



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

**JOINT INDEPENDENT AUDIT COMMITTEE  
10 December 2018 at 10.00am to 13.00pm**

**Spence, Northern Accommodation Building  
Cherry Hall Road, Kettering NN14 1UE**

**If you should have any queries in respect of this agenda,  
please contact Helen Jennings on 03000 111 222 Ext 346858**

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***

\* \* \* \* \*

AGENDA			Papers attached/to follow	Time
	<b>Public Meeting of the Joint Independent Audit Committee</b>			
1	Welcome and Apologies for non- attendance	JB		10.00
2	Declarations of Interests	Members		
3	Meeting Log and Actions – 10 <sup>th</sup> September 2018	HK	Received	10.05
4	Update on Fire Governance	PB	Received	10.15
5	Update on Estates Strategy and Estates Board	MS	Verbal	10.25
6	Feedback From CIPFA Training Day for Police Audit Committees	JB	Verbal	10.35
7	Internal Audit Progress Report	Mazars	Received	10.50
8	Implementation of Internal Audit Recommendations	RB	Received	11.05
9	Budget 2019-20 and MTFP Update	HK/PD	Verbal	11.20
10	External Audit – Fee Letter (a) Police and Crime Commissioner (b) Chief Constable	EY	Received	11.30
11	External Audit – External Audit Plan Considerations	EY	Verbal	11.45
12	Treasury Management Q2 Update	PD/HK	Received	12.00
13	MFSS Update	RS/HK	Received	12.10
14	Agenda Plan	HK	Received	12.20
15	AOB (Including member updates)	JB		12.30
16	Date and venue of future JIAC meetings Wootton Hall, Northampton NN4 0JQ  20 March 2019 (10:00 to 13:00) 26 July 2019 (10:00 to 13:00) 30 Sep 2019 (10:00 to 13:00) 11 Dec 2019 (10:00 to 13:00)			

17	Resolution to exclude the public			12.45
	<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>			
17A	<p>Force Risk Register</p> <p><i>(Exempt by virtue of paragraph 7 of schedule 12A to the Local Government Act 1972)</i></p>	RS	Received	12.45
18	Confidential items – any	JB		

**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:**

Helen Jennings  
Office of the Police and Crime Commissioner  
East House  
Police HQ  
Wootton Hall  
NORTHAMPTON NN4 0JQ

*or by email to:*

*helen.jennings@northantspcc.pnn.police.uk*

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.

**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**

\* \* \* \* \*





**Item 3:**

**Joint Independent Audit Committee (JIAC) ACTION LOG – 10 SEPTEMBER 2018**

**Attendees: Members: John Beckerleg (JB), Tony Knivett (TK), Martin Pettitt (MP)**

**Helen King (HK), Rachel Swann (RS), Paul Dawkins (PD), Richard Baldwin (RB) Item 10 , Andrew Cardoza KPMG (AC), Neil Harris, EY (NH). Julie Kriek (EY), Brian Welch Mazars (BW), Vaughan Ashcroft (VA), Nick Alexander (NA)**

Agenda	Issue	Action	Responsible	Comments
1	Apologies for non-attendance		Jiac members	<ul style="list-style-type: none"> <li>Gill Scoular</li> <li>Martin Scoble</li> </ul>
2	Declarations of Interests		Members	<ul style="list-style-type: none"> <li>As per previous meeting declarations.</li> </ul>
3	Meeting Log and Notes – 23 July 2018	<p><b>ACTION (Cfwd): Prudential Code meeting to be arranged post annual leave. (HK/PD) – To be scheduled</b></p> <p><b>ACTION (Cfwd): Accounting treatment for Victims Voice to be provided to the chair post (NA) – Completed - Provided</b></p> <p><b>ACTION (Cfwd): Meeting to discuss fleet (PD/JB) diarised for when the new transport manager is in post – Completed - Meeting has taken place</b></p> <p><b>ACTION: JIAC to be kept updated on OPCC HR Policies (MS/HK) – Monitoring Officer/Head of Paid Staff to update</b></p> <p><b>ACTION (Updated): BW to consider Overtime as IA work on Financial</b></p>	CFO	<ul style="list-style-type: none"> <li>The notes were accepted as a true record.</li> <li>The last meeting was at the end of July and this was an early September meeting. This short period and the incidence of annual leave meant that not all actions had been discharged and these would remain on the notes.</li> </ul> <p>Updates were as follows:</p> <ul style="list-style-type: none"> <li>OPCC HR Policies – HK advised the consultation was closed w/c 10/9/2018. JB requested that members be advised of progress via the Action log.</li> <li>MP advised the external audit recommendation on overtime needed to be implemented. This recommendation was not agreed and BW and PD agreed it would be considered as part of Internal Audit of financial controls.</li> </ul>

		<p><b>Controls. – Completed - Included in Financial Control Audits TOR</b></p> <p><b>ACTION: HK to update on 100% procurement contracts check when completed. – Almost Complete</b></p> <p><b>ACTION: HK to arrange for TK to have contact with MS and PBullen to discuss Fire outcomes. – Completed – Workshop scheduled and correspondence taken place.</b></p> <p><b>ACTION: Table at a JIAC meeting in 3 years time a review of the Fire Governance Transfer (HK) – Added on to a forward plan.</b></p>		<ul style="list-style-type: none"> <li>• HK advised the EMSCU 100% contracts check was still underway but confirmed that the missing contracts referred to in the internal audit of estates procurement had been found safely stored and returned to East Midlands Strategic Commercial Unit (EMSCU).</li> <li>• TK had reviewed the Fire Governance Business Case which was comprehensive and proposed that the JIAC review the arrangements in 3 years.</li> <li>• A discussion took place on financial and support services for Fire; HK advised that in the Business Case this is Northamptonshire Local Government Support Services (LGSS). The current timescale for the governance transfer of 1/1/19 (pending the statutory instrument in October 2018).</li> <li>• MP queried whether the NCC and OPCC Fire queries relating to the transfer had been resolved and HK advised that they had.</li> </ul>
4	Update on Fraud Processes		RS	<ul style="list-style-type: none"> <li>• JB found this report was useful and gave assurance of the areas highlighted which related to external fraud activity. There was a need to consider the internal approach within the Force and OPCC to fraud.</li> </ul>
5	Change Board Programme Update		RS	<ul style="list-style-type: none"> <li>• TK advised he attended the Change Board and papers were also shared with JIAC members, together with TK feedback.</li> <li>• The JIAC felt this gave assurance on arrangements.</li> </ul>
6	External Audit – Final ISA260	<p><b>ACTION: NA and AC to discuss the outstanding query on victims voice disclosure to finalise the ISA and annual audit letter. – Completed – Revised ISA260 due as this had been completed.</b></p>	KPMG	<ul style="list-style-type: none"> <li>• AC presented the final ISA and advised that one query remained regarding victims voice which may end up being removed from the ISA.</li> <li>• JB advised that members had seen the ISA260 in its draft format and received an update on the immaterial unadjusted item.</li> </ul>



7	External Audit – Annual Audit Letter		KPMG	<ul style="list-style-type: none"> <li>• AC presented the final KPMG Audit letter which he felt reflected the improved final accounts over the last few years. 2017/18 had been a good audit and had not incurred any additional audit fee other than the standard PSAA fee.</li> <li>• EY and KPMG were in contact in respect of external audit handover and that this would continue with EY to visit KPMG to review the files.</li> <li>• The JIAC and OPCC and Force officers thanked AC and KPMG and their approach over the years and had welcomed the open, honest, professional and challenging relationship.</li> <li>• AC left the meeting.</li> </ul>
8	External Audit Update	<p><b>ACTION: To work towards agreeing the Accounting Treatment for Fire to be between OPCC and EY by the end of 2018. (HK&amp;NH) – End Nov Meeting Scheduled – PCC written to PSAA to appoint an auditor on their behalf. Working assumption is working with EY on the process.</b></p>	EY	<ul style="list-style-type: none"> <li>• JB welcomed EY to the meeting as the OPCC and Force newly appointed external auditors.</li> <li>• NH explained that he had a telephone meeting with HK and PD prior to the meeting and was building an understanding of the areas which would be covered in the external audit plan for 2018/19.</li> <li>• NH advised that current areas of risk identified were: Multi function Support services (MFSS) and Fire specifically.</li> <li>• NH would be finalising his considerations on the plan in discussion with PD and HK and this was included as an agenda item on the December JIAC workplan.</li> <li>• NH gave his initial view that Fire was a separate organisation for final accounts purposes, although this would be considered further. He hoped that the OPCC and EY could agree the accounting treatment for Fire before the end of 2018 which HK supported.</li> <li>• HK confirmed NA, JM and HK were attending a CIPFA training event on Fire the next day which would help inform their discussions on this further.</li> </ul>

9	Internal Audit Progress Report		Mazars	<ul style="list-style-type: none"> <li>• BW outlined that one final amber report had been issued for absence management and a draft of the MFSS report was available.</li> <li>• progress on regional collaboration audits particularly for East Midlands Operational Support Services (EMOpSS) had been slow but was now underway.</li> </ul>
10	Implementation of Internal Audit Recommendations		Richard Baldwin	<ul style="list-style-type: none"> <li>• RB summarised the detailed appendix. JIAC noted changes and progress made since the last meeting.</li> </ul>
11	OPCC Risk Register	<p><b>ACTION: Future update reports to include the RAG assessment. – Completed – noted will be picked up in next assessment.</b></p> <p><b>ACTION: RS to liaise with PF to ensure OPCC and Force Risk Registers are aligned. – completed - PF and RB have met and there are 4 similar strategic risks which should be in both as they are from different perspectives.</b></p>	Helen King	<ul style="list-style-type: none"> <li>• HK discussed the process for reviewing and agreeing the OPCC Risk Register undertaken by the Director of Delivery with the PCC and CEO. Of the 19 risks, 12 have been closed and HK outlined the RAG assessments for the 7 remaining risks.</li> <li>• RS &amp; OPCC to discuss respective risks to ensure OPCC and force were aligned/not duplicated.</li> </ul>
12	MTFP and Budget Processes 2019/20			
12a	MTFP		Vaughan Ashcroft	<ul style="list-style-type: none"> <li>• The two papers were discussed together:</li> <li>• VA introduced the MTFP report and advised that this aligned to the monitoring and was updated regularly for pressures and savings, linked to the work of the change board to ensure all aspects are captured.</li> </ul>
12b	Budget Processes 2019/20		Vaughan Ashcroft	<ul style="list-style-type: none"> <li>• The July Force Budget Monitoring position was showing a £1m overspend if no savings made or action undertaken. JIAC were advised savings and actions were being progressed.</li> </ul>

				<ul style="list-style-type: none"> <li>• The PCC had already supported previously advised MFSS extra costs for 2018/19 and to fund PRONTO costs which had originally been envisaged would be capital when considering the 19/20 budget.</li> <li>• VA explained the two grant scenarios in the MTFP and discussed the assumptions contained within the MTFP, which could be changed and scenarios modelled.</li> <li>• JB queried how Fire and OPCC budgets were captured. VA advised that the timetable was a joint one for OPCC and Force and HK confirmed that Fire had a similar timescale, process and assumptions.</li> <li>• MP felt that the reserves position was missing from the MTFP to be able to consider whether they could be used to offset some of the future shortfalls. HK advised that there is a published reserves strategy on the OPCC website, reviewed annually as part of the budget process and the September Police and Crime Panel would include an update and members advised</li> <li>• MP queried how the PCC holds the Force to account for delivery of performance and JB advised (from when he met the PCC) that public perception and crime statistics would play a key factor in doing so.</li> <li>• The JIAC were assured by the process identified.</li> </ul>
13	Capital Programme 2019/19 Q1 and Strategy Update		Helen King	<ul style="list-style-type: none"> <li>• The Q1 update included reprofiled estates predictions for costs and sale of premises and updated considerations for Emergency Services Network and the ICT Strategy.</li> <li>• JB queried whether the ICT costs post the existing strategy were sufficient and PD/HK advised these would be reviewed for future ICT requirements.</li> <li>• HK advised key strategies were now in place to support a capital strategy and nationally Police and Crime Commissioners Treasurers' Society (PACCTS) and</li> </ul>

				<p>regionally Chief Finance Officers (CFOs) were keen to work together to share knowledge.</p> <ul style="list-style-type: none"> <li>• MP read the Committee a CIPFA article which highlighted a checklist he felt the JIAC should consider.</li> <li>• MP queried the change of designation between capital and revenue for PRONTO. HK advised it was an ICT system originally in the capital programme but when the system was reviewed prior to purchase, it was clearly revenue. The PCC met the unbudgeted revenue costs and the capital programme reduced.</li> </ul>
14	Update on MFSS Costs	<p><b>ACTION: JIAC will be updated on MFSS costs and decisions as part of the regular JIAC agenda. – Completed – on agenda</b></p>	Helen King	<ul style="list-style-type: none"> <li>• The report focussed on the MFSS fusion upgrade and business as usual costs requested by the JIAC in July.</li> <li>• Avon &amp; Somerset had left the programme and there was a programme proposal to defer implementation to April 2019. Both of these would incur additional costs as would business as usual assurance recommendations.</li> <li>• Both CC and PCC and their offices were concerned about the project, costs and timescales.</li> <li>• RS outlined the problems with meeting the November 2018 deadline and the work undertaken by project teams to identify April 2019 as the most suitable deferral date.</li> <li>• RS and HK agreed the proposal to commission an independent review of Northamptonshire’s options alongside fully working towards a successful implementation of the Fusion upgrade.</li> <li>• The JIAC welcomed the honest and transparent discussion, acknowledged the concerns and supported an independent review.</li> <li>• The Support Services Joint Operation Committee (SSJOC) would consider the rationale for deferring implementation, and have a full discussion on mitigations, the costs of delay and the impact of Avon &amp; Somerset departure. JIAC will be updated.</li> </ul>

15	Agenda Plan		Chair	<ul style="list-style-type: none"> <li>No additional items to add</li> </ul>
16	AOB	<p><b>ACTION: JB and HK to liaise regarding JIAC member induction. – Draft Induction Circulated – update at JIAC meeting.</b></p>		<ul style="list-style-type: none"> <li>This was MP's last meeting as a member and JB thanked him for his service on behalf of the JIAC.</li> <li>The Mereway decision record is now on the website.</li> <li>JB advised two individuals had been offered the JIAC roles; vetting is underway. JB and HK to discuss Induction.</li> </ul>
17	Date & Venue of future JIAC meetings			<ul style="list-style-type: none"> <li>No updates required</li> </ul>
18	Date & Venue of future JIAC workshops			<ul style="list-style-type: none"> <li>Members only to meet 13:45 to 14:00 20/9/18 workshop.</li> </ul>





## AGENDA ITEM 4

### NORTHAMPTONSHIRE POLICE AND CRIME COMMISSION and NORTHAMPTONSHIRE POLICE

#### JOINT INDEPENDENT AUDIT COMMITTEE

10 DECEMBER 2018

<b>REPORT BY</b>	Paul Bullen, Director for Delivery, OPCC
<b>SUBJECT</b>	Fire Governance Update Report
<b>RECOMMENDATION</b>	For the committee to note the report

#### 1. Background

1.1 The Police and Crime Act 2017 provided enabled Police and Crime Commissioners to have a say in the oversight of fire and rescue services within their area. Three options were within the Act:

- The Representative model – the PCC takes a seat on the existing Fire and Rescue Authority, in the case of Northamptonshire this would be a place at the County Council when fire and rescue matters are discussed
- The Governance Model –with the Chief Fire Officer reporting to the PCC alongside the Chief Constable and the retention of two separate organisations
- The Single Employer Model – the PCC puts forward a business case to become the Fire and Rescue Authority with a single chief officer for police and fire reporting to the PCC and all employees working for a single organisation

1.2 Northamptonshire has been at the forefront of police-fire inter-operability and so the PCC, building on the work of his predecessor, sought to take forward a business case for change.

1.3 The business case was supported by local MPs, the County Council, and the majority of the public who responded to the PCC's public consultation. 92% of fire and rescue staff who responded were in favour of the change in governance. The business case was approved by the Home Secretary in April 2018.

1.4 The Joint Independent Audit Committee received an update on progress in July 2018.

## **2 Governance Change Implementation**

2.1 The Fire Governance Programme Board (comprising senior representatives from the OPCC, Northamptonshire Fire and Rescue Service and the County Council) continues to meet on a fortnightly basis. Where the programme board have been unable to reach resolution on key issues, these have been escalated to the PCC to discuss with the Leader and Chief Executive at the County Council.

2.2 This is the first (and currently only) shift in governance from a County Council fire and rescue service to a PCC. All the other areas that have changed were from existing standalone fire and rescue authorities (known as 'combined authorities'). As such there has been a higher degree of complexity to unravel the fire and rescue service from the County Council than elsewhere. This has resulted in delays to the original timetable for the transfer.

2.3 The Home Office could not lay the Statutory Instrument in the summer as originally intended and this meant that the 'go live' date also slipped. Uniquely for Northamptonshire, a longer period of time was required between the laying of the Statutory Instrument and the change in governance to enable banking arrangements to be set up for the new entity. This is something that combined authorities did not need to do as they already had standalone bank accounts.

2.4 The Statutory Instrument (SI) was laid by the Home Office on 12<sup>th</sup> October. This is the legislation that formally changes the fire and rescue authority from the County Council to the PCC. The SI stated a transfer date of 1<sup>st</sup> January 2019.

2.5 Alongside the SI are two other statutory transfer schemes which deal with property and people. These are the mechanisms through which all assets (including contracts) and staff are moved from the current authority to the new one. Both transfer schemes will be laid by the Home Office before 1<sup>st</sup> January.

## **3 Risks Arising from the Governance Change**

3.1 In the July report to JIAC, a number of risks were highlighted. Progress has been made on a number of these whilst new risks have emerged in that time. These risks will, if realised, occur post the governance transfer:



- As highlighted in the July paper to JIAC, there is both a planned and unplanned in-year underspend in the 2018/19 fire and rescue service budget. It has been agreed to include in the transfer scheme a 'best estimate' of that underspend to transfer to the PCC on 1<sup>st</sup> January 2019. There will then be a period of 'trueing up' between the PCC and NCC for the closure of accounts. However the principle is established that the fire and rescue underspend in-year will transfer to the PCC and this helps to build the beginnings of the necessary insurance, and general reserves and to start to look at funding for a capital programme. However the JIAC should be aware that these will all take time to build to levels that the PCC would wish.
- A new risk that has emerged is the inclusion the business case of an overage agreement for the County Council to benefit from any future windfall from the sale of fire and rescue properties. This was included in the business case to recognise the precarious nature of the County Council finances. However the detail was not agreed at the time. The intention from the PCC was that this should apply only where there is both a windfall and the PCC has reinvested into the re-provision of the wider fire estate. The County Council have an alternative view. This has been escalated to the PCC and County Council Chief Executive for resolution.
- As highlighted in the July paper to JIAC, The Mounts fire station was included in the business case to transfer to the PCC. An in principle agreement has been reached for the PCC to grant a 25 year lease to the top three floors of the building to the County Council for accommodation for care leavers. However there remains differences in view on the detail in the Heads of Terms and the PCC view is that this cannot be divorced from the overage agreement discussions. Therefore until such time as the overage agreement is reached, the Heads of Terms cannot be completed for this property.
- As highlighted in the July paper to JIAC, costs to maintain LGSS systems for fire and rescue have been higher than originally planned for. This is largely because effectively Northamptonshire Fire and Rescue Service have had to be treated as a new client by LGSS, despite already utilising their services. As a result the successful delivery of the ERP system (the underpinning financial, HR and payroll system) is the main service delivery risk post 1<sup>st</sup> January as a result of the governance change. To help mitigate this, testing of the payroll system in particular is taking place in November and December in parallel to the live system to seek to ensure that there are no issues for the January pay run.

## **4 Plans and Processes to Move Forward**

- 4.1 On 1<sup>st</sup> January, the PCC becomes the Northamptonshire Commissioner Fire and Rescue Authority and will be known as the Police, Fire and Crime Commissioner.
- 4.2 The PFCC will have in place a new Corporate Governance Framework for the fire and rescue responsibilities. This is being developed to mirror as closely as possible the police framework.
- 4.3 The new authority has to produce a Fire and Rescue Plan and has to approve the service's revised Integrated Risk Management Plan (IRMP). The intention with this will be to consult with the public on draft plans from late January through to the beginning of March to adopt new plans by early April.
- 4.4 The IRMP includes a requirement to baseline the risk and performance position for the service. Alongside this the service was inspected by HMICFRS in late November 2018. The findings of that alongside the IRMP will inform the Fire and Rescue Plan and ensure that there is a baselined position at the change of governance.
- 4.5 The new Medium Term Financial Plan (MTFP) is in development and will also be taken to the Police, Fire and Crime Panel in early February 2019, at which point the PFCC will also be taking his proposals in relation to the Council Tax Precept for fire and rescue. Public consultation on council tax proposals closes in early December 2018.
- 4.6 The PFCC will have in place regular accountability processes with the Chief Fire Officer, in the same way as the relationship with the Chief Constable currently works.

## **5 Conclusions**

- 5.1 The transfer of governance for the fire and rescue authority from the county council to the Police, Fire and Crime Commissioner will take place on 1<sup>st</sup> January 2019.
- 5.2 There are a number of risks to the authority that will be inherited by the PFCC post the governance transfer. Mitigations are being developed on these.
- 5.3 The statutory plans and documentation are being developed for approval early in 2019.





**AGENDA ITEM 7**

**NORTHAMPTONSHIRE POLICE AND CRIME COMMISSION and NORTHAMPTONSHIRE POLICE  
JOINT INDEPENDENT AUDIT COMMITTEE  
10 DECEMBER 2018**

<b>REPORT BY</b>	Mazars
<b>SUBJECT</b>	Internal Audit Progress Report 2018/19
<b>RECOMMENDATION</b>	To discuss the report



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

Internal Audit Progress Report 2018/19

November 2018

Presented to the Joint Independent Audit Committee meeting of: 10<sup>th</sup> December 2018

# Contents

- 01 Introduction
- 02 Summary and conclusions from Internal Audit work to date
- 03 Performance 2018/19

## Appendices

- A1 Summary of Reports 2018/19
- A2 Internal Audit Plan 2018/19
- 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 2018/19 Internal Audit Plan which was considered and approved by the JIAC at its meeting on 19<sup>th</sup> March 2018.
- 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 Since the last meeting of the JIAC, we have issued two final reports, these being in respect of Victims Voice and Seized Property. Further details are provided in Appendix 1.

Northamptonshire 2018/19 Audits	Status	Assurance Opinion	Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
Absence Management & Wellbeing	Final	Limited	1	2	2	5
IT Strategy	Final	Satisfactory		1	1	2
Force Management of MFSS Arrangements	Draft					
Victims Voice	Final	Satisfactory		2	2	4
Seized Property	Final	Limited	2	4		6
Total			3	9	5	17

- 2.2 Fieldwork in respect of the audit of the General Data Protection Regulations (GDPR) has recently been completed, whilst the audit of the Service Delivery Model is in progress. The audit of the Core Financial Systems is scheduled to commence in late November. Please note that the audit of Partnerships, which was due to be carried out in October, has been deferred to allow time for stability across the county.
- 2.3 Work in respect of the 2018/19 Collaboration Internal Audit Plan is progressing. We have recently issued the draft reports in respect of Strategic Financial Planning and Risk Management, whilst fieldwork in respect of Business Planning has been completed and the draft report will be issued shortly.



## 03 Performance 2018/19

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.

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% (5/5)
5	Issue of final report	Within 5 working days of agreement of responses.	100% (4/4)
6	Follow-up of priority one recommendations	90% within four months. 100% within six months.	Achieved
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% (8/8)
9	Customer satisfaction (measured by survey)	85% average satisfactory or above	N/A

## Appendix A1 – Summary of Reports 2018/19

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 report issued since the last progress report.

### Victims Voice

Assurance Opinion	Satisfactory
Recommendation Priorities	
Priority 1 (Fundamental)	-
Priority 2 (Significant)	2
Priority 3 (Housekeeping)	2

Our audit considered the following control objectives relating to the areas under review. The audit objectives are to provide assurance that:

- There are robust governance arrangements in place in respect of the setting up of the company and its relationship with the PCC. These arrangements include the role of the PCC and safeguards in respect of conflicts of interest.
- An agreed business plan is in place for the company and attainment of objectives within the plan are monitored and reported upon.
- The delivery of services by Voice for Victims and Witnesses Ltd is underpinned by a formal grant agreement and service level agreement.
- The grant agreement clearly sets out the basis upon which the grant has been awarded and there are robust processes within the OPCC to ensure that the grant has been utilised for the purposes it was given.
- The service level agreement contains clear and measurable goals / objectives against which the company's performance can be determined.
- There are effective procedures within both the company and the OPCC to monitor performance against the SLA, with performance reported to the appropriate forum.
- There are sound financial and budgetary controls in place within the company, and financial performance against budget is reported to the appropriate forum.

We raised two significant (priority 2) recommendations where felt that the control environment could be improved. These related to the following:

- Consideration should be given to filling the non-executive director post on the Voice Board.
- Voice should continue to work with the OPCC and force to resolve the issues with the payroll provider.

We also raised two priority 3 recommendations of a more housekeeping nature relating to adjustments to the sample sizes for the quality control process and extending the satisfaction survey process.

Management have confirmed that agreed actions have either been completed or will be actioned over the coming ten months.

## Seized Property

Assurance Opinion	Limited
-------------------	---------

Recommendation Priorities	
Priority 1 (Fundamental)	2
Priority 2 (Significant)	4
Priority 3 (Housekeeping)	-

Our audit considered the following area objectives:

- Policies, Procedures and Training
- Receiving and Recording
- Security Arrangements
- Disposal of Property
- Property Management

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

Recommendation 1	<p>The report contains a number of recommendations to address the root causes of errors identified, including that in respect of training and store audits. The Force should continue with regular communications to help raise awareness of the issues.</p> <p>The Detained Property Team should review the items that audit could not locate and carry out inquiries to ensure they are located.</p>
Finding	<p>Audit carried out visits to two temporary stores to carry out testing to confirm that property records matched actual items in store. Audit testing found:</p> <ul style="list-style-type: none"> <li>• 323 items were recorded in the property management system but only 135 could be located</li> <li>• 26 items were physically in the property stores but were not recorded as being in that location on the property management system.</li> </ul> <p>There were similar findings in last year's audit. Since last year a number of communications have been issued across the Force to remind officers and staff of the correct procedures to be followed when handling seized property.</p>
Response	<p>a) A business case was agreed for growth within the department, which will enable us to effect audits more frequently.</p> <p>The increased staffing will enable the investigation of anomalies and the development of officer training for the appropriate management of property. We have changed the rota, to include the investigation of anomalies.</p> <p>b) Communications will continue to be sent i.e. update circulated last week regarding electronic exhibits. See also 4.3 &amp; 4.4 for further staff engagement activities.</p> <p>c) There are issues with the data extracts from Niche, in that incorrect data is returned due to limitations of the system. A business objects universe has been developed, and staff from Property, are working with corporate development to develop accurate reports to be used in place of the existing Niche reports. Testing/quality assurance will take place and should be finalised by the end of December 2018.</p>

Timescale	<p>Detained Property Senior Manager</p> <p>a) Sep 2019 - team growth (extended timeframe to include recruitment, training and implementation)</p> <p>b) Coms Ongoing</p> <p>c) Dec 2018</p>
Recommendation 2	Appropriate procedures should be developed so that cash held within the Central Property Safe is counted for insurance and safeguarding purposes.
Finding	<p>When cash is detained by officers it is required to be counted with two officers present in a secure location. When this is not available, cash is bagged uncounted to be counted at a later time when this procedure can be complied with.</p> <p>Audit were informed that the central store does not have a 'sterile' room facility where cash can be safely and securely counted and therefore cash can remain uncounted for some time.</p> <p>It was noted that the Head of Detained Property has been working with the Financial Investigation Unit to develop appropriate procedures so that cash can be counted safely, securely and in a timely manner moving forward. However, this is still in development and it was noted that 157 items of uncounted cash were held within the Central Stores Safe at the time of audit visit.</p>
Response	<p>a) The business case covered the risks in this area. Security has been significantly increased at the central detained property store. DP staff do not currently have a sterile room that meets the requirements for cash to be counted, and this is not part of their role.</p> <p>b) The Financial Crime team are kindly supporting DP, and a plan is in development for ongoing support in the short and medium term.</p> <p>Once the new Manager is appointed as part of the business case, they will need to review the roles of the team and include the development of the appropriate facilities and responsibility for this function.</p>
Timescale	<p>Detained Property Senior Manager</p> <p>a) Mar 2019</p> <p>b) Sep 2019 (extended timeframe to include recruitment, training and implementation)</p>

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

- The detained property team should explore any reporting capabilities that will assist them in the management of detained property.
- The property audit process should be developed to ensure a summary of findings is appropriately reported to senior officers so that action can be taken to address the issues found in a timely manner.

The Property Team should consider rolling out further audits of high risk areas such as Cash Valuables, Freezer, Firearms and Ammunition stores on a periodic basis to confirm items are correctly recorded.

- The Force should proceed with plans to roll out further training with officers to ensure that property is correctly recorded.

The Detained Property Team should consider updating their staff skills matrix to include the collection and transportation of detained property.

- Actions to address the backlog of items for disposal should be agreed upon and implemented.

Management confirmed that all actions would be addressed by September 2019.

## Appendix A2 Internal Audit Plan 2018/19

Auditable Area	Plan Days	Planned Fieldwork Date	Actual Fieldwork Date	Draft Report Date	Final Report Date	Target JIAC	Comments
<b>Core Assurance</b>							
Core Financial Systems	18	Nov 2018				Mar 2019	Starts 26 <sup>th</sup> Nov.
Risk Management	8	Feb 2018				Mar 2019	Deferred to Q4 to allow new software to bed in.
<b>Strategic &amp; Operational Risk</b>							
Absence Management & Wellbeing	8	June 2018	June 2018	June 2018	July 2018	July 2018	Final report issued
IT Strategy	10	June 2018	June 2018	July 2018	Aug 2018	Sept 2018	Final report issued
MFSS Contract Management	8	June 2018	June 2018	July 2018		Dec 2018	Draft report issued
Partnership Working	8	Aug 2018				Dec 2018	Deferred to Q4 at the earliest.
Seized Property	10	Sept 2018	Sept 2018	Oct 2018	Nov 2018	Dec 2018	Final report issued.
Victims Voice	7	Sept 2018	Sept 2018	Oct 2018	Oct 2018	Dec 2018	Final report issued.
GDPR	10	Nov 2018	Oct 2018			Mar 2019	Fieldwork completed.
HR Performance, Skills, Talent Management	9	Jan 2019				Mar 2019	
Service Delivery Model	12	Oct 2018				Dec 2018	Work in progress.

Auditable Area	Plan Days	Planned Fieldwork Date	Actual Fieldwork Date	Draft Report Date	Final Report Date	Target JIAC	Comments
Collaboration							
Risk Management	3	Aug 2018	Aug / Sept 2018	Nov 2018		Dec 2018	Draft report issued.
Strategic Financial Planning	3	July 2018	July / Aug 2018	Oct 2018		Dec 2018	Draft report issued.
Business Planning	3	Sept 2018				Dec 2018	F/w completed; being reviewed.
Review of Collaboration Assurance Statements	1	May 2018	May 2018	May 2018	June 2018	July 2018	Final memo 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.*





## ITEM 8

### Report to the Joint Independent Audit Committee 10 December 2018

#### Internal Audit Recommendations Summary Report

##### RECOMMENDATION

The Committee is asked to note this report.

#### 1 PURPOSE OF THE REPORT

- 1.1 This report provides the Joint Independent Audit Committee (JIAC) with an update on the status of actions arising from recommendations made in internal audit reports.
- 1.2 The report contains actions arising from audits of both Northamptonshire Police and the Office of Northamptonshire Police and Crime Commissioner

#### 2 OVERALL STATUS

- The report shows 61 actions that were open following the last JIAC meeting or have subsequently been added.
- 22 actions have been completed.
- 3 actions have been superseded by a later audit or are no longer applicable.
- 17 actions not yet reached their implementation date and remain ongoing.
- 19 actions have passed their implementation date and are overdue.

#### 3 OVERVIEW

##### 3.1 2016/17 Audits

- 11 audits were completed making 60 recommendations.
- 1 action remained open following the September JIAC meeting.
- 1 action has passed its implementation date and is overdue.

##### 3.2 2017/18 Audits

- 11 audits were completed making 93 recommendations.
- 47 actions remained open following the September JIAC.
- 19 actions have subsequently been completed and are closed.
- 3 actions have been superseded by a later audit or are no longer applicable.
- 8 have not yet reached their implementation date and remain ongoing.

- 17 have passed their implementation date and are overdue.

### 3.3 **2018/19 Audits**

- 2 audits had been completed prior to the September JIAC making 7 recommendations.
- 3 actions remained open following the September JIAC.
- A further 2 audits have been completed since the September JIAC making 10 recommendations.
- 3 actions have subsequently been completed and are closed.
- 9 have not yet reached their implementation date and remain ongoing.
- 1 action has passed its implementation date and is overdue.

3.4 The attached Summary of Internal Audit Recommendations Report shows details and the current status of all open audit actions.

---

## **EQUALITY, DIVERSITY AND HUMAN RIGHTS IMPLICATIONS**

None

## **HUMAN RESOURCES IMPLICATIONS**

None

## **RISK MANAGEMENT IMPLICATIONS**

None.

## **ENVIRONMENTAL IMPLICATIONS**

None

**Author:**

Richard Baldwin,  
Strategic Development, Risk and Business  
Continuity Advisor

**Chief Officer Portfolio Holder:**

Rachel Swann, Deputy Chief Constable

**Background Papers:**

Internal Audit Recommendations – November  
2018

## INTERNAL AUDIT RECOMMENDATIONS DASHBOARD

### Summary of Audit Outcomes

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.

#### 2016/17

AUDIT	DATE	GRADE	RECOMMENDATIONS MADE		
			Priority 1	Priority 2	Priority 3
OPCC Victims Code	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	December 2016	Satisfactory Assurance	0	2	3
ICT Review	January 2017	Satisfactory Assurance	0	3	1
Walgrave Wellbeing Centre	January 2017	Limited Assurance	2	4	0
Risk Management	February 2017	Satisfactory Assurance	0	5	0
Capital Expenditure	April 2017	Limited Assurance	3	2	1

#### 2017/18

AUDIT	DATE	GRADE	RECOMMENDATIONS MADE		
			Priority 1	Priority 2	Priority 3
Audit Committee Effectiveness	June 2017	Not Rated	0	7	4
Seized Property	July 2017	Limited Assurance	4	4	0
Victims Code of Practice	July 2017	Not Rated	0	5	1

AUDIT	DATE	GRADE	RECOMMENDATIONS MADE		
			Priority 1	Priority 2	Priority 3
Fleet Management	August 2017	Satisfactory Assurance	0	4	0
Procurement Follow-up	November 2017	Satisfactory Assurance	0	4	0
Core Financial Systems	December 2017	Satisfactory Assurance	0	7	3
Data Quality	January 2018	Satisfactory Assurance	0	3	3
Financial Planning	February 2018	Satisfactory Assurance	0	2	4
Estates Management	March 2018	Limited Assurance	1	4	1
Crime Management	May 2018	Substantial Assurance	0	0	4
Counter Fraud Review	May 2018	Not Rated	3	14	11

## 2018/19

AUDIT	DATE	GRADE	RECOMMENDATIONS MADE		
			Priority 1	Priority 2	Priority 3
Absence Management & Wellbeing	July 2018	Limited Assurance	1	2	2
Northants Police – IT Strategy	August 2018	Satisfactory Assurance	0	1	1
Victims Voice	October 2018	Satisfactory Assurance	0	2	2
Seized Property	November 2018	Limited Assurance	2	4	0

## Summary of Audit Recommendations Progress

This table shows a summary of the progress made on new audit recommendations raised at each JIAC during the current year and annual totals for previous years where audit recommendations are still active.

### Position as at 21 Aug 2018

Previous Years Audits	Totals for 2016/17	Totals for 2017/18	2018/19 Audits	Reported to JIAC 23 Jul 18	Reported to JIAC 10 Sep 18	Reported to JIAC 10 Dec 18	Reported to JIAC 20 Mar 19	Reported to JIAC 26 Jul 19	Totals for 2018/19
Recommendations Raised	60	93	Recommendations Raised	0	7				7
Complete	59	46	Complete	0	4				4
Ongoing	0	30	Ongoing	0	3				3
Overdue	1	17	Overdue	0	0				0

### Position as at 27 November 2018

Previous Years Audits	Totals for 2016/17	Totals for 2017/18	2018/19 Audits	Reported to JIAC 23 Jul 18	Reported to JIAC 10 Sep 18	Reported to JIAC 10 Dec 18	Reported to JIAC 20 Mar 19	Reported to JIAC 26 Jul 19	Totals for 2018/19
Recommendations Raised	60	93	Recommendations Raised	0	7	10			17
Complete	59	68	Complete	0	6	1			7
Ongoing	0	8	Ongoing	0	0	9			9
Overdue	1	17	Overdue	0	1	0			1



## OUTSTANDING RECOMMENDATIONS

**Key to Status**



Action completed since last report



Action ongoing



Action outstanding and past its agreed implementation date



Action no longer applicable or superseded by later audit action

**2016/17**

### Risk Management – February 2017

	Observation/Risk	Recommendation	Priority	Management Response	Timescale/responsibility	Status
4.5	<p><b>Training for OPCC Staff</b></p> <p><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.</p> <p>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 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>	<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.</p> <p>A recommendation regarding training for OPCC staff was raised within the 2015/16 internal audit report of risk management. (OPCC)</p>	2	<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.</p> <p>The lead officer is seeking to source more formalised training for himself. All of this will be documented for next audit.</p> <p>Update – The OPCC and Force are currently exploring joint training to be undertaken by an external provider in spring/summer 2018.</p> <p>Update: May 2018: The OPCC are seeking to procure new Risk management software with the Force and training will be undertaken after it is in place. This remains ongoing.</p> <p>Update August 2018 – New risk management training for the OPCC and Force is being developed in conjunction with Gallagher Bassett. Draft training material has been produced and is being evaluated prior to roll out of the training later in the year.</p>	Paul Fell, Director for Delivery October 2017	

**2017/18**

**Audit Committee Effectiveness - June 2017**

	Observation/Risk	Recommendation	Priority	Management response	Timescale/responsibility	Status
4.3	<p><b>The Role of the JIAC</b>  <i>Observation:</i> Issues with regards the organisation's understanding of the role of the JIAC, particularly with regards the wider assurance requirements (beyond the traditional financial areas), came out of the self-assessment. Through discussions at the JIAC workshop, it was agreed that there were a number of actions that should be considered in order to better publicise the role of the JIAC and enhance relationships with the OPCC and Force. These include:</p> <ul style="list-style-type: none"> <li>The Chair meeting regularly with the OPCC Chief Executive and the Chief Constable.</li> <li>Invitation to the PCC to attend a JIAC meeting on an annual basis.</li> <li>Reviewing the OPCC website and, in particular, how it refers to the JIAC.</li> <li>Consideration should be given to including direct links to the JIAC ToR (as per 4.2) and annual report.</li> <li>Presentation by the JIAC Chair of the JIAC annual report to the PCC Board.</li> </ul> <p><i>Risk:</i> The Committee's roles and responsibilities are not clear to others and may hinder its effectiveness.</p>	<p>Consideration should be given to enhancing the organisation's understanding of the role of the JIAC through, for example:</p> <ol style="list-style-type: none"> <li>The Chair meeting regularly with the OPCC Chief Exec and the Chief Constable.</li> <li>Invitation to the PCC to attend a JIAC meeting on an annual basis.</li> <li>Reviewing the OPCC website and, in particular, how it refers to the JIAC. Consideration should be given to including direct links to the JIAC ToR and annual report.</li> <li>Presentation by the JIAC Chair of the JIAC annual report to the PCC Board.</li> </ol>	2	<p>a) To be discussed with OPCC CX and DCC  Update – Meeting held with the Chief Constable; meeting with PCC to be arranged.  Update Aug 2018 – Meetings have been held and regular meetings will be scheduled. - Closed</p> <p>b) To be discussed with OPCC CX and DCC, and to include a similar invitation to the Chief Constable.  Update - Dependent on (a)  Update Aug 2018 – as above - Closed</p> <p>c) Part of 4.2 above</p> <p>d) To be discussed with OPCC CX and DCC.  Update - Presentation made to Police and Crime Panel. Presentation to the PCC Board to be discussed.   Update Aug 2018 - Ongoing</p>	All - Sept 2017 JIAC Chair	
4.5	<p><b>JIAC Membership</b>  <i>Observation:</i> The JIAC ToR states that 'the Committee shall consist of no fewer than four members' and that 'a quorum shall be two members.'  At present, the JIAC has four members, which is lower than some other audit committees. Additionally, the fact that only two members are needed to ensure a meeting is quorate is lower than some other committees and could be a reflection of the number of members the JIAC currently has. Members felt the experience and competency of the Committee was good, albeit there was a little too much experience on finance (three accountants) and possibly a need for an input of skills in other areas. As</p>	<p>The JIAC should continue to look for a fifth member in order to provide both an alternative skill set and resilience with regards being quorate.</p>	3	<p>The need to try to recruit a fifth JIAC member is agreed.  Update - Recruitment deferred whilst OPCC recruited a CFO. Recruitment now planned for March / April 2018. Aim to recruit two new members.  Update - Recruitment deferred whilst OPCC recruited a CFO. Recruitment further delayed to focus on the recruitment of a Chief Constable. Aim to recruit two new members.</p>	November 2017 JIAC Chair	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/responsibility	Status
	<p>the JIAC only had four members, this is potentially an area to look at going forward, ie the Committee would benefit from a wider breadth of competencies.  <i>Risk:</i> The JIAC does not have a full breadth of competencies to effectively fulfil its duties.</p>			<p>Update Aug 2018 – Recruitment interviews are taking place on 30 August.</p>		
<p><b>4.6</b></p>	<p><b>Administrative Support</b>  <i>Observation:</i> In order to facilitate an effective independent assurance function, it is important that the administrative support for the Committee enables it to fulfil its function.  Feedback from, and discussions with, members, acknowledged that issues had arisen with the administration supporting the JIAC. This included planned reports not being made available, the promptness with which papers and minutes were issued and the frequency of verbal reports.  <i>Risk:</i> The Committee are not able to effectively fulfil their duties.</p>	<p>The administration supporting the JIAC should be kept under review.</p>	<p><b>3</b></p>	<p>Agreed, there have been concerns with the preparation and submission of reports etc in the past and there are some areas where the items are outstanding but it is understood that these are being addressed. Future concerns to be highlighted to the PCC and CC.  Update - The planning of agendas, scheduling of reports and production of reports has been improved recently. Items which have been outstanding for some time are being concluded.  The JIAC has had concerns about the administrative support but has agreed to run with the OPCC's proposals (including the minuting of meetings) and review if necessary.</p> <p>Update Aug 2018 – Work is outstanding on IT support for some members.</p>	<p>Ongoing  JIAC Chair &amp; Members</p>	
<p><b>4.7</b></p>	<p><b>Disclosable Interests</b>  <i>Observation:</i> Whilst the JIAC ToR sets out that Declarations of Interest would be a standing agenda item at meetings, it does not refer to the need to include member interests in a register.  Whilst a register of interests is referred to within the Scheme of Governance, it was not clear whether this extends beyond officers.  Whereas some other OPCC websites clearly set out the register of interests, and have links to each member's 'Disclosable Interest' form, this is not the case for Northamptonshire.  <i>Risk:</i> Reputational damage where the work of the Committee is brought into question as a consequence of a perceived conflict of interest.</p>	<p>All JIAC members should be required to submit a 'Disclosable Interest' form and this should readily available via the OPCC website.</p>	<p><b>2</b></p>	<p>Agreed.  Disclosable interest form to be circulated to JIAC members for completion.  Update - Submissions made by JIAC members but not yet on the website (see 4.2 re: website)</p>	<p>Sept 2017  JIAC Chair &amp; Members</p>	

## Seized Property - July 2017

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.4	<p><b>Cash Count - Insurance Policy</b></p> <p><i>Observation:</i> The safe within Central Property Store currently contains large quantities of cash that have not been counted, but are defined as "Quantity of Cash" or "Large Quantity of Cash". Review of the insurance policy, and discussion with the legal secretary, confirmed that the Force are not covered for uncounted cash, ie only for that which the Force are able to prove was lost. Additionally, the cash that was held was not clearly identified as being held under either POCA or PACE, or for any other reason, which may have explained why the cash had not been counted.</p> <p><i>Risk:</i> Where cash is not counted the Force are not insured for the amount held, also the amount held may be in breach of the insurance limits. When cash may be returned to the owner, the integrity of a police officer may be questioned if the amount seized has not been stated on seizure.</p>	<p>Cash held within the Central Property Safe should be counted for insurance and safeguarding purposes.</p> <p>Where cash has been seized under POCA or PACE and is not be counted, this should be made clear on the NICHE record and exhibit bag where possible.</p>	1	<p>The Central safe/strong room is within a secure and covert building with restricted access, which reduces the level of risk highlighted.</p> <p>A recent business case was agreed to recruit 4 additional staff on fixed term contracts, initially for 6 months, to enable the elements of this report to be addressed, including a full audit of the safe/strong room, including the counting of money held, for insurance purposes. Instructions will be disseminated on a regular basis, to ensure cash seized under POCA or PACE that is not counted, will be made clear on the NICHE record and exhibit bag where possible.</p> <p>Update – As per 4.2 re the FTC positions.</p> <p>Update - The Financial Crime team will be assisting DP in auditing the strong room / safe and assisting with a review in the process and insurance implications. We are looking at the Notts &amp; Leicester model to see if there are benefits in adopting in Northants. Other forces have dedicated staff for the purpose of counting cash, who are part of the evidential chain &amp; have clean facilities for the purpose of forensic protection.</p> <p>Update - The safe is being audited however the policies &amp; procedures around counting cash are still under review, hence this element is ongoing.</p> <p><b>Superseded by audit action 4.6 November 2018</b></p>	<p>Kelly Connor / Kelly Wayman - Senior managers / Tina Britten – team leader.</p> <p>Review and Permanent changes requested via change board, requested to be implemented within 6 months, whereby additional staff are in place and completing the required tasks on a permanent basis.</p> <p>Alternatively the force will extend the FTC until the long term changes are implemented.</p> <p>Ongoing training &amp; broadcasts will continue on a Daily /weekly / monthly basis, or via the Monthly NICHE or force training activity, to include instructions re cash seized</p>	

Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
				under POCA/PACE	

### OPCC Victims Code Follow Up - July 2017

Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
<p>4.5 <b>Dealing with Children as Victims</b>  <i>Observation:</i> Audit testing included two cases where Children were recorded as the Victim. In both instances the referral to Victim Support services were selected as not applicable, despite the OPCC having a contract in place with a provider for young victims of crime. In one instance contact details for the victim were included – a mobile number – however, it was unclear who the phone number belonged to, such as relevant guardian or relative of the child victim. In the other case no contact details were recorded in Niche. This increases the risk that young victims are not able to be given the appropriate support services.  <i>Risk:</i> The Force does not provide appropriate victims support to children who are victims of crime.</p>	<p>A review of how Child Victims are recorded in Niche should take place to ensure the correct information is recorded and appropriate referrals to victim support services are made. Once this is agreed, it should be appropriately communicated to Niche users.</p>	2	<p>Discussions will be held with the Head of Public Protection to review how Child Victims are dealt with in line with current processes to identify if there are any gaps in the current system. The lack of name associated with contact numbers has already been identified with records passed to Victims Support Services and it is an ongoing issue to promote the need to input correct details from users.</p> <p>Update - We are working on how to ascertain the experiences of child victims and this is being considered through the victim surveys.</p>	<p>Detective Chief Superintendent Kate Meynell</p> <p>30th September 2017</p> <p>The work will be implemented after SDM but before the end of December 2017</p>	
<p>4.6 <b>Reporting Capabilities of Niche</b>  <i>Observation:</i> The development of the Niche dashboard assists the OPCC and Force in reviewing the performance of its staff in compliance with the Victims Code of Practice. However, through audit discussions with staff and the Niche lead there are further opportunities to draw custom made reports out of Niche that will assist in the management of VCOP compliance. Such reports could be used to carry out DIP sampling to review if the Force has been complying with VCOP entitlements and review overall levels of performance</p>	<p>The Force and OPCC should work with the Niche team to review the opportunities to develop performance reports that would assist in the monitoring for VCOP compliance. Including but not limited to:          -Monitor the % of cases where booklets were recorded as not issued;</p>	3	<p>Agreed. Opportunities to extract performance information from Niche will be discussed with Paul Greener, Elle Harrison, John Fell and Sarah Crampton.</p> <p>Update - Work is in progress to ensure that niche supports VCOPs and that compliance can be easily monitored and reminders issued where necessary.</p>	<p>Detective Chief Superintendent Kate Meynell (supported by Vicki Martin, Head of Commissioning)</p> <p>31st July 2017</p>	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p>alongside the existing reports that are produced by the Corporate Performance Team.  <i>Risk:</i> The Force fails to identify where Victims are not receiving their entitlements under VCOP.</p>	<p>-Monitor where 'not applicable for referral to victim services' have been recorded  - No. of right to review cases processed in the system  -No. of VCOP non-compliance over period of time.</p>		<p>Update – The NICHE (CARES Modules &amp; Quality Check Module) work was not fully completed prior to the end of December as we did not receive all of the modules originally from GWENT the Niche Configuration SME from South wales Police have been contacted and the full package is now with our NICHE team to be uploaded to our system. The main blocker is that WEBFORM is no longer accepting amendments and it will be PRONTO that is configured for the officer front end input with NICHE crime recording (June 2018).</p> <p>Update August 2018.  Concerns raised about the CARES plan mean I am not minded to pursue it further. Pronto offers a viable and simpler alternative as the The Victim Contract in Niche is further supported by Pronto (our new middleware solution – ie: the means of input to Niche!). Pronto provides a concise approach to VCOP (it populates detail from the mobile device directly into the victim contract).</p> <p>Lincolnshire who currently use Pronto report 100% VCOP compliance.  To be led by Jim Campbell at the roll out of Pronto.</p> <p>Update Nov 2018 - Pronto has now been rolled out to all trained users in Force (670 in total). The crime recording mechanism in Pronto mandates the completion of a Victim Contract. If the Officer/user opts out ie: states they are unable to complete a VCOP they are asked to provide an explanation. We are in the early stages of monitoring Pronto usage data and VCOP compliance will feature within this.</p>	<p>The work will be implemented after SDM but before the end of December 2017</p> <p>Revised timescale June 2018</p> <p>Detective Chief Superintendent Mark Behan</p> <p>Jim Campbell</p>	

## Fleet Management – August 2017

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.1	<p><b>Strategy and Implementation Plan</b></p> <p><i>Observation:</i> The Force are currently in the process of finalising and approving a Transport Strategy that is to sit alongside the new Police &amp; Crime Plan for 2017-21. Audit reviewed the latest draft version of the Strategy, which includes 16 principles which the Transport department are to achieve over the next four years. Whilst the principles are stated in the draft strategy, the Force does not have a clear implementation plan that sits beneath these principles that provides details of how the Strategy will be achieved.</p> <p><i>Risk:</i> The Force does not have an effective strategy and implementation plan in place to support the delivery of Force and OPCC objectives.</p>	<p>The Force should ensure that the Transportation Strategy is approved at the appropriate forum.</p> <p>Once the Strategy has been ratified, an appropriate implementation plan should be put in place. This should include details of how the principles of the Strategy will be achieved by the Force.</p>	2	<p>Agreed.</p> <p>The draft version of the strategy is currently being reviewed and will be approved shortly. DCC confirmed 25Jul17 that the strategy document has been signed off and we have the final document. Copy has been forwarded to internal audit. Following this, the intension is to collate the work being completed to support the strategy into an implementation plan. A meeting is arranged on 31Jul17 with a Ch Insp who is tasked with getting this finalised in terms of Travel review.</p> <p>Update - The Strategy document has been ratified by the DCC. Meetings have taken place with Ch Insp Dorothy and under Op Balance a review of Transport and Travel is being undertaken with Triaster looking at processes within the workshop, a review of Post and Courier Services is being looked at separately and the Travel office is subject to a Tender programme to see how this can best be delivered.</p> <p>Update - The Drivers/mail review is still under development by the change team and we have an update meeting on 07 Feb 18 to look at options so far. The Travel Office is still under review and we are working with EMSCU on this. The workshop processes are still under review with the priority being given to the driver review initially. This is being run between the Change team and Transport Management.</p> <p>A Business Innovation Analyst has been assigned to conduct the analysis. Due to the level of detail the analysis will achieve, the department will have a clearer picture</p>	<p>Graham Crow Transport Manager 31st October 2017</p> <p>Revised timescale 31<sup>st</sup> December 2017 Due to the work being undertaken by Triaster</p> <p>Clearly we have not met the Dec17 deadline and I would put a realistic date of June 18 bearing in mind we are now into the end of year processes.</p>	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
				<p>around their level of service. Therefore the work will support Graham develop this plan. The business analyst will support the department in identifying clear measurable outcomes and actions with plan owners. They will be assigned to the Transport and Travel Management Team as well as Key Stakeholders across the Force.</p> <p>Update - The Change Team review is now at the point of suggesting the To Be scenario for Transport and Travel, including Driver services. This objective will therefore embed into these procedures.</p> <p>Update 02/07/18 - The internal review that affects servicing programme, KPI's, method of working is still under review and we await a date for the 'To be' meeting being rearranged. We hope by the end of August 18. Once we see the proposals and put in an action plan for new working practices then the requirements can be met.</p> <p>Update 29/11/18 – The Transport Strategy has been approved and an implementation plan agreed.</p>	<p>Revised implementation date 01/04/2019</p>	
4.2	<p><b>Monitoring of Performance</b>  <i>Observation:</i> As set out in 4.1 above, the Force does not currently have an approved strategy in place. To ensure that the Force is able to scrutinise and review the department's performance against the strategy, an effective monitoring system should be put in place. The Transport Team currently carry out some monitoring of performance, such as the availability of the existing fleet and carbon reduction, which are principles in the Strategy, however this is not reported outside of the Transport Team at present.  <i>Risk:</i> The Force is not aware of performance against the Transport Strategy.</p>	<p>Once the Strategy and Implementation Plan have been established, an appropriate monitoring process should be put in place to measure performance against the Strategy. Performance should be reported to the appropriate Force and OPCC forums on a regular basis to provide assurance that the Strategy is being achieved.</p>	2	<p>Agreed.  Following the approval of the Strategy and Implementation Plan, defined performance indicators will be discussed and agreed. Discussions will be held with the Force and OPCC to decide on the best way for Transport to feed this back.</p> <p>Update - Part of the review by Ch Insp Dorothy and the Op Balance review will all impact on what service is delivered and how this is to be achieved. Once the revised methods of working are established KPI's can be agreed. In the meantime we</p>	<p>Graham Crow  Transport Manager  31st December 2017</p>	



	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
				<p>still produce vehicle availability statistics on a monthly basis and as SDM has been rolled out we deliver a weekday daily report to Response showing their fleet availability. We have also delivered a full years' data to CIPFA as part of the National Association of Police Fleet Managers (NAPFM) benchmarking programme. Once analysed this should show how Northamptonshire Police are performing against all other forces in terms of fleet.</p> <p>Update - The CIPFA results have yet to be issued. I am attending an NAPFM Technical Committee meeting on 8Feb17 and this is an agenda item so we should have an update. In terms of the change team review this is still underway and we continue to produce our KPI's monthly. In addition each work day we produce statistics for Response teams and adjust our work priority as a result of the analysis.</p> <p>The review is addressing these issues by developing reporting methods and enabling the management to have a clearer picture of their current level of service. There are some technology blockers and data quality issues. Any identified issues that can be rectified are having immediate resolution. Part of the review will look at the current scheduling processes for vehicle servicing and maintenance and ensure this is aligned to delivering against the values and priorities set out in the Strategy. The Change Team will support any system developments and reporting tools that will enable the management team to measure outputs.</p> <p>Update - The CIPFA National benchmarking is still under review and we hope to hear more on the results at NAPFM Conference</p>	<p>I would suggest that this again needs to be Jun18 allowing for year-end accounting and continuation of work.</p>	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
				<p>next week. Especially as to why the reports have not been issued. In the meantime we still report Response vehicle availability (Mon – Fri) daily to the Response Hubs.</p> <p>Update 02/07/18 - The CIPFA National Benchmarking is still outstanding and is being chased by Richard Elkin (Assistant Chief Officer Resources) at Warwickshire/West Mercia as National lead for fleet.</p> <p>Update 29/11/18 – AS part of the Transport Strategy and implementation plan KPI's have been developed and are reported against.</p>	<p>Revised implementation date 01/04/2019</p>	
4.3	<p><b>Procurement Process</b></p> <p><i>Observation:</i> The procurement of vehicles by the Transport team is particularly complex due to the variety of specifications and service requirement needs. There are two elements to the Force procurement of vehicles, one being the basic vehicle itself and the second being the commissioning (customisation element) of the vehicle. The Force are part of the national buying group that has been facilitated by the NAPFM (National Association of Police Fleet Managers). A contract framework, managed by the Crown Commercial Services, has been in place since October 2015 for the purchase of the base vehicle. There are separate framework agreements in place for the commissioning element of the work and this can be completed by the manufacture as part of the base vehicle, completed by approved suppliers who can convert the vehicles for police use or be customised in-house at the Force workshop. The Transport Team maintains paper audit files for each vehicle procured that documents the quotes obtained, specification requirements discussed, and order confirmation from Head of Transport. Audit carried out testing on six vehicles procured over the last 12 months and found:</p>	<p>The Transport Team should ensure they are complying with contract procedure rules when they are procuring commissioning of vehicles especially if any over £10k, as these require three quotes. The Transport Team should document the process that should be followed for the procurement of vehicles, including the commissioning process that clearly demonstrates how value for money has been achieved.</p>	2	<p>Agreed. A simple flow chart signposting staff to the key steps in the procurement process will be completed to assist in business continuity and providing some resilience in the process. Further, NAPFM are working with CIPFA to undertake a National Benchmarking Exercise. This will inform all forces on a range of Transport key indicators. The next meeting is set for 27Jul17 to discuss next steps.</p> <p>Update - The Transport Manager has met with the key Transport team as well as Op Balance Team. Procedures are being reviewed, especially by Triaster and any changes will be made following due consideration. Draft process charts have been drawn up and will be amended once the reviews have been completed. These are in written hand and may need assistance in getting them into typed form.</p> <p>Update - The Analyst is meeting EMSCU on 13th March to understand in more detail</p>	<p>Graham Crow Transport Manager 31st October 2017</p> <p>Revised timescale 31st December 2017 Due to the work being undertaken by Triaster</p> <p>June 18 as above</p>	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p>· 6/6 vehicles were purchased through a framework contract for the base vehicle; However, in the four vehicles that required elements of commissioning, only one quote or option was documented and therefore it was unclear how value for money had been achieved. The value was below £10k, so no breach of CPR's however the option taken was not clearly documented.</p> <p>It was noted that the Transportation Team are experienced in their roles, having been in post for some time and have a depth of knowledge in their area of work. They were able to provide explanations and background information in respect of the decisions that they made, however they were not clearly documented.</p> <p><i>Risks:</i> The Force fails to achieve value for money in the procurement of vehicles. Loss of knowledge should key staff be unavailable.</p>			<p>the procurement process and any improvements that can be recommended. Triaster completed the process maps for the commissioning and decommissioning of vehicles in December 2017. The Change Team will obtain metrics to add value to these maps, and engage with the Management team to inform process improvement recommendations to increase efficiencies. This will occur during stage 3 of the review: due for completion April 2018.</p> <p>Update - We are now in the To Be period of the Review and once that is agreed and procedures evolve from the new working practices this work can continued.</p> <p>Update 02/07/18 – see 4.1</p> <p>Update 29/11/18 – The process for procurement of vehicles has been documented</p>	Revised implementation date 01/04/2019	
4.4	<p><b>Maintenance Work Value for Money</b> <i>Observations:</i> The Force use external workshops to carry out some of their regular maintenance work on its vehicles due to either a lack of capacity or vehicles that are too large to be serviced at the Force HQ workshop. Discussions with the Transport Manager confirmed that there is no framework agreement in place for this externally carried out maintenance work. Each instruction to carry out services is managed on a case by case basis with a number of manufacturer garages and independent garages used who meet Force criteria to carry out the work such as security and, technical abilities. Where a framework agreement is not in place with external suppliers who regularly carry out services, there is an increased risk that value for money is not obtained through establishing discounted prices through mass purchases.</p>	The Transport Team should liaise with Procurement to review how the external providers of maintenance services costs could be reduced through implementation of a framework contract.	2	<p>Agreed. The Transport Team will make contact with the Procurement team in Northants to progress this. Transport Manager met with EMSCU colleague on 24Jul17 in order to get this work underway. At the same time this links in with work commissioned by the DCC under Op Balance to review current contracts and attaining best value.</p> <p>Update - The Transport Manager has met regularly with EMSCU and certain contracts have been identified, such as Vehicle Maintenance, Accident Repairs. The Accident Repair tender is being issued on the 17Nov17 via Leicestershire Procurement. Work continues to develop</p>	Graham Crow Transport Manager 31st October 2017	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p><i>Risk:</i> Force fails to achieve value for money in the servicing of its vehicles.</p>			<p>further tenders/frameworks from within Northants and EMSCU.</p> <p>Update - We are working with EMSCU, Leicestershire Procurement and Derbyshire Procurement on various tender programmes that ensure that we are procuring within guidelines and rules. The Accident Repair tender has slipped and we are going back out to the market. In conjunction with this we have made contact with various forces in regard to their servicing regime and one is linked via the Change Team. Work is in progress to look at overhauling our system of work with a view to allowing better vehicle availability whilst reducing maintenance costs. We are visiting Northumbria Police in early March 18.</p> <p>The analysis in Stage 2 of the review is identifying how much of the servicing and repair work is carried out by external garages. Some of this work is necessary due to the current estate and garage facilities. However some of this work is outsourced due to a lack of resources. The review will quantify the demand in terms of cost and this will be compared to the cost of the work being outsourced. Currently the decision to outsource is based on the extensive knowledge and experience of the management team. The risk to staff resilience and decision making without the supporting evidence is high. The data collected throughout this review will support a formal decision making process which will support Value for Money.</p> <p>Update - Maintenance is still under review following the Change Team work. We are holding a meeting with them on the 7Jun18 to review servicing regime including how to</p>	<p>June 18 as above</p>	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
				<p>reduce outside work by using Northants Fire and Rescue premises. In the meantime the Accident Repair Contract is in the last stages of being agreed and issued.</p> <p>Update 02/07/18 - Vehicles are being procured through framework or joint collaboration projects between for example Northants and Derbyshire, or via EMSCU. Accident repair contracts and vehicle disposals are being worked through by collaboration with Leicestershire procurement.</p> <p>Update 29/11/18 – All service costs are reviewed to ensure that best value for money is achieved.</p>	<p>Revised implementation date 01/04/2019</p>	

### Core Financial Systems – December 2017

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.1	<p><b>Procedures</b> <i>Observation:</i> MFSS have a number of detailed procedure documents in place that provide guidance to staff on how they should carry out certain tasks i.e. the creation of a new supplier. There are two types of procedure, with Level 5 guidance being a step by step guide and Level 4 guidance being a flow chart that shows key stages in the process. Audit reviewed a number of level 4 and 5 procedures and found that 4/4 of the level 4 procedures were last reviewed in March 2016 and therefore had not been reviewed and updated for 18 months. Moreover, a review of the procedures for payroll found that 4/6 were overdue their review date and 5/6 procedures made reference to the ePayfact system that MFSS no longer use.</p>	<p>MFSS should put a process in place to ensure the procedures are reviewed and updated in line with the Next Review Dates that are stated in their procedures.  (MFSS)</p>	2	<p>All processes will be reviewed as part of the move to Oracle Cloud Apps. These reviews will take place over the coming months. Resource will be identified to ensure that future reviews take place at the appropriate time. In addition to this, a new payroll manager has been recruited (starting 11/12/17) who will be tasked with reviewing the current processes and updating where necessary.</p> <p>Update - The level 4 &amp; 5 processes are currently under review as part of the service catalogue work and the alignment to Fusion. This is the same for all the MFSS processes and it is necessary for UAT to be</p>	<p>Pam Rourke John McGill April 2018</p>	

Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
<i>Risk:</i> Out of date procedures are in place and therefore staff carry out the incorrect processing leading to errors in the Force finances			completed in order for the process documentation to be updated accordingly. With the delay to Fusion going live, this activity has also been delayed.		

## Data Quality – January 2018

Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
<p>4.1 <b>Niche Governance</b></p> <p><i>Observations:</i> When the Force adopted the Niche system a Niche Governance Board was set up to monitor any issues that the Force were facing in regard to the new system. Audit were informed that the Board meet on a quarterly basis and discuss wide ranging issues, from local governance to more operational issues such as data quality. Audit confirmed this through the Action Log that is maintained for this group. Whilst the Board does have a documented Terms of Reference in place it has not been reviewed or updated since its creation in 2014. In addition to the Niche Governance Board, a quarterly Data Quality Working Group meeting is held with leads of departments attending, including the Crime Management and Intelligence department, to discuss the operational issues. Whilst an action log is maintained to track the work this group is undertaking, there is no Terms of Reference in place that clearly sets out the role and responsibility that this group has.</p> <p>Moreover, there are two further groups who have a role in managing data quality in respect of Niche – the Regional Data Quality Team and the Local Data Quality Team. However, it is unclear on the remit and role of each team in dealing with data quality issues relating to Niche.</p> <p><i>Risk:</i> There is a lack of clear governance underpinning the management and maintenance of Niche.</p>	<p>The Force should put in place clear terms of reference for the Niche Data Quality Working Group. The Terms of Reference should include but not be limited to:</p> <ul style="list-style-type: none"> <li>• Purpose</li> <li>• Scope</li> <li>• Membership</li> <li>• Decision making authority</li> <li>• Reporting Requirements</li> <li>• Frequency of meetings</li> <li>• Review period for terms of reference</li> </ul> <p>Moreover, the roles and responsibilities for data quality of the system should be clearly stated within the Terms of Reference of all Governance Groups for the Niche System, including the Regional &amp; Local Data Quality Teams.</p>	2	<p>Agreed. It would be best practice to update the Terms of Reference for the Niche Governance Board and review the remit of the Niche Working Group to ensure no duplication of responsibilities.</p> <p>Update - The terms of reference will be for review and update/resign off when the next governance board happens.</p> <p>Update - The Niche team, and interested parties, are working together to decide on ownership, format and frequency of ongoing meetings, and what that will look like is yet to be determined.</p> <p>There have been no further Niche governance boards to revisit or agree terms of reference, and the Business user group, which is looking to become a core part of the ownership of the strategy is also currently looking at how it will be run, governed etc. in the future with a new chair.</p> <p>The Data Quality strategy will not be updated to dictate what has been done so far, but will be based on the new models once agreed.</p> <p>There is also national strategic prioritisation regarding data quality emerging which may also influence Northants next steps.</p>	<p>Niche Operational Lead (Elle Harrison) 30th April 2018</p> <p>Revised date 30 June 2018</p>	
4.2 <b>Niche Data Quality Strategy</b>					

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p><i>Observations:</i> A Data Quality Strategy for the Niche system was been completed and signed off by the Deputy Chief Constable in February 2017. The aims of the Strategy is “to ensure that Northamptonshire has a system that can best protect people from harm, with consistently applied standards that deliver accurate statistics that are trusted by the public and puts the needs of victims at its core”.</p> <p>The strategy sets out a number of tasks that it would like to achieve and the next steps that should be taken to deliver these.</p> <p>However, it was found that there is currently no monitoring of these next steps to ensure the aims of the strategy are being achieved.</p> <p><i>Risk:</i> Failure to achieve the aims of the Data Quality Strategy.</p>	<p>The Data Quality Strategy for the Niche system should be owned by the Niche Governance Board and it should be reviewed at each meeting to ensure that the achievements and next steps set out in the strategy are being delivered.</p>	2	<p>Agreed. The performance monitoring on the strategy had yet to be completed although this has been identified and will be carried out.</p> <p>Update – EH is updating the strategy ahead of handover as business as usual.</p> <p>Update – as per 4.1</p>	<p>Niche Operational Lead (Elle Harrison) 30th April 2018</p> <p>Revised date 30 June 2018</p>	
4.3	<p><b>Governance of E-Cins</b></p> <p><i>Observation:</i> E-Cins is a jointly owned system between the Police and the partners that it works with, including local NHS and council teams across the county such as social care and housing.</p> <p>As such, an E-Cins Management Group has been set up which is chaired by the Deputy Chief of Kettering Council and the operational lead for Northamptonshire Police also sits on this group.</p> <p>Audit reviewed the terms of reference for this group and found it was a simple document that had four objectives listed for the Group. It lacked clarity as well as basic good governance information, including membership, frequency of meeting and the scope of the group.</p> <p>One key omission from the current objectives was that there was no reference to the maintenance of data quality within the system.</p> <p><i>Risk:</i> There is a lack of clarity and consistency in the Governance structure leading to errors, duplications and poor decision making.</p>	<p>The Force should liaise with the E-Cins Management Group to update the existing Terms of Reference. The Terms of Reference should include but not be limited to:</p> <ul style="list-style-type: none"> <li>• Purpose</li> <li>• Scope</li> <li>• Membership</li> <li>• Decision making authority</li> <li>• Reporting Requirements</li> <li>• Frequency of meetings</li> <li>• Review period for terms of reference</li> </ul> <p>Moreover, the scope of the E-Cins Management Group should clearly state it role in respect of the maintenance of data quality within the system.</p>	2	<p>The Police lead will raise this with the Chair of the E-Cins management group with a view to it being discussed at the next meeting of the group. The points raised will be reviewed and a revised TOR produced.</p> <p>Update - The chair of the ECINS board has been briefed on the audit findings. At this time a full ECINS management group hasn't been convened as the core members are negotiating funding for the new role that is required to oversee data quality and data sharing. These discussions will conclude over the next few weeks and the final position will be known. Once the funding for the role is secured the TOR will be rewritten to include the role and the functions it will perform.</p> <p>Update-The operational ownership of ECINS has been passed to the AIM Inspector as they use the system for EI and AIM case management and are actively involved in its development.</p>	<p>E-Cins Strategic Lead (Mick Stamper) 28th February</p> <p>Revised date 30 June 2018</p>	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
				<p>An officer within the EI/ AIM team will, on a temporary basis, take responsibility for supporting the inspector in governing ECINS and auditing data quality. A user guide will be provided to support new users and to explain the developments that have taken place with ECINS.</p> <p>Update – A review of e-cins is being undertaken to establish whether or not it continues to offer benefit. The review is expected to be complete by the end of November 2018. Following that a decision will be made on how to take this forward.</p>	Daryl Lyon	
4.4	<p><b>Monitoring of Data Quality – E-Cins</b>  <i>Observation:</i> E-Cins is a partnership system that is utilised by the Police and partner organisations to share relevant data. The Police manually input any relevant police data onto the system. There is currently no regular monitoring of the Police's data that is stored on the system. Audit were informed that the E-Cins partners have recently agreed to recruit a permanent support staff member and data quality responsibilities will be part of this role once post is filled.  However, it was noted from the E-Cins Management Group meeting minutes, that discussions in regard to this role have been on-going for some time and, in the meantime, the Force need to ensure the information that it owns on the system is correct and accurate, as well as adhering to Data Protection Act rules.  Audit were informed by the E-Cins Operational Lead that discussions with the Force Crime Registrar on how the system can be audited have taken place.  However, at the time of audit, there is no agreed plan for undertaking data quality monitoring of the E-Cins system.  <i>Risk:</i> Force data on the E-Cins systems is inaccurate or incomplete, leading to partners taking wrong decisions based on the information provided.  Force breaches the Data Protection Act.</p>	<p>The Force should put in place an audit plan to ensure that the Force's data held on the E-Cins system is regularly reviewed for quality purposes and any inaccurate or inappropriate data placed on the system removed where appropriate.</p>	2	<p>The system is being audited but a more formal audit programme (for ECins) will be developed and put in place. This will be a task for the data sharing manager who will be recruited once funding has been approved. It is expected this role will be established by the 31st March and the audit plan will be written with six weeks of the post holder commencing work.</p> <p>The initial audit has already been commissioned.</p> <p>Update - , the audit team have been asked to do this but they do not had capacity to do this. The role mentioned above will have this function in their role description. Once the discussions regarding funding have been finalised I fuller update will be given. Regardless of this I will commission a member of the EI team (Who is a heavy user of ECINS) to write an audit/ inspection plan to ensure the data is being stored, shared and, where necessary, destroyed correctly.</p> <p>Update – As per 4.3</p>	<p>E-Cins Strategic Lead  (Mick Stamper)  15th May 2018</p> <p>Revised date 30 June 2018</p>	



	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.5	<p><b>User Guide – E-Cins</b></p> <p><i>Observation:</i> The Force have a user guide that is available to provide staff with guidance on the correct use of the E-Cins system. The user guide is communicated to officers and staff via the Force intranet.</p> <p>Audit reviewed the user guide and found that it was last updated in February 2014 and that it included names of staff who were no longer at the Force, including an out of date Strategic Lead for the system. It therefore needs to be updated to ensure the correct details are shared with staff.</p> <p><i>Risk:</i> Incorrect working practices are followed and staff are unaware of the key contacts should they need to discuss the use of the E-Cins system.</p>	The E-Cins user guide should be updated to reflect the current processes to be followed and up to date contact information for key staff.	3	<p>This will be discussed at the next ECins management group and a new user guide commissioned. Critical or pressing changes will be made once identified and the responsibility for future review and amendment will fall to the above post holder.</p> <p>Update – As per 4.3 above</p>	<p>E-Cins Strategic Lead (Mick Stamper) 31st March</p> <p>Revised date 30 June 2018</p>	
4.6	<p><b>Performance Reporting of Data Quality</b></p> <p><i>Observation:</i> The Force have developed a number of monitoring tools for data quality, including an application that reviews data quality issues within Niche, as well as a dashboard for individuals to see data quality issues.</p> <p>The data quality application allows an oversight of the data quality issues by volume, however there is no regular reporting of this performance data. Audit were informed that a Business Objectives reporting tool can summarise the data but is unable to track it over time to show the trend of issues being reported.</p> <p>Moreover, as the version of Niche used by the Force is the same as the regional partners, there is an opportunity for being able to benchmark the Force's data quality performance against other Forces to provide a contrast in data quality performance.</p> <p><i>Risk:</i> The data quality performance of the Force is unknown by key decision makers.</p>	The Force should develop the reporting functionality of the data quality application to allow for effective performance reports on data quality issues to be utilised by those charged with governance of the system.	3	<p>The performance team at the Force are already developing the reporting functionality across the Force systems. Liaison will be done with the Performance Team to ensure appropriate reports can be utilised in the management of data quality within Niche.</p> <p>The business intelligence tool we are looking to implement shortly will help increase the visibility of data quality issues. A project team is being established to progress a proof of concept and we have a good case study from another force to develop from.</p>	<p>Niche Operational Lead (Elle Harrison) 30th June 2018</p>	

## Crime Management – May 2018

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.1	<p><b><u>Clear Roles &amp; Responsibilities</u></b></p> <p><i>Observation:</i> The Service Delivery Model was implemented by the Force in October 2017 and included changes to the way that the Force manages the incidents and crimes that are reported. The changes were designed to deliver efficiencies and ensure compliance with the National Incidents and National Crime Recording Standards throughout the process. Whilst the teams included as part of the process remain the same – Force Control Room and Crime Management Unit – their roles have changed slightly as to when a crime or incident is recorded, including the introduction of a new Managed Appointments Unit.</p> <p>The intranet provides the Force with details about each department and the Force Control Room and the Crime Management Unit have a page on the intranet. However, it was noted that the intranet pages have not been updated post the Service Delivery Model going live and therefore they are not in line with the current processes followed.</p> <p><i>Risk:</i> Lack of clarity within crime recording and crime management leading to failure to comply with relevant standards and regulations.</p>	<p>The roles and responsibilities stated on the intranet, for the departments involved in crime management and crime recording, should be updated to reflect the changes since the Service Delivery Model went live.</p>	3	<p>There are a number of changes in the next month with the crime allocation policy being finalised and Sgts being able to file crimes directly. The page will be refreshed/updated over the next month in line with these changes, this is an ongoing piece of work.</p> <p>Update – 06/08/18 - The Crime Allocation Policy is still awaiting agreement by Chief Officers. In addition there is now an ongoing review, Op Stereo, around demand management and resources. As soon as the policy is agreed the intranet will be updated.</p> <p>Update – 29/10/18 - The Crime Allocation policy has not yet been approved by Senior management. This may not be approved quite yet due to another structural crime review taking place.</p>	<p>DI Tania Ash Head of Crime Management Unit</p> <p>31 July 2018</p>	

## Counter Fraud Review– May 2018

	Recommendation	Rationale	Priority	Management response	Timescale/ responsibility	Status
<b>Confidential Reporting (Whistleblowing) Policy</b>						
1	OPCCN and Northamptonshire Police should make reference to the Public Interest Disclosures Act 1998 and the protection this offers to staff.	The policy currently makes no reference to the Act that the policy should be based on and is governed by.	1	This is now contained within the policy	Head of PSD 30/09/18	
2	Prior to the 'Mechanisms for reporting Professional Standards issues'; OPCCN and Northamptonshire Police should include a section which details the types of issues that may be reported under this policy.	This will make it clear to staff what the policy is intended to deal with and what constitutes an appropriate whistleblowing disclosure.  See Appendix 1 to this report for suggested wording.	1	Policy has been amended to outline types of issues which may be reported	Head of PSD 30/09/18	
3	OPCCN and Northamptonshire Police should update the 'Mechanisms for reporting Professional Standards issues' to include details surrounding Public Concern at Work (PCAW).	PCAW is an independent whistleblowing charity which provides free help to prospective whistleblowers and advice on whistleblowing laws. It important that staff are offered both internal and external assistance.	2	The force has a well-used confidential reporting line 'Bad Apple' and has recently joined other East Mids forces to utilise Crimestoppers as further anonymous reporting line. PCAW is now called PROTECT and the information related to this is now contained within the policy.	Head of PSD 30/09/18	
4	OPCCN and Northamptonshire Police should update Section 6 to include related documents. Some examples are: <ul style="list-style-type: none"> <li>• Police (Conduct) Regulations 2012;</li> <li>• Police (Complaints and Misconduct) (Amendment) Regulations 2008;</li> <li>• Police (Performance) Regulations 2012;</li> <li>• Gifts and Hospitality Procedure;</li> <li>• Health and Safety Procedure; and</li> <li>• Information Security Policy.</li> </ul>	It is important that staff are made aware of relevant legislation and documentation.	3	Policy has been updated to reflect this recommendation	Head of PSD 30/09/18	
<b>Corporate Governance Framework</b>						
1	OPCCN and Northamptonshire Police should specify how often the corporate risk register is reviewed and document further measures to improve the control	Appendix 1, section F is not specific enough with regards to the risk register review process.	2	This is now contained within the policy	Head of CDD 30/09/18	

	Recommendation	Rationale	Priority	Management response	Timescale/ responsibility	Status
	environment.	In addition, section F does not cover the role of internal audit.				
2	Information regarding the Confidential Reporting (Whistleblowing) Policy should be updated and a link to the policy included.	Appendix 1, section G states that the policy 'will be established' - however, there is already a policy in place. OPCCN and Northamptonshire Police should ensure that staff are kept up to date with all current procedural documents.	3	Policy has been amended to outline types of issues which may be reported	Head of PSD 30/09/18	
<b>EMSCU - Data Handling in the Procurement Process</b>						
1	OPCCN and Northamptonshire Police should consider moving the definitions sections to the start of the process.	Staff should ensure they have a clear understanding of the terms referred to within the policy prior to reading it.	3	Noted. EMSCU is a regional unit so this is not necessarily a matter for the Force. To be remitted to the EMSCU lead	Head of EMSCU	
2	All references to the Data Protection Act (1998) should be replaced with the General Data Protection Regulation (2016) which comes into force as of 25 May 2018.	Policies and procedures (and therefore staff) must be kept up to date with current legislation.	2	Noted. The Force has a comprehensive plan to prepare for the introduction of GDPR. This is captured within the action plan  Update – Policy owners are to be tasked via Force Assurance Board to review each policy they own and update them to reflect GDPR and Data protection Act changes. Information unit have provided the suitable wording for the amendments.	Head of PSD 30/09/18	
3	OPCCN and Northamptonshire Police should update the third bullet point within section 4 policy statement to refer to the Information Security Policy.	It currently refers to the Security Policy, however we assume this is a typo.	3	Noted Update – The Force Information Security Manager has confirmed the process should refer to the Information Security Policy. This action is being reallocated to the Head of EMSCU.	Head of EMSCU 30/09/18	
4	OPCCN and Northamptonshire Police should ensure	Page 3 includes the decision	2	Noted.	Head of EMSCU	

	Recommendation	Rationale	Priority	Management response	Timescale/ responsibility	Status
	that where decisions are made at the pre-tender stage, these decisions are documented and stored on file.	made by the IAO as to which category of the data handling schedule should be included. OPCCN and Northamptonshire Police should ensure that all procurement decisions are documented on file.		EMSCU is a regional unit so this is not necessarily a matter for the Force. To be remitted to the EMSCU lead		
<b>EMSCU - Policy SME Friendly Procurement</b>						
1	OPCCN and Northamptonshire Police should remind staff that although some of the rules with regards to SME tender exercises differ from normal exercises, staff must still comply with rules set out in the Business Interests and Additional Employment Procedure.	Staff may become complacent when dealing with smaller suppliers. It should be made clear that declarations of interest are still vitally important and if any conflicts of interest arise, staff should remove themselves from the tender process.	2	Noted. EMSCU is a regional unit so this is not necessarily a matter for the Force. To be remitted to the EMSCU lead	Head of EMSCU	
<b>Gifts and Hospitality Procedure</b>						
1	OPCCN and Northamptonshire Police should seek to streamline the Gifts and Hospitality procedure and just create one single document.	Currently there is a PDF procedure document, with both another procedure document and policy document referred to within. This may confuse staff as to which document to follow. <a href="#">Given the above recommendation</a> and for the avoidance of doubt, we have reviewed PRO866_3110101835.doc.	2	Noted Update - The policy library formats force policies and procedures. The Gifts & Hospitality Form was generated by PSD and is sent out directly to the individual once they have made PSD aware of the gift or hospitality. This form to be reviewed as a Force Form  Update - Forms being amalgamated – have not yet registered on the force policy library system upload	Head of PSD 30/09/18	
2	OPCCN and Northamptonshire Police should ensure that PRO2064_85114229.pdf - Gifts and Hospitality Register within 'related documents' is up to date. Potentially a link should be included to the intranet document.	OPCCN and Northamptonshire Police should ensure that staff have access to the most recent versions of the aforementioned document.	3	The register sits on Forcenet in its own right and is sent to Website each month and is a streamlined (published) version for transparency. Updated each month. There is a register for both General NPOL and ACPO Gifts & Hospitality.	Head of PSD 30/09/18	

	Recommendation	Rationale	Priority	Management response	Timescale/ responsibility	Status
3	OPCCN and Northamptonshire Police should consider making an amendment to their definition of a gift within this procedure.	Gifts are not necessarily given 'in response to a policing service provided or offered'. There is a risk with this definition that staff do not declare all gifts provided / offered.	2	Noted Update - Recommendation supported and policy wording to be amended. Generally we get notifications on a variety of matters, and reminders to be considered via Forcenet for officers and staff regarding gifts and hospitality.  Update - Confirm policy has been amended to reflect the recommendation made	Head of PSD 30/09/18	
4	OPCCN and Northamptonshire Police should also update section 3.2 to state that as well as cash, staff should also not accept cash equivalents such as vouchers or gift cards.	OPCCN and Northamptonshire Police should be clear on what can and what cannot be accepted.	3	Noted Update - Recommendation supported and policy wording to be amended, with Forcenet reminders issues as referred to in recommendation 3.  Update - Policy has been amended and copy provide to HMICFRS for recent inspection	Head of PSD 30/09/18	
5	OPCCN and Northamptonshire Police should ensure that all staff are aware of the procedures regarding acceptance of alcohol. OPCCN and Northamptonshire Police should also consider reviewing past instances of breaches in this policy.	A review of the Gifts and Hospitality register identified six gifts of alcohol that had previously been accepted with no mention of the gift being donated to charity.	2	Any alcohol received as a gift is logged as donated to Force Charity. The Staff Officer is made aware of the notification and the member of staff is asked to make arrangements to hand the alcohol to the Staff Officer. Staff Officer notifies PSD once it has been received so that records can be updated. Review of alcohol referred to – refers to a matter in Dec 2017 where internal dept wanted to reward 3 persons who were community volunteers for their contributions. Reminder was sent to person submitting (by Head of PSD) of the g&H policy relating to alcohol.	Head of PSD 30/09/18	
6	OPCCN and Northamptonshire Police should include a	The 'email address Gifts and	3	There is a Gifts and Hospitality Inbox at	Head of PSD	

	Recommendation	Rationale	Priority	Management response	Timescale/ responsibility	Status
	full email address for the Gifts and Hospitality department.	Hospitality' is not specific enough. OPCCN and Northamptonshire Police should ensure that staff know how to make contact regarding these matters.		Northants Police which is monitored by PSD PA although some notifications do come through PSD Main to which they are then forwarded to the Gifts & Hospitality Inbox and cc'd to PA. Reminders to staff via to be actioned via forcenet for awareness that the Gifts & Hospitality Inbox is already there.	30/09/18	
7	OPCCN and Northamptonshire Police should consider the cumulative value of gifts and hospitality within this policy.	For example, if staff are accepting 100 gifts of £4.99 over a year, then the total value would be material. However, no declaration would currently need to be made.	2	Noted Update - The value of a gift is listed for each entry on the register, as part of the review process this can be considered in relation to the cumulative volume an individual receives  Update - Review on 1 <sup>st</sup> Monday of each month. Copy of register also sent EMSCU so that they can review from consideration of links to any companies who embark on future tenders	Head of PSD 30/09/18	
8	The policy specifically states that the policy does not cover meals provided at conferences, internal gifts and sponsorship. OPCCN and Northamptonshire Police should detail which policy these are covered within.	These instances should be covered within other policies and procedures. This policy should detail where information relating to these can be found.	2	Noted Update - We do receive notifications with regard to meals provided at conferences and internal gifts and sponsorship. Recommendation supported and policy to be amended to reflect officer / staff responsibility to declare these gifts.	Head of PSD 30/09/18	
9	OPCCN and Northamptonshire Police should make reference to the Bribery Act (2010) within this procedure.	Bribery and corruption are key issues where gifts and hospitality are concerned. Staff should be made aware of all relevant legislation.	2	Noted Update - Recommendation supported and policy to be amended.  Update - Policy amended. HMIC FRS have also been provided a copy for the most recent CCU inspection	Head of PSD 30/09/18	
<b>Information Security Policy</b>						

	Recommendation	Rationale	Priority	Management response	Timescale/ responsibility	Status
1	OPCCN and Northamptonshire Police should make clear what they are referring to by the acronym 'ACC' within section 4.1.	It is currently unclear as to who OPCCN and Northamptonshire Police is referring to. The policy needs to be as easy to understand as possible.	3	Noted Update - The policy review will be finalised by end of Sep 2018, at which point it will be considered whether a full re-write of the policy is needed. If full re-write is required this will be post appropriate accreditation for the author.	Force Information security manager 30/09/18	
2	OPCCN and Northamptonshire Police should update section 4.5.1 'All Staff' to include the following: 'Staff should advise line managers and the Information Security Officer, as appropriate, of any potential weaknesses in information security or associated procedures'.	This is proactive and should reduce future breaches or issues related to information security.	2	Noted Update - This will be reflected as part of the review at point 1	Force Information security manager 30/09/18	
3	OPCCN and Northamptonshire Police should update section 6 'All Staff' to include the following: 'Where staff are unclear on any matters relating to the implementation and application of this policy, they should seek clarification from the Information Security Officer or the Senior Information Risk Officer'.	This area of information security can often be complicated. This demonstrates a clear line of communication if staff are not clear on the policy.	3	Noted Update - This will be reflected as part of the review at point 1	Force Information security manager 30/09/18	
4	OPCCN and Northamptonshire Police should update Section 6 to include related documents. Some examples are: <ul style="list-style-type: none"> <li>• Computer Misuse Act 1990;</li> <li>• Copyright, Designs and Patents Act 1988;</li> <li>• Civil Contingencies Act 2004;</li> <li>• Freedom of Information Act 2000;</li> <li>• General Data Protection Regulation 2016 (as of 25 May 2018);</li> <li>• Human Rights Act 1998; and</li> <li>• Official Secrets Acts 1911, 1920 and 1989.</li> </ul>	It is important that staff are aware of relevant legislation and documentation.	3	Noted Update - This will be reflected as part of the review at point 1	Force Information security manager 30/09/18	
<b>Scheme of Governance</b>						
1	OPCCN and Northamptonshire Police should update all references to the Data Protection Act (1998) and replace these with the General Data Protection Regulation (2016) which comes into force as	Policies and procedures (and therefore staff) must be kept up to date with current legislation - see for example section 2.4 and	2	Noted. The Force has a comprehensive plan to prepare for the introduction of GDPR. This is captured within the action plan	Head of PSD 30/09/18	



	Recommendation	Rationale	Priority	Management response	Timescale/ responsibility	Status
	of 25 May 2018.	Appendix B.		Update – The Force has a comprehensive plan to prepare for the introduction of GDPR. This is captured within the action plan and links to the update in recommendation 2 in EMSCU Data handling section of the action plan.		
2	OPCCN and Northamptonshire Police should make reference to the Intellectual Property Act (2014) within Appendix 1.	Appendix 1, Section C6 currently refers to intellectual property. However, it does not mention the act by which it is governed.	3	Noted. EMSCU is a regional unit so this is not necessarily a matter for the Force. To be remitted to the EMSCU lead	Head of EMSCU	
3	With regards to the use of procurement cards, OPCCN and Northamptonshire Police should consider a 'key control' concerning a review of the actual purchases.	Appendix 1, Section D9 currently details a review of who the cards are issued to and the limits on each card. However, it does not refer to the type of spend permitted on these cards.  It is important that staff do not purchase items for personal use or items that could bring OPCCN and Northamptonshire Police into disrepute.	1	Noted. EMSCU is a regional unit so this is not necessarily a matter for the Force. To be remitted to the EMSCU lead	Head of EMSCU	
4	OPCCN and Northamptonshire Police should update the EU Procurement Thresholds. Supplies and services are now £181,302 (€221,000) and works are now £4,551,413 (€5,548,000).	Appendix 2, Appendix C details the old thresholds. The thresholds have been updated and are effective from 1 January 2018.	2	Noted. EMSCU is a regional unit so this is not necessarily a matter for the Force. To be remitted to the EMSCU lead	Head of EMSCU	

**2018/19**

**Absence Management & Wellbeing – July 2018**

	Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.3	<p><b>Special Leave</b>  <i>Observation:</i> The Force have a Special Leave policy that provides guidance to line managers on the approach to take when granting special leave for staff. It covers instances such as Compassionate Leave, Care Leave and Time Off for dependents. The policy makes clear reference to the fact each case will be different and needs to be handled differently, although provides line managers with the discretion to make such decisions, with it being recorded on DMS. It states that HR's role is to provide advice to managers and promote a fair and consistent application of the policy.            However, from discussion with staff and review of available information, it was found that HR have a lack of data to enable effective oversight of special leave that is authorised by managers. A high level report of HR performance is prepared by the Performance Team, however it does not provide a breakdown of the information that HR would require to investigate / review individual cases. For example, the high level report provides the total type of leave, i.e. Family Leave, but does not provide detail on how many staff this relates to and how many days on average they have taken.  <i>Risk:</i> The Force does not have consistent and fair approach to special leave</p>	<p>HR should liaise with the Performance Team to understand what data reports are available to assist in the oversight of special leave approvals.</p>	2	<p>Accepted- Procedural guidance under review and data update provided to HR business team.</p> <p><b>Update from Ali Roberts:</b> : I have prepared a paper to Ali Naylor and the Attendance Gold group with respect to current policy, statutory requirements and our practice with some recommendations. A recommended way forward was agreed at the last meeting and discussions with the Federation and UNISON are underway in this regard. Ali Naylor will take this to FEG for debate on the preferred way forward with regards to proposing maximum paid limits on some aspects of special leave. Our guidance notes are very visual which may appeal to a wider audience and these will need to be updated according to the decisions following FEG. Sarah Crampton will pick up with regards to data around special leave/other leave and pick this up in her performance report.</p> <p>Update - We have the go ahead to develop guidance and parameters for the amount of special leave and when it is or isn't paid. The idea of a 'limit' has been supported and a process will need to be developed for a referral should someone need to go over the limit. Next step is to put guidance information together and liaise with UNISON and staff associations. Work is ongoing with the Performance Team to see if a more detailed report can be provided.</p>	<p>HR Business Partner August 2018</p>	

	Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.5	<p><b>Wellbeing Strategy &amp; Monitoring.</b></p> <p><i>Observation:</i> The Wellbeing Strategy was launched in August 2017 and includes aims, goals, principles, strategic objectives and the strategic governance. Audit reviewed the Strategy and noted that the aims stated are only in respect of those up until Autumn 2018.</p> <p>Moreover, with the Strategic Wellbeing Board no longer being in place, there is a need to reflect this in the Strategy.</p> <p>Whilst audit evidenced that there has been monitoring of Wellbeing reported to the Leadership Wellbeing Board and to the Accountability Board, it is not in a consistent and clear format. The Force have a number of action plans in place and these should be clearly monitored and reported for progress to the appropriate forum.</p> <p><i>Risk:</i> There is a lack of strategic direction for the Wellbeing agenda.</p> <p>Lack of appropriate monitoring leading the Force to fail to achieve its strategic aims.</p>	<p>The Wellbeing Strategy should be updated to reflect the current strategic governance arrangements and the aims it will have moving forward.</p> <p>There should be an agreed monitoring process within the Wellbeing Governance structure to demonstrate the delivery of all strands of the Wellbeing Strategy at a strategic and operational level.</p>	3	<p>The ACO for HR has recently taken over as chair of the Strategic Wellbeing Board and the recommendations will be actioned under the new arrangements being put in place.</p> <p>Update – A revised Wellbeing strategy and plan are going to the next Force Strategy board in November</p> <p>Update – The new strategy and plan were approved at the Force Strategy Board in November</p>	ACO Human Resources August 2018	

### IT Strategy – August 2018

	Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.2	<p><b>Promotion of the strategy</b></p> <p><i>Observation:</i> The IT Strategy is currently in the process of being rolled out and promoted internally. As such it has already been communicated to key stakeholders and ISD staff and due to be distributed to a wider audience in the near future.</p> <p><i>Risk:</i> Force staff not aware or engaged in aims and what it means for them.</p>	<p>We support the wider distribution of the strategy.</p>	3	<p>Agreed</p> <p>Update – The Strategy has been shared via the Force Executive Group.</p>	Ongoing Head of ISD	

### Victims Voice – October 2018

	Observatio4.5n/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.1	<b>Accuracy and Dip Sampling</b>					

	Observation/Risk	Recommendation	Priority	Management response	Timescale/responsibility	Status
	<p><i>Observation:</i> Ten cases were sampled in order to verify MOJ/SLA adherence. It was noted in one instance the report closure checklist was incorrectly completed (hate crime, but filled as non-hate crime). Voice uses dip sampling for quality control processes. It was noted that between 1 and 10% was being sampled (Introductory and witness service respectively).</p> <p><i>Risk:</i> Inaccurate reporting and failure to address inaccuracies promptly.</p>	Consideration should be given to monitoring the sample sizes used as part of the quality control process and to adjust it in accordance with the size of the client base in order to provide greater assurance of compliance with VCOP/MOJ requirements.	3	Voice has already put in place that we will dip sample a minimum of 10% across all sampling and teams.	Completed September 2018 Chief Executive Officer Voice	
4.2	<p><b>Board Structure / Governance</b></p> <p><i>Observation:</i> Following the recent departure of the nonexecutive director on the Board, this has left the current make-up of the Board as Executive only.</p> <p><i>Risk:</i> Corporate governance best practice is not followed</p>	Consideration should be given to filling the nonexecutive director post on the Voice Board.	2	Three new non-executive Directors have been approached outcome to be discussed at November Board and to be in place by end of March 2019.	March 2019 Chief Executive Officer Voice	
4.3	<p><b>Payroll Inaccuracies</b></p> <p><i>Observation:</i> It was noted through discussion with management and a review of the correspondence between Voice and payroll provider that issues were being encountered with accuracy of information being processed by the provider resulting in discrepancies in pay, pension and forecasting information. Accurate budget reporting is vital so that the OPCC can relay accurate information to the MOJ. Contract performance meetings have been undertaken but the issue is ongoing.</p> <p><i>Risk:</i> Difficulty in managing and accurate reporting of the budget.</p>	Voice should continue to work with the OPCC and force to resolve the issues with the payroll provider.	2	Discussion and decision to be undertaken at the November Board.	November 2018 Chief Executive Officer Voice	
4.4	<p><b>Feedback/Satisfaction Survey</b></p> <p><i>Observation:</i> Feedback/satisfaction forms part of the objectives and KPIs between the OPCC and Voice. It was noted as part of the questionnaire to assist the victim, wheel/star assessments are undertaken comprising of five main criteria set from the MOJ. It was noted that a satisfaction survey/process is not currently in place in relation to best practice/enhancing the feedback process.</p> <p><i>Risk:</i> Satisfaction records are unknown/not collected and opportunities to develop the service provided are not taken.</p>	Consideration should be given to developing a system/process whereby feedback is gained not only from victims who have received ongoing support, but also for those victims who Voice have made contact with/offered a service.	3	Advice/guidance discussions commencing 23/10/2018 with OPCC comms expert, new process to be in place by Sept 2019.	Sept 2019 Chief Executive Officer Voice	

## Seized Property – November 2018

	Observation/Risk	Recommendation	Priority	Management response	Timescale/responsibility	Status
4.1	<p><b>Property Recording</b></p> <p><i>Observation:</i> Audit carried out visits to two temporary stores to carry out testing to confirm that property records matched actual items in store. Audit testing found:</p> <ul style="list-style-type: none"> <li>323 items were recorded in the property management system but only 135 could be located</li> <li>26 items were physically in the property stores but were not recorded as being in that location on the property management system.</li> </ul> <p>There were similar findings in last years audit. Since last year a number of communications have been issued across the Force to remind officers and staff of the correct procedures to be followed when handling seized property.</p> <p><i>Risk:</i> Where items are not tracked there is a risk of property going missing. This questions the integrity of the underlying records held on the NICHE system and could lead to reputational damage should key evidence or individuals' property be unable to be located.</p>	<p>There are a number of recommendations to address the root causes of these errors including – training and store audits (see 4.3 &amp; 4.4 below). The Force should continue with regular communications to help raise awareness of the issues.</p> <p>The Detained Property Team should review the items that audit could not locate and carry out inquiries to ensure they are located.</p>	1	<p>A business case was agreed for growth within the department, which will enable us to effect audits more frequently.</p> <p>The increased staffing will enable the investigation of anomalies and the development of officer training for the appropriate management of property. We have changed the rota, to include the investigation of anomalies.</p> <p>Communications will continue to be sent i.e. update circulated last week regarding electronic exhibits. See also 4.3 &amp; 4.4 for further staff engagement activities.</p> <p>There are issues with the data extracts from Niche, in that incorrect data is returned due to limitations of the system. A business objects universe has been developed, and staff from Property, are working with corporate development to develop accurate reports to be used in place of the existing Niche reports. Testing/quality assurance will take place and should be finalised by the end of December 2018.</p>	<p>Detained Property Senior Manager Sep 2019 - team growth (extended timeframe to include recruitment, training and implementation) Coms Ongoing</p> <p>Dec 2018</p>	
4.2	<p><b>NICHE Reports</b></p> <p><i>Observation:</i> When audit carried out the testing to reconcile items recorded on the system to the physical location, a report from the Niche system provided the current items held within the store. The shelves within the temporary stores are numbered 1 – 31 and the date they are booked into the store should be the corresponding shelf number where they are stored. Therefore a report run on a set date should detail all items held on that particular shelf.</p>	<p>The detained property team should explore any reporting capabilities that will assist them in the management of detained property.</p>	2	<p>Further to the comments in 4.1 re Niche reporting, the volume of property occurrences and associated property items causes difficulties with business object reports. Further work is required to assess how this can be improved, i.e. increasing the levels of accountability e.g. additional property locations, meaning reports are run for smaller volumes.</p>	<p>Detained Property Senior Manager Mar 2019</p>	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/responsibility	Status
	<p>However, it was identified by the Property Officers that when they ran reports on a set date, the reports included other items that had been actioned on these dates as well as those booked in on those days. Therefore the reports may not detail the exact location of the item when running this report type. The reporting capabilities of the Niche system are limited, however the Force are able to use Business Objects software to extract data from the Niche system. More accurate reporting would assist in quickly identifying the location of property held within the temporary stores.</p> <p><i>Risk:</i> The Force are unaware of the full picture in regards to detained property as reports are unable to be produced to demonstrate key statistics.</p>			<p>We are also reviewing the management of temporary stores (shelves/collections etc). This includes comparisons to regional partner's processes such as the introduction of a red/amber/green method as opposed to the use of dated shelves, to see if there are any improvements and efficiencies that can be made.</p>	<p>May 2019 (review &amp; implementation)</p>	
4.3	<p><b>Property Audits</b></p> <p><i>Observation:</i> During the previous audit visit it was recommended that periodic audits of the temporary stores should be carried out to identify any missing items or incorrectly recorded items on the system so that remedial action can be taken. The Detained Property Team are now carrying out periodic audits of the temporary stores on a rotational basis in line with their collections. Where errors are found during the audits, officers responsible for the items are emailed and chased to locate the item or correctly record them in the system where applicable. However, an overall summary of the audits is not reported which increases the risk that senior officers are unaware of the current status of detained property around the region.</p> <p><i>Risk:</i> Actions are not taken to address issues that the property stores audits are highlighting.</p>	<p>The property audit process should be developed to ensure a summary of findings is appropriately reported to senior officers so that action can be taken to address the issues found in a timely manner. The Property Team should consider rolling out further audits of high risk areas such as Cash Valuables, Freezer, Firearms and Ammunition stores on a periodic basis to confirm items are correctly recorded.</p>	2	<p>The CJU senior management team circulate comms to the force via Force media avenues and via senior officers (chief superintendents &amp; Inspectors). CJU Senior management attend Force area SMT's where possible, to discuss ongoing issues.</p> <p>The approved business case and subsequent growth will enable us to affect audits more frequently, including the Cash Valuables, Freezer, Firearms and Ammunition stores.</p> <p>The increased staffing will facilitate the production of detailed reports for senior officers to understand and address issues in a timely manner.</p>	<p>Detained Property Senior Manager Ongoing</p> <p>Further to 4.1 - Sep 2019 (extended timeframe to include recruitment, training and implementation)</p> <p>Mar 2019 implementation &amp; ongoing</p>	
4.4	<p><b>Training</b></p> <p><i>Observation:</i> During the previous audit a recommendation was raised in regards to providing Officers with training to ensure that the correct processes were being followed when managing</p>	<p>The Force should proceed with plans to roll out further training with officers to ensure that property is correctly recorded.</p>	2	<p>As per 4.3, discussions are held at a senior level to highlight areas of concern. As part of core training, new officers receive an input on property; however there is no</p>	<p>Detained Property Senior Manager</p>	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/responsibility	Status
	<p>detained property. This was raised following audit findings that highlighted a number of cases where property was not recorded correctly. Due to lack of staffing resources there has been no roll out of detailed training as yet. Discussions with the Head of Detained Property confirmed that communications have been sent since the last audit however, due to staff shortages they have been unable to roll out detailed training as they had hoped to do.</p> <p>The Staff within the Detained Property Team have a training skills matrix to ensure the staff are fully competent in their duties. This was introduced three years ago and the staff who have been their longer than this have not completed the matrix as they are considered competent, It was noted that the Transport of Property between the temporary stores and central stores was missing from the current skills matrix.</p> <p><i>Risk:</i> Staff do not record the location and movements of detained property leading to lost items that could affect criminal prosecutions.</p>	<p>The Detained Property Team should consider updating their staff skills matrix to include the collection and transportation of detained property.</p>		<p>mechanism for ongoing training. The approved business case will mean an increase in team leader posts, with additional resource to drive and facilitate a training program.</p> <p>The CJU senior manager is progressing a Niche 'request for change – RFC', which will change the way officers manage their property, streamlining processes. This will require a program of training which the new team leader posts will support.</p> <p>In respect of the training skills matrix, this has been adjusted to include the audit recommendation regarding transport</p>	<p>Sep 2019 (extended timeframe to include recruitment, training and implementation)</p> <p>RFC timescales are Minerva (external company) dependant, but hopefully by Dec 2019.</p> <p>Cleared</p>	
4.5	<p><b>Disposals</b></p> <p><i>Observations:</i> It was noted during the previous audit that the Detained Property Team had a backlog of items that were approved for disposal but, due to a lack of resources within the team, they had been unable to action the items awaiting disposal. Audit were informed that whilst additional resources have been added to the team, these took some time to put in place and therefore the team have only been able to deal with the current daily workloads from May 2018 onwards. As a consequence, there has not been a concentrated effort to reduce the back log. At the time of audit visit it was confirmed that there are 8,125 items that are awaiting disposal. Audit were informed that Process Evolution undertook an independent review of the resourcing required to address the backlog. Their findings are due to be presented at the Change Board with associated options that could be taken to address this issue moving forward.</p>	<p>Actions to address the backlog of items for disposal should be agreed upon and implemented.</p>	2	<p>The approved business case included finances to recruit a team dedicated to clearing the backlogs in 1 year, from an agreed date when the recruited staff can be appointed.</p> <p>As an interim measure, a change in rotas and responsibilities has meant we have managed to chip away and clear some of the backlogs, such as sealed sacks and return to owner shelves. Work will continue to tackle the backlogs and this has been factored to provide a revised FTE requirement for the backlog team to complete the remaining backlogs when appointed.</p>	<p>Detained Property Senior Manager 1 year from team appointment. Initially the management post will be recruited, then the backlog team. All posts will need to be established via finance and human resources, and then recruited. Vetting currently has delays of a</p>	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/responsibility	Status
	<p><i>Risk:</i> Inefficient use of detained property resources by retaining items beyond their required retained date. Potential breaches of legislation by holding items that are required to be disposed of.</p>				<p>minimum of 10 weeks. Estimated timeframe for the completion of all backlog work outstanding will therefore be Dec 2019.</p>	
4.6	<p><b>Cash Handling</b>  <i>Observations:</i> When cash is detained by officers it is required to be counted with two officers present in a secure location. When this is not available, cash is bagged uncounted to be counted at a later time when this procedure can be complied with. Audit were informed that the central store does not have a 'sterile' room facility where cash can be safely and securely counted and therefore cash can remain uncounted for some time. It was noted that the Head of Detained Property has been working with the Financial Investigation Unit to develop appropriate procedures so that cash can be counted safely, securely and in a timely manner moving forward. However, this is still in development and it was noted that 157 items of uncounted cash were held within the Central Stores Safe at the time of audit visit.  <i>Risk:</i> Where cash is not counted the Force are not insured for the amount held, also the amount held may be in breach of the insurance limits. When cash may be returned to the owner, the integrity of a police officer may be questioned if the amount seized has not been stated on seizure.</p>	<p>Appropriate procedures should be developed so that cash held within the Central Property Safe is counted for insurance and safeguarding purposes.</p>	1	<p>The business case covered the risks in this area. Security has been significantly increased at the central detained property store. DP staff do not currently have a sterile room that meets the requirements for cash to be counted, and this is not part of their role.</p> <p>The Financial Crime team are kindly supporting DP, and a plan is in development for ongoing support in the short and medium term.</p> <p>Once the new Manager is appointed as part of the business case, they will need to review the roles of the team and include the development of the appropriate facilities and responsibility for this function.</p>	<p>Detained Property Senior Manager</p> <p>Mar 2019</p> <p>Sep 2019 (extended timeframe to include recruitment, training and implementation)</p>	







## AGENDA ITEM 10

### NORTHAMPTONSHIRE POLICE AND CRIME COMMISSION and NORTHAMPTONSHIRE POLICE

#### JOINT INDEPENDENT AUDIT COMMITTEE 10 DECEMBER 2018

<b>REPORT BY</b>	Ernst Young
<b>SUBJECT</b>	External Audit Letters a) Police & Crime Commissioner Northamptonshire b) Northamptonshire Police
<b>RECOMMENDATION</b>	To note letters

Martin Scoble  
Police and Crime Commissioner for Northamptonshire  
Northamptonshire Police & Crime Commissioner  
East House,  
Force Headquarters,  
Wootton Hall  
Northampton  
NN4 0JQ

25 April 2018

Ref: 201819/PCCN/Pre-engagement

Direct line: 01223 394459

Email: NHarris2@uk.ey.com

Dear Martin,

## Annual Audit 2018/19

We are writing to confirm the audit that we propose to undertake for the 2018/19 financial year at the Police and Crime Commissioner for Northamptonshire.

From 2018/19, new arrangements for local auditor appointment set out in the Local Audit and Accountability Act 2014 apply for principal local government and police bodies. Public Sector Audit Appointments Ltd (PSAA) has appointed auditors for bodies that have opted into the national scheme. Appointments were made for the duration of the five-year appointing period, covering the audits of the accounts for 2018/19 to 2022/23. Appointments for all bodies that had opted into the appointing person scheme before 9 March 2017 were confirmed, following consultation, in December 2017.

### Indicative audit fee

For the 2018/19 financial year, PSAA has set the scale fee for each audited body that have opted into its national auditor appointment scheme. Following consultation on its Work Programme and Scale of Fees, PSAA has reduced the 2018/19 scale audit fee for all opted-in bodies by 23 per cent from the fees applicable for 2017/18.

The fee reflects the risk-based approach to audit planning set out in the National Audit Office's Code of Audit Practice for the audit of local public bodies.

The audit fee covers the:

- Audit of the financial statements
- Value for money conclusion
- Whole of Government accounts.

For the Police and Crime Commissioner for Northamptonshire our indicative fee is set at the scale fee level. This indicative fee is based on certain assumptions, including:

- The overall level of risk in relation to the audit of the financial statements is not significantly different from that of the prior year
- Officers meeting the agreed timetable of deliverables;
- We can rely on the work of internal audit as planned;
- Our accounts opinion and value for money conclusion being unqualified;
- Appropriate quality of documentation is provided by the Police and Crime Commissioner for Northamptonshire;
- There is an effective control environment; and
- Prompt responses are provided to our draft reports.

Meeting these assumptions will help ensure the delivery of our audit at the indicative audit fee which is set out in the table below. As a new client our audit planning process for 2018/19 will commence in the autumn 2018 and we expect to conclude our planning work by January 2019.

### Summary of fees

	Indicative fee 2018/19 £
Total Code audit fee	22,554

Any additional work that we may agree to undertake (outside of the Code of Audit Practice) will be separately negotiated and agreed with you in advance.

### Billing

The indicative audit fee will be billed in 4 quarterly instalments £5,639.

### **Audit plan**

Our plan is expected to be presented to you no later than March 2019. This will communicate any significant financial statement risks identified, planned audit procedures to respond to those risks and any changes in fee. It will also set out the significant risks identified in relation to the value for money conclusion. Should we need to make any significant amendments to the audit fee during the course of the audit, we will discuss this in the first instance with the Director of Finance and, if necessary, prepare a report outlining the reasons for the fee change for discussion with the Joint Independent Audit Committee.

We are committed to providing you with a high quality service. If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please contact me as your Engagement Lead. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London, SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute.

Yours sincerely



Neil Harris  
Associate Partner  
For and on behalf of Ernst & Young LLP

cc. Helen King, Director of Finance  
J Beckerleg, Chair of the Joint Independent Audit Committee



Simon Edens  
Chief Executive  
Chief Constable for Northamptonshire Police  
Northamptonshire Police  
Force Headquarters,  
Wootton Hall  
Northampton  
NN4 0JQ

25 April 2018

Ref: 201819/PCCN/Pre-engagement

Direct line: 01223 394459

Email: NHarris2@uk.ey.com

Dear Simon

## Annual Audit 2018/19

We are writing to confirm the audit that we propose to undertake for the 2018/19 financial year at the Chief Constable for Northamptonshire Police.

From 2018/19, new arrangements for local auditor appointment set out in the Local Audit and Accountability Act 2014 apply for principal local government and police bodies. Public Sector Audit Appointments Ltd (PSAA) has appointed auditors for bodies that have opted into the national scheme. Appointments were made for the duration of the five-year appointing period, covering the audits of the accounts for 2018/19 to 2022/23. Appointments for all bodies that had opted into the appointing person scheme before 9 March 2017 were confirmed, following consultation, in December 2017.

### Indicative audit fee

For the 2018/19 financial year, PSAA has set the scale fee for each audited body that have opted into its national auditor appointment scheme. Following consultation on its Work Programme and Scale of Fees, PSAA has reduced the 2018/19 scale audit fee for all opted-in bodies by 23 per cent from the fees applicable for 2017/18.

The fee reflects the risk-based approach to audit planning set out in the National Audit Office's Code of Audit Practice for the audit of local public bodies.

The audit fee covers the:

- Audit of the financial statements
- Value for money conclusion
- Whole of Government accounts.

For the Chief Constable for Northamptonshire Police our indicative fee is set at the scale fee level. This indicative fee is based on certain assumptions, including:

- The overall level of risk in relation to the audit of the financial statements is not significantly different from that of the prior year
- Officers meeting the agreed timetable of deliverables;
- We can rely on the work of internal audit as planned;
- Our accounts opinion and value for money conclusion being unqualified;
- Appropriate quality of documentation is provided by the Chief Constable for Northamptonshire Police;
- There is an effective control environment; and
- Prompt responses are provided to our draft reports.

Meeting these assumptions will help ensure the delivery of our audit at the indicative audit fee which is set out in the table below. As a new client our audit planning process for 2018/19 will commence in the autumn 2018 and we expect to conclude our planning work by January 2019.

### Summary of fees

	Indicative fee 2018/19 £
Total Code audit fee	11,550

Any additional work that we may agree to undertake (outside of the Code of Audit Practice) will be separately negotiated and agreed with you in advance.

### Billing

The indicative audit fee will be billed in 4 quarterly instalments of £2,888.



### **Audit plan**

Our plan is expected to be presented to you no later than March 2019. This will communicate any significant financial statement risks identified, planned audit procedures to respond to those risks and any changes in fee. It will also set out the significant risks identified in relation to the value for money conclusion. Should we need to make any significant amendments to the audit fee during the course of the audit, we will discuss this in the first instance with the Director of Finance and, if necessary, prepare a report outlining the reasons for the fee change for discussion with the Joint Independent Audit Committee.

We are committed to providing you with a high quality service. If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please contact me as your Engagement Lead. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London, SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute.

Yours sincerely



Neil Harris  
Associate Partner  
For and on behalf of Ernst & Young LLP

cc. Helen King, Director of Finance  
Mr J Beckerleg, Chair of Joint Independent Audit Committee





## AGENDA ITEM 12

### NORTHAMPTONSHIRE POLICE AND CRIME COMMISSION and NORTHAMPTONSHIRE POLICE

#### JOINT INDEPENDENT AUDIT COMMITTEE 10 DECEMBER 2018

<b>REPORT BY</b>	Chief Finance Officer / Assistant Chief Officer (Finance & Resources)
<b>SUBJECT</b>	TREASURY MANAGEMENT PERFORMANCE 2017-18 1 <sup>st</sup> April 2018 to 30 <sup>th</sup> September 2018
<b>RECOMMENDATION</b>	To note the report

#### REPORT OF OFFICE OF THE POLICE & CRIME COMMISSIONER AND OFFICE OF THE CHIEF CONSTABLE

##### Purpose of Report

1. To inform the Joint Internal Audit Committee (JIAC) of the borrowing, capital financing, lending and cash management activities during the period 1<sup>st</sup> April 2018 to 30<sup>th</sup> September 2018.

##### Recommendation

2. The JIAC is requested to consider the contents of the report.

##### Background

3. The 'Code of Treasury Management' published by the Chartered Institute of Public Finance and Accountancy (CIPFA), and recommended by the Home Office, has been adopted by the Office of the PCC for Northamptonshire ("the OPCC").

4. Comments on specific activities are as follows: -

##### i) Capital Financing/Long Term Borrowing

Whilst no new loans were taken from the Public Works Loans Board (PWLB) during the period ended 30<sup>th</sup> September 2018, £1.165m of internal borrowing was utilised to finance the capital programme.

External debt at 30<sup>th</sup> Sept 2018 with PWLB was £1.3m with an average interest rate of 4.82%.

##### ii) Lending of Surplus Funds

Funds that are temporarily surplus are invested. Funds invested in overnight accounts earned 0.15% during the period covered by the report with no longer

term deposits. The interest earned is dependent on both the size and duration of each investment.

The investment income budget for 2018/19 is £59k – Interest Rates have not increased to the predicted rates; therefore the budget will be underachieved if trends continue for future quarters. Due to current cashflow there has not been the surplus funds to invest. The OPCC has continued to invest with permitted institutions (Natwest – Business Reserve Account) during the year. However, the lower investment returns are attributable to the reduction in interest rates being offered by the various financial institutions for 9 months of the year and the decision to borrow internally for capital purposes thereby reducing the overall level of cash available for investment.

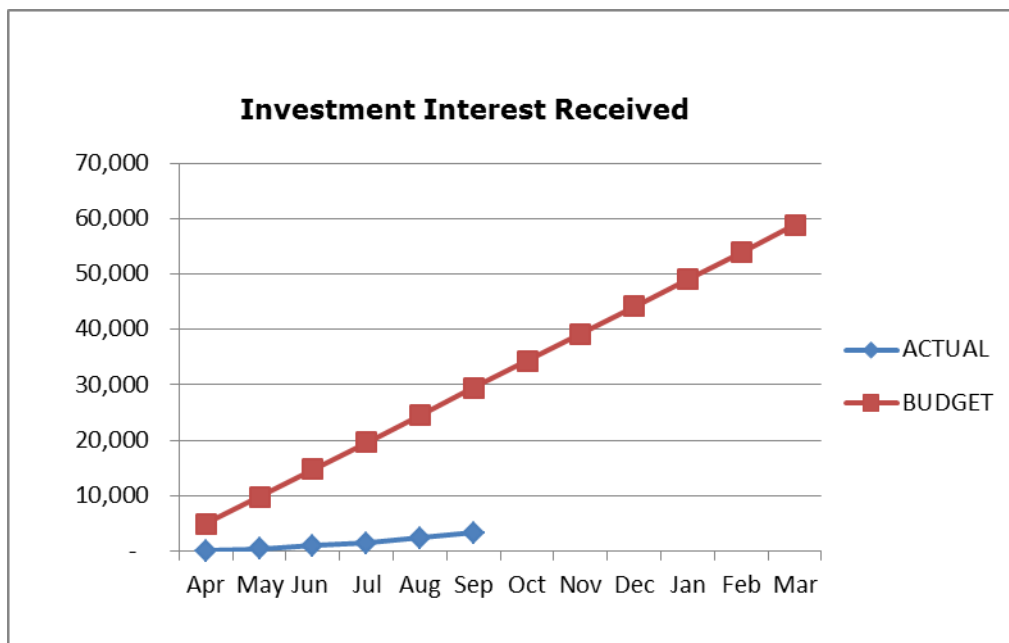
At each month-end and up to and including 30<sup>th</sup> Sept 2018, the following investment balances were outstanding according to the OPCC's Treasury Management Policy:

<b>End of Month</b>	<b>Outstanding Investments</b>
Apr-18	£0.0m
May-18	£0.0m
Jun-18	£0.0m
Jul-18	£0.0m
Aug-18	£0.0m
Sep-18	£0.0m

Quarter 3 for 2018-19 is in a positive position which will lead to an increase in interest on investments in the second half of the financial year due to funds being available for investing, which includes the Capital Receipt of £2.85m for the sale of Mereway.

Also, the current advice is that there will be an increase interest rises late into Quarter 3 2019. Investment levels generally fall towards the end of the financial year because the OPCC has received the majority of its grant funding for the year.

The following graph demonstrates interest earned (cumulative) during the period against the profiled budget:



### **Credit Ratings of Permitted Institutions**

5. The credit ratings for institutions permitted by the Treasury Management Policy have been provided by Link Asset Services and reviewed to assess the security of the OPCC’s cash reserves.

The ratings for each institution (as assessed by Fitch, Standard & Poor’s and Moody’s respectively) currently used by the OPCC are as follows (correct at 30<sup>th</sup> Sept 2018):

<b>Bank / Building Society</b>	<b>Ratings at 30th June 2018</b>	<b>Ratings at 30th Sept 2018</b>
Royal Bank of Scotland PLC	F2 / A-2 / P-1	F2 / A-3 / P-2
Santander UK PLC	F1 / A-1 / P-1	F1 / A-1 / P-1
Barclays Bank plc	F1 / A-1 / P-1	F1 / A-1 / P-1
Lloyds Bank plc	F1 / A-2 / P-1	F1 / A-1 / P-1

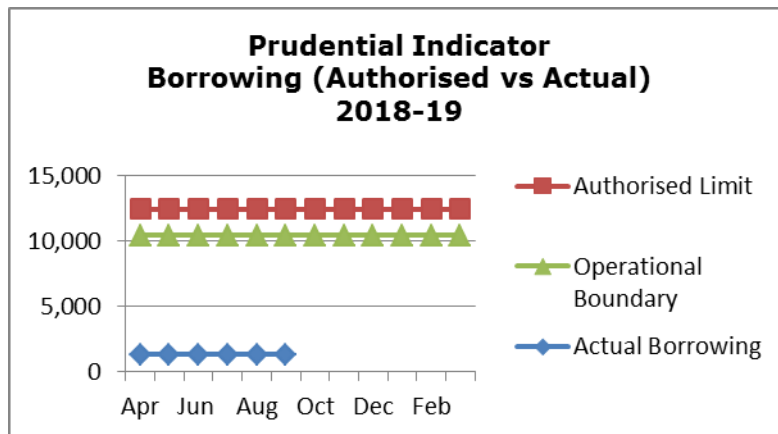
The highest potential ratings awarded by each agency over the term used by the OPCC (“short-term” – i.e. less than 365 days) are F1+ / A-1+ and P-1 respectively. The ratings seen above are, whilst not the top rating, typical of the level awarded to other UK banks.

Overall the level of risk presented by investing with the above-mentioned institutions is proportionate and does not contravene the overriding principle of protecting the OPCC’s resources (in this case the cash reserves).

### **External Debt – Authorised Limits**

6. The OPCC’s debt is monitored against the ‘authorised limit’ and ‘operational boundary’ on a monthly basis. The authorised limit for 2018/19 is £12.4m and is the statutory limit determined under section 3(1) of the Local Government Act 2003.

This has not been exceeded. The operational boundary is £10.4m which is the maximum level of projected external debt.



### **Maturity Structure of Debt**

7. The Prudential Code recommends that the OPCC sets upper and lower limits for the maturity structure of its fixed rate borrowing.

	Upper Limit	Lower Limit	Actual
Under 12 months	33%	0%	0%
12 months and within 24 months	33%	0%	0%
24 months and within 5 years	33%	0%	0%
5 years and within 10 years	66%	0%	54%
10 years and above	100%	0%	46%

8. The actual values move as fixed maturity dates draw nearer with each advancing year.

### **Investment of Principal Sums**

9. In line with the Treasury Management policy no sums have been invested for more than 2 years.

### **Implications**

Financial: As described in the report.

Legal: None.

Equality Impact Assessment: None identified

Risks and Impact: As described in the report.

Link to Police and Crime Plan: 18/19 Approved budget

## **Background Papers**

Treasury Management File

## **Contact Names**

Mrs H King, Chief Finance Officer (OPCC) – (0345) 111 222 344573

Mr P Dawkins, Assistant Chief Officer (Finance & Resources) (OCC) – (0116) 248 2244







## AGENDA ITEM 13

### NORTHAMPTONSHIRE POLICE AND CRIME COMMISSION and NORTHAMPTONSHIRE POLICE

#### JOINT INDEPENDENT AUDIT COMMITTEE

10 December 2018

<b>REPORT BY</b>	DCC RACHEL SWANN
<b>SUBJECT</b>	MFSS – FUSION IMPEMENTATION
<b>RECOMMENDATION</b>	TO NOTE

#### 1 PURPOSE

- 1.1 The purpose of this report is to provide further update to JIAC on the progress made in preparation to move the Multi-Force Shared Service (MFSS) from its current operating platform to Oracle Fusion in 2019. Members will be also be updated on the governance around this move in force, the measures in place to manage the risks this change poses and the plans to ensure that the opportunities the new system offers are maximised.

#### 2 UPDATES SINCE LAST JIAC MEETING

- 2.1 Fusion was originally planned to go-live in April 2018, this was pushed back to October 2018 due to a number of concerns. It has since been agreed by all partners that the revised go-live will be April 2019. The further delay was the result of Capgemini being unable to resolve a sufficient number of defects to satisfy partners that Fusion was fit for purpose, as well as needing further time to streamline data migration and reconciliation processes. The force was fully supportive of this as it did not want to move to a reduction in service and increased risks.
- 2.2 The delayed implementation and the decision of Avon and Somerset have meant a further an increase in costs for Northamptonshire of £0.4m – increasing total costs to £2m which has been reflected in the MTFP and Capital Programme.
- 2.3 Grant Thornton (GT) were employed to support Northamptonshire and Nottinghamshire delivery of this upgrade through providing Programme Management Officer (PMO) functions. In addition to the GT resources each force provided full and part time subject matter experts, and other part

time resources. A full time SRO was also employed to help give greater focus on the issues on behalf of both DCC's

- 2.4 In June 2018 the role of partner programme manager passed back to the force to provide a permanent on site presence and increased focus on risk, project deliverables and resourcing issues.
- 2.5 In October the full time SRO left the programme and this role passed back to the DCC.
- 2.6 In November all remaining GT resources left Northamptonshire and shared governance between Nottinghamshire and Northamptonshire ended. The two forces continue to work closely though, sharing similar issues.
- 2.7 This has helped reduce the costs associated with this work. It has also meant greater control and flexibility to help deliver this programme.
- 2.8 On the 1st 2018 Avon and Somerset Police took the decision not to join the MFSS sighting lack of system stability and concerns over ongoing delays and increasing costs. They had not signed a collaboration agreement, however the impact of them not joining has meant potential reductions in costs would not be delivered. This change has been reflected in the MTFP.
- 2.9 The Chair of the Joint Oversight Committee (JOC) rotates and earlier this year PCC Stephen Mold took over this role.

### **3 IMPLEMENTATION**

- 3.1 DCC Swann has put in place a Fusion Implementation Board in force. This includes key stakeholders across the organisation who will be needed to help ensure a successful implementation. Lessons learnt from Niche implementation will be used to ensure organisational readiness for Fusion, and the provision of resources in place to move from implementation, to stabilisation, and into optimisation. GT initially provided the PMO function for the board but this role has now passed to the forces partner PM.

### **4 RISKS**

- 4.1 There are a number of risks associated with MFSS and Fusion. These are on the force risk register at a high level and recognise the issues with the current business as usual level of service through MFSS, and also with the move to Fusion. A risk register for Fusion is in place which outlines the programme risks and the mitigation around them.
- 4.2 The main concern for some time in relation to Fusion was the readiness of the system to go-live and the level of service the force would receive from this. There was a greater level of confidence that the go-live version (R19a) would be an improvement on the current service, and the upgrades from that would provide the opportunity to continually improve the service.

- 4.3 The initial phase of user acceptance testing (UAT) was conducted during July and August. Capgemini was unable to reach an acceptable defect position and the testing activity began to overlap with the initial round of data migration and business reconciliation causing resourcing pressures. It quickly became clear that Fusion was not ready and all partner PMs attended a 2 day re-planning session in early September. The revised plan was presented to Sub-Committee and JOC and was agreed.

## **5 SUMMARY**

- 5.1 MFSS-Fusion implementation remains one of the highest non-operational risks in the force; recognising how it underpins much of our support service work. It has appropriate oversight, reporting through to the DCC and sufficient resource in place for successful implementation of Fusion.
- 5.2 The Force and OPCC are cognisant of the costs associated with this project and it remains under close scrutiny by both. The review of resource by the SRO has resulted in a reduction in those costs and will assist in ensuring it provides value for money going forward.





**NORTHAMPTONSHIRE POLICE AND CRIME COMMISSION and NORTHAMPTONSHIRE POLICE  
JOINT INDEPENDENT AUDIT COMMITTEE  
10 DECEMBER 2018**

**ITEM 14**

<b>REPORT BY</b>	Chief Finance Officer
<b>SUBJECT</b>	Joint Independent Audit Committee (JIAC) - Agenda Plan – Updated November 2018
<b>RECOMMENDATION</b>	To note the report

Date of JIAC	10.12.18	February 2019 TBC WORKSHOP	20.03.19	6.6.19 FINAL ACCOUNTS WORKSHOP	26.7.19	30.9.19	November 2019 TBC WORKSHOP	11.12.19
Confirmed agenda to be circulated	19.11.18		22.02.19		28.06.19	02.09.19		22.11.19
Deadline for papers to be submitted to OPCC	29.11.18		06.03.19		12.07.19	16.09.19		04.12.19
Papers to be circulated	3.12.18		13.03.19	01.06.19	19.07.19	23.09.19		11.12.19

Date of JIAC	10.12.18	February 2019 TBC WORKSHOP	20.03.19	6.6.19 FINAL ACCOUNTS WORKSHOP	26.7.19	30.9.19	November 2019 TBC WORKSHOP	11.12.19
	Apologies		Apologies		Apologies	Apologies		Apologies
	Declarations		Declarations		Declarations	Declarations		Declarations
	Meetings log and actions		Meetings log and actions		Meetings log and actions	Meetings log and actions		Meetings log and actions
					Annual meeting of members and Auditors without Officers Present			
<b>Governance, Assurance and Strategies</b>								
	Treasury Management Q2 update 2018/19		Capital Programme 2019/20 PFCC & CC NCFRA		JIAC Annual Report	MTFP process and plan update & Timetable PFCC & CC NCFRA		
		NCFRA Internal Audit and Assurances	Treasury Mgmt Strategy 2019/20 PFCC & CC NCFRA	Statement of Accounts Review: PFCC & CC NCFRA	Statement of Accounts: PFCC & CC NCFRA	Corporate Governance Framework Review PFCC & CC NCFRA	TBC	
		NCFRA External Audit Considerations	Capital Strategy 2019/20 PFCC & CC NCFRA	JIAC annual report review		Treasury Management outturn 2018/19 NCFRA PFCC		Estates Strategy
<b>HMICFRS Reviews</b>								
			HMIC Value for Money					
			HMIC reviews – update NCFRA PFCC					HMIC reviews – update NCFRA PFCC

Date of JIAC	10.12.18	February 2019 TBC WORKSHOP	20.03.19	6.6.19 FINAL ACCOUNTS WORKSHOP	26.7.19	30.9.19	November 2019 TBC WORKSHOP	11.12.19
<b>Updates:</b>								
	Update on: MFSS		Update on: MFSS		Update on: MFSS	Update on: MFSS		Update on: MFSS
	Update on: Fire Governance		Update on: Fire Governance		Update on: Enabling Services	Update on: Business Continuity and Disaster Recovery PFCC&CC NCFRA		Update on: Enabling Services
	Update on: Estates Strategy PCC & CC		Update on: ICT Governance, Behavioural Change and Finance Arrangements					Update on: Estates Strategy PFCC
	Update on: CIPFA Training Day for Audit Committee Members (or other Training and Development)				Update on: Fraud & Corruption Controls and Processes PFCC & CC NCFRA			Update on: CIPFA Training Day for Audit Committee Members (or other Training and Development)
<b>Risk Management:</b>								
	Force strategic risk register		Review of risk Policy PFCC NCFRA	PFCC risk register		Force strategic risk register		
	NCFRA Risk Register					NCFRA Risk Register		

Date of JIAC	10.12.18	February 2019 TBC WORKSHOP	20.03.19	6.6.19 FINAL ACCOUNTS WORKSHOP	26.7.19	30.9.19	November 2019 TBC WORKSHOP	11.12.19
<b>Internal Audit:</b>								
			Internal Audit Plan 19/20 PFCC & CC NCFRA		Internal Audit Annual Report 18/19 PFCC & CC NCFRA			
Progress report PCC & CC			Progress report PFCC & CC NCFRA		Progress report PFCC & CC NCFRA	Progress report PCC & CC NCFRA		Progress report PCC & CC NCFRA
Implementation of recommendations PCC & CC			Implementation of recommendations PFCC & CC NCFRA		Implementation of recommendations PFCC & CC NCFRA	Implementation of recommendations PFCC & CC NCFRA		Implementation of recommendations PFCC & CC NCFRA
<b>External Audit:</b>								
External Audit Plan 18/19 PCC & CC			External Audit Plan 18/19 NCFRA		External Audit ISA260: PFCC & CC NCFRA	External Audit Annual Audit Letter: PFCC & CC NCFRA		External Audit Plan & Fee Letter 19/20: PFCC & CC NCFRA
			External Audit Verbal Update PFCC & CC NCFRA					
<b>Plan &amp; AOB:</b>								
Agenda plan			Agenda plan		Agenda plan	Agenda plan (HK)		Agenda plan
AOB (inc member updates)			AOB (inc member updates)		AOB (inc member updates)	AOB (inc member updates)		AOB (inc member updates)
Next meeting <sup>1</sup>			Next meeting		Next meeting	Next meeting		Next meeting

<sup>1</sup> Confirmation of the date and venue of next meeting



