEST - Is current external borrowing within the approved limit	●
	The Operational Boundary		
6	<i>The operational boundary represents an estimate of the most likely but not worst case scenario it is only a guide and may be breached temporarily due to variations in cash flow.</i>	TEST - Is current external borrowing within the approved limit	●
	Actual External Debt		
7	<i>It is unlikely that the Commissioner will actually exercise external borrowing until there is a change in the present structure of investment rates compared to the costs of borrowing.</i>	TEST - Is the external debt within the Authorised limit and operational boundary	●
	Gross and Net Debt		
9	<i>The purpose of this indicator is to highlight a situation where the Commissioner is planning to borrow in advance of need.</i>	TEST - Is the PCC planning to borrow in advance of need	●
	Interest Rate Exposure		
10/11	<i>The purpose of this indicator is to contain the Commissioner's exposure to unfavourable movements in future interest rates. This represents the position that all of the Commissioner's authorised external borrowing may be at a fixed rate at any one time.</i>	TEST - Is the PCC exposed to unfavourable interest rates	●
	Maturity Structure of Borrowing		
12	<i>The indicator is designed to exercise control over the Commissioner having large concentrations of fixed rate debt needing to be repaid at any one time.</i>	TEST - Does the PCC have large amounts of fixed rate debt requiring repayment at any one time	●
	Upper Limit for total principal sums invested for over 364 Days		
13	<i>The purpose of this indicator is to ensure that the Commissioner has protected himself against the risk of loss arising from the need to seek early redemption of principal sums invested.</i>	TEST - Is the value of long term investments within the approved limit	●
Affordability Indicators			
	Ratio of Financing Costs to Net Revenue Stream		
3	<i>This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of revenue budget required to meet financing costs</i>	TEST - Is the ratio of capital expenditure funded by revenue within planned limits	●
	Impact of capital investment decisions on the Council Tax		
8	<i>This indicates the incremental impact of the capital investment decisions funded from prudential borrowing proposed for the period 2018/19 based on a Band D property in line with the proposed council tax level.</i>	TEST - Is the effect of capital expenditure on council tax within planned estimates	●
Prudence Indicators			
	Net Borrowing and the Capital Financing Requirement		
1	<i>This indicator is to ensure that net borrowing will only be for capital purposes. The Commissioner should ensure that the net external borrowing does not exceed the total CFR requirement from the preceding year plus any additional borrowing for the next 2 years.</i>	TEST - Is net debt less than the capital financing requirement	●
	Capital Expenditure and Capital financing		
2	<i>The original and current forecasts of capital expenditure and the amount of capital expenditure to be funded by prudential borrowing for 2018/19</i>	TEST - Is the current capital outturn within planned limits	●
	Capital Financing Requirement		
3	<i>The CFR is a measure of the extent to which the Commissioner needs to borrow to support capital expenditure only. It should be noted that at present all borrowing has been met internally.</i>	TEST - Is the capital financing requirement within planned limits	●



Peter McCall

Office of the Police and Crime Commissioner Report

REQUEST FOR POLICE & CRIME COMMISSIONER DECISION - (N°011 / 2019)

TITLE: Internal Audit Annual Report 2018/19

Executive Summary:

The attached report provides a summary of the outcomes of the work of internal audit for 2018/19 and includes the Head of Internal Audit's opinion on the effectiveness of the Police and Crime Commissioner and the Chief Constable's arrangements for risk management, governance and internal control in accordance with the requirements of the Public Sector Internal Audit Standards (PSIAS).

Recommendation:

The Commissioner is asked to note:

- The progress in delivering the 2018/19 audit plan.
- The Head of Internal Audit's opinion and assurance statement on the PCC and the Chief Constable's overall systems of governance, risk management and internal control for the year ended 31st March 2019.
- The Head of Internal Audit's declaration of conformance with the mandatory Public Sector Internal Audit Standards.
- The results of the Quality Assurance and Improvement programme
- The Head of Internal Audit's declaration of Internal Audit independence as required by the PSIAS.

Police & Crime Commissioner

I confirm that I have considered whether or not I have any personal or prejudicial in this matter and take the proposed decision in compliance with the Code of Conduct for Cumbria Police & Crime Commissioner. Any such interests are recorded below.

I hereby approve/do not approve the recommendation above

Police & Crime Commissioner / Chief Executive (delete as appropriate)

Signature:

Date:

CUMBRIA POLICE & CRIME COMMISSIONER AND CUMBRIA CONSTABULARY JOINT AUDIT COMMITTEE

Meeting date: 23 May 2019

From: Audit Manager (Cumbria Shared Internal Audit Service)

INTERNAL AUDIT: ANNUAL REPORT 2018/19

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides a summary of the outcomes of the work of internal audit for 2018/19 and includes the Head of Internal Audit's opinion on the effectiveness of the Police and Crime Commissioner and the Chief Constable's arrangements for risk management, governance and internal control in accordance with the requirements of the Public Sector Internal Audit Standards (PSIAS).
- 1.2 Key points from internal audit's annual report are:
- The annual opinion of the Head of Internal Audit: based on work undertaken by Internal Audit during the year, the Audit Manager is able to provide Reasonable assurance over the effectiveness of the Police and Crime Commissioner and the Chief Constable's arrangements for governance, risk management and internal control.
 - Overall 93% of finalised audits resulted in Reasonable or Substantial assurance.
 - The work of Internal Audit is considered to have provided an appropriate level of coverage to provide the opinion, and there have been no threats to Internal Audit's independence in the year to which this opinion relates.
- 1.3 All audits have received a positive response from management with agreed action plans in place to address all recommendations.

- 1.4 Two follow ups have been finalised during the year. The assurance level for Offender Management was revised to Reasonable based on action taken to address the recommendations. The level of assurance for the follow up audit of Stingers remained partial. Senior management provided assurances to the March 2019 Joint Audit Committee that the issues identified in the follow up report have now been addressed. Internal Audit are currently reviewing information from the Constabulary to confirm that the outstanding issues have been addressed.
- 1.5 Summaries of the outcomes of all completed audits during the year are included at Appendix 1. The text shaded in grey has been reported to Joint Audit Committee through regular progress reports during the year.

2.0 OVERVIEW

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

3.0 RECOMMENDATION

- 3.1 Joint Audit Committee members are asked to note:
 - The progress in delivering the 2018/19 audit plan.
 - The Head of Internal Audit's opinion and assurance statement on the PCC and the Chief Constable's overall systems of governance, risk management and internal control for the year ended 31st March 2019.
 - The Head of Internal Audit's declaration of conformance with the mandatory Public Sector Internal Audit Standards.
 - The results of the Quality Assurance and Improvement programme
 - The Head of Internal Audit's declaration of Internal Audit independence as required by the PSIAS.

4.0 BACKGROUND

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

Internal Audit Opinion

- 4.4 The purpose of this report is to give my opinion as the Head of Internal Audit for the PCC and the Chief Constable on the adequacy and effectiveness of both organisations' systems of risk management, governance and internal control from the work undertaken by internal audit for the year ended 31st March 2019. The annual opinion from the designated Head of the Internal Audit function is a requirement of the Public Sector Internal Audit Standards.
- 4.5 This report is a key contributor to the PCC and the Chief Constable's Annual Governance Statements.
- 4.6 In giving this opinion, it should be noted that assurance can never be absolute and it is not possible to give complete assurance that there are no major control weaknesses. My opinion is based on the work undertaken by internal audit during the year, including the outcomes of follow up work.

Risk Management

PCC

- 4.7 Internal Audit's review of the PCC's risk management arrangements concluded that they are effective.
- 4.8 The OPCC's risk management strategy was updated in April 2017. The strategy comprehensively sets out the approach, objectives, framework, methodology and responsibilities in respect of risk management. The OPCC

reviews its strategic and operational risks on a quarterly basis and meets with Officers within the Constabulary to review their strategic risks and any potential impact on the OPCC as part of the PCC's responsibility to hold the Chief Constable to account. The strategic risk register is presented to the Joint Audit Committee for review and scrutiny during the year.

- 4.9 Audit work undertaken during the year confirms that operational risks are being managed on a regular basis and have been captured in accordance with the risk management policy.
- 4.10 To support the OPCC's development of assurance mapping we have provided examples used in Local Government and the NHS.

Constabulary

- 4.11 Our work undertaken on the Constabulary's risk management arrangements concluded that they are operating effectively.
- 4.12 The Constabulary's risk management policy in place in 2018/19 was approved in September 2014. The policy sets out the Constabulary's approach to risk management and the arrangements in place to manage risk within the organisation. The risk appetite for the force is defined within the policy alongside risk tolerance, risk categories, methodology, roles and responsibilities and accountability and governance arrangements.
- 4.13 The Constabulary's strategic risk register has been presented and discussed at Joint Audit Committee meetings during the year.
- 4.14 Various audits, undertaken during the year, have identified that operational risks are being managed on a regular basis and have been captured in accordance with the risk management policy, thereby demonstrating application of the policy in practice.
- 4.15 During 2018/19 the Constabulary has been working on a refreshed risk management policy, which is due to be approved in May 2019. Changes in the refreshed policy include revised corporate objectives, core policing deliverables, Vision 25 and the revised corporate governance structure. An appendix to the policy sets out in diagrammatic form the strategic and operational mechanisms used by the Constabulary to manage risks, showing how all the elements contribute to effective risk management. The refreshed risk management policy includes an 'Assurance Landscape for Policing' as an appendix which sets out the regular and proactive inspections, audits and compliance checks undertaken by external and regulatory bodies that provide the force with independent assurance. We have shared examples of

assurance mapping used in Local Government and the NHS with the Constabulary.

Governance

- 4.16 Both organisations have a suite of documents setting out the governance arrangements in place. Cyclical reviews of the documents are timetabled to ensure the documents are kept under review and are current. These are subject to independent scrutiny by the Joint Audit Committee.
- 4.17 The corporate governance arrangements within the OPCC and Constabulary are based on the core principles of good governance set out by CIPFA/SOLACE and in line with the Nolan Principles.
- 4.18 Both organisations have Codes of Conduct setting expectations required of staff/officers.
- 4.19 Both organisations have an anti-fraud and corruption strategy in place.
- 4.20 Formal mechanisms are in place to engage with stakeholders (examples being Public Accountability Conferences, Collaborative Board meetings, events held / attended by the PCC, etc.).

Internal Control

- 4.21 From work undertaken in 2018/19, all but one review for both organisations, received either substantial or reasonable assurance supporting our view that there are no significant control issues. One Constabulary review was given partial assurance (follow up of stingers). This highlighted that pursuit recording forms were not always provided to driver training, there were delays in fully implementing the Chronicle system and briefing and de-briefing processes. Assurances have been provided by the DCC that these issues have now been addressed and we are currently reviewing information provided by the Constabulary to confirm these assurances.

Internal Audit Opinion 2018/19

- 4.22 I am satisfied that sufficient internal audit work has been undertaken to allow me to give a conclusion on the adequacy and effectiveness of risk management, governance and internal control. I can also report that there has been no threat to the independence of internal audit that would impact on the provision of my annual opinion statement.
- 4.23 In my opinion, the PCC and the Chief Constable's frameworks of governance, risk management and internal control are reasonable and audit testing has confirmed that controls are generally working effectively in practice. Where internal audit work has identified scope for improvements, the management

response has been positive with agreed action plans in place to address all recommendations.

- 4.24 The Shared Service Group Audit Manager has undertaken review of all internal audit work contributing to the annual opinion statement and is able to confirm that all work has been undertaken in accordance with the Public Sector Internal Audit Standards and with the Quality Assurance and Improvement Programme. All audit work has been reviewed at key stages by the Audit Manager or nominated deputy and is supported by appropriate evidence.
- 4.25 The Group Audit Manager supports the assurance opinion provided in this report.

Internal audit performance

- 4.26 A suite of performance measures was used to monitor Internal Audit's performance during 2018/19. The results are shown at Appendix 3.

Internal audit coverage and outputs

- 4.27 14 reviews contributing to the assurance rating have been finalised.
- 4.28 All audits relating to the OPCC have received an assurance level of substantial or reasonable.
- 4.29 Eight Constabulary reviews were assessed as providing reasonable or substantial assurance with all reviews of financial systems, covering both organisations and operated by the Constabulary, receiving reasonable assurance or higher. One Constabulary follow up audit received partial assurance. Senior management provided assurances to the March 2019 Joint Audit Committee that the issues identified in the Stingers audit follow up have been addressed. Internal Audit are reviewing information from the Constabulary to confirm that the outstanding issues have been addressed.
- 4.30 Management responses to Internal Audit reports and recommendations have been positive.
- 4.31 Progress in implementing Internal Audit recommendations are monitored by the Joint Audit Committee at each meeting.
- 4.32 The following table summarises the total number of audit evaluations made during 2018/19 for the Constabulary, OPCC and systems operated jointly for both organisations for finalised reports.

Assurance level	Constabulary	OPCC	Joint	Total
Substantial	2	2	1	5
Reasonable	6	1	1	8
Partial	1	-	-	1
No / limited	-	-	-	-
Total	9	3	2	14

4.33 In addition to the 14 finalised reviews we have also issued the four draft reports and undertaken the following other work:

Audit	Date of issue of draft report	Initial audit assessment
Follow up – Offender Management	17/04/19	Reasonable assurance
Main Accounting System	23/04/19	Substantial assurance
Processes for monitoring overtime	24/04/19	Substantial assurance
Debtors	03/05/19	Reasonable assurance
We have also undertaken work on risk management for both organisations. The outcome is set out in paragraphs 4.7- 4.15 of this report and has been reflected within the annual opinion.		
Advice has been provided on the current stage of plans for benefits realisation for the SAAB project before the system goes live in June 2019.		

4.34 Appendix 1 provides the detail of audit work undertaken from the 2018/19 internal audit plan including work in progress from the 2017/18 plan. Text that is shaded in grey has been reported to Joint Audit Committee during the year and is included here for completeness.

Results of the Quality Assurance and Improvement Programme

4.35 The QAIP was presented to the March 2019 JAC. We can confirm that the QAIP was followed in 2018/19.

Statement of Conformance with Public Sector Internal Audit Standards

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

Emma Toyne
Audit Manager
3rd May 2019

APPENDICES

- Appendix 1: Final reports issued to 3rd May 2019***
Appendix 2: Progress on all risk based audits from the 2018/19 plan including work in progress from the 2017/18 plan
Appendix 3: Internal audit performance measures to 3rd May 2019

Contact: Emma Toyne, 01228 226261, emma.toyne@cumbria.gov.uk

Appendix 1 – Final reports issued to 3rd May 2019

Assignments	Status	Assessment
Creditors	Report presented to Joint Audit Committee at 19 th July 2018 meeting. Report included in Committee papers and available on the Commissioner's website.	Reasonable
Information Security (OPCC)	Report presented to Joint Audit Committee at 19 th July 2018 meeting. Report included in Committee papers and available on the Commissioner's website.	Reasonable
Follow up – Multi-agency safeguarding hub (2017/18 WIP)	Report presented to Joint Audit Committee at 12 th September 2018 meeting. Report included in Committee papers and available on the Commissioner's website.	Reasonable
Specified Information Order (OPCC)	Report presented to Joint Audit Committee at 22 nd November 2018 meeting. Report included in Committee papers and available on the Commissioner's website.	Substantial
Workforce Planning	Report circulated to members of the Joint Audit Committee and included in Committee papers for discussion at the meeting if required. Report available on the Commissioner's website.	Substantial
General Data Protection Regulation (GDPR) - OPCC	Report presented to Joint Audit Committee at 20 th March 2019 meeting. Report included in Committee papers and available on the Commissioner's website.	Substantial
Digital Media Investigation Unit	Report presented to Joint Audit Committee at 20 th March 2019 meeting. Report included in Committee papers and available on the Commissioner's website.	Reasonable
Payroll	Report circulated to members of Joint Audit Committee for consideration. Report available on the Commissioner's website (20 th March 2019 meeting).	Substantial

Appendix 1 – Final reports issued to 3rd May 2019

Assignments	Status	Assessment
Pensions	Report presented to Joint Audit Committee at 20th March 2019 meeting. Report included in Committee papers and available on the Commissioner's website.	Reasonable
Follow up - Stingers	Report presented to Joint Audit Committee at 20 th March 2019 meeting. Report included in Committee papers and available on the Commissioner's website.	Partial
Follow up – Receipt, handling, storage and disposal of drugs	Report circulated to members of Joint Audit Committee for consideration. Report available on the Commissioner's website (20th March 2019 meeting).	Reasonable
Command and Control & 101 Calls	Report circulated to members of the Joint Audit Committee and included in Committee papers for discussion at the meeting if required. Report available on the Commissioner's website (20th March 2019 meeting).	Reasonable
Victims Code of Practice	Report circulated to members of the Joint Audit Committee and included in Committee papers for discussion at the meeting if required. Report available on the Commissioner's website (20th March 2019 meeting).	Substantial
General Data Protection Regulation (GDPR) - Constabulary	Report presented to Joint Audit Committee at 23 rd May 2019 meeting. Report included in Committee papers and available on the Commissioner's website.	Reasonable

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

OPCC / Constabulary Review	Audit	Stage	Feedback form returned
Joint	Creditors (2017/18 WIP)	Complete	Yes
OPCC	Information security (2017/18 WIP)	Complete	Yes
Constabulary	Follow up – Multi-agency safeguarding hub (2017/18 WIP)	Complete	N/A
Constabulary	Risk Management	Complete - our work in this area has informed the 2018/19 annual opinion and is reported within the narrative of the annual report of the Head of Internal Audit.	N/A
OPCC	Risk Management	Complete - our work in this area has informed the 2018/19 annual opinion and is reported within the narrative of the annual report of the Head of Internal Audit.	N/A
Constabulary	Emergency Services Mobile Communications Programme (ESMCP) and Emergency Services Network (ESN)	Audit removed from the plan as the risk is a national issue with a national review of the ESMCP programme being undertaken. We do not consider that an internal audit of this area would add value at this time.	N/A

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

OPCC / Constabulary Review	Audit	Stage	Feedback form returned
Constabulary	Governance Structure	Work in progress. Initially delayed due to unplanned auditor absence and then availability of key contacts.	N/A
Constabulary	General Data Protection Regulation (GDPR)	Complete	No – reminder issued 29/04/19
OPCC	General Data Protection Regulation (GDPR)	Complete	Yes
OPCC	Specified Information Order	Complete	Yes
Constabulary	Digital Media Investigation Unit	Complete	Yes
Constabulary	Command and Control Room and 101	Complete	Yes
Constabulary	Neighbourhood Policing Hubs	Work in progress. Audit will recommence in May 2019.	N/A
Constabulary	Processes for monitoring overtime	Draft report awaiting management sign-off	N/A
Constabulary	Workforce Planning	Complete	Yes
Constabulary	Force Tasking and Co-ordination	Fieldwork	N/A
OPCC	Victims Code of Practice	Complete	Yes

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

OPCC / Constabulary Review	Audit	Stage	Feedback form returned
Joint	Main Accounting System	Draft report awaiting management sign-off.	N/A
Joint	Debtors	Draft report issued.	N/A
Joint	Payroll	Complete	Yes
Joint	Pensions	Complete	Yes
Constabulary	Follow up – Offender Management	Draft report awaiting management sign-off.	N/A
Constabulary	Follow up – Criminal Justice Unit	Work in progress. Audit commenced in March 2019 when the Constabulary reported to JAC that all actions had been completed.	N/A
Constabulary	Follow up - Stingers	Complete	N/A
Constabulary	Follow up – Receipt, handling, storage and disposal of drugs	Complete	N/A
N/A	Project support / consultancy. Internal Audit time will focus on a short, high level review of the SAAB project benefits realisation plan.	We have reviewed the plans in place to manage and monitor benefits realisation at this stage of the project and have met and liaised with the Director of Corporate Improvement to discuss suggested improvements. A formal assurance review is	N/A

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

OPCC / Constabulary Review	Audit	Stage	Feedback form returned
		included in the 2019/20 Internal Audit plan.	
N/A	Attendance at Police Audit Training & Development event	Event took place on 12 th & 13 th July 2018	N/A

Key: Complete Work in progress Not yet started

Appendix 3 – Internal audit performance measures

Measure	Description	Target	Actual	Explanations for variances / remedial action required
Completion of audit plan	% of audits completed to final report	95% (annual target)	64%	<p>Fourteen audits have been finalised during the year.</p> <p>Four audits have been issued in draft, three of which are awaiting management sign-off and finalisation.</p> <p>Four audits are work in progress and will be reported as part of our 2019/20 programme of work.</p> <p>Reasons for delays in these pieces of work are:</p> <ul style="list-style-type: none"> • Internal Audit team sickness • Availability of key contacts • Follow up work undertaken once confirmation provided to JAC that recommendations have been implemented.
	<p>Number of planned days delivered</p> <p>*281 days in 18/19 plan as per the shared service agreement.</p> <p>18/19 plan days reduced by 15 days due to removal of ESMCP / ESN audit from the plan.</p> <p>15 days c/f from 17/18 for Digital Media</p>	281*	255	<p>26 planned days remaining will be delivered to complete the fieldwork on Governance Structure, Neighbourhood Policing Hubs, Force Tasking & Co-ordination and the follow up of Criminal Justice Unit.</p>

Appendix 3 – Internal audit performance measures

Measure	Description	Target	Actual	Explanations for variances / remedial action required
	Investigation Unit were delivered.			
Audit scopes agreed	Scoping meeting to be held for every risk based audit and client notification issued prior to commencement of fieldwork.	100%	100%	
Draft reports issued by agreed deadline	Draft reports to be issued in line with agreed deadline or formally approved revised deadline where issues arise during fieldwork.	70%	100%	
Timeliness of final reports	% of final reports issued for Chief Officer / Director comments within five working days of management response or closeout meeting.	90%	100%	
Recommendations agreed	% of recommendations accepted by management	95%	100%	
Assignment completion	% of individual reviews completed to required standard within target days or prior approval of extension by audit manager.	75%	100%	
Quality assurance checks completed	% of QA checks completed	100%	100%	
Customer Feedback	% of customer satisfaction surveys	100%	100%	Eleven forms returned. One relates to an audit reported in the 2017/18 annual report

Appendix 3 – Internal audit performance measures

Measure	Description	Target	Actual	Explanations for variances / remedial action required
	returned			and ten reported in 2018/19.
Customer Feedback	% of customer satisfaction survey scoring the service as good.	80%	100%	Based on the eleven forms returned.
Chargeable time	% of available auditor time directly chargeable to audit jobs.	80%	80%	



Peter McCall

Office of the Police and Crime Commissioner Report

REQUEST FOR POLICE & CRIME COMMISSIONER DECISION - (N°012 / 2019)

TITLE: Effectiveness of the Arrangements for Audit 2018/19

Executive Summary:

The attached reports provide details of the effectiveness of the arrangements for audit (Item 11a) and the effectiveness of the Joint Audit Committee (Item 11b). Both reports are provided for the Commissioner as part of a review of the overall contribution these functions make towards the arrangements for governance.

Recommendation:

The Commissioner is asked to:

Effectiveness of Arrangements for Audit:

- The Commissioner is asked to consider this report and:
- Determine whether he is satisfied with the effectiveness of Internal Audit for the year to 31 March 2019 and to the date of this meeting, taking into account the views of the Joint Audit Committee, and
- Consider any areas where the Commissioner might wish to see improvements or changes in 2019/20.

Review of Effectiveness of the Joint Audit Committee:

- The Commissioner is asked to consider this report and:
- Determine whether he is satisfied with the effectiveness of the Joint Audit Committee for the year to 31 March 2019 and to the date of this meeting, and
- Consider any areas where the Commissioner might wish to see improvements or changes in 2019/20.

Police & Crime Commissioner

I confirm that I have considered whether or not I have any personal or prejudicial in this matter and take the proposed decision in compliance with the Code of Conduct for Cumbria Police & Crime Commissioner. Any such interests are recorded below.

I hereby approve/do not approve the recommendation above

Police & Crime Commissioner / Chief Executive (delete as appropriate)

Signature:

Date:



Cumbria Office of the Police and Crime Commissioner

Joint Audit Committee 23 May 2019: Agenda Item 13
Public Accountability Conference 9 May 2019: Agenda Item 11a

Review of effectiveness of the arrangements for Audit 2018/19

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

1. Introduction and Background

- 1.1. The Accounts and Audit Regulations 2015 removed the requirement within the 2011 Regulations to conduct an annual review of the effectiveness of the arrangements for audit. Assurances in respect of the arrangements for audit are however part of a robust governance framework. They support the Commissioner in placing reliance on the opinion of the Group Audit Manager (Head of Internal Audit) and support the Joint Audit Committee in placing reliance on the work and reports of the internal auditors. An effective internal audit service is also a characteristic within the seven principles of the CIPFA 2016 Good Governance Framework.
- 1.2. The Chartered Institute of Public Finance and Accountancy (CIPFA) defines the system of Internal Audit as the entirety of the arrangements for audit put in place by the entity, including the activities of any oversight committee. This report sets out an overall judgment, based on that review. The review comprises the arrangements for internal audit, detailed within this report and the arrangements for the Joint Audit Committee, detailed in the Committee's Review of Effectiveness accompanying this item on the agenda.
- 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. The effectiveness of the internal audit function is reviewed on the basis of compliance by the Internal Audit shared service provider with the PSIAS. The Group Audit Manager is required under the PSIAS to include within his annual report, a statement of conformance with the Standards. Any instances of non-conformance must be reported to the Joint Audit Committee. Furthermore, any significant non-conformance should be considered for inclusion within the Commissioner and Chief Constable's respective Annual Governance Statements.
- 2.2. The Public Sector Audit Standards support audit effectiveness by setting out a set of requirements for the governance, management and delivery of internal audit. This includes a requirement to develop and maintain a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of internal audit activity. Key elements of the QAIP include on-going monitoring of the performance of the internal audit activity, periodic assessment or self-assessment and external assessment. The QAIP also ensures that reasonable assurance is provided that Internal Audit is performing its work in accordance with its Internal Audit Charter, which is consistent with the PSIAS and that it operates in an effective and efficient manner.
- 2.3. The QAIP was presented to members of the Joint Audit Committee at their meeting 20 March 2019 for review. The QAIP report set out what was in place during 2018/19 and what is envisaged to be in place during 2019/20. The QAIP set 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. At the same meeting members received the Internal Audit Charter. 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,

¹ audit committees\Practical Guidance for Local Authorities and Police

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.

- 2.4. The summary of the outcomes of the completed self-assessment is attached to this report at Appendix A and is further supported by an evaluation of the role of the Group Audit Manager (Head of Internal Audit) against the CIPFA standard at Appendix B. The full 48 page checklist is retained on file for review by the External Auditors. The Annual Report of the Group Audit Manager (Head of Internal Audit), provided within this agenda, confirms that the Standards within the PSIAS have been complied with.
- 2.5. In November 2017, the first external quality assessment (EQA) of the internal audit function was carried out in line with the requirement of PSIAS to have an external assessment at least every five years. The outcome of this process was reported to members of the Joint Audit and Standards Committee at its meeting on 21 March 2018. The overall assessment was that the shared internal audit service "generally conforms" to the standards and this represents the highest of three possible outcomes. An action plan has been developed to address the seven recommendations contained within the EQA report.
- 2.6. Whilst the review of internal audit against the PSIAS provides the primary source of assurance, further assurance of the effectiveness of internal audit is taken from the opinion provided by the external auditors. The external auditor (Grant Thornton) has as in previous years, completed a high level review of internal audit's overall arrangements. Their work has not identified any issues that they wish to bring the Commissioner or Chief Constable's attention. Overall, they conclude that the internal audit service continues to provide an independent and satisfactory service to the Commissioner and the Chief Constable and that internal audit work contributes to an effective internal control environment at both entities.

3. Effectiveness of arrangements for an Audit Committee

- 3.1. The effectiveness of the arrangements for an audit committee have been 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. The key messages arising from the review are that:

- ◆ The Committee has continued to build on the firm foundations put in place at the inception of the OPCC, expanding and refining its remit in the light of changing circumstances and emerging trends.
- ◆ Members 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 96% 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.

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

4. Conclusions

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

- i. The review of the internal audit shared service against the PSIAS, and supported by the review of the role of the Head of Internal Audit, demonstrates that the service is effective.

- ii. The annual review of the arrangements for an audit committee in accordance with the guidance, assessment criteria and checklists defined by CIPFA, demonstrates that the Joint Audit Committee is effective in its operation
- 4.2. When taken together, there are no material shortcomings in the effectiveness of the entirety of the Internal Audit arrangements for the year to 31 March 2019, 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 2019 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 2019/20.

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 2019 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 2019/20.

Gill Shearer
Commissioner's Chief Executive

Roger Marshall
Joint Chief Finance Officer
09 May 2019

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

Roger Marshall – Joint Chief Finance Officer

Tel: 0300 124 0113 Ext: 48591

E Mail: roger.marshall@cumbria.police.uk

Review of Internal Audit Effectiveness

1. Definition of Internal Auditing

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

2. Code of Ethics

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

3. Purpose, Authority and Responsibility

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

4. Proficiency and Due Professional Care

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

- 4.3. The team has a wide range of skills and experience brought about in part by the creation of the Shared Internal Audit Service which brought together a number of existing internal audit teams into a single service.
- 4.4. All audit work is undertaken with due professional care and reviewed by an Audit Manager to ensure that the work undertaken supports conclusions reached.
- 4.5. A Quality Assurance and Improvement Programme (QAIP) has been in place during 2018/19. The programme has been formally documented and was reported to the Joint Audit Committee on 20 March 2019. This includes the adoption of a comprehensive performance framework that is incorporated within the audit charter. The Joint Audit Committee have received quarterly reports monitoring actual performance against the framework.

5. Performance Standards

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

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

6. Engagement Planning

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

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

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

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

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

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

6.7. Audit final reports issued in relation to 2018/19 audit plans were accurate, comprehensive and complete. All contained an assurance statement and agreed action plan.

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

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

7. Monitoring Progress

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

8. Communication of the Acceptance of Risks

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

CIPFA Statement on the Role of the Head of Internal Audit 2010

1 Introduction

- 1.1 In 2010, CIPFA published a Statement on the Role of the HIA in Public Sector Organisations in recognition of the critical position occupied by the HIA within any organisation in helping it to achieve its objectives by giving assurance on its internal control arrangements and playing a key role in promoting good corporate governance. CIPFA introduced a 'comply or explain' requirement which has been formally set out within the CIPFA / SOLACE publication 'Delivering Good Governance in Local Governance: Framework Addendum (2012)'.
- 1.2 The Addendum sets out 21 key elements of the typical systems and processes that comprise the PCC's and Chief Constable's governance arrangements and requires that the PCC's and Chief Constable's review of effectiveness of its governance arrangements makes reference to each of these key elements.
- 1.3 In relation to the role of the Head of Internal Audit, the Addendum states that a key element of governance includes the arrangements for:
- "Ensuring the authority's assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010) and where they do not, explain why and how they deliver the same impact."
- 1.4 In order to make a public declaration of conformance with the Statement, it is recommended that a self-assessment is undertaken against the detailed requirements set out within the publication and signed off by the Chief Financial Officer / Management Team.

2 The Five Principles

- 2.1 The Statement sets out how the requirements of legislation and professional standards should be fulfilled by HIAs in carrying out their role and is structured under five core principles.

2.2 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.

2.3 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

2.4 A completed self-assessment template is provided below for appropriate sign off.

Ref	Governance Requirement	PCC / Chief Constable 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.	HIA Role Profile sets out the contribution of the annual report of the HIA 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 COPCC and Constabulary.	✓		
1.3	Ensure that the HIA is consulted on all proposed major projects, programmes and policy initiatives.	Major projects, programmes and policy initiatives were considered during the planning stage and incorporated into the plan as appropriate.	✓		
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 HIA 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	n/a			

Ref	Governance Requirement	PCC / Chief Constable arrangement and any required actions	Assessment of conformance		
			Y	N	P
	associated plans and reports and ensure the work is independently managed.				
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 and Standards 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 Shared Services agreement. Various sources of assurance have been taken into consideration in preparing audit plans 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	✓		

Ref	Governance Requirement	PCC / Chief Constable arrangement and any required actions	Assessment of conformance		
			Y	N	P
		risk register for each organisation is reported to Joint Audit Committee.			
2.9	Ensure that the annual internal audit opinion and report are issued in the name of the HIA.	Annual report of the Head of Internal Audit contains the internal audit opinion. This report is presented to Joint Audit Committee by the Head of Internal Audit.	✓		
2.10	Include awareness of governance in the competencies required by members of the Leadership Team.	Role profiles for the Chief Executive, Joint CFO and deputy monitoring officer are based on the relevant professional standards and include governance responsibilities. Constabulary Chief Officers are trained on governance matters as part of their professional qualification.	✓		
2.11	Set out the framework of assurance that supports the annual governance report and identify internal audit's role within it. The HIA should not be responsible for preparing the report	The framework of assurance that supports the annual governance statement is documented within the Statement itself. HIA is not responsible for preparing the AGS.	✓		
2.12	Ensure that the internal audit strategy is approved by the Audit Committee and endorsed by the Leadership Team.	IA is no longer required to produce a strategy. This was a requirement of the CIPFA Code of Practice for IA (2006) which has been replaced by the Public Sector Internal Audit Standards (PSIAS) which now require the annual internal audit plan to contain a high level statement of how the service is to be delivered. This was included within the Internal Audit annual plan for 2018/19.	✓		

Ref	Governance Requirement	PCC / Chief Constable arrangement and any required actions	Assessment of conformance		
			Y	N	P
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 Audit Manager is the designated HIA for the PCC/Chief Constable.	✓		
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.	N/A			
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.	N/A			
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. OPCC / Constabulary to confirm that the Joint Audit Committee has undertaken an annual self-assessment against the CIPFA practical guidance checklist and has assessed itself as performing appropriately.	✓		

Ref	Governance Requirement	PCC / Chief Constable arrangement and any required actions	Assessment of conformance		
			Y	N	P
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: – to bring influence to bear on material decisions reflecting governance; – direct access to the Chief Executive, other Leadership Team members, the Audit Committee and external audit; and – to attend meetings of the Leadership Team and Management Team where the HIA considers this to be appropriate.	There are appropriate arrangements in place to allow the HIA to perform these functions appropriately.	✓		
3.7	Set out unfettered rights of access for internal audit to all papers and all people in the organisation, as well as appropriate access in (significant) partner organisations.	This is defined within the Internal Audit Charter	✓		
3.8	Set out the HIA's responsibilities relating to partners including joint ventures and outsourced and shared services.	The HIA responsibilities are defined within the approved audit charter.	✓		
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 considered to be adequately resourced to deliver the level of service currently required.	✓		

Ref	Governance Requirement	PCC / Chief Constable arrangement and any required actions	Assessment of conformance		
			Y	N	P
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.	A range of performance measures has been reported quarterly to the Joint Audit Committee.	✓		
4.3	Ensure that there is a regular external review of internal audit quality	The PSIA's introduced a requirement for formal external inspection of internal audit. External inspection took place in November 2017 and the outcome discussed with Collaborative Board and reported to the Joint Audit Committee.	✓		
4.4	Ensure that where the HIA is from another organisation that they do not also provide the external audit service	The Shared Internal Audit Service does not provide the external audit service.	✓		
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.	HIA is ACCA qualified. HIA responsibilities are defined within the role profile for the post.	✓		
5.2	Ensure that the HIA has the skills, knowledge, experience and resources to perform effectively in his or her role.	HIA has over 20 years' internal audit experience within Local Government and undertakes CPD to keep her skills up to date.	✓		



Peter McCall



Joint Audit Committee
Review of Effectiveness 2018/19

Executive Summary

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

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

Audit committees are a key component of the governance framework.

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

CIPFA's guidance document, Audit Committee's Practical Guidance for Local Authorities and Police (2018 edition), recommends that audit committees review their effectiveness annually. The Annual Report of the Committee sets out the conclusions of that review and provides a commentary on the effectiveness of the Committee in fulfilling its purpose.

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

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

- The Committee has continued to build on the firm foundations put in place at the inception of the OPCC, expanding and refining its remit in the light of changing circumstances and emerging trends.
- Members were appointed based on their skills and experience, are politically neutral.
- The Committee's remit complies with best practice and members are clear about their role and focus of attention.
- The Committee is supported by key members of the OPCC and Chief Constable's management teams at all Committee meetings to ensure that members are appropriately informed when considering the issues.
- Joint Audit Committee members have carried out their duties diligently, achieving 96% attendance at meetings, have made a valued contribution to governance arrangements and have taken action on specific issues.
- Members have maintained formal and informal training and development activities to enhance their understanding of the Constabulary and OPCC.

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

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

The Committee continues to strive for improvements across all areas of its activities. The Committee has identified four priority areas within its wider programme where in 2019/20 it will seek to have impact: These priorities are included in an action plan and comprise efforts to:

- Support and monitor the OPCC and Constabulary plans to address the increasingly stringent funding environment.
- Support and challenge any new governance arrangements, for example, from restructuring and capacity reviews, greater collaboration with other organisations or joint working on delivery of services.
- Improve awareness of the work of the Police and Crime Panel and the Ethics and Integrity Panel where appropriate.
- Strategic awareness of the Police and Crime Plan.

In carrying out the review Committee members have been able to evidence numerous examples of their impact. This has included:

- Attendance at Police and Crime Panel meetings as an observer.
- Sharing the Cumbria approach to audit committees with other policing bodies thereby developing and sharing areas of best practice.
- By making recommendations to the Chief Constable and Commissioner with regards to the governance arrangements for the safeguarding hub, the committee were able to assist by providing impetus to getting the MOU signed and approved by all partner organisations. The committee were able to visit the safeguarding hub in early April 2019 and were pleased to see first hand the partnership working arrangements and were impressed by the dedicated staff and the improvement made following the internal audit report.

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

The Committee's review of Effectiveness provides information on the assessment process and CIPFA standards, this together with the Committee's Terms and Reference and detailed work programme for 2018/19 can be found

on the Commissioner’s website at <https://cumbria-pcc.gov.uk/finance-governance/budget-finance/joint-audit-and-standards-committee/>. The Joint Audit Committee holds public meetings, Committee papers and audit reports are all available on the Commissioner’s website using the above link.

Introduction

The purpose of an audit committee is to provide those charged with governance² independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes.

The Influential Audit Committee

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



CIPFA’s document, Audit Committee’s Practical Guidance for Local Authorities and Police, recommends that audit committees review annually their effectiveness. This report sets out for the Commissioner and Chief

² The Commissioner and the Chief Constable
Corporate Support / Financial Services / MB

Constable’s Joint Audit Committee the conclusions of that review and provides a commentary on the effectiveness of the Committee in fulfilling its purpose.

Review of Effectiveness

The review has been undertaken against the framework of the CIPFA document. It reviews the activities and impact of the Committee against the guidance in relation to the purpose and functions for Audit Committees and a checklist for effectiveness. The full range of activities undertaken by the Committee during 2018/19 is also set out in Appendix A as a consolidated summary of the work of the Committee in fulfilling its functions. For each of the areas in the CIPFA guidance, an assessment is made to award a grade in accordance with the CIPFA standard, based on the conclusions of the review. The grades are set out in table one below. In addition to consideration of Committee activity the review of effectiveness is also supported by consideration of the issues of Committee independence and objectivity and the skills and experience of members. Audit Committee members have further agreed a self-assessment checklist for good practice, included with the CIPFA document to support the annual review.

Table One: CIPFA Effectiveness Evaluation Assessment Key

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

Overall Conclusions and Assessment

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

The review has demonstrated that within the areas of the self-assessment the Committee can evidence the effective use of substantial support, influence and persuasion in carrying out its functions. These are the elements defined by CIPFA as being evidence of effectiveness. The committee achieves a consistent grade of 5 in all 10 areas of the assessment against the Core Functions and a grade 5 assessment against the Wider Functions of

Ethical Values and Treasury Management. Independence and Accountability score a grade 5 and Membership and Effectiveness also score a grade 5. The key messages arising from the review are that:

- Committee members have carried out their duties diligently, meetings are well attended and members have made an effective contribution to governance arrangements
- Members have kept up to date with training and developments. During 2018/19 these arrangements have continued to include a corporate briefing as part of Committee meetings and for 2018/19 specific development sessions covering treasury management, ICT security, the police and crime plan and the budget/MTFF.
- In 2016/17 Members were provided with an “Induction Pack and Handbook” which provides a number of useful documents in one handbook and includes details of structures, key individuals and governance arrangements within the OPCC and Constabulary, these handbooks are updated on a periodic basis to include latest information.

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

The Police and Crime Commissioner for Cumbria Comment

The Joint Audit Committee provide essential and independent professional assurance that both the Constabulary and the OPCC are delivering their functions with due regard to governance and financial robustness. The Committee have raised appropriate concerns when they have not been assured, I welcome this, no system is perfect and this is why we have such scrutiny, where concerns have been raised this has resulted in immediate action being taken to address them. The service supports both the OPCC and Chief Constable and is complimentary to the work of internal audit, the public accountability process and the work of Her Majesty’s Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS). I am pleased that the committee have a wide range of skills covering a broad knowledge base which allows for detailed scrutiny to take place and further give me the assurance that I require on behalf of the public of Cumbria.

Chief Constable for Cumbria Constabulary Comment

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

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

- **Section One:** Core Committee Functions and the Effectiveness Checklist page 8-24
- **Section Two:** Possible Wider Functions of an Audit Committee page 25-26
- **Section Three:** Independence and Accountability page 27-28
- **Section Four:** Membership and Effectiveness page 29-31
- **Appendix A:** Committee Activities 2018/19 page 32-34
- **Appendix B:** Committee Terms of Reference Assurance Framework page 35-42
- **Appendix C:** Governance Documents Review Schedule page 43
- **Appendix D:** Committee Attendance page 44
- **Appendix E:** Committee Chair and Member Role Profiles page 45-48
- **Appendix F:** CIPFA Good Practice Checklist page 49-51

Section One: Core Committee Functions and the Effectiveness Checklist

Good Governance and the Annual Governance Statement

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

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

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

also ensure that the AGS is underpinned by a framework of assurance.

Over the course of the year the Committee should receive reports and assurances over the application of the governance framework, monitor action plans and recommendations and consider the application of governance principles to other agenda items. CIPFA notes the importance of the capacity of the Committee to promote good governance, making things better, not just reviewing what happened in the past.

Self-evaluation, examples, areas of strength and weakness

The Committee's annual work programme includes an independent cyclical review of the Commissioner and Chief Constable's governance framework and all material governance arrangements. During 2018/19 the work of the Committee has included:

- Reviewing and advising on revisions to the financial regulations, financial rules, joint procurement regulations and the OPCC treasury management strategies and practices. The review of treasury management included a briefing by external treasury management advisors (Arlingclose) in respect of changes to the wider economic environment and associated implications for the operation of the treasury management function within the OPCC, following which members were able to robustly challenge changes in the approach to investment strategy. Members input to joint procurement regulations has resulted in improvements to the overall wording of the document and greater clarity being provided.

- A review of the role of the Joint Chief Finance Officer against the CIPFA guidance for police and consideration of the Joint Chief Finance Officer's review of the effectiveness of arrangements for governance, including internal audit and a review of the role of the Head of Internal Audit against CIPFA guidance.
- In line with CIPFA recommendations, the Committee reviewed the Chief Constable and Commissioner's AGS in May, prior to the publication of the unaudited statement and again in July prior to publication alongside the audited accounts. Alongside the AGS, members reviewed the Commissioner and Chief Constables Code of Corporate Governance. In addition, members review progress against the respective AGS action plans mid way through the financial year.
- The Committee receive all audit internal reports in full, at the point at which they were finalised, with members requesting that reports with significant issues are tabled at Committee meetings. Members have given specific focus to audit reports covering duty management, ICT capacity, vulnerability/hate crime, cash receipting, creditors, ICT security, safeguarding hub, digital media investigation unit, GDPR, pensions, command and control and 101, and follow up reports on procurement and the use of stingers.
- The scope of the internal audit plan has been significantly developed since 2014/15 to ensure it provides wider governance assurance in addition to that provided on core financial systems and financial governance. The audit areas covered in 2018/19 are highlighted in the bullet above. During 2019/20 the approved audit plan will focus on financial sustainability, benefits realisation, procurement, collaboration, police and crime plan, body worn video, trauma risk incident management (TRIM), firearms and training. In addition, internal audit will undertake some pieces of consultancy work on vehicle utilisation, the custody medical contract and seized dogs.
- At their meeting in May 2018 internal audit provided members with a draft annual audit opinion providing assurance from the group Audit Manager (Head of Internal Audit). Members also receive further assurance at each meeting through reports from the external auditors. This included the Audit Findings Report presented to members in July 2018 setting out the external auditor's un-qualified opinion on the financial statements and an un-qualified value for money conclusion.

Through these arrangements and their prior experience and skills, members develop a robust understanding of governance across the OPCC and Constabulary and the extent to which those arrangements are well embedded. This provided the basis on which Committee members provided assurance and add value with regard to governance.

Conclusion and Overall Assessment: Assessment Grade 5.

The Committee is fully compliant with the CIPFA guidance. Clear evidence is available from a number of sources that the Committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.

Internal Audit

CIPFA guidance makes clear that the Audit Committee has a clear role in relation to oversight of the internal audit function.

The Audit Charter is a key governance document setting out the purpose, authority, responsibilities and objectives of Internal Audit.

Within policing, the advisory role of the Committee means that this responsibility is managed through support and review of the arrangements for internal audit. These arrangements are set out under the requirements of the Public Sector Internal Audit Standard (PSIAS) and the supporting Local Government Application Note (LGAN) within an Audit Charter.

The Audit Charter sets out the functional reporting arrangements between Internal Audit, the Board³ and the Joint Audit Committee. CIPFA guidance sets out a number of roles for the committee as part of the support and review arrangements. These are to oversee Internal Audit's independence, objectivity, performance and professionalism, support the effectiveness of the internal audit process and promote the effective use of

internal audit within the assurance framework.

Self-evaluation, examples, areas of strength and weakness

The Committee's annual work programme, in line with the CIPFA guidance, includes a review of the Internal Audit Charter and a review of a risk based internal audit plan including the audit budget and number of audit days within the plan. The report that incorporates the Plan and Charter was received by members in March 2018 in respect of the 2018/19 financial year. In March 2019 members approved the Plan and Charter for 2019/20 which has seen the number of audit days revert to the standard 281 in 2019/20. The plan sets out the process undertaken to assess risks and develop a programme of audit in accordance with the risk based approach of the PSIAS.

The Audit Charter, in compliance with the PSIAS, makes a number of statements setting out how the arrangements for Internal Audit provide assurance with regard to ethics, independence and objectivity, including arrangements for resourcing and ensuring proficiency and due professional care. The Committee receive an annual statement on conformance with the PSIAS and LGAN. In reviewing the Audit Charter Committee members are able to assess and challenge the robustness of these arrangements.

The Committee meets annually and independently with the Internal Auditors and receives an annual report and opinion from the Chief Internal Auditor

The Committee meets annually and independently with the Internal Auditors and receives an annual report and opinion from the Chief Internal Auditor on the adequacy and effectiveness of governance, risk management and

³ The Executive Board comprising the Commissioner, the Chief Constable, the Commissioner's Chief Executive and the Commissioner's Chief Finance Officer
Corporate Support / Financial Services / MB

internal control. The report includes a summary of the audit work on which the opinion is based. This is supported by a report from the Joint Chief Finance Officer on the overall effectiveness of the arrangements for internal audit including the opinion of the external auditor.

The Committee receives all internal and external audit reports in full supporting assurance on the overall control environment. The reporting format of internal audit reports was improved in 2014/15 to provide a stronger link between audit recommendations and control objectives. The reports also aim to focus attention on internal control strengths and recommendations. Members have considered reports across a diverse range of Constabulary and OPCC business including duty management, ICT capacity, vulnerability/hate crime, cash receipting, creditors, ICT security, safeguarding hub, digital media investigation unit, GDPR, pensions, command and control and 101, and follow up reports on procurement and the use of stingers.

Monitoring against performance measures and benchmarks for the Internal Audit service was introduced in 2014/15 and has continued throughout 2018/19. Proposed performance measures are reviewed at the start of the financial year and have been included within the Internal Audit Charter on the recommendation of the Committee. Members have received a quarterly monitoring report assessing actual performance against the benchmark.

The terms of reference of the Committee and associated annual work programme fully complies with the detailed CIPFA guidance. Collectively these arrangements ensure members are able to make effective judgements on the effectiveness of internal controls and Internal Audit provision, making recommendations with regards to improvement.

Conclusion and Overall Assessment: **Assessment Grade 5.**

The Committee is fully compliant with the CIPFA guidance. Clear evidence is available from a number of sources that the Committee is actively supporting improvements across all aspects of this area.

Internal Audit's work is designed to provide assurance to management and members that effective systems of governance, risk management and internal control are in place in support of the delivery of the Commissioner and Chief Constable's objectives

Risk Management

CIPFA guidance references that Police Audit Committees are directed in the Home Office Financial Management Code of Practice to advise the Commissioner and Chief Constable on the adoption of appropriate risk management arrangements.

It also notes the assurance that risk management provides in respect of the AGS and when reviewing the risk based internal audit plan. The guidance describes governance of risk as the arrangements for leadership, integration of risk management arrangements, ownership and accountability. The role of the audit committee in relation to risk management covers three major areas:

- Assurance over the governance of risk, including leadership, integration of risk management into wider governance arrangements and the top level ownership and accountability for risks.
- Keeping up to date with the risk profile and the effectiveness of risk management actions.
- Monitoring the effectiveness of risk management arrangements and supporting the development and embedding of good practice in risk management.

The Risk Management Strategy is a comprehensive document that provides the basis for members to challenge and provide assurance over how risks are governed and managed.

Self-evaluation, examples, areas of strength and weakness

In accordance with the CIPFA guidance, specific actions undertaken by the Committee during 2018/19 included:

- Receipt at the Committee's meeting in May of a report from the Chief Executive setting out the OPCC arrangements for monitoring the effectiveness of risk management. This was the fifth annual report on the arrangements for risk management following a recommendation made by the Committee in 2013/14.
- Reviewing the arrangements for risk management within the Constabulary and making specific recommendations regarding improving the openness and transparency of those arrangements. This in previous years has resulted in agenda items on risk management being moved from the private agenda to the public meetings.
- Review of the Commissioner's annual Risk Management Strategy. The strategy is a comprehensive document that provides the basis for members to challenge and provide assurance over how risks are governed and managed. The strategy now includes on recommendation from the Committee arrangements for determining risk appetite. The review of Risk Management Strategy is supported by a quarterly review of strategic risk registers that set out the most

The Committee has nominated a lead member for risk who provides prior input and advice on the Risk Management Strategy prior to its consideration by the full Committee

significant risks facing the Commissioner and Constabulary and the mitigations in accordance with the methodology within the strategy. This ensures the Committee has an effective understanding of the significant risks facing both organisations and can hold risk managers to account.

In accordance with best practice, the Committee also compiles and maintains a separate, dedicated risk register to manage risks relating to the Committee's own activities.

Conclusion and Overall Assessment: **Assessment Grade 5.**

The Committee is fully compliant with the CIPFA guidance. Clear evidence is available from a number of sources that the Committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.

Assurance Frameworks and Assurance Planning

CIPFA guidance explains assurance frameworks as a description that typically outlines the key areas of assurance required by the Joint Audit Committee that supports the AGS and is available to enable the Committee to meet its terms of reference.

A framework will support the ability to ensure that assurance is planned and delivered efficiently and effectively, avoiding duplication and with independence across a range of assurance providers. It also ensures that the Committee is clear on the extent to which assurance is reliant on the arrangements for Internal Audit.

*The Joint
Committee
operates with an
assurance-based
work programme
aligned to its
terms of
reference*

Self-evaluation, examples, areas of strength and weakness

The Joint Audit Committee operates with an assurance-based work programme aligned to its terms of reference and that, in line with the guidance, forms an appropriate balance between cost and risk. The assurance framework that was in place for 2018/19 is set out at appendix B and includes assurances from management, Chief Officers, internal and external audit and external inspectorates. During 2018/19 and in recognition of CIPFA's updated guidance for Audit Committees, members have:

- Improved the arrangements for assurance in relation to a number of areas within the work programme. This included receipt at the May meeting of monitoring reports covering the areas of risk management anti-fraud and corruption monitoring. At their March meeting the Committee received a report covering the Chief Constable's arrangements for providing value for money (the PCC no longer falls under the inspection regime of HMICFRS).
- The improved efficiency and focus of assurance gathering continued at formal meetings of the Committee by the continuance of the early review of all internal audit reports which enabled members to select which internal audit reports to include on the agenda for specific discussion.
- Received an assurance report from the Joint Chief Finance Officer in respect of the sources of assurance members can place reliance on in respect of their review of the statement of accounts.
- Maintained the number of committee meetings at 5 per year to ensure that members can give appropriate time and consideration to agenda items in the context of the widening of the assurance framework.

Conclusion and Overall Assessment: **Assessment Grade 5**

The Committee is fully compliant with the CIPFA guidance. Clear evidence is available from a number of sources that the Committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.

Value for Money and Best Value

The CIPFA guidance notes that in the Police sector it is the Chief Constable that has statutory responsibility for securing value for money and that the Commissioner's responsibility is to hold the Chief Constable to account for this duty.

The Joint Audit Committee role is to support both the Commissioner and Chief Constable to fulfil their responsibilities through the assurance process. This should focus on arrangements to ensure value for money and the progress in achieving value for money. This includes how performance in value for money is evaluated as part of the AGS and the Committee's consideration of the external audit opinion on value for money. The AGS should be focused on outcomes and value for money. The Committee should also consider what other assurances are available.

The Constabulary has developed and agreed a Continuous Improvement, Efficiency and Value for Money Strategy, which sets out the principles the Constabulary will follow and specific reviews which aim to secure maximum value from the resources available to it.

Self-evaluation, examples, areas of strength and weakness

The overall arrangements for value for money are concluded on by the external auditors who provide for the Committee their opinion on value for money. The conclusion for 2017/18 was positive.

The Commissioner's Code of Corporate Governance and AGS sets out the arrangements for securing the achievement of the goals and objectives set out within the Police and Crime Plan. This includes a performance framework that supports the Commissioner in holding the Chief Constable to account for VFM. These documents also reference the receipt annually of HMICFRS value for money profiles and inspection reports that further support VFM accountability.

The Chief Constable's Code of Corporate Governance provides reference for the Committee to the Constabulary Continuous Improvement, Efficiency and Value for Money Strategy, which sets out the principles the Constabulary will follow and specific reviews, which aim to secure maximum value from the resources available to it. The AGS references the specific reviews that have been undertaken during the year and the improvements in efficiency and effectiveness arising from that work.

The work of the Committee further supports value for money in providing an overview of the treasury management strategy and activities that helps to promote value in the treasury function. This will have greater impact in future years, when decisions will need to be made in respect of borrowing. The timing of decisions will be instrumental to the value for money achieved from the balance between borrowing costs and investment returns.

The overall arrangements for value for money are concluded on by the external auditors who provide for the Committee their opinion on value for money. The conclusion for 2017/18, received by the Committee in the External Auditor's July 2018 Audit Findings Report was positive.

From 2014/15 the format internal audit reports have supported wider assurance for members by covering a specific control objective on 'value: the effectiveness and efficiency of operations and programmes.' Specific audit recommendations with value for money implications are categorised within audit reports under this heading.

Following a review by the Committee during 2013/14 that identified limited 'other' sources of assurance with regard to value for money and securing best value, the Committee now routinely receives a number of reports from the OPCC and Constabulary with a specific focus on value for money. This has included an analysis of HMICFRS value for money profiles for the Constabulary (the OPCC no longer falls under the remit of HMICFRS), and the outcome of the HMICFRS PEEL review of efficiency, effectiveness and legitimacy. As part of the review of the arrangements for value for money, members also sought assurances regarding the approach to the management of reserves, the reserves strategy was included as part of the member development session on the budget, medium term financial strategy and change programme provided in March 2019.

Conclusion and Overall Assessment: **Assessment Grade 5**

The Committee is fully compliant with the CIPFA guidance. Clear evidence is available from a number of sources that the Committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.

Countering Fraud and Corruption

CIPFA guidance states that the role of the Audit Committee is to have oversight of counter-fraud strategy, assessing whether it meets recommended practice, governance standards and complies with legislation.

The Committee should understand the level of fraud risk to which the organisation is exposed and the implications for the wider control environment. The guidance also recognises the link to ethical standards and the role of the committee in championing good counter-fraud practice. The committee should also monitor performance on counter fraud activity including monitoring action plans and overseeing any major areas of fraud.

The Commissioner and Chief Constable have responsibilities for the effective stewardship of public money and for safeguarding against losses due to fraud and corruption.

Self-evaluation, examples, areas of strength and weakness

The Joint Audit Committee undertakes a cyclical review of counter-fraud strategy, policy and action plans as part of the arrangements for review of all core strategic governance documents. This provides an opportunity for members to consider the approach to counter-fraud within the context of the wider governance arrangements and internal controls that support the anti-fraud approach. These arrangements include those covering codes of conduct and ethical behaviour.

During 2017/18 members reviewed and provided constructive feedback on the overall arrangements for anti-fraud and corruption which had been updated to incorporate the abuse of authority for sexual gain. As a result of feedback provided by members changes and improvements have been made to support the clarity of key documents. As part of the cyclical review of governance arrangements for anti-fraud are reviewed on a bi-ennial basis and as such were not subject to review in 2018/19.

In May 2018 members received a report from the Chief Executive monitoring the anti-fraud and corruption arrangements within the OPCC. The report sets out the activity that takes place during the year in line with the strategy and policy and to ensure anti-fraud arrangements are well embedded. The report covered the 2017/18 financial year and members will receive in May 2019 a report covering the 2018/19 financial year.

In July 2018, as part of the arrangements for the financial statements, members received copies of the Commissioner and Chief Constable's letter of management assurance. These are prepared by the Joint Chief Finance Officer and include a full fraud risk assessment. Within the assessment members are briefed on any actual or suspect fraud that has taken place during the year and any changes to the control environment as a consequence of that fraud.

Members further support their understanding of the control environment through receipt of audit reports. During 2018/19 members received a variety of audit reports with judgements of substantial (5), reasonable (8) and partial (3) assurance. The audit reports in relation to major financial systems in respect of payroll provided substantial assurance, those on the cash receipting and pensions provided reasonable assurance. Members receive the full report on all audits supporting a wider understanding of internal controls that can be gained from summary reports.

During 2018/19 the Committee has operated as a Standards Committee for the Commissioner. This has included monitoring the effectiveness of the Commissioner's Code of Conduct and PCC/Officer Protocol, supporting the approach to ethical standards. In 2015/16 the Commissioner and Constabulary established an independent Ethics and Integrity Panel to facilitate a more in-depth scrutiny of arrangements for ethics and integrity including Constabulary conduct matters and the handling of complaints. The fourth annual report of the Ethics and Integrity Panel was provided to members of the Joint Audit Committee in May 2018.

Conclusion and Overall Assessment: **Assessment Grade 5**

The Committee is fully compliant with the CIPFA guidance. Clear evidence is available from a number of sources that the Committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.

External Audit & Inspection

CIPFA guidance states that the Audit Committees have a role to play in relation to the appointment of external auditors.

In England organisations have the option to appoint auditors themselves via means of an auditor panel or through Public Sector Audit Appointments (PSAA) which has been established by the Local Government Association and specified as an “appointing person”. The Commissioner and Chief Constable have appointed the external auditor via the PSAA route. The audit committee’s role is in providing assurance that the external audit team maintains independence and objectivity. The audit committee has a vital role to play in guarding against threats to independence.

CIPFA guidance states that Audit Committees have a role to play in receiving and considering the work of the external auditor.

This includes receiving the planned work programme and reports following completion of the audit work such that the committee is able to make judgements on audit resources, assess the effectiveness and quality of the audit (this may include feedback from key people e.g. CFO) and report to the Commissioner or Chief Constable where appropriate. The Committee should also support the implementation of external audit recommendations, review any non-audit work undertaken and have the opportunity to meet separately and privately with the external auditors. The guidance also recognises the assurance that can be provided from reports about financial management and governance from wider inspection agencies.

Self-evaluation, examples, areas of strength and weakness

The Joint Audit Committee receive all reports of the External Auditors and conduct an annual private meeting with the External Auditors. During 2018/19 the External Auditors have attended 3 out of the 5 Committee meetings. The Committee’s terms of reference are fully compliant with the CIPFA guidance and provide for an annual private meeting with the External Auditors. The Committee receives inspection reports from other agencies where these are relevant to the Committee’s functions. Recommendations arising from audit and inspection are monitored for implementation by the Committee.

Membership of the Joint Audit Committee includes the skills and experience of a former district auditor and former S151 officers, and also a qualified lawyer. All members have significant experience of committees fulfilling audit and governance functions. This ensures that the Committee have the skills and experience to assess the work of the external auditors and will have clear expectations regarding the requirements in respect of seniority, quality and experience of audit staff. During 2018/19 members have:

- Attended the PSAA Local Audit Quality Forum, an annual conference for audit committee chairs and DoFs to discuss and share thinking on the challenges in public sector audit (with speakers from NAO, etc)
- Undertaken robust scrutiny of the external audit plan, including questioning the robustness of work that will be carried out in respect of the value for money conclusion and the assurance it can provide.
- Received the External Auditors Annual Fee letter.
- Received the External Auditors Audit Findings report covering the financial statements, matters of governance and the value for money conclusion in respect of the 2017/18 financial year.
- Scrutinised published HMICFRS reports covering value for money (HMICFRS annual profiles). Members have also received as part of the corporate update from the Deputy Chief Constable updates covering the full HMICFRS inspection programme for the Constabulary and issues that need to be brought the attention of members.
- In 2014/15 Members agreed a change to their terms of reference to incorporate responsibility as an audit panel, to oversee the appointment of external auditors for the Commissioner, at the time the relevant provisions of the 2014 Local Audit and Accountability Act come into effect.

Conclusion⁴ : Assessment Grade 5

The Committee is compliant with the CIPFA guidance through a combination of the activity undertaken and the particular specialist mix of skills and experience within the Committee membership.

⁴ This assessment of effectiveness is undertaken against the core functions of the committee with the CIPFA guidance; it is not included in the effectiveness checklist but has been graded on a similar basis.

Financial Reporting

For policing bodies the draft financial statements must be signed off by 31 May, as the 30 working day period for the exercise of public rights must include the first 10 days in June.

The latest date for publication of the audited statements is 31 July.

The guidance from CIFPA recommends that it is good practice for the accounts and the AGS to be reviewed by the audit committee prior to the commencement of the external audit.

Audit committees may undertake a review of the statements and satisfy themselves that appropriate steps have been taken to meet statutory and recommended professional practices. This is recommended to include reviewing the narrative report to ensure consistency with the statements and the financial challenges and risks facing the organisation in the future. The guidance also notes that the Committee should give consideration to the accessibility, readability and understandability of the statements to the lay person e.g. use of plain English and key messages. The Committee should review the financial statements prior to approval, although best practice is to review the accounts prior to the commencement of the audit.

Self-evaluation, examples, areas of strength and weakness

The statement of accounts is presented to the Joint Audit Committee prior to formal approval and at a joint meeting of the Committee and the Public Accountability Conference. This facilitates members in undertaking their review of financial statements and providing assurances to the Commissioner and Chief Constable.

The financial statements are supported by a report from the Joint Chief Finance Officer that consolidates for members all key areas of assurance on which they can place reliance in respect of the statements and details significant areas of risk and the basis of material judgments. This dialogue assists in explaining a number of complex transactions within the 2017/18 statements arising from changes in legislation that have impacted on how the Chief Constables financial position is presented. During 2018/19 the draft unaudited accounts for 2017/18 were again, for the second time, reported to the Committee in May 2018, prior to publication on the website, in order to provide members with an early opportunity to review and scrutinise the accounts. The subsequent audited accounts were presented in July alongside the External Auditors Audit Findings report.

The financial statements are supported by a report that consolidates all key areas of assurance and details significant areas of risk and the basis of material judgments.

The revised arrangements for the earlier production of the annual financial statements come into effect from the Statement of Accounts for 2017/18. The revised arrangements (implemented during 2017/18) mean that the committee will now receive the draft subject to audit statements at the May meeting and the audited statements at their meeting in July.

Conclusion and Overall Assessment: **Assessment Grade 5**

The Committee is now fully compliant with the CIPFA guidance and best practice standards in relation to its contribution to financial reporting. This is as a result of the change, introduced in 2017/18 for the 2016/17 financial statements, and was repeated in 2018/19 for the 2017/18 financial statements whereby the committee received the draft Statement of Accounts at the May meeting, prior to audit and publication on the website.

Partnership Governance and Collaboration Agreements

Organisations commonly have a wide range of partnership and collaborative arrangements including strategic relationships with other public sector organisations, shared service arrangements, commercial relationships and a range of service delivery arrangements. CIFPA guidance recognises that ensuring the adequacy of governance and risk management over such arrangements can be complicated, but it is important as accountability for performance and stewardship of public funds remains with the organisation.

The audit committee's role should be to consider the assurance available on whether the partnership or collaboration arrangements are satisfactorily established and are operating effectively. The committee should satisfy itself that the principles of good governance underpin the partnership arrangements. For example, the audit committee should seek assurance that the organisation has appropriate arrangements to identify and manage risks, ensure good governance and obtain assurance on compliance. The committee may also want to know what arrangements have been put in place to maintain accountability to stakeholders and ensure transparency of decision making and standards or probity are maintained.

The Committee should consider how assurances of governance are gained in respect of partnership arrangements and may seek to consider these assurances through processes for the AGS.

The arrangements in respect of governance for partnerships are set out in the appropriate governance documents that are presented to the Committee for cyclical review as part of their review of governance. During 2018/19 members reviewed and contributed to the further development of the Role of the Joint CFO, the Joint Procurement Regulations, Financial Regulations and Financial Rules.

The overall arrangements for partnerships are set out within the Commissioner and Chief Constable's Code of Corporate Governance which was received by members in May 2018 alongside the AGS, setting out how those arrangements have been complied with.

Conclusion and Overall Assessment: **Assessment Grade 5**

In respect of partnership governance the Committee receives assurance from a number of sources within the overall arrangements for governance. The conclusion is that there is clear evidence from some sources that the Committee is actively and effectively supporting improvements across some aspects of this area.

Governance and Ethical Values

Public sector entities are accountable not only for how much they spend but also the ways they use resources with which they are entrusted.

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

With its core role of supporting good governance, support for the ethical framework of the organisation is also important for the audit committee. In addition, public sector organisations have an overarching mission to serve the public interest in adhering to the requirements of legislation and government policies. This makes it essential that the entire entity can demonstrate the integrity of all its actions and has mechanisms in place that encourage and enforce a strong commitment to ethical values and legal compliance at all levels. As part of its review of governance arrangements, the audit committee should be satisfied that there are adequate arrangements to achieve this. All organisations should have regard to the Seven Principles of Public Life, known as the Nolan Principles. Within policing, this is further enforced by the College of Policing's Code of Ethics.

As part of the annual governance review, the audit committee should consider how effectively the seven principles and code of ethics are supported.

The arrangements for ethics and integrity are covered within the AGS. In addition, the audit committee review on a cyclical basis the arrangements for anti-fraud and corruption which include sections in relation to abuse of authority for sexual gain and arrangements in place for whistle-blowing.

Conclusion and Overall Assessment: **Assessment Grade 5**

In respect of governance and ethical values the Committee receives assurance from a number of sources within the overall arrangements for governance. The conclusion is that there is clear evidence from some sources that the Committee is actively and effectively supporting improvements across some aspects of this area.

Section Two: Possible Wider Functions of an Audit Committee

Ethical Values and Treasury Management

The Committee has received and reviewed the Treasury Management Strategy, including related investment and borrowing policies and a comprehensive document covering treasury management practices

The Joint Audit Committee undertake two areas of work that CIPFA guidance acknowledges are appropriate to the role of the Committee but not a core function. These areas are Ethical Values and Treasury Management.

In relation to ethical values the guidance acknowledges the role of the Committee in promoting high standards and that it may take on the role and responsibilities of a standards committee.

With regards to Treasury Management the Committee may be nominated as the responsible body for ensuring effective scrutiny of the Treasury Management Strategy and policies. The guidance is clear that this excludes executive and decision making roles in relation to this function. Scrutiny involves developing an understanding of treasury matters and receiving treasury activity reports to support this, reviewing policies and procedures, treasury risks and assurances.

Self-evaluation, examples, areas of strength and weakness

Evaluation of the role of the Committee in respect of ethical values is covered in the section on good governance & countering fraud and corruption⁵. In respect of treasury management the Committee received and reviewed at its March 2018 meeting the treasury management strategy, including related investment and borrowing policies and a comprehensive document covering treasury management practices that would apply to the 2018/19 financial year.

During 2018/19 members have also received and reviewed the arrangements for Treasury Management proposed for 2019/20. This included a robust scrutiny of the strategy, where members have been keen to ensure an appropriate balance between risk and return in respect of the range of permissible investment counterparties and increased risk in the more traditional banking investments.

To ensure members sufficiently understand treasury matters, training has been provided by the Commissioner's treasury management advisors and treasury management activities reports are presented to the Committee at every regular meeting. This understanding is further supported by the skills and experience profile of members

⁵ The conclusion and assessment of that review is a grade 5
Corporate Support / Financial Services / MB

of the Committee. During 2018/19 members also received a further internally led development session on Treasury Management and Prudential Indicators to supplement the information provided annually by the Commissioners treasury advisors.

Conclusion⁶ : Assessment Grade 5

The Committee is fully compliant with the CIPFA guidance through a combination of the activity undertaken and the; particular specialist mix of skills and experience within the Committee membership.

⁶ This assessment of effectiveness is undertaken against the core functions of the committee with the CIPFA guidance; it is not included in the effectiveness checklist but has been graded on a similar basis.

Section Three: Independence and Accountability

CIPFA guidance sets out a position statement that covers the key features that should be evidenced within all Audit Committees.

Outside of this statement arrangements should reflect local circumstances and focus on factors promoting effectiveness. The Committee is fully compliant with the requirements within the CIPFA guidance to ensure independence and accountability. Specifically:

- The Committee acts as the principal non-executive advisory function supporting those charged with governance⁷ and is independent of executive and operational responsibilities. The Committee has access to and is accountable to the Commissioner, the Chief Constable and the respective Chief Officers of both entities, meets at least 5 times a year and operates with a set of Committee standing orders to regulate business including matters received in public and those to be considered in private.
- The Committee meets privately and independently with both the external auditors and the internal auditors (separately) as part of its annual agenda.
- The Chief Officers⁸ or appropriate senior substitutes of the Commissioner and Chief Constable attend all meetings of the Committee. Internal audit and external audit are in attendance in addition to other officers as appropriate to the agenda. The Committee is able to call on other officers as required. The Committee is well attended, attendance for 2018/19 is set out at Appendix C.
- This report constitutes the Annual Report on the assessment of the Committee's performance and is reported to the Public Accountability Conference and the Police and Crime Panel.
- The arrangements for the Committee comply with the guidance set out within the Home Office Financial Management Code of Practice. The Code states that the Commissioner and Chief Constable should establish an independent Audit Committee. It is recommended that this is a joint committee and that the Commissioner and Chief Constable should have regard to the CIPFA Guidance on Audit Committees.
- The Committee maintains its independence by ensuring a focus through the work programme on oversight of governance, risk, control and the audit process. It has no delegated decision

⁷ The Commissioner and the Chief Constable

⁸ Joint Chief Finance Officer, Chief Executive, Deputy Chief Constable
Corporate Support / Financial Services / MB

making or approval powers from the Commissioner or Chief Constable.

- Agenda items are planned up to 12 months in advance through the development of an annual work programme agreed by the Committee in March and developed from the assurances needed to fulfil the Committee's terms of reference.
- The relationship between the Committee and the Joint Chief Finance Officer is one of reciprocal support and constructive challenge.
- The Committee receives full audit reports at the point in which they are agreed, determining those that should be considered as part of the formal Committee agenda on the grounds of the materiality and significance of audit findings.
- All meetings of the Committee are held in public and members have actively challenged the reasons for any issues being discussed in private. Agendas and papers are published on the Commissioner's website supporting accountability and transparency.
- The work program of the Committee ensures it can be effective in holding to account those officers who are responsible for implementing recommendations and actions arising from review. This is achieved through monitoring reports presented at each Committee meeting.
- The assurance format of the Committee's work programme and this Annual Report ensure that the Committee itself is effectively held to account for its own performance.

Conclusion⁹ : Assessment Grade 5

The Committee is fully compliant with the CIPFA guidance in respect of independence and accountability. This is based on the arrangements for the Committee that ensures independence, compliance with regulatory requirements and public accountability.

⁹ This assessment of effectiveness is undertaken against the core functions of the committee with the CIPFA guidance; it is not included in the

effectiveness checklist but has been graded on a similar basis.

Section Four: Membership and Effectiveness

CIPFA guidance recognises that the membership, composition and operation of the audit committee is a key factor in achieving the characteristics of a good audit committee.

Police audit committees should comprise between three and five members who are independent of the Commissioner and Chief Constable

These are defined as:

- Membership that is balanced, objective, independent of mind, knowledgeable and properly trained to fulfil their role.
- Membership that is supportive of good governance principles and their practical application towards the achievement of organisational objectives
- A strong, independently minded chair, displaying a depth of knowledge, skills and interest
- Unbiased attitudes – treating auditors, the executive and management fairly
- The ability to challenge the executive and senior managers when required.

Police audit committees should comprise between three and five members who are independent of the Commissioner and Chief Constable. Recruitment should be publically advertised with a job description that sets out requirements for knowledge and expertise. Candidates should be able to demonstrate their political independence. Appointments should be for a fixed term and formally approved by the Commissioner and Chief Constable and members should follow a Code of Conduct. The guidance acknowledges that the role of Chair may be advertised specifically and will need to take into account the characteristics required by an effective Chair. Induction training and other briefing and training updates should form part of a programme informed by a review of knowledge and skills.

Self-evaluation, examples, areas of strength and weakness

Membership, composition and operation of the Joint Audit Committee comply with the CIPFA guidance. The Committee comprises four independent members, appointed through public advert for a tenure of 4 years, with a potential to extend to a maximum of 8 years in compliance with the practices recommended by Standards for England. Independence and objectivity, including political independence is secured through restrictions on membership. Specifically membership excludes:

- Serving elected members/officers of a Council/Local Authority represented on the Cumbria Police and Crime Panel and/or similar Cumbria public sector bodies
- Former elected members/officers of the above Council/bodies (time restricted to 3 years)
- Serving Police Officers and Police staff and former Police Officers/staff (time restricted to 3 years)

- Individuals active in local or national politics
- Individuals who have significant business or personal dealings with the Constabulary/OPCC
- Individuals who have close relationships with any of the above including immediate family members

In addition, standard disqualifications apply to ensure the avoidance of any reputational embarrassment, for example individuals who have been removed from a trusteeship of a charity, anyone under a disqualification order under the Company Directors Disqualification Act. Appointed committee Members are required to abide by a Code of Conduct and Member/Officer Protocol.

The requisite skills and experience of members are secured through the recruitment process based on a role profile. The profiles distinguish between the experience and skills expected of the Committee Chair and those expected of Committee members. The role profile is supported by a person specification that sets out essential and desirable skills, experience and ability across a range of governance, risk, finance and audit requirements. The person specification requirements are set out below. The role profiles for committee members, which were updated in November 2018 are set out at appendix E.

Essential experience and knowledge	Special aptitudes, intelligence and skills	Desirable experience and knowledge
<ul style="list-style-type: none"> • <i>Experience in Chairing at Committee/Board level.</i> • Sound experience of strategic planning, risk management and performance management. • Ability to assure financial and statistical information • Experience of leading or conducting or reviewing audit activity. • Experience of scrutinising financial information and processes. • Knowledge of best practices in governance and internal control • Good understanding of the roles of Internal and External Audit. 	<ul style="list-style-type: none"> • <i>Be able to demonstrate leadership skills to fulfil the responsibilities of the Audit Committee Chair.</i> • Ability and confidence to challenge and hold to account. • Treat auditors, executives and management equally and with respect. • To maintain an up to date knowledge and awareness of national and local policing and crime issues. • To have high ethical standards • Good communication skills, both written and oral, with the ability to actively contribute to discussion and debate 	<ul style="list-style-type: none"> • Practical experience in the financial and/or general management of businesses or public sector organisations. • Experience of a Local Government Environment. • Audit Committee/Standards Committee (or equivalent) experience. • Professional Financial Qualification (CCAB or Audit based)

Note – text in italic relates to skill relevant only to the committee chair.

Members are recruited independently of the Commissioner and Chief Constable but are subject to their approval. During 2018/19 there have been no changes to the committee membership, one member came to the end of their initial four year tenure and was approved for a second four year term. During 2020/21 one independent member will come to the end of their initial four year tenure and two members will reach the end of their second four year tenure period and as a result will have to leave the committee. Arrangements for recruitment will be put in place early in 2020/21 to ensure the smooth continuation of the committee.

The work programme for members has again for 2018/19 included formalised development seminars prior to Committee meetings, these sessions support members with a more in-depth understanding of areas within the remit of the Committee's terms of reference. During 2018/19 the development sessions have included treasury management (with the Commissioner's external advisors), Prudential Indications, ICT Security, the Police and Crime Plan, the budget and the medium term financial forecast. Over the course of the year each committee member has attended a meeting of the Police and crime Panel as an observer. In addition, in April 2019 members visited the Safeguarding hub and received presentations from police and childrens' services representatives, members were also given the opportunity to talk to staff working within the hub from all partner organisations. Throughout 2018/19, the meeting agenda has continued to include a corporate update from both the Constabulary and the OPCC, this update is usually provided by the Deputy Chief Constable/Joint Chief Finance Officer and Chief Executive and provides a flavour of the key issues facing the Constabulary/OPCC at the time. In December, the committee chair attended the Public Sector Audit Appointments (PSAA) Local Audit Quality Forum. For 2019/20, members have specifically requested an additional internal development session on Apprenticeship as part of the Police Education Qualification Framework (PEQF).

Conclusion¹⁰ : Assessment Grade 5

The Committee is compliant with the CIPFA guidance in respect of effective membership. This is based on the arrangements for the composition, recruitment and operation of the Committee that ensures independence and a specialist mix of skills and experience that make the Committee members effective in their roles. Effectiveness of members scrutiny function has been enhanced during 2018/19 through the continuation of a more structured approach to member development and the regular inclusion of a corporate update on the agenda for all meetings. In addition, copies of all HMICFRS inspection reports are now routinely provided to members and the opportunity to discuss these reports and receive an update regarding report recommendations is included on the agenda for meetings.

¹⁰ This assessment of effectiveness is undertaken against the core functions of the committee with the CIPFA guidance; it is not included in the effectiveness checklist but has been graded on a similar basis.

Joint Audit Committee 2018/19 Activities

Thursday 24 May 18	Thursday 19 July 18	Wednesday 12 September 18	Thursday 22 November 18	Wednesday 20 March 19
PRIVATE INTERNAL AUDIT MEETING: Confidential meeting of Committee members only and the Internal Auditors. (IA)	PRIVATE EXTERNAL AUDIT MEETING: Confidential meeting of Committee members only and the external auditors. (GT)	PRIVATE DEVELOPMENT SESSION: Part 1 - JASC Action Plan Part 2 - Grant Thornton Event Feedback Part 3 - Police & Crime Plan	PRIVATE DEVELOPMENT SESSION: , Part 1 - Arlingclose LTD, to provide an update on Treasury Management developments (DCFO). Part 2 - ICT and PSD to provide a briefing on ICT Security.	PRIVATE DEVELOPMENT SESSION: Medium Term Financial Forecast, change programme & value for money (CFO)
Regular Reports				
CORPORATE UPDATE: To receive a briefing on matters relevant to the remit of the Committee (DCC & CE)	CORPORATE UPDATE: To receive a briefing on matters relevant to the remit of the Committee (DCC & CE)	CORPORATE UPDATE: To receive a briefing on matters relevant to the remit of the Committee (DCC & CE)	CORPORATE UPDATE: To receive a briefing on matters relevant to the remit of the Committee (DCC & CE)	CORPORATE UPDATE: To receive a briefing on matters relevant to the remit of the Committee (DCC & CE)
TREASURY MANAGEMENT ACTIVITIES: To receive for information reports on Treasury Management Activity - Quarter 4/Annual Report (DCFO)	N/A	TREASURY MANAGEMENT ACTIVITIES: To receive for information reports on Treasury Management Activity - Quarter 1 (DCFO)	TREASURY MANAGEMENT ACTIVITIES: To receive for information reports on Treasury Management Activity - Quarter 2 (DCFO)	TREASURY MANAGEMENT ACTIVITIES: To receive for information reports on Treasury Management Activity - Quarter 3 (DCFO)
N/A	INTERNAL AUDIT – PROGRESS REPORT: To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan. (IA)	INTERNAL AUDIT – PROGRESS REPORT: To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan. (IA)	INTERNAL AUDIT – PROGRESS REPORT: To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan. (IA)	INTERNAL AUDIT – PROGRESS REPORT: To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan. (IA)
INTERNAL AUDIT REPORT(S): To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee. (IA)	INTERNAL AUDIT REPORT(S): To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee. (IA)	INTERNAL AUDIT REPORT(S): To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee. (IA)	INTERNAL AUDIT REPORT(S): To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee. (IA)	INTERNAL AUDIT REPORT(S): To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee. (IA)
N/A	STRATEGIC RISK REGISTER: To consider the OPCC and Constabulary strategic risk register as part of the Risk Management Strategy. (CE/GM & DCC)	STRATEGIC RISK REGISTER: To consider the OPCC strategic risk register as part of the Risk Management Strategy. (CE/GM)	STRATEGIC RISK REGISTER: To consider the OPCC and Constabulary strategic risk register as part of the Risk Management Strategy. (CE or GM & DCC)	STRATEGIC RISK REGISTER: To consider the OPCC and Constabulary strategic risk register as part of the Risk Management Strategy. (CE/GM & DCC)
N/A	MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS: To receive an updated summary of actions implemented in response to audit and inspection recommendations. (CFO)	MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS: To receive an updated summary of actions implemented in response to audit and inspection recommendations. (CFO)	MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS: To receive an updated summary of actions implemented in response to audit and inspection recommendations. (CFO)	MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS: To receive an updated summary of actions implemented in response to audit and inspection recommendations. (CFO)
Cyclical/Annual Reports				
EXTERNAL AUDIT FEES: To receive from the external auditors the proposal in respect of audit fees. (GT)	AUDIT FINDINGS REPORT: To receive from the external auditors the Audit Findings Report in respect of the annual audit of the financial statements and incorporating the External Auditor's Value for Money Conclusion. (GT)	ANNUAL AUDIT LETTER: To receive from the External Auditors the Annual Audit Letter and reports (GT).	ANNUAL REVIEW OF GOVERNANCE: To review the OPCC and Constabulary arrangements for governance; cyclical review over a three years. (Relevant Chief Officers)	TREASURY MANAGEMENT STRATEGY AND TREASURY MANAGEMENT PRACTICES: To review the annual Treasury Management Strategy incorporating the policy on investment and borrowing activity and treasury management practices. (DCFO)

Joint Audit Committee 2018/19 Activities

Thursday 24 May 18	Thursday 19 July 18	Wednesday 12 September 18	Thursday 22 November 18	Wednesday 20 March 19
Cyclical/Annual Reports (continued)				
RISK MANAGEMENT MONITORING: To receive an annual report from the Chief Executive on Risk Management Activity including the Commissioner's arrangements for holding the CC to account for Constabulary Risk Management. (CE/GM)	ASSURANCE FRAMEWORK STATEMENT OF ACCOUNTS: To receive a report from the Joint CFO in respect of the PCC's and CC's framework of assurance. (CFO)		ANNUAL GOVERNANCE STATEMENT DEVELOPMENT AND IMPROVEMENT PLAN UPDATE: To receive an update on progress against the development and improvement plan within the annual governance statement (CFO)	RISK MANAGEMENT STRATEGY: To provide the tri-ennial review of the COPCC (CE/GM) and Constabulary (DCC) Risk Management Strategies. (next due 2020)
ANTI-FRAUD AND CORRUPTION ACTIVITIES: To receive an annual report from the Chief Executive on activity in line with the arrangements for anti-fraud and corruption. (CE/GM)	ANNUAL STATEMENT OF ACCOUNTS: To receive the audited Statement of Accounts for the Commissioner and Chief Constable and Group Accounts and consider a copy of a summarised non-statutory version of the accounts (DCFO)			ANNUAL WORK PROGRAMME: ASSURANCE FORMAT: To review and approve an annual work programme covering the framework of assurance against the Committee's terms of reference. (DCFO)
ETHICS AND INTEGRITY GOVERNANCE: To receive an annual report from the chair of the Ethics and Integrity Panel.	PCC ANNUAL REPORT To receive a copy of the PCCs annual report. (CE)			EXTERNAL AUDIT PLAN: To receive from the external auditors the Joint Annual External Audit Plan. (GT)
INTERNAL AUDIT –ANNUAL REPORT: To receive the Head of Internal Audit's Annual Report including the Annual Audit Opinion. (IA)				EXTERNAL AUDIT UPDATE REPORT: To receive from the external auditors an update report in respect of progress on the external audit plan. (GT)
EFFECTIVENESS OF INTERNAL AUDIT: To receive a report from the Joint Chief Finance Officer in respect of the effectiveness of internal audit. (DCFO)				PROPOSED INTERNAL AUDIT PLAN/ INTERNAL AUDIT CHARTER: To receive a report from the Internal Auditors on the proposed Internal Audit Annual Plan and any proposed revisions. To receive a copy of the internal audit charter from the Internal Auditors. (IA)
JOINT AUDIT AND STANDARDS COMMITTEE - REVIEW OF EFFECTIVENESS: To receive a report reviewing the effectiveness of the Committee as a contribution to the overall effectiveness of arrangements for governance. (DCFO)	JOINT AUDIT AND STANDARDS COMMITTEE - ANNUAL REPORT: To receive an annual report of the Committee. Once approved this annual report will be presented to the Police and Crime Panel by the chair of JASC. (DCFO)			QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME: To receive from the Internal Auditors a report setting out the arrangements for quality assurance and improvement. (IA)

Joint Audit Committee 2018/19 Activities

Thursday 24 May 18	Thursday 19 July 18	Wednesday 12 September 18	Thursday 22 November 18	Wednesday 20 March 19
Cyclical/Annual Reports (continued)				
<p>ANNUAL GOVERNANCE STATEMENT</p> <ul style="list-style-type: none"> ▪ Effectiveness of Governance Arrangements: To receive a report from the Joint CFO on the effectiveness of the PCC's and CC's arrangements for Governance. ▪ Code of Corporate Governance: To consider the PCC/CC Code of Corporate Governance ▪ Annual Governance Statement: To consider the PCC/CC Annual Governance Statement for the financial year and to the date of this meeting 				<p>VALUE FOR MONEY: To receive an annual report on Value for Money within the OPCC and Constabulary. (DCI)</p>
<p>ANNUAL STATEMENT OF ACCOUNTS: To receive the un-audited Statement of Accounts for the Commissioner and Chief Constable and Group Accounts and consider a copy of a summarised non-statutory version of the accounts (DCFO)</p>				<p>INTERNAL AUDIT: External Quality Assessment (5 yearly, next one due 2023)</p>
Ad Hoc Reports				
<p>ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, INSPECTION: To consider any other reports falling within the remit of the Committee's terms of reference</p>	<p>ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, INSPECTION: To consider any other reports falling within the remit of the Committee's terms of reference</p>	<p>ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, INSPECTION: To consider any other reports falling within the remit of the Committee's terms of reference</p>	<p>ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, INSPECTION: To consider any other reports falling within the remit of the Committee's terms of reference</p>	<p>ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, INSPECTION: To consider any other reports falling within the remit of the Committee's terms of reference</p>
<p>EXTERNAL AUDIT UPDATE REPORT: To receive from the external auditors an update report in respect of progress on the external audit plan. <i>Deferred from March'18 (GT)</i></p>			<p>Update on Procurement (requested 23/07 meeting). New Head of Procurement in Post 01/10/18. How are things progressing, recruitment update, housekeeping etc.</p>	
<p>JOINT PROCUREMENT REGULATIONS: To review the Joint Procurement Regulations as part of cyclical arrangements for governance. <i>Deferred from Nov'17 (DCS)</i></p>			<p>OPCC Restructure Report and update on CE Role, to go to JASC following report to PCP in Oct'18 at next meeting (requested 23/07/18).</p>	
<p>JOINT CHIEF FINANCE OFFICER: To receive a report from the Joint Chief Finance Officer providing an update on how the arrangements for a shared Joint Chief Finance Officer are working. (JCFO)</p>				

Joint Audit Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: Governance, Risk and Control		
2.1) Review the corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance. Note - Underlined governance documents are scheduled for review in 2019.	May (Ethics and Integrity Annual Report)	ETHICS AND INTEGRITY GOVERNANCE: To receive an annual report from the Chair of the Ethics and Integrity Panel, advising the Committee of the work of the Panel over the previous year and matters pertaining to governance in respect of the arrangements for ethics and integrity.
	November: (All governance reviews excluding ethics and integrity)	ANNUAL REVIEW OF GOVERNANCE: To review the COPCC and Constabulary arrangements for governance; cyclical review over a three years covering: <ul style="list-style-type: none"> ▪ <u>Role of the Chief Finance Officer: annual review (2019)</u> ▪ <u>Financial Regulations & Financial Rules: bi-ennial review (2020)</u> ▪ <u>Grant Regulations: tri-annual review (2019)</u> ▪ <u>Scheme of Delegation/Consent: annual review (2019)</u> ▪ <u>Joint Procurement Regulations: bi-ennial review (2019)</u> ▪ <u>Risk Management Strategy: tri-ennial review (2020)</u> ▪ <u>Joint Audit Committee Terms of Reference & Role Profiles: tri-ennial review (2021)</u> ▪ <u>Arrangements for Anti-Fraud and Corruption /whistleblowing: bi-ennial review (2019)</u>
2.2) Review the Annual Governance Statements prior to approval and consider whether they properly reflect the governance, risk and control environment and supporting assurances and identify any actions required for improvement	May	ANNUAL GOVERNANCE STATEMENT
	July (updated governance statement prior to approval and publication)	<ul style="list-style-type: none"> ▪ Effectiveness of Governance Arrangements: To receive a report from the Joint CFO on the effectiveness of the PCC's and Chief Constable's arrangements for Governance. ▪ Codes of Corporate Governance: To consider the PCC/CC Codes of Corporate Governance ▪ Annual Governance Statements: To consider the PCC/CC Annual Governance Statements for the financial year and to the date of this meeting
	November	ANNUAL GOVERNANCE STATEMENT DEVELOPMENT AND IMPROVEMENT PLAN UPDATE: To receive an update on progress against the development and improvement plan within the annual governance statement.

Joint Audit Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: Governance, Risk and Control		
2.3) Consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements	Every meeting excluding May	INTERNAL AUDIT REPORT: To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee <i>(NB audit work in compliance with PSIAS will cover a specific control objective on 'value: the effectiveness and efficiency of operations and programmes'. Specific audit recommendations will be categorised within audit reports under this heading.)</i>
	March	To receive an annual report on Value for Money within both the Office of the Police and Crime Commissioner and the Constabulary.
	July	AUDIT FINDINGS REPORT: To receive from the external auditors the Annual Audit Findings Report incorporating the External Auditor's Value for Money Conclusion.
2.4) Consider the framework of assurance and ensure that it adequately addresses the risks and priorities of the OPCC and Constabulary	March	ANNUAL WORK PROGRAMME: ASSURANCE FORMAT: To review and approve an annual work programme covering the framework of assurance against the Committee's terms of reference.
	July	FRAMEWORK OF ASSURANCE: STATEMENT OF ACCOUNTS: To receive a report from the Joint CFO in respect of the PCC's and CC's framework of assurance.
2.5) Monitor the effective development and operation of risk management, review the risk profile, and monitor progress of the Police and Crime Commissioner and the Chief Constable in addressing risk-related issues reported to them	March	RISK MANAGEMENT STRATEGY: To provide the cyclical (3yr) review of the OPCC and Constabulary Risk Management Strategies. (NB. Next due in March 2020)
	May	RISK MANAGEMENT MONITORING: To receive an annual report from the Chief Executive on Risk Management Activity including the Commissioner's arrangements for holding the CC to account for Constabulary Risk Management.
	Every meeting excluding May	STRATEGIC RISK REGISTER: To consider the OPCC and Constabulary strategic risk register as part of the Risk Management Strategy.
2.6) Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions	Every meeting excluding May	INTERNAL AUDIT REPORT: To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee.
		MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS: To receive an updated summary of actions implemented in response to audit and inspection recommendations.

Joint Audit Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: Governance, Risk and Control (Continued)		
2.7) Review arrangements for the assessment of fraud risks and potential harm from fraud and corruption and monitor the effectiveness of the counter-fraud strategy, actions and resources	November – cyclically when updated	ARRANGEMENTS FOR ANTI-FRAUD AND CORRUPTION: To receive the OPCC and Constabulary strategy, policy and fraud response plan.
	May	ANTI-FRAUD AND CORRUPTION ACTIVITIES: To receive an annual report from the Chief Executive on activity in line with the arrangements for anti-fraud and corruption.
2.8) To review the governance and assurance arrangements for significant partnerships or collaborations.	Ad-hoc	To receive reports on proposed governance arrangements when significant new partnerships or collaborations are entered into.
Terms of Reference: Internal Audit		
3.1) Annually review the internal audit charter and resources	March	INTERNAL AUDIT CHARTER: To receive a copy of the internal audit charter from the Internal Auditors.
3.2) Review the internal audit plan and any proposed revisions to the internal audit plan	March/Ad-hoc	PROPOSED INTERNAL AUDIT PLAN: To receive a report from the Internal Auditors on the proposed Internal Audit Annual Plan and any proposed revisions.
3.3) Oversee the appointment and consider the adequacy of the performance of the internal audit service and its independence	March	QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME: To receive from the Internal Auditors a report setting out the arrangements for quality assurance and improvement.
	May	EFFECTIVENESS OF INTERNAL AUDIT: To receive a report from the Joint Chief Finance Officer in respect of the effectiveness of internal audit.
	Quarterly	INTERNAL AUDIT PERFORMANCE: To receive from the Internal Auditors quarterly reports on the performance of the service against a framework of performance indicators <i>(provided within the internal audit progress reports and annual report.)</i>
	May	PRIVATE INTERNAL AUDIT MEETING: Confidential meeting of Committee members only and the Internal Auditors
3.4) Consider the Head of Internal audit's annual report and opinion, and a regular summary of the progress of internal audit activity against the audit plan, and the level of assurance it can give over corporate governance arrangements	May	INTERNAL AUDIT –ANNUAL REPORT: To receive the Head of Internal Audit's Annual Report including the Annual Audit Opinion and details of compliance with PSIAS and LGAN.
	Every meeting excluding May	INTERNAL AUDIT – PROGRESS REPORT: To receive a report from the Internal Auditors regarding the progress of the Internal Audit Plan.

Joint Audit Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: Internal Audit (Continued)		
3.5) To consider the Head of Internal Audit's statement of the level of conformance with the Public Sector Audit Standards (PSIAS) and Local Government Application Note (LGAN) and the result of the Quality Assurance and Improvement Programme (QAIP) that support that statement - these will indicate the reliability of the conclusions of internal audit.	March	QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME: To receive from the Internal Auditors a report setting out the arrangements for quality assurance and improvement.
	May	INTERNAL AUDIT –ANNUAL REPORT: To receive the Head of Internal Audit's Annual Report including the Annual Audit Opinion and details of compliance with PSIAS and LGAN.
3.6) Consider summaries of internal audit reports and such detailed reports as the Committee may request from the Police and Crime Commissioner and the Chief Constable, including issues raised or recommendations made by the internal audit service, management response and progress with agreed actions	Every meeting	INTERNAL AUDIT REPORTS: To receive reports from the Internal Auditors in respect of specific audits conducted since the last meeting of the Committee.
3.7) Consider a report on the effectiveness of internal audit to support the Annual Governance Statement	May	EFFECTIVENESS OF INTERNAL AUDIT: To consider a report of the Joint Chief Finance Officer reviewing the effectiveness of Internal Audit.
3.8) To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Head of Internal Audit. To make recommendations on safeguards to limit such impairments and periodically review their operation.	May	INTERNAL AUDIT –ANNUAL REPORT: To receive the Head of Internal Audit's Annual Report including relevant disclosures regarding impairments to independence or objectivity arising from additional roles or responsibilities outside internal auditing of the Head of Internal Audit.

Joint Audit Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: External Audit/External Inspection		
4.1) Advise on the selection of external auditors.	Ad-hoc	To receive a report on the proposed selection process for the appointment of new external auditors.
4.2) Support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised either by Public Sector Audit Appointments (PSAA) or the auditor panel as appropriate.	July	AUDIT FINDINGS REPORT: To receive from the external auditors the Audit Findings Report in respect of the annual audit of the financial statements and incorporating the External Auditor's Value for Money Conclusion. This also includes a statement with regard to Independence.
4.3) Comment on the scope and depth of external audit work, its independence and whether it gives satisfactory value for money	March	EXTERNAL AUDIT PLAN: To receive from the external auditors the Annual External Audit Plan
	May	EXTERNAL AUDIT FEES: To receive from the external auditors the proposal in respect of audit fees.
4.4) Consider the external auditor's annual management letter, relevant reports and the report to those charged with governance	November/Ad-hoc	ANNUAL AUDIT LETTER: To receive from the External Auditors the Annual Audit Letter and reports
	March	EXTERNAL AUDIT PLAN UPDATE: To receive from the external auditors an update report in respect of progress on the external audit plan
4.5) Consider specific reports as agreed with the external auditors/specific inspection reports e.g. HMICFRS, relevant to the Committee's terms of reference	Every meeting excluding May	ADHOC REPORTS AS THEY ARISE: E.G. NATIONAL FRAUD INITIATIVE, STANDARDS, HMICFRS/INSPECTION: To consider any other reports falling within the remit of the Committee's terms of reference
4.6) Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies and relevant bodies	July	PRIVATE EXTERNAL AUDIT MEETING: Confidential meeting of Committee members only and the external auditors

Joint Audit Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: Financial Reporting		
5.1) Review the Annual Statement of Accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit of the financial statements that need to be brought to the attention of the Commissioner and/or the Chief Constable	July	ASSURANCE FRAMEWORK: STATEMENT OF ACCOUNTS: To receive a report from the joint CFO in respect of the PCC's framework of assurance; To receive a report from the Deputy Chief Constable/CC in respect of the CC's framework of assurance.
	July	ANNUAL STATEMENT OF ACCOUNTS: To receive the audited Statement of Accounts for the Commissioner and Chief Constable and Group Accounts and consider a copy of a summarised non-statutory version of the accounts
5.2) Consider the external auditor's report to those charged with governance on issues arising from the audit of the financial statements	July and September (final report)	AUDIT FINDINGS REPORT: To receive from the external auditors the Audit Findings Report in respect of the annual audit of the financial statements and incorporating the External Auditor's Value for Money Conclusion.
Terms of Reference: Accountability Arrangements		
6.1) On a timely basis report to the Commissioner and the Chief Constable with its advice and recommendations in relation to any matters that it considers relevant to governance, risk management and financial management	Every meeting (where appropriate)	To be discussed in Committee meetings and noted as feedback in the minutes.
6.2) Report to the Commissioner and the Chief Constable on its findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks; financial reporting arrangements and internal and external audit functions	Every meeting (where appropriate)	To be discussed in Committee meetings and noted as feedback in the minutes.

Joint Audit Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: Accountability Arrangements		
6.3) Review its performance against its terms of reference, objectives and compliance with CIPFA best practice on the role of the Audit Committee. Report the results of this review to the Commissioner and the Chief Constable by means of an Annual Report including where appropriate an action plan detailing future planned improvements.	May	JAC Review of Effectiveness: To receive a report reviewing the effectiveness of the committee against the CIPFA framework as a contribution to the overall effectiveness of arrangements for governance
	July	JAC Annual Report: To receive the annual report of the committee (following the review of effectiveness undertaken in May). Following approval, the Annual Report will be presented to the Police and Crime Panel meeting in October by the chair of JAC.
6.4) Publish an annual report on the work of the committee.	July	JAC Annual Report: To receive the annual report of the committee (following the review of effectiveness undertaken in May). Following approval, the Annual Report will be presented to the Police and Crime Panel meeting in October by the chair of JAC.
6.5) Seek feedback from the Commissioner and Chief Constable on the performance of the audit committee and include this within the annual report of the committee.	July	JAC Annual Report: To receive the annual report of the committee (following the review of effectiveness undertaken in May). Following approval, the Annual Report will be presented to the Police and Crime Panel meeting in October by the chair of JAC.
6.6) To provide scrutiny of the Commissioners treasury management policy and processes in compliance with the CIPFA Code of Practice for Treasury Management, advising on risk and controls where appropriate.	March	TREASURY MANAGEMENT STRATEGY AND TREASURY MANAGEMENT PRACTICES: To review the annual Treasury Management Strategy incorporating the policy on investment and borrowing activity and treasury management practices.
6.7) To provide external scrutiny of the Constabulary's training arrangements as an employer provider for the PCSO apprenticeship scheme.	March	Apprenticeship Governance: To receive the annual Self-Assessment Report and accompanying Quality Improvement Plan.
	September	Apprenticeship Governance: To receive the mid year update on the Quality Improvement Plan.

Joint Audit Committee: Annual Work Programme Assurance Format

Terms of Reference	Meeting	Work Programme Assurance Activity
Terms of Reference: Treasury Management		
7.1) Review the Treasury Management policy and procedures to be satisfied that controls are satisfactory	March	TREASURY MANAGEMENT STRATEGY AND TREASURY MANAGEMENT PRACTICES: To review the annual Treasury Management Strategy incorporating the policy on investment and borrowing activity and treasury management practices.
7.3) Review the Treasury risk profile and adequacy of treasury risk management processes		
7.2) Receive regular reports on activities, issues and trends to support the Committee’s understanding of Treasury Management activities; the Committee is not responsible for the regular monitoring of activity	Every meeting excluding July	TREASURY MANAGEMENT ANNUAL REPORT/ACTIVITIES: To receive for information the treasury management annual report and an update on Treasury Management Activity.
	November	TREASURY MANAGEMENT ADVISORS: To receive briefings/training from the Commissioner’s Treasury Management advisors.
7.4) Review assurances on Treasury Management (for example, an internal audit report, external or other reports).	Every meeting excluding May (where applicable)	INTERNAL AUDIT REPORTS: To receive reports from Internal Audit Unit in respect of specific audits conducted since the last meeting of the Committee
Terms of Reference: Apprenticeship Scheme		
8.1) To provide external scrutiny, challenge and recommendations with regard to apprenticeships delivered by the Constabulary as an employer provider to meet the requirements of the Education Skills Funding Agency (ESFA) and Ofsted.	March	Apprenticeship Governance: To receive the annual Self-Assessment Report and accompanying Quality Improvement Plan.
	September	Apprenticeship Governance: To receive the mid year update on the Quality Improvement Plan.
8.2) receive regular reports in relation to the annual self-assessment report and quality improvement		

Governance Documents Review Schedule

Documents	Review Cycle	Lead Officer	November 2016	November 2017	March 2018	March 2019	March 2020	March 2021	March 2022
OPCC Risk Management Strategy	tri-ennial (from 2017 onwards)	Governance Manager Joanne Head	✓	✓	✗	✗	✓	✗	✗
Constabulary Risk Management Strategy	tri-ennial (from 2017 onwards)	Director of Corporate Improvement Jane Sauntson	✓	✓	✗	✗	✓	✗	✗
			November 2016	November 2017	November 2018	November 2019	November 2020	November 2021	November 2022
Role of the Joint Chief Finance Officer	annual	Deputy CFO Michelle Bellis	✓	✓	✓	✓	✓	✓	✓
Joint Procurement Regulations	bi-ennial	Head of Procurement Barry Leighton	✗	✓	✗	✓	✗	✓	✗
Scheme of Delegation/Consent	annual	Chief Executive/Communications & Engagement Executive, Gillian Shearer and/or Governance Manager, Joanne Head	✓	✓	✓	✓	✓	✓	✓
OPCC Arrangements for Anti-fraud & Corruption/Whistleblowing	bi-ennial	Chief Executive/Communications & Engagement Executive, Gillian Shearer and/or Governance Manager, Joanne Head	✗	✓	✗	✓	✗	✓	✗
Constabulary Arrangements for Anti-fraud & Corruption/Whistleblowing	bi-ennial	Head of People, Supt. Sarah Jackson and/or Head of Professional Standards	-	✓	✗	✓	✗	✓	✗
Financial Regulations & Financial Rules	bi-ennial	Deputy CFO Michelle Bellis	✓	✗	✓	✗	✓	✗	✓
Joint Audit Committee Terms of Reference and Role Profiles	tri-ennial	Deputy CFO Michelle Bellis	-	-	✓	✗	✗	✓	✗
Grant Regulations	tri-ennial	Chief Executive/Head of Partnerships and Commissioning, Vivian Stafford	✓	✗	✗	✓	✗	✗	✓

Attendance Listing for Joint Audit Committee Meetings 2018/19

	24 May 2018	19 July 2018	12 Sept 2018	22 Nov 2018	20 Mar 2019
Independent Members					
Mrs Fiona Daley (Chair)	✓	✓	✓	✓	✓
Mr Jack Jones	✓	✓		✓	✓
Mrs Fiona Moore	✓	✓	✓	✓	✓
Mr Malcolm Iredale	✓	✓	✓	✓	✓
Commissioner's Officers					
Police & Crime Commissioner for Cumbria (Peter McCall)		✓			
Chief Executive (Vivian Stafford)	✓			✓	✓
Chief Executive (Gillian Shearer)		✓	✓	✓	✓
Governance and Business Services Manager (Joanne Head)	✓			✓	
Constabulary Officers					
Chief Constable (Michelle Skeer)		✓			
Deputy Chief Constable (Mark Webster)	✓			✓	✓
Joint Chief Finance Officer (Roger Marshall)	✓	✓	✓	✓	✓
Constabulary Director of Corporate Support (Stephen Kirkpatrick)	✓	✓		✓	
Deputy Chief Finance Officer (Michelle Bellis)	✓	✓	✓	✓	✓
Financial Services Manager (Lorraine Holme)		✓			
Financial Services Trainee (Dawn Cowperthwaite /Monika Demczuk/Inge Redpath)	✓	✓	✓	✓	✓
Head of Procurement (Barry Leighton)				✓	
Detective Inspector (Safeguarding Hub) (Daniel StQuintin)				✓	
Apprenticeship Manager (Elaine Flowers)				✓	
Internal Audit					
Head of Internal Audit, Shared Internal Audit Services, Cumbria County Council (Richard McGahon)					✓
Audit Manager, Management Audit Unit, Cumbria County Council (Emma Toyne)	✓		✓	✓	✓
Principal Auditor shared Internal Audit Services, Cumbria County Council (Sarah Fitzpatrick)		✓			
External Audit					
Senior Manager, Grant Thornton LLP (Robin Baker)		✓		✓	
Auditor Manager, Grant Thornton LLP (Lynne Johnstone)					✓
Auditor Manager, Grant Thornton LLP (Hannah Foster)					✓

Joint Audit Committee - Role Profile

Job Title: Committee Chair

1. Job purpose / key responsibilities - Chair

- 1.1. The Chair of the committee is responsible for providing leadership to the committee in effectively discharging its duties and responsibilities as set out in the committee terms of reference.
- 1.2. Ensuring that the committee achieves its purpose of providing an independent assurance function for the governance, internal control, risk and financial and non-financial performance of the Constabulary and OPCC.
- 1.3. The Chair must create and manage effective working relationships among the committee, the Commissioner, the Chief Constable, Section 151 officer (Joint Chief Finance Officer) and both internal and external auditors.
- 1.4. Meet separately with the Section 151 officer and External Auditor to discuss risk compliance and governance issues arising as a result of external or internal audit activity.
- 1.5. Act as the committee's spokesperson using his or her 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 he or she is 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 himself/herself 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 his or her best efforts in carrying out his or her duties as a member of the committee;
 - ii) The committee's insistence on the highest level of integrity accountability and honesty in the actions of the committee and of the Commissioner, Chief Constable and the other officers of the OPCC/Constabulary;
 - iii) Respect and dignity among the members, officers and the external and internal auditor;
 - iv) The candid and timely sharing of information among the members of the committee, management and the external auditor;
 - v) Acceptance by all members of the committee of the right of every member to hold and express a dissenting opinion; and
 - vi) A commitment to best governance practices and standards practices.

4. Miscellaneous Matters

- 4.1. Assist the committee and management to understand and respect the responsibilities of each.
- 4.2. Whenever necessary or desirable, to facilitate the effective performance of the committee's duties, attend other meetings and committees including those to facilitate governance of the internal audit shared service.

Joint Audit Committee - Role Profile

Job Title: Committee Members

1. Job purpose / key responsibilities – Committee Member

- 1.1. To contribute to the effective discharge of the duties and responsibilities of the committee as set out in the committee terms of reference.
- 1.2. To maintain effective working relationships with committee members, the Police and Crime Commissioner, the Chief Constable, Section 151 officer (Joint Chief Finance Officer) and both internal and external auditors.
- 1.3. To be diligent in preparing for committee meetings and making an effective contribution to those meetings to provide independent assurance of the governance, internal control and finance, risk and performance management arrangements of the OPCC and Constabulary.

2. Conduct of Committee Meetings

- 2.1. Contribute to the business of each committee meeting in a manner which supports all matters on the agenda being dealt with effectively and appropriately.
- 2.2. Address the committee on all matters where an opinion or decision is required and in such a manner that does not inhibit other members of the committee wishing to express a different opinion.
- 2.3. Advise the committee Chair where an interest or potential conflict of interest may exist in respect of a matter to be discussed at a meeting and act on the advice of the Chair.

3. Committee Culture

- 3.1. As a member of the committee, contribute to a culture that supports:
 - i) Each member to use his or her best efforts in carrying out his or her duties as a member of the Committee;
 - ii) The highest level of integrity accountability and honesty in the actions of the committee and of the Commissioner, Chief Constable and the other officers of the OPCC/Constabulary;
 - iii) Respect and dignity among the members, officers and the external and internal auditor;

iv) The candid and timely sharing of information among the members of the committee, management and the external auditor;

v) Acceptance by all members of the committee of the right of every member to hold and express a dissenting opinion; and

vi) A commitment to best governance practices.

4. Miscellaneous Matters

4.1. When necessary or desirable, to facilitate the effective performance of the committee's duties, attend other meetings and committees.

CIPFA Self-assessment of Good Practice

Good Practice Questions	Yes	Partly	No
Audit committee purpose and governance			
Does the Commissioner/Chief Constable have a dedicated audit committee?	✓		
Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?	✓		
Is the role and purpose of the audit committee understood and accepted within the OPCC & Constabulary?	✓		
Does the audit committee provide support to the OPCC & Constabulary in meeting the requirements of good governance?	✓		
Are the arrangements to hold the committee to account for its performance operating satisfactorily?	✓		
Functions of the committee			
Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?	✓		
good governance	✓		
assurance framework, including partnerships and collaboration arrangements	✓		
internal audit	✓		
external audit	✓		
financial reporting	✓		
risk management	✓		

value for money or best value	✓		
counter-fraud and corruption	✓		
Supporting the ethical framework	✓		
Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?	✓		
Has the audit committee considered the wider areas identified in CIPFA's Position Statement and whether it would be appropriate for the committee to undertake them?	✓		
Where coverage of core areas has been found to be limited, are plans in place to address this?	✓		
Has the committee maintained its non-advisory role by not taking on any decision-making powers that are not in line with its core purpose?	✓		
Membership and support			
Has an effective audit committee structure and composition of the committee been selected? This should include:	✓		
separation from the executive	✓		
an appropriate mix of knowledge and skills among the membership	✓		
a size of committee this is not unwieldy	✓		
where independent members are used, that they have been appointed using an appropriate process	✓		
Does the chair of the committee have appropriate knowledge and skills?	✓		
Are arrangements in place to support the committee with briefings and training?	✓		
Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?	✓		

Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief finance officer?	✓		
Is adequate secretariat and administrative support to the committee provided?	✓		
Effectiveness of the committee			
Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	✓		
Are meetings effective with a good level of discussion and engagement from all the members?	✓		
Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?	✓		
Does the committee make recommendations for the improvement of governance, risk and control and are those acted on?	✓		
Has the committee evaluated whether and how it is adding value to the organisation?	✓		
Does the committee have an action plan to improve any areas of weakness?	✓		
Does the committee publish an annual report to account for its performance and explain its work?	✓		

This page has been left intentionally blank.



Office of the Police and Crime Commissioner Report

REQUEST FOR POLICE & CRIME COMMISSIONER DECISION - (N°013/ 2019)

TITLE: Effectiveness of Governance Arrangements for OPCC 2018/19

Executive Summary: (Précis not more than 100 words)

The Commissioner to receive a report from the Chief Executive and Chief Finance Officer regarding the arrangements for governance and accompanied by the Commissioner's Annual Governance Statement for 2018/19.

Recommendation:

The Commissioner is asked to:

- i. Where applicable, consider the recommendations of the Joint Audit Committee, determining any actions and/or amendments to the Code of Corporate Governance 2019/20 and Annual Governance Statement 2018/19
- ii. Approve for signature, where applicable with amendments, the Annual Governance Statement for 2018/19 and to the date of this meeting, which will then accompany the Statement of Accounts for 2018/19

Police & Crime Commissioner

I confirm that I have considered whether or not I have any personal or prejudicial in this matter and take the proposed decision in compliance with the Code of Conduct for Cumbria Police & Crime Commissioner. Any such interests are recorded below.

I hereby approve/~~do not approve~~ the recommendation(s) above

Police & Crime Commissioner / ~~Chief Executive~~ (delete as appropriate)

Signature:

Date: 09 May 2019

PART 1 – NON CONFIDENTIAL FACTS AND ADVICE TO THE PCC

1. Introduction & Background

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 is required to consider the findings of that review, approve the AGS and publish (which must include publication on the Commissioner's website) the Statements alongside the Statement of Accounts.

2. Issues for Consideration

The Commissioner is the body charged with governance and must satisfy himself that the arrangements for governance are robust and properly reflected within the Annual Governance Statement. The entirety of those arrangements include the arrangements for Internal Audit. A separate report reviewing the effectiveness of the arrangements for Audit is set out elsewhere on the agenda. The report is supported by the Annual Report of the Joint Audit Committee and includes an assessment of the effectiveness of the internal audit function. That report concludes that the arrangements for audit are effective. The annual governance statement and the arrangements for compiling the statement are subject to annual audit. The auditor has concluded that the arrangements for the AGS provide reasonable assurance. The auditor's report is included within this agenda.

3. Implications

(List and include views of all those consulted, whether they agree or disagree and why)

- 3.1. Financial: n/a
- 3.2. Legal: The review of governance and the publication of an Annual Governance Statement meet the legal requirements of the Accounts and Audit Regulations 2015.
- 3.3. Risk: The Annual Governance Statement documents the arrangements for managing risk
- 3.4. HR / Equality: n/a
- 3.5. I.T.: n/a
- 3.6. Procurement: n/a
- 3.7. Victims: n/a

4. Backgrounds / supporting papers

(List any relevant business case, EIA, PID, Media Strategy and append to this form; list persons consulted during the preparation of the report)

Report on the Effectiveness of Governance Arrangements 2018/19

Annual Governance Statement 2018/19

<p>Public Access to Information</p> <p>Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the PCC website within 3 working days of approval. Any facts/advice/recommendations that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would not compromise the implementation of the decision being approved.</p>
<p>Is the publication of this form to be deferred? NO</p> <p>If yes, for what reason:</p> <p>Until what date (if known):</p>
<p>Is there a Part 2 form - NO</p> <p>(If Yes, please ensure Part 2 form is completed prior to submission)</p>

ORIGINATING OFFICER DECLARATION:

<p>I confirm that this report has been considered by the Chief Officer Group and that relevant financial, legal and equalities advice has been taken into account in the preparation of this report.</p> <p>Signed: Date:</p>

OFFICER APPROVAL

<p>Chief Executive / Deputy Chief Executive (delete as appropriate)</p> <p>I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner / Chief Executive (delete as appropriate).</p> <p>Signature: Date: 9 May 2019</p>

<p>Media Strategy</p> <p>The decision taken by the Police & Crime Commissioner may require a press announcement or media strategy.</p>
<p>Will a press release be required following the decision being considered? NO</p>

If yes, has a media strategy been formulated? YES / NO

Is the media strategy attached? YES / NO

What is the proposed date of the press release:

Joint Audit Committee 23 May 2019 item 15i (b)
Public Accountability Conference 09 May 2019 item 12a

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

Effectiveness of Governance Arrangements 2018/19

Report of the Chief Executive and Joint Chief Finance Officer

1. Introduction and background

- 1.1 In previous years a separate report on the effectiveness of arrangements for governance has been produced for the separate legal entities of The Police and Crime Commissioner and The Chief Constable for Cumbria Constabulary. In an effort to streamline processes, this report has been prepared as a joint report to cover both entities with details appropriate to each organisation as required.
- 1.2 Each local government body operates through a governance framework which brings together an underlying set of legislative requirements, governance principles and management processes. The 2015 Accounts and Audit Regulations place a requirement on those bodies to conduct a review of the effectiveness of the system of internal control and prepare an Annual Governance Statement (AGS). The Commissioner and Chief Constable are required to consider the findings of that review, approve the respective AGS and publish (which must include publication on the Commissioner's and Constabulary's respective websites) the Statements alongside the Statement of Accounts. The AGS are prepared in accordance with the CIPFA/SOLACE Good Governance framework that defines 'proper practices' for discharging accountability for the proper conduct of public business through the publication of an Annual Governance Statement that makes those practices open and explicit.
- 1.3 The Police and Crime Commissioner approves a Code of Corporate Governance, 'The Code', setting out his corporate governance framework. The Code is subject to review and updated annually alongside the process to review the arrangements for governance and prepare an Annual Governance Statement. The 2018/19 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 2018/19 Annual Governance Statement.

1.4 The Chief Constable approves a Code of Corporate Governance, 'The Code', setting out her corporate governance framework. The Code is subject to review and updated annually alongside the process to review the arrangements for governance and prepare an Annual Governance Statement. The 2018/19 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 2018/19 Annual Governance Statement.

2. Governance Framework & Effectiveness

- 2.1 The annual review of the arrangements for governance and their effectiveness support the production of the respective Annual Governance Statements for both the Police and Crime Commissioner and the Chief Constable. The review provides assurance on governance arrangements and the controls in place to achieve the organisational objectives. The review has been prepared by the Commissioner's Chief Executive, the Joint Chief Finance Officer and Constabulary Senior Officers in accordance with the CIPFA delivering good governance in local government guidance note for Police 2016. The guidance supports the application of the CIPFA/SOLACE Good Governance Framework to Policing, recognising the specific structure and governance responsibilities arising from the 2011 Police Reform and Social Responsibility Act.
- 2.2 Within the OPCC, the approach to the production of the statement has been to use the CIPFA guidance, and particularly the guidance section on core governance principles. Those core principles and the arrangements that support them are set out in the 2018/19 Code of Corporate Governance approved by the Commissioner following review by the Joint Audit and Standards Committee in May 2018. 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 2018/19 and to the date of this meeting, is presented to the Joint Audit Committee for review, prior to being received by the Commissioner for endorsement and publication alongside the Statement of Accounts.
- 2.3 Within the Constabulary, the approach to the production of the statement has been to use the CIPFA guidance, and particularly the guidance section on core governance principles. These have been used as a review checklist. The first stage of the process has been to ensure that the Chief Constable's Code of Corporate Governance adequately reflects all the requirements of the framework. The second stage of the process has been to ensure that the Governance Statement has evidence of the arrangements and practices in place to comply with the framework. Where the review has identified areas where developments are

planned or it is identified that improvements can be made, the intended actions are outlined in the 'Areas for Further Development and Improvement' for each core principle. The statement also highlights areas where further assurance is gained, such as the work of internal audit, the reports of the external auditors and the results of inspections carried out by Her Majesty's Inspector of Constabularies, Fire and Rescue Services (HMICFRS). The Chief Constable's Governance Statement setting out the review of governance arrangements for 2018/19 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 endorsement and publication alongside the Statement of Accounts.

- 2.4 In previous year both internal audit and members of the Joint Audit Committee have raised concerns that the structure and length of the AGS made it difficult to read and reduced its accessibility to readers. In 2016/17 a summary AGS was produced for each entity which met the fundamental requirements of the statement in demonstrating governance arrangements and compliance with the respective Codes of Corporate Governance. The summary AGS was less closely aligned to each principle within CIPFA's guidance but had the benefit of reducing repetition. Members of the Joint Audit Committee were supportive of the new format. The Commissioner and Chief Constable therefore both decided to adopt the more summarised AGS as the principal document for 2017/18. In preparing the summarized AGS cognisance was taken of Grant Thornton's AGS checklist to ensure that both documents continue to deliver the essential requirements of the statement. The same summarised AGS format has been adopted by both organisations for 2018/19.
- 2.5 Whilst the above review of arrangements has been specific to the production of the Annual Governance Statements, this 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 2018/19 this has included a review and update of the Joint Procurement Regulations, Financial Regulations, Financial Rules and a review of the Joint Audit Committee terms of reference. In addition, the Public Sector Internal Audit Standards and guidance from CIPFA in respect of Audit Committees forms the basis of further reviews of the overall arrangements for audit, with action plans being put in place where potential for improvement and development have been identified. This is supplemented by specific assessments on compliance by the Joint Chief Finance Officer and Head of Internal Audit with the requirements of the CIPFA statement for these roles. The governance review is also supported by an annually developed comprehensive audit plan from internal and external audit and an opinion from the Head of Internal Audit on the arrangements for internal control and risk. Management assurances are obtained for all financial systems on an annual basis. These requirements, whilst challenging, has 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 2019/20

- 4.1 On an annual basis the respective Codes of Corporate Governance are reviewed and updated, setting out the framework for governance within the OPCC and Constabulary. The 2019/20 Codes of Corporate Governance applies the standards set out in the Delivering Good Governance in Local Governance 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 2019/20

(ii) Review the respective Annual Governance Statements 2018/19

(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 2019/20 and Annual Governance Statements 2018/19.

(ii) Approve for signature, where applicable with amendments, the respective Annual Governance Statements for 2018/19 and to the date of this meeting, which will then accompany the respective Statements of Account for 2018/19.

Gillian Shearer

Roger Marshall

Chief Executive

Joint Chief Finance Officer

Human Rights Implications: None Identified

Race Equality / Diversity Implications: None Identified

Personnel Implications: None Identified

Financial Implications: None Identified

Risk Management Implications: The Governance Statement and the underpinning reviews, including the Effectiveness of Internal Audit are designed and intended to provide assurance on and compliance with high standards of corporate governance, including effective control and mitigation of the risk environment in which the Commissioner discharges his respective responsibilities.

Contact points for additional information:

Roger Marshall – Joint Chief Finance Officer

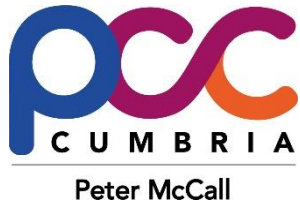
Tel: 0300 124 0113 48591

E Mail: roger.marshall@cumbria.police.uk

Gill Shearer – Chief Executive

Tel: 01768 217734

E Mail: Gillian.Shearer@cumbria.police.uk



Police and Crime Commissioner for Cumbria

Annual Governance Statement 2018/19

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 2018/19 have been guided by the seven core principles of Corporate Governance from the CIPFA/Solace Governance Framework applicable to the 2018/19 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 and Standards Committee against CIPFA guidance on Audit Committees for Police.

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 have been reviewed in 2018/19 by the Governance Manager, the conclusions of which were reported to the Joint Audit Committee in May 2019. 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 award of grants present a potentially high risk with regard 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. An internal audit review in 2017/18, which focussed on the award of open grants, provided reasonable assurance and during 2018/19 recommendations arising from the audit have been implemented.

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, no complaints have been received against the Commissioner or members of his office in relation to matters of integrity.

During 2018/19 the Ethics and Integrity Panel have carried out dip sample processes and thematic inspections for a number of different areas of business including, adherence with the Code of Ethics and Code of Conduct, public complaints, police misconduct and staff misconduct cases, all of which were found to support high standards of ethics and integrity. This enabled the Police and Crime Commissioner to fulfil his statutory duty to have oversight of the Constabulary's complaints and misconduct processes.

The scope of the Panel's work has developed during 2018/19 through the completion of three thematic inspections, which began in 2017/18, in relation to the use of Stop and Stop/Search, the use of Body Worn Video and the operation of the Professional Discretionary Framework within the Constabulary's Communications Centre. The findings of the Panel's work, including recommendations, have been reported to the Commissioner's Public Accountability Conference to improve transparency and support public scrutiny.

The Joint Audit and Standards Committee received the 2018/19 annual report of the Ethics & Integrity Panel in May 2019 to support assurances in respect of arrangements for standards and ethical governance.

During 2017/18 new legislation giving Commissioner's explicit responsibility for the performance of the local complaints system and hearing misconduct appeals was expected to be enacted. The implementation of the new requirements has now been deferred awaiting legislation being approved by Parliament.

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 has been undertaken of the role of the Commissioner's Chief Finance Officer and the Head of Internal Audit (HIA) and the Joint Audit and Standards Committee against the respective CIPFA statements, which concluded there was full compliance.

Principle B: Ensuring openness and Comprehensive stakeholder engagement

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Openness

Openness is a key element of the role of the Commissioner and is not just about publishing information, but listening and influencing as well. The Commissioner operates in accordance with the Elected Local Policing Bodies (Specified Information) Orders of 2011, 2012, 2013 and the guidance provided by the Information Commissioner. This is demonstrated, documented and communicated through an information

publication scheme that ensures the openness of all key information to the public. Examples of information that is published includes agendas and reports of public meetings, guidance on the Commissioner's funds, freedom of information requests, financial information and details of key decisions. A range of communications media are used including the Commissioner's website and social media.

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. The Commissioner has held public meetings where the public have expressed local feelings about a specific issue, as was experienced following this year's Appleby Horse Fair.

The Commissioner also publishes information for the public to see how he is representing their views and holding the force to account through his Public Accountability Conferences.

To promote openness and transparency, all Public Accountability Conferences have been 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 annually.

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 including:

- Chairing the Safer Cumbria Delivery Board, which is both the county-wide Community Safety Partnership and Criminal Justice Board for Cumbria.
- Membership of the Cumbria Leaders' Board.
- Chairing the Blue Light Collaboration Executive Leaders Board.

During 2018/19 the Commissioner has led a range of partnership working initiatives to deliver the Commissioning Strategy and ensure arrangements are in place for victims support services. This has included:

- Refinement of a Quality Assessment Framework to monitor compliance with the Victims Code in Cumbria and drive improvements in specific areas through this process.
- Working with Cumbria County Council and other statutory partners through Safer Cumbria,

commissioning a new model of victims service, combining emotional and practical support for those affected by all types of crime with specialist domestic and sexual abuse services, to improve ease of access to the right support service.

- Recommissioning a therapeutic service for people who have experienced sexual abuse and sexual assault, on behalf of partner agencies which contribute to The Bridgeway Sexual Assault Support Service budget.
- Continued to work in collaboration with Get Safe Online and through local Community Safety Partnership to deliver a range of community events and workshops to prevent local people and businesses becoming victims of online crime.
- Funded Community Safety Partnerships to continue to work with communities and partners on issues impacting on their specific areas of Cumbria, including alcohol-related violence and antisocial behaviour.

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 views of the people of Cumbria to influence decisions.

The Commissioner is directly involved in all of 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 2018/19 engagement included:

- Public surgeries/drop-ins at various locations - with a focus on going to where people.
- Numerous speaking engagements and attendance at public events.
- Meetings with a diverse range of community groups.
- Media engagements.
- Public consultation on setting the council tax percept and identify policing priorities.
- Cumbria Community Messaging.
- The Commissioner's website.
- Social media: Twitter, Facebook and YouTube.
- a bi-monthly newsletter.

- Campaign focusing on safer driving.

The Commissioner's Public Accountability Conference is open to the public and supports engagement.

The Commissioner launched public consultation on the proposal to increase the policing part of the council tax precept. More than 70% of the respondents (over 2,000) agreed with raising the council tax for example this would be for a Band D property an increase of just under £24 per year. The Commissioner also undertook a survey in summer 2019 to determine the priorities of the public in relation to police and crime matters and as a result launched the campaign for safer driving.

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. As a result of public feedback improvements have been made to the telephone 101 service in order to reduce call waiting times.

In summary, the engagement with all stakeholders allows the Commissioner to develop a vision for policing services,

which in turn is incorporated within the Police and Crime Plan.

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

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Defining Outcomes

The Police Reform and Social Responsibility Act (PR&SRA) requires the Commissioner to produce a Police and Crime Plan setting the vision and strategic direction for policing, crime reduction and community safety. A new Police and Crime Plan was launched in November 2016, following the appointment of a new Police and Crime Commissioner for Cumbria.

The Police and Crime Plan 2016-2020 contains the police and crime objectives which all contribute toward achieving the PCC's overall aim 'to make Cumbria an even safer place'. Each objective is supported by actions that the Constabulary and/or partners will undertake to contribute to successful outcomes. These objectives and actions are underpinned by performance measures used

to assess how well the objectives are being achieved, which are set out in the PCC's Performance Management Framework.

The priorities within the plan are:

- 1 Your Priorities For Cumbria
- 2 A Visible and Effective Police Presence
- 3 Tackle Crime and Anti-Social Behaviour
- 4 Ensure Offenders Face A Consequence For Their Crime
- 5 Always Put Victims First
- 6 Focus our Police on Online and Sexual Crime
- 7 Spend your Money Wisely
- 8 Supporting Young People

An action plan setting out how the objectives of the Police and Crime Plan has been developed within the OPCC. This is reviewed annually to ensure it reflects key activity and takes into consideration any emerging issues.

Key performance indicators were also set with the Chief Constable at the start of the financial year to support the objectives within the Police and Crime Plan. A comprehensive Accountability Framework, Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services HMICFRS Inspections and Value for Money Reports

further support the Commissioner in holding the Chief Constable to account for performance of the force.

The PCC regularly reviews progress against his police and crime objectives. Where grants have been awarded, the awards are made against agreed timescales and milestones for delivery and include success criteria or performance measures.

During 2018/2019 a detailed programme of work has been developed with the Police and Crime Panel to facilitate effective scrutiny of delivery of the plan's objectives. Progress reports are presented to the Panel on a quarterly basis supported by thematic reports, which are agreed at the start of the year.

The Chief Constable is held to account for delivery of policing objectives through the PCC's Public Accountability Conferences (PACs). These meetings are divided into two key areas of business: performance and finance. A reporting schedule for these meetings is agreed annually with the Constabulary and ensures the PCC monitors performance in a number of areas of policing. During 2018/19 thematic reports provided assurance on anti-social behaviour, criminal justice, domestic abuse, hate crime, uniformed policing visibility, serious crime, cyber-crime, investigation of sexual offences, offender management and the policing of

Appleby Fair. In addition, reports were also received covering equality and diversity, financial monitoring, and ethics.

The Police and Crime Act 2017 conferred a duty on Commissioners to collaborate on the delivery of emergency services. During 2018/19 the Commissioner negotiated a collaboration agreement and governance structure with Cumbria Constabulary, Cumbria County Council, Cumbria Fire & Rescue Service and the North West Ambulance Service to develop work streams around Blue Light collaboration. The PCC chairs the Blue Light Collaboration Executive Leaders Board, which oversees the work.

The Commissioning Strategy sets out the processes by which the Commissioner will identify and fund services to support his priorities. This was reviewed and updated in 2017/18.

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 2016-2020. For the financial year 2018/19, the PCC committed over £2.6m 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 the reduction in domestic abuse and sexual violence.

A review of the Joint Procurement Regulations between the Office of Police and Crime Commissioner and Constabulary Procurement Department. A Social Value policy incorporating a modern slavery statement has been drafted and, once approved, will support procurement and commissioning activity.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.

REVIEW OF REQUIREMENTS AND ARRANGEMENTS

Planning & Determining Interventions

During the course of 2018/19 the Commissioner's Public Accountability Conference received Constabulary assurance covering a range of areas of performance including Her Majesty's Inspectorate of Constabulary and

Fire & Rescue Services (HMICFRS) performance recommendations to support police effectiveness, efficiency and legitimacy (PEEL). This enabled the Commissioner to hold the Chief Constable to account. Crime levels, public satisfaction and police performance have also been regularly monitored

The OPCC's Head of Partnerships and Commissioning chairs the Cumbria 'Out of Court (OoCDs) Disposal Scrutiny Panel'. 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. Inappropriate and inconsistent disposals associated with domestic abuse cases have been almost eliminated following Panel feedback. In some cases where concerns are raised by the Panel, guidance and advice is feedback to officers and decision makers which has then contributed to training and changes to policy.

During the last year, the Commissioner has continued to build on partnership working to address priorities in the Police and Crime Plan. Projects have included:

- Putting in place a new integrated domestic and sexual abuse crisis support service, bringing together two

previously separate services, working with Cumbria County Council and Cumbria Constabulary.

- Commissioning a victim service, which integrates support for people who have experienced all types of crime, working with Cumbria County Council, NHS and Local Authority partners.
- Leading the implementation of the Quality Assessment Framework developed in 2017-18 to review and improve how criminal justice and support agencies comply with national standards for working with victims.
- The Commissioner has negotiated a collaboration agreement and governance structure between Cumbria County Council, Cumbria Fire & Rescue Service, the Constabulary and the North West Ambulance Service to develop a number of streams of work around Blue Light Service Collaboration.
- Working with Cumbria's three Community Safety Partnerships and Get Safe Online to raise public knowledge of how to protect themselves against fraud and other crimes committed via the internet.
- Bringing together a range of agencies, working with the Constabulary and through Safer Cumbria, to develop understanding of the threat of serious and organised crime in the county and gain support to address this.

- Working with the Constabulary and Crimestoppers to develop a year-long Safer Driving Campaign, in response to what local residents have said is one of their main local concerns. The campaign highlights the many aspects of safer driving, focusing on a dedicated theme each month.

The policing grant settlement, received in December 2019, protected police grant funding, but only on a cash basis. The Government also provided Commissioner's with greater flexibility to increase council tax. Following a public consultation exercise, the Commissioner approved the 2018/19 budget in February 2018 based on a council tax increase of 10.29%. The £130m provided to the Constabulary has primarily allowed services to be maintained against a background of rising costs, but has also supported a modest increase in frontline officers who will be directed into priority areas consistent with the Police and Crime Plan's principal objective of keeping Cumbria safe.

In the context of a new Government Comprehensive Spending Review, which is due to report in the autumn of 2019 and the potential economic impact of Brexit, the future financial outlook is uncertain, although it is likely that funding constraints will remain. The OPCC and Constabulary are jointly modelling a range of financial

scenarios and are working to better understand and manage demands for service and realise benefits from investment in new technology, with the aim of delivering a sustainable policing service in the County.

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.

Recommendations contained in a victim's needs assessment, conducted by the Victims Advocate in 2016/17, have provided a clear focus of activity for the PCC and partners' work and future commissioning strategy to keep victims safe and at the heart of the Criminal Justice system. During 2018/19 the Commissioner has:

- Provided restorative services, enabling victims to inform offenders of the impact a crime has had on them.
- Funded 'Chelsea's Choice', a production for children raising awareness of Child Sexual Exploitation.
- Together with Cumbria County Council, funded an Integrated Independent Domestic Abuse & Sexual Abuse Crisis Support Service.

- Working with Cumbria County Council, the Constabulary, NHS England, Local District Councils and other agencies, developed the support available for people who have been affected by crime and abuse by bringing together a number of services, previously commissioned separately, to commission a service which will provide a 'gateway' through which people can access emotional, practical and advocacy support services.
- Continued to develop and fund Cumbria Youth Commission, ensuring young people across the county have a voice on the issues and problems impacting on them.
- Funded support for people with dementia to help reduce calls to the police.
- Commissioned Victim Support to provide emotional, practical, advocacy and signposting services.
- Continued to develop and fund the Bridgeway Sexual Assault Support Services.
- Funded county-wide Perpetrator Programmes "Turning the Spotlight" for domestic abuse and "Step Up" for families experiencing child-on-parent or guardian violence.
- Funded 'I Feel the Hate' Hate Crime production for secondary school pupils.

- Reviewed and developed further the **Cumbria Together website**.
- Through his Innovation, Community and Property Funds continued to provide financial support for numerous projects working with victims across Cumbria.
- Supported his Victims' Advocate who continues to champion the cause for victims, and importantly, help drive up standards. The Victims' Advocate has worked with Cumbria County Council to dip-sample high and medium risk domestic abuse cases referred into Victim Support to evaluate the quality of service provided. Also, the Victims' Advocate coordinated and chaired quarterly meetings with victims of antisocial behaviour and crime receiving, first hand feedback on their personal experience and acting as a sound board for potential service developments.
- Worked closely with the Constabulary to inform the development of their new Victims' Booklet providing information on the criminal justice process and support available for all victims of crime.

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 (PRORA). The PRORA 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 2018/19 the final stages of the re-structure of the OPCC took place. Overall, the re-structure has provided greater capacity and flexibility to respond to changes in demand particularly in relation to public engagement

activities. The changes have also delivered financial savings. The OPCC is a small team and works together to address any issues arising from natural movement of staff into and out of the office.

Following the re-structure of the OPCC, 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.

The temporary arrangement of the Head of Partnerships and Commissioning and Head of Communications and Business Services performing the roles of Chief Executive and Deputy Chief Executive on a six month rotating basis became permanent following approval by the Police and Crime Panel in October 2018.

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 2018/19 development activity for members of the Audit and Standards Committee included development sessions on the Police and Crime Plan, ICT Security, treasury management and the budget and medium term financial forecast. A formal review of effectiveness of the Committee against the new CIPFA guidance for Audit Committees evidenced compliance with CIPFA guidance and elements constituting best practice. The full report of the Committee can be found on the Commissioner's website at:

<http://www.cumbria-pcc.gov.uk/governance-transparency/audit-committee.aspx>.

The four Independent Custody Visiting Panels continue to operate. Developments during the year included:

- Weekly visits to each of the four custody suites
- Recruitment campaigns to attract new candidates Carlisle, Kendal and West Cumbria.
- Induction training courses.

- Delivery of on-going ICVA thematic training packages for existing members. In 2018-19 the theme was Equality and Diversity.
- Membership of the Independent Custody Visitors Association (ICVA).
- Attendance at national, regional and local conferences
- Under the Animal Welfare Scheme, monthly visits to Cumbria Constabulary and the Civil Nuclear Constabulary to ensure the welfare of police dogs

Developing the capability of individuals within the entity

During 2018/19 arrangements to support staff in tasking and performance have been reviewed and some aspects of activity have been piloted for example:

- Weekly tasking meetings attended by all staff.
- Monthly team meetings focused on policy and procedures.
- Arrangements for performance reviews have also been reviewed and will be embedded in 2019/20.

A monthly informal team catch-up also takes place where staff can share information about their role or themselves in a less formal environment.

During 2018/19 specific training has been provided for staff in the areas of stress management, team building workshop, OneNote, Code of Ethics, risk management and the budget. Individual staff have attended conferences, workshops and specific training events to help them develop within their roles.

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 is next due for review in 2020. A high level review is undertaken annually to ensure that the strategy reflects the current risk environment. Any changes are presented to the Joint Audit Committee.

Risk has become embedded within the everyday work of the OPCC, staff continually assess risks within their roles. Both strategic and operational risks are reviewed on a quarterly basis and appropriate updates made. The Commissioner 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 future funding, financial and operational risks regarding the implementation of the Emergency Services Network, capacity within the Procurement function and compliance with General Data Protection Regulations.

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

Managing Performance

The Public Accountability Conferences facilitate arrangements for the scrutiny of quarterly performance updates and thematic reports around priority areas of policing including, domestic abuse, child sexual exploitation, sexual offences, anti-social behaviour and reducing reoffending. 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 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 have met five times during 2018/19. All meetings are held in public, providing an open and transparent process for scrutinising the decisions and work of the Commissioner. During 2018/19 the Panel has placed a significant focus on monitoring delivery of the Police and Crime Plan, receiving progress reports at every meeting supported by thematic reports against priority areas. The Panel has also reviewed the arrangements of the Joint Chief Finance Officer, the work progressing as part of Blue Light Collaboration and supported the Commissioner's proposed precept for 2019/20.

Robust Internal Control

During 2018/19 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 and Standards Committee. During 2018/19 the Committee has considered and provided scrutiny of the Joint Financial Regulations and Rules, the Joint Procurement Regulations, the Commissioner's, the Code of Corporate Governance, the Internal Audit Charter, 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. Of seventeen audits completed to date in 2018/19 covering the activities of the OPCC and Constabulary, 82% provided either substantial or reasonable assurance. All audits relating specifically to the OPCC provided substantial assurance.

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. An

action plan has been developed with the aim of ensuring that the OPCC meets the requirements of the General Data Protection Regulations (GDPR) introduced in May 2018.

Internal audit carried out a review of the OPCC's compliance with GDPR, which provided Substantial Assurance.

Strong Public Financial Management

At the Public Accountability Conference on the 14th February 2018, the Commissioner set the 2018/19 annual budget and precept in the context of a medium term financial strategy 2018-2022. In line with his duty to maintain the police force the Commissioner agreed a net revenue budget of £117m and a capital budget of £7m for the Chief Constable for the 2018/19 financial year and a funding arrangement that codifies the terms for that funding, including arrangements for financial management. The budget for 2018/19 also included £0.7m for the operation of the Office of the Police and Crime Commissioner and £2.2m funding within a commissioned services budget for victims, community safety and crime reduction.

During 2018/19 the Commissioner received regular financial reports including revenue and capital budget

monitoring 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 2018/19 was an opinion that provided either reasonable or substantial assurance.

During 2018/19 financial sustainability in the context of increasing costs and service pressures, flat government funding and the potential impact of a future review of the police funding formula, 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 and development of savings plans in conjunction with the Constabulary.

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 has published an annual report covering 2017/18. The report, entitled "Making Cumbria an Even Safer Place", includes information on how the Commissioner has responded to issues raised during community engagement activity and how engagement has informed future priorities.

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 reported financial statements published in May 2018 include the statutory 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 third year in

office, including:

- Continuing to fund numerous community projects and support services to tackle the key priorities in the Police and Crime Plan, including on line safety, protecting vulnerable members of the community, supporting victims of domestic abuse and sexual violence, and empowering victims by providing the chance for them to meet or communicate with their offender to explain the real impact of the crime.
- Setting the policing budget for 2019/20, maintaining the additional 25 police officers from the previous year and increasing by a further 20 police officers to support operational policing that is often not seen by the public but crucial in keeping the county safe.
- Improved youth engagement through the work of the Cumbria Youth Commission, Mini Police and Cadets.
- Prioritised and supported work to address the top public concerns raised with him namely, police visibility, anti-social behaviour, driving and Appleby Fair.

A revised and updated Code of Corporate Governance was adopted in line with the 2016 CIPFA 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 2018/19.

The Commissioner's unaudited financial statements for 2017/18 were released in May, with the final version published in July, thus meeting new deadlines for financial reporting. The External Auditor's Audit Findings report noted that the accounts were supported by excellent working papers.

Assurance and effective accountability

The external auditor's opinion for the 2017/18 financial year was that the Commissioner's Financial Statements provided a true and fair view of the financial position and that they have been properly prepared in accordance with the Code of Practice on Local Authority Accounting. The

auditors further confirmed in their Annual Audit Letter that that the Commissioner had proper arrangements in place for securing economy, efficiency and effectiveness in the use of resources.

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 monitors and reports on some specific areas of activity, such as complaint handling and ethical issues.

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:

Office of the Police & Crime Commissioner
Carleton Hall
Penrith
Cumbria CA10 2AU

Telephone: 01768 217734
E-mail: commissioner@cumbria-pcc.gov.uk

*Peter McCall
Police and Crime Commissioner for Cumbria

*Gill Shearer
Chief Executive

*Roger Marshall
Chief Finance Officer

09 May 2019

*Signatures are removed for the purposes of Publication on the website

Appendix A – Update on 2018/19 Development and Improvement Plan

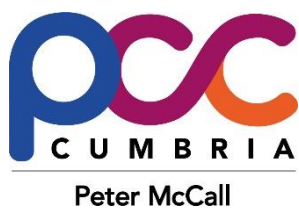
Ref	Action	Lead Officer	Action Update at 31 March 2019	Implementation by	Revised Implementation Date	Status
Core Principle A: Focusing on behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.						
CPA/1	Implement systems and processes to facilitate the OPCC's new responsibility for administering local appeals	Governance Manager	Home Office have advised that they are unable to lay the five statutory instruments before Parliament by February 2019, thereby the implementation will be delayed beyond 1 April 2019. Once layed there will be a 6 months period for arrangements to be made prior to implementation	31st March 2019	31st March 2020 (To be confirmed by Home Office)	Ongoing (original timescale extended)
Core Principle B: Focusing on ensuring openness and comprehensive stakeholder engagement.						
CPB/1	To refresh the Engagement Strategy to reflect the increase in capacity as a result of the new Engagement Officer post.	Head of Communications and Business Services	Capacity was increased in the team during 2019/19 however, capacity was subsequently reduced following a member of staff resigning. The engagement activities are still relevant within the existing plan. The strategy will be brought up to date as a priority.	31st March 2019	30th September 2019	Ongoing (original timescale extended)
Core Principle C: Focusing on defining outcomes in terms of sustainable, economic, social and environmental benefits						
CPC/1	Implement an over-arching governance framework for the OPCC.	Head of Communications and Business Services	A new governance framework has been produced in draft and is being consulted on within the OPCC.	31st March 2019	30th June 2019	Ongoing (original timescale extended)
CPC/2	In collaboration with stakeholders produce a vision for developing Emergency Services collaboration in the County for the remainder of the Police and Crime Plan period, supported by a detailed action plan.	Blue-light Collaboration Manager	Blue Light Collaboration agreement signed by PCC, CFRS, Cumbria Constabulary, CCC, and NWAS. This sets out a clear vision and plan, for the ambitious programme of work. Governance Structure in place with Exec Leaders Board, Programme Board, and Working Group, which drives the programme, providing scrutiny and oversight. There is a detailed TOR for each project within the wider programme. Updates provided monthly to the working group and programme board, and quarterly to the Exec Leaders Board.	30th September 2018		Completed
Core Principle D: Focusing on determining the interventions necessary to optimise the achievement of intended outcomes.						
CPD/1	Embed a new integrated Independent Domestic Violence and Sexual Violence Advisory Service.	Head of Partnerships and Commissioning	Procurement has taken place and a contract has been awarded. The Integrated Service is operating across the county. Dip sampling of cases has been conducted and learning shared with the Provider.	31st March 2019		Completed
CPD/2	Collaborate with partner bodies to develop a consistent approach to the delivery of Womens' Centres across the County.	Head of Partnerships and Commissioning	Grant agreements that support a consistent service delivery are in place with the Women's Centre's in the North and South of the County. A business case, supported by the PCC, has been developed by a third sector organisation to open a women's centre in West Cumbria. The OPCC is working collaboratively with Copeland BC and Time to Change to develop the WoW (Women out West) Centre.	31st March 2019	30th September 2019	Ongoing (original timescale extended)
CPD/3	Implement a joint Social Value Policy with the Constabulary	Head of Partnerships and Commissioning	The OPCC has worked with the Constabulary's Head of Procurement to produce a Social Value Policy, which will complement the Joint Procurement Regulations. A draft has been developed which is currently being consulted on. Social value has been incorporated into the evaluation of recent tenders.	30th September 2018	30th September 2019	Ongoing (original timescale extended)

Appendix A – Update on 2018/19 Development and Improvement Plan

Ref	Action	Lead Officer	Action Update at 31 March 2019	Implementation by	Revised Implementation Date	Status
Core Principle E: Focusing on developing the entity's capacity, including the capability of its leadership and the individuals within it.						
CPE/1	Complete the staffing re-structure of the Office of the Police and Crime Commissioner.	Head of Communications and Business Services	The staffing re-structure has been completed. The new structure came into place from 1 July with new staff recruited for September. The Police and Crime Panel approved the permanent CEO arrangements in October.	30th September 2018		Completed
CPE/2	Evaluate options and implement a formal PDR process for all OPCC staff.	Head of Communications and Business Services	A structure is in place for annual PDRs, supported by Strength Based Competency meetings on a 12 week basis within work 1-2-1s on a monthly basis. Line managers have attended a training session and all staff have been briefed.	31st December 2018		Completed
CPE/3	Develop a rolling training and development programme for all OPCC staff incorporating for example ethics and integrity, risk, well-being and health and safety.	Head of Communications and Business Services	The first Tuesday of every month has been allocated as a two hour training session for all staff. This is supported by a time table of training requirements.	31st March 2019		Completed
CPE/4	Develop a vision for the delivery of Procurement within the Constabulary and OPCC to meet organisational needs.	Director of Corporate Support	A three year Commercial Strategy has been agreed detailing the future vision and approach for the service. The Strategy is based on three phases - Mandatory, Transformation and Ambition and ultimately aims to reach a point where Procurement can be accredited to professional standards. It is anticipated that the mandatory phase, which will ensure compliance with Procurement Regulations, will be completed by mid 2019/20.	30th September 2018	30th September 2019	Ongoing (original timescale extended)
Core Principle F: Focusing on managing risks and performance through internal control and strong public financial management.						
CPF/1	Work with the Constabulary to develop a revised public accountability framework.	Head of Partnerships and Commissioning	A development of a revised framework has been overseen by the OPCC Chief Executive and the Deputy Chief Constable and approved by Collaborative Board.	31st March 2019		Completed
CPF/2	Implement an action plan to ensure that the OPCC complies with new General Data Protection Regulations	Governance Manager	The OPCC is interdependent upon the constabulary for some policies, strategies and data sharing agreements. An action plan has been completed for the OPCC. Monthly monitoring meetings take place the findings from which are reported to the OPCC Exec Team	31st December 2018	31st March 2019	Completed

Ref	Action	Lead Officer	Implementation by
Core Principle A: Focusing on behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.			
CPA/1	Implement systems and processes to facilitate the OPCC's new responsibility for administering local appeals	Governance Manager	31st March 2020 (To be confirmed by Home Office)
Core Principle B: Focusing on ensuring openness and comprehensive stakeholder engagement.			
CPB/1	Review and evaluate Communications and Engagement arrangements.	Head of Communications and Business Services	31st December 2019
CPB/2	Arising from the review of communications and engagement, develop an Engagement Strategy 2020-2024	Head of Communications and Business Services	30th June 2020
Core Principle C: Focusing on defining outcomes in terms of sustainable, economic, social and environmental benefits			
CPC/1	Implement and embed an over-arching governance framework for the OPCC.	Head of Communications and Business Services	30th June 2019
CPC/2	Undertake a review of how the OPCC works in Partnership (formal / informal) to allow resources to be used more efficiently and outcomes achieved more effectively.	Head of Partnerships and Commissioning	31st March 2020
Core Principle D: Focusing on determining the interventions necessary to optimise the achievement of intended outcomes.			
CPD/1	Working with Cumbria County Council, the Constabulary, NHS England, Local District Councils, and other agencies, embed a new integrated Victims Service.	Head of Partnerships and Commissioning	31st March 2020
CPD/2	Continue to collaborate with partner bodies to develop a consistent and join-up approach to the delivery of Womens' Centres across the County.	Head of Partnerships and Commissioning	31st March 2020
CPD/3	Implement a joint Social Value Policy with the Constabulary including a Modern Slavery Statement	Head of Partnerships and Commissioning	30th September 2019

Ref	Action	Lead Officer	Implementation by
Core Principle E: Focusing on developing the entity's capacity, including the capability of its leadership and the individuals within it.			
CPE/1	Implement a programme of training and development programme within the OPCC. safety.	Head of Communications and Business Services	30th September 2019
CPE/2	Review contract management arrangements and implement recommendations.	Head of Partnerships and Commissioning	31st March 2020
CPE/3	Develop a vision for the delivery of Procurement within the Constabulary and OPCC to meet organisational needs.	Director of Corporate Support	30th September 2019
Core Principle F: Focusing on managing risks and performance through internal control and strong public financial management.			
CPF/1	Scope the approach and put in place arrangements to support the development of the Police & Crime Plan 2020/2024.	Head of Partnerships and Commissioning	31st January 2020



Cumbria Office of the Police and Crime Commissioner

Code of Corporate Governance 2019/20

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 his 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.

Business Code of Conduct: Staff shall:

Maintain the highest possible standards of probity in all commercial relationships;

Reject business practice which might reasonably be deemed improper and never use authority for personal gain;

Enhance the proficiency and stature of the organisation by acquiring and maintaining technical knowledge and the highest standards of behaviour;

Ensure the highest possible standards of professional competence, including technical and commercial knowledge;

Optimise the use of resources to provide the maximum benefit to the organisation.

INTEGRITY: *Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.*

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 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 & 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 who investigates the complaints and then seeks to either resolve them locally with the complainant, refers them to the Police and Crime Panel or the Independent Police Complaints Commission.

- A Business Code of Conduct supports the Procurement Regulations, re-enforcing the integrity requirements within the anti-fraud and corruption policy in the context of procurement activity.

- Financial Regulations make arrangements for the proper administration of financial affairs. They also seek to reinforce the standards of conduct in public life, particularly the need for openness, accountability and integrity.

- Grant regulations are based on a framework that provides minimum standards and terms and conditions for the grant award process that seek to ensure grants are awarded within the public interest.

- The Commissioner and all staff are required to sign up to an anti-discrimination code that sets out values and standards with regard to the prevention of any kind of discrimination.

All policies and codes are reviewed on a cyclical basis to ensure they are operating effectively. Independent external assurance is provided through the work of an Ethics and Integrity Panel and Joint Audit Committee. The purpose of the Ethics and Integrity Panel is to promote and influence professional ethics in all aspects of

policing and within both organisations. It provides scrutiny and review in respect of the arrangements for codes of conduct, integrity and complaints. It also provides assurance to the public that any issues or concerns are highlighted and monitored.

The Joint Audit Committee provides scrutiny and review in respect of the Commissioner's arrangements for anti-fraud and corruption and financial, procurement and grant regulations. Agendas and papers are available to the public on the Commissioner's website to aid transparency.

The leadership values for the organisation have been developed by our staff to support good governance and advocate high standards of integrity and ethical behaviour. They are set out in our Corporate Plan. All staff within the OPCC have been appointed following open and transparent appointment processes. Following appointment staff commit to the various codes of conduct and ethical standards that are in place for the OPCC. All staff also undertake a structured induction process arranged by the Governance Manager.

Respecting the Rule of Law

The Chief Executive is the Commissioner's Monitoring Officer with responsibility for ensuring that the Commissioner and staff of the Office of the Police and Crime Commissioner do not contravene any rule of law or engage in any activity that constitutes maladministration or injustice. The responsibilities of the Chief Executive are codified within legislation, within the Commissioner's scheme of delegation and within the documents comprising the Commissioner's wider governance framework. The Chief Executive is responsible to the Commissioner for ensuring that agreed procedures are followed and that all applicable

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

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 provides for a post of a deputy Monitoring Officer to ensure continuity in the delivery of this role in the absence of the Chief Executive.

Principle B: Ensuring openness and comprehensive stakeholder engagement

Police and Crime Commissioners and their Offices are run for the public good, they therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Openness

The Commissioner operates in accordance with the Elected Local Policing Bodies (Specified Information) Orders 2011, 2012 & 2013 and the guidance provided by the Information Commissioner. This is demonstrated, documented and communicated through an information publication scheme that ensures the openness of all key information to the public and wider stakeholders. This includes information in respect of the Commissioner, his staff, income and expenditure, property, decisions, policies and the independent custody visiting scheme. The Commissioner's Monitoring Officer has overall responsibility for ensuring compliance with the Orders and Scheme.

To ensure transparency of decision making, all decisions are recorded and published on the Commissioner's website for public scrutiny. The Police and Crime Panel may call in any decisions for further public scrutiny.

The Commissioner adopts rigorous standards in his decision-making and all decisions are taken solely in the public interest. This is achieved by adherence to a decision-making policy that sets out the parameters and the application of a set of principles that guide decision making. The approach within the policy adheres to the Good Governance Standard for Public Services and the Good Administrative Practice 2.

Reports for decision are based on a template that ensures the consequences of any recommendations are clearly explained and that there is clear

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.

reasoning and evidence for decisions. This includes relevant financial, legal, human resources, equality, procurement, IT and risk management advice.

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 publically 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. A wide range of communication tools are used to achieve open and transparent communication with communities. 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.

Key performance indicators are set to support the objectives within the Police and Crime Plan. This is supported by a comprehensive performance management framework, which is embedded within a robust accountability and governance structure. The performance framework and HMICFRS inspection and value for money reports support the Commissioner in holding the Chief Constable to account for the performance of the force and its efficiency and effectiveness. User

Satisfaction Performance measures are included in the Performance Management Framework.

The Police and Crime Plan is developed alongside a Medium Term Financial Strategy that ensures funding is aligned to the resources needed to deliver priorities and outcomes. The forecast supports the Commissioner in setting a robust budget and in his purpose of maintaining the force for the Cumbria police area.

A Commissioning Strategy and framework supports the delivery of the Commissioner's wider duties and responsibilities and the objectives and outcomes within the Police and Crime Plan. The strategy sets out how the Commissioner will work with partners, including community and voluntary sector groups, to deliver activity and interventions that will support victims, improve community safety, reduce crime and enhance criminal justice. The strategy is underpinned by a commissioned services budget and programme.

Sustainable economic, social and environmental benefits

A process is in place to support policy and strategy development. Oversight of the central policy record, including compliance with procedure and equality impact assessments, is managed by the Executive Team. This ensures that the sustainability of policies and strategies and the wider benefits and interrelationships across the business are fully understood.

When developing strategies, policies or business plans the Office of the Police and Crime Commissioner will seek to impact assess 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 maximizes the benefits to the business.

All decision reports include a section which allows the author to identify any equality issues. These will be taken into account by the Commissioner when considering the decision.

To manage risk and ensure transparency of interests in decision making, the Commissioner and officers are required to make declarations where there are or may be perceived to be conflicts of interest. The role of the Monitoring Officer and the Commissioner's Oath of Office further supports decisions being made in the wider interest of the people of Cumbria, rather than representing any particular political interests.

The Police and Crime Plan and the policy and strategy documents that support it are developed to cover a four-year rolling timeframe and take into account feedback from public consultation and engagement.

All of these documents and the outcomes from consultation are published and are publicly available on the Commissioner's website. Information is published in a variety of mediums. The OPCC website has the functionality to assist in the access to information held. The COPCC would look to assist with translation of information or send information to a third party who can assist them. The COPCC website has the ability to translate into the main languages.



Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.

Police and Crime Commissioners achieve their intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice and Commissioners have to make sure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

Determining Interventions

The Commissioner sets the strategic direction for Policing and wider interventions within the Police and Crime Plan. The Plan is reviewed annually to ensure decision making on activity and outcomes remains robust. The Commissioner's decision making policy adopts a set of principles to ensure all decision making is well informed, that options are rigorously considered and information is provided on potential risks.

The Constabulary is the primary provider of policing services and the recipient of the substantial proportion of funding from the Commissioner to deliver the Police and Crime Plan. Achieving best value through the delivery of an effective policing strategy is a condition of the arrangements for funding between the Commissioner and the Constabulary. Decisions are made annually on the level of resources and how they should be directed as part of the Commissioner's budget setting process.

The performance, outcomes and costs of the Constabulary are monitored through a framework that includes external comparators (HMICFRS Value for Money Profiles), Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection reports and an annual Value for Money Conclusion from the External Auditors. Recommendations from PEEL inspections are used to review decisions in year on resources and determine whether intervention are needed to respond to inspection findings.

Grant and Procurement Regulations set out a framework for commissioning and procurement activity that supports the achievement of best value and practical interventions to support Police and Crime Plan outcomes within wider commissioned services. A review of value for money arrangements is reported annually to the Joint Audit Committee, focused on the Constabulary's activities. This provides external oversight of staffing and wider financial resources committed to fulfilling legal and regulatory requirements of the service.

Medium Term Financial Strategy Objectives

To deliver a robust and balanced medium term financial plan and annual budget supported by an in-year reporting framework that monitors its delivery.

To ensure arrangements for funding between the Commissioner and Constabulary deliver value for money and support the priorities of the Police and Crime Plan

To ensure capital expenditure plans are robustly scrutinised, fully funded for a minimum of four years and are supported by capital strategies that meet the needs of the business

To maintain a risk assessed level of reserves to meet unplanned expenditure and to provide revenue budget smoothing for intermittent costs.

To ensure treasury management activities provide for the security of the Commissioner's funds whilst meeting the cash management needs of the Commissioner and Constabulary

To provide a framework for financial governance that ensures the proper administration of the Commissioner's financial affairs

The Medium Term Financial Strategy sets out the financial plans for revenue and capital expenditure. An annual funding arrangement for the Chief Constable codifies the amounts and conditions of funding based on a financial proposal from the Constabulary. It sets out how the budget will be monitored including financial information and reporting requirements. Financial reporting provides a control to assess the extent to which planning assumptions for the budget have been matched by actual activity and expenditure in year. Further controls over the management of income and expenditure are detailed in the Commissioner's financial regulations. Key financial performance indicators for example prudential indicators, are set as part of the budget process, and monitored on a quarterly basis to ensure they are being met.

The Medium Term Financial Strategy sets out revenue forecasts of income and expenditure and the key financial assumptions and policies on which the forecasts are based. This supports a strategic approach to operational planning, savings requirements and decision making in support of the objectives within the Police and Crime Plan. It also ensures that the financial liabilities, risks and the level of provision and reserves within the budget are fully understood. The budget includes a 10 year capital programme aligned to plans for ICT, the estate and fleet, ensuring resources are balanced in the medium and longer term to meet the requirements of the business.

Financial, operational and commissioning plans are developed taking into account the feedback from the public and wider stakeholders. The Engagement Strategy sets out how the Commissioner will engage with a wide range of people and partners encompassing and including diversity within the

Planning Interventions

A Commissioning Strategy and joint Procurement Regulations set out how services will be planned, procured and delivered. The Safer Cumbria Partnership provides a flexible and supportive mechanism through which services can be developed and delivered with shared risk. Grant and contract management arrangements are in place to monitor and review service quality.

County. The Commissioner in his role of consulting with the public uses the guiding principles of we asked, you said, we did as many engagement activities personally involve the Commissioner. To formally support the role of two-way engagement a six-monthly paper is presented to the Commissioner outlining trends from the various forms of engagement and this information is used as an integral part in the process of any key decisions. Further communication tools are used to ensure target audiences are kept up to date of developments and key decisions for the Commissioner.

Optimising Achievement of Intended Outcomes

The Medium Term Financial Forecast integrates the budget and funding arrangements for the Constabulary with the Commissioner's directly managed budgets. The totality of estimated funding forms the basis for considerations regarding the trade-off between resources for commissioning and resources for policing to optimise outcomes within the Police and Crime Plan. Strategic priorities within the Plan support decision making on the respective policing and commissioning strategies. This determines for example, the number of police officers, the balance between people resources verses equipment and the balance between supporting victim's verses crime prevention activity.

The budget process is based on a proposal from the Constabulary. It takes a zero-based approach, working closely with the business to forecast operational requirements over 4 years for revenue expenditure and 10 years for capital expenditure. This includes a series of 'star chambers' providing

Chief Officers with the forum through which budget holders can be challenged. Through the budget process targets and plans are developed for savings and consideration is given to growth bids to resource new and changing requirements.

The Medium Term Financial Strategy includes information on national financial settlements for policing and what is known about settlements in future years. It also sets out the key financial risks that could impact on funding and expenditure nationally and locally. Sensitivity analysis provides information on the potential impact of changes to assumptions. Collectively this supports decisions on resources, services, performance and outcomes and ensures the business has a robust understanding of risks to the affordability of future plans. The Strategy incorporates information on plans for savings and the impact of funding changes for the number of police officers, PCSO's and police staff. This supports an on-going dialogue and monitoring between the Commissioner and Constabulary in respect of the necessary business change and its impact on outcomes and performance.

Through our Commissioning Strategy we engage and consult with the wider community on support and service provision gaps, this ensures that commissioning objectives and outcomes align with the needs of the local community as well as creating an opportunity for providers to innovate. Commissioning to local based providers ensures the economic, social and environmental well-being of the wider Community. Awarding of Contracts or Grant Agreements are based on the social outcomes and measures which meet local priorities and needs as opposed to financial gains and benefits.

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Police and Crime Commissioners need appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. Commissioners must ensure that they have both the capacity to fulfil their mandate and to make certain that there are policies in place to guarantee that management has the operational capacity for the entity as a whole. Both the individuals involved and the environment in which Commissioners operate will change over time, and there will be a continuous need to develop its capacity as well as the skills and experience of the leadership and individual staff members. Leadership is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of their communities

Developing the entity's capacity

Legislation provides that the Commissioner must appoint a Chief Executive and a Chief Finance Officer (statutory officers). The Chief Executive is the Commissioner's Head of Staff with responsibility for overall management of the Commissioner's office. The Chief Finance Officer (CFO) operates on a shared basis acting as CFO for both the Commissioner and the Chief Constable. Both the Chief Executive and Chief Finance Officer have statutory responsibilities with regards to determining the requirements in respect of staffing resources.

The Chief Executive is a member of the Association of Police and Crime Chief Executives (APACCE) and operates within the APACCE statement on the role of the Chief Executive and Monitoring Officers for Police and Crime Commissioners. The Chief Executive's job profile is based on the APACCE model to ensure the right skills, experience and qualifications for the role. The role of Chief

Executive is undertaken on a six-month rotating basis with the Deputy Chief Executive.

The role and functions of the Chief Finance Officer to support the Commissioner's mandate is set out within the Home Office Financial Management Code of Practice and by the Chartered Institute of Public Finance and Accountancy (CIPFA), the CIPFA statement. The job profile for this role is based on the CIPFA Statement. Compliance with the statement is self-assessed on an annual basis and reviewed by the Joint Audit and Standards 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

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 facilitating the accurate and appropriate scrutiny of

Key functions and role of the Commissioner

Sets strategic direction & objectives of the force, issues the Police and Crime Plan (the Plan) & an annual report

Holds the Chief Constable to account for the exercise of his/her functions and force performance; Monitors complaints.

Receives all funding, decides the budget & precept; allocates funding to maintain an efficient and effective police force

Provides the link between the police and communities; publishes information on Commissioner and force performance

Responsible for the delivery of community safety, crime reduction, the enhancement of criminal justice and victim support

the Constabulary's activities. The Chief Executive is also the Commissioner's statutory Monitoring Officer, providing support to ensure the Commissioner's functions are carried out and has specific legal, financial and governance duties in addition to those which derive from statutory responsibilities. The Chief Executive operates in accordance with professional standards and the legislative and fiduciary responsibilities of the statutory office.

The Chief Finance Officer is the lead financial advisor to the Commissioner and has statutory responsibility to ensure that the financial affairs of the Commissioner are properly administered. The CFO provides all financial advice, provides a statutory report on the robustness of the budget and ensures systems of internal financial control are effective.

The Commissioner's Scheme of Delegation is part of a wider governance framework that further details specific decision making and wider responsibilities of key officers in relation to areas of governance and ensure all staff have a shared understanding of

the roles, responsibilities and decision making authority within the Commissioner's Office. All governance documents are regularly reviewed and updated as roles develop to respond to changing legislation, regulations and other new requirements.

A member/officer protocol further sets out the roles of political office holders (the Commissioner/Deputy Commissioner) and non-political office holders (staff employees) to provide clarification on respective responsibilities and expectations around how relationships are anticipated to work. This is supported by arrangements for the declaration of interests to ensure the Commissioner, members and staff are free from relationships that would materially interfere with decisions making and their roles.

Members of the Joint Audit Committee are recruited for their specific skills and experience to fulfil the role of the Committee. Role profiles include a person specification that requires applicants to demonstrate a sound understanding and relevant professional experience. The Committee has clear terms of reference and membership that is consistent with the requirements of the Home Office Financial Management Code of Practice, and CIPFA guidance. Development sessions, access to relevant publications and CIPFA/Grant Thornton external workshops support members continued development.

The Cumbria ICV Scheme comprises of four panels of volunteer Custody Visitors. Every new volunteer is required to undertake a half-day basic induction course, followed by an accompanied night observation visit; thereafter, new visitors are trained "on the job" by attending visits in the

company of a more experienced colleague for the first six months. On-going ICV training is provided at the regular panel meetings and annual local and regional conferences.

In 2016 the OPCC became a member of the Independent Custody Visitors Association (ICVA) to which it pays an annual subscription. ICVA is a Home Office funded organisation set up to promote and support the effective provision of custody visiting nationally. ICVA works closely with government and criminal justice organisations providing advice on best practice for independent custody visiting schemes nationally; training; and publicity to Police and Crime Commissioner and custody visitors.

The Police and Crime Commissioner subscribes as a member of the Association of Police and Crime Commissioners (APCC). The APCC delivers daily written briefings received by the Commissioner and office staff, covering press and parliamentary reporting on those areas within the Commissioner's responsibilities to ensure the Office is kept updated on current developments.

The APCC and APACCE deliver national events to ensure Commissioners and their Chief Executives remain informed and have the opportunity to discuss significant issues and develop collective approaches. There are also bi-monthly regional meetings of Chief Executives and quarterly regional meetings of Commissioners and Chief Executives. The Chief Executive/Monitoring Officer leads for the Commissioner on ensuring that appropriate policies and procedures are adopted and followed to ensure the COPCC complies with relevant statutes and regulations and has the capacity to deliver across these requirements.

The CFO subscribes to the Police and Crime Commissioners' Treasurers' Society (PaCCTS), supporting continuous development and ensuring the CFO maintains a breadth of understanding on policing finance. Further capacity and expertise is commissioned to support specialist services for treasury management, taxation and insurance brokerage.

Arrangements for staff appraisal provide the opportunity to discuss and review individual performance and training and development needs.

Developing the capability of individuals within the entity

The Commissioner has adopted a number of joint personnel policies with the Constabulary in addition to operating within a suite of COPCC specific policies that provide a framework for all issues related to employee management, terms and conditions. This includes policies on how staff and staff associations will be engaged in any change processes. There is a general principle for on-going consultation and engagement during any areas of business change, creating an environment where staff can perform well and where ideas and suggestions are welcomed.

Personnel policies aim to promote a motivated and competent workforce whilst supporting the health

and well-being of staff. They include arrangements for work-life balance through a scheme of flexible working and facilitate access to wider benefits e.g. special leave at times of specific personal need.

Business is carried out supported by policies and procedures that support the full range of human resource management responsibilities and all policies are subject to cyclical review in accordance with the Commissioner's policy framework. This supports continuous improvement, ensuring updated guidance is available for staff on how to carry out their roles and the wider responsibilities they should take into account.

All officers have clearly defined role descriptions and reporting lines based on the roles and the functions for which they are accountable, to ensure service delivery responsibilities are clear and can be monitored. Individual capabilities, performance and development requirements are assessed annually through a review process to agree the support, training and development staff need to carry out their duties and responsibilities.

Professional staff undertake continued professional development in line with the requirements of their professional bodies. The budget setting process provides for training and development budgets to support mandatory and discretionary training and development requirements.

Principle F: Managing risks and performance through robust internal control and strong public financial management

Police and Crime Commissioners need to ensure that the entities and governance structures that they oversee have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management, business continuity and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. They consist of an ongoing process designed to identify and address significant risks involved in achieving outcomes. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

Managing risk

The Commissioner's Risk Management Strategy sets out the overall arrangements for managing risk including the arrangements for holding to account the Chief Constable in respect of those risks that fall within his functions. The Strategy establishes how risk is embedded throughout the various elements of corporate governance of the COPCC, whether operating solely or jointly with the Constabulary. The Strategy incorporates a clear framework of objectives, designates roles and responsibilities for risk management and provides a mechanism for evaluating and scoring risks, and supporting decision making in respect of mitigating action.

The strategy and risk registers are regularly reviewed to ensure a clear alignment between risk management activity and the organisation's objectives. Reporting formats ensure arrangements are dynamic and support the early identification of strategic and operational risks. Identified risks are logged on a risk register with clear ownership and are reviewed cyclically based on a score that

denotes the severity and impact of the risk should it occur. Every project run by the COPCC has a separate risk register. All decision and report forms include a section for the author to complete in which to identify any risks or potential risks. To ensure effective ownership and monitoring of risks, the Office of the Police and Crime Commissioner provides risk management training to all staff.

The arrangements for risk management are subject to on-going monitoring and review to ensure their continued effectiveness. This comprises review by internal audit and review by the Joint Audit Committee. The strategic risk register is presented to the Committee at each quarterly meeting. The Committee also receives the Risk Management Strategy on a quarterly basis and a report from the Chief Executive annually reporting on the effectiveness of arrangements for managing risk.

Managing performance

The Commissioner holds Public Accountability Conferences, which facilitates the arrangements for monitoring service delivery and holding the Chief Constable to account. This is supported by regular one to one briefings between the Commissioner and Chief Constable and an office level Collaborative Board. Senior Officers within the OPCC attend strategic Constabulary meetings to provide challenge and oversight of the arrangements that support decision making, delivery of key areas of business and the allocation of resources.

The Police and Crime Panel is the statutory body that provides the public accountability checks and balances in relation to the performance of the Commissioner and scrutiny of any decision made. The Panel receives cyclical information and reports on service delivery plans and progress towards outcomes. The Panel is consulted on the development of the Police and Crime Plan and budget, with a power of veto over the Commissioner's precept. The panel receives an Annual Report setting out what has been achieved in respect of delivery of the Police and Crime Plan objectives, and a financial outturn report comparing actual expenditure against the budget and including summary financial statements.

Robust internal control

The Commissioner is responsible for reviewing the effectiveness of his governance framework including the system of internal control. This work is informed by the work of Chief Officers and Senior Managers who undertake an overarching review of key controls and governance arrangements in support of the key principles in this Code.

Police and Crime Panel Functions

The functions of the Police and Crime Panel include reviewing the draft police and crime plan, public scrutiny of the annual report and the power of veto over the level of the Commissioner's proposed precept

Senior Managers with responsibility for financial systems provide annual management assurances using a CIPFA internal control framework as part of this process. This is further supported by an annual fraud risk assessment completed by the Chief Finance Officer and reviewed by the external auditors. Arrangements for anti-fraud and corruption are subject to cyclical internal audit review.

An independent internal audit service is commissioned through shared service arrangements with the county council. 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 May and July. 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.

Strong public financial management

Arrangements for financial management support for the Commissioner in achieving outcomes and delivering strong operational and financial performance by ensuring that resources are used in accordance with approved plans for service delivery and investment. The arrangements for financial management are codified within a suite of financial governance documents and comply with the relevant CIPFA Codes of Practice and guidance. Financial management controls ensure expenditure is only committed in accordance with the approved budget and the purpose for which approvals have

been given. Financial monitoring supports the early identification of variances between actual expenditure and income, supporting timely decision making on remedial action.

A funding arrangement between the Commissioner and Constabulary sets out the consents and arrangements for financial management between the Commissioner and Chief Constable. This ensures funding within the Constabulary is directed toward the achievement of the Policing Strategy and priority outcomes within the Police and Crime Plan.

Financial regulations set out the role and responsibilities of Chief Officers and senior staff for financial management and governance. They include financial management standards to be adhered to by all staff across the organisation and the wider framework of controls including the arrangements for the statement of accounts.

Financial risks and mitigations are set out within the Medium Term Financial Strategy and are managed within the Commissioner's overall framework for managing risk. The Joint Chief Finance Officer takes ownership of all financial risks and reports to the Joint Audit and Standards Committee on the management of strategic financial risks. Arrangements for financial management are cyclically reviewed by the internal auditors for assurance and form part of the arrangements reviewed by the external auditors in forming their conclusions on the financial statements and value for money.

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Implementing good practice in transparency

The Commissioner's annual report is the primary communication through which the public can access and understand the performance and activities of the Commissioner and his Office. Design work for the report is commissioned from external media and communication professionals which alongside the written style aims to support transparency and public accessibility of the report.

All public documents are published on the COPCC website and are available in accessible formats. Further options can be offered on request. The intention is to ensure that all documents are written in such a way as to make them accessible to readers that may not have a detailed knowledge of the subject matter, though with some complex issues this is not always possible. The publication of key documents, such as the Police and Crime Plan, is supported by a media release to raise awareness of the document and its purpose.

Arrangements for financial reporting aim to ensure the accessibility of financial information for readers and users of financial reports. On complex matters of communication, for example consultation on budget, precept and services, professional support

has been procured to ensure a robust public understanding of complex issues.

Implementing good practices in reporting

The Office publishes an annual report, scrutinised by the Police and Crime Panel, to communicate the Commissioner's activities, achievements and performance and that of the Chief Constable and the force. The annual report presents the performance outcomes achieved against an agreed framework of targets and measures.

The Commissioner is subject to the Accounts and Audit (England) Regulations 2015 and prepares a set of accounts in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting. Compliance with the Code of Practice ensures the comparability of financial information within the statements with other similar entities and their publication in accordance with statutory timeframes. The financial statements include a comprehensive income and expenditure statement, which is aligned to in year financial reporting and monitoring. A narrative statement by the Chief Finance Officer sets out the overall financial and business performance for the year within an accessible summary statement. The

financial statements include the external auditors report setting out the overall opinion and conclusions on 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 and Standards 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 shared service and in accordance with an Internal Audit Charter that ensures compliance with the PSIAS. An annual review of the effectiveness of the internal audit service, including the arrangements for the Joint Audit Committee, is undertaken annually by the Joint Chief Finance Officer against CIPFA best practice standards. The report is published on the Commissioner's website to support assurances on internal control.

The arrangements for accountability further incorporate challenge, reviews and inspections from HMICFRS. Whilst these are primarily aimed at Constabulary performance, elements of specific reviews include jointly delivered activities and specifically commissioned reports that cover governance across both organisations. Recommendations are reported to and monitored by the Commissioner and Joint Audit Committee.

The Ethics and Integrity Panel also monitors and reports on some specific areas of activity, such as complaint handling and ethical issues. The Panel has carried out a series of thematic inspections into specific areas of Constabulary activity. The Panel are able to look objectively at these areas and provide valuable independent scrutiny and feedback to the Constabulary on their findings.

The arrangements in this document set out our framework for governance in accordance with CIPFA's Good Governance Principles and guidance. Annex A to this Code sets out our governance schematic, summarising the arrangements we have in place internally and sources of external guidance and support. Further information on the arrangements for Governance can be found on the Commissioner's website under the tab headed Governance and Transparency.



We welcome your views on the Commissioner's Code of Corporate Governance. You can do this by using the contact information below:

Office of the Police & Crime Commissioner

Carleton Hall

Penrith

Cumbria CA10 2AU

Telephone: 01768 217734

E-mail: commissioner@cumbria-pcc.gov.uk



PAC meeting – 9th May 2019

Statement provided by the Chief Constable in response to a question asked by the Police & Crime Commissioner to provide assurance around the Constabulary preparations for the policing element of Appleby Horse Fair 2019. The statement was read out by the Chief Finance Officer on behalf of the Chief Constable.

This year T/Chief Superintendent O'Connor will be the Gold Commander for Appleby Fair, and Temp Supt Pearman will be the Silver.

Background

Last year the Police received criticism in relation to Phase 1 (ingress), particularly how we policed in the Kirkby Lonsdale, Sedbergh and Kirkby Stephen areas.

There was a review conducted by ACC Slattery, and eight adjustments were suggested for the 2019 Fair:-

1. Promote wider advertisement of engagement meetings
2. Increase formal dedicated engagement opportunities prior to and during the event
3. Increase wider statutory representation at engagement events.
4. Consistent Bronze commanders and staffing during phase 1
5. Increase supervision and clearer direction for phase1
6. Review Resourcing model based on previous years and incoming Intelligence.
7. Enhanced staffing levels for 101 call-taking during Fair period.
8. Nominated Chief Officer overseeing Appleby Fair Operation.

We need to ensure we do what we said we would, and I am reassured through T/Chief Superintendent O'Connor that we are doing what is listed in 1 – 8 above, namely:-

1 to 3 – A communication and engagement strategy is well developed, and Neil Graham will have Kate King working with him from media and marketing this year to maximise on social media etc.

There are a number of engagement meetings planned in the lead up to The Fair, including a public meeting in Appleby, and use of social media alongside traditional media, and regular face to face opportunities for residents to meet with Police officers and PCSOs in both North and South TPA. These are all captured in the communication and engagement strategy.

4 – We have identified Bronze Commanders, and both Insp Walker and Insp Latham are overseeing the staffing for Phase 1, which will be important for us this year. Via Duties, we have asked for consistent staffing.



5 and 6 – We have increased both supervision and overall staffing with clear briefings for staff

7 – This is sorted and Ch Insp Wardle has populated duties for 101 (call handling and dispatch)

8 – DCC Webster is the Chief Officer overseeing Appleby Fair, there will also be a Chief Officer presence over the course of the Fair as previous years

T/Chief Superintendent O'Connor has been to a number of public meetings in recent months where he has given assurances that we will uplift our staffing, put CCTV into Kirkby Stephen for Phase 1, and ensure we have a dedicated option on 101 for people making contact by phone.

This year there will be sufficient staff to deal with any issues encountered in Phase 1, and we will ensure that staff are briefed by Sergeants and Inspectors to role and expectations. Staff will be highly visible and engaging with the public and stakeholders.

T/Chief Superintendent O'Connor gave a very detailed briefing regarding the preparations for Appleby Fair to the Chief Officer Group and the OPCC at the Joint Collaborative Board on the 15th April 2019. Reassurance was provided as to how the Constabulary is working with partners/stakeholders through MASCG to deliver a successful fair this year.

The Constabulary want an enjoyable Fair for all this year, working with key stakeholders, partners and local residents to achieve this. The Fair is our largest policing event and there will be issues associated with such a large event involving tens of thousands of people. However, we have structures and processes in place that will allow us to be agile and flexible to respond quickly to emerging issues.

Michelle Skeer QPM

Chief Constable

7th May 2019