

**OFFICE OF THE NORTHAMPTONSHIRE POLICE AND CRIME COMMISSIONER  
&  
NORTHAMPTONSHIRE POLICE**

**JOINT INDEPENDENT AUDIT COMMITTEE**

**6<sup>th</sup> March 2017 at 10.00am to 13.30pm**

**The Greenwell Room, Wootton Hall, Northampton, NN4 0JQ**

**If you should have any queries in respect of this agenda, please contact Steve Dainty on 03000 111 222 Ext 347953**

Members of the public, with the permission of the Chair of the Committee, may ask questions of members of the Committee, or may address the Committee, on an item on the public part of the agenda.

***Further details regarding the process for asking questions or making an address to the Committee are set out at the end of this agenda notice***

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<b>AGENDA</b>			
<b>No</b>	<b>Item</b>	<b>Officer</b>	
1	Apologies for non- attendance	JB	
2	Declarations of Interests	Members	
<b>FORCE AGENDA</b>			
3	Force Strategic Risk Register (inc Force Governance Board)	AF/RB	
4	Force 2017-18 Budget Update	PD	
5	Force Governance Framework (Verbal)	AF	
6	HMIC Reports – see <a href="http://www.hmic.gov.uk">www.hmic.gov.uk</a>	AF	
<b>COMBINED AGENDA</b>			
7	Announcements from the Chair	JB	
8	Minutes and Matters Arising from the previous meeting	JB	
9	Matters Arising Action Log (inc Collaboration update)	JB	
10	Financial Update 2016-17	SD	
11	Draft Treasury Management Strategy	JN	
12	External Audit - a) External Audit Plan 2016-17 b) Progress Report	KPMG	
13	Draft Internal Audit Plan	JN/PD	
14	Internal Audit - Progress Report -	Mazars	
15	Implementation of Audit recommendations a. Force b. OPCC	PD SD	
16	Various Boards update (Verbal)	JN/AF/MS	
<b>OPCC AGENDA</b>			
17	OPCC Risk Register and Assurance Map	PF/MS	
18	OPCC Scheme of Governance – update	SD	
<b>TO NOTE AGENDA</b>			
19	Items for escalation to the Commissioner and / or the Chief Constable	JB	
20	Agenda Plan for the next four meetings	SD	

## AGENDA

21	Date and venue of next meeting 19 <sup>th</sup> June 2017 - 10:00am – 1:30pm – Greenwell Room	SD	
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22	Such other business by reason of the special circumstances to be specified, the Chair is of the opinion is of sufficient urgency to warrant consideration.  <i>(Members who wish to raise urgent business are requested to inform the Chairman beforehand).</i>	JB	
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23	Resolution to exclude the public	JB	
	<p>Items for which the public be excluded from the meeting:</p> <p>In respect of the following items the Chair may move the resolution set out below on the grounds that if the public were present it would be likely that exempt information (information regarded as private for the purposes of the Local Government Act 1972) would be disclosed to them:</p> <p><i>“That under Section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that if the public were present it would be likely that exempt information under Part 1 of Schedule 12A of the Act of the descriptions against each item would be disclosed to them”.</i></p>		

## PRIVATE AGENDA

	No items		
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	Private Meeting of Committee Members with the Auditors (if required)	JB	
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**Continued overleaf ...**

***Further details regarding the process for asking questions or making an address to the Committee***

**i. General**

Members of the public, with the permission of the Chair of the Committee, may ask questions of members of the Committee, or may address the Committee, on an item on the public part of the agenda.

**ii. Notice of questions and addresses**

A question may only be asked or an address given if notice has been given by delivering it in writing or by electronic mail to the Monitoring Officer no later than noon two working days before the meeting.

**Notice of questions or an address to the Committee should be sent to:**

Steve Dainty  
Office of the Police and Crime Commissioner  
West Wing  
Police HQ  
Wootton Hall  
NORTHAMPTON  
NN4 0JQ

*or by email to:*

*stephen.dainty@northantspcc.pnn.police.uk*

***by 12 noon 1<sup>st</sup> March 2017***

Each notice of a question must give the name and address of the questioner and must name the person to whom it is to be put, and the nature of the question to be asked. Each notice of an address must give the name and address of the persons who will address the meeting and the purpose of the address.

**iii. Scope of questions and addresses**

The Chair of the Committee may reject a question or address if it:

- Is not about a matter for which the Committee has a responsibility or which affects Northamptonshire;
- is defamatory, frivolous, offensive or vexatious;
- is substantially the same as a question which has been put or an address made by some other person at the same meeting of the Committee or at another meeting of the Committee in the past six months; or
- requires the disclosure of confidential or exempt information.

***Continued overleaf ...***

***Further details regarding the process for asking questions or making an address to the Committee (continued)***

- iv. Asking the question or making the address at the meeting**  
The Chair of the Committee will invite the questioner to put the question to the person named in the notice. Alternatively, the Chair of the Committee will invite an address to the Committee for a period not exceeding three minutes. Every question must be put and answered without discussion but the person to whom the question has been put may decline to answer it or deal with it by a written answer. Every address must be made without discussion.

- v. The Members of the Committee are:**

Mr J Beckerleg (Chair of the Committee)

Ms G Scoular

Mr M Pettitt

Mr A Knivett

**MARTIN SCOBLE**

**CHIEF EXECUTIVE & MONITORING OFFICER**

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**Report to the Joint Independent Audit Committee  
06 March 2017**

**Corporate Risk Register and Force Assurance Board**

**RECOMMENDATION**

The Board is asked to note the updated position on corporate risks and the Force Assurance Board.

**1 PURPOSE OF THE REPORT**

- 1.1 This report provides the Joint Independent Audit Committee with an update on the management of corporate risks within the Force and the outcomes of the Force Assurance Board.

**2 CORPORATE RISK REGISTER**

- 2.1 There are currently eighteen risks recorded on the Corporate Risk Register. Thirteen risks are 'High' and five are 'Medium'.
- 2.2 The attached Monthly Risk Report shows the details and the current status of the risks.

**3 FORCE ASSURANCE BOARD**

- 3.1 The Force Assurance Board met on 20 February to provide assurance that the Force has adequate and effective governance measures and controls in place to manage any identified risks and issues.
- 3.2 The Board meets quarterly to consider any issues or areas of concern highlighted from the Corporate Risk Register, the Organisational Performance Group, the Transformation Programme, departmental risk registers and regulatory compliance.
- 3.3 In addition the Board monitors progress against actions recommended from internal or external audits, HMIC inspections, IPCC investigations and serious case reviews to identify any exceptions or areas of concern.
- 3.4 The decision record of the October meeting is attached together with the Monthly Risk Summary report, the Force Assurance Map and reports summarising progress against HMIC inspection actions and internal audit actions.

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**EQUALITY, DIVERSITY AND HUMAN RIGHTS IMPLICATIONS**

None

**HUMAN RESOURCES IMPLICATIONS**

None

**RISK MANAGEMENT IMPLICATIONS**

This is the purpose of the report.

**ENVIRONMENTAL IMPLICATIONS**

None

**Author:** Richard Baldwin,  
Force Risk and Business Continuity Advisor

**Chief Officer Portfolio Holder:** Andy Frost, Deputy Chief Constable

**Background Papers:** Monthly Risk Summary Report – February 2017  
Decision Record of Force Assurance Board 20 February 2017  
Force Assurance Map Feb 2017  
Summary of Internal Audit Recommendations for JIAC 060317  
160817 HMIC Recommendation Tracking



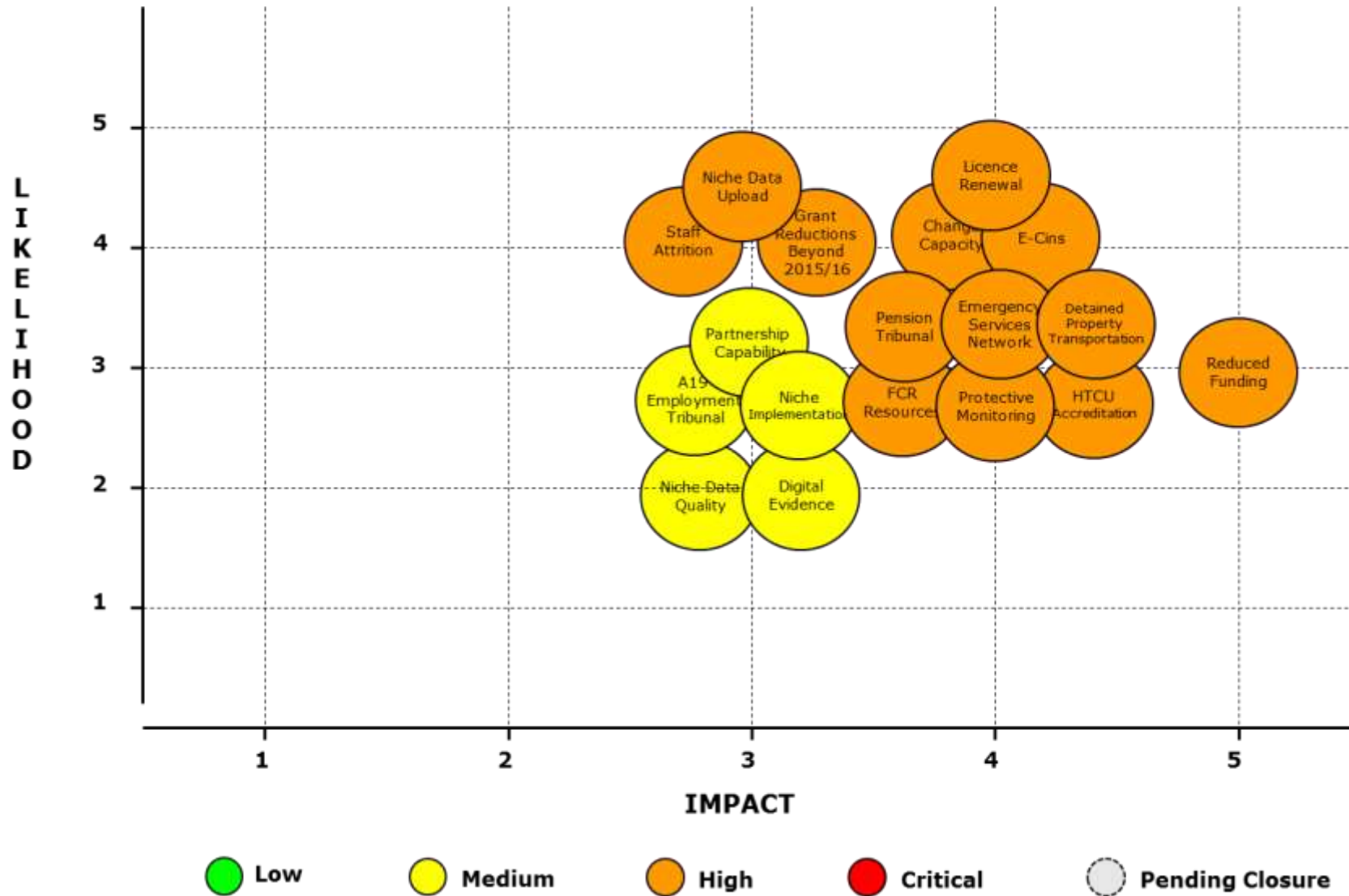
# Risk Management Monthly Summary Report

February 2017



## Corporate Risk Register

There are currently eighteen open risks on the Corporate Risk Register. Thirteen are 'high' and five are 'medium'. The details of the Detained Property risk are excluded from this report due to operational sensitivity.



Summary details are below:-

Risk Ref.	Risk Score	L'hood	Impact	Description	Response Measures	Comments	Status
CR 60	16	4	4	Reduced capacity and/or capability (i.e., financial, etc.) to deliver transformational changes that enable the Police and Crime Plan could result in a failure to meet operational or financial targets.	A Transformation Programme has been developed to plan and manage the required changes. The Force and OPCC are collectively working to address human and financial resource challenges, in addition to identifying priority work streams within the transformation agenda (while returning business as usual elements of the portfolio back to the operational business).	The e-services work is transferring to ISD. Funding has been identified to allow recruitment of additional resources.	➔

Risk Ref.	Risk Score	L'hood	Impact	Description	Response Measures	Comments	Status
CR 87	16	4	4	The lack of centralised management and control of the e-cins system affects the accuracy and integrity of data held on the system leading to possible impact on investigations, non-compliance with regulations and potential reputational damage and loss of public confidence.	E-Cins is used by a number of partner agencies each of which is responsible for managing access to the system for their own users. There is currently no central oversight of user access so the Force is reliant on partners to vet, train and manage users appropriately.	<p>A written review of ECINS has been completed, and has made the following recommendations to mitigate the risks on the register:</p> <ul style="list-style-type: none"> <li>• Through changes in working practice, ECINS is no longer used by any department as the primary information storage system.</li> <li>• Work is on-going to obtain certification from the Information Commissioners Office to clarify the responsibilities of the force in relation to the data added to ECINS.</li> <li>• A role is being designed for a countywide Programme Manager who will be responsible for data management, information weeding, and maintaining standards.</li> <li>• The ISD System Admin team will be made responsible for account creation, suspension and removal, to bring ECINS in line with all other system access.</li> <li>• The Anti-Social Behaviour policy is being reviewed to bring it in line with the new ECINS processes.</li> <li>• The ECINS Information Sharing Agreement is being reviewed to ensure that it is up to date.</li> <li>• The force will be sending a representative to the National ECINS User Group to ensure that our interests are represented.</li> </ul>	→

Risk Ref.	Risk Score	L'hood	Impact	Description	Response Measures	Comments	Status
R 90	16	4	4	Failure to renew an IT licence on time results in the licence being revoked leading to impact on operational performance if the system is not available and/or financial penalty resulting from unlicensed use of the system.	<p>Process Improvement Team to look at the process for renewal of licences and payment of invoices in general.</p> <p>A register of IT licences, with renewal dates, to be prepared and prioritised according to business criticality.</p> <p>Instruction to be issued through Force Orders to all departments relating to renewal of licences and payment of invoices.</p> <p>Estates &amp; Facilities and Transport to review renewal process for other key suppliers and services.</p>	<p>In January 2017 the licence to transmit data via a microwave link was revoked by OFCOM as a result of the Forces failure to renew the licence.</p> <p>This highlighted some significant weaknesses in the process for renewing licences including reliance on suppliers to issue renewal notices, manual processing of invoices and transfer to MFSS for payment and lack of effective control of internal post.</p> <p>Depending on the type of system and license failing to renew the licence could lead to loss of the system impacting on operational performance.</p> <p>Financial penalties could arise from unlicensed use of a system.</p> <p>Damage to reputation and public confidence.</p>	→
R 19	15	3	5	Less funding available, both from public and private sources to enable the force to prepare for population growth. Also changes in demand/ demographics from growth could result in increases followed by delayed Council Tax receipts.	The Commission is increasing council tax by 1.99%, if collection rates & the precept continues to increase & this is available to the Force to use for frontline policing, this reduces this associated risks.	Investment requirements to the Tri-Force Collaboration & delayed savings could result in pressures on ability to delivery uniform current service levels to increased demand and populous.	→
CR 77	12	4	3	The announcement of the Strategic Alliance, subsequent ending of PBS Consultation and the development of a new Service Delivery Model places additional pressure on already under resourced departments and increases the threat of staff attrition due to uncertainty over the future.	<p>Agree a retention strategy.</p> <p>Recruit temporarily to key posts.</p> <p>Share post holders across 2/3 forces.</p>	<p>A lot of engagement work is being done. An outline business case around what the Enabling Services phase of the tri-force collaboration will look like is due by 10 October. The full business case is due in December.</p> <p>The final decision on tri-force collaboration is anticipated in March 2017.</p>	→

Risk Ref.	Risk Score	L'hood	Impact	Description	Response Measures	Comments	Status
CR 71	12	4	3	<p>Grant reductions for 2016/17 have been announced at 1.3% with beyond being forecast as 1.3%, however, there is still an unknown top slicing effect at the tail end of the Medium Term Financial Plan (MTFP), which could significantly increase this headline. The cumulative deficit for year 5 of our MTFP ranges from £6-12.2m.</p> <p>Tri-Force enabling services collaboration savings are still being formed up, however, investment costs are likely to delay benefits, which puts pressure on revenue budgets until then through capital charges.</p>	<p>Longer Term decisions are currently being reviewed to provide an affordable Organisational Design. The Tri Force enabling services collaboration should mitigate the impact in terms of consolidation, efficiency and integration opportunities.</p>	<p>Options for Officers and Staff through phases 1 and 2 of SDM need to be considered based on a proper consideration of threat, harm and risk, activity and demand analysis.</p> <p>With lead times and the scale of the changes required, it is likely that permanent savings needed for the tail end of the MTFP are unlikely to be identified through the first phases of the SDM project.</p>	→
CR 80	12	3	4	<p>The Hi Tech Crime Unit fails to achieve ISO17025 accreditation by UKAS resulting in them possibly not being able to present evidence in court as experts leading to potential failure of prosecutions and associated risk of continued offending and reputational damage to the force and loss of public confidence.</p>	<p>Regional solutions are being developed for the legal entity and a quality management framework but it is not known at this stage whether these will be accepted by the accreditation body.</p>	<p>A decision was made at Chief Officer level that Northants will continue with the regional plan and timetabling; the risks are recognised. EMSOU-FS have now appointed their new quality manager, who will be tasked with developing accreditation work with Northants. Northants are seeking to get ready to submit an AC4 for assessment. UKAS continue to be overloaded with requests, and this could introduce delays into the assessment process. Northants project team continue to work hard at producing relevant documentation and policies to comply with the ISO standard</p>	→

Risk Ref.	Risk Score	L'hood	Impact	Description	Response Measures	Comments	Status
CR 83	12	3	4	<p>An abnormal number of staff leaving the FCR, coupled with increased seasonal demand and overspill demand from Leicestershire potentially resulting in insufficient capacity within the FCR to be able to effectively manage the call volumes being received.</p> <p>This could lead to a reduction in the level and quality of service provided to the public.</p>	<p>Bring the next intake of staff forward from October to August and fast track candidates currently going through the application process.</p> <p>Run a further recruitment drive in October.</p> <p>Approach Specials to identify any volunteers who might work in the FCR.</p>	<p>There are still currently a high number of staff leaving the FCR compared to normal attrition rates of 1.5 per month. At this time due to the measures we took our establishment is at / above FTE levels although we need to take in to account new staff not being fully effective after training. There are still a high number on Maternity leave not due back until late 2017. Going in to months with less demand this should not be too much of a concern and can be managed depending on many other variable such as sickness levels etc. We have currently projected staffing until 2018 and based on calculations need to run the next recruitment in March/ April of at least 10 members of staff to be up to speed by the summer period in March. This may mean more costs in this financial year which will be looked at closer to the time and representations put forward if necessary.</p>	→
CR 85	12	3	4	<p>Following the introduction of the new Police Pensions Scheme in April 2015 a number of officers are pursuing claims in a national challenge at an employment tribunal on the grounds of discrimination. If successful the Force could face compensation payments and adverse publicity and damage to reputation</p>	<p>Legal services are providing a regional lead for the responses to this national action. Thus providing a co-ordinated single point of contact for all forces and responses.</p> <p>Leigh Day have already lodged several thousand claims on behalf of officers from across the country. A final batch of claims will be submitted in spring 2017. There is a desire to hear 8 test cases drawn from 12 forces from around the country and there is an expectation that one of the test cases may be from the East Midlands forces. Northants have volunteered to be a test case but it is not known yet whether we will be selected. EMPLS will be responsible for the legal work and costs will be shared between all 43 forces.</p>	<p>In addition to the challenge against the Police similar challenges have been issued against the Judiciary and the Fire Service both of which are further progressed than the police challenge. In January the Tribunal issued its judgement in the Judiciary case and found in favour of the judges. In light of the Judges decision, Counsel has been instructed to provide the Forces with an Advice Note setting out the implications of the Judges decision on the Forces, prospects of success and the Forces options moving forward. The Advice Note is expected over the next few weeks.</p>	→

Risk Ref.	Risk Score	L'hood	Impact	Description	Response Measures	Comments	Status
						<p>In the meantime, the Judges decision was discussed during a Reference Group last week at which Counsel advised that he feels that the Forces position can be distinguished from that of the Judges. Part of the reasoning is that the Forces have a different fact pattern and it was felt that the Judges had some gaps in their evidence (particularly in terms of expert evidence), which the Forces could potentially address. To this end, the Judges decision does not necessarily mean that the Forces defence of the challenge will fail.</p> <p>A decision has also now been issued in relation to the Firefighters case with the outcome being that the claims against the Fire Authority all failed. This is great news for the Forces as we are now entering into our proceedings with a Judgement that supports our position.</p>	
CR 88	12	3	4	Slippage to the delivery of the Emergency Services Network (ESN) means that the Force will not be able to transition to the new service within the anticipated timescales leading to a significant financial impact in terms of the ongoing costs of extending the use of Airwave and the failure to realise anticipated benefits from ESN.	<p>Ongoing work with the regional co-ordination team and the Home Office to monitor and understand the impact of slippages.</p> <p>Lobby the Home Office to ensure that adequate coverage exists before migration to ESN.</p> <p>Monitor and renew Airwave contracts within timescales.</p>	<p>There is a very active risk and issues log for the tri force project which can be highlighted as mitigation as it covers off a lot of the areas in the risk around transition. So we continue to manage the project effectively and have recruited to key roles. We are also linked in directly with OcIP and the national programme to ensure we are as transition ready as we can be. There is a declared slippage now from Dec 2017 to no earlier than June 2018</p>	→

Risk Ref.	Risk Score	L'hood	Impact	Description	Response Measures	Comments	Status
C R 91	12	4	3	Crime and Intel data has yet to be uploaded to PND from all five EM forces. There is a risk that officers will not be able to satisfactorily complete searches for historical crime and intel data on nominal records without the data being resident in PND	Information from other EM forces that is not uploaded to PND would still be available from source e.g. Niche, however there is an inconvenience of processing two separate searches and combining the results (e.g. EM data from Niche and other force data from PND). Officers should be aware that all EM data is available from Niche and PND can still be used for acquiring crime and intel of other forces.	The regional Niche extract should be complete by mid Jan 2017. However, our regional Home Office representative will then go through a validation exercise before the five EM forces can send a single extract per force. The Home Office cannot give a timescale as to how long their validation work will take at this stage. Unfortunately, therefore, we have no confirmed date as to when we will be uploading to PND but there would appear to be no advantage to progress the very complex work in developing our own force extract given this would sit behind the region in the queue for validation by the Home Office.	→
CR 49	12	3	4	Limited capability to monitor systems use increases risk of misuse and potential reputational damage and loss of public confidence.	Introduce protective monitoring software to allow system use to be effectively and consistently monitored and audited.	Following a supplier demonstration on 1/12/16, Procurement are progressing the proposed acquisition of the Vigilance Pro product, which once implemented will address a significant aspect of this risk. Timescales are as yet unknown	→






Risk Ref.	Risk Score	L'hood	Impact	Description	Response Measures	Comments	Status
CR 59	9	3	3	A reduction in partnership resources due to budgetary constraints means that the Police increasingly have to perform roles on behalf of partners which is diverting resources away from key policing functions.	Negotiation with partners to ensure commitment to providing adequate resources. Regional Service Level Agreement with EMAS to outline the standards and expectations of both services. Executive Group/COG to make decision on the position of the Force in relation to injured persons or transportation of injured persons as a result of EMAS non-attendance at scenes.	The health partners have now committed to and are recruiting dedicated mental health nurses based in our FCR who act as tac advisors as well as first responders and they are supported by a nurse and paramedic This has seen some good impacts upon police demand There are broader risks often seen in the out of hours child protection arena which we now take a firmer line on In relation to absent children from care homes we operated a policy where they would always be missing and this created work for us and the local authority did not always own their professional responsibility. This policy has been rescinded	↓
CR 50	9	3	3	An employment tribunal rules that the compulsory retirement of officers under Regulation A19 was unlawful resulting in financial compensation claims, damage to the Force's reputation and a reduction in public confidence	A Central London employment tribunal will determine if the use of A19 was lawful. Insurance reserve should cover the excess of £100k for each claim.	An appeal has been made to the High Court which will be heard on 31 January 2017	→

Risk Ref.	Risk Score	L'hood	Impact	Description	Response Measures	Comments	Status
CR 76	9	3	3	Niche will replace the Case, Custody, Crime and Intelligence systems with a regional solution. This will require a substantial programme of work within a very aggressive timescale which will have a significant impact across the Force.	The programme identified and recorded a number of specific risks associated with the implementation. Response measures were identified for each of these risks and were monitored by the Programme Board. Most of those risks have been mitigated in preparation for and completion of implementation.	<p>06/01/17 - Project risks remaining outstanding are:</p> <p>68 Data Quality (Input) - issues are being reported to the EM region Data Quality Team and predominantly concern merging of duplicate records; an online tool has been developed by Northants that allows online scrutiny and correction of data quality issues; data quality remedial work is likely to be ongoing for some time and as data input standard improves the volume of issues will recede</p> <p>86 Audit Capability - accessing usage records for audit is a lengthy procedure and an alternative process is being considered by Niche RMS; an update on current progress is being sought</p> <p>87 Web Form Optimisation - a plan of optimisation to improve various aspects of the web form input system has been agreed by EM forces and is in progress; Nottinghamshire have recruited additional IT development staff to work on web form optimisation.</p> <p>There is an ongoing issue with data not yet having been uploaded to PND from the five EM forces meaning that officers are having to undertake separate searches of Niche and PND in order to get complete crime and intelligence data on nominals. A regional Niche extract should be completed by mid Jan 2017 but will then need to be validated by the Home Office and no timescale has yet been given for this work.</p>	→

Risk Ref.	Risk Score	L'hood	Impact	Description	Response Measures	Comments	Status
CR 82	6	2	3	<p>The web form is the primary means of data input to Niche but lacks data validation consistently stringent enough to prevent input errors. Consequently the poor quality of some data being input to Niche compromises decision making and may affect operational activity.</p> <p>Crime and Intel data has yet to be uploaded to PND from all five EM forces. There is a risk that officers will not be able to satisfactorily complete searches for historical crime and intel data on nominal records without the data being resident in PND.</p>	<ul style="list-style-type: none"> <li>• Development of Niche Dashboard App by ISD (for operational use to more easily identify outstanding tasks).</li> <li>• Development Niche Performance Dashboard by Corporate Performance Team (to monitor the trend of resolving the most significant data quality issues e.g. missing OIC and task information).</li> <li>• Offer to ISD to bring in an additional System Administrator for 6 months (to help address the location data integrity issues).</li> <li>• Recruitment of an additional local Data Cleansing Clerks (to support wider data integrity checking and resolution).</li> <li>• Extension of 2 x IMU Officers to the end of the financial year to undertake monitoring and feedback to operational staff (SDM review will consider ongoing. additional resource requirements)</li> <li>• Recruitment of an Auditor role to dip sample PO7s etc.</li> <li>• Web form Optimisation (phase 1 complete but further enhancements required).</li> <li>• Programme Team going through process of rationalising, streamlining and simplifying workflows, tasking and OELs.</li> <li>• Regional sessions being convened to consider business rules and mandatory fields.</li> <li>• Programme Team and EMCHRS providing further Staff Training and support.</li> </ul>	<p>The Niche Performance Framework is in place and being used to identify data quality issues which are then reported to the EM Data Quality Team; a EM region workshop agreed the process for managing DQ issues which is now in place; an online tool is available to check and remedy DQ issues; web form optimisation is in progress following recruitment of additional IT development resource.</p>	→

Risk Ref.	Risk Score	L'hood	Impact	Description	Response Measures	Comments	Status
CR 48	6	2	3	There is lot of complicated evidential data held in a number of different locations and formats with no appropriate policies over use. There is a danger of mis-management of the data which could result in evidential data being compromised or lost. The Force is also in breach of the Data Protection Act due to keeping records beyond the period that we are entitled to.	To have a central repository where all digital data is held and managed appropriately. This will need a policy and procedure document producing.	The business case for a regional RRD solution has been accepted by the DCC and will go to CC's & PCC's Board for consideration. Instructions have been issued to apply Force RRD Policy to any paper documents prior to decant from FHQ which will notably reduce paper records. Significant work on improving Information Asset Ownership planned force-wide for 2017, led by ISO & utilising Force Information Auditor. Policy of encrypting evidential data in transit re-adopted, pending review of Policy documents & publication	➔

'Status' key -  risk decreasing,  no change,  risk increasing

PEEL Strand	Objective	Type of Risk	Responsibility	Initial Risk	Current Risk	Commentary	First Line of Defence: Key Controls		Second Line of Defence: Management Oversight / Governance		Third Line of Defence: Independent Assurance		Overall Assurance RAG Rating	Actions
							Assurance Measures	Effectiveness	Assurance Measures	Effectiveness	Assurance Measures	Effectiveness		
Effectiveness	Reduce Offending	Anti- Social Behaviour	ACC	Medium	Medium	ASB volumes are in line with seasonal trends. Noise nuisance complaints have risen in May and June, in line with the longer lighter evenings and seasonal trends seen.	ASB Strategy District and Sector briefings MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 with a further inspection in November 2016	Adequate		
		Road Policing	ACC	Low	Low	The summer drink drive campaign in June has resulted in increases in FPNs issued for seatbelts and speeding, although there has not been any change in the numbers of arrest for drink driving despite breath tests trebling.	Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 with a further inspection in November 2016	Adequate		
		Violent Crime	ACC	Very High	Very High	Levels of Violence against the Person are increasing (as expected with seasonal trend forecast over the summer). This increase is also being observed in A&E admissions for assaults –levels have been in exception for the six months up to June 2016. The increase in VAP is one of the main contributing factors to the increasing picture of crime harm the county is experiencing	Violent Crime Strategy District and Sector briefings MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 with a further inspection in November 2016	Adequate		
		SAC	ACC		High	SAC offences have shown a more marked increase in the last quarter into exception for theft from vehicles	Serious Acquisitive Crime Strategy MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 with a further inspection in November 2016	Adequate		
		Sexual Offences	ACC	Very High	Very High	Rape can now be considered as a long term performance exception. With 72 rapes reported in June 2016 this well above the monthly average (41). Of the 72 rape offences 22 are 'non recent' meaning that over two thirds (69.4%) are recent offences. The 22 'non recent' offences is twice the average observed over the last two years (11.5).	Rape and Sexual Violence Policy MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 with a further inspection in November 2016	Adequate		
	Investigate Crime and Manage Offenders	Repeat Offences	ACC		High	Increasing levels of repeat victims of all crime have been observed. This is mainly due to increasing levels of increasing levels of repeat victims of Violence against the Person (VAP) which includes victims of Domestic Abuse. Levels are increasing when including DA victims and when excluding DA victims. Crimes committed by those in the IOM cohort remain stable.	MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 with a further inspection in November 2016	Adequate		
		Resolution Rates	ACC		Medium	The resolution rate has shown a slight improvement in June to 20.1% with volumes showing a marked increase (backlog of resolutions starting to filter through). The cumulative rate however continues to fall and our national position has slipped further to 35.	Crime Resolution Strategy MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 with a further inspection in November 2016	Adequate		
	Protect Vulnerable People	Protecting Vulnerable People	ACC	Medium	High	Under 18 victims are increasing and account for over a third of all victims in the last quarter. Mental health incidents rose sharply in June to the highest levels for over 12 months. Missing people reports especially for young people under 18 are increasing and pose a potential risk to the force if this continues (impact on services and ability to respond to other calls for service).	Protecting Vulnerable People Strategy MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational performance group Effectiveness of partnership working managed through Local Safeguarding Children's Board (LSCBN), Safeguarding of Vulnerable Adults (SOVA), Health & Well-being Board (HWPB), Children and Young People's Partnership Board (CYPPB)	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 with a further inspection in November 2016 HMIC inspection of Child Protection undertaken in January and October 2013.	Adequate		
		Domestic Abuse	ACC		Medium	Domestic abuse levels are stable, but data quality issues exist so levels recorded on systems now may not fully represent the actual picture of domestic abuse in the county.	Domestic Abuse Policy and Procedures MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 with a further inspection in November 2016	Adequate		
		Child Sexual Exploitation	ACC		Medium		Investigating Child Abuse and Safeguarding Children Procedure MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 with a further inspection in November 2016 HMIC inspection of Child Sexual Exploitation undertaken in September 2013.	Adequate		
		Hate Crime	ACC		Medium	There has been a national increase in reported hate crime since the EU referendum.	MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 with a further inspection in November 2016	Adequate		
	Tackle Serious and Organised Crime	Cyber Crime	ACC	High	High		Cyber Crime Plan MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 with a further inspection in November 2016	Adequate		
		Organised Crime	ACC	High	Low	No issues identified at this time. Limited data to make a full assessment	MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 with a further inspection in November 2016	Adequate		
		Terrorism	ACC	High	High	Nationally and regionally the threat in relation to the Islamic State in Iraq and the Levant (ISIL) remains a priority with the recent attacks in France and Germany continuing to highlight the significant risk posed.	MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 with a further inspection in November 2016	Adequate		

PEEL Strand	Objective	Type of Risk	Responsibility	Initial Risk	Current Risk	Commentary	First Line of Defence: Key Controls		Second Line of Defence: Management Oversight / Governance		Third Line of Defence: Independent Assurance		Overall Assurance RAG Rating	Actions
							Assurance Measures	Effectiveness	Assurance Measures	Effectiveness	Assurance Measures	Effectiveness		
Efficiency	Managing Resources	Workforce Planning	DCC		High	999 and non emergency call handling within the FCR during June saw performance fall slightly following an increase in overall volumes handled. Response times to G1 and G2 calls also fell and both grades are showing as outliers in June. Triage and post triage calls abandoned rose but not into exception - seasonal trend given increase in call volumes. Officer strength is stable, with police staff recording an increase of 16 compared with May - this may also have contributed to the year end overspend forecast. Specialists continue to make a significant contribution to the force with nearly 162000 hours in the last 12 months. Crimes per visible officer are slowly increasing, and June saw a slight reduction in the proportion of officers in visible frontline roles.	Workforce planning is managed by the Workforce Planning Group Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of Demand Management undertaken in September 2011.	Adequate		
		Demand Management	DCC	Medium	High	Repeat locations have been increasing in recent months with June now at the UCL. Crime volumes have been steadily increasing in the last quarter across all volume crime types including violence and its derivatives, resulting in most crime types showing as exceptions. Foresight data indicates a number of outliers but in crime types not prioritised by the policing plan (e.g. other sexual offences). SAC offences have shown a more marked increase in the last quarter into exception for theft from vehicles. Peer performance has deteriorated. Sexual offences particularly rape show as an outlier in June. Cancelled crimes are stabilising.	Operational performance is managed through the quarterly Organisational Performance Group	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of Demand Management undertaken in September 2011.	Adequate		
		Workforce Management	DCC	Medium	High	Officer sickness was notably higher in June but staff sickness was stable. Officer days lost (0.81) was the highest for 6 months. Overtime costs jumped in June and are likely to have contributed to the forecasted year end overspend.	Operational performance is managed through the quarterly Organisational Performance Group	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of Workforce and Succession Planning undertaken in January 2015	Adequate		
		Training & Development	DCC	Medium	Medium		Training and Development Plan	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of Workforce and Succession Planning undertaken in January 2015	Adequate		
		Financial Management	DCC	Medium	Medium	The force has recently been inspected for Efficiency and as part of this HMIC looked at understanding of costs and quality of service levels, reducing costs with improved quality, use of investments and planning and prioritising investments for the future and funding investments sustainably. HMIC have not yet provided their report from this inspection but the inspection de-brief highlighted that the force achieved savings within the CSR period and a much improved approach and process for force accounts. Issues were cited around the budget setting process linked to the force being invited to engage and inform this process more than previously.	Review of the Force's financial position and the management of any identified risks is overseen by the quarterly Organisational Performance Group.	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016. Internal audit of Financial Planning a& Savings Programme undertaken in November 2016. Internal audit of Core Financial Systems and Controls undertaken in March 2016. Internal Audit of Key Financial Controls undertaken in February 2015	Adequate		
		Estates Management	DCC	Medium	Medium		Day to day operation and management of the estate is undertaken by the Estates and Facilities Department. Operational performance is managed through the quarterly Organisational Performance Group	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of Estates Strategy & Management undertaken in August 2014. Internal audit of the Estates Management Strategy undertaken in September 2012	Adequate		
		Vehicle Fleet Management	DCC	Low	Low		Day to day operation and management of the estate is undertaken by the Transport Department. Operational performance is managed through the quarterly Organisational Performance Group	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of vehicle fleet management scheduled for 2017/18	Adequate		
	Managing Change	Transformation Programme	DCC	Medium	Medium		Management of the Transformation Programme is overseen by the Transformation Board	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audits of Collaboration arrangements undertaken in September 2013. Internal audit of Change Management Programme undertaken in February 2014 Internal audit of Delivery of the Police and Crime Plan undertaken in January 2014 Internal audit of Change Management governance arrangements undertaken in May 2016 Internal audit of Governance of Resource Functions scheduled for 2015/16	Substantial		
		Regional Collaboration	DCC				Management of the regional collaboration programme is overseen by the Collaboration Board	Adequate	Oversight of the Regional Collaboration programme is provided by the Chief Officer Team Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audits of Collaboration arrangements undertaken in September 2013. Internal audit of Change Management governance arrangements undertaken in May 2016	Adequate		
		Emergency Services Integration	DCC				Management of the emergency services integration is overseen by the Interoperability Board	Adequate	Oversight of the Interoperability Board is provided through the Transformation Board Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of Change Management governance arrangements undertaken in May 2016	Adequate		

PEEL Strand	Objective	Type of Risk	Responsibility	Initial Risk	Current Risk	Commentary	First Line of Defence: Key Controls		Second Line of Defence: Management Oversight / Governance		Third Line of Defence: Independent Assurance		Overall Assurance RAG Rating	Actions
							Assurance Measures	Effectiveness	Assurance Measures	Effectiveness	Assurance Measures	Effectiveness		
PEEL Strand	Planning for the Future	Service Delivery Model	DCC	Medium	Medium	The final business case for the Service Delivery Model was presented to the Chief Officer Team and PCC in January. The five main areas of focus are: Crime Investigation and Management, Safeguarding, Neighbourhood Policing, Response and Proactive Policing and Demand and Contact Management. Implementation will take place between January and October 2017 running alongside Op Evolution and the Estates Strategy	Management of the implementation of the Service Delivery Model is overseen by the Change Delivery Team.	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016	Adequate		
		Estates Strategy	DCC		Medium		The implementation Op Evolution is overseen by the Change Management Team	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of Estates Strategy & Management undertaken in August 2014. Internal audit of the Estates Management Strategy undertaken in September 2012	Adequate		
		Business Continuity Management	DCC	Medium	Medium	BCP's exist for all departments but they will need to be updated to reflect the changes in Force structure and any further changes as a result of the Service Delivery Model and Op Evolution.	Business Continuity Plans Business Continuity Policy and Procedures Departmental Heads are responsible for ensuring each department has an up to date Business Continuity Plan with oversight provided by the Force Risk and Business Continuity Advisor	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of Force Business Continuity undertaken in December 2016. Internal audit of FCR Business Continuity undertaken in 2014	Adequate		
		Risk Management	DCC	Medium	Medium	An internal audit of risk management undertaken on October 2015 rated the Force as having 'limited assurance'. An action plan has been developed to address the recommendations from the audit.	Risk Management Policy and Procedures Corporate and Departmental Risk Registers Risk registers are managed by departmental managers with oversight by the Force Risk and Business Continuity Advisor. Management of risks is provided by the risk owners with oversight of the mitigation plans being provided by the quarterly Organisational Performance Group.	Adequate	Oversight of the effectiveness of the risk management policy and procedures is provided by the Force Assurance Board	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audits of Risk Management undertaken in 2014, 2015 and a follow up audit in January 2017	Substantial		
Legitimacy	Maintain Public Confidence	Victim and Witness Satisfaction	ACC	Very High	Medium	Satisfaction with treatment is stable but remains lower than levels seen in previous years. The public continue to report they have high confidence that the police would treat them with respect if they needed our help. Satisfaction with follow up remains a long term risk and is being managed by the victim and witnesses working group.	Victim satisfaction surveys MI provided through the Performance Hub Oversight of victim satisfaction is provided by a victim satisfaction group chaired by the force.	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016. Internal Audit of Victims Code of Practice undertaken in June 2016.	Adequate		
		Community Engagement	ACC	Low	Low		District and Sector briefings Dedicated engagement officers Social Media responses	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of the Social Impact / Value of the Police and Crime Plan scheduled for September 2015 Independent Advisory Groups	Substantial		
		Police Visibility	ACC	Low	Low		Police & Crime Plan Dashboard Police visibility is managed through the quarterly Organisational Performance Group	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 HMIC inspection of Making Best Use Of Police Time was undertaken in March 2014	Substantial		
	Maintain Discipline and Standards	Complaints	DCC	High	Low	Complaint data is stable and indicates no risks at this time.	Police Staff Misconduct Policy and Procedures Governance of discipline and standards is overseen by Professional Standards Department	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 HMIC inspection Police Integrity and Corruption undertaken July 2014. Internal audit of Complaints Management undertaken in June 2016	Substantial		
		Ethics	DCC	Low	Low		Code of Ethics Departmental heads are responsible for ensuring their departments comply with the Code of Ethics.	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 HMIC inspection Police Integrity and Corruption undertaken July 2014.	Substantial		
	Compliance with Regulation / Legislation / Codes of Practice	Health & Safety	DCC	Low	Low	Accidents remain low across the force. Discussions have begun with Leicestershire and Nottinghamshire about the potential for cross force auditing of H&S.	Health & Safety Policy and Procedures Compliance with Health and Safety Regulations is the responsibility of departmental managers overseen by the Facilities Manager (Compliance). Oversight of Health & Safety is provided by the quarterly Health & Safety Committee.	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of Health & Safety scheduled for 2017/18	Substantial		
		Information Security	DCC	Low	Low	The National Dashboard rates Northants as 'green' for every category of Information Assurance.	Information Security Policy and Procedures Data Protection Policy Information Management Policy Security Incident Management Policy and Procedure Secure Erasure of Data procedure Compliance with Information Security policy is managed by departmental managers overseen by the Force Information Security Officer.	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of Data Security undertaken in March 2014. Internal audit of ICT and Information Security procedures was undertaken in January 2017	Substantial		
		Legal / Regulatory Compliance	DCC	Medium	Medium		Departmental heads are responsible for ensuring their departments comply with all relevant regulations. Professional Standards Department provide day to day oversight of legal and regulatory compliance.	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 HMIC inspection Police Integrity and Corruption undertaken July 2014.	Substantial		

## Briefing Paper for the Joint Independent Audit Committee Meeting

March 2017

### Agenda Item: HMIC Reports

#### 1. INTRODUCTION

1.1 Her Majesty's Inspectorate of Constabulary (HMIC) independently assesses police forces and policing across activity from neighbourhood teams to serious crime and the fight against terrorism – in the public interest.

1.2 HMIC operates a five stage monitoring process of police forces which informs the level of oversight they will have with an individual force.

1.3 HMIC produces a large number of inspection reports each year, both in its own right and through 'joint inspections' undertaken in partnership with other regulators. This activity results in a high number of recommendations, which may be local, general or national in application.

1.4 All recommendations and areas for improvement are captured by Corporate Development Department and project managed to ensure all are appropriately considered by the force and effective progress is monitored and maintained.

1.5 The purpose of this paper is to provide an overview of Northamptonshire Police's current standing with HMIC and an update on recommendations and areas for improvement to this Committee since the last briefing to the meeting in December 2016.

#### 2. HMIC OVERSIGHT

2.1 The HMIC Oversight monitoring process has five stages;

- 1) Routine monitoring
- 2) In depth analysis and monitoring by regional HMI (of those forces where routine monitoring identifies problems)
- 3) Referral to the Crime & Police Monitoring Group (if the HMI is concerned that a problem is at risk of not being resolved)
- 4) Concerns raised publically by HMIC (if the HMI has serious concerns that are not being resolved)
- 5) Concerns escalated to the Home Secretary (in extreme cases, if significant concerns are not being addressed)

2.2 Northamptonshire Police have been at stage 1 of the HMIC monitoring process since July 2016.

2.3 Northamptonshire Police work closely with HMIC between Inspections, meeting regularly to chart AFI progress



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### 3. METHODOLOGY

3.1 Only HMIC inspections published from 2014 onwards (i.e. not joint inspections) remain valid; HMIC are preparing a national recommendation tracker that will capture some 10,000 recommendations across all forces. This is due in 2017. Our outstanding recommendations will be audited against the new tracker when published to ensure consistency.

3.2 Only Recommendations & Areas for Improvement (i.e. not “findings” or other commentary) are in scope.

3.3 The process will not duplicate or add further tiers to existing, effective scrutiny of the progression of HMIC recommendations within the force.

3.4 Our internal recommendation tracker process has been refreshed to improve monitoring.

3.5 Further improvements are scheduled to provide greater context around the working of the individual AFIs, pointing leads towards the very specifics of the observations made by HMI during their inspections – this is expected to improve the focus of improvement activities.

### 4 RECOMMENDATIONS UPDATE

4.1 2016 has seen a significant reduction in the level of inspection conducted by HMIC.

4.2 In Spring/Summer 2016 the HMIC completed their PEEL Efficiency, Legitimacy & Leadership Inspection of Northamptonshire Police, grading the force as GOOD. This is an improvement on the 2015 grading of Requires Improvement.

4.3 The PEEL Effectiveness Inspection was conducted during the week commencing 7 November. The report is due to be published in March 2017. Effectiveness recommendations will be formally incorporated into the next report following the March publication however Northamptonshire Police are working to address expected areas for improvement.

4.4 A Best Use of Stop Search inspection in winter 2016 graded the force as Compliant.

4.5 Areas for Improvement that remain live are detailed at Appendix A. As of **February 2017** there are now 15 ‘live’ recommendations and AFI’s.

4.6 Appendix B details the 22 AFIs that are now closed or superseded by subsequent inspection recommendations (the expected 19 Effectiveness AFIs to be published in March 2017 have also been considered when closing the 22 at Appendix B) While there appear to be no critical risks at present, this does not imply that all recommendations are either fully complete or complete within the timescales set by the inspectorate.

4.7 Most importantly, while Recommendations are by nature retrospective and focussed on ameliorating past practice, Inspections bring new expectations and requirements. As a result, progress against past recommendations is no guarantee of high performance in future inspections.

CI Gary Ashton - 27 February 2017

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## Appendix A – Live recommendations

All recommendations made and areas for improvement identified by HMIC are subjected to robust oversight to ensure effective consideration and response by the force Corporate Development Department. Listed below are the recommendations and areas for improvement where improvement work is ongoing or are subject to monitoring.

Ref	Source	Internal Lead	Task	Date tasked	Target date	Update	Status
1	PEEL: Police Effectiveness 2015. An inspection of Northamptonshire Police - <b>REQUIRES IMPROVEMENT</b>	Elliot Foscett	The force should take steps to ensure that all available evidence is recorded at scenes of crime.	01/02/2016	01/04/2017	Update Supt Foscett (31 Aug 16): All frontline officers are PIP 1 trained. Guidance and direction has been provided on the use of body worn video and preservation of evidence. Consideration needs to be given to how those on the frontline are enabled to carry out thorough initial investigations against competing other priorities; this is being considered within the Service Delivery Model (SDM) modelling work. SDM Business case accepted by DCC Jan 2017.	On schedule
2	PEEL: Police Effectiveness 2015. An inspection of Northamptonshire Police - <b>REQUIRES IMPROVEMENT</b>	Elliot Foscett	The force should ensure that there is regular and active supervision of investigations to check quality and progress.	01/02/2016	01/04/2017	<b>Update Supt Foscett (31 Aug 16):</b> New procedures have been introduced that ensure regular supervisor checks are conducted; for uniform frontline roles these are to be every 2 weeks and within CID and specialist investigation teams these are every 3 to 4 weeks. This is commensurate with the level of ability of officers within these commands and the level of supervision required. Reality testing of this new process will be conducted across September by the Continuous Improvement Team.	On schedule

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3	PEEL: Police Effectiveness 2015. An inspection of Northamptonshire Police - <b>REQUIRES IMPROVEMENT</b>	Sean Bell	The force should improve its ability to retrieve digital evidence from mobile phones, computers and other electronic devices quickly enough to ensure that investigations are not delayed.	01/02/2016	01/04/2017	<p><b>Update from Supt Bell (22/8/16):</b></p> <ul style="list-style-type: none"><li>• In April 2015 a decision was made to increase the size of the mobile examination teams, and to centralise their management. Since this date we had a period of training, development and change to ensure that the change was sustainable. This function now provides a triage facility to the whole force, and has demonstrated significant improvements in turnaround times for mobile devices. The digital triage team also assist in examining devices believed to be involved in the sharing, possession or creation of illegal images of children.</li><li>• During the past year, a decision was also made to formally train senior investigating officers and their deputies in digital case management (an increase from the previous year where only SIO's would risk assess or prioritise work). This training was over several months and enabled decision makers (generally DI's and DS's) to appropriately prioritise investigations, and be able to use the technical teams to best effect.</li><li>• In the last 6 months the force has also invested in forensic software that is sold on the idea it will triage electronic devices. The project was tasked with reviewing the different tools to see if they offer any benefits, and if so how they could be used to best effect (by front line officers, by technical teams prior to existing tools etc). This piece of work is ongoing, due for feedback by the end of the calendar year.</li></ul> <p><b>Force Assurance Board view:</b> Action to remain open while above work progresses (25 Aug 16)</p> <p><b>Update from Supt Bell 4.11.16:</b> As a result of the triage review we have now introduced a new pre-processing procedure which is seeing a great deal of success. This process is ensuring that officers are getting selected data extracted for review often months before we are able to allocate technical investigators. Data extracted includes chat, messages, internet activity etc and is shared on a network controlled drive. This process has only been running for a month, and we are now considering the implications of extending this trial and making it standard practice.</p>	On schedule
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4	PEEL: Police Efficiency 2016. An inspection of Northamptonshire Police - <b>GOOD</b>	Ali Naylor	Northamptonshire Police should undertake appropriate activities to understand its workforce's capabilities fully, in order to identify any gaps and put plans in place to address them. This will enable the force to be confident in its ability to meet current and likely future demand efficiently.	01/02/2016	01/04/2017	<p><b>UPDATE 20/2/17 following FAB:</b></p> <ul style="list-style-type: none"> <li>• Service Delivery Model project identified what the organisation is doing now, what it wishes and needs to do in the future and the type of skills (capability) and established the skills gap to inform workforce development (SDM Phase 2).</li> <li>• Final business case for the Service Delivery Model presented in January 17 and now scheduled for implementation.</li> <li>• Update presented to FAB 20/2/17 - keep open whilst remaining activity is being progressed/finalised and pending a further inspection by HMIC around this subject area.</li> </ul> <p><b>Update 11/1/17 Laura Pettit:</b> The implications of the SDM decisions are still to be worked through.</p> <p><b>UPDATE – 26/10/16 from Ali Naylor:</b> Retained HR works closely with the business and Learning and Development specialists to identify and address skills gaps across the organisation. Examples of this include</p> <ul style="list-style-type: none"> <li>• CID succession planning (e.g. CID Aideships, Investigators career pathways, DC transferee recruitment)</li> <li>• Police Now Recruitment and Development Programme</li> <li>• Fast Track to Inspector Programmes</li> <li>• Direct Entry Superintendent Programme</li> <li>• Custody Sergeants succession planning</li> <li>• Promotion Boards</li> <li>• Force Control Room recruitment</li> <li>• The upskilling of staff and officers in Project Management</li> <li>• Cyber Crime Accreditation Scheme</li> </ul>	Being Progressed /Complete
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5	PEEL: Police Efficiency 2016. An inspection of Northamptonshire Police - <b>GOOD</b>	Andy Frost	Northamptonshire Police should develop and implement an effective ICT strategy to ensure that the force can efficiently meet likely future demand for its services. <b>THIS AREA IDENTIFIED AS REQUIRES IMPROVEMENT</b>	01/02/2016	01/04/2017	<p><b>Update from DCC Frost (14 Nov 16):</b> A tri-force strategy is being developed. We will not be writing a Force specific strategy .Phil Eaton Is developing this</p> <p>Update from Phil Eaton:09/02/2017:We have a high level view, but It is work that is in progress, we are planning to make a transformation funding request that describes the strategy vision (Targeting the Tri-Force PCC / CC Board Meeting on 6th March 2017 for their approval) to support the need to engage specialist technical resources to enable the development of our detailed plans and a subsequent transformation business case to implement which will likely be a multi-year funding requirement.</p> <p><b>20/2/17:</b> Tri-Force ICT Strategy to be subject of a formal audit in 2017/18 also.</p>	On schedule
6	PEEL: Police Efficiency 2016. An inspection of Northamptonshire Police - <b>GOOD</b>	Nick Alexander	Northamptonshire Police should ensure it has adequate plans in place to show it can provide services, while also making necessary cost savings. <b>THIS AREA IDENTIFIED AS REQUIRES IMPROVEMENT</b>	01/02/2016	01/04/2017	<p><b>UPDATE 20/2/17 following FAB:</b></p> <ul style="list-style-type: none"> <li>• The force has a comprehensive and costed Medium Term Financial Plan that anticipates and delivers cost savings for 17/18.</li> <li>• The force has a strong track record of delivering against efficiency programmes whilst continuing to provide services</li> <li>• The approved Service Delivery Model is costed in anticipation of both future financial challenges and continuing service delivery needs.</li> <li>• Final business case for the Service Delivery Model presented in January 17 and now scheduled for implementation to deliver against this AFI.</li> <li>• Update presented to FAB 20/2/17 - keep open whilst remaining activity is being progressed/finalised and pending a further inspection by HMIC around this subject area.</li> </ul>	Being Progressed /Complete
7	PEEL: Police Legitimacy 2016. An inspection of Northamptonshire Police - <b>GOOD</b>	Lara Alexander-Lloyd	The force should improve how it seeks feedback from the people it serves about their experiences (or perceptions) of how the police have treated them.	08/12/2016	01/04/2017	Update 190217- Ch Supt Stamper and CI Alexander-Lloyd are developing a community engagement plan, part of which is to seek feedback from the community on their experience of various aspects of policing (including stop and search, hate crime, community engagement events). The continuous improvement team have been running a pilot to test whether there is any benefit in calling back MOPs within a short time (hours) of them receiving a visit from the police to identify any shortfall in service delivery that can be corrected. The results of this pilot will be examined in the next month. (Mick Stamper)	On schedule

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8	PEEL: Police Legitimacy 2016. An inspection of Northamptonshire Police - <b>GOOD</b>	Mark Behan	Annually, the force should produce a local counter-corruption strategic assessment and control strategy, to identify risks to the force's integrity	08/12/2016	01/04/2017	<p><b>UPDATE 20/2/17 following FAB:</b></p> <ul style="list-style-type: none"> <li>• Plans are now approved and in place</li> <li>• Spring Legitimacy Inspection will provide an opportunity to further assess effectiveness of these plans</li> <li>• Update presented to FAB 20/2/17 - keep open whilst remaining activity is being progressed/finalised and pending a further inspection by HMIC around this subject area.</li> </ul> <p><b>Update 1.11.16 from Supt Behan:</b> This is being developed and QA'd.</p>	Being Progressed /Complete
9	PEEL: Police Legitimacy 2016. An inspection of Northamptonshire Police - <b>GOOD</b>	Mark Behan	The force should review the capacity and capability of its counter- corruption unit (CCU) to ensure it can manage its work effectively.	08/12/2016	01/04/2017	<p><b>UPDATE 20/2/17 following FAB:</b></p> <ul style="list-style-type: none"> <li>• Plans are now approved and in place</li> <li>• Spring Legitimacy Inspection will provide an opportunity to further assess effectiveness of these plans</li> <li>• Update presented to FAB 20/2/17 - keep open whilst remaining activity is being progressed/finalised and pending a further inspection by HMIC around this subject area.</li> </ul> <p><b>Update 1.11.16 from Supt Behan:</b></p> <ul style="list-style-type: none"> <li>• A further investigator and researcher have been added to the strength of the CCU to run through to 31/03 /17.</li> <li>• A longer term plan and resource bid being formulated in the context of greater regional collaboration.</li> </ul>	Being Progressed /Complete
10	PEEL: Police Legitimacy 2016. An inspection of Northamptonshire Police - <b>GOOD</b>	Elliot Foskett	The force should improve its provision of preventative healthcare measures for its workforce.	08/12/2016	01/04/2017	A key component of the work of the Leadership and Wellbeing Board. Should we map all of the existing support groups as part of demonstrating this? See Elliot's Wellbeing Group Terms of Reference	On schedule

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11	PEEL: Police Legitimacy 2016. An inspection of Northamptonshire Police - <b>GOOD</b>	Ali Naylor	The force should improve how it manages individual performance.	08/12/2016	01/04/2017	<p><b>Update: 24/10/16 from Ali Roberts:</b> Northamptonshire Police has a number of informal and formal processes within the Performance Management Framework. Systems and policies are in place to manage individual attendance and performance with expert guidance from HR dedicated to each area of business to identify departmental trends and improve individual performance. There is a comprehensive Attendance Management Policy plus Guidance Notes for Managers that detail what the organisation expects from managers and individuals including sickness monitoring, statement of fitness certificates and management of recuperative and adjusted duties. The Recruitment Policy for Police Staff and Extension to Probation and Termination of Services for Police Officers provides advice and procedures for managing individuals with developmental needs and includes fitness tests, poor attendance, completion of portfolio's and regular reviews.</p> <p>The PDR system is used to set objectives to align individual performance to organisational priorities. Northamptonshire Police focusses on improving individual performance through a variety of solutions such as coaching, mentoring, on the job training, internal and external courses, and development plans. Should the individual fail to meet the required standard despite development opportunities then fair and effective processes for the effective management of individuals are set out in the Capability Procedure for Police Staff and the Unsatisfactory Performance Procedure for Police Officers.</p> <p>Northamptonshire Police adopt a holistic approach to managing performance through the use of referrals and case conferences with Occupational Health to provide support to the individual and a medical steer to the manager. Individuals are encouraged to seek support from the Federation and Unison and there are a number of support networks including Open Minds who provide a safe haven for staff through illness and recovery from mental ill-health. Ongoing complex cases that may include health and wellbeing issues plus unacceptable attendance and performance are referred to the monthly Performance Improvement Forum. There are representatives from HR, PSD, operational police managers, Unison and the Federation to mutually agree an action plan that is owned by the manager with support from HR.</p> <p>Update from Ali Roberts 17/02/2017:</p> <ol style="list-style-type: none"><li>1. HR Absence Management review carried out face to face with Sergeants within Operational Policing Command to gain understanding of issues, offer support on a 1-2-1, assist with casework, coach with the objective of improving how front-line sergeants manage individual performance/attendance matters.</li></ol>	On schedule
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						<p>Action plan in place signed off through ACPO Director of HR with improvements which will support how performance is managed.</p> <ol style="list-style-type: none"><li>2. Pilot work ongoing in CID by Superintendent to improve how managers connect with PDR process, and additional supporting information given. This will be evaluated in terms of a qualitative improvement in objectives and development plans.</li><li>3. Refreshed information around PDR process with #havethechat, and supportive information cascaded – ACC sponsored. Will be refreshed for 2017.</li></ol>	
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12	PEEL: Police Leadership 2016. An inspection of Northamptonshire Police - <b>POSITIVE</b>	Rachel Swann	Northamptonshire Police should introduce a consistent system of talent management across the workforce.	08/12/2016	01/04/2017	<p><b>Update 22/2/17 from Carol Hever:</b></p> <ul style="list-style-type: none"> <li>• The below foes indeed constitue our formal programme of talnt management. The remaining activity is therefore for staff to be made aware of this programme - being progresssed by Ali Naylor.</li> </ul> <p><b>UPDATE 20/2/17 following FAB:</b></p> <ul style="list-style-type: none"> <li>• Update presented to FAB 20/2/17 - keep open whilst remaining activity is being progressed/finalised and pending a further inspection by HMIC around this subject area.</li> </ul> <p><b>UPDATE 7/12/16:</b> This is strongly linked to a consistent and joined up leadership offer. Talent Management is a component of that and must be embedded into that in a consistent and coherent manner. Developing this in draft format in Dec/Jan.</p> <p><b>Update from Laura Pettit 27 /10/16:</b> The organisation has a number of talent management programmes in operation. These include:</p> <ul style="list-style-type: none"> <li>• CID Aideships.</li> <li>• Career Pathways (this is already in place for investigative roles and is now being extended to include non investigative police officer roles).</li> <li>• Internal Development Programme (a pre-requisite to the Fast Track to Inspector Programme).</li> <li>• Fast Track to Inspector Programme (Internal and External).</li> <li>• Direct Entry Superintendent Programme.</li> <li>• Police Now Recruitment and Development Programme.</li> <li>• Temporary Promotion Opportunities / Acting Up Opportunities / Temporary Higher Responsibilities (officer and staff).</li> <li>• Leadership and Development Programme for Senior Police Officer Managers.</li> <li>• Lateral Development Programme for officers and staff.</li> <li>• Internal and external secondments including overseas secondments for officers and staff.</li> <li>• Attachments (officers and staff).</li> <li>• Career breaks (officers and staff).</li> <li>• Springboard Women’s Development Programme.</li> <li>• Spring Forward Development Programme (open to men and women who are new to management / leadership roles or eager to progress in a managerial / leadership role).</li> <li>• Releasing Potential Programme (RPP). This programme has been available to</li> </ul>	Being Progressed /Complete
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					<p>Female and Black &amp; Minority Ethnic (BME) Officers from the Inspecting and Superintending ranks.</p> <ul style="list-style-type: none"><li>• Mentoring Programme.</li><li>• Coaching Programme.</li></ul> <p>Work is also ongoing with Multi Force Shared Services (MFSS) to develop the Performance Development Review (PDR) system in order to introduce a talent management module (a 9 box grid), that will assist the organisation in better identifying talent and succession planning across all roles within the force moving forward.</p> <p>With limited opportunities available to police staff, the organisation is actively supporting applications from staff for out of force secondments and career development on internal and collaborative change management programmes/projects.</p>	
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13	<p>HMIC Best Use of Stop and Search (BUSS) scheme review 3/11/16 to 24/11/16 for publication 13/12/16 <b>NON COMPLIANT</b></p>	Jen Helm	<p>Publishing Outcomes: <b>Compliant</b></p> <p>The force publishes a Stop Search Framework document on its website, which contains a range of statistical information about the volume of stop and search incidents, the reasons for the stops, the legal powers used, the outcomes, and the demographics of the persons stopped and searched. The document, however, lacks an explanation of what some of the statistical terms mean. Outcome information is also available from the police.uk website, in a more easy to understand format. However, at the time of the inspection, there was no link on the force’s website to guide members of the public to this.</p>	22/11/2016	01/04/2017	<p><b>UPDATE 20/2/17 following FAB:</b></p> <ul style="list-style-type: none"> <li>• An improved suite of statistical data is now published on the force website</li> <li>• A fully compliant suite of BUSS data is now uploaded to police.uk</li> <li>• All links on the force website have been refreshed and checked</li> <li>• HMIC confirm NP are now compliant with BUSS</li> <li>• Force improvement focus for 2017 will prioritise the latest PEEL recommendations, bringing earlier recommendations to a close where appropriate - this recommendation is now being monitored and owned by the force Stop Search Working Group and the Strategic Stop Search lead.</li> <li>• Update presented to FAB 20/2/17 - keep open whilst remaining activity is being progressed/finalised and pending a further inspection by HMIC around this subject area.</li> </ul> <p><b>January 2017 update:</b></p> <ul style="list-style-type: none"> <li>• Sarah Crampton to provide and publish an explanation of what some of the statistical terms mean in the published Stop Search Framework document on the force website</li> <li>• Richard Edmondson to provide a link on the force’s website to guide members of the public to the outcome information on the police.uk website</li> <li>• Tasked by Sarah Calvert to “Website” on 24/11/16: It has come to our attention that our external web pages on stop search doesn’t have the link to police.uk website, which has stop and search data at neighbourhood level. In order to ensure that we continue to be compliant with Best Use of Stop Search scheme (national scheme) this needs to be in place. Therefore could we request that the following wording and link be added into the section – Best Use of Stop and Search (link to page - <a href="http://northants.police.uk/information/operations/stop-and-search">http://northants.police.uk/information/operations/stop-and-search</a>). Could you insert before the wording ‘Find out more about the scheme by clicking here’.</li> </ul> <p>“Central to BUSS is the stop and search mapping scheme. This initiative allows the public to see exactly where this important power is used and what the outcome of every stop and search is. This means that people in the Northamptonshire force area can see details like the ethnicity and the age range of those who are stopped and searched. The information can be found via the following link; <a href="https://www.police.uk/news/stop-and-search-data-published-policeuk/">https://www.police.uk/news/stop-and-search-data-published-policeuk/</a> “</p> <ul style="list-style-type: none"> <li>• This link is on the website which I shared with Richard Avis from HMIC.</li> </ul>	<p>Being Progressed /Complete</p>
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|  |  |  | <ul style="list-style-type: none"><li>• <b>Action:</b> Provide and publish an explanation of what some of the statistical terms mean in the published Stop Search Framework document on the force website</li><li>• <b>Action:</b> Provide a link on the force's website to guide members of the public to the outcome information on the police.uk website</li></ul> |  |  |  |  |
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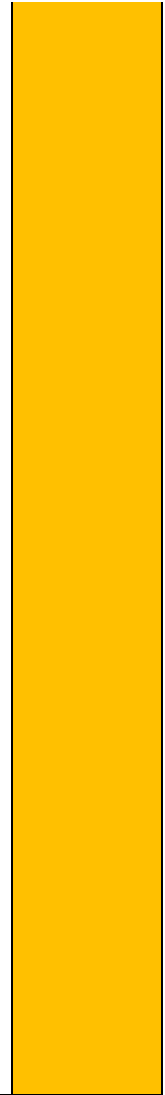
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14	HMIC Best Use of Stop and Search (BUSS) scheme review 3/11/16 to 24/11/16 for publication 13/12/16 <b>NON COMPLIANT</b>	Jen Helm	<p>Showing the connection between outcomes and objects searched for:</p> <p><b>Non-compliant</b></p> <p>The force does not publish data on the connection between the object searched for and the outcome of the search either on its website or on police.uk. Although the force collects this information, it cannot be extracted automatically in order for it to be published. The force anticipates that an ongoing redesign of its stop and search form will address this issue. However, at the time of the inspection the force remains non-compliant with this element of the Best Use of Stop and Search Scheme.</p> <p>• <b>Action:</b> Publish data on the connection between the object searched for and the outcome of the search.</p>	22/11/2016	01/04/2017	<p><b>UPDATE 20/2/17 following FAB:</b></p> <ul style="list-style-type: none"><li>• An improved suite of statistical data is now published on the force website and on police.uk that includes the connection between the object searched for and the outcome of the search.</li><li>• HMIC confirm NP are now compliant with BUSS</li><li>• Force improvement focus for 2017 will prioritise the latest PEEL recommendations, bringing earlier recommendations to a close where appropriate - this recommendation is now being monitored and owned by the force Stop Search Working Group and the Strategic Stop Search lead.</li><li>• Update presented to FAB 20/2/17 - keep open whilst remaining activity is being progressed/finalised and pending a further inspection by HMIC around this subject area.</li></ul> <p><b>January 2017 update:</b></p> <ul style="list-style-type: none"><li>• Sarah Crampton to publish data on the connection between the object searched for and the outcome of the search. Nick Birch is working on this as part of the new update of NICHE in March 2017.</li></ul>	Being Progressed /Complete
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15	<p>HMIC Best Use of Stop and Search (BUSS) scheme review 3/11/16 to 24/11/16 for publication 13/12/16 <b>NON COMPLIANT</b></p>	Jen Helm	<p>Providing opportunities for the public to accompany officers on patrol:  <b>Compliant</b>                  The force has a public observation scheme in place that provides members of the public with the opportunity to accompany police officers on patrol when they might see a stop and search powers being used. The force gathers feedback from observers. However, there is little evidence that this is collated and used in a structured way to learn and improve practice. The force would benefit from formalising the procedure for corporately learning from observers' feedback.</p> <p>The force does not have a formal lay observation policy or procedure. At the time of the inspection, the force</p>	22/11/2016	01/04/2017	<p><b>UPDATE 20/2/17 following FAB:</b></p> <ul style="list-style-type: none"> <li>• Lay observer procedures are now detailed in a refreshed Stop Search policy, including how we will corporately learn from feedback.</li> <li>• HMIC confirm NP are now compliant with BUSS</li> <li>• Force improvement focus for 2017 will prioritise the latest PEEL recommendations, bringing earlier recommendations to a close where appropriate - this recommendation is now being monitored and owned by the force Stop Search Working Group and the Strategic Stop Search lead.</li> <li>• Update presented to FAB 20/2/17 - keep open whilst remaining activity is being progressed/finalised and pending a further inspection by HMIC around this subject area.</li> </ul> <p><b>January 2017 update:</b></p> <ul style="list-style-type: none"> <li>• SARAH CALVERT to formalise the procedure for corporately learning from observers' feedback.</li> <li>• Sarah Calvert to publish a formal lay observation policy or procedure. Update 22/11/16: Options - Create a policy and procedure for public observation of Stop Search (SS) and then amend the force form MEMBERS OF THE PUBLIC PATROLLING WITH OFFICERS; Alter our existing Stop Search (SS) policy (although I these are owned by C Hillery – should this be you???) and then amend form as above. Either way requires a bit of work - I can author something on your behalf but wonder if this should be me?? As it stands we have just been using the force e-form to deal with any requests for observation but this is not specific to stop search.</li> <li>• Need to formalise structure of learning from lay observation feedback into this procedure.</li> </ul>	<p>Being Progressed /Complete</p>
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			<p>is developing a formal policy on its lay observation scheme to form part of its stop and search policy.</p> <ul style="list-style-type: none"><li>• <b>Action:</b> Formalise the procedure for corporately learning from observers' feedback.D2</li><li>• <b>Action:</b> Publish a formal lay observation policy or procedure.</li></ul>					
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**Appendix B - AFIs approved for closure at the Force Assurance Board on 20/2/17.**

Source	Task	Closure rationale	Closure type	Closure date
<p>HMIC: Core Business: an inspection into crime prevention, police attendance and the use of police time (Sept 14)</p>	<p>Not later than 1 September 2015, all forces should provide and periodically refresh basic crime prevention training for officers and staff who come into contact with the public.</p>	<ul style="list-style-type: none"> <li>• Prevention is now back in new recruit training</li> <li>• Service Delivery Model (SDM) being implemented 1/4/17, with Sector Officers/PCSOs now identified and SARA implemented as problem solving methodology for the force</li> <li>• The Crime Prevention team have finalised a library of crime prevention guides that will be made available online for the public to provide advice about preventing crime and keeping safe, as well as being easily accessible to officers in order to provide this advice when responding to a wide range of crime types.</li> <li>• Also exploring an internal online forum for specific questions to be put to the Crime Prevention team, plans in progress.</li> <li>• As part of the strategic planning for the Prevention and Community Protection department, we are currently reviewing further crime prevention training to officers and staff beyond the recruitment stage.</li> <li>• 2016 Effectiveness Inspection recommendations relating to prevention activity and information sharing with partners supersede this AFI.</li> <li>• Force improvement focus for 2017 will prioritise the latest PEEL recommendations, bringing lower risk recommendations to a close where appropriate.</li> <li>• Update presented to FAB 20/2/17 and closure approved.</li> </ul>	<p>Being progressed/ Complete</p>	<p>20/02/2017</p>



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<p>Crime inspection 2014 Northamptonshire Police (Nov 14)</p>	<p>Within 3 months, Northamptonshire Police should review the use of E-CINS and by March 2015 should have developed and commenced the implementation of an action plan to ensure relevant officers and police staff are using the system to assess and record risks and protect vulnerable people.</p>	<ul style="list-style-type: none"> <li>• The use of the ECINS system has been reviewed with the primary objective being to remove the risk of the incorrect management of information stored on ECINS, poor security/access control and lack of consistency over its use.</li> <li>• The review is now being consulted upon and finalised ahead of implementation.</li> <li>• The force's ASB policy and procedure is being rewritten to reflect the change in use of ECINS. (Mick Stamper)</li> <li>• Force Champion identified (PS Wyn Hughes), with strategic leadership by Ch Supt Mick Stamper</li> <li>• 2016 Effectiveness Inspection recommendations relating to prevention activity and information sharing with partners supersede this AFI.</li> <li>• Force improvement focus for 2017 will prioritise the latest PEEL recommendations, bringing lower risk recommendations to a close where appropriate.</li> <li>• Update presented to FAB 20/2/17 and closure approved.</li> </ul>	<p>Being progressed/ Complete</p>	<p>20/02/2017</p>
<p>HMIC: The Welfare of vulnerable people in police custody (published March 2015)</p>	<p>Regular reports on custody, including the data above, should be provided routinely by forces for consideration by the police and crime commissioner and be published on PCC's websites, to demonstrate to the public that the police are delivering services to communities on a fair and transparent basis.</p>	<ul style="list-style-type: none"> <li>• Custody Demand data is provided to the OPCC on a quarterly basis by Leah Johnson (EMCJS Business Support Manager), which is published on the PCC website.</li> <li>• Action complete</li> <li>• Update presented to FAB 20/2/17 and closure approved.</li> </ul>	<p>Complete</p>	<p>20/02/2017</p>

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<p>HMIC: The Welfare of vulnerable people in police custody (published March 2015)</p>	<p>Within three months, all chief constables should ensure that systems designed to identify, prior to police attendance, whether a reported incident involves or is at the address of a firearm certificate holder are in place and are always applied by staff dispatching officers to incidents; and that officers understand the risk assessment which they should be undertaking in such circumstances, and their power, when appropriate, to seize firearms and firearm certificates.</p>	<ul style="list-style-type: none"><li>• NFLMS system holds the necessary information - all staff have access to NFLMS through the NFLMS Query.</li><li>• NFLS Query as the best way to search, as partial addresses, etc., can be quickly found and all information re live certificates and firearms held are listed.</li><li>• FCR have been instructed in how to effectively search for relevant information.</li><li>• The inputting of 13,000 holders onto Niche is still ongoing (2,500 remaining)</li><li>• As well as home addresses of holders, the Niche record also shows if firearms are held at an address – this was not shown on STORM so the new system is an improvement on officer safety.</li><li>• Force improvement focus for 2017 will prioritise the latest PEEL recommendations, bringing earlier recommendations to a close where appropriate - this recommendation has a suitable approach now in place with further improvements in progress.</li><li>• Update presented to FAB 20/2/17 and closure approved.</li></ul>	<p>Being progressed/ Complete</p>	<p>20/02/2017</p>
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<p>HMIC: PEEL: Police efficiency 2015 An inspection of Northamptonshire Police (published October 2015)</p>	<p>The force should undertake further work to gain a fuller understanding of current demand for its services, and likely future changes in demand. This is so it can make best use of its resources by matching them to demand to meet the needs of the public</p>	<ul style="list-style-type: none"> <li>• This was developed within the Service Delivery Model project across four demand types;             <ul style="list-style-type: none"> <li>- Public demand - The things the public ask us to do.</li> <li>- Protective demand - The things we do, without being asked directly, to protect the public and their property.</li> <li>- Internal (value) - The things we do that, whilst not falling in to the above categories, contribute directly to the servicing of public or protective demand.</li> <li>- Internal (waste) - The things we do that do not service public or protective demand and do not directly contribute to their servicing.</li> </ul> </li> <li>• This work identified what the organisation is doing now, what it wishes and needs to do in the future and the type of skills (capability) and established the skills gap to inform workforce development (SDM Phase 2).</li> <li>• Process Evolution were engaged to understand current demand and review resourcing levels accordingly regarding Response, Safeguarding and Investigation.</li> <li>• In house skills were developed to understand demand and model against different service provisions.</li> <li>• Analysts produced a Vulnerable Localities Matrix to seek to align Neighbourhood and community resources to areas of greatest harm and this approach was endorsed by the College of Policing Principal Researcher.</li> <li>• Final business case for the Service Delivery Model presented in January 17 and now scheduled for implementation.</li> <li>• Force improvement focus for 2017 will prioritise the latest PEEL recommendations, bringing earlier recommendations to a close where appropriate - this recommendation is now complete.</li> <li>• Update presented to FAB 20/2/17 and closure approved.</li> </ul>	<p>Complete</p>	<p>20/02/2017</p>
<p>HMIC: PEEL: Police efficiency 2015 An inspection of Northamptonshire Police (published October 2015)</p>	<p>The force should develop its understanding of the links between its outcomes, outputs and costs</p>	<ul style="list-style-type: none"> <li>• Completed as part of the Service Delivery Model project</li> <li>• Final business case for the Service Delivery Model presented in January 17 and now scheduled for implementation.</li> <li>• Force improvement focus for 2017 will prioritise the latest PEEL recommendations, bringing earlier recommendations to a close where appropriate - this recommendation is now complete.</li> <li>• Update presented to FAB 20/2/17 and closure approved.</li> </ul>	<p>Complete</p>	<p>20/02/2017</p>

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<p>HMIC: PEEL: Police efficiency 2015 An inspection of Northamptonshire Police (published October 2015)</p>	<p>The force should develop a future workforce plan that is aligned with its overall demand and budget. The plan should include future resource allocations, the mix of skills required by the workforce and behaviours expected of them.</p>	<ul style="list-style-type: none"> <li>• Completed as part of the Service Delivery Model project</li> <li>• Final business case for the Service Delivery Model presented in January 17 and now scheduled for implementation.</li> <li>• Force improvement focus for 2017 will prioritise the latest PEEL recommendations, bringing earlier recommendations to a close where appropriate - this recommendation is now complete.</li> <li>• Update presented to FAB 20/2/17 and closure approved.</li> </ul>	<p>Complete</p>	<p>20/02/2017</p>
<p>HMIC: Regional Organised Crime Units A review of capability and effectiveness (published December 2015)</p>	<p>By 30 June 2016, every police force in England and Wales should publish an action plan that sets out in detail what steps it will take to make maximum use of the Regional Organised Crime Unit (ROCU) capabilities, minimise duplication at force level, and ensure that the use of shared Regional Organised Crime Unit (ROCU) resources are prioritised between regional forces. This action plan should be developed:</p> <ul style="list-style-type: none"> <li>• in consultation with police and crime commissioners, ROCUs and the Regional Organised Crime Unit (ROCU) executive board;</li> <li>• with regard to both local force priorities (in particular, as specified in the relevant police and crime plan) and National Crime Agency (NCA) priorities; and</li> <li>• with regard to the other recommendations contained in this report.</li> </ul>	<ul style="list-style-type: none"> <li>• Use of ROCU monitored through SPCB and OPG</li> <li>• Regional Organised Crime Unit (ROCU) have their own action plan,</li> <li>• Regional Organised Crime Unit (ROCU) managed and prioritised through Regional Tactical Tasking &amp; Coordinating Group (RTTCG) in the East Midlands.</li> <li>• Structural change to the Organised Crime and Drugs Team (OCDT) considered within SDM, including understanding and development of OCGs locally by appointing LROs via Force Intelligence Bureau (FIB) tasking.</li> <li>• The investigative response to higher priority OCGs now dealt with via the new structure with the new Det. Inspector for the team ensuring there are no overlaps in the remit.</li> <li>• Force improvement focus for 2017 will prioritise the latest PEEL recommendations, bringing earlier recommendations to a close where appropriate - this recommendation is superseded by a suite of new recommendations relating to SOC.</li> <li>• Update presented to FAB 20/2/17 and closure approved.</li> </ul>	<p>Being progressed/ Superseded</p>	<p>20/02/2017</p>

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<p>HMIC: PEEL: Police Effectiveness 2015 (Vulnerability) – An inspection of Northamptonshire Police (published December 2015)</p>	<p>The force should improve its investigation of cases involving vulnerable victims, including rape, by ensuring that it carries out investigations to the required standards with proper supervision and recording of plans and actions.</p>	<ul style="list-style-type: none"> <li>• A scenario based rape training program has been introduced</li> <li>• The force has a rape lead at Detective Chief Inspector (DCI) and Detective Inspector (DI) level and now works closely with the judiciary and cps on case learning.</li> <li>• New rape problem profile supporting investigative knowledge of the threats</li> <li>• New Rape subgroup with action plan which includes investigative improvements and exploring with the cps prosecutions not supported by victims</li> <li>• Rape lead is now embedded within the CID model supporting staff development and post charge case work</li> <li>• There has been a re-introduction of ‘tray checks’ from supervisors to ensure that each officer has regular supervision of their investigations.</li> <li>• SDM Business case accepted by DCC , January 2017, introducing a new investigation model</li> <li>• Force improvement focus for 2017 will prioritise the latest PEEL recommendations, bringing earlier recommendations to a close where appropriate - this recommendation is superseded by new Effectiveness recommendations relating to Investigation.</li> <li>• Update presented to FAB 20/2/17 and closure approved.</li> </ul>	<p>Superseded therefore NFA</p>	<p>20/02/2017</p>
<p>HMIC: PEEL: Police Effectiveness 2015 (Vulnerability) – An inspection of Northamptonshire Police (published December 2015)</p>	<p>The force should improve its response to missing and absent children and those at risk of sexual exploitation by ensuring it improves its understanding of the scale and nature of the issue. This understanding should be achieved through analysis and assessment of available information, including that of partners.</p>	<ul style="list-style-type: none"> <li>• The force has now completed two partnership problem profiles to understand the nature and scale of the issue.</li> <li>• The outcome has fed the partnership strategy and action plans, with the CSE partnership sub group now re-writing its action plan based upon the most recent review.</li> <li>• The force have developed a joint model of missing person investigation with police and social care staff sharing information, holding strategy meetings and completing return interviews.</li> <li>• The force is also piloting a response and investigation team</li> <li>• SDM Business case accepted by DCC, January 2017, introducing a new model, including the force approach to this issue</li> <li>• Force improvement focus for 2017 will prioritise the latest PEEL recommendations, bringing earlier recommendations to a close where appropriate - this recommendation is complete and also superseded by other related recommendations being implemented as part of SDM.</li> <li>• Update presented to FAB 20/2/17 and closure approved.</li> </ul>	<p>Complete</p>	<p>20/02/2017</p>

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<p>HMIC: PEEL: Police Effectiveness 2015 (Vulnerability) – An inspection of Northamptonshire Police (published December 2015)</p>	<p>The force should improve its response to persistent and repeat missing children by ensuring it uses information from previous missing episodes to develop a co-ordinated and prioritised response.</p>	<ul style="list-style-type: none"><li>• Partnership problem profile now been delivered and its recommendations implemented by the NSCB sub group</li><li>• New policy from January 2017 sees the force adopt national definitions again including looked after children.</li><li>• Information from social care is now shared from all return interviews and forms part of the strategy meetings</li><li>• Children’s Safeguarding command now overseeing the implementation of changes in line with partners through the Northamptonshire Safeguarding Children Board (NSCB).</li><li>• The missing person unit is now fully resourced again</li><li>• Robust governance exists on this matter through the partnership board</li><li>• SDM Business case accepted by DCC , January 2017, introducing a new model, including the force approach to this issue</li><li>• Force improvement focus for 2017 will prioritise the latest PEEL recommendations, bringing earlier recommendations to a close where appropriate - this recommendation is complete and also superseded by other related recommendations being implemented as part of SDM.</li><li>• Update presented to FAB 20/2/17 and closure approved.</li></ul>	<p>Complete</p>	<p>20/02/2017</p>
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<p>HMIC: PEEL: Police Effectiveness 2015 (Vulnerability) – An inspection of Northamptonshire Police (published December 2015)</p>	<p>The force should improve its investigation and safeguarding of domestic abuse victims by ensuring that frontline staff carry out risk assessments to the appropriate standards, staff attending incidents of domestic abuse consistently use body-worn video cameras and that the force has sufficient staff with the appropriate professional skills and experience to investigate cases and safeguard victims.</p>	<ul style="list-style-type: none"> <li>• There has been an increase in the quality of DASH risk assessments.</li> <li>• Anecdotal evidence shows a significant rise in BWV use and storage. The judiciary have seen a number of cases now where BWV has been essential to the case. Increasing use of Body Worn Video (BWV) for all business reported by Information Services Department (ISD) data records</li> <li>• The force has developed an investigative model based upon the complexity of investigations using the new PIP1 and 2 team within CID.</li> <li>• A new domestic abuse prevention team model has also been agreed bringing together the DART resources and the high risk team.</li> <li>• Post Service Delivery Model (SDM) plans to build a cross system based approach to develop our response</li> <li>• New Domestic Abuse (DA) ops group with practitioners now exploring a new model of response and investigation as part of the force gold violence plan</li> <li>• Post Service Delivery Model (SDM) all Domestic Abuse (DA) will be investigated within a single sub system of the force it is proposed and improved investigative oversight within Crime.</li> <li>• Process Evolution commissioned to review Domestic Abuse (DA) to establish improved service provision and accurate resourcing prediction, to inform Service Delivery Model (SDM) proposals.</li> <li>• Review of use of DVPO to ensure balance between maximised safeguarding outcomes and consideration of case by application being developed.</li> <li>• Improved outcomes of charge and reduced attrition reported during 2016</li> <li>• SDM Business case accepted by DCC, January 2017, introducing a new model, including the force approach to this issue</li> <li>• Force improvement focus for 2017 will prioritise the latest PEEL recommendations, bringing earlier recommendations to a close where appropriate - this recommendation is complete and also superseded by other related recommendations being implemented as part of SDM.</li> <li>• Update presented to FAB 20/2/17 and closure approved.</li> </ul>	<p>Complete</p>	<p>20/02/2017</p>
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<p>HMIC: PEEL: Police Legitimacy 2015. An inspection of Northamptonshire Police (Published February 2016)</p>	<p>The force should take steps to ensure its local teams have sufficient information available to them to improve their understanding of local communities.</p>	<ul style="list-style-type: none"> <li>• CHI review of all 147 wards in Northamptonshire completed to inform the Service Delivery Model (SDM) resource allocation for Local Policing.</li> <li>• SDM Business case accepted by DCC , January 2017, introducing a new model, including the force approach to this issue</li> <li>• Force improvement focus for 2017 will prioritise the latest PEEL recommendations, bringing earlier recommendations to a close where appropriate - this recommendation is superseded by a similar recommendation during the 2016 Effectiveness Inspection.</li> <li>• Update presented to FAB 20/2/17 and closure approved.</li> </ul>	<p>Superseded therefore NFA</p>	<p>20/02/2017</p>
<p>PEEL: Police Effectiveness 2015. An inspection of Northamptonshire Police - <b>REQUIRES IMPROVEMENT</b></p>	<p>The force should provide officers and staff with clear direction about how crime prevention activity should be focused in line with local priorities</p>	<ul style="list-style-type: none"> <li>• Mick Stamper and Chris Hillery finalising the method through which crime prevention activity will be delivered and aligned to local priorities.</li> <li>• Crime Prevention Activity is now focused and prioritised as part of TTCG meetings, to ensure alignment with priorities</li> <li>• SDM Business case accepted by DCC, January 2017, introducing a new model, including the force approach to this issue</li> <li>• Force improvement focus for 2017 will prioritise the latest PEEL recommendations, bringing earlier recommendations to a close where appropriate - this recommendation is superseded by similar recommendations during the 2016 Effectiveness Inspection.</li> <li>• Update presented to FAB 20/2/17 and closure approved.</li> </ul>	<p>Being progressed/ Complete</p>	<p>20/02/2017</p>
<p>PEEL: Police Effectiveness 2015. An inspection of Northamptonshire Police - <b>REQUIRES IMPROVEMENT</b></p>	<p>The force should adopt a structured and consistent problem solving process to enable it to tackle crime and anti-social behaviour more effectively.</p>	<ul style="list-style-type: none"> <li>• The force has agreed that its primary problem solving model to be SARA - EMCHRS L&amp;D delivering Scan Analyse Respond Assess (SARA)</li> <li>• The role of Safer Community Team (SCT) problem solvers and PCSOs finalised as part of SDM, to include problem solving work.</li> <li>• Scan Analyse Respond Assess (SARA) has now been agreed as the only PS model with EMCHRS and the command. HMIC recognised the use and application of Scan Analyse Respond Assess (SARA) within their hot debrief and latest Effectiveness report.</li> <li>• SDM Business case accepted by DCC , January 2017, including resources championing problem solving</li> <li>• Force improvement focus for 2017 will prioritise the latest PEEL recommendations, bringing earlier recommendations to a close where appropriate - this recommendation is complete and also championed through related recommendations from the 2016 Effectiveness Inspection.</li> <li>• Update presented to FAB 20/2/17 and closure approved.</li> </ul>	<p>Complete</p>	<p>20/02/2017</p>



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<p>PEEL: Police Effectiveness 2015. An inspection of Northamptonshire Police - <b>REQUIRES IMPROVEMENT</b></p>	<p>The force should use evidence of 'what works' drawn from other forces, academics and other agencies to continually improve its approach to the prevention of crime and anti-social behaviour. There should be routine evaluation of tactics and sharing of effective practice.</p>	<ul style="list-style-type: none"> <li>• Corporate Development Department (CDD) increasingly involved with research (in partnership with IPSCJ) &amp; scanning (imminent appointment of a Strategic Development Support role) to develop more efficient &amp; effective practices to support operational leads.</li> <li>• This also now Includes a Continuous Improvement resource under SDM and the development of an internal peer review service (CDD outreach).</li> <li>• Other work includes wider networks across policing &amp; academia to capture emerging ideas, the introduction of an Evidence Based Practise (EBP) Forum and research, inspection and audit aligned to improvements in force priority areas</li> <li>• Relationships developing with East Midlands Police Academic Consortium (EMPAC) and Open University Consortium to obtain and share learning from further afield.</li> <li>• Over 50 volunteers came forward to form an Evidence Based Policing Forum which formally launched on the 30th September - 18 members have received Evidence Based Practise (EBP) training from Nottingham Trent University.</li> <li>• Improvements to the web section within Forcenet will be delivered when the new version goes live - the ownership of Forcenet development now transferred to Information Services Department (ISD)</li> <li>• This recommendation progressing well and also now superseded by a further recommendation in November 2016, relating to evaluation and sharing of best practise to continually improve approaches to prevention etc.</li> </ul>	<p>Being progressed/ Superseded</p>	<p>20/02/2017</p>
<p>PEEL: Police Effectiveness 2015. An inspection of Northamptonshire Police - <b>REQUIRES IMPROVEMENT</b></p>	<p>The force should ensure that all crimes are allocated promptly to investigators with the appropriate skills, accreditation and support to investigate them to a good standard.</p>	<ul style="list-style-type: none"> <li>• The Force has introduced a new crime screening framework developed from work by Sussex Police that ensures crime allocations are based on the level of threat, risk and harm aligned to the skill level required for that investigation.</li> <li>• SDM Business case accepted by DCC , January 2017, including appropriate resourcing of investigations</li> <li>• Force improvement focus for 2017 will prioritise the latest PEEL recommendations, bringing earlier recommendations to a close where appropriate - this recommendation is complete and also championed through related recommendations from the 2016 Effectiveness Inspection.</li> <li>• Update presented to FAB 20/2/17 and closure approved.</li> </ul>	<p>Complete</p>	<p>20/02/2017</p>

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<p>PEEL: Police Effectiveness 2015. An inspection of Northamptonshire Police - <b>REQUIRES IMPROVEMENT</b></p>	<p>The force should introduce a clear process to ensure that those who are circulated as wanted on the police national computer, those who fail to appear on police bail and named suspects identified through forensic evidence are swiftly arrested.</p>	<ul style="list-style-type: none"> <li>• Superseded by a similar recommendation in the 2016 Effectiveness Inspection</li> </ul>	<p>Superseded therefore NFA</p>	<p>20/02/2017</p>
<p>PEEL: Police Effectiveness 2015. An inspection of Northamptonshire Police - <b>REQUIRES IMPROVEMENT</b></p>	<p>The force should supplement its serious and organised crime profile by establishing a local partnership structure with responsibility for tackling serious and organised crime.</p>	<ul style="list-style-type: none"> <li>• Met all CSP managers re partnership working</li> <li>• Partnership workshop 25/1/17</li> <li>• LROs appointed locally</li> <li>• All LROs producing plans in PPPP format.</li> <li>• Structural change to the Organised Crime and Drugs Team (OCDT) considered within SDM, including understanding and development of OCGs locally by appointing LROs via Force Intelligence Bureau (FIB) tasking.</li> <li>• SOC Local Profile is being updated. Anticipated completion March 2017</li> <li>• EMSOU GAIN disruption officer is engaging with LRO's and supporting partnership working.</li> <li>• OCG power points are now available on the briefing page, with a comms message signposting officers going out. Posters for each OCG are being created for briefing rooms and offices, to raise awareness and generate a flow of intelligence.</li> <li>• Force improvement focus for 2017 will prioritise the latest PEEL recommendations, bringing earlier recommendations to a close where appropriate - this recommendation is superseded by a suite of new recommendations relating to SOC.</li> <li>• Update presented to FAB 20/2/17 and closure approved.</li> </ul>	<p>Being progressed/ Superseded</p>	<p>20/02/2017</p>

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<p>PEEL: Police Effectiveness 2015. An inspection of Northamptonshire Police - <b>REQUIRES IMPROVEMENT</b></p>	<p>The force should engage routinely with partner organisations in order to increase its ability to disrupt and investigate serious and organised crime.</p>	<ul style="list-style-type: none"> <li>• Met all CSP managers re partnership working</li> <li>• Partnership workshop 25/1/17</li> <li>• LROs appointed locally</li> <li>• All LROs producing plans in PPPP format.</li> <li>• Structural change to the Organised Crime and Drugs Team (OCDT) considered within SDM, including understanding and development of OCGs locally by appointing LROs via Force Intelligence Bureau (FIB) tasking.</li> <li>• SOC Local Profile is being updated. Anticipated completion March 2017</li> <li>• EMSOU GAIN disruption officer is engaging with LRO's and supporting partnership working.</li> <li>• OCG power points are now available on the briefing page, with a comms message signposting officers going out. Posters for each OCG are being created for briefing rooms and offices, to raise awareness and generate a flow of intelligence.</li> <li>• Force improvement focus for 2017 will prioritise the latest PEEL recommendations, bringing earlier recommendations to a close where appropriate - this recommendation is superseded by a suite of new recommendations relating to SOC.</li> <li>• Update presented to FAB 20/2/17 and closure approved.</li> </ul>	<p>Being progressed/ Superseded</p>	<p>20/02/2017</p>
<p>PEEL: Police Effectiveness 2015. An inspection of Northamptonshire Police - <b>REQUIRES IMPROVEMENT</b></p>	<p>The force should improve the awareness of organised crime groups among neighbourhood teams to ensure that they can reliably identify these groups, collect intelligence and disrupt their activity.</p>	<ul style="list-style-type: none"> <li>• Met all CSP managers re partnership working</li> <li>• Partnership workshop 25/1/17</li> <li>• LROs appointed locally</li> <li>• All LROs producing plans in PPPP format.</li> <li>• Structural change to the Organised Crime and Drugs Team (OCDT) considered within SDM, including understanding and development of OCGs locally by appointing LROs via Force Intelligence Bureau (FIB) tasking.</li> <li>• SOC Local Profile is being updated. Anticipated completion March 2017</li> <li>• EMSOU GAIN disruption officer is engaging with LRO's and supporting partnership working.</li> <li>• OCG power points are now available on the briefing page, with a comms message signposting officers going out. Posters for each OCG are being created for briefing rooms and offices, to raise awareness and generate a flow of intelligence.</li> <li>• Force improvement focus for 2017 will prioritise the latest PEEL recommendations, bringing earlier recommendations to a close where appropriate - this recommendation is superseded by a suite of new recommendations relating to SOC.</li> <li>• Update presented to FAB 20/2/17 and closure approved.</li> </ul>	<p>Being progressed/ Superseded</p>	<p>20/02/2017</p>

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<p>PEEL: Police Effectiveness 2015. An inspection of Northamptonshire Police - <b>REQUIRES IMPROVEMENT</b></p>	<p>The force should ensure it takes opportunities to communicate with the public about serious and organised crime, in particular to publicise successful operations, offer reassurance and provide advice to help people to protect themselves from serious and organised crime.</p>	<ul style="list-style-type: none"><li>• Met all CSP managers re partnership working</li><li>• Partnership workshop 25/1/17</li><li>• LROs appointed locally</li><li>• All LROs producing plans in PPPP format.</li><li>• Structural change to the Organised Crime and Drugs Team (OCDT) considered within SDM, including understanding and development of OCGs locally by appointing LROs via Force Intelligence Bureau (FIB) tasking.</li><li>• SOC Local Profile is being updated. Anticipated completion March 2017</li><li>• EMSOU GAIN disruption officer is engaging with LRO's and supporting partnership working.</li><li>• OCG power points are now available on the briefing page, with a comms message signposting officers going out. Posters for each OCG are being created for briefing rooms and offices, to raise awareness and generate a flow of intelligence.</li><li>• Force improvement focus for 2017 will prioritise the latest PEEL recommendations, bringing earlier recommendations to a close where appropriate - this recommendation is superseded by a suite of new recommendations relating to SOC.</li><li>• Update presented to FAB 20/2/17 and closure approved.</li></ul>	<p>Being progressed/ Superseded</p>	<p>20/02/2017</p>
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**NORTHAMPTONSHIRE POLICE AND CRIME COMMISSION and  
NORTHJAMPTONSHIRE CONSTABULARY**

**JOINT INDEPENDENT AUDIT COMMITTEE**

**MINUTES OF MEETING HELD ON**

**5 December 2016**

**(Excluding Exempt Items)**

**PRESENT**

**Audit Committee Members**

J Beckerleg (Chair)  
M Pettitt  
T Knivett  
G Scoular

**Northamptonshire Police and Crime Commission**

M Scoble	Chief Executive
J Neilson	Director for Resources and Governance
S Dainty	Strategic Resources Officer
E Evans	Governance Assistant (minute taker)

**Northamptonshire Police**

A Frost	Deputy Chief Constable
G Ashton	Chief Inspector
N Alexander	Chief Accountant
R Baldwin	Force Risk and Continuity Advisor
P Dawkins	Force Chief Financial Officer
R G Jones	Interim Head of Finance

**Auditors**

A Cardoza	KPMG
B Welch	Mazars
D Hoose	Mazars

## 1. APOLOGIES FOR NON-ATTENDANCE

None

The Chair introduced David Hoose, Richard G Jones and Gary Ashton

## 2. DECLARATIONS OF INTEREST

Members made the following declarations of interest

T Knivett      Member of the Police Disciplinary Panel

J Beckerleg    i) Worked for the Chief Fire Officers Association  
                  ii) Member of House of Lords Audit Committee  
                  iii) Member of the Finance Committee of the Bar Council

M Pettitt      Daughter employed by Northamptonshire Police

There was a discussion around whether Mr Cordoza should be asked to step outside for Item 12 on the basis of a potential conflict of interest.

**Agreed** Mr Cordoza would be asked to leave for item 12 as KPMG have a direct interest.

Mr Frost requested that Item 25 should be moved from the private agenda to the public agenda under item 3.

**ACTION:** Agreed.

## 3. FORCE STRATEGIC RISK REGISTER (including FORCE GOVERNANCE BOARD)

Mr Baldwin presented the Risk Summary report and gave details of two new items on the register. The Committee took **note** of the Risk Register and the Decision Record. Mr Baldwin gave a brief outline of both new items on the register which were the opening of the new school at the entrance to Force Headquarters and a pension tribunal ruling.

Mr Pettitt gave his thanks for the Risk Summary report and drew attention to Item 2.1 regarding the 16 risks currently registered. Mr Pettitt queried whether points raised were given adequate consideration. Discussion took place regarding operational versus organisational risk. Mr Frost advised that risks were picked up on an immediate basis.

Re-assurance was sought by Mr Beckerleg that there was adequate assurance surrounding the Estates Strategy which had yet to be produced. Mr Frost offered assurances that actions were being taken to manage this through Operation

Evolution. Mr Beckerleg requested that the Committee be briefed on these actions and the Estates Strategy.

Mr Neilson added that a comprehensive Estates Strategy was being developed by the OPCC and this would be shared with the Committee prior to it being approved by the Commissioner.

It was **noted** that the assurance map had been helpful to the Committee.

#### **4. HMIC REPORTS**

Mr Frost introduced Mr Ashton and advised that he would be presenting the report.

Mr Ashton briefly explained that HMIC assess using a five stage monitoring system. He gave an update on all scores received this year as well as some anticipated scores that were due to be announced soon. Mr Ashton noted that there were currently 34 recommendations for improvement, although none represented a critical risk. Mr Ashton highlighted the areas identified and explained responses to these recommendations.

Mr Knivett requested more information on the role of the Police in reducing re-offending. Mr Ashton explained the multi-agency approach currently adopted to manage offenders and encourage them into education and employment.

Discussion then centred around the slippage on dates and it was queried whether this was a cause for concern. Mr Frost noted that HMIC had recommended unachievable dates. He assured the Committee that the issues raised were risk assessed and then prioritised. Mr Frost also commented that this could be linked to the Service Delivery Model (SDM) that was being developed. The Committee were informed that the SDM would be presented to the Force Senior Management Team and the PCC in January 2017. Following approval it would then take some months to implement.

Concerns were raised regarding the effectiveness of the Occupational Health Four Force Collaboration. Mr Frost offered reassurances that this was something which was constantly reviewed. He also noted that the Chief Constable now Chairs the Health and Wellbeing Board.

Mr Knivett noted the excessive use of acronyms in the report.

**ACTION:** Mr Ashton to provide the Committee with a glossary of acronyms

**ACTION:** Mr Frost suggested the SDM (Service Delivery Model) be a subject for a future workshop.

**ACTION:** Mr Ashton to remove some of the actions which had already been completed.

## **5. ANNOUNCEMENTS FROM THE CHAIR**

None

## **6. MINUTES AND MATTERS ARISING FROM PREVIOUS MEETING**

It was **agreed** that Mr Beckerleg would sign pages 1-10 of previous minutes.

**ACTION:** Mr Beckerleg to sign previous minutes.

## **7. MATTERS ARISING ACTION LOG**

It was suggested by Mr Beckerleg that all outstanding actions on page 1 of the report should be marked as closed.

Regarding bullet point 2 of item 11, Mr Alexander stated that the pensions procurement exercise had been concluded and a report would be presented to Mr Neilson with a contract. Mr Alexander assured the committee that regarding VAT liability, assurances had been received from HMRC confirming no liability.

Regarding item 17 (third part), this item was still open although an update was provided later in the meeting.

Regarding item 20, this item was still open but was added to the agenda for the Committee's next meeting.

## **8. MTFP AND BUDGET UPDATE**

Mr Neilson noted the OPCC was working closely with the Force and that a draft budget was being prepared.

The provisional Police Grant settlement for 2017-18 was anticipated to be announced on 15 December 2016.

The Capital Programme was also being revised.

Consideration was then given to the HMIC recommendations with particular focus on resourcing requirements and it was advised that this was currently under review.

Discussion then took place around statutory deadlines and the consultation with the Police and Crime Panel taking place in early February.

Discussion took place between Mr Neilson and Mr Pettitt regarding timescales, consultation and the link between SDM and MTFP. The Committee also asked about the impact on the prioritisation of resources of the revised Police and Crime Plan and the Estates Strategy when it was developed.



Mr Frost reassured the committee that he was more confident this year and that risk assessments would be carried out when determining what is essential for inclusion in the budget. Mr Frost stated that the OPCC and the Force were working closely together on budget options.

Mr Beckerleg asked for clarification regarding limits on borrowing. Mr Neilson advised of the process and explained that there was scope to increase the amounts borrowed within the legal / prudential constraints.

## **9. FINANCIAL UPDATE 2016-17**

Mr Dainty opened by giving an update on the report. It was explained that the Force overspending was as expected and that it had been anticipated. Mr Dainty then gave a brief explanation of the use of reserves and the effects they had on budget.

An update was then provided by Mr Dainty regarding the capital programme, mentioning the new Northern Accommodation Hub and the budget allocated to it. Mr Dainty stated that there were some changes coming, however they are yet to be worked through.

Clarification was requested regarding legal spending and questions were raised about the cost increase. Mr Frost explained the reasoning behind the increases. Mr Dainty advised that the consequences of any overspending in the current year will be taken into account in setting the 2017-18 budgets.

The information in Appendix 2 to the report showed income of £197,000 in 2017-18 against Tri Force. On questioning the Committee was informed that this was a 'balancing figure' and no actual income was expected. The Committee expressed concern at this approach.

## **10. TREASURY MANAGEMENT UPDATE**

Mr Dawkins opened discussions with an update on the report and a summary of the paper. Mr Dawkins suggested that there was a need in the future to increase operational borrowing limit. However this would form part of the overall OPCC Treasury Management Strategy to be revised and approved in February 2017.

Mr Pettitt requested timescales and sought reassurance regarding the transparency of such decisions.

**ACTION:** Mr Beckerleg asked for a written explanation regarding the availability of funds for investment and whether a better return would be secured by increasing external cash management - **Nick Alexander**

## **11. EXTERNAL AUDIT – PROGRESS REPORT AND ANNUAL AUDIT LETTERS**

Mr Cordoza briefly ran through main points of the report and gave technical updates to the Committee.

The report was **noted**.

## **12. EXTERNAL AUDIT APPOINTMENTS 2018-19 ONWARDS**

Mr Dainty explained it has been agreed in principle that the PCC and Force would join the proposed national arrangements involving the Public Sector Audit Appointments (PSAA). Formal decisions would be made in due course.

Mr Pettitt queried the process between PSAA and how decisions regarding auditors would be communicated to Committee members. Mr Dainty advised that this information would be communicated by PSAA and that it is anticipated that we would have the same external auditors as the Tri Force partners.

Mr Pettitt suggested that an option might be to procure our own external auditors, however after some discussion the consensus was this was not considered the preferred option.

Mr Neilson added that there was a small risk that we may not have the same external auditors as other Commissions and Forces across the East Midlands. This risk is mitigated by the fact that there will be a consultation regarding appointments.

The Committee **approved** the report

## **13. INTERNAL AUDIT – PROGRESS REPORT**

Mr Welch introduced the report, explaining that they are awaiting management response to a number of recently produced reports. Mr Welch gave a brief summary of work on five collaboration areas. It was explained that fieldwork was now complete and the reports were being finalised.

Mr Welch referred to appendix 1 and in particular to the priority 1 recommendations. It was explained what these were and the actions in place.

An update was then given regarding MFSS audit.

Mr Beckerleg requested an explanation of how the satisfactory assurance was awarded to MFSS. Mr Welch advised that this decision has been made as there were clear processes in place, although they do require improvement.

Following further questions from Mr Pettitt, Mr Dawkins agreed there were concerns still remaining over some aspects of MFSS.

The Committee discussed whether the £25k threshold for Force procurement is too high and members supported the view that a £5k threshold would be appropriate.

Mr Knivett queried temporary firearms applications not being logged in the database, however no one else was aware of this issue and it was not pursued.

Gill Scoular requested clarification regarding how the overall scores were determined and Mr Welch advised that it was an overall judgement call.

It was **agreed** that the KPIs relating to follow up arrangements needed to be removed from the report as there was now a separate follow up process.

## **14. IMPLEMENTATION OF AUDIT RECOMMENDATIONS**

### **A) FORCE**

Mr Baldwin began discussions by detailing the progress made. The committee noted that recommendations which had passed their implementation deadline were still being recorded as “ongoing” rather than “overdue”.

### **B) OPCC**

An update was provided by Mr Dainty during which it was advised that they were trying to identify actions as complete and therefore remove them from the report.

The committee sought an explanation for the differences in the scoring for risks arising from reports which covered both the Force and the OPCC (e.g. Victims Code).

The reports were **noted**

## **15. GOVERNANCE**

### **A) OPCC – FINAL DOCUMENTATION**

Mr Neilson noted the draft had been through a consultation process with the Force. It has been agreed that the document was now fit for purpose and the intention was to take it to the Commissioner for approval for implementation from 1 April 2017. Mr Neilson also advised that it was still possible for the Committee to make comment on the document and to suggest any changes.

Mr Pettitt requested a tracked changes version of the document as well as some feedback on comments previously made. Mr Dainty assured Mr Pettitt that his comments had been taken in to consideration and that changes have been made. Mr Dainty advised that it was very unlikely a tracked change version was still available.

Mr Beckerleg **noted** the significant work that has gone into producing the document.

Mr Beckerleg stated that the document had been **agreed** in principle and any additional comments to the OPCC should be made by the end of December 2016.

**Action: Members** to refer any further suggestions to the OPCC by 31 December 2016.

## **B) FORCE – VERBAL UPDATE**

Mr Frost advised that he was consulting the OPCC and would work with it to produce the equivalent version of the document for the Force.

Mr Beckerleg advised that this would need to be completed in good time to allow for Committee's comments prior to implementation in April 2017.

**ACTION:** DCC Frost will ensure the Force produces a Governance Framework and consults the Committee's members.

## **16. TRI FORCE UPDATE**

Mr Neilson gave a short update on progress with Tri Force. It was advised that a key meeting was the Tri- Force Programme Board on 9 January 2017 which would determine the next steps.

An update was then given regarding ongoing issues. He noted key vacancies in the Programme Team had delayed progress, which represented a risk.

Mr Neilson also noted no material cashable savings will be made in the Tri Force budgets for 2017-18; any savings from approved programmes would arise from 2018-19 onwards.

The Committee **noted** the update.

## **17. TRANSFORMATION BOARD**

Mr Frost summarised the current position

The Committee **noted** the update

Mr Frost suggested that this item is removed from the agenda since the Committee had a representative on the Board and received information about the Board's work;

however Mr Beckerleg suggested that it should be retained but would only receive brief attention.

## **18. ACCOUNTABILITY BOARD**

Mr Neilson summarised the current position.

The **update** was **noted**.

## **19. OPCC RISK REGISTER AND ASSURANCE MAP**

Mr Neilson drew the Committee's attention to the red risk and explained that the current priorities were under review. It was explained that decisions on both the Police and Crime Plan and MTFP will be made in February 2017 and at that stage the risk score would reduce.

The report was noted.

## **20. ITEMS FOR ESCALATION TO THE COMMISSIONER AND / OR THE CHIEF CONSTABLE**

Mr Beckerleg would summarise the assurances received at the meeting.

## **21. AGENDA PLAN FOR NEXT FOUR MEETINGS**

Mr Beckerleg requested an item be added to the next agenda – Information Management and Data Security.

Mr Beckerleg also requested feedback on critical decisions due to be made in January 2017.

Mr Neilson **agreed** to circulate the MTFP report to the Police and Crime Panel meeting of February 2017 to Committee members.

Mr Frost **noted** that he had formally handed in his notice to retire and that the Chief Constable would be commencing a recruitment process for a new Deputy Chief Constable.

## **22. DATE AND VENUE FOR NEXT MEETING**

6 March 2017 - 10:00am – 1:30pm – Greenwell Room

## **23. ANY OTHER BUSINESS**

**None**

**END**

**JOINT INDEPENDENT AUDIT COMMITTEE**  
**6<sup>th</sup> March 2017**

**Matters Arising Log**

Minute	Action	Who	Comment	Status
<b>Meeting held on 14<sup>th</sup> September 2016</b>				
13	<b>INTERNAL AUDIT PROGRESS REPORT</b> To review Governance arrangements for regional collaborations through IA recommendations	JB	As and when the collaboration audits are reported	Ongoing
<b>Meeting held on 5<sup>th</sup> December 2016</b>				
4	<b>HMIC REPORTS</b>			
	a) Mr Ashton to provide the Committee with a glossary of acronyms	GA	Not provided. All reports will be acronym free	Closed
	b) Mr Frost suggested the SDM (Service Delivery Model) be a subject for a future workshop	SD	Included on Jan 17 Workshop	Closed
	c) Mr Ashton to remove some of the actions which had already been completed.	GA	Actioned	Closed
10	<b>TREASURY MANAGEMENT UPDATE</b> Mr Beckerleg asked for a written explanation regarding the availability of funds for investment and whether a better return would be secured by increasing external cash management	NA		
15	<b>GOVERNANCE OPCC – FINAL DOCUMENTATION</b> To refer any further suggestions to the OPCC by 31 December 2016.	Members	Actioned	Closed
	<b>GOVERNANCE FORCE – VERBAL UPDATE</b> DCC Frost will ensure the Force produces a Governance Framework and consults the Committee's members	AF	Agenda Item March 2017	Closed

JB - John Beckerleg

SD - Steve Dainty

AF – Andy Frost

GA Gary Ashton

NA – Nick Alexander

Author:

Steve Dainty





# **NORTHAMPTONSHIRE POLICE AND CRIME COMMISSIONER**

**1st April 2017**

## **Treasury Management Strategy Statement 2017-18**

Minimum Revenue Provision Policy Statement  
and  
Annual Investment Statement

**THIS IS A WORK IN  
PROGRESS  
DOCUMENT AND IS  
NOT COMPLETE.**

## **1. Introduction**

### **1.1 Background**

Treasury management policy and objectives are defined as:

1. The management of the Office of the Police and Crime Commissioner (OPCC) investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
2. The OPCC regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
3. The OPCC acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

### **1.2 Statutory requirements**

The Local Government Act 2003 (the Act) and supporting regulations requires the Commission to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set prudential treasury indicators for the next three years to ensure that the Commission's capital investment plans are affordable, prudent and sustainable.

The Act therefore requires the Commission to set out its Treasury Strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance subsequent to the Act and included as paragraph 9 of this report); this sets out the Commission's policies for managing its investments and for giving priority to the security and liquidity of those investments.

The Department of Communities and Local Government has issued revised investment guidance which came into effect from 1 April 2010. There were no major changes required over and above the changes already required by the revised CIPFA Treasury Management Code of Practice 2009.

### **1.3 CIPFA requirements**

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (2011 Edition) has been adopted by the Northamptonshire Office of the Police and Crime Commissioner.

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The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Commission's treasury management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Commission will seek to achieve those policies and objectives.
3. Receipt by the Commissioner of an Annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy (MRP) - for the year ahead, a mid-year Review Report and an Annual Report (stewardship report) covering activities during the previous year.
4. Delegation by the Commissioner of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
5. Delegation by the Commissioner of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Commission the delegated body is the Joint Independent Audit Committee (JIAC).

#### **1.4 Treasury Management Strategy for 2017-18**

The strategy for 2017-18 in respect of the following aspects of the treasury management function is based upon the treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Commission's treasury adviser, Capita Asset Services.

The strategy covers:

- treasury limits in force which will limit the treasury risk and activities of the Commission
  - Prudential and Treasury Indicators
  - the current treasury position
  - the borrowing requirement
  - prospects for interest rates
  - the borrowing strategy
  - policy on borrowing in advance of need
  - debt rescheduling
  - the investment strategy
  - creditworthiness policy
  - policy on use of external service providers
  - the MRP strategy
-

### **1.5 Balanced Budget Requirement**

It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Commission to produce a balanced budget to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from: -

1. increases in interest charges caused by increased borrowing to finance additional capital expenditure, and
2. any increases in running costs from new capital projects,

are limited to a level which is affordable within the projected income of the Commission for the foreseeable future.

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## 2. Treasury Limits for 2017-18 to 2021-22

It is a statutory duty under Section 3 of the Act and supporting regulations, for the Commission to determine and keep under review how much it can afford to borrow. The amount so determined is termed the "Authorised Borrowing Limit". In England and Wales the Authorised Limit represents the legislative limit specified in the Act.

The Commission must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon the future Commission Council Tax is 'acceptable'.

The **Authorised or Affordable Limit** for external debt sets the maximum level of external borrowing that the Commission can incur. It reflects the level of borrowing which, while not desired, could be afforded in the short-term, but is not sustainable in the longer term. It is the Commission's expected maximum borrowing need with additional scope for unexpected cashflow. The limit also provides scope for the Commission to borrow in advance of its need. The Authorised Borrowing Limit is the Commissioner's plans for the level of borrowing that are affordable, prudent and sustainable.

The **Operational Boundary** for external debt is based on the probable external debt during the course of the year. It is not a limit and actual borrowing could vary around this boundary for short-term periods during the year. It acts as an early warning indicator to ensure the authorised limit is not breached. Similar to the authorised limit it also provides scope for the Commission to borrow in advance of its need.

Whilst termed an "Authorised Borrowing Limit", the capital plans to be considered for inclusion incorporate financing by both external borrowing and other forms of liability, such as credit arrangements. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years; details of the Authorised Limit can be found in appendix 3 of this report.

### **Prudential Treasury Indicators**

Prudential and Treasury Indicators (as set out in tables 3, 4 and 5 in appendix 3 to this report) are relevant to the setting of an integrated Treasury Management strategy.

The Commission is also required to indicate if it has adopted the CIPFA Code of Practice on Treasury Management. Both the 2001 Code and the revised 2011 Code have been adopted in formulating the annual review of the Treasury Management Strategy.

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### 3. Current Portfolio Position

The Commission's treasury portfolio position at 1<sup>st</sup> April 2017 comprises:

TABLE 1		£m	£m	Average rate
				%
Fixed rate funding:	-PWLB	1.3		<b>4.79%</b>
	-Market	0.0		
			1.3	<b>4.79%</b>
Variable rate funding:	-PWLB	0.0		
	-Market	0.0		
Other long term liabilities:			<u>0.0</u>	
<b>Total Debt</b>			1.3	<b>4.79%</b>
<b>Total Investments</b>			1.3	4.79%

#### 4. Borrowing Requirement

The Commission's borrowing requirement is as follows:

TABLE 2	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	£'000	£'000	£'000	£'000	£'000	£'000
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
Opening Borrowing	1,300	20,689	25,579	33,339	47,749	46,719
New Borrowing	19,389	5,980	9,040	16,820	2,540	1,890
Alternative Financing Arrangements	0	0	0	0	0	
Replacement Borrowing	0	0	0	0	0	
Repayment of Debt	0	-1,090	-1,280	-2,410	-3,570	-4,410
<b>Total CFR (borrowing requirement)</b>	<b>20,689</b>	<b>25,579</b>	<b>33,339</b>	<b>47,749</b>	<b>46,719</b>	<b>44,199</b>

Capital Financing Requirement (CFR) is a Treasury Management indicator. The CFR is essentially a measure of the Commission's underlying borrowing need. Any capital expenditure, which has not immediately been paid for, will increase the CFR.

The minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the debt outstanding in line with each asset's useful life.

The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Commissioner's borrowing requirement, these types of scheme include a borrowing facility and so the Commissioner is not required to separately borrow for these schemes. These are not currently used nor expected to be in the medium term.







Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Commissioner's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent.

Against this background and the risks within the economic forecast, caution will be adopted with the 2017-18 treasury operations. The Corporate Finance Team will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed. Currently, it is unlikely that we would consider debt rescheduling due to the level of current borrowing and costs of ending those loans.*
- *if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in the anticipated rate to US tapering of asset purchases, or in world economic activity or a sudden increase in inflation risks, then any proposed portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.*

Any decisions will be drafted and then passed to the Director for Resources and Governance (OPCC) at the earliest opportunity for approval.

## 6.2 External v. internal borrowing

- This Commission currently has net investments (after deducting outstanding borrowing), of £x.xxm.
  - The general aim of this treasury management strategy is to optimise the amount of long term funding taken over the next 3 years taking into account the credit risk incurred with investments. However, measures taken in previous years have already reduced substantially the level of credit risk, so another factor which will be carefully considered is the difference between borrowing rates and investment rates to ensure the Commission obtains value for money once an appropriate level of risk management has been attained to ensure the security of its investments.
  - The next financial year is expected to continue with a low Bank Rate of X.XX% to X.XX%. Commentary?
  - However, short term savings by avoiding new long term external borrowing in 2017-18 will be weighed up against the potential for incurring additional long term costs as a result of delaying unavoidable new external borrowing until later years when PWLB long term rates are forecast to be significantly higher.
-

Against this background caution will be adopted with the 2017-18 treasury operations. The Head of Finance (the Chief Constable's deputy S151 Officer) will monitor the interest rate market and adopt a pragmatic approach to changing circumstances.

### **6.3 Policy on borrowing in advance of need**

The Commission will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Commission can ensure the security of such funds.

In determining whether borrowing will be undertaken in advance of need the Commission will: -

- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need
  - ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered
  - evaluate the economic and market factors that might influence the manner and timing of any decision to borrow
  - consider the merits and demerits of alternative forms of funding
  - consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use
  - consider the impact of borrowing in advance, on temporarily (until required to finance capital expenditure) increasing investment cash balances and the consequent increase in exposure to counterparty risk, and other risks, and the level of such risks given the controls in place to minimise them
-

## 7. Debt Rescheduling

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment.

The reasons for any rescheduling to take place will include: -

- the generation of cash savings and / or discounted cash flow savings
- helping to fulfil the strategy outlined in paragraph 7 above
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential left for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling will be reported to the Joint Independent Audit Committee, at the earliest meeting following its action. Currently the debt is £1.3 million which reduces the opportunity for rescheduling.

## **8. Annual Investment Strategy**

### **8.1 Investment Policy**

The Commission's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Commission's investment priorities are: -

- (a) the security of capital and
- (b) the liquidity of its investments.

The Commission will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The risk appetite of this Commission is low in order to give priority to security of its investments. The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Commission will not engage in such activity.

Investment instruments identified for use in the financial year are listed in appendix 4 under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Commission's Treasury Management Practices – Schedules.

### **8.2 Creditworthiness policy**

This Commission uses the creditworthiness service provided by Capita Asset Services (Capita). This service employs a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moody's and Standard and Poors, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays: -

- credit watches and credit outlooks from credit rating agencies
- CDS (Credit default swaps – Market indicator of risk associated with a counterparty) spreads to give early warning of likely changes in credit ratings
- sovereign ratings to select counterparties from only the most creditworthy countries

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are also used by the Commission to determine the duration for investments and are therefore referred to as durational bands. The Commission is satisfied that this service now gives a much improved level of security for its investments. It is also a service which the Commission would not be able to replicate using in house resources.

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The selection of counterparties with a high level of creditworthiness will be achieved by selection of institutions down to a minimum durational band within Capita's weekly credit list of worldwide potential counterparties. The Commission will therefore use counterparties within the following durational bands:-

- Yellow        5 years
- Purple       2 years
- Blue         1 year                    (only applies to nationalised or semi  
Nationalised UK banks and building  
societies)
- Orange      1 year
- Red          6 months
- Green       3 months
- No Colour   not to be used

The Capita creditworthiness service use ratings from all three agencies, and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

All credit ratings will be monitored on a weekly basis. The Commission is alerted to changes to ratings of all three agencies through its use of the Capita creditworthiness service.

- If a downgrade results in the counterparty/investment scheme no longer meeting the Commission's minimum criteria, its further use as a new investment will be withdrawn immediately.
- In addition to the use of Credit Ratings the Commission will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Commission's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Commission will also use market data and market information, information on government support for banks and the credit ratings of that government support.

### **8.3 Country limits**

The Commission has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch Ratings or its equivalent Moody's and Standard and Poors. The list of countries that qualify using this credit criteria as at the date of this report are shown in appendix 5. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

The exception to this is if the UK were to be downgraded below the minimum level (as specified within Appendix 5), the Commission would still continue to

invest with UK institutions as it considers the UK Government's guarantee of financial institutes is enough mitigation to warrant continuation of investment.

#### 8.4 Investment Strategy

**In-house funds:** the Commission's in-house managed funds are mainly cash-flow driven. Investments will accordingly be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

#### Interest rate outlook: Commentary?:

- 2017-18 X.XX%
- 2018-19 X.XX%
- 2019-20 X.XX%

The overall balance of risks to these forecasts is currently to the downside (i.e. start of increases in bank rate occurs later). However, should the pace of growth quicken, there could be an upside risk.

The suggested budget investment earnings rates on investment placed up to 100 days during each financial year end for the next five years are as follows;

2017-18	X.XX%
2018-19	X.XX%
2019-20	X.XX%
2020-21	X.XX%
2021-22	X.XX%

For its cash flow generated balances, the Commission will seek to utilise its business reserve accounts, 15 and 30 day accounts, money market funds and short-dated deposits (overnight to three months) in order to benefit from the compounding of interest.

#### 8.5 End of year investment report

At the end of the financial year, the Commission will report on its investment activity as part of its Annual Treasury Report.

#### 8.6 External fund managers

£7.66m of the Commission's funds are externally managed on a discretionary basis by Investec Asset Management.

The Commission's external fund manager will comply with the Annual Investment Strategy. The agreement between the Commission and the fund manager additionally stipulate guidelines and duration and other limits in order to contain and control risk.

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The managed portfolio is designed to achieve greater results than the ONPCC normally can achieve using standard investment strategies. The managed portfolio ensures a spread of investments and analysis to ensure appropriate limitation of risks, utilising;

5/10/40 rule – Good diversification

This refers to counterparty exposure and implies 40% of the fund can hold between 5%-10% in any one issuer, the balance (60%), has to be below 5% in any one issuer, ensuring a good spread of risk.

### **8.7 Policy on the use of external service providers**

The Commission uses Capita Asset Services as its external treasury management advisers.

The Commission recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Commission will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

### **8.8 Scheme of delegation**

See appendix 6.

### **8.9 Role of the section 151 officer**

See appendix 7.

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## Appendices

1. MRP strategy
2. Interest rate forecasts
3. Prudential and Treasury indicators
4. Specified and non-specified investments
5. Approved countries for investments
6. Treasury management scheme of delegation
7. The treasury management role of the section 151 officer

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## **APPENDIX 1**

### **Minimum Revenue Provision Policy Statement 2017-18**

The former Police Authority, which has been replaced by the Police and Crime Commissioner, implemented the Minimum Revenue Provision (MRP) guidance in 2010/11, and will assess his MRP for 2017-18 in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.

All of the existing debt as at 1<sup>st</sup> April 2017 of the MRP for 2017-18 will relate to the more historic debt liability that will continue to be charged at the rate of 4%, in accordance with option 2 of the guidance. Expenditure following 1<sup>st</sup> April 17 will be charged over a period which is reasonably commensurate with the estimated useful life applicable to the nature of expenditure, using the equal annual repayment method. For example, capital expenditure on a new building, or on the refurbishment or enhancement of a building, will be related to the estimated useful life of that building.

Estimated life periods will be determined under delegated powers. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Commission. However, the Commission reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

As some types of capital expenditure incurred by the Commission are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

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**APPENDIX 2 Interest Rate Forecasts**

The data below shows comparison of historic and forecasted rates.

**Capita:** interest rate comparison and forecast

CAPITA TO PROVIDE TABLE

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**APPENDIX 3 Prudential and Treasury Indicators**

<b>TABLE 3: PRUDENTIAL INDICATORS</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
<b>Extract from budget setting report</b>	<b>estimate</b>	<b>estimate</b>	<b>estimate</b>	<b>estimate</b>	<b>estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Capital Expenditure/CFR</b>					
TOTAL	18,890	10,100	17,310	3,030	2,370
<b>Net borrowing requirement</b>					
brought forward 1 April	20,689	25,579	33,339	47,749	46,719
Repayment of Debt	-1,090	-1,280	-2,410	-3,570	-4,410
in year borrowing requirement	5,980	9,040	16,820	2,540	1,890
carried forward 31 March	<b>25,579</b>	<b>33,339</b>	<b>47,749</b>	<b>46,719</b>	<b>44,199</b>
<b>Annual change in revenue charge resulting from Cap. Financing Requirement</b>					
Capital Financing	784	358	1,430	1,059	833
<b>Incremental impact of capital investment decisions</b>	<b>£ p</b>	<b>£ p</b>	<b>£ p</b>	<b>£ p</b>	<b>£ p</b>
Increase in precept per annum	3.35	1.50	5.87	4.26	3.29

<b>TABLE 4: TREASURY MANAGEMENT INDICATORS</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
	<b>estimate</b>	<b>estimate</b>	<b>estimate</b>	<b>estimate</b>	<b>estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Authorised Limit for external debt - borrowing</b>	29,000	37,000	50,000	50,000	50,000
other long term liabilities	0	0	0	0	0
<b>TOTAL</b>	<b>29,000</b>	<b>37,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
<b>Operational Boundary for external debt- borrowing</b>	26,000	34,000	48,000	47,000	45,000
other long term liabilities	0	0	0	0	0
<b>TOTAL</b>	<b>26,000</b>	<b>34,000</b>	<b>48,000</b>	<b>47,000</b>	<b>45,000</b>
<b>Estimated external debt</b>	25,579	33,339	47,749	46,719	44,199
<b>Upper limit for fixed interest rate exposure</b>					
Net interest re fixed rate borrowing / investments	x.xx%	x.xx%	x.xx%	x.xx%	x.xx%
<b>Upper limit for variable rate exposure</b>					
expressed as either:-					
Net interest re variable rate borrowing / investments	x.xx%	x.xx%	x.xx%	x.xx%	x.xx%
<b>Upper limit for total principal sums invested for over 364 days (per maturity date)</b>	<b>£Xm</b>	<b>£Xm</b>	<b>£Xm</b>	<b>£Xm</b>	<b>£Xm</b>

<b>TABLE 5: Maturity structure of fixed rate borrowing during 2017-18</b>	<b>upper limit</b>	<b>lower limit</b>
under 12 months*	33%	0%
12 months and within 24 months	33%	0%
24 months and within 5 years	33%	0%
5 years and within 10 years	33%	0%
10 years and above	100%	0%

To be confirmed

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## APPENDIX 4 Specified and Non-Specified Investments

### SPECIFIED INVESTMENTS:

Excluding Investec, all such investments will be sterling denominated, with maturities up to maximum of 1 year, meeting the minimum 'high' rating criteria where applicable

	<b>Minimum Credit Criteria / colour band</b>	<b>Use</b>
Debt Management Agency Deposit Facility	-	In-house
Term deposits – local authorities	-	In-house
Term deposits – banks and building societies	See note 1	In-house

### Term deposits with nationalised banks and banks and building societies operating with government guarantees

	<b>Minimum Credit Criteria</b>	<b>Use</b>	<b>Max total investment</b>	<b>Max. maturity period</b>
Contracted Bank Group (Natwest)	See note 1 & 2	In-house	<b>£30m *</b>	<b>364 days</b>
Contracted Bank Group Short Term Interest Bearing Account (SIBA)	See note 1 & 2	In-house	<b>£8m</b>	<b>364 days</b>
Investec Asset Management	Rated at appointment	In-house	<b>£10m</b>	<b>On-going</b>
UK national banks	See note 1	In-house	<b>£5m</b>	<b>364 days</b>
UK nationalised banks	See note 1	Fund Managers	<b>£5m</b>	<b>364 days</b>
UK Building Societies	See note 1	Fund Managers	<b>£3m</b>	<b>182 days</b>
Banks nationalised by high credit rated (sovereign rating**) countries – non UK	Sovereign rating	In-house and Fund Managers	<b>£5m</b>	<b>182 days</b>

\* This is an extremely unlikely situation, the £30m is a contingency should Grants, Precepts and other funding be received on the same day into the Natwest Account and/or there was another banking crisis resulting in frozen accounts or there is not the capacity to transfer funds out to call accounts/ money markets or investments.

\*\* Sovereign Rating is the rating of the country see Appendix 5

Where significantly advantageous for Value for Money purposes or unavoidable due to exceptional situations, such as banking crisis, individual cases to exceed the above stated limits, will be made to the Director of Resources and Governance to approve time limited changes, which will not exceed 6 months in each individual case.

### Note 1

These colour codes are used by the Commission to determine the suggested duration for investments. The Commission will therefore use counterparties within the following durational bands;

- Yellow 5 years
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK banks and building societies)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

Y	P	B	O	R	G	N/C
1	2	3	4	5	6	7
Up to 5yrs	Up to 2yrs	Up to 1yrs	Up to 1yrs	Up to 6mths	Up to 100days	None

### Note 2

The Commission contracts a UK nationalised bank to provide its banking facilities. The risk of failure of any bank is equally weighted across any given working day/ hour, it is important that the Commission highlights that if the bank were to fail, any assets at this time would be frozen and all deposits at that point in time potentially seized (subject to a governmental guarantee).

Therefore, the calculated maximum liability for the Commission's own bank could be in excess of £28m (current cash flow assumes the busiest transactional day would be £6m Revenue Grant, £13m Police Pension Top Up Grant, £5m Precept (Council Tax) Income, any other given adhoc income received and £8m invested within the high interest account provider by Natwest known as SIBA (Short Term Interest Bearing Account)).

The banking community is tightening up third party deposit management, which has resulted in occasional requirements for minimum deposits to exceed £10m with providers meeting the minimum risk criteria. This combined with Fiscal constraints has meant that many providers are offering below Bank of England interest rates (even when terms over 3 months are agreed, with the UK Debt Management Office offering

either zero or negative interest rates within June 2013) and this has left the Commission either unable to place risk adverse deposits or to place deposits within interest bearing facilities.

Therefore, it has been determined that where the Commission is unable to place deposits with providers that meet the minimum creditworthiness criteria, a provider offers interest that are either negative or zero or those providers require deposits that is above the maximum investible threshold for the Commission, that the Commission assumes a strategy to minimise the risk to cash balances and to maintain Value for Money within the TM strategy. The approved process is to maintain balances within its own banking provider up to the limit of £30m on any given day\*, but this will be subject to daily review and scrutiny by the investment team. This will give the Commission the flexibility to move and manage these funds at very short notice and not to hamper cash flow management, whereas placing deposits with long term providers to avoid the £5m cap, could result in cash flow management difficulties and not reduce perceived risk.

\*unless under exceptional circumstances, such as with the 2007/08 banking crisis, and the Director for Resources Governance, and Transformation approves such a decision.

Deposits across the Commission's Banking Group (the three Natwest OPCC Bank Accounts and Natwest SIBA account) that exceed the standard £8m TM cap (excluding end of day balances which do not usually exceed £0.1m (£8.1m)) as a result of not being able to invest in another body, will not be held for a time exceeding 30 days without referral to the Director for Resources and Governance. But in accordance with the above, any balance above £8.1m will be reviewed on a daily basis until it can be reduced to the standard allowable threshold (£8.1m).

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**NON-SPECIFIED INVESTMENTS:** *Excluding Investec, a maximum of 20% will be held in aggregate in non-specified investment*

1. Maturities of ANY period

	Minimum Credit Criteria	Use	Max % of total investments	Max. maturity period
<b>Fixed term deposits with variable rate and variable maturities: -</b> Structured deposits	See note 1	In-house	100%	2 years
Other debt issuance by UK banks covered by UK Government (explicit) guarantee	See note 1	In-house and Fund Managers	20%	364 days

Note 1

Y	P	B	O	R	G	N/C
1	2	3	4	5	6	7
Up to 5yrs	Up to 2yrs	Up to 1yrs	Up to 2yrs	Up to 6mths	Up to 100days	None

2. Maturities in excess of 1 year

	Minimum Credit Criteria	Use	Max % of total investments	Max. maturity period
Term deposits – local authorities	--	In-house	20%	2 years
Term deposits – banks and building societies	See note 1	In-house	100%	2 years

See Note 1

*Data as at 1<sup>st</sup> April and is subject to review.*

## APPENDIX 5 Approved countries for investments\*

*\*As at 2<sup>nd</sup> February and could be significantly affected by the EU referendum on 23<sup>rd</sup> June.*

### AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

### AA+

- Finland
- UK
- U.S.A.

### AA

- Abu Dhabi (U.A.E)
- France
- Qatar

### AA-

- Belgium

It is assumed unless the UK reduces below BB that this will continue to be an investible country, unless mandated by UK Government to ensure liquidity of UK nationwide resources and GDP (e.g as part of a UK banking crisis requiring the UK Government to ensure that liquid cash balances are maintained within the UK).

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## **APPENDIX 6 Treasury management scheme of delegation**

### **(i) Commissioner**

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and approval
- approval of the division of responsibilities
- receiving and reviewing regular monitoring reports and acting on recommendations
- approving the selection of external service providers and agreeing terms of appointment.

### **(ii) The Joint Independent Audit Committee**

- reviewing the treasury management policy and procedures and making recommendations to the Commissioner.

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## **APPENDIX 7     The Treasury Management role of the section 151 officers**

### **The S151 (responsible) officers\***

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- submitting regular treasury management policy reports
- submitting budgets and budget variations
- receiving and reviewing management information reports
- reviewing the performance of the treasury management function
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- ensuring the adequacy of internal audit, and liaising with external audit
- recommending the appointment of external service providers.

\* Under Section 7.5 of the Financial Regulations, the Police & Crime Commissioner has delegated responsibility for Treasury Management to the Police & Crime Commissioner's CFO in liaison with Chief Constable's CFO.

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# External Audit Plan 2016/2017

**Northamptonshire Police & Crime  
Commissioner and Northamptonshire  
Chief Constable**

**January 2017**



## Financial Statement Audit



There are no significant changes to the Code of Practice on Local Authority Accounting in 2016/17, which provides stability in terms of the accounting standards the bodies need to comply with.

### Materiality

Materiality for planning purposes has been based on prior year expenditure and set at £2.8m for both the Police and Crime Commissioner and Chief Constable.

We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance and this has been set at £140k for both the Police and Crime Commissioner and Chief Constable.

### Significant risks

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

- Related parties disclosure;
- LGPS Triennial Valuation; and
- Generation of the Accounts using the CIPFA Model.

### Other areas of audit focus

Those risks with less likelihood of giving rise to a material error but which are nevertheless worthy of audit understanding have been identified as:

- Assurance over regional collaboration accounts and transactions; and
- The 2016 CIPFA Code on PCC/CC Accounting changes to the formats and reporting requirements for the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement, and the new Expenditure and Funding Analysis.

See pages 3 to 6 for more details.

## Value for Money Arrangements work



Our risk assessment regarding your arrangements to secure value for money have identified the following VFM significant risk:

- Medium term financial planning, which is relevant to the sustainable resource deployment sub-criteria of the VFM conclusion.

See pages 7 to 10 for more details.

## Logistics



### Our team is:

- Andrew Cardoza – Director
- Nico Chitsa – Assistant Manager (New Member of the Team)

More details are on page 13.

Our work will be completed in four phases from January to October and our key deliverables are this Audit Plan and a Report to those charged with Governance as outlined on page 12.

Our fee for the audit of the Police and Crime Commissioner is **£29,291** (£29,291 2015/2016) and our fee for the audit of the Chief Constable is **£15,000** (£15,000 2015/2016). At this stage, we anticipate needing to charge additional fee during the year in respect of the extra work on the LGPS triennial revaluation and the Code changes around the CIES presentation. See page 11.

# Introduction

## Background and Statutory responsibilities

This document supplements our Audit Fee Letter 2016/17 presented to you in April 2016, which also sets out details of our appointment by Public Sector Audit Appointments Ltd (PSAA).

Our statutory responsibilities and powers are set out in the Local Audit and Accountability Act 2014 and the National Audit Office's Code of Audit Practice.

Our audit has two key objectives, requiring us to audit/review and report on your:

- *Financial statements (including the Annual Governance Statement):* Providing an opinion on your accounts; and
- *Use of resources:* Concluding on the arrangements in place for securing economy, efficiency and effectiveness in your use of resources (the value for money conclusion).

The audit planning process and risk assessment is an on-going process and the assessment and fees in this plan will be kept under review and updated if necessary.

## Acknowledgements

We would like to take this opportunity to thank officers and Members for their continuing help and co-operation throughout our audit work.

## Financial Statements Audit

Our financial statements audit work follows a four stage audit process which is identified below. Appendix 1 provides more detail on the activities that this includes. This report concentrates on the Financial Statements Audit Planning stage of the Financial Statements Audit.



## Value for Money Arrangements Work

Our Value for Money (VFM) Arrangements Work follows a five stage process which is identified below. Page 7 provides more detail on the activities that this includes. This report concentrates on explaining the VFM approach for the 2016/17 and the findings of our VFM risk assessment.





## Financial Statements Audit Planning

Our planning work takes place during January and February 2017. This involves the following key aspects:

- Risk assessment;
- Determining our materiality level; and
- Issuing this audit plan to communicate our audit strategy.

## Risk assessment

Professional standards require us to consider two standard risks for all organisations. We are not elaborating on these standard risks in this plan but consider them as a matter of course in our audit and will include any findings arising from our work in our ISA 260 Report.

- **Management override of controls** – Management is typically in a powerful position to perpetrate fraud owing to its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Our audit methodology incorporates the risk of management override as a default significant risk. In line with our methodology, we carry out appropriate controls testing and substantive procedures, including over journal entries, accounting estimates and significant transactions that are outside the normal course of business, or are otherwise unusual.
- **Fraudulent revenue recognition** – We do not consider this to be a significant risk for Police and Crime Commissioner and Chief Constable as there are limited incentives and opportunities to manipulate the way income is recognised. We therefore rebut this risk and do not incorporate specific work into our audit plan in this area over and above our standard fraud procedures.

The diagram opposite identifies, significant risks and other areas of audit focus, which we expand on overleaf. The diagram also identifies a range of other areas considered by our audit approach.



Keys: ● Significant risk ● Other area of audit focus ● Example other areas considered by our approach





## Significant Audit Risks

Those risks requiring specific audit attention and procedures to address the likelihood of a material financial statement error.

### **Risk: Related Parties Disclosure**

Police Bodies are required to comply with International Accounting Standard 24 and disclose transactions with entities/individuals that would be classed as related parties. A disclosure is required if a transaction (or series of transactions) is material. The risk is related party relationships and transactions are not disclosed.

In our prior year audit we reviewed the governance processes in place at the PCC and CC to capture declarations of interest and report related party transactions. We identified that a related party transaction had not been included within the PCC's financial statements for all declarations. Although a record was subsequently included within the related parties note within the financial statements. This was a recommendation in our prior year ISA 260 report and therefore we deem the risks of material misstatement due to fraud or error could arise from non-disclosure of such transactions.

**Approach:** Our strategy is to review disclosures for completeness and testing to supporting evidence. We will review the governance processes in place at the PCC and CC to capture declarations of interest and report related party transactions for inclusion within the financial statements.

### **Risk: Generation of the Accounts using the CIPFA Model**

The PCC and CC are generating the financial statements using the new CIPFA Model for the first time. This approach is being developed by the Finance team with CIPFA with a view to streamlining the generation of the financial statements. The use and implementation of the new approach and processes brings a risk with developing the approach and the accuracy and consistency of accounting entries to support the accounts.

**Approach:** We will review the approach being developed for the generation of the financial statements by the Finance team and review the use of the CIPFA model. We will also review the generation of working papers to support the financial statements using the CIPFA model and examine the quality review process undertaken by the Section 151 Officer and Senior Officers to support the accounts submitted for audit.



## Significant Audit Risks

Those risks requiring specific audit attention and procedures to address the likelihood of a material financial statement error.

### **Risk: LGPS Triennial Valuation**

During the year, the Local Government Pension Scheme for Northamptonshire (the Pension Fund) has undergone a triennial valuation with an effective date of 31 March 2016 in line with the Local Government Pension Scheme (Administration) Regulations 2013. The PCC and CC's share of pensions assets and liabilities is determined in detail, and a large volume of data is provided to the actuary in order to carry out this triennial valuation.

The pension liability numbers to be included in the financial statements for 2016/17 will be based on the output of the triennial valuation rolled forward to 31 March 2017. For 2017/18 and 2018/19 the actuary will then roll forward the valuation for accounting purposes based on more limited data.

There is a risk that the data provided to the actuary for the valuation exercise is inaccurate and that these inaccuracies affect the actuarial figures in the accounts. Most of the data is provided to the actuary by Northamptonshire County Council, who administer the Pension Fund.

**Approach :** As part of our audit, we will agree any data provided by the Authority to the actuary, back to the relevant systems and reports from which it was derived, in addition to checking the accuracy of this data.

We will also liaise with the Pension Fund Audit team, who are the auditors of the Pension Fund, where this data was provided by the Pension Fund on the Authority's behalf to check the completeness and accuracy such data.

## Other areas of audit focus

Those risks with less likelihood of giving rise to a material error but which are nevertheless worthy of audit understanding.

### **Issue : 2016 CIPFA Code on PCC/CC Accounting**

The new Code includes a small number of important changes on the previous year's reporting requirements. The changes include new formats and reporting requirements for the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement, and the introduction of a new Expenditure and Funding Analysis as a result of CIPFA's 'Telling the Story' review of the presentation of PCC/CC financial statements.

**Approach :** We will liaise with the PCC/CC's Finance team regarding the new requirements and agree the new disclosures, including the restatement of the prior year comparators.

### **Issue : Assurance over regional collaboration accounts and transactions**

The level of collaborative work with other forces across the East Midlands has increased significantly over the past few years, with the previous accounts including some £7.7m of expenditure in relation to these arrangements.

This level of collaboration brings with it the need to ensure that appropriate governance arrangements are in place for each arrangement and that the necessary assurances are held over the completeness and accuracy of the financial information being provided to the PCC and CC for consolidation into their accounts.

**Approach :** We will review your governance arrangements over each aspect of regional collaboration and, more specifically, over the assurances you have sought in respect of the completeness and accuracy of the year end figures consolidated into your financial statements.

# Financial statements audit planning (cont.)



## Materiality

We are required to plan our audit to determine with reasonable confidence whether or not the financial statements are free from material misstatement. An omission or misstatement is regarded as material if it would reasonably influence the user of financial statements. This therefore involves an assessment of the qualitative and quantitative nature of omissions and misstatements.

Generally, we would not consider differences in opinion in respect of areas of judgement to represent 'misstatements' unless the application of that judgement results in a financial amount falling outside of a range which we consider to be acceptable.

Materiality for planning purposes has been set at £2.8 million for both the Police and Crime Commissioner and the Chief Constable, which equates to 1.5 percent of the respective forecast gross expenditures.

We design our procedures to detect errors in specific accounts at a lower level of precision which is £2.1m.

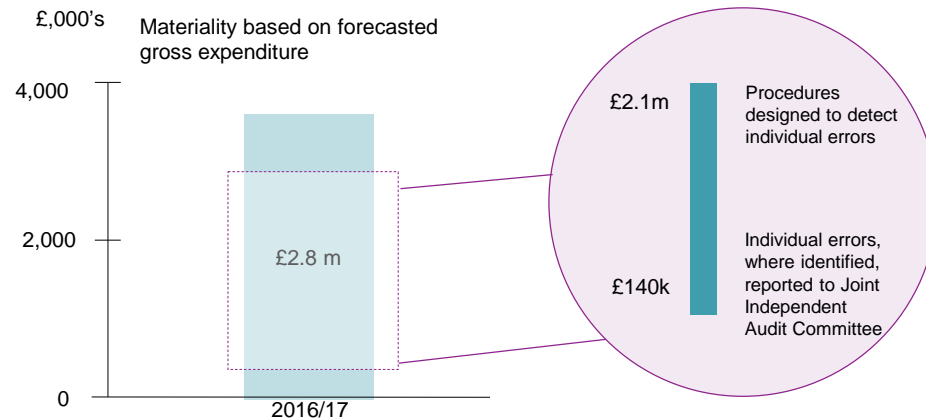
## Reporting to the Joint Independent Audit Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Joint Independent Audit Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.

Under ISA 260(UK&I) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK&I) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

In the context of the Police and Crime Commissioner, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £140k.

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Joint Independent Audit Committee to assist it in fulfilling its governance responsibilities.



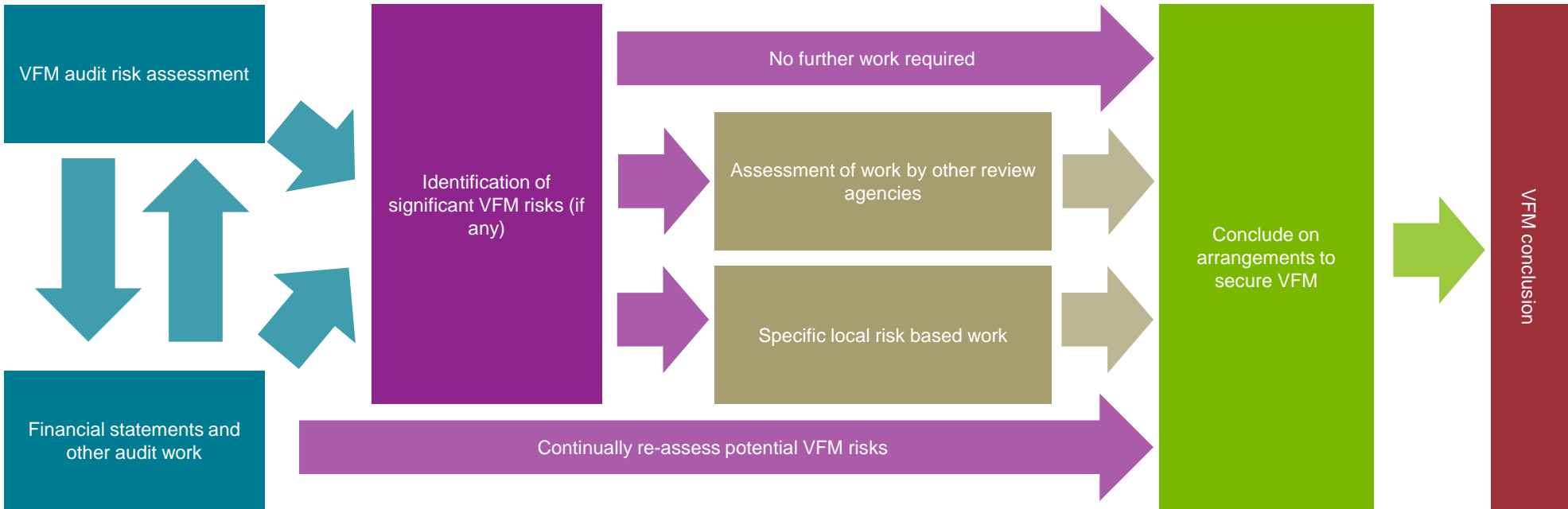


### Background to approach to VFM work

The Local Audit and Accountability Act 2014 requires auditors of local government bodies to be satisfied that the authority 'has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources'.

This is supported by the Code of Audit Practice, published by the NAO in April 2015, which requires auditors to 'take into account their knowledge of the relevant local sector as a whole, and the audited body specifically, to identify any risks that, in the auditor's judgement, have the potential to cause the auditor to reach an inappropriate conclusion on the audited body's arrangements.'

The VFM approach is fundamentally unchanged from that adopted in 2015/2016 and the process is shown in the diagram below. The diagram overleaf shows the details of the criteria for our VFM work.





## Overall criterion

In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

### Informed decision making

#### Proper arrangements:

- Acting in the public interest, through demonstrating and applying the principles and values of sound governance.
- Understanding and using appropriate and reliable financial and performance information to support informed decision making and performance management.
- Reliable and timely financial reporting that supports the delivery of strategic priorities.
- Managing risks effectively and maintaining a sound system of internal control.

### Sustainable resource deployment

#### Proper arrangements:

- Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions.
- Managing and utilising assets to support the delivery of strategic priorities.
- Planning, organising and developing the workforce effectively to deliver strategic priorities.

### Working with partners and third parties

#### Proper arrangements:

- Working with third parties effectively to deliver strategic priorities.
- Commissioning services effectively to support the delivery of strategic priorities.
- Procuring supplies and services effectively to support the delivery of strategic priorities.



# Value for money arrangements work (cont.)

VFM audit stage	Audit approach
VFM audit risk assessment	<p>We consider the relevance and significance of the potential business risks faced by all PCC/CC, and other risks that apply specifically to the Police and Crime Commissioner and Chief Constable. These are the significant operational and financial risks in achieving statutory functions and objectives, which are relevant to auditors' responsibilities under the <i>Code of Audit Practice</i>.</p> <p>In doing so we consider:</p> <ul style="list-style-type: none"><li>■ The Police and Crime Commissioner and Chief Constable's own assessment of the risks it faces, and its arrangements to manage and address its risks;</li><li>■ Information from Her Majesty's Inspectorate of Constabulary (HMIC) VFM profile tool;</li><li>■ Evidence gained from previous audit work, including the response to that work; and</li><li>■ The work of other inspectorates and review agencies.</li></ul>
Linkages with financial statements and other audit work	<p>There is a degree of overlap between the work we do as part of the VFM audit and our financial statements audit. For example, our financial statements audit includes an assessment and testing of the organisational control environment, including the financial management and governance arrangements, many aspects of which are relevant to our VFM audit responsibilities.</p> <p>We have always sought to avoid duplication of audit effort by integrating our financial statements and VFM work, and this will continue. We will therefore draw upon relevant aspects of our financial statements audit work to inform the VFM audit.</p>
Identification of significant risks	<p>The Code identifies a matter as significant '<i>if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public. Significance has both qualitative and quantitative aspects.</i>'</p> <p>If we identify significant VFM risks, then we will highlight the risk to the Police and Crime Commissioner and Chief Constable and consider the most appropriate audit response in each case, including:</p> <ul style="list-style-type: none"><li>■ Considering the results of work by the Police and Crime Commissioner, Chief Constable, inspectorates and other review agencies; and</li><li>■ Carrying out local risk-based work to form a view on the adequacy of the arrangements for securing economy, efficiency and effectiveness in its use of resources.</li></ul>



# Value for money arrangements work (cont.)

VFM audit stage	Audit approach
Assessment of work by other review agencies and Delivery of local risk based work	<p>Depending on the nature of the significant VFM risk identified, we may be able to draw on the work of other inspectorates, review agencies and other relevant bodies to provide us with the necessary evidence to reach our conclusion on the risk.</p> <p>If such evidence is not available, we will instead need to consider what additional work we will be required to undertake to satisfy ourselves that we have reasonable evidence to support the conclusion that we will draw. Such work may include:</p> <ul style="list-style-type: none"><li>■ Meeting with senior managers;</li><li>■ Review of minutes and internal reports;</li><li>■ Examination of financial models for reasonableness, using our own experience and benchmarking data from within and without the sector.</li></ul>
Concluding on VFM arrangements	<p>At the conclusion of the VFM audit we will consider the results of the work undertaken and assess the assurance obtained against each of the VFM themes regarding the adequacy of the Police and Crime Commissioner and Chief Constable's arrangements for securing economy, efficiency and effectiveness in the use of resources.</p> <p>If any issues are identified that may be significant to this assessment, and in particular if there are issues that indicate we may need to consider qualifying our VFM conclusion, we will discuss these with management as soon as possible. Such issues will also be considered more widely as part of KPMG's quality control processes, to help ensure the consistency of auditors' decisions.</p>
Reporting	<p>We have completed our initial VFM risk assessment and have identified the following significant VFM risk:</p> <p><u>Budgetary Pressures</u></p> <ul style="list-style-type: none"><li>■ In accordance with the Medium Term Financial Strategy (MTFS) for the 5 year period to 2021/22, it is forecast that there will be a funding gap of £3.869m for 2017/18 and a further £11.523m over the period 2018/19 to 2021/22. The group is expected to be making deficits in all of the next 5 years. This increases the risk of failure to deliver savings and demonstrate achievement of operational performance targets.</li><li>■ The latest forecast for the 2016/17 revenue budget identifies an overspend of £1.6m for the CC. After allowing for the use of carry forwards and reserves this forecast overspend is reduced to £0.803m and unless savings are identified in the remainder of the financial year additional contributions may be needed from reserves.</li><li>■ We will continue to review our initial risk assessment during the audit and review any further emerging risks when considering the VFM arrangements that are in place for the PCC and CC in our VFM conclusion.</li></ul>

## Whole of government accounts (WGA)

We are required to review your WGA consolidation and undertake the work specified under the approach that is agreed with HM Treasury and the National Audit Office. Deadlines for production of the pack and the specified approach for 2016/17 have not yet been confirmed.

## Electoral challenge

The Local Audit and Accountability Act 2014 gives electors certain rights. These are:

- The right to inspect the accounts;
- The right to ask the auditor questions about the accounts; and
- The right to object to the accounts.

As a result of these rights, in particular the right to object to the accounts, we may need to undertake additional work to form our decision on the elector's objection. The additional work could range from a small piece of work where we interview an officer and review evidence to form our decision, to a more detailed piece of work, where we have to interview a range of officers, review significant amounts of evidence and seek legal representations on the issues raised.

The costs incurred in responding to specific questions or objections raised by electors is not part of the fee. This work will be charged in accordance with the PSAA's fee scales.

## Our audit team

Our audit team will be led by Andrew Cardoza providing continuity and added to the team with Nico Chitsa joining to replace David Schofield for the day to day work. Appendix 2 provides more details on specific roles and contact details of the team.

## Reporting and communication

Reporting is a key part of the audit process, not only in communicating the audit findings for the year, but also in ensuring the audit team are accountable to you in addressing the issues identified as part of the audit strategy. Throughout the year we will communicate with you through meetings with the Section 151 Officers, Senior Finance Officers and the Joint Independent Audit Committee. Our communication outputs are included in Appendix 1.

## Independence and Objectivity

Auditors are also required to be independent and objective. Appendix 3 provides more details of our confirmation of independence and objectivity.

## Audit fee

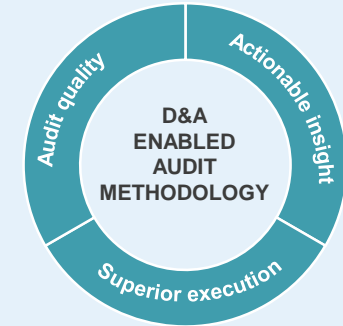
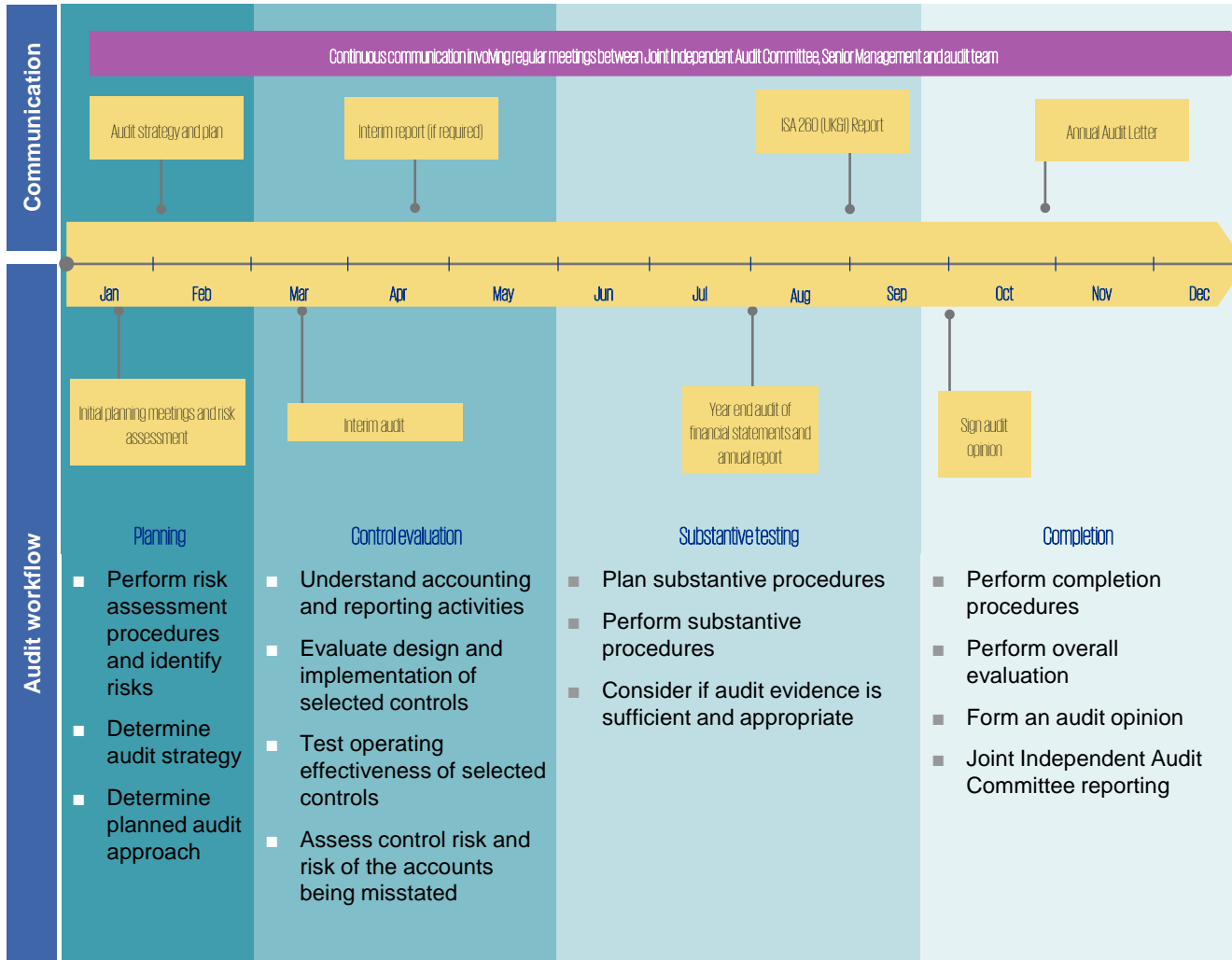
*Our Audit Fee Letter 2016/2017* presented to you in April 2016 first set out our fees for the 2016/2017 audit. This letter also sets out our assumptions. We have not considered it necessary to make any changes to the agreed fees at this stage although, we anticipate that it may be necessary to charge an additional fee during the year in respect of the extra work in respect of the LGPS triennial revaluation and the Code changes around the CIES presentation. We will ensure that any additional fees are agreed with the respective Chief Finance Officers.

**Police and Crime Commissioner** - The planned audit fee for 2016/17 is £29,291. There is no change in audit fee, compared to 2015/2016, of £29,291.

**Chief Constable** - The planned audit fee for 2016/17 is £15,000. There is no change in audit fee, compared to 2015/2016, of £15,000.



# Appendix 1: Key elements of our financial statements audit approach



## Driving more value from the audit through data and analytics

Technology is embedded throughout our audit approach to deliver a high quality audit opinion. Use of Data and Analytics (D&A) to analyse large populations of transactions in order to identify key areas for our audit focus is just one element. We strive to deliver new quality insight into your operations that enhances our and your preparedness and improves your collective 'business intelligence.' Data and Analytics allows us to:

- Obtain greater understanding of your processes, to automatically extract control configurations and to obtain higher levels assurance.
- Focus manual procedures on key areas of risk and on transactional exceptions.
- Identify data patterns and the root cause of issues to increase forward-looking insight.

We anticipate using data and analytics in our work around key areas such as journals. We also expect to provide insights from our analysis of these tranches of data in our reporting to add further value from our audit.

# Appendix 2: Audit team



Your audit team has been drawn from our specialist public sector assurance department. Andrew provides continuity to the Northamptonshire Police and Crime Commissioner / Chief Constable audit and we added to the team with the introduction of Nico Chitsa as Assistant Manager.



<b>Name</b>	Andrew Cardoza
<b>Position</b>	Director
	'My role is to lead our team and ensure the delivery of a high quality, valued added external audit opinion.  I will be the main point of contact for the Joint Independent Audit Committee and Chief Finance officers.'

**Andrew Cardoza**

Director

0121 232 3869

[andrew.cardoza@kpmg.co.uk](mailto:andrew.cardoza@kpmg.co.uk)



<b>Name</b>	Nico Chitsa
<b>Position</b>	Assistant Manager
	'I will be responsible for delivery of all our audit work. I will manage the completion of the different elements of our work, ensuring that they are coordinated and delivered in an effective manner.'

**Nico Chitsa**

Assistant Manager

0121 335 2519

[Nico.Chitsa@KPMG.co.uk](mailto:Nico.Chitsa@KPMG.co.uk)

# Appendix 3: Independence and objectivity requirements

## Independence and objectivity

Professional standards require auditors to communicate to those charged with governance, at least annually, all relationships that may bear on the firm's independence and the objectivity of the audit engagement partner and audit staff. The standards also place requirements on auditors in relation to integrity, objectivity and independence.

The standards define 'those charged with governance' as 'those persons entrusted with the supervision, control and direction of an entity'. In your case this is Police and Crime Commissioner and Chief Constable.

KPMG LLP is committed to being and being seen to be independent. APB Ethical Standards, Integrity, Objectivity and Independence require us to communicate to you in writing all significant facts and matters, including those related to the provision of non-audit services and the safeguards put in place, in our professional judgement, may reasonably be thought to bear on KPMG LLP's independence and the objectivity of the Engagement Lead and the audit team.

Further to this auditors are required by the National Audit Office's Code of Audit Practice to:

- Carry out their work with integrity, independence and objectivity;
- Be transparent and report publicly as required;
- Be professional and proportional in conducting work;
- Be mindful of the activities of inspectorates to prevent duplication;
- Take a constructive and positive approach to their work;
- Comply with data statutory and other relevant requirements relating to the security, transfer, holding, disclosure and disposal of information.

PSAA's Terms of Appointment includes several references to arrangements designed to support and reinforce the requirements relating to independence, which auditors must comply with. These are as follows:

- Auditors and senior members of their staff who are directly involved in the management, supervision or delivery of PSAA audit work should not take part in political activity.

- No member or employee of the firm should accept or hold an appointment as a member of an audited body whose auditor is, or is proposed to be, from the same firm. In addition, no member or employee of the firm should accept or hold such appointments at related bodies, such as those linked to the audited body through a strategic partnership.
- Auditors and their staff should not be employed in any capacity (whether paid or unpaid) by an audited body or other organisation providing services to an audited body whilst being employed by the firm.
- Auditors appointed by the PSAA should not accept engagements which involve commenting on the performance of other PSAA auditors on PSAA work without first consulting PSAA.
- Auditors are expected to comply with the Terms of Appointment policy for the Engagement Lead to be changed on a periodic basis.
- Audit suppliers are required to obtain the PSAA's written approval prior to changing any Engagement Lead in respect of each audited body.
- Certain other staff changes or appointments require positive action to be taken by Firms as set out in the Terms of Appointment.

## Confirmation statement

We confirm that as of January 2017 in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the Engagement Lead and audit team is not impaired.



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This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. We draw your attention to the Statement of Responsibilities of auditors and audited bodies, which is available on Public Sector Audit Appointment’s website ([www.psa.co.uk](http://www.psa.co.uk)).

External auditors do not act as a substitute for the audited body’s own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG’s work, in the first instance you should contact Andy Cardoza, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG’s work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers, by email to [Andrew.Sayers@kpmg.co.uk](mailto:Andrew.Sayers@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA’s complaints procedure by emailing [generalenquiries@psaa.co.uk](mailto:generalenquiries@psaa.co.uk) by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.



## Office of the Police & Crime Commissioner for Northamptonshire and Northamptonshire Police

### Draft Internal Audit Plan 2017/18

February 2017

This report has been prepared on the basis of the limitations set out on page 11.

This report and the work connected therewith are subject to the Terms and Conditions of the Framework Agreement dated 21 April 2015 between The Police and Crime Commissioner for Nottinghamshire and Mazars LLP and Order Form dated 12 May 2015 between Police and Crime Commissioner for Northamptonshire and Mazars LLP. This report is confidential and has been prepared for the sole use of Police and Crime Commissioner for Northamptonshire. This report must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. To the fullest extent permitted by law, we accept no responsibility or liability to any third party who purports to use or rely, for any reason whatsoever, on this report, its contents or conclusions.

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## 1. Introduction

- 1.1 An annual proposed Internal Audit Operational Plan has been prepared on behalf of the Police and Crime Commissioner for Northamptonshire and Northamptonshire Police (the OPCC and Force) for the period 1 April 2017 to 31 March 2018.
- 1.2 As part of fulfilling the Joint Independent Audit Committee's (JIAC) responsibilities, the JIAC require assurance that it is focusing its attention on the key risks to the OPCC and Force and that it is receiving timely and effective assurance with regards the management of those risks. As Internal Audit is a one source of this assurance, Internal Audit have reviewed the OPCC / Force Risk Register with the aim of identifying where the OPCC / Force obtains this assurance and that the Internal Audit plan is suitably focused and aligned with other sources of assurance. The results of this exercise were considered when drawing the audit plan.
- 1.3 **Appendix A** contains our proposed **Annual Audit Plan 2017 – 2018**.

## 2. The Scope and Purpose of Internal Audit

- 2.1 Internal Audit's primary role is to provide the organisation's management with independent assurance on the effectiveness of the internal control systems that contribute to the achievement of the organisation's business objectives. In so doing, this will support the OPCC and Force in signing the Annual Governance Statement. It is also Internal Audit's role to provide the OPCC and Force with assurance that they have in place effective processes for the management of risk.
- 2.2 In drawing up the internal audit work programme it should be noted that:
  - The OPCC and Force are accountable for internal control. The OPCC and Force are responsible for maintaining a sound system of internal control that supports the achievement of the organisation's objectives, and for reviewing its effectiveness;
  - The system of internal control is designed to manage rather than eliminate the risk of failure to achieve these objectives;
  - The system of internal control can therefore only provide reasonable and not absolute assurance of effectiveness; and
  - The system of internal control is based on an on-going risk management process designed to identify the principal risks to the achievement of the organisation's objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically.

2.3 As set out in the Audit Charter, Internal Audit fulfils its role by:

- Coordinating assurance activities with other assurance providers (such as the external auditors and HMIC) such that the assurance needs of the OPCC and Force, regulators and other stakeholders are met in the most effective way.
- Evaluating and assessing the implications of new or changing systems, products, services, operations and control processes.
- Carrying out assurance and consulting activities across all aspects of the OPCC and Force's business based on a risk-based plan agreed with the Joint Independent Audit Committee (JIAC).
- Providing the Police & Crime Commissioner and Chief Constable with reasonable, but not absolute, assurance as to the adequacy and effectiveness of the key controls associated with the management of risk in the area being audited.
- Issuing periodic reports to the JIAC and Senior Management Team summarising results of assurance activities.
- Re-enforcing an anti-fraud, anti-bribery and anti-corruption culture within the OPCC and Force to aid the prevention and detection of fraud.
- Assisting in the investigation of allegations of fraud, bribery and corruption within the OPCC and Force and notifying management and the JIAC of the results.
- Assessing the adequacy of remedial action to address significant risk and control issues reported to the JIAC. Responsibility for remedial action in response to audit findings rests with line management.

## 3. Approach

3.1 As part of fulfilling the Joint Independent Audit Committee's (JIAC) responsibilities, the JIAC require assurance that it is focusing its attention on the key risks to the OPCC and Force and that it is receiving timely and effective assurance with regards the management of those risks. As Internal Audit is one source of this assurance, Internal Audit have reviewed the OPCC / Force Risk Register with the aim of identifying where the OPCC / Force obtains this assurance and that the Internal Audit plan is suitably focused and aligned with other sources of assurance. The results of this exercise were considered when drawing the audit plan.



3.2 The Assurance Framework provides a top-down identification and analysis of the assurance needs of the JIAC, and aims to provide a co-ordinated view of the activity of the various assurance providers and therefore the right combination of direct, risk and independent assurance activities as shown below:



3.3 In drawing up the operational audit plan, the assurance review of the OPCC / Force risk register identified where the OPCC / Force obtained assurance it was managing its key risks, with the aim of aligning the Internal Audit plan with other sources of assurance. The review was carried out through discussions with appropriate staff and review of documents to confirm the adequacy of the assurance processes in place. In particular we:

- Reviewed the key strategic risks (OPCC and Force) that the JIAC require assurance on.
- Through discussions and the review of relevant documents, using the 'three lines of defence' model referred to above, considered the key sources of assurance that the risks are being effectively managed.
- Identified and agreed gaps in assurance.
- Agreed whether the gaps should be addressed and, if so, whether Internal Audit were the appropriate source of that assurance.

In determining Internal Audit's current and future role in the 'assurance landscape', it should be noted that Internal Audit has a wider remit than purely focusing on just those risks set out in the OPCC / Force Strategic Risk Register, and is required to provide assurance on the systems of internal control, risk management and governance arrangements. For this reason, we also considered other key areas of assurance, including those relating to Finance, Governance, Procurement, Information Technology and Risk Management.

- 3.4 Through a focused approach to assurance, the internal audit service can be utilised to provide the right level of assurance, it can avoid unnecessary use of its finite resources and it can support the OPCC and Force in maintaining an effective Assurance Framework. Internal Audit, through its support for the Assurance Framework, should:
- support the OPCC and Force in managing its risks through the establishment (and, more importantly, the maintenance) of an Assurance Framework that is fit for purpose;
  - look to other sources of assurance and assurance providers, including third party assurance, to supplement the resources of the internal audit team;
  - work along side other assurance providers, such as External Audit, to more effectively provide assurance and avoid duplication; and
  - through risk-based auditing, focus internal audit resource on what is really important to each organisation.
- 3.5 Further to the above risk identification process, it is acknowledged that Northamptonshire form part of a Strategic Alliance with the Police Forces in Nottinghamshire and Leicestershire, whilst also form part of the wider East Midlands Policing Region and, as such, collaborate on a wide variety of services. The aim will therefore be to, wherever possible, align the audit plans across the Strategic Alliance / region in order to secure efficiencies through collaborative auditing.

## 4 External Audit Consultation

- 4.1 We liaise closely with your external auditors in preparing, and then delivering, a co-ordinated approach to the provision of assurance.
- 4.2 We speak regularly with the External Auditors to consult on audit plans; discuss matters of mutual interest; discuss common understanding of audit techniques; methods and terminology; and to seek opportunities for co-operation in the conduct of audit work. In particular, we will offer the External Auditors the opportunity to rely on our work where appropriate, provided this does not prejudice our independence.
- 4.3 Internal audit forms a significant part of the organisation's governance arrangements and it is therefore also important that Internal and External Audit have an effective working relationship. To facilitate this relationship we included in the Audit Charter liaison arrangement with the external auditors under the Public Internal Audit Standards. The key principles behind this agreement are:
- a willingness and commitment to working together;
  - clear and open lines of communication; and
  - avoidance of duplication of work where possible.

## Appendix A – Annual Audit Plan 2017-18

AUDITABLE AREA	PROPOSED TIMING <sup>1</sup>	JIAC <sup>2</sup>	PLAN DAYS	Commentary on Coverage
<b>Core Assurance</b>				
Core Financial Systems Assurance: <ul style="list-style-type: none"> <li>• General Ledger</li> <li>• Payroll</li> <li>• Cash &amp; Bank</li> <li>• Payments &amp; Creditors</li> <li>• Income &amp; Debtors</li> </ul>	Q3		18	To provide assurance with regards the adequacy and effectiveness of the systems of internal control in operation to manage the core financial systems. The scope of the work will include, but not be limited to: <ul style="list-style-type: none"> <li>• Policies and procedures</li> <li>• Access controls</li> <li>• Amendments to standing data</li> <li>• Reconciliations</li> <li>• Authorisation routines</li> <li>• Reporting</li> </ul> Similar to in previous years, the audit will include operations within the Multi-Force Shared Service (MFSS).
Audit Committee Effectiveness	Q2		10	To provide assurance that there is an effective audit committee function in place to provide independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting and annual governance process, as set out in CIPFA's <i>Audit Committees / Practical Guidance for Local Authorities and Police, 2013</i> .

AUDITABLE AREA	PROPOSED TIMING <sup>1</sup>	JIAC <sup>2</sup>	PLAN DAYS	Commentary on Coverage
Procurement Follow-up	Q3		5	<p>To provide assurance that sound controls are in place and value for money is being sought in respect of the procurement of goods and services. The audit will cover both local / under £25k expenditure, and the use of the East Midlands Strategic Commercial Unit (EMSCU) for expenditure above £25k.</p> <p>An audit took place in 2016/17 for which the EMSCU element of operations received limited assurance. It was determined weaknesses in the systems of internal controls are such to put the Organisation's objectives at risk. The area will be revisited to provide assurance that recommendations previously made have been implemented satisfactorily.</p>
<b>Strategic &amp; Operational Risk Assurance</b>				
Information Technology Strategy	Q3		8	To provide assurance that clear and effective IT Strategy has been developed and is being consistently delivered across the Tri-Force region.
Data Quality	Q3		10	To provide assurance that effective governance, policies, procedures and data quality auditing routines are in place for ensuring data quality, for example, through such systems as Niche. The audit will include dip sampling of the quality of records.
Counter Fraud Review	Q2		10	To review policies and procedures for countering fraud against best practice across the Tri-Force region. The review will include interviews, examination of key documents and questionnaires to officers / staff.
IT Licences	Q4		7	To provide assurance with regards the systems and controls in place for managing the administration of IT Licences.

AUDITABLE AREA	PROPOSED TIMING <sup>1</sup>	JIAC <sup>2</sup>	PLAN DAYS	Commentary on Coverage
Seized & Found Property	Q1		8	To provide assurance that the Force has effective controls in place for the receipting, storage, management and disposal of seized and found property. The audit will form part of a wider review covering the Tri-Force region.
Estates Management	Q2		10	To provide assurance that the OPCC / Force have effective controls in place to manage the estate. The audit will review the extent to which the Estates Strategy is being delivered, how it contributes to the strategic and medium / long term objectives of the OPCC / Force and will drill down to day-to-day maintenance routines.
Victims Code of Practice	Q1		4	An audit took place in 2016/17 for which a limited assurance opinion was given. It was determined weaknesses in the systems of internal controls are such to put the Organisation's objectives at risk. The area will be revisited to provide assurance that recommendations previously made have been implemented satisfactorily.
Crime Management Process	Q4		9	To review the systems and procedures, post SDM, in place with regards how crimes are graded, the allocation of resource etc in order to provide assurance in respect of the effectiveness of the SDM model.
Fleet Management	Q2		9	To provide assurance with regards the systems and controls in place for managing the force fleet of vehicles.

AUDITABLE AREA	PROPOSED TIMING <sup>1</sup>	JIAC <sup>2</sup>	PLAN DAYS	Commentary on Coverage
<b>Collaboration</b>				
Collaboration	Q3 & Q4		10	Resources have been allocated across each OPCC / Force in order to provide assurance with regards the systems and controls in place to deliver specific elements of regional collaboration. Consideration will be given to assessing whether the area of collaboration is delivering against its original objectives and what arrangements are in place, from an OPCC / Force perspective, for monitoring and managing the service.
<b>Other</b>				
Audit Management	Ongoing		14	This includes audit planning, production of progress and annual reports, and attendance at progress and JIAC meetings.
Contingency			8	Time set aside for ad hoc requests.
<b>TOTAL</b>			<b>140</b>	

<sup>1</sup> Proposed timings for each audit to be agreed, with any changes reported to the JIAC.

<sup>2</sup> Dates for delivery to the JIAC to be included within future progress reports when known.

## Appendix B – Levels of Assurance & Opinions

Definitions of Assurance Levels		
Assurance Level	Adequacy of system design	Effectiveness of operating controls
<b>Significant Assurance:</b>	There is a sound system of internal control designed to achieve the Organisation's objectives.	The control processes tested are being consistently applied.
<b>Satisfactory Assurance:</b>	While there is a basically sound system of internal control, there are weaknesses which put some of the Organisation's objectives at risk.	There is evidence that the level of non-compliance with some of the control processes may put some of the Organisation's objectives at risk.
<b>Limited Assurance:</b>	Weaknesses in the system of internal controls are such as to put the Organisation's objectives at risk.	The level of non-compliance puts the Organisation's objectives at risk.
<b>No Assurance:</b>	Control processes are generally weak leaving the processes/systems open to significant error or abuse.	Significant non-compliance with basic control processes leaves the processes/systems open to error or abuse.

Definitions of Recommendations	
Priority	Description
<b>Priority 1 (Fundamental)</b>	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.
<b>Priority 2 (Significant)</b>	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.
<b>Priority 3 (Housekeeping)</b>	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.

## Appendix C – Contact Details

### Contact Details

David Hoose	07552 007708 <a href="mailto:David.Hoose@mazars.co.uk">David.Hoose@mazars.co.uk</a>
Brian Welch	07780 970200 <a href="mailto:Brian.Welch@mazars.co.uk">Brian.Welch@mazars.co.uk</a>



## Statement of Responsibility

We take responsibility for this report which is prepared on the basis of the limitations set out below.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by us should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud. Our procedures are designed to focus on areas as identified by management as being of greatest risk and significance and as such we rely on management to provide us full access to their accounting records and transactions for the purposes of our work and to ensure the authenticity of such material. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

### **Mazars LLP**

### **London**

### **February 2017**

This document is confidential and prepared solely for your information. Therefore you should not, without our prior written consent, refer to or use our name or this document for any other purpose, disclose them or refer to them in any prospectus or other document, or make them available or communicate them to any other party. No other party is entitled to rely on our document for any purpose whatsoever and thus we accept no liability to any other party who is shown or gains access to this document.

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Office of the Police & Crime Commissioner for Northamptonshire and  
Northamptonshire Police

Internal Audit Progress Report 2016/17

February 2017

Presented to the Joint Independent Audit Committee meeting of: 6<sup>th</sup> March 2017

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- 01 Introduction
- 02 Summary and conclusions from Internal Audit work to date
- 03 Performance

## Appendices

- A1 Summary of Reports 2016/17
- A2 Internal Audit Plan 2016/17
- A3 Definition of Assurances and Priorities
- A4 Contact Details
- A5 Statement of Responsibility

## 01 Introduction

- 1.1 The purpose of this report is to update the Joint Independent Audit Committee (JIAC) as to the progress in respect of the 2016/17 Internal Audit Plan that was considered and approved by the JIAC at its meeting on 7<sup>th</sup> March 2016.
- 1.2 The Police and Crime Commissioner and Chief Constable are responsible for ensuring that the organisations have proper internal control and management systems in place. In order to do this, they must obtain assurance on the effectiveness of those systems throughout the year, and are required to make a statement on the effectiveness of internal control within their annual report and financial statements.
- 1.3 Internal audit provides the Police and Crime Commissioner and Chief Constable with an independent and objective opinion on governance, risk management and internal control and their effectiveness in achieving the organisation's agreed objectives. Internal audit also has an independent and objective advisory role to help line managers improve governance, risk management and internal control. The work of internal audit, culminating in our annual opinion, forms a part of the OPCC and Force's overall assurance framework and assists in preparing an informed statement on internal control.
- 1.4 Responsibility for a sound system of internal control rests with the Police and Crime Commissioner and Chief Constable and work performed by internal audit should not be relied upon to identify all weaknesses which exist or all improvements which may be made. Effective implementation of our recommendations makes an important contribution to the maintenance of reliable systems of internal control and governance.
- 1.5 Internal audit should not be relied upon to identify fraud or irregularity, although our procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control will not necessarily be an effective safeguard against collusive fraud.
- 1.6 Our work is delivered in accordance with the Public Sector Internal Audit Standards (PSIAS).

## 02 Summary of internal audit work to date

- 2.1 We have issued three final reports in respect of the 2016/17 plan since the last progress report to the JIAC. These were in respect of ICT Review, Risk Management and Walgrave Wellbeing Centre, the latter being an additional audit requested by the PCC. Additionally, we have issued a draft report in respect of Business Continuity and await management's response. Further details are provided in Appendix 1.

Northamptonshire 2016/17 Audits	Status	Assurance Opinion		Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
Victims Code of Practice	Final	Limited		-	7	3	10
Complaints Management	Final	Satisfactory		-	2	2	4
Code of Corporate Governance	Final	Satisfactory		-	4	3	7
Firearms Licensing	Final	Satisfactory		-	2	1	3
Procurement	Final	EMSCU - Limited	Local - Satisfactory	2	3	1	6
Core Financial Systems	Final	Satisfactory		1	7	3	11
Financial Planning / Savings Programme	Final	Satisfactory		-	3	1	4
ICT Review	Final	Satisfactory		-	1	4	5
Walgrave Wellbeing Centre	Final	Limited		2	4	-	6
Risk Management	Final	Force	OPCC	-	5	-	5
Business Continuity	Draft						
<b>Total</b>				<b>5</b>	<b>38</b>	<b>18</b>	<b>61</b>

2.2 Work is currently in progress with regards Capital Expenditure. Further details are provided within Appendix A2.

2.3 As reported in our previous progress report, five specific areas have been identified in terms of the collaborative audits for 2016/17. These reviews looked at the business plan and S22 agreement in terms of whether it is being delivered and is fit for purpose going forward; the scope also included value for money considerations and arrangements for managing risk. To date, we have finalised three reports (Share HR Service Centre, Legal Services and EMSOU). Work in respect of EMSOU has recently been completed and is being reviewed, whilst work in respect of EMOpSS is in progress.

Collaboration Audits 2016/17	Status	Assurance Opinion	Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
EM Shared HR Service Centre	Final	Satisfactory		1	3	4
EM Legal Services	Final	Limited	1	3	2	6
EMOpSS	Work in progress					
EMS Commercial Unit	Final	Satisfactory		3		3
EMSOU	Fieldwork complete; being reviewed.					
<b>Total</b>			<b>1</b>	<b>7</b>	<b>5</b>	<b>13</b>

## 03 Performance

- 3.1 The following table details the Internal Audit Service performance for the year to date measured against the key performance indicators that were set out within Audit Charter. This list will be developed over time, with some indicators either only applicable at year end or have yet to be evidenced.

No	Indicator	Criteria	Performance
1	Annual report provided to the JIAC	As agreed with the Client Officer	N/A
2	Annual Operational and Strategic Plans to the JIAC	As agreed with the Client Officer	Achieved
3	Progress report to the JIAC	7 working days prior to meeting.	Achieved
4	Issue of draft report	Within 10 working days of completion of final exit meeting.	100% (11/11)
5	Issue of final report	Within 5 working days of agreement of responses.	100% (10/10)
6	Follow-up of priority one recommendations	90% within four months. 100% within six months.	N/A
7	Follow-up of other recommendations	100% within 12 months of date of final report.	N/A
8	Audit Brief to auditee	At least 10 working days prior to commencement of fieldwork.	100% (12/12)
9	Customer satisfaction (measured by survey)	85% average satisfactory or above	100% (3/3)

## Appendix A1 – Summary of Reports 2016/17

Below we provide brief outlines of the work carried out, a summary of our key findings raised and the assurance opinions given in respect of the final reports issued since the last progress report:

### ICT Review

<b>Assurance Opinion</b>	Satisfactory
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<b>Recommendation Priorities</b>	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	1
Priority 3 (Housekeeping)	4

The audit objectives were to provide a high level review of the overall IT arrangements in place to support service delivery and, in particular, the impact of the Strategic Alliance, now tri-force arrangement. Consideration was given to providing assurance with regards key IT risks, such as those relating to data security, IT policies and procedures, network infrastructure and application controls. This included:

- Current position of IT strategic planning and governance structures light of changes from Strategic Alliance to tri-force arrangements.
- Clearly defined IT policies and/or procedures are in place and are available within the Force. The policies and procedures are reviewed and updated on a regular basis and users are appropriately trained.
- Network topology design has no single points of failure and data centres are secure.
- Users have appropriate levels of access to IT service and are subject to review.
- Mobile devices and other secure devices are appropriately encrypted or otherwise protection through mobile device management tools.
- Devices are appropriately secure from threat of virus or malware.
- IT Systems and devices are subject to appropriate change management and patch management procedures.
- Regular Penetration testing is undertaken.
- Governance procedures are in place to manage and maintain the PSN accreditation and the RMADS document set.

We raised one priority 2 recommendation where we believe there is scope for improvement within the control environment. This related to the development of a patching policy alongside the development of the tri-force WAN, with consideration of the appropriate resources needed to effectively maintain the infrastructure.

We also raised four housekeeping issue with regards a monitoring strategy, starters and leavers processes, policies and procedures, and data encryption and CPS.

Management confirmed that actions have either been implemented or have provided deadlines during 2017 for their implementation.



## Walgrave Wellbeing Centre

<b>Assurance Opinion</b>	Limited
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<b>Recommendation Priorities</b>	
Priority 1 (Fundamental)	2
Priority 2 (Significant)	4
Priority 3 (Housekeeping)	-

This audit was carried out as an additional piece of work, requested by the Police & Crime Commissioner, to that of the approved Internal Audit Plan for 2016/17.

External Audit reviewed the governance processes in place at the PCC and CC to capture declarations of interest and report related party transactions for inclusion within the financial statements. The review identified that a related party statement had been overlooked within the PCC's financial statements for all declarations. The omitted related party statement was in relation to a grant payment for £50,000 made by the PCC to Walgrave Wellbeing Centre Community Interest Company (CIC) towards the purchase of a minibus and modular building. The then Acting Chief Executive Officer for the PCC has a declaration of interest as a Director of the Walgrave Wellbeing Centre. A related parties note has now been included within the formally signed off financial statements for 2015-16.

In light of the above, the objective of the audit was to provide assurance with regards the systems and controls in place:

- a) to identify and capture related party transactions for subsequent disclosure within the financial statements; and
- b) to manage the award of grants to third parties.

Whilst the audit paid particular attention to the issue referred to above, we selected a wider sample to test the effectiveness of the control environment.

We raised two priority 1 recommendations of a fundamental nature that require addressing. These are set out below:

<b>Recommendation 1</b>	Decision Records should be produced for all grant decisions. The Decision Record should be accompanied by Supporting Reports and/or other relevant documentation to support the grant award. Such information should be held in a central repository and should include Agreements with the recipient and any subsequent monitoring returns.
<b>Finding</b>	<p>In addition to the grant payment to WWC, audit selected a further sample of four grants with the aim of testing the following:</p> <ul style="list-style-type: none"> <li>• Rationale / business case for the award</li> <li>• Application and criteria (for OFBCI grants)</li> <li>• Decision record and / or Executive Order</li> </ul> <p>Whilst there should be supporting documentation, including approval (whether in the form of a Decision Record or other means of recording the approval), not all documentation could be found, such as Decision Records, Supporting Reports, agreements and monitoring returns. It was noted that the introduction of Decision Records was a relatively new process, although Audit were also not able to locate other relevant documentation.</p>

	It was evident that there was a need to maintain a central repository of key documents to support the grant award / decision making process.
Response	<p>a) Agreed and accepted. The Head of Office will be asked to devise a process.</p> <p>b) Clear delineation required between an Executive Order (EO) and a Decision Record (DR); or simplification of process and adoption of a single Decision Record template for all PCC decisions.</p> <p>The Corporate Governance Framework, specifically the Scheme of Governance (paras 13.3.5 &amp; 13.4.3) relate to EOs and DRs. This needs to be reviewed and clarified before Corporate Governance Framework is endorsed.</p>
Timescale	<p>a) Director for Resources and Governance / 1<sup>st</sup> Nov 2016</p> <p>b) M Scoble / 20 Dec 16</p>

Recommendation 2	A process should be put in place for ensuring grants are being spent for the purposes they were awarded. This should include documented reporting routines and (as per 4.4) a central repository of key documentation.
Finding	<p>Linked to the need to hold a central repository of key documentation referred to in 4.4 above, testing of a sample of grants found in some instances there was a lack of documentation to provide evidence of a robust process for confirming grants were being spent for the purposes they were given.</p> <p>With regards WWC, an email was provided to Audit from the WWC stating that the minibus was on order and subsequent confirmation received that the minibus had been purchased. With regards the building works element of the grant, Audit were informed that, due to the stage of completion, the OPCC had still to confirm progress on the scheme and would expect a full report by the end of the year.</p>
Response	<p>a) Agreed and accepted. The Head of Office will be asked to devise a process.</p> <p>b) Link to serial 4.1 response</p>
Timescale	<p>a) Director for Resources and Governance / 1<sup>st</sup> Nov 2016</p> <p>b) M Scoble / 20 Dec 16</p>

We raised four priority 2 recommendations where we believe there is scope for improvement within the control environment. These are set out below:

- Consideration be given to expanding the information held on the register, in particular to capture the date when the interest first occurred. Any subsequent disclosure should then be reviewed to confirm any prior transactions with the organisation.
- A process should be put in place for capturing and recording information in respect of related party transactions which can subsequently be drawn upon when compiling the accounts.
- The Decision Record / Supporting Report should clearly set out if the decision impacts on an organisation where there is a business interest with an officer of the OPCC.
- The Delegated Limits set out in Section F of the Financial Regulations should clearly set out those limits with regards the award of grants, above which the approval of the PCC should be obtained

Management confirmed that all actions will be implemented by March 2017.

## Risk Management

<b>Assurance Opinion</b>	<b>Force - Satisfactory</b>
	<b>OPCC - Satisfactory</b>

<b>Recommendation Priorities</b>	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	5
Priority 3 (Housekeeping)	-

Our audit considered the following risks relating to the area under review:

- Clearly defined policies and/or procedures are not in place resulting in ineffective and inefficient working practices.
- Key risks are not identified and recorded which could lead to inappropriate management decisions being made.
- Risks identified do not reflect directorate objectives which could lead to the objectives not being achieved, significantly impacting the Force/OPCC.
- Gaps in the control framework are not identified which could lead to system objectives not being achieved.
- Key risk issues are not identified in a timely manner which could result in poor mitigation.
- There is a lack of coherence between the Force and the OPCC which could result in an ineffective working relationship.
- Known system weaknesses are not addressed, which could lead to a risk of continued exposure to risk.

In reviewing the above risks, our audit considered the following areas:

- Policies and Procedures
- Risk Registers
- Risk Mitigation
- Reporting Arrangements

We raised five priority 2 recommendations where we believe there is scope for improvement within the control environment. These relate to the following:

- Service level risk registers should be in place across all services at the Force and should include comprehensive details of all key risks to the departments. Service level risk registers should be recorded on the IPSO Risk Management Software.

A recommendation regarding service level risk registers was raised within the 2015/16 internal audit report of Risk Management. (Force)

- Risk Co-ordinators for each department within the Force should be reminded that each risk, and their mitigating actions, within the respective risk register should be reviewed and updated where necessary in line with the review dates recorded.  
Progress comments should be recorded and the review date should be amended as appropriate. (Force)
- Departmental risk registers should be reviewed to ensure that mitigation actions have been recorded against risks. Risk Co-ordinators should be reminded that mitigation actions should be recorded against each risk within the department's risk register on the IPSO Risk Management software. (Force)
- All Risk Coordinators should be trained by the Force Risk and Business Continuity Advisor on their roles and responsibilities and on the use of the IPSO Risk Management software to maintain risk registers.  
Further refresher training should be provided to Risk Coordinators on the recording and updating of risks on the IPSO Risk Management software.  
A recommendation regarding risk management training within the Force was raised within the 2015/16 internal audit report of risk management. (Force)
- Key staff within the OPCC should receive appropriate risk management training, whilst wider risk awareness should be developed across the OPCC including training on the new risk management processes implemented.  
A recommendation regarding training for OPCC staff was raised within the 2015/16 internal audit report of risk management. (OPCC)

Management confirmed that the recommendations would be implemented by the end of March 2017 (Force) and end of October 2017 (OPCC).

### Shared Human Resource Service Centre

<b>Assurance Opinion</b>	<b>Satisfactory</b>
<b>Recommendation Priorities</b>	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	1
Priority 3 (Housekeeping)	3

Our audit considered the following risks relating to the area under review:

- A Section 22 agreement is in place that clearly sets out the decision making and governance framework that is in place;
- A clearly defined Business Plan is in place that sets out the statutory duties, objectives and the key performance indicators for the services to be provided;
- The Business Plan is set in line with the Section 22 agreement and it is regularly reviewed to ensure it remains 'fit for purpose';
- There are effective reporting processes in place to provide assurances to the Forces on the performance of the unit;
- Value for money considerations are regularly reviewed and reported to the Forces; and
- The unit has procedures in place to ensure that risks are identified, assessed recorded and managed appropriately.

We raised one priority 2 recommendation where we believe there is scope for improvement within the control environment. This related to the following:

- The current SLA KPI's should continue to be reviewed to ensure SHRSC are able to clearly report on each one. These should be presented and approved at the next Management Board

Moreover, a quarterly performance report that includes all SLA KPI's should be created and communicated to both Forces to allow effective scrutiny of SHRSC performance.

We also raised three priority 3 recommendations of a more housekeeping nature. These were in respect of approval of the business plan, risk management and reporting of value for money.

Management confirmed that the recommendations would be implemented by the end of March 2017.

### East Midlands Strategic Commercial Unit

<b>Assurance Opinion</b>	<b>Satisfactory</b>
<b>Recommendation Priorities</b>	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	3
Priority 3 (Housekeeping)	-

Our audit considered the following risks relating to the area under review:

- A Section 22 agreement is in place that clearly sets out the decision making and governance framework that is in place;
- A clearly defined Business Plan is in place that sets out the statutory duties, objectives and the key performance indicators for the services to be provided;
- The Business Plan is set in line with the Section 22 agreement and it is regularly reviewed to ensure it remains 'fit for purpose';
- There are effective reporting processes in place to provide assurances to the Forces on the performance of the unit;
- Value for money considerations are regularly reviewed and reported to the Forces; and
- The unit has procedures in place to ensure that risks are identified, assessed recorded and managed appropriately.

We raised three priority 2 recommendations where we believe there is scope for improvement within the control environment. These related to the following:

- The Forces' and EMSCU should ensure that the Management Board meetings are held on a regular / quarterly basis in order that performance is appropriately reviewed and actions put in place to address areas of weakness where necessary.

The SLT meeting timetable and agenda should be updated to reflect the move from monthly meetings to quarterly and ensure all standing agenda items listed are addressed at each meeting.

- The Business Plan should be reviewed and approved by the EMSCU Management Board to ensure the Forces have assurance that it meets the requirements of each Force.
- EMSCU should review the current KPI's that are in place and should prepare updated KPI's that can be presented to the Management Board for scrutiny, approval and subsequent regular reporting.

Management confirmed that the recommendations would be implemented by the end of March 2017.

## Appendix A2 Internal Audit Plan 2016/17

Auditable Area	Planned Fieldwork Date	Actual Fieldwork Date	Draft Report Date	Final Report Date	Target JIAC	Comments
<b>Core Assurance</b>						
Risk Management	Feb 2017	Jan / Feb 2017	Feb 2017	Feb 2017	March 2017	Final report issued.
Governance	May 2016	July 2016	Aug 2016	Nov 2016	Sept 2016	Final report issued.
Procurement	Nov 2016	Oct 2016	Nov 2016	Nov 2016	March 2017	Final report issued.
<b>Core Financial Systems</b>						
Payroll	Oct 2016	Oct 2016	Nov 2016	Nov 2016	Dec 2016	Final report issued.
Cash, Bank & Treasury	Oct 2016	Oct 2016	Nov 2016	Nov 2016	Dec 2016	Final report issued.
General Ledger	Oct 2016	Oct 2016	Nov 2016	Nov 2016	Dec 2016	Final report issued.
Income & Debtors	Oct 2016	Oct 2016	Nov 2016	Nov 2016	Dec 2016	Final report issued.
Payment & Creditors	Oct 2016	Oct 2016	Nov 2016	Nov 2016	Dec 2016	Final report issued.

Auditable Area	Planned Fieldwork Date	Actual Fieldwork Date	Draft Report Date	Final Report Date	Target JIAC	Comments
<b>Strategic &amp; Operational Risk</b>						
Information Technology	Dec 2016	Nov / Dec 2016	Dec 2016	Jan 2017	March 2017	Final report issued.
Financial Planning / Savings Programme	Sept 2016	Oct 2016	Oct 2016	Nov 2016	Dec 2016	Final report issued.
Firearms Licensing	May 2016	Aug 2016	Aug 2016	Sept 2016	Dec 2016	Delayed to Aug 2016 on client request. Final report issued.
Business Continuity	Dec 2016	Dec 2016	Dec 2016		March 2017	Draft report issued.
Complaints Management	June 2016	May 2016	May 2016	June 2016	Sept 2016	Final report issued
Victims Code of Practice	May 2016	April 2016	May 2016	June 2016	June 2016	Final report issued
Capital Expenditure	Jan 2017	Feb 2017			March 2017	Delayed to Feb 2017 on client request. Work in progress.
<b>Collaboration</b>						
EMCHRS Transactional Services	Sept 2016 – Jan 2017	Dec 2016	Dec 2016	Jan 2017	March 2017	Final report issued.
EM Legal Services	Sept 2016 – Jan 2017	Nov 2016	Nov 2016	Nov 2017	Dec 2016	Final report issued.
EMOpSS	Sept 2016 – Jan 2017	Feb 2017			March 2017	Work in progress.
EMS Commercial Unit	Sept 2016 – Jan 2017	Nov 2016	Dec 2016	Jan 2017	March 2017	Final report issued.



Auditable Area	Planned Fieldwork Date	Actual Fieldwork Date	Draft Report Date	Final Report Date	Target JIAC	Comments
EMSOU	Sept 2016 – Jan 2017	Jan / Feb 2017			March 2017	Fieldwork completed; being reviewed.
<b>Other</b>						
Core Financials Follow-up	-	June 2016	July 2016	July 2016	Sept 2016	
Walgrave Wellbeing Centre	-	Sept 2016	Oct 2016	Jan 2017	March 2017	Addition request from PCC. Final report issued.

## Appendix A3 – Definition of Assurances and Priorities

Definitions of Assurance Levels		
Assurance Level	Adequacy of system design	Effectiveness of operating controls
<b>Significant Assurance:</b>	There is a sound system of internal control designed to achieve the Organisation's objectives.	The control processes tested are being consistently applied.
<b>Satisfactory Assurance:</b>	While there is a basically sound system of internal control, there are weaknesses, which put some of the Organisation's objectives at risk.	There is evidence that the level of non-compliance with some of the control processes may put some of the Organisation's objectives at risk.
<b>Limited Assurance:</b>	Weaknesses in the system of internal controls are such as to put the Organisation's objectives at risk.	The level of non-compliance puts the Organisation's objectives at risk.
<b>No Assurance</b>	Control processes are generally weak leaving the processes/systems open to significant error or abuse.	Significant non-compliance with basic control processes leaves the processes/systems open to error or abuse.

Definitions of Recommendations	
Priority	Description
<b>Priority 1 (Fundamental)</b>	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.
<b>Priority 2 (Significant)</b>	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.
<b>Priority 3 (Housekeeping)</b>	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.

## Appendix A4 - Contact Details

### Contact Details

David Hoose  
07552 007708  
[David.Hoose@Mazars.co.uk](mailto:David.Hoose@Mazars.co.uk)

Brian Welch  
07780 970200  
[Brian.Welch@Mazars.co.uk](mailto:Brian.Welch@Mazars.co.uk)

## A5 Statement of Responsibility

### **Status of our reports**

*The responsibility for maintaining internal control rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy of the internal control arrangements implemented by management and perform testing on those controls to ensure that they are operating for the period under review. We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone are not a guarantee that fraud, where existing, will be discovered.*

*The contents of this report are confidential and not for distribution to anyone other than the Office of the Police and Crime Commissioner for Northamptonshire and Northamptonshire Police. Disclosure to third parties cannot be made without the prior written consent of Mazars LLP.*

*Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group. Mazars LLP is registered by the Institute of Chartered Accountants in England and Wales to carry out company audit work.*

## INTERNAL AUDIT RECOMMENDATIONS DASHBOARD

### Summary of Audit Progress and Outcomes

#### 2014/15

Audits are graded as Red, Amber, Amber/Green or Green. Some thematic audits are advisory only and not graded. Recommendations are prioritised as High, Medium or Low to reflect the assessment of risk associated with the control weaknesses.

AUDIT	DATE	GRADE	RECOMMENDATIONS MADE		
			High	Medium	Low
Operational Areas – Stock Management – 1.14/15	02 July 2014	Green	0	0	0
Firearms Licensing – 2.14/15	18 August 2014	Green	0	0	2
Medium Term Financial Planning and Budget Setting - 3.14/15	20 November 2014	Green	0	0	1
Risk Management – 4.14/15	02 September 2014	Amber/Green	0	2	6
Estates Strategy / Management 5.14/15	24 November 2014	Amber/Green	0	1	0
Force Control Room Business Continuity 6.14/15	10 December 2014	Amber	0	3	3
Key Financial Controls 7.14/15	05 February 2015	Green	0	1	0
Commissioning – 8.14/15	26 May 2015	Amber	0	2	1
Follow up – 9.14/15 - Draft	12 May 2015	Not graded			
Governance – 10.14/15	20 March 2015	Green	0	1	2
Human Resources – Workforce Strategy – 11.14/15	27 May 2015	Amber/Green	0	3	2
IT Licenses					
Volunteers – Strategy, recruitment and training					
Collaboration – Efficiency Savings Plans					

#### 2015/16

Audits are graded as No Assurance, Limited Assurance, Satisfactory Assurance or Significant Assurance. Some thematic audits are advisory only and not graded. Recommendations are prioritised as Priority 1 (Fundamental), Priority 2 (Significant) or Priority 3 (Housekeeping) to reflect the assessment of risk associated with the control weaknesses.

AUDIT	DATE	GRADE	RECOMMENDATIONS MADE		
			Priority 1	Priority 2	Priority 3
Risk Management	September 2015	Limited Assurance	2	3	6
Procurement – EMSCU Level Purchases (above £25000)	February 2016	Limited Assurance	2	6	1

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AUDIT	DATE	GRADE	RECOMMENDATIONS MADE		
			Priority 1	Priority 2	Priority 3
Procurement – Local Level Purchases (below £25000)	February 2016	Satisfactory Assurance			
Detained Cash	February 2016	Limited Assurance	1	5	2
Specials Governance	February 2016	Satisfactory Assurance	0	2	0
Core Financials	March 2016	Limited Assurance	3	5	3
Change Management	May 2016	Not Graded	7 ungraded		

## 2016/17

Audits are graded as No Assurance, Limited Assurance, Satisfactory Assurance or Significant Assurance. Some thematic audits are advisory only and not graded. Recommendations are prioritised as Priority 1 (Fundamental), Priority 2 (Significant) or Priority 3 (Housekeeping) to reflect the assessment of risk associated with the control weaknesses.

AUDIT	DATE	GRADE	RECOMMENDATIONS MADE		
			Priority 1	Priority 2	Priority 3
OPCC Victims Code	01 June 2016	Limited Assurance	0	7	3
Complaints Management	June 2016	Satisfactory Assurance	0	2	2
Firearms Licensing	September 2016	Satisfactory Assurance	0	2	1
Financial Planning & Savings Programme	November 2016	Satisfactory Assurance	0	3	1
Code of Corporate Governance	November 2016	Satisfactory Assurance	0	4	3
Procurement Follow Up – EMSCU level purchases > £25k	November 2016	Limited Assurance	2	3	1
Procurement Follow Up – Local level purchases < £25k		Satisfactory Assurance			
Business Continuity - Draft	December 2016	Satisfactory Assurance	0	2	3
ICT Review	January 2017	Satisfactory Assurance	0	3	1
Risk Management	February 2017	Satisfactory Assurance	0	5	0

## OUTSTANDING RECOMMENDATIONS

### Key to Status



Action complete



Action ongoing



Action outstanding and past its agreed implementation date



Action no longer applicable or superseded by later audit action

[Type text]

**2014/15**

**Force Control Room Business Continuity – 6.14/15**

REF	RECOMMENDATION	CATEGORY	ACCEPT Y/N	ORIGINAL IMPLEMENTATION DATE	MANAGEMENT COMMENT	REVISED IMPLEMENTATION DATE	MANAGER RESPONSIBLE	STATUS
3.2	<p>A business impact analysis should be undertaken to determine recovery priorities and required resources and timeframes to recover business operations following a disruption.</p> <p>The BCP and backup arrangements should be reviewed upon completion of the business impact analysis to ensure recovery arrangements meet business objectives.</p>	Medium	Y	28 February 2015	<p>When the plan is finalised I will liaise with Richard Baldwin and discuss it to ensure compliance and compatibility with other force contingency. I will discuss business impact analysis with him.</p> <p>Update – The BIA analysis is scheduled to be complete by the end of w/c 31 Aug 15. BCP's will be reviewed once the BIA analysis is complete</p> <p>Update – The FCR Business Continuity Plan has been updated and is due to be published in June 2016. The BIA is due to be re-assessed in June 2016.</p> <p>Update – The updated BCP has been published. Work on the BIA is ongoing.</p> <p>Update – Following further discussion it was agreed that a revised BIA would offer little additional benefit as the FCR already has a dedicated recovery site available on an immediate basis. The BCP is reviewed annually and the recovery site tested to ensure it remains fit for purpose.</p>	Ongoing	Steve Herbert	
3.5	<p>Upon completion of the Business Impact analysis exercise:</p> <p>The Force Control Room Business Continuity Plan should be reviewed for compatibility and alignment with the IT Disaster Recovery Plan.</p>	Medium	Y	28 February 2015	<p>Compatibility and alignment with the IT disaster Recovery Plan will be considered prior to acceptance.</p> <p>Update – This is dependent on completion of the BIA analysis</p> <p>Update – As above.</p>	Ongoing	Steve Herbert	

[Type text]

### Key Financial Controls – 7.14/15

REF	RECOMMENDATION	CATEGORY	ACCEPT Y/N	ORIGINAL IMPLEMENTATION DATE	MANAGEMENT COMMENT	REVISED IMPLEMENTATION DATE	MANAGER RESPONSIBLE	STATUS
5.1	<p><b>Restated recommendation 2013/14</b></p> <p>Reconciliation should be undertaken on a periodic basis between the IT items on the Fixed Asset register back to local inventory records to ensure that it represents an accurate view of the assets held. Periodic verifications should be undertaken against the items held in the LANDesk system to ensure the accuracy of records is maintained. This could be done on a sample basis to identify the highest value items.</p>	Medium	Yes accept a process is required	2016/17	<p>Unlikely to be implemented in the next 12 months.</p> <p>Update - Proposal to remove recommendation as this is unlikely to be resolved in the short term &amp; this recommendation has been pending for 3 years with no increase or decrease in risk.</p>		Nick Alexander	

### Follow Up – 9.14/15

2.2 Business Continuity [4.13/14]								
REF	RECOMMENDATION	CATEGORY	ACCEPT Y/N	ORIGINAL IMPLEMENTATION DATE	MANAGEMENT COMMENT	REVISED IMPLEMENTATION DATE	MANAGER RESPONSIBLE	STATUS
3.3	<p><b>Original Recommendation</b></p> <p>A communication programme should be designed to ensure that all employees understand the Business Continuity Management Policy, business continuity priorities and what their individual responsibilities are in respect of business continuity management.</p> <p><b>Update</b></p> <p>We were informed by the Force Risk and Business Continuity Advisor, that no further progress had been made regarding this recommendation, pending roll out of the NCALT training package.</p> <p><b>This recommendation had not been implemented and has been carried</b></p>	Medium	Y	TBC	<p><b>Original Comment</b></p> <p>As the report states an NCALT training package for all employees is being developed as part of the national BC strategy and is expected to be delivered in 2014. Once this has been delivered we can review the content to see if any further material is needed. Update – The training package being developed as part of the national strategy is still being outstanding. A national lead has been appointed to drive this forward.</p> <p>Update – Work by the national BC Forum to deliver a training package is ongoing.</p> <p>Update – A draft training package has been produced and circulated for feedback.</p>	Ongoing	Richard Baldwin	





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**2015/16**

**Risk Management – September 2015**

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.1	<p><b>Service Level Risk Registers</b>  <i>Observation:</i> In order for risks to be effectively managed across departments within the force, service level risk registers should be in place that include all key risks to the departments.</p> <p>A sample of six service areas within the Force were selected and it was confirmed that in two instances (Northampton Local Policing and Cyber Crime Unit) the service area did not have a risk register in place.</p> <p>Further to this, in one instance (Human Resources) only two risks for the department had been identified and, therefore, these may not be sufficient for an appropriate risk register for the service.</p> <p>Risk: Where service specific risk registers are not in place, risks at an operational level may not be effectively managed and escalated for further action to be taken.</p>	<p>Service level risk registers should be in place across all services at the Force and should include comprehensive details of all key risks to the departments. (Force)</p>	<b>1</b>	<p>Agreed. The Risk and Business Continuity Advisor will meet with departmental heads to ensure that they are correctly identifying and recording risks and that they maintain risk registers</p> <p>Update – Risk Advisors have been identified for a number of the areas where risk registers were not in use and training has been provided as required.</p> <p>Further work will need to be undertaken to align the risk following implementation of the Service Delivery Model.</p> <p>Update – Follow up audit January 2017. New recommendation raised</p>	<p>Risk &amp; Business Continuity Advisor            31/12/2015</p>	

**Procurement – February 2016**

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.3	<p><b>Framework Record Update</b>            In order for Officers to be aware of all frameworks that are currently in place, the frameworks list should be up to date and maintained on a regular basis as new suppliers are added or removed.</p> <p>Audit confirmed with the EMSCU that at the time of the audit the frameworks list required an update to include all current frameworks in place and that this was not being regularly reviewed.</p> <p>Risk: Where staff and Officers are unaware of all frameworks in place there is a risk that value for money</p>	<p>The record of frameworks in place should be updated and reviewed on a regular basis to include all current frameworks.</p> <p>(EMSCU responsibility)</p>	<b>2</b>	<p>Accepted</p> <p>Action:- EMSCU to update framework list on an active basis.</p> <p>This to be circulated to all stakeholders via the Engagement Partners</p> <p>Update - Reviews and updating of information is on-going, as this is an active database, this review will continue and will continue as a Business as Usual practise.</p> <p>Update – Follow up audit November 16 –</p>	<p>David Bailey            31st March 2016</p>	

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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	is not obtained.			Frameworks had been updated and monitored.		
4.4	<p><b>Value for Money Across Forces</b>            Audit confirmed that the Northamptonshire Police Finance Department conduct local monitoring of purchases on the MFSS Oracle system to identify any inappropriate purchases. However, it was noted that currently no cross-force monitoring of purchases below £25,000 takes place.            Monitoring of purchases below £25,000 across the shared service forces could identify further efficiencies. Reviewing the accumulated spend across the Forces in specific areas would identify where multiple contracts could be amalgamated to deliver greater economies of scale and further savings.            Risk: Where duplicate purchases and/or high value purchases with suppliers across East Midlands Forces are not identified there is a risk that value for money is not obtained.</p>	<p>Consideration should be given to monitoring purchases below £25,000 across the shared service forces.            (Local responsibility)</p>	2	<p>We have employed a Procurement Officer on an 18 month Fixed term Contract to deliver, Force-wide scrutiny of similar catalogue spend (&amp; escalated to EMSCU if appropriate), alignment to on-going EMSCU contract negotiations, improved procurement processes/ efficiency and better contractual terms and ability to hold those suppliers for the services provided.            Update - The position has been filled and work is ongoing with EMSCU and the IT team to implement a robust new system to streamline reviews of expenditure prior to commitment.            Update – Follow up audit November 16 – There is no report of under £25k expenditure reviewed and a new recommendation raised (4.4)</p>	<p>As part of the business planning, this will have a no PO no pay by the end of the financial year &amp; the purchasing review will be completed before June 2016 (Strategic Alliance).            Nick Alexander</p>	
4.5	<p><b>Purchases Supported by Business Cases</b>            To ensure that all purchases for a value greater than £25,000 are appropriate, these should be supported by an appropriate business case. The business case should be in the form of a detailed statement of requirement, single tender award or individual business case where appropriate.            Audit could not confirm in two out of 15 contracts tested (CN1000799 and CN1000959) that an appropriate business case had been provided for the purchases.            Risk: Where purchases greater than £25,000 are not appropriate there is a risk of a substantial financial loss to the Force.</p>	<p>Purchases for a value greater than £25,000 should be supported by a business case.            (Local responsibility)</p>	2	<p>In conjunction with Internal Audit we are currently looking at how senior teams with the responsibility to spend above £25k ensure that decisions are taken with full knowledge of the current situation regarding Strategic Alliance, Regional ISD, Niche, Transformation portfolio and Corporate Services/ Business plans &amp; where appropriate those decision take note of the inherent risk of each of those and then in conjunction with the EMSCU Business Partner the terms of that contract can then be considered there in.            Update – Follow up audit November 16 – Audit testing in this area found 4/10 missing business cases. New recommendation raised (4.5)</p>	<p>The no PO no pay &amp; internal audit plan for 2015/16 will conclude by 31st March, therefore the Force where possible (ie there will be some expenditure such as legal cases that will not be made via PO) will ensure that expenditure above £25k is supported by a business statement/</p>	

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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
					justification. Nick Alexander	
4.9	<p><b>Procedure Update</b> To ensure that all staff follow the correct procedures for procurement, all procedure documents should be reviewed and updated on an annual basis with appropriate approval. Audit confirmed that there are sufficient procedures in place for the procurement process. It was identified that these are available to staff via the forces internal website that all staff have access to. The available documentation are divided into a number of areas on the EMSCU Policies and Procedures page on the intranet. Audit reviewed the guidance available to staff and it was identified that a number of the documents were not up date i.e. these had not been reviewed/updated within the last 12 months. Risk: Where staff do not follow the correct procedures there is a risk of inefficient, ineffective and out dated working practices.</p>	<p>Procedure notes should be reviewed and updated where necessary on at least an annual basis.  (Local responsibility)</p>	<b>3</b>	<p>The force with EMSCU will review these documents at least annually (a review was completed with the previous EMSCU business Partner, however, I do not believe that this has been recorded. The head of Finance with the Procurement officer and EMSCU will review the documents again before the close of the third quarter of the financial year. Update - All processes are currently being reviewed &amp; updated &amp; as part of the MFSS optimisation group processes are being improved where possible or plans put in place to improve their output over time. This includes both self service, retained process &amp; MFSS resource implications, as service &amp; processes are reliant on all aspects of staff across the bodies. Update – Follow up audit November 16 – Procedures had been updated.</p>	<p>29th February 2016 Nick Alexander</p>	

### **Detained Cash – February 2016**

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.4	<p><b>Segregation of Duties for Fingerprints</b> To ensure that there is appropriate overview of the fingerprints process, and in order for there to be more than one officer involved in the entire fingerprints process, a segregation of duties should be present. It was confirmed that one Officer conducts the fingerprints process at Corby Police Station. Appointments are made for the fingerprints and the member of the public will pay on the day their fingerprints are taken. The Officer conducting the process maintains a manual fingerprints register. Receipts are issued to the payee via the use of the receipt book in which the Force retains a copy. Cash is</p>	<p>A segregation of duties should occur in the process of providing the public with fingerprints.</p>	<b>2</b>	<p>Following the full implementation of the E-Services project, we will request a new online functionality is created to record bookings of finger prints rather than phone call records, with a process to allow for cancellations to be emailed back to the end user, which will mean an ability to reconcile between cash in vs appointments.  Update - The E-Services project is aware of this requirement, but it is being managed on a prioritisation basis and will be delivered as part of the online package expected on full</p>	<p>Nick Alexander 31.03.17</p>	

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Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
<p>banked as soon as possible by the Officer and where this is required to be stored it will be securely kept in the Corby cash safe. The fingerprints register details are sent to MFSS on a monthly basis to support the income account reconciliation process.</p> <p>However, it was noted this Officer may be the only one involved in the process. For example, the Officer could arrange the appointment, take the fingerprints, take the payment and bank the cash, with no other officer or record being involved in the process. This could therefore lead to the risk that a payment may not be recorded and a receipt may not be present which could cause fraudulent activity to go unidentified.</p> <p>Risk: Where there is only one officer involved in the entire fingerprints process there is a risk of errors or fraudulent activity going undetected.</p>			<p>implementation across the next 12 months. Currently we rely on the Trust &amp; Professional Integrity of our officers &amp; will continue to do so until a practical electronic process is available.</p>		

### Core Financials – March 2016

Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
<p>4.3 <b>Scheme of delegation</b></p> <p><i>Observation:</i> The current Scheme of Delegation has not been reviewed / updated to reflect the current purchasing arrangements embedded through the MFSS processes.</p> <p>The Force scheme allows only authorised officers and staff to place an order for up to £20,000 (prior to application of further procurement rules), however in practice all staff can 'self-serve' up to £250 then a further hierarchy exists within the Oracle system up to £1,000 and then stages up to £25,000.</p> <p>It is noted that management within the Force are due to review the Scheme of Delegation and Financial Regulations and action updates to ensure consistency between required process and practice.</p> <p><i>Risk:</i> The current purchasing hierarchy and activity is not in line with the Force Scheme of Delegation and therefore there is a risk that spending is not authorised and controlled in line with Financial Regulations.</p>	<p>Northamptonshire Police Scheme of Delegation should be reviewed and updated to ensure that authorised spending limits (if considered appropriate) embedded within the Oracle system are reflected in the Force Financial Regulations and Scheme of Delegation.</p> <p>The updated documents should then be reissued across the Force and OPCC to ensure current regulations are available to all staff.</p>	1	<p>The financial regulations are currently being updated to the appropriate levels ie £25k &amp; to include the explicit line regarding £1,000 self-approval.</p> <p>Update - We have issued a revised Scheme of delegation from the OPCC and the Force's policy is currently being completed for 30.10.16</p> <p>Update - Revised Financial Regulations have been issued covering the risk.</p>	<p>Debbie Clark 31.03.16</p> <p>Complete</p>	

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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.4	<p><b>Payroll Manual Input Process</b>  <i>Observation:</i> Due to the lack of interface between the Oracle and epayfact Payroll system, all starters, leavers and variations have to be manually input to Payroll based on service desk requests or extracts from the Oracle system. It is the intention to introduce an interface and project work was on going at the time of the audit.            From testing undertaken on five starters, it was identified that one had been manually input as working 7 hours a week rather than 37. The officer had subsequently received an incorrect salary and an emergency payment had to be actioned.            Although staff stated that secondary checks are carried out on Payroll input, and a signature did exist on paperwork to indicate this, it was unclear whether all key details were being checked given that this error had not been identified through the secondary check process.  <i>Risk:</i> Operation of a manual input system and weaknesses in the secondary checking process leading to increased risk of errors effecting staff and officer remuneration. This can cause both financial and reputation risk to the Force and inconvenience members of staff. In addition, the use of this manual system is deemed an inefficient use of resource.</p>	<p>The implementation of the interface for the Payroll system should be progressed.            In the interim, and for the purpose of actioning starters, leavers and variations, Payroll should introduce 'checklists' to identify and confirm that all key details (including staff and officer grade, contracted hours and personal details) have been correctly input to the system prior to the payroll run.</p>	2	<p>Checklist will be introduced – Payroll Team Leader is currently working on this. The implementation of the new Oracle Payment and the development of extracts from HR for upload into ePayfact has been accelerated and the team have been reminded in the interim of the care that needs to be taken when carrying out secondary checks.</p> <p>Update - The payroll system implementation is on-going and will remove all but necessary (ie emergency adjustments, death etc) significant proportion of manual entry.</p> <p>Update - The recommendation of checks has been implemented.</p> <p>MFSS have requested that the a basic follow up and specification of design that the audit functionality is switched on to allow Payroll to receive a Service Request for each amendment to check and approve those changes. Cap Gemini are currently looking at this, however, with the workshops around the re-implementation of oracle a date for implementation is yet to be agreed.</p>	<p>Pam Rourke, MFSS Process 31.03.16 System implementation 31.07.16</p> <p>Complete</p>	
4.9	<p><b>MFSS Process Maps/ Desk Instructions</b>  <i>Observation:</i> MFSS operate a large number of procedural guidance notes and 'desk instructions' for staff reference to support their transactional processes. Audit reviewed these processes and identified that some had not been updated since 2012. In addition, version control did not exist on all documentation and therefore it could not be confirmed these were subject to regular review and update.  <i>Risk:</i> Failure to regularly review, update and maintain key procedural guidance can lead to working practices becoming inconsistent and outdated. Furthermore, if guidance for new staff is not current, this may lead to incorrect processes being applied and reputational</p>	<p>MFSS process maps and desk instructions should be subject to review and update where necessary, following which they should be subject to this process at least annually. Any revisions to instructions should be communicated to all relevant staff.</p>	2	<p>Agreed that we need to update the documents for the inclusion of Nottingham. Although the processes themselves have not changed we will review the documents annually. However, a wholesale review of processes is underway to update as appropriate.</p> <p>Update - All processes are currently being reviewed &amp; updated &amp; as part of the MFSS optimisation group processes are being improved where possible or plans put in place to improve their output over time. This includes both self service, retained process &amp;</p>	<p>Nick Alexander &amp; Pam Rourke, MFSS 31.07.16</p> <p>Complete - BAU</p>	

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Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
damage for MFSS.			MFSS resource implications, as service & processes are reliant on all aspects of staff across the bodies.		

## 2016/17

### OPCC Victims Code – June 2016

Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
<p>4.1 <b>Written Acknowledgement</b>  <i>Observation:</i> VCOP entitles all victims to receive written acknowledgement that they have reported a crime, including basic details of the offence. Northamptonshire Police Officers should issue the personalised Information for Victims booklet to each victim, with relevant details completed, and this should be recorded on the Niche system. (For the legacy system cases, an automatic letter or email to acknowledge the crime was generated and issued to the victim).            Sample testing on twenty cases identified:            •Five out of twelve cases which related to FIS did not evidence generation / issue of the standard letter. Out of the remaining eight cases created in Niche (post 8th March 2016):            •Four cases evidenced that the 'booklet issued' field had been left blank;            •Two cases noted that the booklet had not been issued due to this being dealt with by telephone resolution;            •One case noted that the booklet had not been issued but the reason to support this was not recorded; and            •For the remaining case the officer had noted that the booklet had been issued to the victim.            Therefore, from our sample of twenty cases, the written acknowledgement could only be confirmed in eight instances.  <i>Risk:</i> Failure to acknowledge the victim has reported a crime and to provide basic details of the offence as confirmation, alongside officer contact details and crime reference number, may result in the victim's</p>	<p>Officers should be reminded that all victims should be issued with written acknowledgement that they have reported a crime in line with their VCOP entitlements. This should include their crime reference number and the basic details of the offence. In addition, the Force should establish how these requirements can be met for telephone resolutions and explore the possibility of letters or email in these cases, with evidence maintained on the Niche system to support this acknowledgement has been provided.</p>	2	<p>Further development of the booklet is required to meet diverse needs of service users and improve accessibility. There is a potential training requirement but the Niche Programme Team will support the business as necessary with reminder communications regarding minimum requirements for both officer deployed and FCR support to non-deployed scenarios. This will help ensure the written (email/text/post) update can be provided as required. A further comms campaign for the use of Track my Crime where appropriate will automatically track updates in Niche each time there is an update to the victim. The recording of the issuing of the booklet in Niche is a Yes or No field in the VCOP module. If No is selected, there isn't yet anything that confirms how this is going to be provided. This will be referred to the regional Niche Design Authority to consider how this can be improved.</p> <p>Update - Niche has supported the business and reminder communications on VCOP have been delivered.            PG will re write the Niche VCOP user guide to support non deployed scenarios</p> <p>Comms have been delivered on TMC and use of TMC is monitored in Nice and on the MOJ</p>	<p>Rachel Swann/Paul Bullen – December 16</p>	

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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	entitlements not being met under VCOP.			<p>TMC group.</p> <p>The yes / no option re booklet supplied</p> <p>The Webform now has three choices in this field. , referred to Website, Contract supplied &amp; Not provided.</p> <p>This was discussed at Niche VCOP leads meeting and is now mandatory and was as per the design on the last webform test and will be in a Niche drop update.</p>		
4.2	<p><b>Opt In Field</b>  <i>Observation:</i> As part of the crime recording process, officers are required to ask the victim whether they require victim support and this is now required to be recorded within the new VCOP module in Niche on an 'accept' or 'decline' basis. It was noted that although officers are instructed to complete this field, it is not mandatory in terms of system functionality which is also the case in the VCOP module. Where this field is not completed by an officer the acceptance is 'unknown' however the victim is still referred to Voice.            No exception reporting is currently undertaken to highlight where this field has not been completed. From sample testing on twenty cases we found that:            •Six did not have accept/ decline completed (four related to Niche and two to FIS); and            •Two further cases were marked as 'not applicable' as the victim was recorded as a business (rather than the business owner for example).            The Victims Code of Practice states that:            'All businesses or enterprises (such as charities) that have had criminal offences committed against them are entitled to receive services in accordance with Chapter 2 of the Code provided they give a named point of contact for all communication between the business and service provider.'  <i>Risk:</i> Where the relevant fields are not completed, Victim's may not be automatically referred for the support that they have requested, leading to the risk of</p>	<p>Officers should be reminded to complete the Accept/ Decline options in Niche to ensure that only those victims who agree to support are referred to Voice.            Clarification on treatment of business/ organisations as victims should also be provided to ensure a named point of contact is established, where applicable, to accommodate their referral for support.            Performance reporting in respect of the completion of the Accept and Decline (Opt In / Opt Out) field within Niche should be introduced. This should highlight where this field has not been completed and minimise the risk of referrals/ data sharing being actioned where there is no consent to do so.            As an alternative, the implementation of a mandatory field to support the Opt In model should be revisited with the other forces to establish whether there is any support to request a system change. This should consider the cost of making this field mandatory against the resource that would be utilised in the compensating</p>	<b>2</b>	<p>VCOP states that "The police will explain to you [the victim] that they will automatically pass your details to victim support services within 2 working days of reporting the crime. You are entitled to ask the police not to pass on your details to victim support services."            Voice was commissioned to provide an 'opt out' service where unless otherwise stated, the victim's details were automatically passed to Voice, who would then independently of the police seek to make contact with the victims and offer support services.            The development plan for the Niche web form includes system improvements that mandate the use of the 'opt in' or 'opt out' referral options. The development timescales are still to be confirmed but it is likely that work will commence after Derbyshire's Niche go-live at the end of June 2016. In the interim, Northants have agreed that any null returns will create an automatic referral to Voice, thereby ensuring we do still have a position where victim's details are passed unless otherwise specifically stated as endorsed by the OPCC and Voice.            The OPCC has requested and is awaiting data and analysis of the 'take up' of the VCOP module and particularly the number of null returns.</p>	Rachel Swann – December 16	



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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	repeat victimisation and VCoP entitlements not being met.	controls.		<p>The Corporate Performance Team have produced performance reports monitoring completion of the VCoP module in Niche but these do not yet drill down to whether the accept or decline selection is made. There is a wider training consideration for the business regarding raising awareness of the VCoP requirement for business / organisations.</p> <p>Although there may not have been a named individual from the above organisation samples who requested a written update, and the 'not applicable' selection was correct, the regional Niche Design Authority should be asked to consider business rules for how such information will be captured in Niche.</p> <p>Update - VCoP Victim Service - this was discussed at VCoP Op Leads meeting and the last Webform test has the Victim Service as a mandatory field.</p> <p>This gives the options as Victim informed of services – accepted, Victim informed – declined.</p> <p>The recommendation was that the victim services and the victimless crime options be removed</p>		
4.3	<p><b>Preferred method of contact/ Track my Crime</b>  <i>Observation:</i> VCoP entitles witnesses to verify their preferred method and frequency of contact to ensure they are updated throughout any case/ investigation. From testing undertaken on twenty crimes we found that in four cases email had been identified as a preferred method of contact but the officer recording the details had not documented an email address. Northamptonshire Police are promoting the use of 'Track my Crime' functionality and therefore encourage officers to inform victims of this availability, especially where email is the preferred method of contact. Track my Crime was not selected as a preferred method on</p>	<p>Officers should ensure that relevant details are recorded to enable contact to be made with victims in line with their preference.</p> <p>The availability of Track my Crime should continue to be communicated to victims to encourage take up and enable the functionality to be utilised.</p>	3	<p>The preferred method of contact information should be provided to Voice to inform how they approach/contact the victim to offer support services.</p> <p>The extract from Niche to Voice includes the preferred means of contact and the detail where this is available. Monitoring has shown that the email/phone number is being populated in a significant majority of cases but there is currently no mandatory system requirement in Niche and development will be more complex than with the web form. This should be considered as part of the</p>	Rachel Swann – October 16	

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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p>any of the cases identified.            In addition, testing carried out on a sample of six victim support cases with 'Voice' identified that in one case a ten day delay had been incurred as the officer had not recorded a telephone number of the victim within Niche.  <i>Risk:</i> Failure to provide victim updates through preferred communication methods, resulting in dissatisfaction and reputational risk of the Force. In addition, failure to utilise more efficient use of resources through email or track my crime updates.</p>			wider training requirement analysis.		
4.4	<p><b>Training</b>  <i>Observation:</i> Officer awareness of victim requirements and associated processes to evidence these requirements have been met is fundamental to a consistent approach and compliance across the Force. There has not been any dedicated VCOP training in recent years. Niche VCOP training was issued in 'How to' guidance via Chief Orders due to the timing of the initial system training and roll out of the dedicated module.  <i>Risk:</i> Lack of awareness of officers resulting in lack of compliance with VCOP and evidencing that associated entitlements have been met.</p>	<p>Dedicated VCOP training should be rolled out to all officers to ensure they are fully aware of victim's entitlements and Northamptonshire processes for ensuring these entitlements are met.            Findings and recommendations as a result of the internal audit review should be considered in designing the training.</p>	2	<p>Senior members of the Force and OPCC are attending a West Midlands Training Event on 16 June 2015 on a training package covering the Victims' Code, with particular emphasis on the use of special measures and identifying and managing vulnerable victims – as well as how to record and monitor compliance with the Code.            The Voice Family has undertaken awareness training about victim service provision to a new intake of call handlers within the FCR. A large scale Public Awareness Campaign is also planned commencing in September 2016.            An interactive Victim and Witness Journey App is currently in development that will provide information about the criminal justice system, what they should expect of the criminal justice system (linking with expectations of criminal justice and other agencies within VCOP).            A VCoP/Voice related training requirement should be considered and this could include a short input from Niche as to exactly how they record this correctly (which can be supported with an online captive video demonstrating the correct process. Senior Niche Programme representatives will also be in attendance at the training event on 16 June to ensure the system developments can</p>	Paul Bullen/Rachel Swann – December 16	

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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
				<p>support the strategy and training plans.</p> <p>Update - Niche will support any training.</p> <p>Update - L and D panel proposal 20/2/17 – classroom update on Niche training, which will include VCOP update</p>		
4.5	<p><b>Complaints Process</b>  <i>Observation:</i> Victims of crime have the entitlement to make a complaint should they be dissatisfied with the service they receive.            Although Northamptonshire operate a standalone complaints process, there is no link on the victims information leaflet/ victim support web page to sign post them to this process. This could cause lack of clarity in respect of where complaints should be directed dependent on where they are in their victims’ journey. For example, if the victim will have interaction with the Force, Voice or other specialist support agencies.  <i>Risk:</i> Increase in victim dissatisfaction and ongoing failure in operational practices and / or VCOP compliance to be identified and addressed.</p>	<p>Victims of crime should be signposted to the Force complaints procedure to enable them to make a complaint should they be dis-satisfied with the service they receive or if they feel their associated entitlements are not being met.            This should define the appropriate route of complaint dependent on the progress of their journey (for example, Force, Voice and CPS).            It is suggested that this be incorporated into the Information for Victims that should be provided to each victim of crime and, in addition, on the dedicated victims Northamptonshire Police web page.</p>	3	<p>The Voice website has detailed information at:  <a href="http://www.voicenorthants.org/contact-us/complaints-anddissatisfaction/">http://www.voicenorthants.org/contact-us/complaints-anddissatisfaction/</a> to enable a formal complaint or an expression of dissatisfaction about the service received to be made.            This Voice complaints procedure links to both the policies and procedures of Northamptonshire Police and Victim Support as the provider of Voice.            The website also provides information on the complaints procedures for other services, notably CPS, HMCTS and Local Authority.</p>	Paul Bullen – October 16	
4.6	<p><b>Right to Review</b>  <i>Observation:</i> Following a police or CPS decision not to prosecute, victims are entitled to be notified of the reasons why this decision was made, how they can access further information about the decision and also to seek a review of the decision if they are dissatisfied. This process is termed Victims’ Right to Review.            There is no dedicated scheme in place currently for Northamptonshire to outline or confirm they are complying with this entitlement or to outline the associated roles, responsibilities and procedures to follow for right to review.  <i>Risk:</i> Failure to adhere with Right to Review legislation, lack of compliance with VCOP, lack of transparency and increased victim dis-satisfaction.</p>	<p>A dedicated Right to Review policy should be documented for Northamptonshire to provide an open and transparent process which enables a victim of crime to have a decision not to prosecute their case reviewed.            This will ensure that appropriate decisions are made with regard to case outcomes and will seek to improve victim satisfaction and public confidence in the service. The review process should accord with the policing principles of openness, fairness and accountability, as set out in the Code of Ethics.</p>	2	<p>Supportive of this recommendation.</p> <p>Update 7/2/17 - Ongoing discussions over Victims Right to Review with DI Harley.</p> <p>There is a Lincolnshire design for Niche VRR which in principal captures the relevant requirements of the victim’s right to seek a review of the decision.</p> <p>Nhants need to decide where the business wants the workflows to go, at present it is ad hoc with most going via Det Supt Fosketts PA then to DI Harley.            Once the business has decided the Nhants process Niche can build and implement the workflows.</p>	Rachel Swann – October 16	

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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
				<p>Di Harley is to discuss with Supt Foskett</p> <p>Update - SL 17/2/17 - The VRR model has functioned well since its implementation with a developing model with PSD. The ownership has now passed from myself to D Supt Foskett. The risks around single reviewing officers are rightly flagged</p>		
4.7	<p><b>Performance Reporting</b>  <i>Observation:</i> Performance reporting is an effective tool to highlight areas of non-compliance and to direct resource for continuous improvement. A report is generated in Niche by the Implementation Team to highlight where the Victim &amp; Witness report has not been created, however this does not cover completion of individual fields, frequency of contact, etc.            In addition, the performance reports currently provided to the OPCC in respect of the Voice contract do not include any dedicated performance targets around VCOP compliance.  <i>Risk:</i> Non-compliance going unidentified and therefore improvement action not being taken. This can lead to victim entitlements not being met and increased reputational risk.</p>	<p>Performance reporting should be developed to highlight areas of noncompliance with Victims Code of Practice, with oversight provided to the Victim &amp; Witness Service Improvement Board.            This should consider the following areas:            •Compliance with VCOP in terms of completion of individual fields (current reports on overall creation of the Victim &amp; Witness report but no confirmation of completion of individual fields within Niche to evidence entitlements have been met); and            •Performance of Voice in terms of VCOP compliance and KPIs.</p>	3	<p>A performance framework and dashboard has been developed and agreed. KPIs, including targets, relating to VCOP and Witness Charter compliance have been agreed between the Commissioner and Provider of Voice services – to be signed off at the next Contract Management meeting on 25 May 2015. Work to develop the performance mechanism and methodology is being developed by the Provider for OPCC sign off (see 4.9).            Compliance with VCOP and other performance KPIs will be managed through effective contract management arrangements rather than through a Board arrangement.            This recommendation has been shared with the Corporate Performance Team to consider what developments can be made to improve the existing report and this can then be reviewed as part of the Victim and Witness Service Improvement Board going forward.</p>	Rachel Swann/Paul Bullen – October 16	
4.8	<p><b>Referral Mechanisms</b>  <i>Observation:</i> Adequate processes should be in place to ensure all records are transferred from Niche to Voice and then to ensure information is complete and facilitate contact with the victim to be made timely and initial support conversations to be informed. Niche data is transferred to Victim Support, the provider for Voice, on an overnight download. Currently however there is no reconciliation process to ensure the number of records in Niche have been received/</p>	<p>A process should be introduced whereby the number of records transferred from the Niche system and subsequently created in the Victim Support CMS (and ADT) systems are reconciled to ensure referrals do not 'drop out' as part of the data transfer process. Victim Support and ASSIST Trauma Care should refine what information</p>	2	<p>Data requirements, processes and Data Processing Agreements are being developed to ensure data quality and that the data transfer is undertaken in a safe and secure manner.            Technical representatives of the Niche Programmes will work with Voice to ensure data is appropriately reconciled.</p> <p>Update – 7/2/17 - I am not aware of any</p>	Rachel Swann/Paul Bullen October 16	

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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p>created in the Victim Support systems.</p> <p>In addition, it was noted that that fields on the transfer of data (e.g. required information) have not been refined for Victim Support or ASSIST Trauma Care (who provided the victim and witness support service for children and young people). This has resulted in not all the information required to action timely support being received by the service providers. The required data fields had not been established as part of the commissioning process.</p> <p><i>Risk:</i> If all required information is not made available there is a risk that untimely or inappropriate support may be provided.</p> <p>Increased reputational risk and victim dis-satisfaction.</p>	<p>they require to be included on the initial referral data and this be communicated to the Niche Team (via the OPCC Head of Commissioning) to ensure complete information is received going forward to enable timely and appropriate support to be given to victims. This should include consideration of priority crime types which are not currently received by victim support.</p>		<p>issues on the transferring of information between Niche and victim support systems.</p> <p>I have met with Gary Williams the Service Delivery manager for VOICE and gave instruction on basic Niche searching techniques.</p> <p>This is ongoing and I have a further input next week with members of the Voice team.</p> <p>Update - SL 17/2 – the Voice data extract has been reviewed and tested and has seen an improvement. The challenge remains the niche forces operating model (opt in) and Voices preferred model (opt out)</p>		
4.9	<p><b>Voice Dip Sampling Process</b></p> <p><i>Observation:</i> Dip sampling is an effective means to confirming that key requirements of the process are being met and to address any areas of poor performance. This also drives consistency across the organisation and quality of service.</p> <p>Staffing and resource issues have affected VCOP compliance within the Voice processes over the last twelve months, however a new team has been established and processes are being revised to ensure that requirements are being met and support is in line with victim needs and entitlements. As part of these improvements the team are rolling out a dip sampling procedure which will seek to review ongoing cases to ensure support is effective, timely and adequate processes are in place to ensure VCOP compliance. This process however is not supported by a documented methodology and the draft monitoring sheets do not incorporate specific key entitlements of VCOP.</p> <p><i>Risk:</i> Inadequate quality assurance process, ineffective use of resources and failure to address non-compliance with VCOP in the victim support process.</p>	<p>The dip sampling process being embedded by Voice should be enhanced to ensure the key entitlements of VCOP have been met (please refer to Appendix A1 provided in this report).</p> <p>In addition, the process should be supported by a documented methodology to include - frequency, required approach, sample selection/ size, evidence of checks and action to be taken where issues have been identified.</p> <p>Enhancements recommended in this report should be actioned by Voice following communication with the OPCC Head of Commissioning.</p>	2	<p>The Provider is developing dip sampling methodology for the Case Management and Courts teams against VCOP and Witness Charter compliance.</p> <p>KPIs, including targets, have been agreed between the Commissioner and Provider including VCOP and Witness Charter compliance.</p> <p>The OPCC will sign off the methodology once it has been presented and compliance will thereafter be managed through internal service performance management and by the OPCC as part of its Contract Management regime.</p>	Paul Bullen – September 16	
4.10	<p><b>Voice Contract Monitoring Targets (Timeliness of Support)</b></p>	<p>Formal targets should be introduced to ensure that victims are referred to</p>	2	<p>As part of a contract review and variation, the Provider has committed to more than</p>	Paul Bullen – September 16	

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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p><i>Observation:</i> Victims should be allocated for support on a timely basis to ensure they receive the support at the earliest opportunity, to prevent any further victimisation and to ensure that their entitlements under VCOP are met.</p> <p>From testing undertaken on six cases referred to Voice, we found two had not been allocated for support within the 'informal' target of two weeks. In these cases a support worker had not been allocated for approximately four weeks. No formal target or associated performance monitoring is in place.</p> <p><i>Risk:</i> Delays in provision of victim support going unidentified and increased risk of repeat victimisation, victim entitlements not being met and increased reputational risk.</p>	<p>a support worker on a timely basis and to enable monitoring of this process to highlight where victims remain unsupported for a period of time outside of this target.</p> <p>Performance in this area should be included in the reporting mechanisms back to the OPCC.</p>		<p>doubling the number of volunteers, who provide out-reach support to victims, within the lifetime of the contract.</p> <p>Following a needs assessment, where required, the victim is supported by a Support Worker within the Case Management Team whilst the case is allocated to the most appropriate volunteer, or by the Support Worker themselves.</p> <p>The Voice operating model provides flexibility to meet changing demands, with members of the Introductions Team providing additional Case Management capacity and supporting victims.</p> <p>Although no current target has been set for the allocation from to Case Management and then to Volunteer/Case Worker in the community, it will be monitored as part of the Voice Performance Framework. KPI and target setting will be reviewed with the Provider in light of this audit.</p>		

### Firearms Licensing – September 2016

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.1	<p><b>Police Security Checks on Referees</b> <i>Observation:</i> The Home Office guidance states that "the police should be satisfied that the referee is honest and reliable, and can be trusted to offer a fair and sensible view of the applicant." To help to ensure that the named referees are suitable to give an honest, fair and sensible view of the applicant, police security checks should be conducted on those detailed as referees for the applicant.</p> <p>It was confirmed that the current process of referee checks involves the Firearms Enquiry Officers contacting the referees to confirm that they support the applicant and to identify any medical, mental health, alcohol/drugs or domestic issues related to the applicant. This contact may be completed by</p>	<p>The Force should conduct police security checks on the named referees detailed within the application form for grants and renewals of both Firearms and Shotgun licenses.</p> <p>The Quality of Service review of all completed applications should be used to identify instances where referees have not been added to the system for the completion of a PNC check.</p>	2	<p>Enquiry pack has been updated – admin staff complete tick-box to show that referee is on NFLMS and has been PNC checked. This will ensure shotgun referees are checked as they do not require adding to NFLMS.</p> <p>Firearm referees do require adding to NFLMS, FLM signs all firearms and, when signing certificates, dip samples renewals to check referees are on the system and have been PNC checked.</p>	<p>Completed Bridget Hodgson FLM</p> <p>Ongoing from 01 September 2016 Bridget Hodgson FLM</p>	

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Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
<p>telephone or email. In the case of Firearms applicants, the referees are added to NFLMS and a PNC check is conducted. Where referees are added to the system, the certificate cannot be granted without the PNC check on them.</p> <p>However, testing of a sample of 20 grants and 20 renewals, of which 22 were coterminous or firearms, there was three instances where the referees had not been added to the system and therefore it could not be confirmed that a PNC check had been completed.</p> <p>In addition, where the application is for a shotgun license only, the referee is not added to NFLMS and therefore a PNC check is not completed on the referee.</p> <p><i>Risk:</i> Where the named referee is not suitable there is a risk that a dishonest view supporting the applicant could be given to the Force which could result in an inappropriate decision being taken on the applicant.</p>					

### Financial Planning & Savings Programme – November 2016

Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
<p>4.1 <b>Approval of Saving Plans</b></p> <p><i>Observation:</i> The 'Budget Process Guidance' document states, 'Force Executive Group (FEG) to consider Service Manager budget reduction proposals, and subsequently agree budget proposal and medium term financial plan'.</p> <p>Examination of five saving plans selected from the 2016-17 savings programme identified two instances (Fuel Bill Rationalisation for £50,000 and FCR Supervisors for £20,000) where no evidence was provided to confirm they had been presented to the Force Executive Group. In addition, examination of Force Executive Group meeting minutes identified there was no formal approval of all five plans examined.</p> <p>All other instances were evidenced as being presented and approved by FEG. It was recognised, however, that the savings plan as a whole was presented at the Accountability Board.</p>	<p>All savings plans should be presented, scrutinised and formally approved by the Force Executive Group (which is due to become the Chief Officer Team meeting in 2017/18). The plans should then be forwarded to the OPCC Section 151 Officer for further scrutiny.</p> <p>This process should be documented in meeting minutes.</p>	2	<p>Agreed</p> <p>As per the agreed actions for 4.4 of Corporate Governance, the force will ensure that Savings Plans for 2017/18 forward, will be formally approved by COT as part of the budget setting process. If it is required to create additional savings requirements above £300,000 within 2017/18, these will be approved through a paper to COT and then taken to the PCC for approval.</p> <p>Update - The Savings &amp; Efficiency plans are being taken through the POD group to ensure formal process and sign off by the COT and escalation through the appropriate boards and accountability board for OPCC</p>	<p>Head of Finance</p> <p>Feb 17</p>	

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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p>Discussion with Acting OPCC CFO and examination of the procedure also confirmed that individual savings plans are not presented to the OPCC.</p> <p><i>Risk:</i> Where there is no documented evidence to confirm savings plans have been scrutinised and approved at the appropriate level, there is a risk of unachievable or inadequate saving plans being put in place.</p>			<p>approval. This process will start in May 2017 &amp; will cease when appropriate (no upper or lower limits have been set) processes have been put in place for a series of decisions and subsequent action plans to deliver those efficiencies.</p>		
4.2	<p><b>Monitoring of Efficiency Savings</b></p> <p><i>Observation:</i> Processes should exist to enable management to highlight potential failure to deliver efficiency savings and action taken accordingly. Discussion with the Acting Head of Finance identified that savings monitoring was discussed within a monthly outturn report which is presented to the Assistant Chief Officer for Finance and Deputy Chief Constable.</p> <p>However, examination of the August 2016 report entitled 'Revenue Outturn and Capital 16/17 Year End', identified that the report did not however include planned savings compared against the actual savings realised to date. The only monitoring included in the report was the narrative which is written by the Acting Head of Finance and provides limited oversight of the savings programme. Examination of the reports for July and June 2016 also noted references to the savings programme but no explicit figures to be commented upon.</p> <p><i>Risk:</i> Where planned efficiency savings are not evidenced as monitored against the approved targets and are not scrutinised at an appropriate level, there is a risk that savings which are not going to be achieved are not identified and addressed in a timely manner.</p>	<p>Monthly monitoring of actual savings realised compared against savings targets should be undertaken on a monthly basis and documented in a consistent and clear manner. The data from such monitoring should also be included within the monthly report produced by the Acting Head of Finance which is presented to the Assistant Chief Officer for Finance and Deputy Chief Constable to provide oversight of the progress towards achieving the efficiency plan. This report should be forwarded to the OPCC Section 151 Officer.</p>	2	<p>Where savings are identified to be taken out during a financial year, the Force is creating a separate page within the Managing Finance Group reporting pack to specifically record and monitor the realisation of the savings plans.</p> <p>This will be maintained on a monthly basis as part of the pack.</p> <p>Update - Once the above plans have been instigated the financial reports for delivery of these will be adapted to report and monitor them.</p> <p>Finance will continue to liaise with depts. to cost and monitor the proposals using the existing Savings tools to ensure that estimates and assumptions are robust and available.</p>	<p>Head of Finance Dec 16</p>	
4.3	<p><b>Budget Monitoring</b></p> <p><i>Observation:</i> Regular monitoring should be undertaken to enable timely management information to be produced to assess performance and accuracy of the MTFP.</p>	<p>The finance team should improve the timeliness that budget monitoring reports are provided to the Assistant Chief Officer for Finance, Deputy</p>	2	<p>Agreed</p>	<p>Head of Finance Dec 16</p>	



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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p>Examination of budget monitoring reports for the last three months identified the dates for the August, July and June 2016 budget monitoring reports being sent to the Assistant Chief Officer for Finance and Deputy Chief Constable (DCC) were as follows:            August: 23 September 2016.            July: 14 September 2016.            June: 21 July 2016.</p> <p>These reports were then forwarded by the DCC to the Acting OPCC Chief Finance Officer on the same day. Discussion with the Acting Head of Finance identified that he produces budget monitoring reports which are in line with Leicestershire and Nottinghamshire requirements of reporting in the third week of the month.</p> <p>The July 2016 report was accepted as being late due to the Acting Head of Finance being on annual leave. Whilst we acknowledged this point, it was agreed that the timeliness of budget reporting could be improved.</p> <p><i>Risk:</i> Where budget monitoring reports are not produced in a timely manner, there is a risk of budget variations are not promptly identified and addressed.</p>	<p>Chief Constable and Acting OPCC Chief Finance Officer.</p>				
4.4	<p><b>Price Assumptions</b></p> <p><i>Observation:</i> Appropriate assumptions should be made as part of the planning process.</p> <p>Discussion with the Acting Head of Finance identified that he works with representatives from the Leicestershire and Nottinghamshire Forces to agree appropriate assumptions. Examination of an email from the Head of Finance at Nottinghamshire Police to other Force Heads of Finance across the three forces confirmed that discussions had taken place and a spreadsheet was attached with the assumptions included for each Force. The assumptions included price inflation, such as officers pay, contract increases and utility cost increases. A column entitled 'Comments' was included, however it did not include any reference to the source of the information. For example, 'Gas', 'Electricity' and 'Water' were to be inflated by a specified percentage each year,</p>	<p>All price assumptions made regarding macroeconomic indicators and utility prices should be supported by the source of information the assumption has been based on.</p> <p>This should be documented.</p>	3	<p>Agreed, as part of the next budget build process we will work with the Leicester and or EMSCU procurement teams to ensure that where possible inflationary assumptions are backed up by supporting paperwork.</p>	<p>Head of Finance Sep 17</p>	

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Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
<p>however the comment was 'Market Assumption'. 'Water' and 'Business Rates' were planned to increase by 2% each year with a comment of 'CPI' with no reference to how this figure was arrived.</p> <p>As a source of the information was not noted, audit could not confirm they had been reasonably assumed.</p> <p><i>Risk:</i> Where assumptions made are not supported by evidence of their source, there is a risk of inaccurate assumptions being made. This may lead to prices being incorrectly forecasted leading to inaccurate budgeting.</p>					

### Code of Corporate Governance – November 2016

Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
<p>4.1 <b>Communication of Governance Framework Responsibilities between OPCC and Force</b></p> <p><i>Observation:</i> To ensure that the governance framework and operational arrangements for both the Force and OPCC are clearly defined there should be communication between the OPCC and Force regarding the intention of the OPCC to update and review its Codes of Corporate Governance. It was confirmed through discussion with the Deputy Chief Constable and the Head of Finance for the Force that they were unaware that the OPCC has begun to produce a Corporate Governance Framework as a corporation sole. Therefore an individual Code of Governance, including a Scheme of Governance and Corporate Governance Framework, has not been produced for the Force as a corporation sole. The Force were of the belief that the governance arrangements for both the Force and OPCC were covered in a joint code.</p> <p><i>Risk:</i> Where the governance frameworks for both the OPCC and the Force are not clearly defined there is a risk of a lack of control and guidance in respect of the delivery and achievement of the Force and OPCC objectives which may result in these not being met.</p>	<p>There should be appropriate communication between the OPCC and Force regarding the intention to produce individual Codes of Corporate Governance as corporation sole, The Force, in consultation with the OPCC, should produce a Corporate Governance Framework and Scheme of Governance. (OPCC and Force)</p>	2	<p>OPCC</p> <p>The Force was involved at the outset of the update when a joint meeting was held regarding Financial Regulations. Furthermore the Force was represented at a Joint Independent Audit Committee in May 2016 where the draft updates were discussed in detail. However the documentation is now out to consultation with both the Force and Joint Independent Audit Committee The Force has been involved with the drafting of aligned Financial Regulations, however, there are slight differences between the two documents including the changes to delegated limits, which could cause confusion in working practises and agreements. The Force's Financial Regulations have been published and assurances received regarding how the OPCC's new regulations will not override those assumptions.</p>	<p>Director for Resources and Governance Jan 2017</p>	

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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
				The Force is currently reviewing whether the other corporate governance documents will be required as an individual corporation sole and if so how that will interact with the OPCC's overarching documents.	Mar 17	
4.2	<p><b>Finalising Governance Documentation</b>  <i>Observation:</i> In order to improve the Corporate Governance Framework, consideration should be given to the inclusion of the suggestions detailed below. The OPCC is now in the process of updating their Code of Corporate Governance as a corporation sole. The draft Code of Corporate Governance for the OPCC comprises of the following two main documents: Corporate Governance Framework and the Scheme of Governance. It was noted that the documents are currently still in draft form and have not been updated since May 2016. It was recognised that the draft document was work in progress.</p> <p>A review of the draft Corporate Governance Framework against the CIPFA/SOLACE good governance principles identified that the following amendments or additions could be made to the document against each principle in order to improve the framework:</p> <ul style="list-style-type: none"> <li>• Principle One <ul style="list-style-type: none"> <li>▪ Detail could be added regarding how value for money within the OPCC is to be measured and how the OPCC will ensure this is obtained as necessary.</li> <li>▪ Inclusion of an annual business plan as a future looking document of what the OPCC is aiming to achieve in the coming year.</li> </ul> </li> <li>• Principle Two <ul style="list-style-type: none"> <li>▪ Detail regarding partnership working and how this will support the governance of the OPCC in order to achieve its objectives.</li> <li>▪ Consideration could be given to producing/adopting a partnership strategy.</li> </ul> </li> <li>• Principle Three <ul style="list-style-type: none"> <li>▪ Evidence how the Commissioner will ensure that the principles expected of those within the organisation are defined and communicated in order for these to be embedded.</li> </ul> </li> </ul>	Consideration should be given to the inclusion of the improvements to the Corporate Governance Framework in line with CIPFA/SOLACE guidance. Upon finalisation, the governance documentation should be appropriately communicated to OPCC staff and the Force Chief Constable. (OPCC)	2	<p>Agreed</p> <p>The 6 Principles outlined in the Observation have now been replaced by 7 Principles as detailed in the CIPFA/SOLACE Delivering Good Governance 2016. Details as to how the OPCC Code of Corporate Governance complies with these are contained in Appendix 1 of the draft Corporate Governance Framework.</p> <p>As part of the consultation process currently underway these recommendations will be considered for inclusion.</p> <p>In alignment with 4.1, when new Corporate Governance documents are created for the Force, these will be completed in alignment to the CIPFA/SOLACE guidance and be released under an internal and external communication plan.</p>	<p>Director for Resources and Governance Jan 2017</p> <p>Head of Finance Mar 2017</p>	

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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<ul style="list-style-type: none"> <li>• Principle Four               <ul style="list-style-type: none"> <li>▪ Detail on the appointment and review of the internal audit function</li> <li>▪ Details regarding the complaints policies that are in place for the OPCC</li> </ul> </li> <li>• Principle Five               <ul style="list-style-type: none"> <li>▪ Skills assessment completed for the OPCC in order to identify those required for effective service delivery.</li> <li>▪ Describe the training programmes in place for members of staff including induction programmes for new starters and development plans for current staff.</li> </ul> </li> <li>• Principle Six               <ul style="list-style-type: none"> <li>▪ Detail regarding the freedom of information scheme that is in place for transparency and engagement.</li> <li>▪ An annual performance plan could be produced to review the performance of the OPCC.</li> </ul> </li> </ul> <p><i>Risk:</i> Where the OPCC's operations are not appropriately governed there is a risk that the organisation's objectives may not be met which could result in reputational damage to the OPCC.</p>					
4.3	<p><b>Defined Governance Responsibilities</b>  <i>Observation:</i> To ensure that the governance frameworks remain appropriate and effective, the responsibility for monitoring and reviewing the frameworks for the Force and the OPCC should be formally defined.            It was confirmed through discussion with the Acting Director for Governance, Operations and Delivery of the OPCC that currently the responsibility for monitoring and reviewing the effectiveness of the governance framework for the OPCC going forward has not been formally decided.            Additionally, discussion with the Force Head of Finance identified that the Force have also not formally assigned an Officer to monitor and review the effectiveness of the governance framework for the Force.  <i>Risk:</i> Where the governance frameworks are not monitored and reviewed by a responsible officer there is a risk that ineffective frameworks are not identified which could result in the organisations not achieving their objectives.</p>	<p>Responsibilities for the monitoring and review of the governance frameworks across the Force and the OPCC should be formally defined.</p> <p>(OPCC and Force)</p>	2	<p>OPCC Agreed</p> <p>Force Agreed</p>	<p>Director for Resources and Governance            Jan 2017</p>	
4.4	<b>Decisions of Significant Public Interest</b>					

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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p><i>Observation:</i> To ensure that all decisions of significant public interest are published on the OPCC website as an executive order, the OPCC should identify whether any Force expenditure over £250,000 should be authorised by the PCC as an executive order.</p> <p>It was confirmed that the OPCC Decision Making Framework is included within the Scheme of Governance document. The Decision Making Framework outlines the approach that is taken on making decisions and the underlying principles for the decisions made. This includes a section on decisions of 'significant public interest' which details that all decisions of significant public interest will require the PCC to sign an executive order and to publish the decision on the OPCC website. The draft Scheme of Governance (SoG) outlines what constitutes a decision of significant public interest that includes any decision which results in expenditure or savings over £300,000. The SoG, however, only relates to decisions made by the OPCC and does not take into account those made by the Force.</p> <p>Currently, the Force Financial Regulations outline that authorisation for purchases up to £300,000 do not have to be referred to the OPCC for approval and therefore the Force could make a decision that results in expenditure over £250,000 without being published as a decision of significant public interest. Even purchases over £300,000 could be authorised by the Head of Finance and not be referred to the OPCC.</p> <p>Discussion with the Head of Finance noted that the Force may also take other decisions which could be of significant public interest and therefore clarity is required between the OPCC and Force to identify the decisions which will require the PCC to sign an executive order and publish the decision.</p> <p><i>Risk:</i> Where decisions of significant public interest are not published on the OPCC website there is a risk of a lack of transparency to the general public which could result in reputational damage.</p>	<p>The OPCC should identify whether any Force expenditure/savings over £300,000 should be authorised by the PCC and subsequently published as an executive order on the OPCC website as a decision of significant public interest. Further consideration should be given to clarifying what other types of decisions taken by the Force should be referred to the PCC for an executive order as a decision of significant public interest.</p> <p>(OPCC/Force)</p>	2	<p>Agreed and the revised Financial Regulations for the force should enforce this. The Financial Regulations specify that;</p> <ul style="list-style-type: none"> <li>• New expenditure over £300,000 will be referred to the OPCC;</li> <li>• Items that already have PCC approval* or are statutory payments are exempted from this on the basis that approval has previously been received or that legally the bodies cannot avoid timely payment**</li> </ul> <p>*This covers items previously approved by the OPCC, such as regional budget commitments and purchase orders raised on the financial system covered by executive orders or Business Cases.</p> <p>**This covers items such as HMRC payments, Police Pension commutations or property rates, where payment is generally required by law.</p> <p>Savings Plans for 2017/18 forward, will be formally approved by COT as part of the budget setting process. If it is required to create additional savings requirements above £300,000 within 2017/18, these will be approved through a paper to COT and then taken to the PCC for approval.</p>	<p>Assistant Chief Officer (Finance and Resources)</p> <p>Mar 2017</p>	
4.5	<p><b>Business Area Input into Annual Governance Statement</b></p> <p><i>Observation:</i> To ensure that all significant governance</p>	<p>The Force should consider obtaining</p>	3	<p>The AGS will seek input from the heads of</p>	<p>Head of Finance</p>	

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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p>issues at an operational level across the Force are adequately highlighted and considered as part of the process for the production of the Annual Governance Statement, the Force should consider obtaining business area input into the Annual Governance Statement prior to the production of a draft statement. This will also help to ensure accountability for governance arrangements across business areas. For the last AGS, the Head of Finance produced a draft statement using the CIPFA template as a broad guide of the contents that should be included. The draft statement was then distributed to the Deputy Chief Constable, the Risk and Business Continuity Advisor, the Assistant Chief Officer of Leicestershire, Northamptonshire and Nottinghamshire Police (at the time of production) and the Corporate Development Department. The draft statement was distributed to these in order for them to agree/update/edit the content within the statement before finalisation. However, it was confirmed by the Head of Finance that this process was not completed in a timely manner and therefore a comprehensive review of the governance within the business areas could not be completed. Although business area input was sought, the process for this could be improved in the future to ensure that each area has effective input into the Annual Governance Statement prior to a draft statement being produced. The distribution of a draft statement may restrict the input business area leads may give to the statement.</p> <p><i>Risk:</i> Where all significant governance issues at an operational level across the Force are not adequately highlighted and considered there is a risk that improvements required may not be identified which could result in continued poor governing leading to objectives of the Force not being achieved.</p>	<p>business area input into the Annual Governance Statement prior to the production of a draft statement. This can be achieved through requesting the business areas to complete and sign a blank statement for their area and collating the various information into one statement or a group meeting could be held with business area leads to discuss the governance framework as a whole across the Force in order to produce a statement.</p> <p>(Force)</p>		<p>functions that have a significant or public interest impact on the organisational. The Head of Finance will liaise with the appropriate person for each function and correlate those responses.</p>	<p>April 2017</p>	
4.6	<p><b>Supporting Policies and Procedures</b> <i>Observation:</i> In order to provide staff with accurate and up to date information to perform their duties, the policies and procedures supporting the governance framework should be subject to regular review.</p>	<p>Policies and procedures supporting the governance framework should be reviewed on at least an annual basis and updated where necessary to</p>	3	<p>Agreed and accepted</p>	<p>Director for Resources and Governance Yearly</p>	

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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p>The policies and procedures supporting the governance framework have not been subject to regular review. In some instances, the policies and procedures have not been updated since they were first produced upon formation of the OPCC. It has been identified by the OPCC that a number of these documents require an update and therefore, at the time of the audit, a review was underway to update these.</p> <p>In addition, a review of the Financial Regulations (currently in draft form) identified that the delegated limits for purchasing need amending. The current financial regulations detail the following authorisation limits:</p> <ul style="list-style-type: none"> <li>• Up to £20,000 Nominated authorised signatory;</li> <li>• £20,001 - £100,000 Authorised Budget Holders;</li> <li>• £100,000 - £300,000 PCC CFO; and,</li> <li>• Over £300,000 Countersigned by PCC CFO</li> </ul> <p>There is currently not a difference in the authorisation for purchases between £100,000- £300,000 and over £300,000. This was discussed with the OPCC Acting Chief Finance Officer and it was confirmed that the authorisation limits were not correct.</p> <p>Adding to this, there are differences in the authorisation levels between the Financial Regulations and the Contract Procedure Rules.</p> <p>The Contract Procedure Rules has the highest authorisation limit as over £250,000 and therefore this is not consistent with the Financial Regulations.</p> <p><i>Risk:</i> Where staff are not provided with up to date and accurate information to perform their duties there is a risk of inconsistent working practices within the organisation which could result in a failure to adhere to systems of internal control.</p>	<p>provide accurate and up to date information.</p> <p>(OPCC)</p>				
4.7	<p><b>Retention of Decisions</b></p> <p><i>Observation:</i> To ensure that the PCC is able to make an informed decision on all occasions, all decisions should be accompanied by the appropriate supporting information including the completed Officer's report for the decision.</p> <p>In order for the PCC to adequately evidence the reasons for taking decisions, all decision documentation should</p>	<p>All decisions should be accompanied by the appropriate documentation, including the completed Officer's report for the decision and any supporting information. All decision documentation should be retained for future reference on reasoning for</p>	3	Agreed and accepted	Director for Resources and Governance Jan 2017	

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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p>be retained. Testing of a sample of 10 decisions confirmed for all 10 decisions that a record of this decision had either been retained on the OPCC website (for executive decisions) or retained within the decisions file (for non-executive decisions). Eight of the 10 decisions records were accompanied by the supporting report to the PCC which had been completed by the relevant officer. However, in two instances the decisions were not supported by an Officer report to the PCC. In addition, it was noted that the non-executive decisions retained within the decisions file were referenced from 006-009. Audit queried nonexecutive decisions 001-005 and it was confirmed with the Acting Director for Governance, Operations and Delivery that these decisions had been taken although the supporting documentation could not be located and therefore has not been retained.</p> <p><i>Risk:</i> Where the PCC is unable to make an informed decision there is a risk that inappropriate decisions are taken which could result in reputational damage to the OPCC. Where the PCC does not evidence the reasons for taking decisions there is a risk of a lack of transparency which could result in reputational damage in the event of a dispute against a decision.</p>	<p>taking decisions.  (OPCC)</p>				

### Procurement Follow Up – November 2016

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	
4.1	<p><b>Purchases under £25k – Supporting Documentation</b> <i>Observation:</i> The Force Contract Standing Orders state that Under £10k one quote must be obtained, between £10k and £25k three quotes must be obtained and the most economically advantageous tender selected. Audit selected a sample of purchases under £25k</p>	<p>This was an audit recommendation from 2015/16. A communication should be issued to remind all staff who raise and approve requisitions that the supporting documentation should be</p>	2	<p>Agreed. The dip sampling would ensure a more proactive approach to tackle repeat offenders and ensure compliance with CPR's.</p>	<p>Nick Alexander Acting Head of Finance Corporate Services December 2016</p>	



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	<p>between 1/4/16 and 1/9/16 to confirm that the correct number of quotations had been sought in line with the Force Contract Standing Orders. A review of the Oracle system found that 4/10 had no supporting documentation attached to it and therefore it was not clear if the correct number of quotes had been obtained and value for money achieved.</p> <p>If the purchase under £25k was related to a contract, the reference to this should be stated in Oracle, however in one instance the purchase was related to a contract but details were not attached so had to be requested from the requisitioner.</p> <p><i>Risk:</i> Force fails to achieve value of money in its spending.</p>	<p>clearly attached in the Oracle system. This should include the appropriate quotes or details of related contracts. Then dip sampling should be carried out to monitor compliance.</p> <p>(Local Responsibility)</p>				
4.2	<p><b>Retrospective Purchase Orders</b></p> <p><i>Observation:</i> Last years audit found a number of cases where purchase orders were raised after the invoice for the goods or service had been received. The Force moved to 'No Purchase Order No Pay' in June 2016 which has been a change of culture for the organisation and whilst this is embedded it is envisaged that there will be some retrospective purchase orders being raised.</p> <p>This year's testing found 4/10 of the purchases had retrospective purchase orders. Discussions with Finance found that reports are available that demonstrate the levels of retrospective purchase orders but they are not currently been run due to the introduction of No PO No Pay and giving it time to become normal practice across the Force.</p> <p><i>Risk:</i> If a purchase order is not raised prior to the order, the Force may purchase inappropriate goods or services and/or not have the budget to support the purchase.</p>	<p>This was an audit recommendation from 2015/16. Consideration should be given to producing monitoring reports on a regular basis to review the levels of retrospective orders raised to ensure they are reducing in line with expectations and repeat offenders challenged where appropriate.</p> <p>(Local Responsibility)</p>	3	<p>Agreed that it would be best practice to start to monitor the number of retrospective purchase orders to ensure that they are reducing as staff become more accustomed to the new 'No PO No Pay' system that has been adopted.</p>	<p>Nick Alexander Acting Head of Finance Corporate Services December 2016</p>	
4.3	<p><b>Communication</b></p> <p><i>Observation:</i> A review of the Force intranet showed that the EMSCU Strategies and Polices were created in 2013 when the unit was established and have not been reviewed or updated since. This includes out of date contact details if Force staff needed to refer any procurement issues to EMSCU. Moreover, the most up to date CPR's were not easily</p>	<p>The EMSCU Policies and Strategies should be reviewed and updated regularly to ensure the document reflects current practices and should be published on the Force intranet so it is available for staff.</p> <p>(Local &amp; EMSCU Responsibility)</p>	2	<p>The team are aware of this and have already began to investigate how the intranet can be updated.</p>	<p>Nick Alexander Acting Head of Finance Corporate Services January 2017</p>	

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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	
	<p>able to be located. This increases the risk that the correct procurement processes are not followed if staff use the out of date information currently available. <i>Risk:</i> Policies and procedures do not reflect the current needs of the Force leading to inconsistent working practices</p>			<p>EMSCU need to provide the Force Communications Team with the correct information to allow the Intranet to be updated. Links have now been restored and will be updated again once policy review complete</p>	<p>Ronnie Adams Commercial Director January 2017</p>	
4.4	<p><b>Monitoring Spending Under £25k</b> <i>Observation:</i> Northants has a Procurement Officer in post who works closely with the EMSCU Engagement Partner to identify contract opportunities that can be passed up to EMSCU. They meet regularly to review opportunities however the Procurement Officer does not receive regular reports of expenditure under £25k that can be aggregated to identify opportunities that EMSCU could progress into appropriate contracts or utilise frameworks. <i>Risk:</i> The Force miss opportunities to deliver value for money in it purchases under £25k.</p>	<p>This was an audit recommendation from 2015/16. Finance and the Procurement Officer should set up a regular reporting protocol that allows the procurement officer to review expenditure under £25k on a regular basis so the information can be used to aggregate spend and identify contract opportunities. (Local &amp; EMSCU Responsibility)</p>	2	<p>Agreed that reports should be shared with EMSCU to allow this to take place.</p> <p>EMSCU have been asked by Northants DCC to help support the under £25k spend for both Northants and Notts. This is under review.</p>	<p>Nick Alexander Acting Head of Finance Corporate Services Ronnie Adams EMSCU Commercial Director March 2017</p>	
4.5	<p><b>Supporting Documentation Over £25k</b> <i>Observation:</i> EMSCU are responsible for retaining the key documentation that is required for the procurement process of contracts over £25k, including Statement of Requirements, Business Cases, Single Tender Award forms and the signed contract. These documents show the authorisation for the contract, the reasons why it is needed and why it demonstrates value for money. The Crystal system is used by EMSCU to record contracts that are in place and enables key documentation to be attached against each contract in place. Audit testing found the following: ·4/10 had no Statement of Requirement; ·4/10 no signed business case or single tender award so approval could not be evidenced; and ·2/10 no signed contract could be located. Audit testing found that the use of attachments in the Crystal system was inconsistent, with some contracts having missing information. In some cases information was found but was stored in other locations but took staff time to retrieve these.</p>	<p>This recommendation was raised in 2015/16. EMSCU should set a clear protocol in place to ensure key documentation is consistently stored in the Crystal system. The documents available should include the signed versions of: ·Statement of Requirement; ·Business Case and/or ·Single Tender Award; ·Signed Contract Once implemented, regular dip samples on new contracts awarded should be carried out to ensure all supporting documentation is in place and correct authorisation has been given. (EMSCU responsibility)</p>	1	<p>Agreed, there is a document storage policy that covers electronic storing methodology but does not consider the Crystal contracts management system. This policy is now under review and will be updated to cover what will be on Crystal. Once the review is complete staff training and future monitoring plan will be undertaken.</p>	<p>Ronnie Adams EMSCU Commercial Director January 2017</p>	

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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	
	<p>If the key documents were available on Crystal this would allow a more efficient use of users time when searching for key documents and give additional assurance to EMSCU that the correct process had been followed with the documentation as evidence.</p> <p><i>Risk:</i> Breach of contract procedure rules and failure to deliver value for money; difficulties in holding suppliers to account without the signed contact.</p>					
4.6	<p><b>Authorisation</b></p> <p><i>Observation:</i> When contracts are awarded the Tender Award Report or Business Case is signed off as the approval to proceed with contract award. This should be signed in line with the Force Scheme of Delegation.</p> <p>Audit testing found:</p> <ul style="list-style-type: none"> <li>· 5/10 approvals could not be seen due to lack of supporting documentation;</li> <li>· 1/5 approvals were not in line with Force authority levels.</li> </ul> <p>Contract CN1001357 was for over £100k and was signed by the Head of EMSCU but should have been signed by Assistant Commissioner or the Head of Finance &amp; Asset Management or the Chief Accountant.</p> <p><i>Risk:</i> Contracts are entered that do not have the authority to do so and result in financial loss through failure to deliver value for money.</p>	<p>This was an audit recommendation from 2015/16.</p> <p>Staff should be reminded of the approval limits and the need to ensure the correct approval is obtained for the value of contract being authorised.</p> <p>Dip sampling should take place to ensure that all contract authorisations are done so in line with Force scheme of delegation. (EMSCU responsibility)</p>	1	<p>Agreed. EMSCU will have greater scrutiny over the approvals and ensure they are in line with authority levels. This is part of a process review which will be followed up with dip sampling.</p>	<p>Ronnie Adams EMSCU Commercial Director January 2017</p>	

### Business Continuity – December 2016 – Draft

	Observation/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
4.1	<p><b>OPCC BCM Documentation</b></p> <p><i>Observation:</i> Business continuity arrangements for the OPCC should be in place setting out the response that will be made in the event of a serious incident to ensure that the organisation is able to continue its business in an effective and efficient manner.</p> <p>The OPCC Chief Finance Officer (OPCC CFO) confirmed</p>	<p>The OPCC should formally document its business continuity arrangements for the office. This should include the steps that are required to be taken in the event of an emergency and the roles and responsibilities in an emergency event of staff within the</p>				

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	<p>that the roles and responsibilities of staff in the office with regards to business continuity and the steps to be taken in the event of an emergency incident have not been formally defined.</p> <p>The office places reliance on the following four main aspects in order to delivery its business:</p> <ul style="list-style-type: none"> <li>• People;</li> <li>• IT;</li> <li>• Premises; and</li> <li>• Documentation.</li> </ul> <p>Discussion with the OPCC CFO identified that there is resilience in the office that would allow service delivery to continue in the event of a business continuity incident. For example, there are members of staff who could cover roles in the event of loss of staff and staff could work remotely should access to premises not be available. However, the plan to follow should the primary resources be unavailable to the office have not been formally documented.</p> <p><i>Risk:</i> Where the business continuity plan for the OPCC has not been formally documented there is a risk that staff are unaware of the steps to take and their roles in the event of an emergency incident, which could result in the OPCC being unable to resume its services in an efficient manner.</p>	<p>office.</p> <p>The business continuity arrangements for the OPCC should be linked to the risks identified and documented within the OPCC Strategic Risk Register.</p> <p><b>[OPCC]</b></p>				
4.2	<p><b>Exercising / Testing Continuity Plans</b></p> <p><i>Observation:</i> To ensure that Plan Owners are fully aware of the testing exercises required to be completed on their BCP, and in order for the type of exercise completed to be linked to the priority of the services delivered by the department, testing exercise guidance procedures should be produced and distributed to Plan Owners.</p> <p>The Force Business Continuity Procedure details the following:</p> <p><i>"In order to ensure that plans are up to date and fit for purpose they will be reviewed and exercised regularly".</i></p> <p>There is no further guidance available to Plan Owners</p>	<p>Guidance should be produced for the testing / exercising of business continuity plans and this should be distributed to Plan Owners. The guidance should outline the required testing exercises dependant on the criticality of the department.</p> <p>All testing / exercising results should be reported to the Force Assurance Board.</p> <p><b>[Force]</b></p>	2	<p>The Force will continue its policy of conducting forcewide exercises whenever major new issues emerge. In addition the Business Continuity Advisor will produce desktop exercise scenarios for departments to use to test their plans on an annual basis.</p> <p>The Business Continuity Procedures will be amended to ensure that all exercise, and live invocation, lessons are recorded in the BCP's.</p>	<p>Force Risk and Business Continuity Advisor</p> <p>31 March 2017</p>	

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<p>on how their plans should be exercised.</p> <p>It was confirmed that there is a process in place for reviewing all business continuity plans on an annual basis. However, testing of a sample of eight departmental business continuity plans identified that in six instances the plans did not include a record of any exercises completed and therefore it could not be confirmed that the plans had been exercised. The Force Risk &amp; Business Continuity Advisor also confirmed that the last force wide business continuity exercise to test all plans was conducted in 2011.</p> <p>The Force Risk &amp; Business Continuity Advisor previously produced an exercising guide for business continuity plans, however this was not made operational within the Force.</p> <p><i>Risk:</i> Where Plan Owners are not fully aware of the testing exercises required there is a risk that the business continuity plans may not be tested sufficiently which may result in these being ineffective in the event of an emergency incident that causes the plan to be invoked.</p>				
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4.3	<p><b>Storage of Plans</b></p> <p><i>Observation:</i> To ensure that Plan Owners are aware of how to store their business continuity plans, and in order for these to be readily available in the event of an emergency incident, the procedures should provide guidance on the storage of business continuity plans.</p> <p>It was noted that there is not a formally documented procedure for the storage of business continuity plans which guides officers on where the plans should be held. Testing a sample of departmental business continuity plans found that there are inconsistencies with where the plans are held locally.</p> <p>Examples of where the plans are held include:</p> <ul style="list-style-type: none"> <li>• Force Intranet;</li> <li>• Shared W Drive;</li> <li>• Personal H Drive;</li> <li>• Paper copies; and</li> <li>• Blackberry phones.</li> </ul> <p><i>Risk:</i> Where Plan owners are not aware of how they should store their plans there is a risk of inappropriate retention of the plans which may result in these not being readily available in the event of an emergency causing delays in the continuity of service delivery.</p>	<p>The Business Continuity Procedures should be amended to include guidance on the storage of business continuity plans. The Procedures should detail that departments should retain a copy of their business continuity plan outside of Force IT systems.</p> <p><b>[Force]</b></p>	3	<p>The Business Continuity Procedures will be amended to include recommendations on the offline storage of BCP's</p> <p>Update – Business Continuity Procedures have been updated</p>	<p>Force Risk and Business Continuity Advisor</p> <p>31 January 2017</p>	
4.4	<p><b>Premises Contingency Arrangements</b></p> <p><i>Observation:</i> To ensure that a department's contingency arrangements for premises are clearly documented, the Business Continuity Plan should be amended to include a specific section on the reliance on premises.</p> <p>Testing of a sample of eight departmental business continuity plans found two instances where information was not included in the plans regarding contingency arrangements for premises used by the departments. These plans related to:</p> <ul style="list-style-type: none"> <li>• Traffic Management; and</li> <li>• Estates &amp; Facilities.</li> </ul> <p>A review of the Force Business Continuity Plan Template identified that there is not a specific section</p>	<p>The Business Continuity Plan template should be amended to include a specific section on the department's reliance on premises and its contingency arrangements should the primary location be unavailable. This should be included within section 4 (Resources Required) of the Business Continuity Plan.</p> <p><b>[Force]</b></p>	3	<p>The Business Continuity Plan template will be amended to ensure that there are specific contingency arrangements for premises. Individual BCP's will be reviewed to ensure that those where there is no contingency arrangement for premises are updated.</p>	<p>Force Risk and Business Continuity Advisor</p> <p>31 March 2017</p>	

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	<p>for the department's reliance on specific premises and the temporary arrangements should the primary location become unavailable. Section 4 of the template plan includes specific sections on people, equipment, documentation and suppliers. It is best practice to include a specific section on premises.</p> <p><i>Risk:</i> Where temporary premises arrangements are not sufficiently detailed on the business continuity plan there is a risk that the department cannot continue its functions following an emergency incident.</p>					
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4.5	<p><b>Recovery Time Objectives</b></p> <p><i>Observation:</i> To ensure that activities are appropriately and efficiently prioritised in the event of an emergency incident requiring the plan to be activated, recovery time objectives should be assigned to each activity completed by the department that has been rated a 3 or above in the business continuity plan.</p> <p>Testing of a sample of eight departmental business continuity plans identified four instances where the activities completed by the department detailed within the plan were categorised as a rating of 3 or above and had not been assigned a recovery time objective.</p> <p>These plans related to the following departments:</p> <ul style="list-style-type: none"> <li>• Force Control Room;</li> <li>• Firearms Licensing;</li> <li>• Estates &amp; Facilities; and</li> <li>• MAPPA.</li> </ul> <p><i>Risk:</i> Where the recovery time objectives of each activity have not been defined there is a risk that key activities are not prioritised in the event of an emergency incident which could result in the department being unable to continue to provide an effective service.</p>	<p>The Force Risk &amp; Business Continuity Advisor should confirm upon each review that the recovery time objectives for each activity risk rates a 3 or above has been documented.</p> <p><b>[Force]</b></p>	<p><b>3</b></p>	<p>The Business Continuity Advisor will review the information collected in the Business Impact Analysis conducted in 2016 and ensure that the RTO information is updated in the BCP's</p>	<p>Force Risk and Business Continuity Advisor</p> <p>31 March 2017</p>	
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### ICT Review – January 2017

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.1	<p><b>Patching Policy</b></p> <p><i>Observation:</i> Patch management procedures are defined when updating Microsoft products via the WSUS Server, with Critical and Security patches rolled out automatically. However, on reviewing a report from the WSUS server noted that 2794 computers, 251 servers and 997 laptops require updating. We are informed that this is a misleading view of the situation in relation to patching as this will include a number of low level and</p>	<p>A patching policy should be developed alongside the development of the tri-force WAN, with consideration of the appropriate resources needed to effectively maintain the infrastructure.</p>	<p>2</p>	<p>Accepted that a single patching policy should be developed across the triforme.</p> <p>In the interim Northants team is looking to ensure existing processes are fully documented to feed into the tri-force policy.</p>	<p>Acting Head of ISD Northants – Northants documentation to be finalised Q1 2017.</p> <p>Tri force</p>	



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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p>unnecessary patches. In discussion with both the Network and Communications Manager and Information Security Manager, they highlighted that this issue has previously been raised during the PSN processes and that further work and resources were required to ensure that effective patching processes were applied. Patching processes for other devices including firewalls and switches was generally up to date.</p> <p><i>Risk:</i> Patches are not applied effectively or in time leading to security weaknesses in the Infrastructure.</p>				collaboration Programme – Tri force policy to be created as part of the tri-force WAN.	
4.2	<p><b>Monitoring Strategy</b></p> <p><i>Observation:</i> Multiple monitoring tools are in place to monitor network and system activity, however there is no current formal monitoring strategy defining what is monitored and what is not and where responsibilities lie.</p> <p><i>Risk:</i> Management do not adequately define areas of risk to be monitored.</p>	The organisation should establish a formal IT monitoring strategy to clearly define what is monitored, how and by whom and what action needs to be taken if an event is identified that requires further attention.	3	Accepted. Departmental Head now working with team managers to draft initial monitoring strategy. Some additional reporting being created to ensure that key areas of technology are effectively monitored and formalised escalation processes determined.	Acting Head of ISD completion end Q1 2017	
4.3	<p><b>Starters and Leavers Processes</b></p> <p><i>Observation:</i> There are defined starters, movers and leavers processes in place covering Constables, Staff, Specials and Volunteers both at the AD and applications managed through the Landesk service desk system. However, testing highlighted historical inefficiencies in the administration of Special and Volunteers. Automated early notification of a new user in these areas causes significant user administration when there is no certainty if the user will start. There is currently a review of user management procedures ongoing and we would support a review of users in this area particularly. Additional testing confirmed that in 9 out of 10 cases, users had undertaken information security training ahead of being granted access to force systems. In one</p>	As part of the ongoing simplification of starters and leavers process in relation to Volunteers and Special constables, it is our view that user accounts should only be created by the IT department when there is a higher degree of certainty of the user starting to avoid wasted effort that has occurred historically. We would therefore suggest that users are not created earlier than a month before their start dates and that this timescale be built into the automated process. Furthermore, it should be insured that all users have undertaken	3	<p>Historic problems have been experienced with the recruitment process for Specials and Volunteers. The organisational process has now been reviewed as has the ISD process resulting in significant reduction in wasted effort.</p> <p>ISD processes are in place to ensure that all users undertake security training with recent agreed escalation via Information Security in Professional Standards.</p>	Acting Head of ISD  Implemented	

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	Observation/Risk	Recommendation	Priority	Management response	Timescale/responsibility	Status
	<p>case, the new Director of Technology and Digital Transformation in OPCC had not completed training in line with defined procedures.</p> <p><i>Risk:</i> Users are managed in an inefficient manner.</p>	Information Security training within a reasonable timeframe of access being granted i.e. within one month.				
4.4	<p><b>Policies and Procedures</b></p> <p><i>Observation:</i> Whilst there are IT policies in place which are generally applicable and appropriate and subject to update, a more detailed review has been on hold through the various iterations of the Strategic Alliance/Tri Force arrangements, as it is viewed that a single sub set of policies will be required. This is now being taken forward but this has meant that elements of the existing policies are out of date and some now defunct policies, such as the CJX disconnection and Cryptographic handling, are still highlighted in the IT security policy when no longer relevant.</p> <p><i>Risk:</i> Policies no longer relate to practice and are unenforceable.</p>	<p>Policies and procedures should be fully reviewed and updated. Where appropriate, this may be part of a single set of policies within the Tri-Force collaboration, but if this were not to go ahead as currently planned, the local policies should also be subject to review as soon as is practical. Once developed, these should be signed off by senior management of the Force/s and should be widely be available and all users made aware of them.</p>	3	<p>Accepted in full</p> <p>Force Information Security Manager has been working with colleagues in the Tri-force collaboration and all three forces are looking to standardise process as soon as practical.</p>	Tri-force Information Security teams likely timescales Q4 2017	
4.5	<p><b>Data Encryption and CPS</b></p> <p><i>Observation:</i> From discussions with the Information Security Manager, it was identified that there is an encryption policy that has been set aside temporarily in relation to sending data to the CPS due to issues on the CPS side. The force, in common with other forces, is uncomfortable with this arrangement.</p> <p><i>Risk:</i> Sensitive data sent to third parties is not adequately protected.</p>	Where possible, data sent to the CPS should be encrypted.	3	<p>Agreed in full.</p> <p>Force SIRO now agreed to re-institute encrypted media to CPS. Awaiting policy finalisation and organisation wide communication.</p>	Force Information Security Officer Q2 2017	

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## Risk Management – February 2017

	Observation/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
4.1	<p><b>Service Level Risk Registers</b>  <i>Observation:</i> In order for risks to be effectively managed across departments within the Force, service level risk registers should be in place that include key risks to the departments. To ensure service level risk registers are consistent and can be easily aligned to the corporate risk register, these should be recorded on the IPSO Risk Management software.            Testing of a sample of six departments within the Force confirmed that in five out of six instances, the departments have a risk register in place that is maintained using the IPSO Risk Management software. However, in one instance (Force Control Room) it was confirmed that a risk register has not been produced and there is not a risk register for this department on IPSO.            In addition, the Force Risk and Business Continuity Advisor confirmed that the risk registers for the Intelligence and Financial Services departments have not yet been fully registered on the IPSO system.</p> <p><i>Risk:</i> Where service specific risk registers are not in place, risks at an operational level may not be effectively managed and escalated for further action to be taken.</p>	<p>Service level risk registers should be in place across all services at the Force and should include comprehensive details of all key risks to the departments. Service level risk registers should be recorded on the IPSO Risk Management Software.            A recommendation regarding service level risk registers was raised within the 2015/16 internal audit report of Risk Management.            (Force)</p>	2	<p>Agreed – The Deputy Chief Constable will issue an instruction to all departmental heads that they must record all service level risks in the IPSO system. The Force Risk and Business Continuity Advisor will liaise with departmental heads to ensure that the risk registers are created.</p>	<p>DCC A Frost            Richard Baldwin            31 March 2017</p>	
4.2	<p><b>Review of Risks</b>  <i>Observation:</i> To ensure that all risks listed on risk registers are being effectively managed, a review should be completed on a regular basis and the risk should be updated on the IPSO Risk Management software following the review.            It was confirmed that for one department (Force Control Room), a risk register has not been produced on IPSO and therefore no further testing could be conducted on this department. In another instance (Safeguarding), the risk register was newly registered on the IPSO risk management software and therefore the review dates for the risks had not yet been reached.            For the remaining four departments it was confirmed that in two instances the risk registers had been reviewed and were therefore up to date. For these two</p>	<p>Risk Co-ordinators for each department within the Force should be reminded that each risk, and their mitigating actions, within the respective risk register should be reviewed and updated where necessary in line with the review dates recorded.            Progress comments should be recorded and the review date should be amended as appropriate.            (Force)</p>	2	<p>Agreed – The Risk and Business Continuity Advisor will provide additional training and guidance notes for Risk Co-Ordinators to ensure that all risks are reviewed and updated as appropriate.</p>	<p>Richard Baldwin            31 March 2017</p>	

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	<p>instances it was confirmed that the mitigation actions had been reviewed and progress had been recorded on the IPSO Risk Management software. However, in two instances (ISD and Transport Management) it was confirmed through a review of the IPSO risk management software that the risk registers are outdated. All of the risks on the Transport Management risk register have not been reviewed since 2012. On the ISD risk register there are two risks which should have been reviewed on 15 July 2016, however these had not been reviewed. It was therefore confirmed that as these were outdated, the mitigating actions to the risks had also not been reviewed and recorded on the IPSO system.</p> <p><i>Risk:</i> Where risks have not been reviewed there is a risk to the Force that these may not be effectively managed.</p>				
4.3	<p><b>Mitigating Actions</b>  <i>Observation:</i> To ensure that departments are aware of how, and are able to evidence that, the service is mitigating potential risks, risk mitigation actions should be recorded against each risk on IPSO. Testing of a sample of six departments across the Force confirmed that for one department (Force Control Room), a risk register had not been produced on IPSO and therefore no further testing could be conducted on this department. For the remaining five risk registers it was confirmed that in four instances the risks listed on the registers had mitigation actions assigned to them. These mitigation actions are the controls in place to help to prevent the risk from occurring or to reduce the impact the risk would have on the department. However, in one instance (ISD) not all of the risks had mitigation actions recorded on the IPSO Risk Management system.</p> <p><i>Risk:</i> Where staff are unaware of whether service risks are being managed, there is a risk that gaps in the control framework may not be identified which could lead to risks materialising and the system objectives not being achieved.</p>	<p>Departmental risk registers should be reviewed to ensure that mitigation actions have been recorded against risks. Risk Co-ordinators should be reminded that mitigation actions should be recorded against each risk within the department's risk register on the IPSO Risk Management software. (Force)</p>	2	<p>Agreed – The Risk and Business Continuity Advisor will provide additional training and guidance notes for Risk Co-Ordinators to ensure that mitigating actions are correctly recorded for all risks.</p>	<p>Richard Baldwin 31 March 2017</p>
4.4	<p><b>Training for Risk Coordinators</b>  <i>Observation:</i> To ensure that there is a consistent and correct approach to the recording and updating of risks</p>	<p>All Risk Coordinators should be trained by the Force Risk and</p>	2	<p>Agreed – The Risk and Business Continuity</p>	<p>Richard Baldwin</p>

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	<p>on the IPSO Risk Management software, training should be provided to all risk coordinators. Following the previous internal audit review, an exercise was completed to identify a 'Risk Coordinator' within each of the departments within the Force. A review of the list of Risk Coordinators identified that the Risk Coordinators for the Financial Services and Intelligence Departments have yet to receive training from the Risk &amp; Business Continuity Advisor on the use of the IPSO Risk Management Software. In addition, it was identified during the audit that there are inconsistencies across the Force in how risks, and their mitigating actions, are recorded on IPSO. For example, testing identified that for one risk register (Local Policing) the residual risks had not been scored correctly. There is also inconsistencies with how current control mechanisms and further response measures are recorded on IPSO. The system allows the risk owner to document current controls mitigating the risk and then asks the owner to assign a risk response following this. In a number of instances the risk owners have recorded a further risk response as 'treat' which would highlight that further response measures are required. However, where 'treat' has been assigned, no further response measures have been recorded. There is confusion as to whether this section is the risk response following the scoring of the inherent risk or the residual risk.</p> <p><i>Risk:</i> Where risks are not appropriately recorded and managed on the IPSO risk management software, there is a risk of ineffective risk management across the Force.</p>	<p>Business Continuity Advisor on their roles and responsibilities and on the use of the IPSO Risk Management software to maintain risk registers. Further refresher training should be provided to Risk Coordinators on the recording and updating of risks on the IPSO Risk Management software. A recommendation regarding risk management training within the Force was raised within the 2015/16 internal audit report of risk management. (Force)</p>		<p>Advisor will provide additional training and guidance notes for Risk Co-Ordinators to ensure that current control mechanisms and further response measures are correctly recorded for all risks.</p>	<p>31 March 2017</p>	
<p>4.5</p>	<p><b>Training for OPCC Staff</b>  <i>Observation:</i> In order to ensure that staff have the appropriate skills to identify, report and assess risks to their service areas, they should be provided with adequate and appropriate risk management and/or awareness training. Discussion with the Director of Delivery and Director of Resources and Governance confirmed that the risk management processes within the OPCC are currently under review and a new working methodology for risk management is to be implemented. This includes the use of the IPSO Risk Management software. The Director of Delivery has been trained on IPSO as he</p>	<p>Key staff within the OPCC should receive appropriate risk management training, whilst wider risk awareness should be developed across the OPCC including training on the new risk management processes implemented. A recommendation regarding training for OPCC staff was raised within the 2015/16 internal audit report of risk management. (OPCC)</p>	<p><b>2</b></p>	<p>The risk lead in the OPCC recognises this issue. The OPCC lead is currently reviewing and refreshing the OPCC risk policy. Once completed this will be shared with all staff and will be the subject of a whole team briefing to aid understanding. Training and awareness briefings will be arranged and delivered to all staff on the identification of, adoption of and management of risks. The lead officer is seeking to source more formalised training for himself. All of this will be documented for next audit.</p>	<p>Paul Fell,          Director for Delivery          October 2017</p>	

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<p>will be the officer who updates the system and it is not expected that any other members of staff will require access.</p> <p>However, other members of staff within the OPCC will require training on the new risk management processes, including their roles/responsibilities. Training was not provided on the previous methodology and will be required once the new risk management working practices have been finalised. At the time of the audit no training had been provided.</p> <p><i>Risk:</i> If staff do not have adequate risk management skills, key risks may not be identified and managed effectively across the OPCC.</p>				
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**JOINT INDEPENDENT AUDIT COMMITTEE**  
**6<sup>th</sup> March 2017**  
**OPCC - OUTSTANDING AUDIT RECOMMENDATIONS**

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
<b>Change Management</b> <b>May 2016</b>					
<p><b>4.6</b>            In our meetings with OPCC and Force representatives we discussed the established 'Three Lines of Defence' or 'Three Sources of Assurance' model. At high level and with examples in the context of programme assurance, the 1<sup>st</sup> line = programme management controls (i.e. controls executed by the SRO and programme team); the 2<sup>nd</sup> line = corporate controls (e.g. programme assurance provided by a source outside the programme team, reporting to the SRO and Programme Board); and the 3<sup>rd</sup> line is more external / independent (e.g. internal audit, reporting to top level governance layers). There appears to be an opportunity to <i>plug the gap at the 2<sup>nd</sup> line of defence</i> – in our</p>	JN	June 2016		<p>Agreed – OPCC to consider this as part of functional roles of the office post May</p> <p><b>This recommendation and 4.7 remain under active consideration by the Commissioner and Chief Executive. The Committee will be kept informed.</b></p>	Ongoing

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
meetings we discussed the use of a structured PM Scorecard for this. Internal Audit and others can then choose to place reliance on such if deemed appropriate.					
<p><b>4.7</b> In our meetings we discussed a number of examples of reprioritisation to respond to the changing external environment, in particular Police/Fire Integration and the Strategic Alliance. As stated under Governance above, it will be important going forward to clarify how the Boards and SROs work in practice for key decisions about transformation programmes, and how these will be documented / evidenced. This will include upfront and continued <i>business justification plus re prioritisation</i> in response to changing internal and external factors.</p>	JN	June 2016		<p>Agreed – OPCC to consider this as part of functional roles of the office post May</p> <p>See above</p>	Ongoing
<p><b>Victims Code of Practice June 2016</b></p>					
<p><b>4.1</b> Officers should be reminded that all victims should be issued with written acknowledgement that they have reported a crime in line with their VCOP entitlements. This should</p>	RS/PB	Dec 2016	2	Further development of the booklet is required to meet diverse needs of service users and improve accessibility. There is a potential training requirement but the Niche Programme Team will support the	Complete



Agreed action on recommendations	Owner	Date	Priority	Comment	Status
<p>include their crime reference number and the basic details of the offence. In addition, the Force should establish how these requirements can be met for telephone resolutions and explore the possibility of letters or email in these cases, with evidence maintained on the Niche system to support this acknowledgement has been provided.</p>				<p>business as necessary with reminder communications regarding minimum requirements for both officer deployed and FCR support to non-deployed scenarios. This will help ensure the written (email/text/post) update can be provided as required.</p> <p>A further comms campaign for the use of Track my Crime where appropriate will automatically track updates in Niche each time there is an update to the victim. The recording of the issuing of the booklet in Niche is a Yes or No field in the VCOP module. If No is selected, there isn't yet anything that confirms how this is going to be provided. This will be referred to the regional Niche Design Authority to consider how this can be improved.</p>	
<p><b>4.9</b> The dip sampling process being embedded by Voice should be enhanced to ensure the key entitlements of VCOP have been met In addition, the process should be supported by a documented methodology to include - frequency, required approach, sample selection/size, evidence of checks and action to be taken where issues have been</p>	PB	Sept 2016	2	<p>The Provider is developing dip sampling methodology for the Case Management and Courts teams against VCOP and Witness Charter compliance.</p> <p>KPIs, including targets, have been agreed between the Commissioner and Provider including VCOP and Witness Charter compliance.</p>	Ongoing

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
identified.				<p>The OPCC will sign off the methodology once it has been presented and compliance will thereafter be managed through internal service performance management and by the OPCC as part of its Contract Management regime.</p> <p>This has taken longer to achieve than envisaged due to changes at the OPCC</p> <p>Now delayed until new model is in place at the end of 2017</p>	
<b>Police &amp; Crime Commissioners Board Governance August 2016</b>					
<b>4.1</b> A Governance Framework should be produced to support the operation of the PCC Board. This should define and consider, as a minimum,: <ul style="list-style-type: none"> <li>• Objective, role and purpose of the Board;</li> <li>• Strategic oversight arrangements;</li> <li>• Reporting requirements (operational and financial);</li> <li>• Clear accountability and delegations for collaboration activity;</li> </ul>	Chief Execs (MS)	Dec 2016	2	Agreed  The PCC Board was presented with initial recommendations in December 2016. Consultation with Chief Constable has been undertaken and new arrangements are being put in place	Complete

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
<ul style="list-style-type: none"> <li>• Compliance management procedures</li> <li>• Decision making processes; and</li> <li>• Risk management processes.</li> </ul>					
<p><b>4.2</b> A Strategic Plan should be produced to provide oversight of the current collaboration arrangements, associated activity and future direction or creation of new collaborations.</p> <p>It would be beneficial for the strategic plan to illustrate a high level overview of each existing collaboration alongside, for example, key targets and milestones, financial budgets/ associated costings, any required efficiency savings and any significant change or transformation considerations.</p> <p>There is also an opportunity for the plan to be supported by a Strategic Risk Register developed as part of the Controls Assurance Statement work being progressed with RSM.</p> <p>The plan and risk register should be updated on a quarterly basis and</p>	Chief Execs (MS)	April 2017	2	Agreed	Ongoing

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
presented to the PCC Board to enable oversight of all collaborative activity in a consistent and regular format.					
<p><b>4.3</b> The East Midlands Police and Crime Commissioners Board TOR should be reviewed to ensure it adequately reflects the purpose, remit and responsibilities of the current operation. The review, as a minimum, should consider:</p> <ul style="list-style-type: none"> <li>• frequency and structure of meetings (are quarterly meetings and a separate business meeting still required);</li> <li>• the requirement to separate the duty of chairmanship and secretariat support;</li> <li>• standardisation of documentation and critical paths for decisions (in terms of current format and availability); and</li> <li>• requirements to review governance arrangements</li> </ul>	Chief Execs (MS)	Dec 2016	3	Agreed  See 4.1	Complete
<p><b>4.4</b> An annual Board Work Programme should be documented and approved to include:</p>	Chief Execs (MS)	Dec 2016	3	Agreed	Complete

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
<ul style="list-style-type: none"> <li>• Any standing items which are required/considered under the remit of the Board;</li> <li>• Timetables for submission of key discussion documents, including collaboration budgets and any decisions in terms of approving new collaborations and controls assurance statement submission and scrutiny;</li> <li>• Performance and financial information requirements of the Board.</li> </ul> <p>The programme should be used to shape meeting agendas accordingly.</p>					
<p><b>4.5</b> Critical paths for decision making by the Commissioners should be documented to outline the required route of key decisions, including approval for amendments to collaboration agreements, budget approvals, operational changes to the way collaborative services are delivered and transformation projects.</p> <p>This path should be readily available</p>	Chief Execs (MS)	Dec 2016	3	Agreed  Not yet in place	Ongoing

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
to all collaborations to ensure officers and staff are aware of the requirements for any proposals for decisions and that a consistent approach is applied and monitored.					
<p><b>4.6</b> The current performance reports should be reviewed by the Board to establish:</p> <ul style="list-style-type: none"> <li>• High level aims and objectives of each collaboration;</li> <li>• Quantifiable targets to support these aims and objectives;</li> <li>• Reporting of targets against aims and objectives; and</li> <li>• Value for money assessments.</li> </ul> <p>Where collaborations are operating as business as usual, a high level performance reporting template should be used to evidence that operations are meeting their aims and objectives.</p>	Chief Execs (MS)	April 2017	2	<p>Agreed</p> <p>A template and process has now been agreed</p>	Complete
<p><b>4.7</b> Value for money assessments should be introduced to demonstrate to the PCC Board on a regularly basis that investment in collaborations are providing VFM and operating efficiently and effectively in line with</p>	Chief Execs (MS)	April 2017	3	<p>Agreed</p> <p>A Business Planning approach is to be developed that will address VFM</p>	Ongoing

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
<p>their overarching section 22 agreements.</p> <p>Dedicated value for money/ best value key performance indicators should be considered for each collaboration to bring together elements of their initial aims and objectives against the cost of delivering their services.</p> <p>Further support for value for money assessment can be made available by internal audit on request.</p>					
<p><b>Code of Corporate Governance November 2016</b></p>					
<p><b>4.1</b> There should be appropriate communication between the OPCC and Force regarding the intention to produce individual Codes of Corporate Governance as corporation sole,</p>	JN	Jan 2017	2	<p>OPCC The Force was involved at the outset of the update when a joint meeting was held regarding Financial Regulations. Furthermore the Force was represented at a Joint Independent Audit Committee in May 2016 where the draft updates were discussed in detail.</p> <p>However the documentation is now out to consultation with both the Force and</p>	Complete

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
<p>The Force, in consultation with the OPCC, should produce a Corporate Governance Framework and Scheme of Governance.</p>	<p>PD</p>	<p>Mar 2017</p>		<p>Joint Independent Audit Committee.</p> <p>Since this Audit report was published it has been agreed with the Force that both updates of governance framework will become effective from 1<sup>st</sup> April 2017. Applies to 4.1, 4.2 and 4.3. See today's Agenda</p> <p>The Force has been involved with the drafting of aligned Financial Regulations, however, there are slight differences between the two documents including the changes to delegated limits, which could cause confusion in working practises and agreements. The Force's Financial Regulations have been published and assurances received regarding how the OPCC's new regulations will not override those assumptions.</p> <p>The Force is currently reviewing whether the other corporate governance documents will be required as an individual corporation sole and if so how that will interact with the OPCC's overarching documents</p> <p>Include on March 2017 Agenda</p>	<p>Ongoing</p>





Agreed action on recommendations	Owner	Date	Priority	Comment	Status
<p><b>4.4</b> The OPCC should identify whether any Force expenditure/savings over £300,000 should be authorised by the PCC and subsequently published as an executive order on the OPCC website as a decision of significant public interest. Further consideration should be given to clarifying what other types of decisions taken by the Force should be referred to the PCC for an executive order as a decision of significant public interest.</p>	PD	Mar 2017	2	<p>Agreed and the revised Financial Regulations for the force should enforce this.</p> <p>The Financial Regulations specify that;</p> <ul style="list-style-type: none"> <li>• New expenditure over £300,000 will be referred to the OPCC;</li> <li>• Items that already have PCC approval* or are statutory payments are exempted from this on the basis that approval has previously been received or that legally the bodies cannot avoid timely payment**</li> </ul> <p>*This covers items previously approved by the OPCC, such as regional budget commitments and purchase orders raised on the financial system covered by executive orders or Business Cases.</p> <p>**This covers items such as HMRC payments, Police Pension commutations or property rates, where payment is generally required by law.</p> <p>Savings Plans for 2017/18 forward, will be formally approved by COT as part of the budget setting process. If it is</p>	Complete

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
				required to create additional savings requirements above £300,000 within 2017/18, these will be approved through a paper to COT and then taken to the PCC for approval.	
<b>Walgrave Wellbeing Centre January 2017</b>					
<p><b>4.1</b> Consideration be given to expanding the information held on the register, in particular to capture the date when the interest first occurred. Any subsequent disclosure should then be reviewed to confirm any prior transactions with the organisation.</p>	SM	Nov 16	2	<p>Agreed and accepted</p> <p>Fin Regs, Sect C4, paras 4.5, 4.7, 4.9, 4.10 &amp; 4.11 are relevant.</p> <p>All granting and commissioning processes must ensure the register of interests and any potential conflicts of interest are clearly highlighted and transparent. Better judgement required on interpretation of “novel, contentious or repercussive” of decisions that require potential escalation of authority and identification of risk. OPCC will review all processes to ensure better controls and subsequent transparency.</p> <p>Commissioning Manager, Strategic Resources Officer and Head of Office to identify and review all process and make recommendations to CEO before end of</p>	Complete

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
				FY 16/17.	
<p><b>4.2</b> A process should be put in place for capturing and recording information in respect of related party transactions which can subsequently be drawn upon when compiling the accounts.</p>	SD	March 17 (as part of 2016-17 closure of Accounts)	2	Agreed and accepted	Ongoing
<p><b>4.3</b> The Decision Record / Supporting Report should clearly set out if the decision impacts on an organisation where there is a business interest with an officer of the OPCC.</p>	JN	Nov 16	2	<p>Agreed and accepted</p> <p>To apply to any future Decision Record/Supporting Report</p> <p>As per serial 4.1</p>	Complete
<p><b>4.4</b> Decision Records should be produced for all grant decisions. The Decision Record should be accompanied by Supporting Reports and/or other relevant documentation to support the grant award. Such information should be held in a central repository and should include Agreements with the recipient and any subsequent monitoring returns.</p>	JN	Nov 16	1	<p>Agreed and accepted</p> <p>The Head of Office will be asked to devise a process.</p> <p>Clear delineation required between an Executive Order (EO) and a Decision Record (DR); or simplification of process and adoption of a single Decision Record template for all PCC decisions.</p> <p>The Corporate Governance Framework, specifically the Scheme of Governance</p>	Complete

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
				(paras 13.3.5 & 13.4.3) relate to EOs and DRs. This needs to be reviewed and clarified before Corporate Governance Framework is endorsed.	
<b>4.5</b> A process should be put in place for ensuring grants are being spent for the purposes they were awarded. This should include documented reporting routines and (as per 4.4) a central repository of key documentation.	JN	Nov 16	1	The Head of Office will be asked to devise a process	Complete
<b>4.6</b> The Delegated Limits set out in Section F of the Financial Regulations should clearly set out those limits with regards the award of grants, above which the approval of the PCC should be obtained.	JN	Jan 17	2	To be included within the current update of Scheme of Governance  Scheme of Governance under review, including the delegated limits (are delegated limits consistent across region?).	Complete
<b>Risk Management February 2017</b>					
<b>4.5</b> Key staff within the OPCC should receive appropriate risk management training, whilst wider risk awareness should be developed across the OPCC including training on the new risk management processes implemented.	PF	Oct 17	2	The risk lead in the OPCC recognises this issue. The OPCC lead is currently reviewing and refreshing the OPCC risk policy. Once completed this will be shared with all staff and will be the subject of a whole team briefing to aid understanding. Training and awareness	Ongoing

Agreed action on recommendations	Owner	Date	Priority	Comment	Status
A recommendation regarding training for OPCC staff was raised within the 2015/16 internal audit report of risk management.				briefings will be arranged and delivered to all staff on the identification of, adoption of and management of risks. The lead officer is seeking to source more formalised training for himself. All of this will be documented for next audit.	

**KEY:**

**Audit Assurance**

<b>None</b>	<b>Limited</b>	<b>Satisfactory</b>	<b>Significant</b>	<b>Not Scored</b>
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**Priority**

<b>1. Fundamental</b>	<b>2. Significant</b>	<b>3. Housekeeping</b>
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**Owner**

JN John Neilson  
PB Paul Bullen  
RS Rachel Swann  
PD Paul Dawkins  
SD Steve Dainty  
SM Stuart McCartney  
PF Paul Fell

**Author:**

**Steve Dainty**

**END**

## NORTHAMPTONSHIRE POLICE - CORPORATE RISK REGISTER

AGENDA ITEM 17

Ref	Status	Description	Inherent Likelihood	Inherent Impact	Inherent Risk	Response Measures	Residual Likelihood	Residual Impact	Residual Risk Score	Progress	Review Date	Trend
0000	Open	THERE ARE CURRENT DISCUSSIONS ONGOING RELATING TO A REQUIREMENT FOR PCC TO TAKE ON ADDITIONAL RESPONSIBILITIES. THIS INCLUDES MATTERS SUCH AS WIDER CJ RESPONSIBILITIES AND POLICE COMPLAINTS. THE RISK IS THAT WITH NO DETAILS IN RELATION TO THIS IT IS NOT POSSIBLE TO ASCERTAIN ANY POTENTIAL ADDITIONAL RESOURCE REQUIREMENT NEEDED TO DELIVER THIS.	Medium	High	High	THERE IS AN OPPORTUNITY TO ENSURE MORE EFFECTIVE MANAGEMENT OF THIS RISK BY AN EARLY INDICATION OF WHETHER POLICE AND CRIME COMMISSIONERS IN THE EM REGION INTEND TO ADOPT A REGIONAL APPROACH TO PSD AND ALSO THEIR PREFERRED OPTION FOR THE MANAGEMENT OF THE COMPLAINTS PROCESS FROM THE OPTIONS PROPOSED.	Medium	High	High		20/04/2017	No Change
0000	Open	LACK OF RESILIENCE WITHIN THE OPCC COMMUNICATIONS STRUCTURE AND POSSIBILITY OF INEFFECTIVE LINKS BETWEEN THIS AND FORCE CORPORATE COMMUNICATIONS TEAM PRESENTS A RISK OF DUPLICATION, LACK OF FOCUS OR LACK OF CONSISTENCY IN INTERNAL AND EXTERNAL MESSAGING RESULTING IN RISSK TO PROEPRLY INFORM STAFF AND THE PUBLIC ON ASPIRATIONS AND SUCCESSES OF THE FORCE AND OPCC, LACK OF PUBLIC REASSURANCE AND CONFIDENCE AND FAILURE TO SUPPORT EFFECTIVE DELIVERY OF POLICE AND CRIME PLAN.	Medium	High	High	ENSURE PROPER AND EFFECTIVE MANAGEMENT OF RECRUITMENT PROCESS IS IN PLACE ENSURE COMPLETION OF NEEDS ASSESSMENT	Medium	Medium	Medium		01/03/2017	No Change



NORTHAMPTONSHIRE OPCC - CORPORATE RISK REGISTER  
NORTHAMPTONSHIRE POLICE - CORPORATE RISK REGISTER

Risk Owner Risk\_5x5Area

OPCC-Paul Fell	OPCC-Paul Bull

## NORTHAMPTONSHIRE POLICE - CORPORATE RISK REGISTER

Ref	Status	Description	Inherent Likelihood	Inherent Impact	Inherent Risk	Response Measures	Residual Likelihood	Residual Impact	Residual Risk Score	Progress	Review Date	Trend
0000	Open	A LACK OF A COHERENT ESTATES STRATEGY CREATES A RISK OF UNCERTAINTY OF FUTURE DEPLOYMENT OF OPERATIONAL RESOURCES AND INABILITY TO EFFECTIVELY MATCH RESOURCES TO DEMAND (OPERATIONAL OR FINANCIAL)	High	Medium	High	FINAL DELIVERY OF ESTATES STRATEGY THIS WILL INCLUDE SHAPE OF ESTATES, DECISIONS ON NEW BUILDS AND ASSETS TO BE DISPOSED OF, DEEMED TO BE SURPLUS TO REQUIREMENTS.	Medium	Medium	Medium		30/04/2017	No Change
0000	Open	UNCERTAINTY IN RELATION TO LONGER TERM FINANCIAL SETTLEMENT FROM CENTRAL GOVERNMENT, ALONGSIDE FLAT LINE BASE BUDGET SETTLEMENTS CREATES A RISK OF INSUFFICIENT FUNDING TO SUPPORT A VIABLE OPERATIONAL POLICING SERVICE, LEADING TO INABILITY TO DELIVER AN EFFECTIVE AND EFFICIENT POLICE FORCE FOR LOCAL COMMUNITIES, POLICE AND CRIME PLAN AND PROPERLY MANAGE THREATS	High	Medium	High	TO DEVISE AND GET ADOPTED A ROBUST ACCOUNTABILITY PROCESS (INTERNAL AND BETWEEN PCC AND FORCE) REASSURANCE IN RELATION TO FORCE MANAGEMENT OF ALLOCATED BUDGET ON AN ONGOING BASIS	High	High	High		27/01/2017	No Change

	OPCC-John Nel
	OPCC-John Nel

NORTHAMPTONSHIRE OPCC - CORPORATE RISK REGISTER  
**NORTHAMPTONSHIRE POLICE - CORPORATE RISK REGISTER**

Ref	Status	Description	Inherent Likelihood	Inherent Impact	Inherent Risk	Response Measures	Residual Likelihood	Residual Impact	Residual Risk Score	Progress	Review Date	Trend
000	Open	INABILITY TO DELIVER A COMPELLING BUSINESS CASE FOR INTEGRATION OF THE GOVERNANCE OF NORTHAMPTONSHIRE FIRE AND RESCUE UNDER PCC WILL CRAEET A REPUTATIONAL RISK THAT MAY REDUCE PUBLIC CONFIDENCE	Low	Medium	Medium	ONGOING MONITORING TO CONTINUE TO ALLOW CHANGE IN RESPONSE WHERE AN EXTERNAL INFLUENCE CHANGES (IE OPINION OF NCC/FIRE AUTHORITY/ HOME OFFICE) CONGOING CONSIDERATION OF WHEN ENGAGEMENT AND IMPLEMENTATION PLANS MIGHT NEED TO BE CONSIDERED, WHICH MAY CREATE NEW AND ADDITIONAL RISKS	Low	Low	Low		30/04/2017	No Change
000	Open	THE LACK OF A SUPPORTED AND CONSISTENT PROCESS OF ASSURANCE MEANS THAT ACCOUNTABILITY PROCESSES ARE NOT AS MEANINGFUL AS SHOULD BE FOR PCC/OPCC AND CC/FORCE, LEADING TO THE RISK OF POTENTIAL FAILURE TO BE ABLE TO DEMONSTRATE EFFECTIVE ACCOUNTABILITY AS REQUIRED BY LEGISLATION.	Medium	High	High	ADOPTION OF AN AGREED PROCESS FOR BOARD AND PRE MEET COMPLETION OF SCHEDULE OF ASSURANCE AGREEMNT OF AN EFFECTIVE SECRETARIAT PROCESS MAPPING OF FORCE MEETINGS AND PROCESSES TO BETTER INFORM SCHEDULE	Low	Medium	Medium		28/02/2017	No Change

	OPCC-Paul Bull
	OPCC-Paul Fell

NORTHAMPTONSHIRE OPCC - CORPORATE RISK REGISTER  
**NORTHAMPTONSHIRE POLICE - CORPORATE RISK REGISTER**

Ref	Status	Description	Inherent Likelihood	Inherent Impact	Inherent Risk	Response Measures	Residual Likelihood	Residual Impact	Residual Risk Score	Progress	Review Date	Trend
000	Open	THE CURRENT FINANCIAL POSITION AND SETTLEMENT FOR PUBLIC SECTOR AGENCIES MEANS THERE HAVE BEEN AND REMAIN CUTS ACROSS THE SECTOR. THIS CREATES THE RISK THAT BUDGETARY PRESSURES AND INTERNAL RESTRUCTURES OF PARTNERS AND AGENCIES WILL MEAN THAT THEY RETRACT TO "CORE BUSINESS", MEANING THAT RESOURCES WILL NOT BE ABLE TO SUPPORT DELIVERY OF ACTIVITIES TOWARDS THE POLICE AND CRIME PLAN, MEANING THAT THIS IS NOT SUCCESSFUL OR AS SUCCESSFUL AS IT	Medium	High	High	OPCC AND PCC TO REMAIN ENGAGED WITH KEY STATUTORY PARTNERS. WHERE POSSIBLE ENSURE THAT COMMISSIONING PROCESSES ARE JOINED UP WITH THOSE OF OUR PARTNERS. ENSURE THAT THE COMMISSIONING/GRANT AND FUNDING ALLOCATION PROCESSES ARE BASED AROUND ACHIEVING SHARED OUTCOMES FROM OR FOR A RANGE OF PARTNERS.	Medium	High	High		31/03/2017	No Change
000	Open	LACK OF FINAL DECISIONS RELATING TO WORKSTREAMS ON TRI FORCE COLLABORATION CREATES THE RISK OF UNCERTAINTY OVER THE FUTURE SHAPE AND DELIVERY MODEL OF A NUMBER OF NON FRONTLINE ACTIVITIES. THIS PRESENTS A RISK OF INABILITY TO DELIVER EFFICIENCIES IN THESE AREAS OR INHIBITS THE DEVELOPMENT OF	High	High	High	TIMELY PRESENTATION OF THE BUSINESS CASES TIMELY DECISIONS TO BE MADE IN RELATION TO ADOPTION OR OTHERWISE OF BUSINESS CASES. WHERE REQUIRED EXPLORATION OF ALTERNATIVE OPTIONS IN THE EVENT OF NON ADOPTION OF TRI FORCE BUSINESS CASES	High	Medium	High	CONSIDERATION OF ALTERNATIVE STRATEGIES TO BE CONSIDERED AS A PART OF NEXT STAGE OF SDM.	31/03/2017	No Change
000					Low				Low		01/01/0001	N/A

	OPCC-John Nel
	OPCC-Paul Fell



## **Report to Joint Independent Audit Committee Risk Management and Corporate Risk Register 6<sup>th</sup> March 2017**

### **Recommendation**

The committee is asked to note the contents of this report and the current position in relation to the Office of Police and Crime Commissioner corporate risk register and risk management.

#### **1. Purpose of the report**

- 1.1 This report provides an overview on key changes that have taken place in the Office of the Police and Crime Commissioner (OPCC) as they relate to the management of risk
- 1.2 The report also provides the Joint Independent Audit Committee (JIAC) with an update on the current OPCC corporate risk register.

#### **2. Process Changes**

- 2.1 Since the last JIAC the arrangements for the administration and management of risk and the corporate risk register in OPCC have changed.
- 2.2 Responsibility for this has moved to a Director of Delivery from the previous owner.
- 2.3 The process of the capture and management of corporate risks has changed, with it now utilising the same IPSO software as Northamptonshire Police.
- 2.4 Meetings take place between the overall risk management owner and the Force risk manager, to compare relevant registers and consider cases where risks might need to be shared or transferred from one register to another.
- 2.5 Since these process changes the OPCC and Force have been subjected to an independent audit of the governance and management of risk. The final version of this audit report has now been prepared and provided.



[Type text]

- 2.6 This report indicates a satisfactory level of assurance in relation to overall risk management for the OPCC.
- 2.7 The audit report provides 1 recommendation for the OPCC. This relates to the need for a form of training for staff responsible for the effective management of identified risks and greater awareness with all staff on the identification and reporting of risk. These are in the process of being actioned.

### **3. Corporate Risk Register**

- 3.1 The attached summary provides the details of the current OPCC risk register and the status of each of the identified risks.
- 3.2 There are currently a total of 8 risks recorded on the new and revised OPCC risk register. Of these, 7 are currently classified as high and 1 as medium.
- 3.3 Now there is a revised process of risk identification and management in place, further reports to JIAC will include an assessment of changes in risk scores and mitigating activity as well as a simple description of the recorded risks.

Paul Fell

Director of Delivery

OPCC



## AGENDA ITEM 18

### NORTHAMPTONSHIRE POLICE AND CRIME COMMISSION JOINT INDEPENDENT AUDIT COMMITTEE

6<sup>th</sup> March 2017

<b>REPORT BY</b>	Director for Resources and Governance
<b>SUBJECT</b>	OPCC Scheme of Governance - update
<b>RECOMMENDATION</b>	To note the report

#### 1. Purpose of report

- 1.1. The Committee has, over the last 12 months received several reports on the progress of updating the Scheme of Governance for the OPCC. The latest documentation was submitted to this Committee at its last meeting on 5<sup>th</sup> December 2016.
- 1.2. The draft documentation has been widely consulted on and various comments have been received from both the Force and this Committee. These have all been considered and incorporated as necessary. The consultation exercise concluded on 31<sup>st</sup> December 2016

#### 2. Current position

- 2.1. The new Scheme of Governance is due to be implemented from 1<sup>st</sup> April 2017 and the Commissioner has taken this opportunity to ensure that the scheme is fit for purpose. In undertaking this review the Commissioner has made the following changes

##### **Scheme of Governance**

- 7.2.1 – Removal of the delegation under which the Chief Constable can enter contracts for buildings. PCC now has to approve all contracts concerning buildings
- 8.2.7 – Removal of the necessity to affix the common seal of grants over £100k

##### **Financial Regulations**

###### **Section F**

- 4.1 – Decrease in financial limit in which insurance liability claims must be referred to PCC from £50,000 to £25,000.
- 4.2 - Decrease in financial limit in which Employment Tribunal claims must be referred to PCC from £50,000 to £25,000.

- 5.1 - Increase in financial limit where inventories must be maintained from £1,000 to £2,000
- 5.4 - Removal of the limit where disposal of land must be reported to the PCC. All disposals now to be reported to PCC for prior approval

**John Neilson**  
**Director for Finance and Governance**

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**END**

<b>EQUALITY, DIVERSITY AND HUMAN RIGHTS IMPLICATIONS</b>	None
<b>HUMAN RESOURCES IMPLICATIONS</b>	None
<b>ENVIRONMENTAL IMPLICATIONS</b>	None
<b>RISK MANAGEMENT IMPLICATIONS</b>	None
<b>Author:</b>	Steve Dainty – Strategic Resources Officer

**AGENDA PLAN – PUBLIC AGENDA - NEXT FOUR MEETINGS**

JUNE	SEPTEMBER	DECEMBER	MARCH
Apologies	Apologies	Apologies	Apologies
Declarations	Declarations	Declarations	Declarations
Minutes of previous meeting	Minutes of previous meeting	Minutes of previous meeting	Minutes of previous meeting
Matters arising action log	Matters arising action log	Matters arising action log	Matters arising action log
Implementation of Audit recommendations	Implementation of Audit recommendations	Implementation of Audit recommendations	Implementation of Audit recommendations
Internal Audit – Annual report			<b>Draft Internal Audit Plan</b>
Internal Audit – progress report	Internal Audit – progress report	Internal Audit – progress report	Internal Audit – progress report
External Audit – progress report	External Audit – progress report	External Audit – progress report	External Audit – progress report
Finance Update 2016-17	Finance Update 2017-18	Finance Update 2016-17	Finance Update 2016-17
Transformation & Accountability	Transformation & Accountability	Transformation & Accountability	Transformation & Accountability
Force Strategic Risk Register	Force Strategic Risk Register	Force Strategic Risk Register	Force Strategic Risk Register
OPCC Strategic Risk Register	OPCC Strategic Risk Register	OPCC Strategic Risk Register	OPCC Strategic Risk Register
<b>JIAC Terms of Reference review</b>		<b>MTFP and Budget update</b>	<b>MTFP and Budget update</b>
HMIC reviews – update	HMIC reviews – update	HMIC reviews – update	HMIC reviews – update
<b>External Audit – Fee letter?</b>		<b>OPCC Risk Policy</b>	
<b>Treasury Management update and outturn report</b>		<b>Treasury Management update</b>	<b>Draft Treasury Management strategy</b>
<b>Draft Governance Statements</b>		<b>Tri Force Update</b>	
<b>Draft Statement of Accounts</b>	<b>Final accounts / AGS / ISA 260 etc.</b>	<b>Annual External Audit Letter</b>	
<b>Committee self- assessment</b>			
<b>Committee Annual Report</b>			
<b>Annual Risk Report</b>			
Items for escalation to the Commissioner and / or the Chief Constable	Items for escalation to the Commissioner and / or the Chief Constable	Items for escalation to the Commissioner and / or the Chief Constable	Items for escalation to the Commissioner and / or the Chief Constable
Agenda plan for the next four meetings	Agenda plan for the next four meetings	Agenda plan for the next four meetings	
Date venue and time of next meeting		Date venue and time of next meeting	
Resolution to exclude the public		Resolution to exclude the public	

**Bold = non Standing items**

**AGENDA PLAN – PRIVATE AGENDA (only if required)**

**NEXT FOUR MEETINGS**

<b>JUNE</b>	<b>SEPTEMBER</b>	<b>DECEMBER</b>	<b>MARCH</b>
HMIC reviews – update	HMIC reviews – update	HMIC reviews – update	HMIC reviews – update

Private meeting with Auditors	Private meeting with Auditors	Private meeting with Auditors	Private meeting with Auditors
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