

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

JOINT INDEPENDENT AUDIT COMMITTEE

19th June 2017 at 10.00am to 13.00pm

Greenwell Room, Wootton Hall, Northampton, NN4 0JQ

**If you should have any queries in respect of this agenda, please contact Emily
Evans on 03000 111 222 Ext 343437**

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

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

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AGENDA			
1	Apologies for non- attendance	JB	10-00
2	Declarations of Interests	Members	10-05
3	Finance Update 2017-18	PD	10-05
4	HMIC reviews – update	GA	10-20
5	MFSS – update on new arrangements, governance and assurance	PD	10-40
6	Announcements from the Chair a) Summary of workshop held on 22 May 2017 b) Updates from JIAC members c) Other	JB	11-00
7	Minutes and Matters Arising from the previous meeting	JB	11-05
8	Matters Arising Action Log	JB	11-10
9	Internal Audit review of the Effectiveness of JIAC	JB	11-10
10	JIAC Terms of Reference review, committee self-assessment and committee Annual Report	JB	11-15
11	Draft annual accounts 2017-18	PD	11-25
12	Internal Audit – progress report	BW	11-40
13	Internal Audit – Annual report	BW	11-55
14	Internal Audit – Revised Draft Internal Audit Plan 2017-18	BW	12-05
15	Implementation of Audit recommendations	GA	12-10
16	External Audit – progress report – Verbal Update	AC	12-20
17	External Audit – Fee letter	AC	12-30
18	Force Strategic Risk Register	GA	12-25
19	OPCC Strategic Risk Register	MS	12-35
20	OPCC and CC governance framework	MS	12-45
21	Assurance summary including items for escalation to the Commissioner and / or the Chief Constable	JB	12-50
22	OPCC Delivery Plan	MS	12-55
23	Agenda Plan for the next four meetings	JB	13-00
24	Date and venue of next meeting Date for a special meeting in July 2017 to be	JB	13-00

AGENDA

	<p>confirmed (To cover Estates Strategy, Capital Programme, Treasury Management strategy, Medium Term Financial Plan and Reserves policy)</p> <p>20th June 2017 - 10:00am – 1:30pm – Greenwell Room</p>		
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25	<p>Such other business by reason of the special circumstances to be specified, the Chair is of the opinion is of sufficient urgency to warrant consideration.</p> <p><i>(Members who wish to raise urgent business are requested to inform the Chairman beforehand).</i></p>	JB	13-35
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26	<p>Resolution to exclude the public</p>	JB	13-35
	<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>		
27	<p>Confidential items – any</p>		

	<p>Private Meeting of Committee Members with the Auditors (if required)</p>	JB	13-45
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Continued overleaf ...

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

i. General

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

ii. Notice of questions and addresses

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

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

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

or by email to:

Emily.Evans@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.

Continued overleaf ...

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

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

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

Mr J Beckerleg (Chair of the Committee)

Ms G Scoular

Mr M Pettitt

Mr A Knivett

Martin Scoble

CHIEF EXECUTIVE & MONITORING OFFICER

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Briefing Paper for the Joint Independent Audit Committee Meeting

June 2017

Agenda Item: HMIC Reports

1. INTRODUCTION

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

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

1.3 HMIC produces a large number of inspection reports each year, both in its own right and through 'joint inspections' undertaken in partnership with other regulators. Where HMIC identify potential areas for development, these are flagged as Areas for Improvement (AFIs.) More serious failings result in Recommendations, some of which may be local or national in application.

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

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

2. HMIC OVERSIGHT

2.1 The HMIC Oversight monitoring process has five stages;

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

2.2 Northamptonshire Police remain at stage 1 of the HMIC monitoring process.

2.3 Northamptonshire Police work closely with HMIC between Inspections, meeting regularly to chart AFI progress and to ensure HMIC have a balanced, accurate and ongoing understanding of the strengths and areas for development across the organisation.

2.4 Inspections, whilst representing "a moment in time" are intended to reflect the ongoing performance of the organisation. Nevertheless, inspections mark a milestone in the reporting cycle and always result in a nationally publicised, graded report.

3. METHODOLOGY AND GOVERNANCE

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

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

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

3.4 Our internal recommendation tracker has been developed to improve monitoring and the team is growing in June to include project management disciplines. This will enable us to evolve the tracker into a more comprehensive project plan.

3.5 Further improvements to the process include the creating of continuous improvement groups in various parts of the force to progress improvement initiatives that encompass the AFIs, the inclusion of greater detail in the tracker to improve understanding and the addition of a "points to prove" commentary, making clear the (often simple) steps needed to address the identified issues that led to the AFIs being identified.

3.6 A new, fortnightly DCC-chaired Gold-Group is being established from June onwards to ensure improved governance and accountability of delivery activity against all AFIs.

4 INSPECTION UPDATE

4.1 The PEEL Effectiveness Inspection was conducted during the week commencing 7 November with AFIs formally incorporated into the latest version of the tracker, which holds all live recommendations and AFIs.

4.2 The November Inspection graded the force as Requires Improvement in respect of Effectiveness.

4.3 The tracker now also includes some improvement areas not formally identified as AFIs (Marauding Terrorist and Best Use of Stop Search improvements, for instance) to bring the same sort of monitoring rigour to areas regarded as significant.

4.4 A further inspection of Efficiency and Legitimacy took place in June 2017, with formal reporting expected in Summer. Work is underway in the meantime to address any observations made during the "hot debrief" provided by the inspection team at the end of the inspection week.

5 PURPOSE

5.1 This report is intended to provide an overview of the AFI/Recommendations governance and management arrangements in place in Northamptonshire Police.

5.2 Documents referenced in this report are available for inspection by JIAC members.

6 REFERENCE DOCUMENTS

6.1 The latest HMIC reports, detailing current AFIs are available here:

[PEEL: Police Efficiency 2016](#)

[PEEL: Police Legitimacy 2016](#)

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[HMIC Best Use of Stop and Search \(BUSS\) scheme review](#)

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Process Name	Service Description	Retained pre-requisite	Service Speed	SLA Tolerance - Target within SLA	Service Variance	Service Variance Cost	MFSS Comments
Agency Recruitment	MFSS will source agency staff as per the forces agency contractual arrangements and place the initial advert with the agency within 2 working days of receiving the approved recruitment authorisation form.. Recruiting Managers are expected to receive CVs direct, shortlist and interview any agency candidates and confirm the outcome to MFSS who will (subject to vetting) in turn confirm the appointment with the agency within 3 working days.	All requests for agency staff are submitted via an approved Recruitment Authorisation Form. Where a Purchase Requisition is required the line manager should raise this and manage time sheet authorisation. Line Managers are responsible for informing MFSS if the agency worker leaves.	2 working days	100%			
Agency Movers	Should an agency worker be moved, a mover form should be completed to ensure Oracle and the agency portal (if applicable) is updated to reflect the move. Movers will be processed as per the position movers SLA.		3 working days	100%			
Agency Leavers	MFSS should be notified of any agency leavers to terminate all systems access. Agency leavers will be processed as per the leavers SLA.		3 working days	100%			
Career Breaks - commencement	Authorised career breaks will be actioned within 3 working days or by the effective date, whichever is sooner.	The relevant notice periods should be applied allowing MFSS at least one months notice prior to the effective start date to ensure appropriate notification can be given to other departments to complete their actions. The SLA for pay data also applies.	3 working days	100%	Given the impact on payroll MFSS will action late/short notifications requests if the cutoff for payroll has not passed and resource is available.	£13.50	
Career Breaks - return	MFSS will send letters out letters (as agreed in the process) prior to career break end date. Should the individual confirm they are returning, the mover process applies and should be initiated within 3 working days of the confirmation. Should the individual confirm they are not returning, the leaver process applies and should be initiated within 3 working days of the confirmation.	The relevant notice periods should be applied allowing MFSS at least one months notice prior to the effective return date to ensure appropriate notification can be given to other departments to complete their actions. The SLA for pay data also applies.	3 working days	100%			
Changes and extensions to working arrangements: Flexible working requests/Change to Hours; Changes to working patterns; any other changes to working arrangements that affect pay.	All changes or extensions to working arrangements will be input within 3 working days and any relevant associated documentation (as per the process) will be actioned.	Where the change impacts pay then the SLA around pay data should also be applied.	3 working days	100%	See pay data SLA		
Flexible Retirement	Flexible Retirement instructions will be actioned (including the pensions aspect) within 3 working days or by the effective date, whichever is sooner.	Where the change impacts pay then the SLA around pay data should also be applied.	3 working days	100%			
Course administration - External	MFSS receive details of external training courses for MFSS to raise purchase requisitions against and update Oracle once course attended. A&P will raise the PO and follow instruction on the PR (ie make booking online or just confirm PO as booking already made by customer). MFSS will also GRN the Purchase order upon confirmation of attendance (up to a value of £1k)	Retained HR to provide full details of external course to be booked at least one month prior to the course date together with confirmation of delegates who are required to attend. Urgent cases may need to be prioritised by MFSS and will be reviewed as an exception. MFSS are not responsible for raising purchase requisitions where a course is not required e.g payment of qualifications. Budget holders or HR should retain responsibility. Purchase orders which exceed the value of £1k will require retained HR approval before MFSS can GRN.	6 working days	100%	If sent as as a mass request, timescales to action will significantly increase but MFSS will commit to completing the action within 2 weeks (or as agreed with the customer).		

Course administration - Internal	MFSS will receive a request to book onto an internal class and will action the booking within 3 working days.	Retained HR to provide details of course catalogue on an annual basis to allow for classes to be booked. Duty Planning to ensure those applicable are rostered/scaled. Urgent requests may need to be prioritised by MFSS and will be reviewed as an exception.	3 working days	100%			Does this apply to SR's from CNC for police staff enrolments? Yes
ICIDP	Learner submits application to L&D. MFSS collate applications, reject those who do not meet minimum criteria. Advise planning of those attending course / exam and create both classes in Oracle. Notify planning of any withdrawals. Documentation sent to attending officers. MFSS raise requisition for NIE exam. MFSS update course attendance and updates competency profile on learner's HR record including PIP Level 2 once learner has completed portfolio.	Retained HR provide shortlisting criteria, of all applicants via SR. confirm dates of ICIDP induction class and NIE exam, Also confirm Purchase Order requirement and provide name of invigilator. Return registration forms to College of Policing in advance of exam. Trainer updates the class list accordingly. Retained HR notifies MFSS that Notify when an officer has completed their portfolio and request change from PC to DC.	3 Working days (each action required)	100%			
Induction	To ensure that all new starters to the partner organisations receive their notification of Induction course date no later than one month after joining the organisation	To ensure that the MFSS is provided with sufficient induction course delegate places to allow the timely booking of delegates onto courses.	One Month	100%			
Leaving work (including voluntary resignation, redundancy, all retirements, dismissals etc)	Leaver notifications will be actioned within 3 working days or by the effective date, whichever is sooner.	In line with contractual arrangements managers should adhere to notice periods which in turn will allow adequate time for all leaver actions to be completed. The SLA for Pay data also applies.	3 working days	100%	On occasion urgent leaver notifications are submitted for example where a disciplinary hearing has resulted in immediate dismissal, or notice periods have been negotiated to less than the contractual terms. Given the impact on payroll MFSS will action such requests if the cutoff for payroll has not passed and resource is available.	£13.50	
Maintaining personal data	All changes to personal data such as change to name will be input within 5 working days.	The forces should continue to encourage individuals to update their own personal data via self service, with the exception of name change.	5 working days	98%			
Maintaining the course catalogue	MFSS will input data from the annual training plan with a timeframe of 3 weeks to complete. Quarterly updates/changes will be accepted and processed within 3 working days unless there are multiple changes, in which case a completion date will be agreed with the customer. Adhoc changes such as change to location, trainer or cancellation will be actioned on receipt following assessment of urgency (e.g if impacts a class tomorrow this will be actioned immediately and attendees contacted)	The forces should submit the annual training as early as possible but at least 6 weeks prior to the start of the new financial year. Any substantial changes as the year progresses should be managed via the quarterly updates. Adhoc changes will be accepted as necessary.	3 weeks	100%	MFSS will not action any changes to the course catalogue once the annual training plan has been input, other than accept updates on a quarterly basis. Should there be any changes additional to this, these should be discussed with MFSS.	£13.50	Notts have provided this draft SLA to EMCHRS for their comment
Maternity and adoption	Maternity and adoption notifications will be actioned within 3 working days of receipt of notification. The initial action triggers further activities that need to take place before the maternity/adoption leave can be fully processed. The completion of these activities is reliant on the customer completing actions at specific points in time.	Maternity and adoption leave notifications should be submitted in line with the Force policy and the customer is also responsible for ensuring timely completion. On occasion MFSS have to refer a query to retained HR for resolution. In order to enable MFSS to complete the full process, quick responses are required (3 working days), particularly where pay may be impacted. The SLA for Pay Data also applies.	3 working days	100%			
Non Police Personnel Procedure	All NPP forms that are received prior to the effective date to be input within 3 working days or by the effective date, whichever is sooner.	A fully appropriately authorised NPP form including vetting clearance should be submitted to MFSS with at least one month's notice of the effective date to allow adequate time for all new starter actions to be completed such as IT and building access. However it is acknowledged that more often than not the notice is considerably less and therefore MFSS cannot be held accountable for any delays to other actions such as IT access.	3 working days	98%			
Notification of death	MFSS will act on death notifications informing all relevant departments within 1 working day.	The SLA for Pay Data should be applied in terms of payroll cut-off.	1 working day	100%	Given the impact on payroll MFSS will action all Notification of Deaths if the cutoff for payroll has not passed and resource is available.		

National Policing Promotion Framework	MFSS receive service requests for officers wishing to apply for the NPPF (Inspectors or Sergeants) exam - occurs twice per year. MFSS will send out paperwork within 3 working days for officer to complete and return. MFSS will then send the paperwork to College of Policing for officers to be registered for the exam. MFSS to confirm the college of policing's withdrawal closing date to officers and liaise with the college of policing should any officers wish to withdraw. Once exam complete, MFSS to input results into ORACLE HR Records within 3 working days.	Retained HR to carry out initial checks against criteria and send service request to MFSS confirming who is eligible. Retained HR to agree collectively the closing date for paperwork to be requested and returned for MFSS to process. Retained HR to liaise with College of Policing regarding exam location, conditions and any officers requiring reasonable adjustments. The forces do different things (this was a process to be review and standardised)	3 working days	100%	College of Policing work to a deadline for the paperwork to be submitted by in order for officers to be registered for the exam. The internal deadline for MFSS to process these is agreed with the forces which is usually 1 week prior to the College of Policing's deadline. The Forces should adhere to the deadline.		
Out of force secondments - commencement	Out of Force Secondment notifications will be actioned within 3 working days or by the effective date, whichever is sooner.	The relevant notice periods should be applied allowing MFSS at least one month prior to the effective start date to ensure appropriate notification can be given to other departments to complete their actions. The SLA for pay data also applies.	3 working days	100%			
Out of force secondments - Return	MFSS will send letters out letters (as agreed in the process) prior to secondment end date (nb MFSS customers have different time frames for sending the letters out). Once HR have instructed the return, the mover process applies and should be initiated within 3 working days of the confirmation.	MFSS send list of returners to retained HR 3 months prior, retained confirm actions required. The relevant notice periods should be applied allowing MFSS at least one months notice prior to the effective return date to ensure appropriate notification can be given to other departments to complete their actions. The SLA for pay data also applies.	3 working days	100%			
Paternity Leave	All notifications of Paternity Leave will be actioned within 3 working days or by the effective date, whichever is sooner.	Requests for Paternity leave should be submitted in line with the policy notice period. The SLA relating to Pay Data also applies.	3 working days	100%	The MFSS will not process changes after the advertised cutoff date unless this can be done without impacting other SLAs.		
Pay data	All changes affecting pay (e.g hay evaluation, changes to T&Cs, deductions, increments) that are received prior to the published cut off date to be input within 3 working days or by the cutoff date, whichever is sooner. Any relevant documentation (as per process map) should be sent.	95% of changes affecting pay to be received by 3 days prior to the cutoff date and 100% before the published Payroll cutoff date	3 days or by due date	100%	The MFSS will not process changes after the advertised cutoff date unless this can be done without impacting other SLAs.	£4.49	This SLA will be affected by the payroll freezes and we need to be clear on how this can be managed. Further discussions are scheduled for 6th March therefore this SLA is likely to be updated once the discussion is held.
Position Movements	All changes that are received (via the mover form) prior to the effective date to be input within 3 working days or by the effective date, whichever is sooner.	In line with Police Regulation 22 Annex E Officers should be afforded one month's notice of 3 month's duties, therefore moves for rostered staff should arrive with MFSS no less than one month prior to the effective start date to allow appropriate notification via the interfaces to the RMU for planning purposes. Adequate notice is required in order to afford other departments, such as IT, time to complete their actions before the effective date of the move. Where pay is impacted, the SLA for Pay Data should be applied. The forces should be aware of the payroll cutoff and freeze periods and ensure position movements are submitted well in advance of the effective date as detailed above	3 working days	98%	Bulk position movements (10+) should be considered as per the SLA for organisational change. The MFSS will not process changes after the advertised cutoff date unless this can be done without impacting other SLAs.	£13.50	This SLA will be affected by the payroll freezes and we need to be clear on how this can be managed. Further discussions are scheduled for 6th March therefore this SLA is likely to be updated once the discussion is held.
Probation	MFSS will run a monthly report to highlight all individuals approaching the end of their probation in one months time and issues the relevant forms to the manager. Line Managers are required to confirm if the probation has been passed or extended to ensure pay is updated. MFSS will update Oracle within 3 working days of the manager confirming the outcome. The relevant letter will be populated.	This activity is reliant on probation dates being entered when a new starter is entered. The SLA relating to Pay Data also applies.	Monthly	100%			

Shared Parental Leave	Shared Parental leave notifications will be actioned within 3 working days of receipt of completed forms. The initial action triggers further activities that need to take place before the shared parental leave can be fully processed. The completion of these activities is reliant on the customer completing actions at specific points in time.	Shared Parental leave notifications should be submitted in line with the Force policy (ie 8 weeks notice) and the customer is also responsible for ensuring timely completion. On occasion MFSS have to refer a query to retained HR for resolution. In order to enable MFSS to complete the full process, quick responses are required so the forces should commit to a 3 day SLA to respond to queries, although if urgent this should be responded to within 24 hours, particularly where pay may be impacted. The SLA for Pay Data also applies.	3 working days	98%			
Third party information requests	All third party information requests will be processed within 5 working days of receipt of request.	Where input is required from retained departments, this input should be completed and returned to MFSS within 3 working days. All FOI requests are managed by retained HR using OBIEE reports. Where MFSS are required to provide data this will be accessed and a timeframe agreed with the customer.	5 working days	98%			
Recruitment Advertising	The MFSS will publish all recruitment adverts by close of business on a Friday of the week received. A link to the advert will be provided to the Recruiting manager once it has been published.	All Recruitment Authorisation Forms for advertising on the Friday of each week must be fully completed, approved by the partner organisation and received by the MFSS no later than 5pm Thursday of the advertising week. The RAF should be accompanied by the advert template which has been approved by HR for uploading to the recruitment system. MFSS will not be held responsible for any errors with the advert content providing they have only uploaded the content within the template as a copy and paste activity.	2 working days	100%	The MFSS will not publish vacancies received after 5pm on the Thursday of each week unless this can be done without impacting other SLAs.		£19.00
Advertising of non MFSS partner force vacancies	All requests from retained HR to advertise an external vacancy with another force or organisation will be actioned within 5 working days.	External organisation vacancies require retained HR approval and should be submitted via SR including advert dates, and instructions on where to advertise. MFSS will not accept requests direct from another force/organisation.	5 working days	100%			
Recruitment Shortlisting	The MFSS will proactively managed the closing of recruitment campaigns and provide the identified shortlisters with access to shortlisting packs within 3 working days of the advert closing date	All vacancies and campaigns to have identified shortlisters identified prior to advertising.	3 working days	100%			
Selection Process co-ordination	The MFSS will manage the selection process co-ordination on receipt of the shortlisting results within 3 working days. Unsuccessful applicants will be notified and successful applicants will be invited to interview within 3 working days of receipt of shortlisting outcomes.	All returned shortlisting results to include details of interviews, including panel, dates, times, location and details of any other assessment methods to be included (e.g presentation). The recruiting manager is responsible for arranging the panel and venue. At least one week's notice of the interview date should be afforded to candidates therefore interview dates should be no earlier than 10 days from the date the shortlisting paperwork is submitted.	3 working days	100%			
New Starter Process (Recruitment)	All new starters will be input within 3 working days, or by the start date whichever is sooner. The associated documentation (Final Offer, Contract etc) will also be actioned within this SLA.	Recruiting Managers/Retained HR will on confirmation from MFSS that all pre-employment checks are successful, submit a fully completed new starter form with at least 1 month's notice of the start date to ensure all new starter actions can be completed in time. The Pay data SLA also applies.	3 working days	100%			

Organisational Restructures	Organisational restructures will be assessed and timescales agreed during the planning stage.	MFSS shall be invited to planning meetings, together with other key representatives from other departments such as IT and Duty Planning to agree realistic timescales and deadlines for the completion of the restructure.	as agreed	100%	The MFSS require at least 3 months notice to complete the restructure changes no later than 1 month before the effective date to allow appropriate notification via the interfaces to other systems such as DMS where further action is required and to allow adequate notice to other departments such as IT to complete their actions. If the forces do not provide adequate notice to complete the restructure within normal business hours then, with prior agreement, resources will be arranged to work during the weekend and will be charged back to the force accordingly.	TBA	
All other HR requests for service (including SRs and Emails)	The MFSS will acknowledge all Service Requests within one working day with a meaningful response which demonstrates to the customer that the issue has been understood and advises the customer of next steps and timescales. The Service Request will then be resolved within 3 working days or 24 hours if urgent or by a deadline agreed with the customer.	Where a Service Request requires input from Retained functions then the SR will be moved out of the MFSS queue to the retained function's queue and the clock will effectively stop. Retained departments should commit to a 3 day SLA (or earlier if urgent) for responding direct to the customer unless specifically requested to respond to MFSS. Retained departments should ensure their SR queues are monitored daily.	3 working days	98%			
Recruitment - Frontline & large campaigns (inc specials, PCSOs, FCC)	MFSS will carry out the agreed process as per the agreed timeline.	Retained HR to ensure MFSS are involved in the recruitment planning stages to ensure timelines are achievable.	As agreed	100%	MFSS is able to adequately resource <TBC> campaigns per force per financial year. Any additional campaigns will require additional resource and will attract an additional charge (to be negotiated at the time depending on timescales and intake numbers). Where the force provides short notice instruction or requests additional comms (ie intake numbers reduced/delays etc) MFSS will only action this if they have the resource available and it does not impact the other SLAs.	TBA £13.50	
Recruitment - Pre-employment Checks	Upon receipt of interview/selection results MFSS will send conditional offer and initiate pre-employment checks within 3 working days. MFSS will make use of the pre-employment checks tracker to pro-actively manage this stage.	The recruiting manager/retained HR should ensure they provide MFSS with the required information and is responsible for ensuring the number of appointments does not exceed the FTE within the approved Recruitment Authorisation Form.	3 working days	98%	Where the recruiting manager does not supply all the required information or there are queries, this may delay the process.		
Overpayments	Once identified, MFSS to calculate and inform the individual (verbally and in writing) within 3 working days. A repayment plan should be suggested (in line with the relevant force policy). If no agreement/contact received after 10 working days, a chase letter will be sent. If still no contact after 5 working days the overpayment should be referred to Retained HR. Once the plan is agreed or instruction received from HR, this should be applied to the next available payroll and confirmation of the plan including start and end date sent to the individual. MFSS will ensure the cause is investigated and take action as	Retained HR to take responsibility for sensitive cases. Overpayments that exceed a value of £2000 should be highlighted to HR who will confirm if MFSS should continue with the process or whether HR will manage the overpayment.	3 working days	100%	Where the overpayment has occurred as a result of the business (e.g late notification / error) a charge will be applied to cover the additional administrative actions. Where the overpayment has occurred as a result of MFSS, the equivalent service debit will be applied.	£13.50	
Underpayments	Once identified, MFSS to calculate and inform the individual (verbally and in writing) within 3 working days and apply the underpayment to the next available payroll. MFSS will ensure the cause is investigated and take action as necessary to minimise risk of recurrence.		3 working days	100%	Where the underpayment has occurred as a result of the business (e.g late notification / error) a charge will be applied to cover the additional administrative actions. Where the underpayment has occurred as a result of MFSS, the equivalent service debit will be applied.	£13.50	
Establishment Changes (Ad-hoc)	Ad-hoc changes will be actioned within 3 working days.	Retained HR should notify all relevant depts of any establishment changes. Large numbers of establishment changes should first be discussed with MFSS as they may constitute an organisational restructure.	3 working days	100%			

Half pay / No Pay (process to be reviewed and SLA agreed during the review)	MFSS will provide Retained HR with a monthly report ahead of payroll being run and will update the system accordingly following instruction from Retained HR within 24 hours. Relevant documentation will be produced also within 24 hours.	Retained HR are responsible for reviewing the data and ensuring managers are updating DMS correctly (as this will impact the Oracle data). Retained HR will confirm clear instructions for pay (ie extensions) within 2 working days (or by an agreed date) of receiving the report.	Various	100%	The more in advance of the payroll cut-off we provide the report, the less accurate payroll is due real time data continuing to be interfaced daily. Forces are encouraged to review cases post changes to half pay/no pay rather than before.		
Complaints	As per the MFSS Complaints procedure, MFSS will respond to a complaint within 1 working day. A manager will be assigned to the complaint and the complainant will be informed of updates on progress. A full written response will be provided within 10 working days. Complaints will be logged and reported to Management Board.		10 working days	100%			
Payroll Management	MFSS will update Oracle with changes to payscales, allowance, pension bandings and rates	Retained HR will instruct MFSS of any changes to pay scales, allowances, pension bandings and rates ensuring adequate notice (at least 1 month) for the changes to be applied to the system.	6 working days	100%			
	MFSS will carry out year-end tax processes including production of P60s and P11Ds in line with year-end deadlines.	Retained organisations to provide any additional information that is not held in the payroll system for P11Ds	Year-end deadlines	100%			
	Monthly and year end returns will be completed for the LGPS.		Year-end deadlines	100%			
	Process changes to tax codes and student loans notified by HMRC prior to the next available payroll be released.		Published payroll deadlines	100%			
Payroll Processing	MFSS will run the payrolls in accordance with the agreed timetable and verify the output, ensuring that the BACs release is signed 2 days prior to pay day.		Published payroll deadlines	100%			
	MFSS will upload payslips to the intranet and send out paper payslips where required at least 2 days prior to the agreed pay date.		2 days prior to payday	100%			

The assumption is the service debits will be applied where MFSS fail to meet the above SLAs

	KPI	Description
KPI	Ratio of MFSS HR staff to number of customers	Measures the total number of MFSS HR staff against the total number of customers (current employees)
KPI	Customer Satisfaction	MFSS HR customer satisfaction level compared to overall MFSS Customer satisfaction.
KPI	Payroll Errors	Payment errors as a % of total payroll disbursement
KPI	Payroll Errors	Payment errors as a % of total payslips
KPI	Payroll cost per employee	The cost of the MFSS payroll service per customer (current employees & pensioners)
KPI	Payroll cost per payslip	The cost of the MFSS payroll service per customer (current employees & pensioners)
KPI	Time to Hire	Measures the average time to hire (calendar days) from the receipt of the Recruitment Authorisation Form to offer date. This does not include campaigns as the intake date and timeline of events is determined by Retained HR and MFSS have not control over. There are two possible Time to Hire measures that can be broken down as Time to Placement (Offer being made) and Time to Start Date. Due to the nature of vetting requirements and pre-employment checks it is proposed that the more appropriate figure for the MFSS to use is the Time to Placement measure.
KPI	Hires per MFSS recruiting headcount	Measures the MFSS recruiting headcount against the total number of Hires
KPI	MFSS HR costs per customer	The cost of the MFSS HR service per customer (current employees)
KPI	% of vacant delegate places	Measures the number of places vacant at the time the class was delivered.
SLA PI	Processing Accuracy	Measures the accuracy of data input to Oracle.
SLA PI	SRs resolved at first contact	Measures the number of service requests which are resolved on first contact without the need to escalate either within the MFSS tier structure or to retained. The call centre industry standard for FCR is 68%
SLA PI	SRs resolved within SLA	Measures the total number of MFSS HR services requests received which are resolved by MFSS within the agreed SLA.
SLA PI	Resolution Satisfaction	Measures the number of service requests that have required re-opening. This would indicate that a customer is not happy with the resolution or encounters further issues.

SLA PI	SRs escalated to Retained HR	Measures the number of service requests which could not be resolved within MFSS and required escalation to retained.
SLA PI	Breached Service Requests	Measures the number of breached service requests broken down by reason.
SLA PI	Complaints	Number of complaints investigated broken down by outcome (upheld/Not Upheld)
SLA PI	Underpayments	Measures the number of underpayments broken down by reason.
SLA PI	Overpayments	Measures the number of overpayments broken down by reason.
SLA PI	External Training Requests	Measures the number of external training requests processed by MFSS which includes the purchase requisition and GRN activity.
Org KPI	Retention of New Hires	Measures the turnover rate of new hires within the first 12 months of being hired (perm hires only).
Org KPI	Self enrolment V MFSS enrolment	Measures the number of live course available to self enrol against those only available for MFSS enrolment

Measure/Benchmark/Target

1:300 transactional benchmark (best in class 2011)

more likely to be around 1:375 for a large SSC

Green = 75% +

Amber = 50% +

Red = less than 50%

Industry standard is between 0.01 and 3.7%

industry standard is between 0.01 and 3.7%

Industry standard measure / key comparator in market testing exercises

Industry standard measure / key comparator in market testing exercises

It should however be noted that Time to Hire measures are no longer a preferred industry benchmark with measures shifting increasingly towards Quality of Hire. However, it remains appropriate for the transactional nature of the MFSS.

CIPD industry figures for total time to hire (N.B. While these roles will include standard pre-employment checks they will not be subject to vetting requirements):

Senior Managers 16.3 weeks (114 days)

Managers and professions 12.6 weeks (88 days)

Administrative & Technical 6.6 weeks (46 days)

Services 7.4 weeks (52 days)

Notts HR suggest a KPI of 95% of starters will start within 16 weeks.

MFSS do not currently pro-actively monitor subscription to classes and only send a report weekly to key SPOCs/trainers to highlight undersubscribed and wait further instruction. The intention is for MFSS HR to work closely with retained to improve this KPI over time.

Green = 100%

Amber = 98% +

Red = less than 98%

Green = 60% +

Amber = 40% +

Red = 39% or less

Green = 98% +

Amber = 85% +

Red = 75% or less

Green = Less than 2%

Amber = 2 - 4%

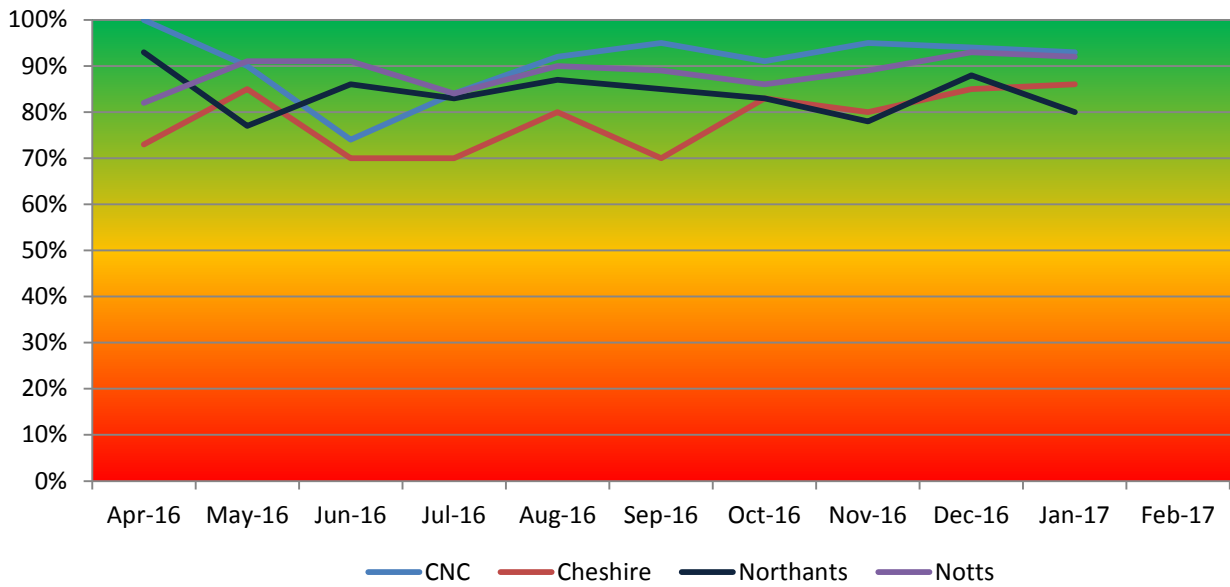
Red = Greater than 4%

MFSS Suggest the forces may wish to consider including this in their own internal KPIs

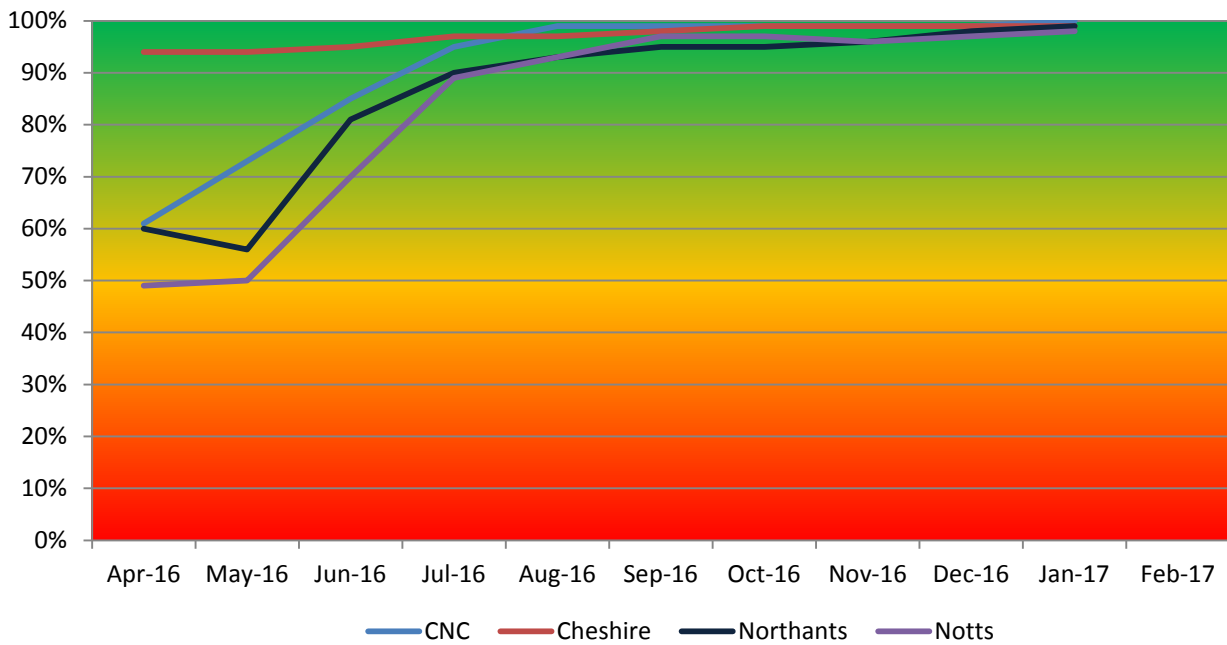
MFSS Suggest the forces may wish to consider including this in their own internal KPIs

KPI	Measures/ Metrics	Additional Notes	Measured		Apr-16	May-16	Jun-16	Jul-16	Aug-16
Purchase Sourcing	Percentage of POs for the purchase of goods raised by MFSS (<£10k & Non-Cat)	Aims to measure the number of POs which are handled by the Purchasing Team with a view to creating more catalogues to reduce manual intervention.	Extract from Purchasing workbench + manual intervention	CNC	26%	37%	46%	44%	41%
				Cheshire	29%	30%	38%	35%	30%
				Northants	9%	11%	33%	32%	35%
				Notts	41%	38%	50%	54%	46%
	% of catalogue spend for purchase of goods	Maximise use of catalogues for regularly purchased items to reduce the need to source goods	Extract from Purchasing workbench + manual intervention	CNC	74%	63%	54%	56%	59%
				Cheshire	71%	70%	62%	65%	70%
				Northants	91%	89%	77%	68%	65%
				Notts	59%	62%	50%	46%	54%
Purchasing efficiency	Average days turnaround of Requisition to PO	Extract from Purchasing workbench + manual intervention	CNC	3	6	5	5	3	
			Cheshire	3	2	4	2	3	
			Northants	2	4	8	3	2	
			Notts	2	4	5	1	2	
Matching Efficiency	% of invoices which require PO and have a PO	Should be increasing to improve efficiency	Extract from Invoice workbench + manual intervention	CNC	61%	73%	85%	95%	99%
				Cheshire	94%	94%	95%	97%	97%
				Northants	60%	56%	81%	90%	93%
				Notts	49%	50%	70%	89%	93%
	Number of invoices on hold at month end requiring GRN	Improve receipting - may require further training for requisitioners	Invoice on Hold Report	CNC	59	87	112	137	92
				Cheshire	455	574	509	578	561
				Northants	80	71	76	116	95
				Notts	81	86	78	160	164
	Number of invoices on hold at month end with price mismatch	Improve accuracy of PO to reduce mismatches	Invoice on Hold Report	CNC	0	3	1	0	0
				Cheshire	124	34	48	83	134
				Northants	0	0	0	1	1
				Notts	4	0	0	0	4
Payment On Time	% of payments processed within standard payment terms (30 days)	World class aim for 95%.	OBIEE	CNC	100%	90%	74%	84%	92%
				Cheshire	73%	85%	70%	70%	80%
				Northants	93%	77%	86%	83%	87%
				Notts	82%	91%	91%	84%	90%
Productivity per FTE	Purchase invoices processed per FTE each year		OBIEE Invoice Count/Manual FTE involved with Invoice Processing		10500	10500	10500	10500	10500
Purchasing efficiency	Percentage of invoices (by volume) for top 100 suppliers)	Aim to reduce to a lean set of master suppliers. Work ongoing to categorise suppliers to identify Specials, Refunds, Commutation Payments, Grants etc.	OBIEE	CNC	100%	90%	89%	88%	89%
				Cheshire	64%	70%	69%	64%	63%
				Northants	61%	59%	60%	55%	55%
				Notts	84%	72%	74%	53%	53%
	Percentage of invoices (by volume) for top 50 suppliers)	Aim to reduce to a lean set of master suppliers. Work ongoing to categorise suppliers to identify Specials, Refunds, Commutation Payments, Grants etc.	OBIEE	CNC	85%	81%	81%	81%	82%
				Cheshire	60%	60%	58%	53%	52%
				Northants	49%	50%	51%	46%	45%
				Notts	65%	55%	57%	40%	41%
	Percentage of invoices (by value) for top 100 suppliers)	Aim to reduce to a lean set of master suppliers. Work ongoing to categorise suppliers to identify Specials, Refunds, Commutation Payments, Grants etc.	OBIEE	CNC	100%	99%	98%	96%	89%
				Cheshire	97%	96%	95%	94%	93%
				Northants	94%	94%	94%	92%	92%
				Notts	96%	95%	95%	93%	93%
	Percentage of invoices (by value) for top 50 suppliers)	Aim to reduce to a lean set of master suppliers. Work ongoing to categorise suppliers to identify Specials, Refunds, Commutation Payments, Grants etc.	OBIEE	CNC	98%	94%	91%	88%	82%
				Cheshire	93%	91%	89%	88%	87%
				Northants	85%	86%	87%	84%	84%
				Notts	89%	90%	90%	88%	88%
Review / Investigation of aged Invoices	Number of items over 1 month overdue without AP investigation	Held invoices maybe: - GRN but no Invoice - Invoice but no GRN - Price Variance - Partial GRN	Extract from Oracle into excel + manual update to record follow up activity		0	0	0	0	0
Collection Efficiency	Average Payment Days	Measures debt recovery ability	OBIEE Dashboard		12	12	12	13	13
Percentage, Value and Number of Invoice Queries	% of total invoices in dispute	Measures quality of the process and issues within it. Driver for Continuous improvement	Manual	CNC	0	0	0	0	0
				Cheshire	0	0	0	0	0
				Northants	0	0	0	0	0
				Notts	0	0	0	0	0
Unallocated cash	£ of unallocated cash at month end	Aims to ensure that non-invoiced income (grants, donations etc) is correctly allocated in a timely manner	system generated report		0	0	0	0	0
Days to complete the Month End process	Days for the MFSS to complete the month end and hand to the Forces' finance departments	Target reduced to 1 working day for 2013-2014	Manual – recording of activity against timetable		1	1	1	1	1

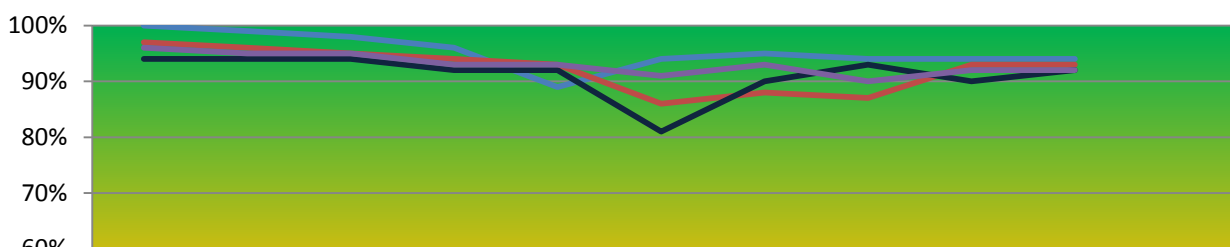
Percentage of invoices processed within payment terms

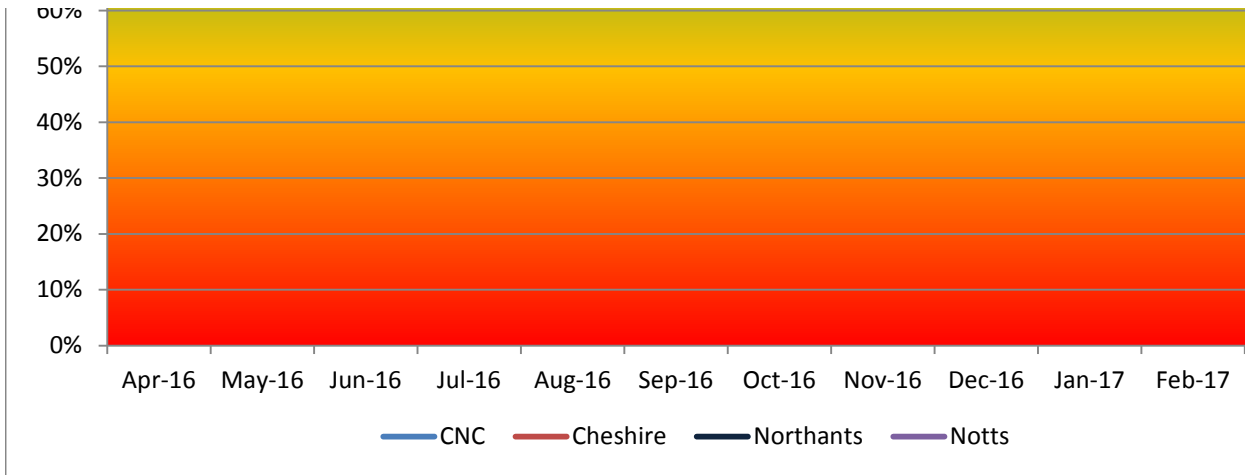


Percentage of invoices with a purchase order

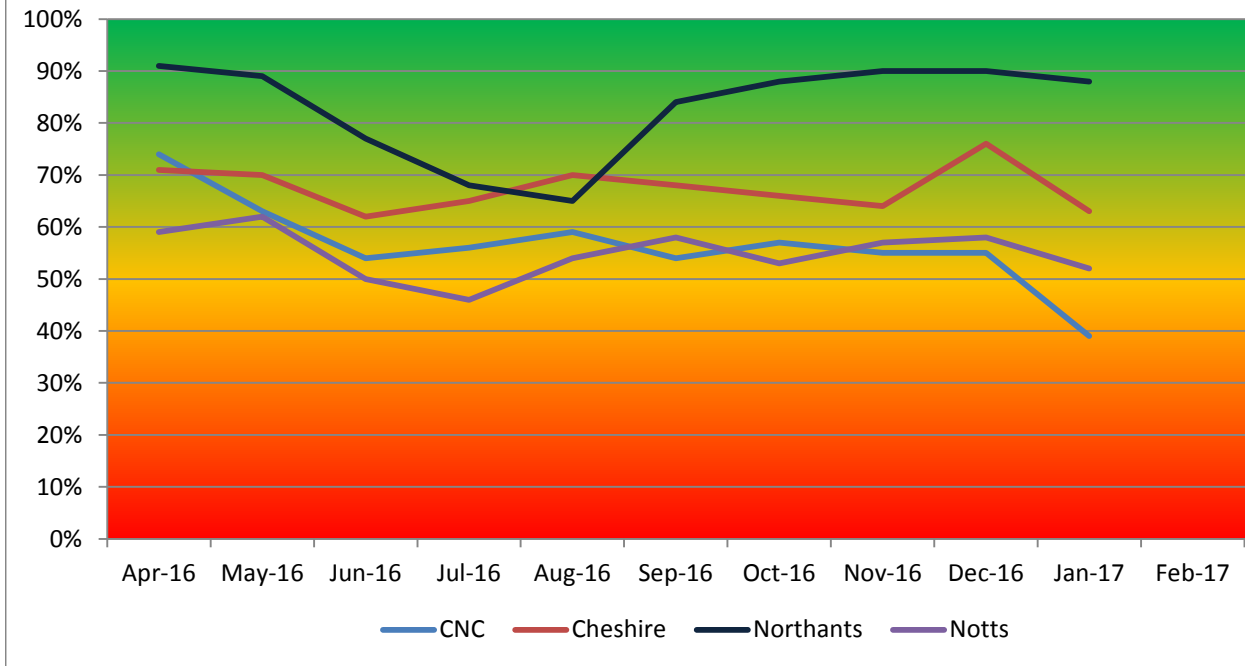


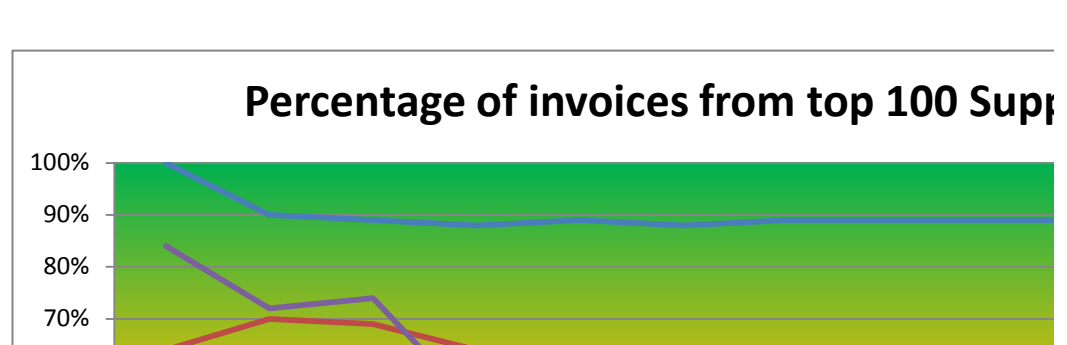
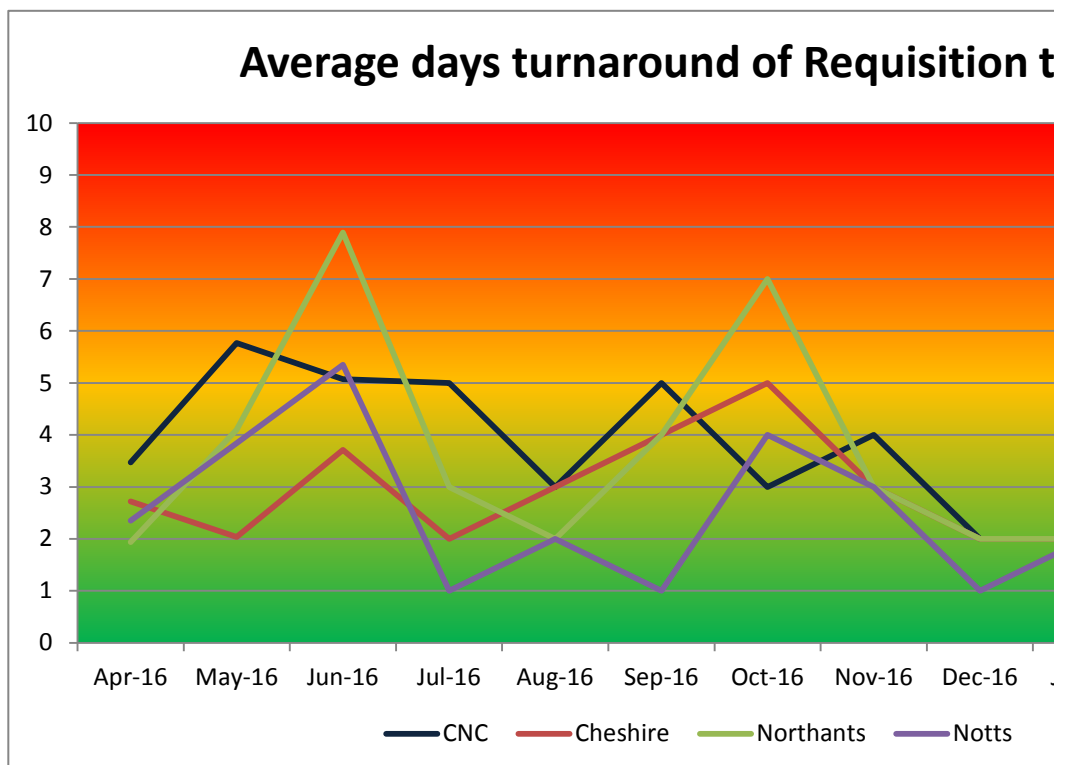
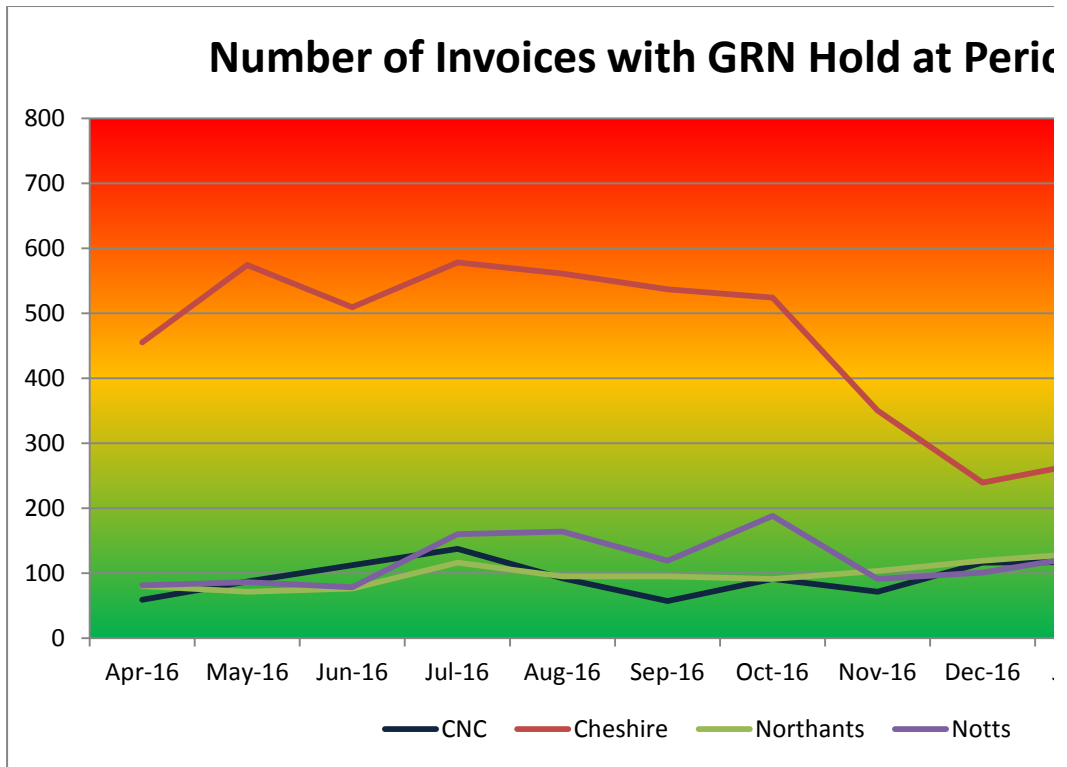
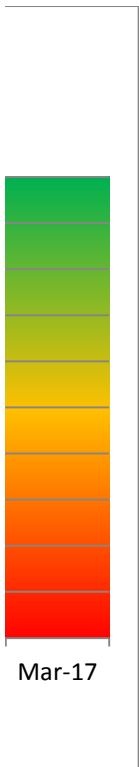
Percentage of invoice spend with top 100 Suppliers





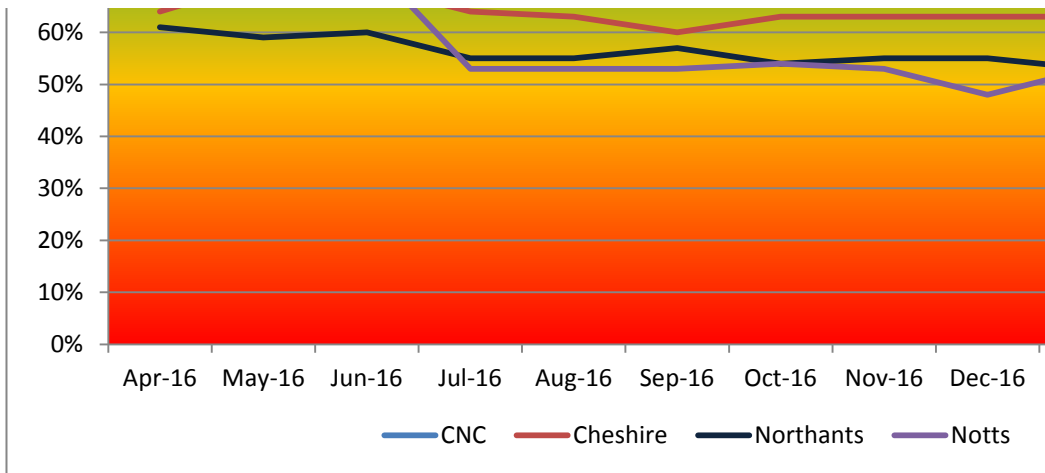
Percentage of purchasing spend from catalogues



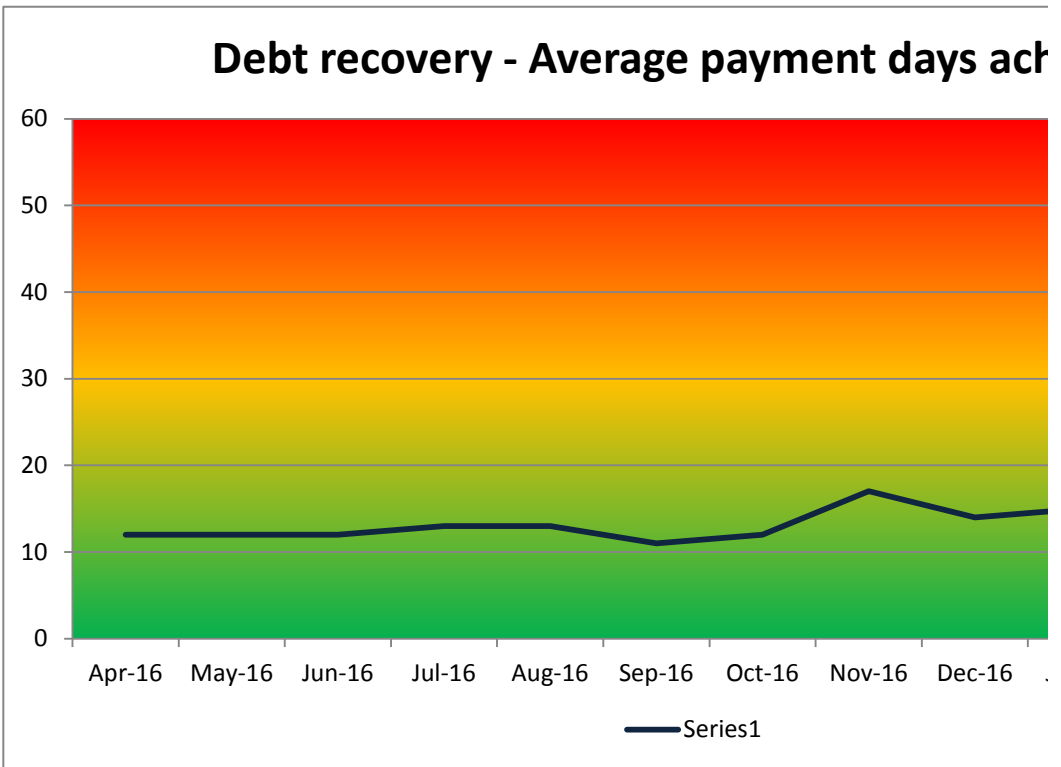




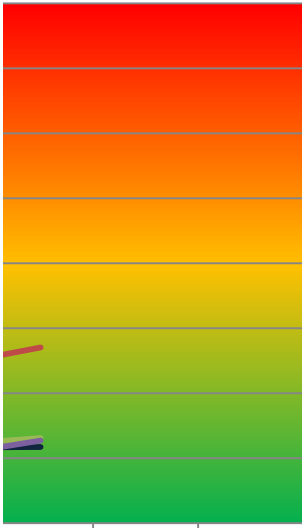
Mar-17



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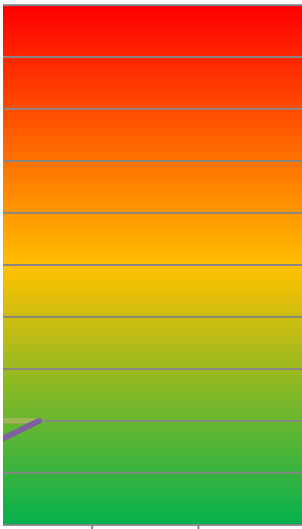


od End



Jan-17 Feb-17 Mar-17

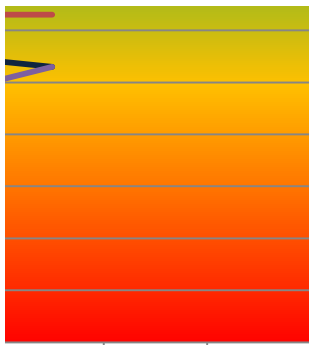
o PO



Jan-17 Feb-17 Mar-17

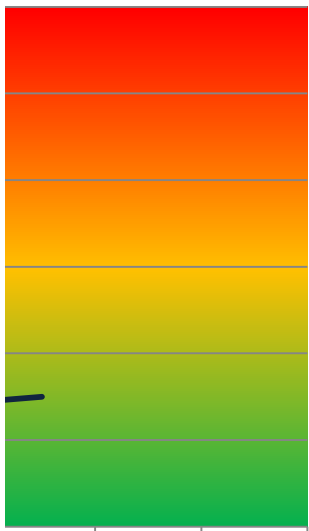
pliers





Jan-17 Feb-17 Mar-17

rieved



Jan-17 Feb-17 Mar-17

KPI	Function
Purchase Sourcing	PURCHASING
Purchasing efficiency	
Matching Efficiency	PAYABLES
Payment On Time	

Productivity per FTE	
Collection Efficiency	
Percentage, Value and Number of Invoice Queries	RECEIVABLES

Notes

Aims to measure the number of POs which are handled by the Purchasing Team with a view to creating more catalogues to reduce manual intervention.

Monitors team performance.

Traces the number of outstanding GRNs within the organisation, and monitors this as an issue.

Aim to reduce to a lean set of master suppliers.

POs should be increasing to improve efficiency. # returned to supplier should be decreasing to improve compliance.

World class aim for 95%.

Productivity per FTE.

Measures debt recovery ability.

Measures quality of the process and issues within it. Driver for Continuous improvement.

Measure	Force	Nov-16
% of catalogue spend for purchase of goods	Cheshire	64%
	CNC	55%
	Northants	90%
	Notts	57%
# of requisitions raised	Cheshire	1064
	CNC	1183
	Northants	406
	Notts	655
# of purchase orders raised	Cheshire	878
	CNC	1374
	Northants	285
	Notts	597
% of Reqs transferred to order within 3 day SLA	Cheshire	82%
	CNC	65%
	Northants	71%
	Notts	80%
Number of purchase orders with outstanding GRN past the requested need by date.	Cheshire	
	CNC	
	Northants	
	Notts	
Percentage of Invoices (by volume) for top 50 Suppliers	Cheshire	52%
	CNC	83%
	Northants	45%
	Notts	41%
Percentage of Invoices (by value) for top 50 Suppliers	Cheshire	87%
	CNC	85%
	Northants	82%
	Notts	87%
% of invoices that require a PO that have a PO	Cheshire	99
	CNC	99
	Northants	96
	Notts	96
# of invoices returned to supplier due to lack of PO	Cheshire	21
	CNC	1
	Northants	11
	Notts	59
# of rejected invoices as at the last working day	Cheshire	-
	CNC	-
	Northants	-
	Notts	-
resolute figures, # of invoices paid on time.	Cheshire	1830
	CNC	1328
	Northants	1027
	Notts	1251
% of invoices paid on time	Cheshire	80%
	CNC	95%
	Northants	78%
	Notts	89%

establishment/ available FTE # of AP transactions processed by available FTE	Total	689
Debtor days	Cheshire	17
	CNC	17
	Northants	17
	Notts	17
# of invoices processed	Cheshire	103
	CNC	19
	Northants	47
	Notts	73
# of credit notes	Cheshire	3
	CNC	5
	Northants	0
	Notts	2
value of credit notes	Cheshire	-£653.14
	CNC	-£1,330,682.19
	Northants	-
	Notts	-£1,515.00

Dec-16	Jan-17	Feb-17
76%	63%	
55%	39%	
90%	88%	
58%	52%	
691	1072	
675	1316	
318	411	
470	701	
772	795	
805	1379	
327	254	
491	589	
93%	88%	85%
94%	95%	78%
98%	96%	92%
96%	95%	97%
52%	52%	
53%	83%	
45%	41%	
41%	41%	
87%	87%	
85%	85%	
83%	86%	
86%	86%	
99%	99%	
99%	100%	
98%	99%	
97%	98%	
15	11	
0	14	
11	16	
11	33	
16	23	34
4	1	1
88	29	57
85	52	43
1243	1372	
558	1293	
760	896	
1109	1374	
85%	86%	
94%	93%	
88%	80%	
93%	92%	

661	707	
14	19	4
14	9	3
14	2	2
14	8	2
91	118	
16	12	
46	69	
91	88	
11	7	
2	0	
3	1	
7	2	
-£73,380.90	-£17,669.52	
-£589,545.00	-	
-£53,011.60	-£600.00	
-£28,008.10	-£71,465.65	

Process Name	Current Owner Group	Service Description
Treasury Transactions	MFSS	To transfer funds via online banking to internal accounts.
Journal Subledger posting to GL	MFSS	Subledger postings to the GL daily.
BankStatement Reconciliation	MFSS	Reconcile bank statements to General ledger.
Control Accounts month end reporting	MFSS	Reconciliation of agreed balance sheet accounts.
Chart of Accounts Maintenance	Both	Creation, amendment & deactivation of cost, subjective and activity codes.
Payables Period end close	MFSS	Completion of month end activities and closure of finance sub-ledgers and General ledger.
Receivables Period end close	MFSS	
Purchasing Period end close	MFSS	
GL Period end close	MFSS	
Sales Invoice processing	MFSS	
Sales Invoice processing recurring	MFSS	Generation of sales invoice or credit note.
Sales Invoicing credit notes &adj	MFSS	
Debt Recovery	Both	Sales invoices not paid within 30 days will follow the agreed debt recovery process. Dunning 1 at 30 days, dunning 2 at 37 days, followed by an additional attempt to contact by telephone. Debtor report with notes sent to retained function every 2 weeks.
Receipt & Banking	Both	Record cash & cheques received.
Petty Cash	Both	Approved requisiton converted to order and paid via AP.
Customer maintenance	MFSS	Creation or amendment of customer account.
Requisition to receipt catalogue	Both	Requisition converted to purchase order and sent to supplier.
Requisition to receipt non-catalogue	Both	Requisition converted to purchase order and sent to supplier.
Ordering - sourcing	Both	Requisition converted to purchase order and sent to supplier, inclusive of sourcing goods or service.

GRN Chasing	Retained	MFSS maintains responsibility for notifications transmitted via Oracle, in addition to maintaining APEX tool.
Invoice processing PO	MFSS	Invoice received, scanned & validated, matched or coded and sent for approval.
Invoice processing non-PO	MFSS	
Invoice processing CIS	MFSS	
Supplier invoice credit notes & adj	MFSS	
Procurement Cards	Both	Receipt of request for card to sending application form for completion.
		Receipt of correctly completed form to application sent to card provider.
		Application sent to card provider to receipt of the card.
Supplier payment processing	Both	Weekly supplier payment runs on agreed timetable.
Supplier maintenance	MFSS	Creation or amendment of supplier account, inclusive of necessary fraud checks. Request can be raised from retained org or supplier itself.
Catalogue maintenance	Both	Addition or amendment of a catalogue item.

Retained Prerequisite	Service Speed	SLA Tolerance - Target within SLA	Service Variance	Service Variance Cost
A service request from an authorised individual within the retained organization by 2pm on the day of request.	Same Day	100%		
NA	Daily	100%		
NA	Within 3 working days of period end.	100%		
NA	Within 10 working days of period end.	95%		
An SR detailing the request from an authorised individual within the retained organization.	Urgent: Within 2 hours Standard: 3 working days	100%		
Posting of depreciation.	Completion by the end of the first working day.	100%		
Receipt of request attached to service request from the retained organization.	3 working days	95%		
NA	Continuous	95%		
Service request with details of paying in slips.	Weekly Banking	100%		
MFSS to receive approved requisition from retained function.	3 working days	100%		
Receipt of request via SR from retained organization.	2 working days	100%		
Receipt of approved correctly completed requisition via iProcurement.	1 working day	100%		
Receipt of approved correctly completed requisition via iProcurement.	3 working days	95%		
Receipt of approved correctly completed requisition via iProcurement.	3 working days	95%		

NA	Ongoing	100%	MFSS will act in accordance with an agreed acceptable limit of overdue invoices on hold due to outstanding GRN.	10 pence per invoice on hold will be applied for every invoice exceeding the agreed acceptable limit.
NA	5 working days (High value invoices prioritised at period end).	95%		
Receipt of approved request for a GPC via SR.	1 working day	100%		
Correctly completed application form attached to the original SR.	1 working day	100%		
NA	Up to 3 weeks (cards are sent directly to card holder, therefore unable to measure receipt unless SR is updated).	NA		
NA	Weekly (excluding Christmas)	100%	MFSS will provide 51 suppliers BACS runs per year. Any additional BACS runs requested by the force are chargeable at the rate of 2 hours SO1/2.	£30.16
Request may come from completed and approved requisition or payment request from retained organization.	2 working days	100%		
Service request from retained.	2 working days	100%		

The measure needs to be on invoices held by outstanding GRN rather than just GRN as these are the transactions that generate the queries.

Suggestion: the agreed acceptable limit be calculated as:
total number of overdue invoices with GRN hold / divided using agreed force split.

For each partner anything in excess of their proportion of the agreed force split is chargeable at 10p per invoice.

MFSS do not carry out the BACS runs Christmas week.

	Annual	Hourly Rate
SO1/2	£29,016.00	£15.08

Salary cost taken from Apr 16 rates.

MFSS Governance

Version: 3.1 – May 2016



Joint Oversight Committee

To set the Vision and strategic direction for the Multi Force Shared Service (MFSS). Set the strategic objectives and performance measures and promote the Joint Committee and collaboration between partners

MFSS Management Board

This board is the primary decision making body which supports the Head of the MFSS in undertaking their day to day responsibilities. It is the strategic decision making body for the management and direction of the operational MFSS. Its responsibilities include: Monitoring of performance; Overseeing Audit results; Monitor deliver of business benefits; Champion the MFSS with the respective partners; Drive continuous improvement; Monitor budget and consider requests form Head of MFSS to change the budget; Promote MFSS and seek future partners; Oversee contract management.

MFSS Optimisation Group

This groups owns the Service Improvement Action Plan and Optimisation Actions. It is responsible for driving standardisation across all partners in order to optimise the efficiency of the MFSS and related process areas. This group also oversees the delivery of Continual Improvement by the Business Transformation Teams.

Business Transformation Teams

Business Transformation Teams work at the functional level to identify service and product development opportunities. They are the empowered to raise Change Requests for both Process and System changes. In order to identify areas for development they will own the horizon scanning for their functional areas, identifying emerging legislative and best practice changes early to allow the timely design and development of solutions. They also monitor the performance of their functional areas in order to identify areas of focus for continual improvement and to own the monthly Performance Statements for communication to the Management Board

Recruit to
Retire

Purchase
to pay

Record to
Report

Duty
Planning

Technology

Facilities

Logistics

Joint Committee

ROLE

The Joint Oversight Committee will determine all strategic matters relating to the Shared Service and act as an oversight body. The Shared Service Management Board will report to the Oversight Committee. Strategic financial and contractual decisions will be reserved to the participating Commissioners. The terms of reference of the Committee are to:-

- Monitor delivery and progress – to protect the respective Commissioner’s reputation and exposure to risks;
- Manage dependencies and optimise connections between the partner forces;
- Approve and oversee strategic key performance indicators and monitor performance against exceptions;
- Champion the Shared Service within the respective policing areas;
and
- Promote the Shared Service and determine future partners.

MEMBERSHIP

The Committee shall comprise the Police & Crime Commissioners, Fire Authority Chair or Police Authority Chair for each partner; a statutory officer from the partner bodies; the Chief Constable or Chief Fire Officer of each participating partner. The Head of MFSS will also attend.



MFSS Management Board

ROLE

The Management Board will support the Head of the Shared Service in operational management and oversight of the service. This will not extend to day-to-day management issues which will rest with the Head of the Shared Service.

The terms of reference of the Board are to:-

- Monitor performance and service levels; risks; and budget expenditure and report exceptions to the Oversight Committee.
- Consider and advise the Oversight Committee on any investment requests and increases in budget.
- Drive continuous improvement in the Shared Service to ensure value for money is achieved.
- Offer guidance, when necessary, to the Head of the Shared Service on change requests and their implications.
- Consider and advise the Oversight Committee on all matters relating to the on boarding of partners.

MEMBERSHIP

The members of the Management Board will be the Assistant Chief Officer, Head of Finance and Head of HR for each partner. The Head of MFSS will also attend together with the MFSS Contract manager and elected Chairs of the Recruit to Retire and Purchase to Pay BTTs.



MFSS Optimisation Group

ROLE

The Business Process Teams are the primary groups responsible for ensuring the smooth delivery of the functional services in line with value for money objectives. In discharging this responsibility they should regularly review the results of the Key Performance Indicators and delivery of the service level agreements, identifying the direction of travel and seeking to mitigate any negative trends while driving continual improvement. This requires regular horizon scanning to ensure that the team is not merely reactive to service impacts. The Oversight Committee should emphasise that the Teams collectively own the end to end processes for their respective functional areas (Recruit to Retire; Purchase to Pay; Record to Report etc.) and need to establish a regular customer centric review cycle for these processes resulting in an actively managed Improvement Action Plan and an accompanying risk register. Outstanding actions or red risks should be escalated to the Management Board.

MEMBERSHIP

The members will be a senior manager in their functional area who is empowered to make decisions on behalf of their Head of Department. They are not expected to have detailed knowledge of how requirements are currently delivered but should have a clear understanding of what is required from the MFSS to support forces in their functional area.



Business Transformation Teams

ROLE

The Business Process Teams are the primary groups responsible for ensuring the smooth delivery of the functional services in line with value for money objectives. In discharging this responsibility they should regularly review the results of the Key Performance Indicators and delivery of the service level agreements, identifying the direction of travel and seeking to mitigate any negative trends while driving continual improvement. This requires regular horizon scanning to ensure that the team is not merely reactive to service impacts. The Oversight Committee should emphasise that the Teams collectively own the end to end processes for their respective functional areas (Recruit to Retire; Purchase to Pay; Record to Report etc.) and need to establish a regular customer centric review cycle for these processes resulting in an actively managed Improvement Action Plan and an accompanying risk register. Outstanding actions or red risks should be escalated to the Management Board.

MEMBERSHIP

The members will be a senior manager in their functional area who is empowered to make decisions on behalf of their Head of Department. They are not expected to have detailed knowledge of how requirements are currently delivered but should have a clear understanding of what is required from the MFSS to support forces in their functional area.



Draft Business Plan 2017-2022

Presented to Joint Oversight Committee March 2017

Introduction

MFSS was established in 2012 through a collaboration of Cheshire Constabulary and Northamptonshire Police. It provides back office services for the UK blue light sector across payroll, accounting, purchasing and human resources using world-class, proven technology and processes.

Since 2012, MFSS has nearly doubled in size through the addition of two partner forces, Nottinghamshire Police and the Civil Nuclear Constabulary and an additional 5,213 users. It has delivered sustainable savings to partner forces through reductions in the average cost per user of 26%. It has won the European Shared Service Excellence Awards in 2015 and been a finalist two years running in 2015 and 2016.

Our vision and strategic objectives

Our vision for 2022 is to be the UK's leading not-for-profit shared back office services provider, delivering 'best in class' levels of service and significant and sustainable cost savings to blue light organisations.

Our vision is supported by 4 strategic objectives which cover growth in user numbers; improved quality of back office shared service provision; product innovation; and improving efficiency for on-boarding and shared service operations.

Investing in new technology

Our vision for 2022 is underpinned by investment in a new Cloud-based technology platform to reduce the time and cost to on board new customers and reduce the cost per user. This will increase the

attractiveness of MFSS to blue light organisations by lowering the investment required to on board to MFSS and accelerate the payback period on investment for new partners.

Key deliverables

The strategic objectives contained in the business plan have been split into year one key deliverables, recognising firstly that 2017/18 will be a period of investment for MFSS; in new technology; on-boarding processes; and improved back office shared services design and quality, and secondly that clear direction will need to be agreed during the next financial year for key deliverables in years 2 to 5 of this business plan.

Year one key deliverables include the successful launch of FUSION and migration of MFSS's existing customers to this new platform; on-boarding Cheshire Fire and Rescue, MFSS's first non-police force; demonstrably improving quality of services and decision on the most appropriate legal vehicle for MFSS to support its vision and underlying strategic objectives; and finally to secure new business.

Key deliverables for years 2 to 5 aim to build on this platform and on board new partners to MFSS and deliver significant and sustainable cost savings to all partner forces. This direction should form the basis for future discussion by the Joint Oversight Committee.

David Keane
PCC for Cheshire

Sarah Copley-Hirst
Head of MFSS

Strategic context

The primary driver for the development of MFSS was the delivery of savings through provision of more efficient back office services and the protection of front line services. The need to secure savings remains with budgets remaining tight over the next 5 years for all blue light services.

The average cost reduction in the 5 years since MFSS was established has been 6% per annum, with the cost per user now 26% lower than 'go live' in 2012. Scope remains to achieve further savings through increasingly efficient transaction processing. However the key to achieving significant and sustainable savings is through growth in user numbers and the economies of scale that new partners bring.

Commercial development opportunities

The accountant, Grant Thornton, was commissioned to undertake a review of commercial development progress and opportunities for MFSS. The report's key findings were:

- Current service offerings need to be optimised
- Governance arrangements need to be strengthened
- Expansion of the MFSS service offering

Investing in new technology

Our vision for 2022 is underpinned by investment in a new Cloud-based technology platform to reduce the time and cost to on board new customers and reduce the cost per user. This will increase the attractiveness of MFSS to blue light organisations by lowering the

investment required to on board to MFSS and accelerate the payback period on investment for new partners. This investment will continue with existing partner forces migrating to the new Cloud-based platform during 2017/18.

Potential new business

The table below shows some of the organisations that have explored an interest in on-boarding to MFSS. While no firm commitments have been made the figures illustrate the economies of scale that can be achieved through growth. User numbers and the impact that their on-boarding would have in reducing the cost per user is provided in the table below.

Organisations	Users	Cost per User
Leicester Police	3,250	£315
Avon and Somerset Constabulary	5,200	£284
Northumbria Police	5,550	£265
North Wales Police	2,400	£258
British Transport Police	4,250	£250
Total users/ average cost (£)	20,650	£275

Source: MFSS Budget

The table above shows that there is potential for MFSS to grow in the next 5 years and opportunities for existing and future customers to secure significant and substantial cost savings. Current cost per user is £417 and the table above shows opportunities to reduce this to £250 per user: a reduction of 40%.

The challenge will be to convert this interest shown by blue light organisations to confirmed agreements to join MFSS and for MFSS to continue to develop its on-boarding process. Sufficient resources will need to be made available to identify new opportunities and to secure new partners to MFSS and to support a challenging on-boarding schedule. These are issues that will need to be resolved in 2017/18 for MFSS to deliver its growth potential in the remaining 4 years of this business plan.

Appropriate legal vehicle

A decision is also required on the most appropriate legal vehicle to support MFSS's vision for 2022 and underpinning strategic objectives, with some existing and new partners preferring services provided on a contractual, rather than on a collaborative, basis.

A discussion paper was presented to JOC in November 2016 proposing alternatives to the current Section 22A collaboration. These included:

- ❏ Collaboration through a separate legal entity;
- ❏ Creation of a separate legal entity with private sector involvement
- ❏ Outsourcing the MFSS to a private sector organisation

The JOC has determined that they would be keen to explore the opportunities presented by collaborating through a separate legal entity. The JOC were committed to ensuring that the MFSS remains Public Sector for the Public Sector and with minimal private sector involvement. A change to the legal status of MFSS would lead to changes to MFSS's current governance arrangements. Again, a decision in 2017/18 would greatly support deliver of MFSS's 4 strategic objectives.

Financial strategy

A 5-year budget will need to be prepared following confirmation of the 5-year delivery plan, and in particular key deliverables in years 2 to 5 and whether MFSS pursue its ambitious growth strategy.

Discussions will need to take place and decisions taken by JOC to support a financial strategy that is consistent with MFSS's vision for 2022 and underpinning strategic objectives. These include:

- ❏ Assessing the impact of MFSS's growth strategy on its working capital requirement.
- ❏ Assessing the sustainability of MFSS's break even requirement with cost savings being 'handed back' to partner forces through reduced charges;
- ❏ Ensuring that the budgets presented for approval are sufficient to support delivery of its strategic objectives, or whether they are too lean.

Our vision for 2022

To be the UK's leading not-for-profit shared back office services provider, delivering 'best-in-class' levels of service and significant and sustainable cost savings to blue light organisations.

Our strategic objectives

The following 4 strategic objectives underpin the successful delivery of our vision for 2022.

SO1: On board an additional **10 police services** and **5 fire and rescue services** by 31 March 2022 and have a rolling 3-year confirmed future order book and on-boarding schedule.

SO2: Deliver continually improving quality of services to shared service customers and deliver consistent 'best-in-class' service standards in major service categories by 31 March 2022.

SO3: Launch Tier 3 and Tier 4 services for all MFSS customers and develop a 'turnkey' on-boarding solution for new customers based on 'end-to-end' standardised and repeatable transactions processes by 31 March 2022.

SO4: Drive out efficiency improvements in on-boarding and shared service operations. Reduce time and cost of on-boarding to **6 months** and **£500k** and reduce on-boarding payback period for new customers to **18 months**. Reduce shared service cost per user by an average of **5% [or 3%]** per annum by 31 March 2022.

[**Note:** Items in red are assumed targets. These should be evidence based. The targets above have been included to show what type of target might be appropriate and to be intentionally stretching and provocative]

Our competitive advantage

Current competitive advantage:

- S Integrated technology platform** - the MFSS has the fullest integrated offering currently available in Policing with interfaces from Chronicle and NCALT as well as onward integration f
- S Successful track record in on-boarding partner forces** - typical Shared Service creations and ERP implementations take at least 18 months. The MFSS has shown itself able to delivery this in around half of this
- S Strong brand and good reputation in Blue Light market** -

Key deliverables

SO1 - Growth

Key Deliverables - Year 1	Expected Outcome	Timeline for Delivery
1.1 On board Cheshire Fire and Rescue to MFSS	<ul style="list-style-type: none"> Total MFSS users increased by 850 Cost per user reduced from £XX to £XX 	1 April 2018
1.2 Develop 3-year rolling future order book	<ul style="list-style-type: none"> Signed contracts and confirmed on-boarding schedule 	Continuous

Key Deliverables - Years 2 to 5	Expected Outcome	Timeline for Delivery
1.3 On board Avon and Somerset Constabulary	<ul style="list-style-type: none"> Total MFSS users increased by 5,200 Cost per user reduced from £XX to £XX 	TBC
1.4 On board Leicestershire Police	<ul style="list-style-type: none"> Total MFSS users increased by 3,256 Cost per user reduced from £XX to £XX 	TBC
1.5 On board Northumbria Police	<ul style="list-style-type: none"> Total MFSS users increased by 5,550 Cost per user reduced from £XX to £XX 	TBC
1.6 On board North Wales Police	<ul style="list-style-type: none"> Total MFSS users increased by 2,400 Cost per user reduced from £XX to £XX 	TBC
1.7 On board British Transport Police	<ul style="list-style-type: none"> Total MFSS users increased by 4,290 Cost per user reduced from £XX to £XX 	TBC

[Note: items in red are assumed. Need to be confirmed with MFSS and whether we can publish names of forces who have expressed an interest in joining]

SO2 - 'Best-in-class' shared service standards

Key Deliverables - Year 1	Expected Outcome	Timeline for Delivery
2.1 Launch Service Level Agreement	<ul style="list-style-type: none"> Agreed and approved SLA 	Here...
2.2 Improved quality of back office services	<ul style="list-style-type: none"> Improving performance against SLA measures 	Continuous

Key Deliverables - Years 2 to 5	Expected Outcome	Timeline for Delivery
2.3 Benchmark service standards against market's 'best in class'	<ul style="list-style-type: none"> Here... 	TBC
2.4 Additional KDs to be included here	<ul style="list-style-type: none"> Here... 	TBC

SO3 - Product development

Key Deliverables - Year 1	Expected Outcome	Timeline for Delivery
3.1 Design, develop and launch FUSION platform	<ul style="list-style-type: none"> Here... 	1 April 2017
3.2 Migrate Cheshire Constabulary to FUSION	<ul style="list-style-type: none"> Cost per user reduced from £XX to £XX Increase in user satisfaction score 	1 April 2018
3.3 Migrate Northamptonshire Police to FUSION	<ul style="list-style-type: none"> Cost per user reduced from £XX to £XX Increase in user satisfaction score 	1 April 2018
3.4 Migrate Nottinghamshire Police to FUSION	<ul style="list-style-type: none"> Cost per user reduced from £XX to £XX Increase in user satisfaction score 	1 April 2018
3.5 Migrate Civil Nuclear Constabulary to FUSION	<ul style="list-style-type: none"> Cost per user reduced from £XX to £XX Increase in user satisfaction score 	1 April 2018
3.6 Design, develop and launch Tier 3 and Tier 4 shared services	<ul style="list-style-type: none"> Here... 	TBC

Key Deliverables - Years 2 to 5	Expected Outcome	Timeline for Delivery
3.7 Design, develop and launch 'turnkey' on-boarding solution	<ul style="list-style-type: none"> Here... 	TBC
3.8 Design, develop and launch MFSS 'service hubs'	<ul style="list-style-type: none"> Here... 	TBC
3.9 Design, delivery and launch market led/ customer demand led products(see MFSS business plan Nov JOC)	<ul style="list-style-type: none"> Here... 	TBC

SO4 - Continuous improvement

Key Deliverables - Year 1	Expected Outcome	Timeline for Delivery
4.1 New legal vehicle that supports MFSS's Vision and Strategic Objectives	<ul style="list-style-type: none">• Migration to 'fit-for-purpose' legal vehicle	1 April 2018
4.2 Effective governance structure that supports new legal vehicle	<ul style="list-style-type: none">• 'Fit-for-purpose' governance structure	1 April 2018

Key Deliverables - Years 2 to 5	Expected Outcome	Timeline for Delivery
4.3 'End-to-end' efficiency review of on-boarding process	<ul style="list-style-type: none">• On-boarding to MFSS reduced to 6 months• MFSS on-boarding costs reduced to £500k	1 April 2019
4.4 Programme of continuous service efficiency improvements	<ul style="list-style-type: none">• Reduction in unit cost per user of 5% per annum	Continuous

The strategic objectives are underpinned by an annual delivery plan containing key deliverables, performance targets or milestones, risks to delivery and required resources.

Key financials

Budget 2017/18 to 2021/22

	2016/17 £000	2017/18 £000	Variance £000	Variance %
Revenue	5,193	5,299	106	2
Expenditure	5,193	5,299	106	2
Surplus	-	-		

Source: MFSS 2017/18 Budget Proposal, JOC, March 2017.

Costs and revenues are budgeted to increase by £106k (2%) to £5,299k in 2017/18. Driving these costs increases is increased salary costs and inflation.

The number of users is predicted to remain flat in 2017/18 with a cost per user of £417

Budget 2017/18 to 2021/22

A 5-year budget will be prepared following confirmation of the 5-year delivery plan, and in particular key deliverables in years 2 to 5 and growth in the number of users.

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Revenue	5,299	6,199	7,249	7,692	8,516
Expenditure	5,299	6,199	7,249	7,692	8,516
Surplus	-	-	-	-	-
Number of users	12,642	17,908	25,402	27,802	32,092
Cost per user (£)	417	284	265	258	250

[Note: 5 year business plan needs to be underpinned by 5 year budget. The figures in red are provided for illustrative purposes]

Decisions to support a financial strategy that is consistent with key deliverables in years 2 to 5 include:

- S Impact of growth strategy on working capital requirement. Liquidity risk increases with the increase in growth as significant growth in user numbers will increase costs and revenues, which in turn will increase MFSS's working capital requirement. MFSS should consider how will this be funded?
- S MFSS budgets to break even with cost savings being 'handed back' to partner forces through reduced charges. MFSS should consider whether this is model is sustainable or whether MFSS should charge a margin on costs to build up a small reserve to fund future investment; fund additional in-year expenditure, such as administrative support or sales and marketing without requesting additional in-year funding from partner forces.
- S Linked to bullet 2 above, MFSS should consider whether its budgets are sufficient to support delivery of its strategic objectives, or whether they are being too lean. MFSS should consider what return on investment existing and new partner forces want; over what period they want returns (short, medium or long); how returns can be achieved (e.g. growth and economies of scale and/ or continuous service efficiencies)

Our collaboration partners





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AGENDA ITEM 10

NORTHAMPTONSHIRE POLICE AND CRIME COMMISSION and NORTHAMPTONSHIRE CONSTABULARY

JOINT INDEPENDENT AUDIT COMMITTEE

19 JUNE 2017

INTRODUCTION

To review the current position regarding Multi Force Shared Service (MFSS) and the future development plans. The JIAC is aware from previous reports about the concerns over the operation and governance of MFSS. This report describes those issues, what is planned going forward and the potential issues.

BACKGROUND & SERVICES PROVIDED

MFSS currently comprises the following partners : Cheshire Constabulary, Nottinghamshire Police, Civil Nuclear Constabulary and Northamptonshire Police (the Force). MFSS principally provides all transactional back office finance and human resources services which are detailed in appendix 1. The Force has been a member of MFSS for over four years.

GOVERNANCE (and Section 22 agreement)

The governance arrangements for MFSS include the Joint Oversight Committee (JOC), Management Board and Optimisation Group. Their roles, responsibilities and interdependencies are shown at appendix 2.

In recent months, PCCs in particular have expressed concerns around the governance of MFSS around the role of the JOC and the supporting Section 22 agreement. PCCs consider that an alternative legal vehicle is required to better support and govern MFSS and the services provided to clients. Potential growth in the membership of MFSS through the on-boarding of Cheshire Fire & Rescue Service, British Transport Police, and Avon & Somerset Police, means that the existing governance arrangements are becoming unwieldy.

Options are therefore being considered for an alternative legal delivery vehicle for MFSS which would afford several future possibilities such as allowing limited selling of services to organisations other than the collaborating partners (up to 20% of its business). This means the potential for income generation which will reduce costs for MFSS partners. This would also allow potential for more partners to join the

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collaboration by “purchasing” a share of ownership of the entity and for MFSS to eventually convert into a commercial entity if appropriate.

A feasibility study is underway to test this concept. PCCs can expect to receive a report later during the Summer.

PCCs also expressed concerns about the Section 22 agreement. This has now been resolved with PCCs agreeing that the intention of all partners in entering the MFSS collaboration agreement was that the agreement was for an initial 5 year term (from 01 April 2012 – the MFSS commencement date - to 31 March 2017). This will continue thereafter unless or until terminated by Cheshire in accordance with Clause 76.1 or any other collaborating partner in accordance with Clause 76.2.”

There have also been agreements regarding the Section 22 Change Control process. The collaboration agreement in 2015 permitted the MFSS Management Board to approve changes to the collaboration agreement. It has now been agreed that such changes should be approved by the JOC instead.

MFSS BUDGET 2017/18

Approval was sought from the JOC regarding an amendment to the previously agreed budget for 2017/2018

The MFSS sets an annual budget to cover the operating costs of the service. The budget is a total recharge model with all supplies and services recharged to the MFSS and these costs distributed to partner organisations based on a proportionate allocation of costs related to the organisations’ size.

At the time of the last submission it was assumed that Cheshire Fire & Rescue Service would be able to on-board in October 2017. However the delay to the commencement of their implementation means that they will not now join until April 2018 so the resulting economies of scale need to be removed from the budget. There was also a minor budget adjustment and an amendment to the counting rules employed to calculate the relative size of each partner.

The total MFSS operating budget for 2016-2017 was £5,193,102.

The budget that has approved by the SSJOC for 2017-2018 was £5,231,240.

This budget has now been revised to accommodate the need for Capgemini for support for annual legislative changes to the Payroll module. This has been estimated at £50k per annum. There is also an additional £18k Northants cost for Pensions payroll.

The revised budget for 2017-2018 is £5,299,240 this is an increase of £68k

The MFSS Management Board proposed that the counting rule changes to a total Headcount rule, as although the figures are reviewed annually, the FTE figures for Northamptonshire and Cheshire do not appear to have changed since go live. It is

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likely that this is because the projected FTE has been based on the established strength rather than actuals.

The FTE counting rule was appropriate for the initial three Home Office forces but was first identified as having some flaw to it when Civil Nuclear Constabulary joined. CNC do not have any Specials, Cadets or Volunteers to pay 100% of their strength while the Home Office forces may pay for as little as 87%. With Cheshire Fire and Rescue joining the use of On Call or Retained Firefighters means that CFRS may end up paying for only 59% of their total strength.

The current counting rule uses Full Time Equivalent (FTE) meaning that Specials, Retained Firefighters, Volunteers etc. do not contribute to the assessment of the relative size of the organisation.

The table below summarises the cost sharing arrangement.

Charges Split Between Forces - based on agreed HEADCOUNT	2017/2018 Force Charges (based on Headcount)	2017/18 Total Revised Budget	Previous cost distribution	Variance
Cheshire (4,227)	33.83%	1,867,385.15	1,747,027.10	- 120,358.05
Northamptonshire (2,891)	22.87%	1,210,529.46	1,107,514.79	- 103,014.67
Nottinghamshire (3,891)	30.78%	1,576,775.82	1,799,301.14	222,525.32
CNC (1,583)	12.52%	644,549.12	645,396.52	847.40
TOTAL	100.00%	5,299,240	5,299,240	

MFSS PERFORMANCE MANAGEMENT

The MFSS Management Board and MFSS Optimisation Group are currently working to review the Performance Management measures and Key Performance indicators of the MFSS with work ongoing to define the Service Definitions and associated Service Level Agreement in order to support the current review of the Section 22 Collaboration Agreement.

MFSS will adopt a three tier performance framework to reflect the three key areas of: Sector Standard Benchmarking; Organisational Efficiency; and Operational/Service Delivery which will allow the SSJOC to gain some assurances regarding the performance of MFSS against sector best practice, the wider shared service market and challenge MFSS to achieve best comparative performance.

In the four and a half years since go live the Performance Management Framework has ceased to provide meaningful data to any one group of stakeholders due to the attempt to satisfy all stakeholder demand. This is to be considered in line with the above and a new framework. Work is ongoing to finalise the new Service Level

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Agreements and KPIs but is well advanced. It has been well received by the partner organisations.

MFSS have achieved several targets this reporting period including the rollout of the Oracle payroll across the three forces and a creation of a suite of payroll reports within APEX which allows forces reporting functionality. There have been some issues with the team adapting to pay freezes which has impacted on SLA's and KPI's and delays on the payroll project which delayed reconciliations. These continue to be reviewed. There continues to be a high risk around the reliance on force leads and SRO's but this has been mitigated by the appointment of deputies for each partner and the risk should be reduced to medium in the near future.

Overall there are good indications that performance is either already at agreed service levels or that any shortfalls are being addressed. Details of the current KPIs are shown alongside the services provided in appendix 1.

PAYROLL SYSTEM

During 2016 the MFSS undertook a major project to implement Oracle payroll across the three partner organisations. This was significantly delayed at a cost of £1.17m more than originally anticipated.

Since this a review has taken place looking at the reasons for the delays and to learn lessons. There is still a high risk around HMRC and tax code implications for Cheshire staff which is being worked on. Northamptonshire was also affected at the margin but this was quickly rectified. A risk management process has been implemented overall with additional governance measures introduced to avoid future issues.

FUTURE BUSINESS DEVELOPMENT

The Northamptonshire PCC has agreed that the Force should continue to be a member of MFSS and migrate to Oracle Fusion (see also below). This decision was based upon the outcome of the Grant Thornton tri-force evaluation report, which amongst other things, tested whether MFSS was providing value for money. The conclusion was that it does indeed provide VFM and that it would not be cost effective for the Force to move to an alternative platform. Grant Thornton's report is available if required but has not been shared here due to its length.

The draft business plan for 2017-22 has been completed with the MFSS vision for 2022 to be the UK's leading not-for-profit shared back office services provider, delivering 'best in class' levels of service and significant and sustainable cost savings to blue light organisations.

The strategic objectives contained in the business plan have been split into year one key deliverables, recognising firstly that 2017/18 will be a period of investment for MFSS; in new technology; on-boarding processes; and improved back office shared services design and quality, and secondly that clear direction will need to be agreed during the next financial year for key deliverables in years 2 to 5 of this business plan which aim to build on this platform and on board new partners to MFSS and deliver

NOT PROTECTIVELY MARKED

significant and sustainable cost savings to all partner forces. The business plan is shown at appendix 3.

ORACLE CLOUD APPLICATIONS (FUSION): FINAL BUSINESS CASE

Oracle E-Business Suite was first developed in the late 1980s with the latest version now being 8 years old and Premier Oracle Support for this product is no longer available. The product is currently in Extended Support and will enter Sustaining Support from December 2019, involving tax, legal and regulatory updates or certification to allow it to work. To retain a similar level of technical support, means a higher cost and therefore does not represent an attractive option for potential new partners to the MFSS and has become an obstacle to increasing our economies of scale.

Oracle now offer expanded application functionality, real-time Business Intelligence and related modules all via Oracle Cloud Applications. This encompasses a redesigned front end to enhance the end users' experience and moves away from the previous support model to a continual upgrade model which ensures that all customers remain on the most up to date version of the software throughout their contract term. Oracle Cloud Apps is also Mobile Optimised, so is ready for use on phones or tablets without further development. By moving to a fully Oracle hosted service the annual savings for the MFSS are £2.667m over five years with additional MFSS savings taking the five year total savings to £3.54m (shared amongst the partner forces).

At present both Avon and Somerset Constabulary and British Transport Police have indicated significant interest in joining the current MFSS partners on this new technology platform, with the addition of either one of these forces increasing the five years savings to £7.3m.

The view of the JOC was that Oracle Cloud Applications would represent the "Next Generation" in technology for shared services and be a positive step in securing future interest and have recently agreed to move to Fusion.

This will deliver enhanced functionality for the Force, reduce costs and allow current processes to be further streamlined. It is currently anticipated that the Force will migrate to the Fusion around April 2018. The programme team and relevant resources are being scoped under the direction and leadership of the Deputy Chief Constable (as Senior Responsible Officer) and in partnership with the OPCC.

OFFICE OF THE NORTHAMPTONSHIRE POLICE AND CRIME COMMISSIONER

&

NORTHAMPTONSHIRE POLICE

JOINT INDEPENDENT AUDIT COMMITTEE

19 June 2017

Background

An informal workshop involving members of the Joint Independent Audit Committee (JIAC) and officers was held on 22 May 2017. A summary of the main points covered is set out below.

Finance Review

The workshop received an outline of the internal review of the Finance functions within the force and the OPCC.

PD explained his temporary role as PCC Chief Finance Officer (CFO) and provided an update on progress in recruiting a new PCC CFO. A permanent appointment is expected to start by October 2017.

The finance review has assessed and documented the roles of CFOs for the PCC and Chief Constable. It had also been used to reset the balance between force and OPCC. Roles and functions are now clearly identified and defined.

The workshop explored the impact of collaborations on the finance function

The work programme in relation to the multi-force shared service (MFSS) was discussed and is the subject of a report to the formal JIAC meeting in June 2017.

Internal Audit Session – Review of JIAC Effectiveness

The internal audit manager facilitated a session reviewing the effectiveness of the JIAC following a questionnaire to its members and to officers.

Although the overall assessment was positive and there were areas of good practice, there were a number of improvements that were accepted. The detail of this will be reported to the JIAC meeting in June 2017 and form part of the Committee's annual report.

Recommendations included:

- Trying to streamline the agendas
- Private sessions between auditors and members to become more regular and formalised
- Regular meetings with the CC / PCC would be beneficial
- Improvements could be made to the website (e.g. adding terms of reference and minutes)

- Formalising the disclosure of members of interests
- Preparing an assurance list, including outstanding matters, which would be made public and reviewed at each meeting.
- Providing a shared area on the website for key documents which JIAC members could access
- Acknowledging that JIAC can seek external specialist advice
- Possibly presenting the JIAC annual report to the Accountability board
- Linking to other Audit committees

The desirability of recruiting a fifth member for the committee was noted and would be progressed.

Estates Strategy

The first draft of the Estates Strategy which had been previously circulated was discussed. It would be refined through consultation and JIAC members were invited to give their comments to the OPCC Chief Executive.

There was the possibility of the Police and Crime Commissioner putting forward a case to assume responsibility for Northamptonshire's Fire and Rescue Service. In that event the OPCC Chief Executive agreed to circulate the business case that was required before a decision was made.

The workshop discussed a number of aspects of the draft strategy including:

- Recruitment of staff to implement the strategy
- The expected decision that the Force would remain at Wootton Hall
- Negotiations around the Wootton Hall site.

The discussion also extended to the preparation of a capital programme, medium term financial strategy and treasury management statement. It was agreed that JIAC would return to these items in the near future, possibly at a special meeting. The capital programme approach would take account of the recent internal audit review of arrangements,

Any Other Business

The workshop discussed work programme / forward planning arrangements and it was agreed to review this in the coming months.

The OPCC Chief Executive gave an update on the new national complaints process which was expected to have financial implications.

**NORTHAMPTONSHIRE POLICE AND CRIME COMMISSION and
NORTHJAMPTONSHIRE CONSTABULARY**

JOINT INDEPENDENT AUDIT COMMITTEE

**MINUTES OF MEETING HELD ON
6 March 2017
(Excluding Exempt Items)**

PRESENT

Audit Committee Members

J Beckerleg (Chair)
M Pettit
T Knivett
Gill Scoular

Northamptonshire Police and Crime Commission

M Scoble	Chief Executive
E Evans	Governance Assistant

Northamptonshire Police

A Frost	Deputy Chief Constable
N Alexander	Acting Chief Accountant Corporate Services
R Baldwin	Force Risk and Continuity Advisor
P Dawkins	Force Chief Financial Officer
G Ashton	Chief Inspector (Corporate Development)

Auditors

A Cardoza	KPMG
B Welch	Mazars

1. APOLOGIES FOR NON-ATTENDANCE

There were no apologies received.

2. DECLARATIONS OF INTEREST

Mr Beckerleg updated his declaration of interest by reporting that he no longer worked for the Chief Fire Officers Association.

Other declarations were unchanged:

T Knivett Member of the Police Disciplinary Panel

J Beckerleg i) Member of House of Lords Audit Committee
 ii) Member of the Finance Committee of the Bar Council

M Pettitt Daughter employed by Northamptonshire Police

3. FORCE STRATEGIC RISK REGISTER (inc. FORCE GOVERNANCE BOARD)

Changes to Risk Register.

Mr Baldwin highlighted the risks that had changed since the last meeting and explained the reasons for closing 3 risks. He also explained the decreases in risk and advised of actions that had been undertaken.

New Risks

Five new risks had been identified and added to the risk register together with the work to resolve and mitigate them.

Licenses

Mr Pettit highlighted the risk presented by the recent lapse in renewing IT licenses. Mr Frost provided reassurance and summarised the new process.

Risk Scoring

Mr Pettit requested clarification around the scoring system for risks. Mr Baldwin advised that fixed criteria were used and that they are scored by the business owner. Mr Frost added that the scoring system was regularly reviewed.

Mr Beckerleg requested additional clarification around the scoring for the risk register. Mr Baldwin advised that there was additional work going on around this and that clarification will be provided at a subsequent meeting.

Niche

Mr Baldwin advised of issues around the Niche timescale - risks 76 and 91 - and highlighted the implications.

Assurance Map

Clarification was requested regarding the assurance map including:

- The frequency with which it was updated
- The consistency with other assurance conclusions (e.g. HMIC PEEL inspections).
- The ability to provide assurance on an Estates Strategy which did not exist

Mr Baldwin and Mr Frost agreed to consider the points.

Estates Strategy

The Chair brought the Estates Strategy to the attention of the Committee and expressed his dissatisfaction at the lack of progress. Mr Beckerleg was offered reassurance that there was significant work ongoing in this area and that the Estates Strategy would be available by 31 March 2017 and presented to the next meeting of the Committee. Mr Beckerleg noted the reassurance given and that re-emphasised that progress was needed in this area.

Risk Management

Mr Pettit requested clarification on the role of the OPCC in managing risks. Mr Scoble advised of regular meetings between himself and Mr Frost. He confirmed that the risk register was used as a tool to identify risks to take to the Accountability Board. Mr Scoble agreed to send out document to clarify the process.

ACTION: Mr Baldwin to provide more information on the risk scoring methodology

ACTION: Mr Scoble to present the Estates Strategy to the next meeting of the Committee

ACTION: Mr Scoble to send out details of the process by which the PCC is involved in the risks facing the Force

4. FORCE 2017-18 BUDGET UPDATE

Lack of report

The Committee expressed its significant disappointment that there was no report particularly as this had been a specific request from the recent workshop. The Committee was interested to understand the robustness of the budget (particularly at a detail level), how priorities had been determined and the impact of the Service Delivery Model (SDM) and Police and Crime Plan. There was also no updated capital programme which in turn meant there was only a limited basis for the Treasury Management strategy.

P Dawkins indicated that a report had been provided to the OPCC but, for unknown reasons, it was not circulated. Apologies were given that report was not circulated. The report would be circulated and questions would be handled offline.

Mr Frost advised that there was far more detail and clarity around the 2017-18 budget which had been helped by the work underpinning the Service Delivery

Model. However the exact impact of the SDM at budget manager level had not yet been input to the budget and this would take place during the financial year. The Force confirmed that the Police and Crime Commissioner had allocated all of the resources the Chief Constable required in 2017-18 although further work was needed on medium term financial planning.

It was suggested that the committee could nominate a member to attend Force headquarters to discuss the budget further.

ACTION: Mr Dawkins to circulate the 2017-18 budget report addressing the Committee's concerns

ACTION: Mr Scoble to provide an updated capital programme to the Committee

ACTION: The Committee to consider nominating one of its members to discuss the 2017-18 budget with officers

5. FORCE GOVERNANCE FRAMEWORK (VERBAL)

Progress Update

Mr Scoble explained that the OPCC scheme of governance has been looked at by himself and the Commissioner and that some changes had been made.

Mr Scoble advised that there was no requirement to have two separate schemes – one for the OPCC and one for the Chief Constable. It had been agreed to have only one covering both corporations sole and that work would now be undertaken to incorporate the Force's governance requirements starting with the revised OPCC governance documents. Mr Scoble advised that this would be available shortly and will be circulated once completed.

Mr Pettit requested clarification around recommendations previously made by the Internal Auditors and included on the IA Progress Report Paper, and wanted to be assured that these had been incorporated in the revised Framework. Additional assurance was provided by Mr Scoble that these had been taken in to account.

The governance arrangements between the two organisations needed to be consistent and so Mr Beckerleg sought clarification on the effective date to implement the new governance framework which had originally been planned for 1 April 2017. Mr Scoble advised that as soon as the new document was ready it would be implemented. The Committee was keen to see the revised draft document and Mr Scoble suggested that the workshop in May 2017 might be a suitable date to review the framework. This was agreed by all.

ACTION: MR Scoble to circulate to the Committee the updated governance framework covering the OPCC and Force.

ACTION: Draft combined governance framework to be available for review at the committee's May 2017 workshop.

6. HMIC REPORTS – see www.hmic.gov.uk

Overview

Mr Frost gave an overview of how the HMIC system works and how recommendations are implemented.

Latest Results

The results of the latest HMIC report were explained including the latest HMIC Effectiveness report which had scored the Force as 'Requires improvement' overall. Within this assessment there were areas where improvement had been made since the previous report and further actions would follow the implementation of the Service Delivery Model.

Mr Ashton provided a more in depth explanation of the report and gave reassurance around the next inspection in the spring 2017.

Mr Pettit requested clarification on the current status of entry number two (relating to the 2015 Effectiveness Inspection) which Mr Ashton explained had been superseded.

Mr Beckerleg indicated his confusion around the wording and colours used to determine the status of the recommendations. Mr Ashton noted his confusion and agreed to carry out work in order make the report easier to interpret.

ACTION: Mr Ashton to review the methodology to review the grading of progress with implementing the HMIC recommendations

Areas for Improvement

Mr Ashton talked about the areas for improvement that were identified by HMIC and the work that had been done to improve these areas.

Reassurance was provided by Mr Scoble that there was a process in place to ensure that Areas for Improvement (AFIs) were being picked up and actioned by the appropriate person. Mr Pettit raised a concern that it might be possible for issues highlighted, e.g. re the Force Control Room, which were not marked as official areas for improvements, and therefore for recommendations to be missed and was reassured that there was an adequate process in place to ensure that this did not happen.

Mr Ashton concluded by advising that HMIC had recognised progress in several different areas and acknowledged the SDM implementation. Mr Ashton recognised that there were areas for improvement and gave summary of these.

The Chair expressed thanks for the open presentation of the report.

7. ANNOUNCEMENTS FROM THE CHAIR

MFSS

Mr Beckerleg requested a brief update around MFSS particularly in the light of recent reviews about the governance arrangements and the accounting treatment. Mr Dawkins advised that MFSS was to be used for the foreseeable future and work was ongoing to resolve some of the current issues which had been identified. Mr Pettitt highlighted his concerns in relation to governance

issues that appeared to have financial implications and sought to understand what action was being taken.

ACTION: Mr Dawkins to prepare paper for discussion at the next meeting of the Committee explaining the identified issues and the planned approach for the future.

Thanks

Mr Beckerleg expressed his thanks to Sanjay Desor for his recent work supporting members of the committee.

8. MINUTES AND MATTERS ARISING FROM PREVIOUS MEETING

Item 12

Mr Pettit raised issue around item 12 and advised that there were still outstanding questions that were sent to Steve Dainty.

ACTION: Mr Scoble to have a conversation with Mr Pettit around outstanding matters regarding the appointment of external auditors in the future.

9. MATTERS ARISING ACTION LOG

Meeting 5 December 2016

Item 4 - Mr Knivett noted and welcomed a reduction in the use of acronyms.
Item 10 - This item (written explanation of cash investment) was not closed
Item 15 – This item (Force governance framework) was still open but was affected by the decision above to produce a single governance document.

10. FINANCIAL UPDATE 2016-17

Report not circulated

Again the Committee was concerned about the absence of this report.

Mr Dawkins advised that feedback should have been shared with the Committee and advised that the report would be circulated offline and questions invited.

ACTION: Mr Dawkins to circulate the latest Financial Update report to the Committee members.

11. DRAFT TREASURY MANAGEMENT STRATEGY

Reassurance

The Committee had a specific responsibility under its terms of reference for reviewing the Treasury Management Strategy. It was concerned about the inadequate nature of the report which had been circulated.

Mr Beckerleg requested further reassurance. Mr Dawkins advised that work was in progress and that documentation would be complete by year end. Mr Dawkins stated that he was aware of risks of not being able to produce a TM strategy.

Mr Pettit drew the attention of the Committee to a request that was sent to the OPCC for additional background information on the estates; however no response had been received.

Mr Pettit requested again an ownership map for the Force HQ site. Mr Scoble advised that this was not currently available due to ongoing discussions and advised that it would be available shortly. Mr Frost noted that he was confident that this would be provided in due course.

It was suggested that additional meeting might be required to discuss the strategy when it is produced and it was agreed that this should be arranged.

ACTION: Chair to arrange an extra meeting with the OPCC to discuss the Estates programme, capital programme and treasury management strategy.

12. EXTERNAL AUDIT

A) EXTERNAL AUDIT PLAN 2016-17

Summary of Report

Mr Cardoza drew the attention of the Committee to the report and gave a summary of the areas of audit. Mr Jones gave reassurance and offered his support going forward.

Questions from the Committee

Mr Pettit requested clarification regarding potential for overlap with the work of internal audit and other bodies. Mr Cardoza clarified that these areas still needed to be addressed to meet audit requirements.

Mr Pettit requested reassurance around the impact on the pension fund of issues such as Actuary assumptions. Mr Cardoza advised that these were critically examined.

Mr Pettitt asked whether a policy of a high level of reserves was detrimental to good budget planning, i.e. it encouraged overspends. Mr Cardoza advised that addressing this is part of the audit process.

Mr Knivett wanted the external audit to help the JIAC understand the process for prioritisation so that the committee could be assured that the process was designed to ensure that resources are allocated to the right projects and not for instance, to particular projects which decision makers favour. Mr Cardoza drew attention to page eight, confident that this approach would provide the answers required..

~~Mr Knivett wanted to understand the process for prioritisation and how these decisions were made. Mr Cardoza drew attention to page eight and gave an explanation.~~

Clarification was requested regarding the audit timescales and whether there was sufficient allowance to collect information from other agencies. The Committee was assured that there was.

Mr Beckerleg thanked Mr Cardoza.

13. DRAFT INTERNAL AUDIT PLAN

Mr Welch introduced the draft Internal Audit plan for 2017-18 explaining that this had been drawn up with officers and involving discussions across the collaboration region.

The Committee welcomed the proposed audit of the Joint Independent Audit Committee (JIAC) but queried the relative allocation of days to this audit (10 days) compared with others (e.g. Data quality which seemed to be a larger topic but had the same number of days). The auditors were asked to advance this audit so that it could inform the Committee's self assessment which was due for the next meeting.

The Committee expressed reservations about whether the current draft plan addressed the strategic issues facing the organisations or put too much emphasis on audits in smaller areas of activity.

Mr Welch explained that some of the audits had been agreed on a regional basis.

It was agreed that the Committee would give its feedback to the internal auditors before the plan was finalised.

ACTION: JIAC members to give feedback to the internal auditors on the draft internal audit plan 2017-18

14. INTERNAL AUDIT – PROGRESS REPORT

Progress Update

Mr Welch presented the update on progress made since the last meeting in December 2016. It was noted that a report on the capital expenditure would be available once it had been approved by the OPCC. Mr Scoble agreed to check progress and provide an update to the Committee.

ACTION: Mr Scoble to check progress on concluding the response to the internal audit on capital expenditure.

Recommendations

Mr Welch gave details of the priority one and priority two recommendations. Mr Pettit queried the awarding of limited assurance on the internal audit of the Welgrave Wellbeing Centre and Mr Welch advised that in his professional opinion the grading was accurate. Mr Scoble wanted to note that this was an audit that was requested by the OPCC so that any shortcomings can be identified and actioned.

Questions from the Committee

Mr Beckerleg pointed out that some of the current audits had made the same recommendations as previous audits because the previously agreed actions had not been implemented. There was therefore a lack of confidence that the actions proposed to meet the latest recommendations would be implemented. Mr Scoble accepted this and provided reassurance that they would be implemented.

Mr Baldwin noted that there was now a mechanism in place to ensure that actions are taken forward and Mr Scoble advised that they would be addressed at the accountability board.

In relation to the collaboration audits undertaken across the partner organisations, Mr Pettit suggested that it might be helpful for there to be a regional board to address the internal audit recommendations. Mr Scoble advised that this had been recognised by the OPCC and CC and that there were concerns around some of the collaboration arrangements. Mr Scoble agreed to provide information about the work carried out by Chief Executive of Derbyshire around governance for regional collaboration.

Mr Pettit drew attention to potential assurance gap in relation to regional collaboration as this was not included in HMIC inspections. Mr Scoble advised that this was being addressed nationally by PCCs and the Home Office.

Mr Beckerleg gave his thanks for completion of the annual work programme by Mr Welch.

ACTION: Mr Scoble to circulate the report on regional governance arrangements.

15. IMPLEMENTATION OF AUDIT RECOMMENDATIONS

A) FORCE

Outstanding Recommendations

Mr Baldwin introduced the report and gave a summary of the outstanding recommendations.

Mr Beckerleg noted that the conclusions were again inconsistent across the two risk registers (OPCC and Force). Mr Baldwin agreed that he would look into this.

Mr Beckerleg suggested keeping track of the number of recommendations and categories and that this is reported at the beginning of the report in future and Mr Baldwin agreed. There was a suggestion that the responsible officer could be brought to the committee if a recommendation is outstanding for a substantial period of time. This was agreed by the committee.

Mr Beckerleg thanked officers for the report and noted the importance.

ACTION: Mr Baldwin to review the consistency between the OPCC and Force responses to the internal audit recommendations.

ACTION: Mr Baldwin to include a summary of the recommendations outstanding at the start of each report.

B) OPCC

The report was noted.

16. VARIOUS BOARD UPDATES

Transformation Board

Mr Frost advised that there were no issues with the Transformation Board. Mr Frost advised assurance was gained from the work undertaken on the new Service Delivery Model (SDM), however he did agree that there is an ongoing risk until the Estates Strategy is confirmed.

Accountability Board

Mr Frost advised that the Accountability Board is being redesigned.

Force Assurance Board

Mr Frost queried whether it might be relevant for someone from JIAC to sit on the Force Assurance Board. It was agreed that this would be helpful.

ACTION: JIAC to nominate a member to sit on the Force Assurance Board.

17. OPCC RISK REGISTER AND ASSURANCE MAP

Assurance Process

Mr Scoble opened by explaining the new assurance process whereby issues are identified and addressed. Mr Scoble provided reassurance that this is being used to bring the attention of the PCC and CC to concerns at the Accountability Board.

18. OPCC SCHEME OF GOVERNANCE

Progress Update

Mr Scoble advised that this will be brought to the committee once completed. Mr Jones gave explanation of the assurance process for using the reserves and explained how this fits within the scheme of governance. Mr Jones advised that he would work with the OPCC to create the scheme and ensure that it is in line with home office guidelines.

19. ITEMS FOR ESCALATION TO THE COMMISSIONER AND/OR THE CHIEF CONSTABLE

Mr Beckerleg noted that the Estates Strategy needs to be escalated.

20. AGENDA PLAN FOR NEXT FOUR MEETINGS

The following items were added to the schedule in the report:

Paul Dawkins – Paper on MFSS

Martin Scoble – Scheme of Governance

21. DATE AND VENUE FOR NEXT MEETING

Next meeting was on 19 June 2017 in the Greenwell Room.

22. ANY OTHER BUSINESS

It was noted that this was Mr Frost's last meeting and the Committee members expressed their thanks for the support he had given them.

Mrs Scoular noted apologies for next meeting.

23. RESOLUTION TO EXCLUDE THE PUBLIC

There were no matters to be discussed.

24. PRIVATE MEETING OF COMMITTEE MEMBERS

There was no private meeting of Committee members.



AGENDA ITEM 10

NORTHAMPTONSHIRE POLICE AND CRIME COMMISSION and NORTHAMPTONSHIRE CONSTABULARY

JOINT INDEPENDENT AUDIT COMMITTEE

19 JUNE 2017

REPORT BY	Chair of the Joint Independent Audit Committee
SUBJECT	Annual Report 2016-17
RECOMMENDATION	To approve the report and submit it to the Police and Crime Commissioner and Chief Constable and, possibly, the Police and Crime Panel.

1. Purpose of report

This report fulfils three purposes:

- a) A review of the Committee's terms of reference;
- b) A self assessment by the Committee's members;
- c) An annual report, as required by the terms of reference, for inclusion in the Annual Accounts

2. Role of the Committee

This is the fourth annual report of the Joint Independent Audit Committee (JIAC) created under the Home Office Financial Code of Practice for Police Services.

The purpose of the Committee is:

'To support the Police and Crime Commissioner and the Chief Constable to discharge their responsibilities by providing independent assurance on the adequacy of their corporate governance, risk management arrangements and the associated control environments, treasury management and the integrity of financial statements and reporting.'

The full responsibilities of the JIAC are contained in its terms of reference.

This audit committee became operational in November 2012.

3. Committee membership

Membership of the Committee during the financial year, which has not changed, was:

Name	Appointment	Qualifications
John Beckerleg (Chair)	Appointed 1 October 2014	MA, CIPFA, MBA, SSA
Tony Knivett	Appointed December 2013	CQSW
Martin Pettitt	Appointed December 2013	CIPFA
Gill Scoular	Appointed 1 December 2014	CIPFA

The Office of the Police and Crime Commissioner (OPCC) undertook a recruitment process in 2016 to identify potential new members for the Committee. However this did not provide candidates with skills which complemented those of existing JIAC members. Nevertheless, a recent review of the committee has concluded that it would be beneficial to recruit a further member to the committee provided they have suitable skills and experience and this is shown as one of the actions for 2017-18.

4. Committee's Terms of Reference

The Committee has established terms of reference derived from the CIPFA best practice model. The Committee is required to review its terms of reference annually and the latest terms of reference are attached as Appendix 1. The version shown includes changes agreed at the JIAC meeting on 20 June 2016 to include reference to collaborations (see paragraph A(c)).

The JIAC covers two organisations: the Police and Crime Commissioner (PCC) and the Force. This has tended to produce long agendas and so, to make more effective use of officers' time, the sequence of the agenda has been changed to separate Force and OPCC items. The agenda and meetings remain too long and so it is proposed to reduce the frequency of reports (for example, reporting the risk register every 6 months to demonstrate that the risk management processes are working rather than each meeting).

No other changes in the terms of reference are proposed this year.

5. How the Committee discharges its responsibilities

The Committee's terms of reference drive the work programme and there is a well established approach to agenda planning.

The Committee held 4 formal meetings in the year. The meetings were open to the public although only one person has taken up this opportunity. No items were considered in private, which is viewed as good practice and will be continued as far as possible. Attendance at meetings was as follows:

Name	Attendance attendance	/	Possible
John Beckerleg (Chair)	4/4		
Tony Knivett	4/4		
Martin Pettit	4/4		
Gill Scoular	2/4*		

(* Note: One meeting had to be rearranged at short notice which prevented attendance)

The Committee's meetings have been generally well supported by officers from both the Force and OPCC although the Committee was concerned about some planned reports not being produced or being so incomplete / late that the committee could not consider them.

In addition representatives of the Internal Auditor and the External Auditor regularly attended the meetings and the Committee took the opportunity to discuss topics in private with the auditors without officers being present.

To enable the Committee members to be effective, they need to understand the plans, priorities, programmes and issues facing the Force and OPCC. The established and very beneficial programme of workshops continued in 2016-17 which has allowed officers to brief the Committee members on a range of topics. Areas covered have included:

- Counter fraud
- Collaborations including 'Tri Force' and 'Strategic alliance'
- Value for money
- Change and programme management
- Medium term financial plan
- Service delivery model (allocate police staffing in line with policing priorities)
- The development of an Estates Strategy
- The review of the finance function.

Part of one workshop was a facilitated session run by the Internal Auditor to review the effectiveness of the JIAC.

One topic which is outstanding is in relation to 'Information security and information management' which was requested by the Committee following instances elsewhere in the Country where information had not been used appropriately by Police Forces.

6. Assessment of the Audit Committee's performance against its plan and terms of reference

The Committee is keen to be effective and in particular make a positive and constructive contribution to the work of the Force / OPCC and the achievement of their strategic priorities. The Committee has made progress in specific areas such as: gaining assurance about the governance and operation of the majority of the existing collaborations (excluding the multi function shared service); contributing to the change programmes (where a member of the committee has attended the change boards); the processes for responding to Her Majesty's Inspectorate of Constabulary (HMIC) reports' recommendation and a review of revised draft governance documents for the PCC (although these have yet to be introduced).

The Committee has undertaken its responsibilities as set out within the agreed terms of reference including consideration of the:

- The operation of risk management;
- Treasury Management policy and ongoing monitoring in 2016-17 although the required policy and strategy for 2017-18 has not been produced to date ;
- 2016/16 Accounts, the Annual Governance statements (including follow up) and the External Auditor's report; and

- Internal Audit Plan 2017/18, specific internal audit reports (recommendations and follow up) and the Internal Auditor's Annual Report for 2015/16.

In June 2017, the Committee is concerned about the lack of key documents which underpin the assurance framework and the financial control arrangements. More detail is given in Appendix 2. It is also concerned that the points it has sought to raise (for example, the need for a comprehensive capital programme and the concerns about the decision to vacate the Wootton Hall site – now being reviewed) have not been addressed. On a more positive note, in recent months there are indications that the key documentation will be produced shortly and the Committee will continue to monitor this.

During the year the Committee has gained assurance in relation to:

- Overall risk management
- Regional collaborations
- Responding to the HMIC reports.

The Committee has gained assurance from a specific report and discussion in relation to counter-fraud.

In the previous Annual Report the Committee set out its aims and objectives for 2016/17. These are described in Appendix 2 including the progress achieved.

The Internal Audit Plan 2017/18 included an internal audit review of the effectiveness of the JIAC. This was completed by May 2017 and is reported on this agenda. The actions arising from the recommendations have been included in the Actions planned for 2017/18 (see Appendix 3).

A draft of this report has been shared with the OPCC and CC so that officers with knowledge of the work of the JIAC have the opportunity to provide feedback and shape the way the Committee operates.

7. Identification of key issues

During 2016/17 the Committee considered a range of topics and issues. Some of the key ones were:

Annual Accounts 2015/16 – completion of the closure of the Annual Accounts was satisfactory this year and final approval for the two organisations was achieved by the statutory deadline. The process was helped by the recruitment of additional finance staff and is expected to improve further in 2016/17 as the result of using a national tool to assist closedown.

Value for money – The JIAC is responsible for considering VFM arrangements. These can take many forms: for example, within resource planning, as part of programme management, and in everyday decision making. The Committee has been seeking to confirm the arrangements for value for money including using the conclusion of HMIC, internal audit and external audit. However, this is not an easy topic about which to gain full assurance and the exploration will continue into 2017/18.

Learning from elsewhere – the two regional meetings of the Chairs of the respective audit committees has enabled information to be shared on approaches, key issues, areas for joint working and governance. The aim will be to continue with these meetings with the intention of a further meeting in the Autumn 2017. Whilst it may be more difficult to achieve, some form of national forum for Chairs and CFOs, possibly under the auspices of CIPFA, would also be helpful.

Collaboration – there are many examples of collaborative working between forces involving Northamptonshire. The JIAC has gained assurance from the existence of legal agreements and the self-assessments undertaken using a framework devised by the previous internal auditors, Baker Tilley. In 2016-17 this assurance was progressively tested by Mazars undertaking joint internal audits of each of the East Midlands collaborations. Whilst these have provided some assurance, they have also identified areas for improvement, particularly regarding establishing adequate governance structures, appropriate business cases and clear outputs. Improvements have been promised which would provide further assurance; these will be kept under review.

One other collaboration, the multi-force shared services collaboration, has been reviewed recently and this has identified a number of governance concerns. These are being addressed and there is a plan, which the JIAC will monitor, to make better use of the MFSS services and improve Northamptonshire Police's involvement in its governance.

Whilst the current collaborations will continue, the future for additional collaborations is currently uncertain following decisions not to proceed with the strategic alliance option.

Risk management – The risk management processes are well established and the risk registers for the two organisations are regularly monitored (including by the JIAC). Related work on the assurance maps will continue to be developed and possibly involve exploring in depth one or two discrete areas to examine the way in which the 'three lines of defence' operate in practice.

Transformation / change programmes – There are number of change programmes which have been discussed and which are progressing currently. A key one is the new Service Delivery Model seeking to allocate resources, including staffing, to the highest policing priorities. A representative of JIAC sits on the Change Board which provides a helpful link.

Estates programme - The Committee has been seeking a comprehensive estates strategy for some time. A partial strategy was provided in 2015-16; this included some significant building projects. At the same time the JIAC was briefed and consulted on proposals surrounding the Force headquarters and the possibility of decanting from this site so that it could be sold. The Committee responded formally to this consultation and was broadly in support of securing a Police estate that was fit for the purpose. However the Committee also had concerns about the governance underpinning the decision making (including the speed with which a decision was being made and the extent to which all options had been examined) and its response sought a greater exploration of the options and assurance that those involved in making the decision had sought appropriate legal, financial and property advice. The previous PCC agreed the sale and consequential Force relocation.

Towards the end of 2016-17 there has been a review of the disposal / relocation agreement and this is expected to lead to a new decision which will see the Force remaining on the Wootton Hall site. In addition the need for a comprehensive estates strategy has been accepted and this is now being developed. The JIAC will maintain a close interest in these areas.

Key financial documents – following on from the work on the estates strategy, the OPCC has now accepted that a complete and affordable capital programme is required and this will be prepared. In turn there is a requirement to produce the 2017-18 Treasury Management statement (which should have been in place by 1 April 2017).

These are important documents and the JIAC will continue to press for their production and application.

Medium term financial plan (MTFP) – this is another key document which underpins the financial planning of the two organisations. It is particularly critical in this period of change and transition because it should draw together the various change programmes, showing their resource implications and ensuring plans are affordable. In its turn this informs the reserves policy which needs to be updated and clarified, possibly simplifying the various reserves which have been created in recent years. The JIAC will expect to see the MTFP, updated and with an associated reserves policy, at an early meeting.

Governance framework – considerable work was undertaken to redraft the Governance Framework for the OPCC, following a decision that there would be separate documents for the PCC and CC. More recently, that decision has been reviewed and it has been decided that there should be a single document covering both organisations.

This is again a key document underpinning the governance arrangements which is now urgently needed. The JIAC will take a close interest (both in drafting and operation).

Assurance arrangements – the JIAC welcomed the establishment of the Force Assurance Board with a remit to consider matters of governance and assurance across a wide spectrum of the Force's work. The Committee is represented on this Board, which is a helpful way of gaining an insight into matters directly covered by the Committee's terms of reference.

Lines of Accountability - The Committee has sought to explore the way in which accountability works between the two organisations. Specifically, how the PCC holds the Chief Constable to account. The arrangements are becoming clearer following the establishment of an Accountability Board with the purpose of exercising this accountability.

Benefit of the PCC governance model – Following the completion of the previous PCC's term of office, the Committee has tentatively begun to consider how to demonstrate that the new governance arrangements are effective and do provide value for money.

8. Assessment of Internal Audit

Mazars were appointed as the internal auditor for three years with effect from 1 April 2015 following a competitive tendering process involving neighbouring Counties.

The internal audit plan for 2016/17 was approved by the JIAC in March 2016, and the Committee recommended the Commissioner and the Chief Constable to sign off the plan. Progress against the audit plan has been good.

Mazars include performance monitoring information in their regular reports to the Committee and the JIAC keep these under review.

The Force and OPCC have generally accepted the recommendations made in the internal audit reports (or explained why a particular recommendation has not been accepted). Managers have progressed the agreed actions in most cases to the agreed timescale and the Committee continues to monitor progress until actions have been completed.

The Audit Plan for 2017-18 was presented to the March 2017 meeting of the committee. The JIAC members asked the Internal Auditor and officers to consider whether the proposed plan gave sufficient weighting to the strategic issues facing the two organisations and whether the allocation of days reflected the risks. A revised plan has been agreed by the JIAC and will be formally endorsed at the June 2017 meeting. One benefit currently, is being able to co-ordinate internal audits across other forces, working partnership.

9. Assessment of External Audit

The external auditor is KPMG.

The Auditor has provided an unqualified report on the 2015-16 accounts which were closed this year by the statutory deadline.

In addition the Auditor has presented the External Audit Plan for 2016/17.

The Committee is satisfied about the effectiveness of the external audit process and grateful for the help and advice of the Auditor during the year.

The arrangements for appointing Auditors has been changed and new appointments are required for the 2017-18 accounts. The committee supported an officer recommendation to subscribe to the procurement process run by Public Sector Audit Appointments to select and appoint a new auditor. The outcome of this procurement will be known later in 2017 and the JIAC will be involved in the induction of new auditors.

10. Looking forward

Appendix 3 sets out the draft Aims and Priorities for the Committee for 2017/18. These reflect the recommendations arising from the Internal Audit review of the effectiveness of the JIAC.

12. Conclusion

The Committee has continued to develop its approach over the past 12 months. Some elements – risk management and review of the HMIC reports - have improved and provide a good basis for moving forward.

The JIAC will continue to undertake the responsibilities assigned to it in the agreed terms of reference and seek to ensure that it makes a constructive contribution to achieving the agreed priorities. It is important that the JIAC adds value to the organisations in discharging its responsibilities and so will continue to assess its own effectiveness. The ongoing work programme is set out in appendix 3.

The Committee has felt frustrated in some areas – particularly where concerns it has raised have not, until recently, been recognised. Members of the Committee are optimistic that recent changes, for example following the finance review, and the commitments made by officers will lead to improvements. Various key documents which are crucial to effective governance need to be put in place promptly.

Once again, the Committee wishes to record its appreciation for the support it has received from the Force and OPCC, as well as the internal and external auditors.

J Beckerleg
Chair of Joint
Independent Audit Committee

EQUALITY, DIVERSITY AND HUMAN RIGHTS IMPLICATIONS	None
HUMAN RESOURCES IMPLICATIONS	None
ENVIRONMENTAL IMPLICATIONS	None
RISK MANAGEMENT IMPLICATIONS	None
Author:	J Beckerleg – Chair of Joint Independent Audit Committee
Chief Officer Portfolio Holder:	xxx

Appendix 1

Joint Independent Audit Committee - Existing terms of reference

NORTHAMPTONSHIRE OFFICE OF THE POLICE AND CRIME COMMISSIONER and CHIEF CONSTABLE

JOINT INDEPENDENT AUDIT COMMITTEE

TERMS OF REFERENCE

1 Purpose

To support the Police and Crime Commissioner and the Chief Constable to discharge their responsibilities by providing independent assurance on the adequacy of their corporate governance, risk management arrangements and the associated control environments and the integrity of financial statements and reporting.

2 Membership

- a) The Commissioner and Chief Constable jointly will appoint the Committee.
- b) The Committee shall consist of no fewer than four members.
- c) A quorum shall be two members.
- d) At least one member shall have a CCAB qualified accountant with recent and relevant financial experience
- e) The Commissioner and Chief Constable jointly will appoint the Chair of the Committee, following discussion with the members of the Committee.
- f) The Chair shall normally be a CCAB qualified accountant, with recent and relevant financial experience.
- g) Members shall normally be appointed for a period of up to three years, extendable by no more than two additional three year periods, so long as members continue to be independent.
- h) In the absence of the Chair at any meeting of the Committee, the members attending the meeting will elect a Chair for the meeting.
- i)

3 Secretary of the Committee

The Chief Executive of the Commission will nominate an officer from the Commissioner's Office to act as Secretary to the Committee.

4 Frequency of Meetings

- a) Meetings shall be held at least four times each year, timed to align with the financial reporting cycle.
- b) Extra-ordinary meetings can held for specific purposes at the discretion of the Chair.
- c) External or internal auditors may request the Chair to call a meeting if they consider one is necessary.

5 Protocols for Meetings

- a) Agenda and supporting papers will be circulated to members at least five working days prior to any meeting.
- b) Minutes shall be prepared and distributed to members of the Committee, regular attendees and the Commissioner and Chief Constable in draft, unapproved format within 10 working days of the meeting.
- c) All papers/minutes should be read prior to the meeting and the meeting will be conducted on this basis with papers being introduced concisely
- d) It is expected that all actions are reviewed prior to the meeting and updates provided even if individuals cannot attend the meeting.
- e) Standing Orders of the Commission and the Force as appropriate apply to formally established committees. As such, members of this Committee may requisition a meeting in writing in line with Standing Orders.
- f) The Chair of the Committee shall draw to the attention of the Commissioner and Chief Constable any issues that require disclosure or require executive action

g) QUESTIONS AND ADDRESSES BY THE PUBLIC

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. Order of questions and address

(a) Questions will be asked and addresses given in the order notice of them was received, except that the Chair of the Committee may group together similar questions or addresses.

(b) A list of questions and addresses of which notice has been given shall be circulated to members of the Committee at or before the meeting.

iii. 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. 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.

iv. 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.

v. 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.

6 Attendance at Meetings

- a) The Committee may invite any person to attend its meetings.
- b) The Commissioner and Chief Constable shall be represented at each meeting of the Committee.
- c) The Commissioner's representation will normally comprise the Assistant Commissioners – Justice and Resources [respectively Monitoring Officer and statutory Chief Financial Officer] and/or their respective deputies;
- d) The Chief Constable shall normally be represented by the Deputy Chief Constable and the Chief Financial Officer of the Force, and / or deputy Chief Financial Officer.
- e) Internal and External auditors will normally attend each meeting of the Committee.
- f) There should be at least one meeting each year where the Committee meets the external and internal auditors without the Commissioner's and Chief Constable's officers being present.

This need not be the same meeting; and such meetings would usually take place after the normal Committee meeting has concluded.

7 Authority

- a) The Committee is authorised by the Commissioner and the Chief Constable to:
 - investigate any activity within its terms of reference;
 - seek any information it requires from any employee;
 - obtain outside legal or other independent professional advice;
 - secure the attendance of outsiders with relevant experience and expertise if it considers this necessary;
 - undertake training of its new members as required.
- b) All employees are directed to co-operate with any request made by the Committee.
- c) The Committee may only make decisions within the remit set out in these Terms of Reference. The Committee has no authority to reverse decisions made by the Commissioner or Chief Constable. It has no authority to incur expenditure.

8 Duties

The duties of the Committee shall be:

A Corporate Governance, Risk Management, Internal Control and the Regulatory Framework

To support the PCC, Chief Constable and statutory officers in ensuring effective governance arrangements are in place and are functioning efficiently and effectively, across the whole of the Commission's and Force's activities, making any recommendations for improvement, to support the achievement of the organisations' objectives.

Specific annual activities of the Committee will include:

- a) Review of corporate governance arrangements against the 'Good Governance framework';
- b) Consideration of the framework of assurances to assess if it adequately reflects the Commission's and Force's priorities and risks;
- c) Consideration of the processes for assurances in relation to collaborations, partnerships and outsourced activities.
- d) Consideration of the processes for assurances that support the Annual Governance Statement;
- e) Consideration of VFM arrangements and review of assurances;
- f) To review any issue referred to it by the statutory officers of the Commission and the Chief Constable and to make recommendations as appropriate;
- g) To monitor the effective development and operation of risk management and to make recommendations as appropriate;
- h) To be responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies
- i) Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.

B External Financial Reporting

To scrutinise the draft statements of accounts and annual governance statements prior to approval by the Commissioner and Chief Constable and publication. The Committee will challenge where necessary the actions and judgements of management, and make any recommendations as appropriate, to ensure the integrity of the statements.

Particular attention should be paid to the following:

- Critical accounting policies and practices, and any changes in them;
- Decisions requiring a significant element of judgement;
- The extent to which the financial statements are affected by unusual transactions in the year and how they are disclosed;
- The clarity of disclosures;
- Significant adjustments resulting from the audit;
- Compliance with accounting standards;
- Compliance with other legal requirements

C Internal Audit

The Committee shall monitor and review the internal audit function to ensure that it meets mandatory Internal Audit Standards and Public Sector Internal Standards and provides appropriate independent assurance to the Audit Committee, Chief Executive of the Commission, the Commissioner and Chief Constable.

This will be achieved by:

- a) Overseeing the appointment of the internal auditors and making recommendations to the Commissioner and Chief Constable, who will make the respective appointments;
- b) Consideration of the internal audit strategy and annual plan, and making recommendations as appropriate;
- c) Consideration of the head of internal audit's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over corporate governance arrangements, and make recommendations as appropriate;
- d) Consideration of summaries of internal audit reports, and Management's responses, and make recommendations as appropriate;
- e) Consideration of the management and performance of internal audit, and its cost, capacity and capability, in the context of the overall governance and risk management arrangements, and to make recommendations as appropriate;
- f) Consideration of a report from internal audit on agreed recommendations not implemented within a reasonable timescale and make recommendations as appropriate;
- g) Consideration of the effectiveness of the co-ordination between Internal and External Audit, to optimise the use of audit resources;
- h) Consideration of any issues of resignation or dismissal from the Internal Audit function.

D External Audit

The Committee shall review and monitor External Audit's independence and objectivity and the effectiveness of the audit process.

This will be achieved by consideration of:

- a) the Commission's and Force's relationships with the external auditor;
- b) proposals made by the Audit Commission regarding the appointment, re-appointment and removal of the external auditor;
- c) the qualifications, expertise and resources, effectiveness and independence of the external auditor annually;
- d) the external auditor's annual plan, annual audit letter and relevant specific reports as agreed with the external auditor, and make recommendations as appropriate;
- e) the draft Management Representation letters before authorisation by the Commissioner and Chief Constable, giving particular consideration to non-standard issues;

- f) the effectiveness of the audit process;
- g) the effectiveness of relationships between internal and external audit other inspection agencies or relevant bodies;
- h) the Commissioner's and Chief Constable's policies on the engagement of the External Auditors to supply non-audit services, taking into account relevant ethical guidance and the Audit Commission's requirements.

E Other Assurance Functions

The Committee shall review the findings of other significant assurance functions, both internal and external to the organisation.

F Counter Fraud

The Committee shall satisfy itself:

- a) that the Commission and Force have adequate arrangements in place for detecting fraud and preventing bribery and corruption;
- b) that effective complaints and whistle blowing arrangements exist and proportionate and independent investigation arrangements are in place.

9 Reporting

- a) The Chairman shall be entitled to meet with the Commissioner and Chief Constable prior to their approving the accounts each year;
- b) The Committee shall annually review its Terms of Reference and its own effectiveness and recommend any necessary changes to the Commissioner and Chief Constable;
- c) The Committee shall prepare a report on its role and responsibilities and the actions it has taken to discharge those responsibilities for inclusion in the annual accounts;
- d) Such a report shall specifically include:
 - A summary of the role of the Committee
 - The names and qualifications of all members of the Committee during the period
 - The number of Committee meetings and attendance by each member; and
 - The way the Committee has discharged its responsibilities
 - An assessment of the Committee's performance against its plan and terms of reference;
 - Identification of the key issues considered by the Committee and those highlighted to the Commissioner and Chief Constable
 - An assessment of Internal and external Audit
- e) If the Commissioner and / or the Chief Constable do not accept the Committee's recommendations regarding the appointment, re-appointment or removal of the external auditor the Committee shall include a statement regarding explaining its recommendation and the reasons why the

Commissioner / Chief Constable has taken a different stance in its annual report.

10 Standing Agenda Items

The agenda for each meeting of the Committee shall normally include the following:

Procedural items:

Apologies for absence
Declaration of Interests
Minutes of the last meeting
Matters Arising Action Log
Date, time and venue of next meeting

Business items:

Progress Reports

- Internal Audit
- External Audit

Update on implementation of Audit Recommendations
Items for escalation to the Commissioner and / or Chief Constable
Agenda Plan for the next four meetings

11 Accountability

The Committee is accountable to the Commissioner and Chief Constable.

* * * * *

The Joint Independent Audit Committee's – Aims and Objectives 2016/17

Aims and objectives	Comment
<p>Continue to fulfil its accountabilities as set out in the agreed terms of reference, including communicating the role to a wider group of people and assessing possible steps to promote effective public reporting. In part this may be by developing the link with the Police and Crime Panel.</p>	<p>The Committee has continued to fulfil its accountabilities.</p> <p>The possibility of providing the Committee's annual report to the Police and Crime Panel was discussed with the Panel's clerk who advised that this might confuse the roles of the Panel and the JIAC. A circulation of the report outside of the formal Panel meeting is being considered.</p> <p>The Committee has not published its work more widely but this is included in the actions for 2017/18 including providing more information via the OPCC website.</p>
<p>Further develop the approach to assurance mapping including examining the other potential sources of assurance (e.g. HMIC) and the extension to regional collaboration. Further work will be undertaken to ensure all major risks (Corporate / programme / operational) are identified to the Committee.</p>	<p>The Committee has received written reports on the HMIC review which are undertaken and has been assured by the processes to address the key recommendations.</p> <p>Assurance regarding collaborations has been derived from a programme of internal audit reviews of collaborations. Further work remains to be undertaken on this including the collaboration knows as the multi-force shared services.</p> <p>The Force has established a Change Board which has brought together the various programmes being undertaken and allows an overview of the risks and inter-dependencies. A JIAC member sits on this board.</p>
<p>Planning to review the effectiveness of internal and external auditor</p>	<p>This was not undertaken in 2016-17</p>
<p>Pursue assurance in the areas of force collaboration including ensuring all areas have</p>	<p>Assurance regarding collaborations has been derived from a systematic programme of internal audit reviews of collaborations. Further work remains to be</p>

<p>been considered and, if appropriate, more detailed examination is undertaken in selected areas. It will also consider the potential impact of the strategic alliance if this is agreed.</p>	<p>undertaken on this including the collaboration known as the multi-force shared services.</p> <p>The decision was taken not to proceed with the strategic alliance.</p>
<p>Seeking involvement with partner audit committees – this will be further shaped during 2016/17.</p>	<p>A regional meeting was held in July 2016 to discuss, in particular, the assurance to be gained from work undertaken in relation to regional collaborations (excluding MFSS). This was a helpful discussion which agreed some shared actions such as validating the full list of collaborations and checking that partnership agreement exist, joint follow up audits and making sure that the self assessments are regularly undertaken.</p>
<p>Seeking reports on the effectiveness of internal controls. This will be discharged mainly from Internal Auditor reviews but may include reviews specifically instigated by the Committee.</p>	<p>The Committee has continued to monitor the effectiveness of internal controls. The main approach to this has been via the reports of the Internal Audit based on the Internal Audit Plan but has extended to include reports from HMIC. Specific programmes, such as the new Service Delivery Model, have been discussed.</p> <p>The PCC decided to revise his governance framework documents in 2016-17 and separate this from the equivalent document for the Chief Constable. Although the PCC documents were drafted they have not been implemented and a recent decision has been made to produce a new governance framework which covers both organisations. The Committee will monitor the introduction of this.</p> <p>The Committee has been briefed on a review of the Finance function which has led to changes being implemented to co-ordinate finance work, put in place permanent staffing and improve reporting arrangements. The committee will monitor the implementation of this review.</p> <p>The Committee welcomed the establishment by the Force of the Force Assurance Board which reviews governance matters on a regular basis and should streamline the work of the JIAC.</p> <p>By the beginning of 2017-18 the Committee would have expected to see evidence</p>

	<p>of the following key documents: Estates strategy Capital Programme Treasury Management Strategy and outturn report Reserves policy Medium term financial plan.</p> <p>Following discussions with officers the Committee has been re-assured that these documents are being developed but, until they and the revised governance framework are in place, the foundation for effective financial control is weakened.</p>
<p>Maintain an overview of the governance arrangements of the transformation programme. This will be done by regular reports to the Committee on the programme, involvement of a Committee member on the programme board and by shared discussions between Audit Committee chairs across the area of the potential strategic alliance.</p>	<p>The Committee has maintained an oversight of the main change programmes being implemented. It is represented on the Transformation Board (now the Change Board).</p> <p>The Strategic Alliance is not being progressed.</p>
<p>Develop its work in terms of considering the VFM arrangements building initially on the Home Office Financial management code of practice. The aim is to be able evidence ways in which the OPCC and CC have considered value for money in the delivery of service to the public.</p>	<p>The Committee has considered a report on securing value for money using, as a basis the Financial Management Code of Practice. In addition the external auditor provided an unqualified opinion, albeit based on a limited definition, on the organisations' approach to value for money.</p> <p>In respect of collaborations, as many have been in place for some years, a review should be considered to test their overall effectiveness and vfm.</p> <p>It would be fair to say that Committee has not found it easy to robustly establish that value for money is embedded in decision making. The Committee has had concerns, particularly in relation to the decision to vacate the Wootton Hall site (a review of this decision is underway) and planning of capital expenditure.</p>

	This area of assurance will continue to be considered by the JIAC.
To keep the preparation and content of the Annual Accounts under review, not least to ensure the earlier reporting deadline in 2016/17 is met.	The processes to close the 2016/17 accounts were kept under review through the year (although the closure process is not due to be completed by the time of this report). The organisations have increased the capacity of the finance teams involved with closure (initially on a temporary basis and more recently, following an internal review, on a permanent basis). The organisations are also piloting a CIPFA tool to automate the closure process; if it is successful this will help with the earlier closedown timetable for the 2017-18 accounts.

The Joint Independent Audit Committee's – Draft Aims and Objectives 2017-18

(Note: *IA indicates that this is also a recommendation from the Internal Audit review of JIAC effectiveness)

Aims and objectives
Recruit a fifth member for the JIAC to provide a wider range of skills and experience and ensure that there is an appropriate induction programme (Autumn 2017) [*IA]
Monitor the implementation of the finance review (throughout 2017-18)
Review the revised government frameworks for the PCC and CC (expected by September 2017) and monitor the implementation of the governance documents (during 2017-18)
Press for the production of appropriate documents which underpin the governance framework and financial control arrangements (including the estates strategy, capital programme, treasury management strategy, medium term financial plan and reserves policy) (by September 2017)
Continue the JIAC involvement in the Change Board and the Force Assurance Board (ongoing)
Ensure that JIAC members' disclosure of interests is complete and up to date (September 2017)
Consider improvements in the provision of information about JIAC particularly on the OPCC website and including: terms of reference; disclosed interests: minutes and annual report (October 2017) [*IA] and the possibility of some form of document repository for JIAC members.
Review JIAC governance arrangements [*IA]: <ul style="list-style-type: none"> • Terms of reference possibly incorporating items excluded • Regular meetings with PCC and CC • Presenting the Annual report to the PCC Board • Inviting PCC and CC to attend the JIAC meetings at least on an annual basis • Keeping the JIAC agenda under review and develop the annual work plan • Providing greater clarity about matters on which the JIAC wishes further assurance • Consider repeating a skills audit for JIAC • Consider, as appropriate, involving other officers or independent experts to present to the committee
To monitor the capacity risk in respect of increasing workloads re the implementation and monitoring of the SDM, the upgrade and migration to the Fusion operating system, implementation of the estates strategy and the potential inclusion of the fire Service within the OPCC remit.
Continue to seek input / insight from other audit committees in the region with a view to driving best practice (2017/18)



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

Internal Audit Progress Report 2016/17 & 2017/18

June 2017

Presented to the Joint Independent Audit Committee meeting of: 19th June 2017

Contents

- 01 Introduction
- 02 Summary and conclusions from Internal Audit work to date
- 03 Performance 2016/17

Appendices

- A1 Summary of Reports 2016/17
- A2 Internal Audit Plan 2016/17
- A3 Internal Audit Plan 2017/18
- A4 Definition of Assurances and Priorities
- A5 Contact Details
- A6 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 Operational Plan for the year ended 31st March 2017, together with progress on delivering the 2017/18 Internal Audit Plan which was considered by the JIAC at its meeting on 6th March 2017.
- 1.2 The Police and Crime Commissioner and Chief Constable are responsible for ensuring that the organisations have proper internal control and management systems in place. In order to do this, they must obtain assurance on the effectiveness of those systems throughout the year, and are required to make a statement on the effectiveness of internal control within their annual report and financial statements.
- 1.3 Internal audit provides the Police and Crime Commissioner and Chief Constable with an independent and objective opinion on governance, risk management and internal control and their effectiveness in achieving the organisation's agreed objectives. Internal audit also has an independent and objective advisory role to help line managers improve governance, risk management and internal control. The work of internal audit, culminating in our annual opinion, forms a part of the OPCC and Force's overall assurance framework and assists in preparing an informed statement on internal control.
- 1.4 Responsibility for a sound system of internal control rests with the Police and Crime Commissioner and Chief Constable and work performed by internal audit should not be relied upon to identify all weaknesses which exist or all improvements which may be made. Effective implementation of our recommendations makes an important contribution to the maintenance of reliable systems of internal control and governance.
- 1.5 Internal audit should not be relied upon to identify fraud or irregularity, although our procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control will not necessarily be an effective safeguard against collusive fraud.
- 1.6 Our work is delivered in accordance with the Public Sector Internal Audit Standards (PSIAS).

02 Summary of internal audit work to date

2.1 We have issued two final reports in respect of the 2016/17 plan since the last progress report to the JIAC. These were in respect of Business Continuity and Capital Expenditure. Further details are provided in Appendix 1.

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

Northamptonshire 2016/17 Audits	Status	Assurance Opinion		Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
Risk Management	Final	Force	OPCC	-	5	-	5
Business Continuity	Final	Limited		3	2	1	6
Capital Expenditure	Final	Satisfactory			2	3	5
Total				8	42	22	72

2.2 As reported in our previous progress report, five specific areas have been identified in terms of the collaborative audits for 2016/17. These reviews looked at the business plan and S22 agreement in terms of whether it is being delivered and is fit for purpose going forward; the scope also included value for money considerations and arrangements for managing risk. Since the last progress report to the JIAC we have finalised the last two audits; these being in respect of EMSOU and EMOpSS. Further details are provided in Appendix 1.

Collaboration Audits 2016/17	Status	Assurance Opinion	Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
Collaboration						
EM Shared HR Service Centre	Final	Satisfactory		1	3	4
EM Legal Services	Final	Limited	1	3	2	6
EMOpSS	Final	Satisfactory		3	3	6
EMS Commercial Unit	Final	Satisfactory		3		3
EMSOU	Final	Satisfactory		3	1	4
Collaboration Total		Total	1	13	9	23

- 2.3 Work in respect of the 2017/18 audit plan is underway and we have recently issued the final report in respect of a review of the JIAC's Effectiveness. The audit used the five good practice principles set out in the National Audit Offices (NAO's) good practice guide 'The Audit Committee Self-Assessment Checklist, 2012' and we engaged with the Chair and other members of the JIAC during the review. We also utilised CIPFA's self-assessment tool which provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement: Audit Committees in Local Authorities and Police. JIAC members were required to independently complete the self-assessment and then a session was held with members to analyse further their responses. The report, including an agreed action plan, is included as a separate agenda item.
- 2.4 In addition, a draft report in respect of Seized Property has recently been issued and we await management's responses prior to issuing the final report. We have agreed fieldwork dates in respect of Victims Code of Practice and Fleet Management. Further details are provided within Appendix A3.

03 Performance

3.1 The following table details the Internal Audit Service performance for the year to date measured against the key performance indicators that were set out within Audit Charter.

No	Indicator	Criteria	Performance
1	Annual report provided to the JIAC	As agreed with the Client Officer	Achieved
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% (12/12)
5	Issue of final report	Within 5 working days of agreement of responses.	100% (12/12)
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% (12/12)
9	Customer satisfaction (measured by survey)	85% average satisfactory or above	100% (3/3)

Appendix A1 – Summary of Reports 2016/17

Below we provide brief outlines of the work carried out, a summary of our key findings raised and the assurance opinions given in respect of the final reports issued since the last progress report relating to the 2016/17 Internal Audit Plan:

Capital Expenditure

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

Our audit considered the following area objectives:

- There are effective governance arrangements in place between the Force and OPCC for the management of assets. This includes roles and responsibilities, reporting, decision making, etc.
- There is a comprehensive and approved Asset Management Strategy in place which is aligned with strategic and medium / long term objectives of the OPCC and Force.
- An up to date Asset Register is maintained, including all relevant information, which recognises all Force assets and includes effective controls for the tracking / monitoring of assets.
- Assets are managed effectively at an operational level to ensure they are maintained, monitored and controlled in line with force requirements and relevant legislation.
- Capital expenditure in terms of assets is adequately controlled and in line with the approved budget and Force approval processes, including the agreed scheme of delegation and referral to the OPCC where applicable.
- Asset disposal procedures are clearly defined and adhered to.
- There are effective and robust controls in place for the management of the capital programme, including decisions as to what is included in the programme and the management of capital projects.
- Management information and reporting processes are in place to enable the Force to monitor performance of asset management.

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

- Governance
- Asset Management
- Capital Programme
- Management Information

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

<p>Recommendation 1</p>	<p>The OPCC should produce an overarching Asset Management Plan and Capital Strategy which will be supported by the Estates Strategy, Treasury Management Strategy and Capital Programme. These should be approved by the Commissioner (or persons with delegated authority).</p>
<p>Finding</p>	<p>In order for effective management of the OPCC assets and capital, and to ensure that roles, responsibilities and reporting lines have been formally defined, an Asset Management Strategy and Capital Strategy should be produced. The Estates Strategy currently being produced should be linked to the Asset Management and Capital Strategies.</p> <p>It was confirmed that, at the time of the audit, the OPCC does not have an Asset Management Strategy or Capital Strategy in place.</p> <p>An executive order (#54) was approved by the PCC in January 2016 regarding a 'Consultation on Revised Estates Strategy'. As a result of this executive order, the PCC approved, for consultation purposes, the draft Estates Strategy 2016. However, discussion with the OPCC Chief Executive identified that the Estates Strategy is currently in the process of being reviewed and, as a result, a revised strategy will be produced.</p>
<p>Response</p>	<p>Fully endorse the recommendation. The OPCC has fundamentally failed to produce sufficient governance, processes, strategies and active management of the capital programme. The current Financial Review, which has been instigated by RGJ, has also independently identified these failings. The Estates Strategy and subsequent capital programme, asset management and treasury management strategies are being developed now with an estimated completion of Jun 17. This will be a step change in the ability of the OPCC and Force to appropriately and correctly make decisions based on accurate information and also monitor progress. This has been a substantial failure over the past 12/24 months that has been recognised and is being addressed. This Internal Audit report now formalises this requirement.</p>
<p>Timescale</p>	<p>Estates. MS. Jun 17 Capital Prog. MS/RGJ. Jul 17 Treasury Man. RGJ. Jul 17 Governance Process. MS. (subject to Fin Review). Jul 17</p>

<p>Recommendation 2</p>	<p>The governance structure for the oversight of the entire Capital Programme should be reviewed and a forum should be created to provide a mechanism for effective management monitoring between the Force and OPCC. The forum should monitor both business delivery and financial spend at a scheme level, as well as reviewing decisions to be taken and providing strategic oversight of the programme.</p>
<p>Finding</p>	<p>To ensure that there is effective oversight of the Capital Programme, the governance structure between the Force and the OPCC in regards to the programme should be reviewed and a forum created to provide a mechanism for effective management monitoring.</p> <p>The Estates Programme Board consists of membership from both the Force and the OPCC. A review of the Board's terms of reference confirmed that the Board has the following purpose:</p> <p>"The Board is responsible for drafting, securing agreement to and the oversight of delivery of the OPCC Estates Strategy, and the associated Asset Management Plan, Capital Strategy and Capital Programme."</p>

	<p>However, it was noted that the Board provides strategic oversight of the Capital Programme and is not a forum for the operational management and monitoring of the programme and the assets associated with the programme. This was confirmed through a review of the meeting minutes. This Board does not review regular reports on projects within the Capital Programme and does not have the delegated authority to make decisions regarding the Capital Programme. The Capital Programme is also made up of other projects that are not associated with estates and therefore the Estates Programme Board does not seem the most appropriate forum to oversee the Capital Programme.</p> <p>It was identified through discussion that a number of meetings had been arranged between the Force and OPCC to discuss the Capital Programme, however these were not held as planned. Therefore there are weaknesses in the current governance structures in place to operationally manage the Capital Programme.</p>
Response	Agreed. As per 4.1. Capital governance process subject to the estates and fin review between the OPCC and Force.
Timescale	MS. Jul 17

Recommendation 3	A formal process should be implemented for the approval of in year changes to the Capital Programme, including additions, deletions and budget virements. Formal approval should be provided by the OPCC prior to the amendments being processed by the Force.
Finding	<p>To strengthen the decision making processes in place over the Capital Programme, a formal process for the approval of amendments to the programme, including additions, deletions and budget virements, should be implemented.</p> <p>There is currently no formal agreed process for approving any changes to the Capital programme, including budget virements between projects, additions to the programme and deletions from the programme.</p> <p>The current process followed is that Force Finance will update the Capital Programme budget spreadsheet with changes and send this to the OPCC on a monthly basis. Unless the OPCC say otherwise, it is taken as approved. There is no process whereby the OPCC provides formal approval of these changes.</p> <p>There is also no forum for discussing potential amendments to the Capital Programme between the OPCC and Force prior to these decisions being taken.</p>
Response	Agreed. As per 4.1
Timescale	MS. Jul 17

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

- The Force should revise the asset registers in order for only necessary information to be held on the register. All asset registers should include the following information:
 - Item description;
 - Item valuation (both initial purchase value and current value for depreciation);
 - Item added/disposed of date;
 - Item age; and
 - Expected/Average lifespan of item

- The OPCC and Force should agree to the formatting of Capital Programme reports for monitoring purposes. Upon agreement, both parties should use the same formatting style for consistency and ease of reference.

Management confirmed that all actions will be completed by July 2017.

Business Continuity

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

Our audit considered the following control objectives:

- Roles and responsibilities in respect of Business Continuity across the OPCC and Force are clearly defined, with officers and staff having a full understanding and accountability for associated processes.
- Effective policies and procedures are maintained and regularly reviewed to ensure a consistent and effective approach to Business Continuity is applied across the OPCC and Force.
- Business Continuity and Crisis Management Procedures exist to ensure that incidents are effectively escalated and emergency action is mobilised where required. The procedures are subject to regular testing.
- An agreed annual Business Continuity testing plan is embedded across the OPCC and Force which is subject to regular monitoring.
- The delivery of testing plans, associated outcomes and unplanned events is monitored, with systems embedded to drive continuous improvement and lessons learnt.
- There is regular monitoring and reporting of business continuity processes and issues to Chief Officers, the Strategic Risk Management Board and JIAC to ensure effective scrutiny and oversight of arrangements.

In reviewing the above control objectives, our audit considered the following areas:

- Roles and Responsibilities;
- Policies and Procedures;
- Incident Escalation and Emergency Action Procedures;
- Business Continuity Test Plans;
- Continuous Improvement and Lessons Learnt; and
- Monitoring and Reporting.

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

- The OPCC should formally document its business continuity arrangements for the office. This should include the steps that are required to be taken in the event of an emergency and the roles and responsibilities in an emergency event of staff within the office.

The business continuity arrangements for the OPCC should be linked to the risks identified and documented within the OPCC Strategic Risk Register.

- Guidance should be produced for the testing / exercising of business continuity plans and this should be distributed to Plan Owners. The guidance should outline the required testing exercises dependant on the criticality of the department.

All testing / exercising results should be reported to the Force Assurance Board.

We also raised three priority 3 recommendations of a more housekeeping nature. These were in respect of storage of plans, premises contingency arrangements and recovery time objectives.

Management have confirmed that all agreed actions will be completed by 31st May 2017.

East Midlands Special Operations Unit (EMSOU)

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

The East Midlands Special Operations Unit (EMSOU) is one of the oldest collaborations, with it being established over a decade ago. It was brought together as a five force collaboration between Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire Police. It has four main units that sit within the EMSOU structure:

- EMSOU – Major Crime (EMSOU-MC)
- EMSOU – Serious Organised Crime (EMSOU-SOC)
- EMSOU – Forensic Services (EMSOU-FS)
- EMSOU – Special Branch (EMSOU-SB)

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

- A Section 22 agreement is in place that clearly sets out the decision making and governance framework that is in place;
- A clearly defined Business Plan is in place that sets out the statutory duties, objectives and the key performance indicators for the services to be provided;

- The Business Plan is set in line with the Section 22 agreement and it is regularly reviewed to ensure it remains 'fit for purpose';
- There are effective reporting processes in place to provide assurances to the Forces on the performance of the unit;
- Value for money considerations are regularly reviewed and reported to the Forces; and
- The unit has procedures in place to ensure that risks are identified, assessed recorded and managed appropriately.

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

- A review of the current governance groups should be undertaken and a consistent format to the terms of references that are in place should be applied across EMSOU. These should include, but not be limited to:
 - Purpose
 - Scope
 - Membership
 - Decision making authority
 - Reporting Requirements
 - Frequency of meetings
 - Review

- Appropriate business plans should be put in place in line with the section 22 agreements.

The business plans should have a three year outlook, clearly stating reporting requirements that will allow for an effective review of performance against the objectives set.

- A consistent approach to managing risk, including the format of risk registers, should be established across EMSOU. This should include consistency in the scoring of risks in order that EMSOU SLT is able to more effectively manage risks across each unit.

A risk register should be put in place in respect of the Serious Crime unit.

We also raised one priority 3 recommendation of a more housekeeping nature in respect of policies and procedures.

Management have confirmed that all agreed actions will be completed by 31st August 2017.

East Midlands Operational Support Services (EMOpSS)

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

The East Midlands Operational Support Services Unit (EMOpSS) is a four force collaboration between Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire Police. In December 2013 the four forces agreed to progress with a regional solution to operational support with leadership appointed in 2014 before going live in May 2015. The Unit collaborates in providing operational support in the following areas:

- Command and Control – Tasking, Co-ordination,
- Specialist Services – Dogs, Search, Tactical Support
- Armed Policing – Operations and Training
- Strategic Roads Policing – Roads Policing, Road Crime, Serious Collision Investigations

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

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

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

- A review of the current governance groups should be undertaken and a consistent format to the terms of references should be applied across EMOpSS. These should include, but not be limited to:
 - Purpose
 - Scope
 - Membership
 - Decision making authority
 - Reporting Requirements
 - Frequency of meetings
 - Review

The Terms of Reference should be established for each of the governance groups and the forums with decision making powers should ensure that they have a decision log in place and record meeting minutes.

- EMOpSS should continue to develop a performance framework.

This should consider the outputs and quality of its deployments across the region to ensure effective performance monitoring can take place.

- The risk register should be updated to include a RAG rating between the target risk score and the current risk score to clearly identify the priorities for risk mitigation actions.

The risk actions should be separated into ongoing actions and specific actions that will be taken on a set date, with the planned effect on the risk score clearly stated.

The Risk Register should be a standard agenda item at the Strategic Management Board meetings.

We also raised three priority 3 recommendations of a more housekeeping nature in respect of the meeting schedule, policies and procedures and the business plan.

Management have confirmed that all agreed actions will be completed by 30th September 2017.

Appendix A2 Internal Audit Plan 2016/17

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

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

Auditable Area	Planned Fieldwork Date	Actual Fieldwork Date	Draft Report Date	Final Report Date	Target JIAC	Comments
Other						
Core Financials Follow-up	-	June 2016	July 2016	July 2016	Sept 2016	
Walgrave Wellbeing Centre	-	Sept 2016	Oct 2016	Jan 2017	March 2017	Addition request from PCC. Final report issued.

Appendix A3 Internal Audit Plan 2017/18

Auditable Area	Planned Fieldwork Date	Actual Fieldwork Date	Draft Report Date	Final Report Date	Target JIAC	Comments
Core Assurance						
Core Financial Systems	Q3				Dec 2017	
Audit Committee Effectiveness	Q1	April 2017	May 2017	June 2017	June 2017	Final report issued.
Procurement Follow-up	Q3				Dec 2017	
Strategic & Operational Risk						
Information Technology Strategy	Q3				Dec 2017	
Data Quality	Q3				Mar 2018	
Counter Fraud Review	Q2				Dec 2017	
Financial Planning	Q3				Dec 2017	
Seized Property	Q1	May 2017	May 2017		June 2017	Draft report issued.
Estates Management	Q4				Mar 2018	
Victims Code of Practice	Q1				Sept 2017	Start date of 14 th June agreed.
Crime Management Process	Q4				Mar 2018	
Fleet Management	Q2				Sept 2017	Start date of 10 th July agreed.

Auditable Area	Planned Fieldwork Date	Actual Fieldwork Date	Draft Report Date	Final Report Date	Target JIAC	Comments
Collaboration						
EMCHRS Learning & Development	Aug 2017				Dec 2017	
EMCHRS Occupational Health	Aug 2017				Dec 2017	
EMSOU Forensic Services	Sept 2017				Dec 2017	
Criminal Justice (EMCJS)	Dec 2017				Mar 2018	
POCA	Jan 2018				Mar 2018	

Appendix A4 – Definition of Assurances and Priorities

Definitions of Assurance Levels		
Assurance Level	Adequacy of system design	Effectiveness of operating controls
Significant Assurance:	There is a sound system of internal control designed to achieve the Organisation's objectives.	The control processes tested are being consistently applied.
Satisfactory Assurance:	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.
Limited Assurance:	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.
No Assurance	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
Priority 1 (Fundamental)	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.
Priority 2 (Significant)	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.
Priority 3 (Housekeeping)	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 A5 - Contact Details

Contact Details

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A6 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.

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

Internal Audit Progress Report 2016/17 & 2017/18

June 2017

Presented to the Joint Independent Audit Committee meeting of: 19th June 2017

Contents

- 01 Introduction
- 02 Summary and conclusions from Internal Audit work to date
- 03 Performance 2016/17

Appendices

- A1 Summary of Reports 2016/17
- A2 Internal Audit Plan 2016/17
- A3 Internal Audit Plan 2017/18
- A4 Definition of Assurances and Priorities
- A5 Contact Details
- A6 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 Operational Plan for the year ended 31st March 2017, together with progress on delivering the 2017/18 Internal Audit Plan which was considered by the JIAC at its meeting on 6th March 2017.
- 1.2 The Police and Crime Commissioner and Chief Constable are responsible for ensuring that the organisations have proper internal control and management systems in place. In order to do this, they must obtain assurance on the effectiveness of those systems throughout the year, and are required to make a statement on the effectiveness of internal control within their annual report and financial statements.
- 1.3 Internal audit provides the Police and Crime Commissioner and Chief Constable with an independent and objective opinion on governance, risk management and internal control and their effectiveness in achieving the organisation's agreed objectives. Internal audit also has an independent and objective advisory role to help line managers improve governance, risk management and internal control. The work of internal audit, culminating in our annual opinion, forms a part of the OPCC and Force's overall assurance framework and assists in preparing an informed statement on internal control.
- 1.4 Responsibility for a sound system of internal control rests with the Police and Crime Commissioner and Chief Constable and work performed by internal audit should not be relied upon to identify all weaknesses which exist or all improvements which may be made. Effective implementation of our recommendations makes an important contribution to the maintenance of reliable systems of internal control and governance.
- 1.5 Internal audit should not be relied upon to identify fraud or irregularity, although our procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control will not necessarily be an effective safeguard against collusive fraud.
- 1.6 Our work is delivered in accordance with the Public Sector Internal Audit Standards (PSIAS).

02 Summary of internal audit work to date

2.1 We have issued two final reports in respect of the 2016/17 plan since the last progress report to the JIAC. These were in respect of Business Continuity and Capital Expenditure. Further details are provided in Appendix 1.

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

Northamptonshire 2016/17 Audits	Status	Assurance Opinion		Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
Risk Management	Final	Force	OPCC	-	5	-	5
Business Continuity	Final	Limited		3	2	1	6
Capital Expenditure	Final	Satisfactory			2	3	5
Total				8	42	22	72

2.2 As reported in our previous progress report, five specific areas have been identified in terms of the collaborative audits for 2016/17. These reviews looked at the business plan and S22 agreement in terms of whether it is being delivered and is fit for purpose going forward; the scope also included value for money considerations and arrangements for managing risk. Since the last progress report to the JIAC we have finalised the last two audits; these being in respect of EMSOU and EMOpSS. Further details are provided in Appendix 1.

Collaboration Audits 2016/17	Status	Assurance Opinion	Priority 1 (Fundamental)	Priority 2 (Significant)	Priority 3 (Housekeeping)	Total
Collaboration						
EM Shared HR Service Centre	Final	Satisfactory		1	3	4
EM Legal Services	Final	Limited	1	3	2	6
EMOpSS	Final	Satisfactory		3	3	6
EMS Commercial Unit	Final	Satisfactory		3		3
EMSOU	Final	Satisfactory		3	1	4
Collaboration Total		Total	1	13	9	23

- 2.3 Work in respect of the 2017/18 audit plan is underway and we have recently issued the final report in respect of a review of the JIAC's Effectiveness. The audit used the five good practice principles set out in the National Audit Offices (NAO's) good practice guide 'The Audit Committee Self-Assessment Checklist, 2012' and we engaged with the Chair and other members of the JIAC during the review. We also utilised CIPFA's self-assessment tool which provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement: Audit Committees in Local Authorities and Police. JIAC members were required to independently complete the self-assessment and then a session was held with members to analyse further their responses. The report, including an agreed action plan, is included as a separate agenda item.
- 2.4 In addition, a draft report in respect of Seized Property has recently been issued and we await management's responses prior to issuing the final report. We have agreed fieldwork dates in respect of Victims Code of Practice and Fleet Management. Further details are provided within Appendix A3.

03 Performance

3.1 The following table details the Internal Audit Service performance for the year to date measured against the key performance indicators that were set out within Audit Charter.

No	Indicator	Criteria	Performance
1	Annual report provided to the JIAC	As agreed with the Client Officer	Achieved
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% (12/12)
5	Issue of final report	Within 5 working days of agreement of responses.	100% (12/12)
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% (12/12)
9	Customer satisfaction (measured by survey)	85% average satisfactory or above	100% (3/3)

Appendix A1 – Summary of Reports 2016/17

Below we provide brief outlines of the work carried out, a summary of our key findings raised and the assurance opinions given in respect of the final reports issued since the last progress report relating to the 2016/17 Internal Audit Plan:

Capital Expenditure

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

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

Our audit considered the following area objectives:

- There are effective governance arrangements in place between the Force and OPCC for the management of assets. This includes roles and responsibilities, reporting, decision making, etc.
- There is a comprehensive and approved Asset Management Strategy in place which is aligned with strategic and medium / long term objectives of the OPCC and Force.
- An up to date Asset Register is maintained, including all relevant information, which recognises all Force assets and includes effective controls for the tracking / monitoring of assets.
- Assets are managed effectively at an operational level to ensure they are maintained, monitored and controlled in line with force requirements and relevant legislation.
- Capital expenditure in terms of assets is adequately controlled and in line with the approved budget and Force approval processes, including the agreed scheme of delegation and referral to the OPCC where applicable.
- Asset disposal procedures are clearly defined and adhered to.
- There are effective and robust controls in place for the management of the capital programme, including decisions as to what is included in the programme and the management of capital projects.
- Management information and reporting processes are in place to enable the Force to monitor performance of asset management.

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

- Governance
- Asset Management
- Capital Programme
- Management Information

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

<p>Recommendation 1</p>	<p>The OPCC should produce an overarching Asset Management Plan and Capital Strategy which will be supported by the Estates Strategy, Treasury Management Strategy and Capital Programme. These should be approved by the Commissioner (or persons with delegated authority).</p>
<p>Finding</p>	<p>In order for effective management of the OPCC assets and capital, and to ensure that roles, responsibilities and reporting lines have been formally defined, an Asset Management Strategy and Capital Strategy should be produced. The Estates Strategy currently being produced should be linked to the Asset Management and Capital Strategies.</p> <p>It was confirmed that, at the time of the audit, the OPCC does not have an Asset Management Strategy or Capital Strategy in place.</p> <p>An executive order (#54) was approved by the PCC in January 2016 regarding a 'Consultation on Revised Estates Strategy'. As a result of this executive order, the PCC approved, for consultation purposes, the draft Estates Strategy 2016. However, discussion with the OPCC Chief Executive identified that the Estates Strategy is currently in the process of being reviewed and, as a result, a revised strategy will be produced.</p>
<p>Response</p>	<p>Fully endorse the recommendation. The OPCC has fundamentally failed to produce sufficient governance, processes, strategies and active management of the capital programme. The current Financial Review, which has been instigated by RGJ, has also independently identified these failings. The Estates Strategy and subsequent capital programme, asset management and treasury management strategies are being developed now with an estimated completion of Jun 17. This will be a step change in the ability of the OPCC and Force to appropriately and correctly make decisions based on accurate information and also monitor progress. This has been a substantial failure over the past 12/24 months that has been recognised and is being addressed. This Internal Audit report now formalises this requirement.</p>
<p>Timescale</p>	<p>Estates. MS. Jun 17 Capital Prog. MS/RGJ. Jul 17 Treasury Man. RGJ. Jul 17 Governance Process. MS. (subject to Fin Review). Jul 17</p>

<p>Recommendation 2</p>	<p>The governance structure for the oversight of the entire Capital Programme should be reviewed and a forum should be created to provide a mechanism for effective management monitoring between the Force and OPCC. The forum should monitor both business delivery and financial spend at a scheme level, as well as reviewing decisions to be taken and providing strategic oversight of the programme.</p>
<p>Finding</p>	<p>To ensure that there is effective oversight of the Capital Programme, the governance structure between the Force and the OPCC in regards to the programme should be reviewed and a forum created to provide a mechanism for effective management monitoring.</p> <p>The Estates Programme Board consists of membership from both the Force and the OPCC. A review of the Board's terms of reference confirmed that the Board has the following purpose:</p> <p>"The Board is responsible for drafting, securing agreement to and the oversight of delivery of the OPCC Estates Strategy, and the associated Asset Management Plan, Capital Strategy and Capital Programme."</p>

	<p>However, it was noted that the Board provides strategic oversight of the Capital Programme and is not a forum for the operational management and monitoring of the programme and the assets associated with the programme. This was confirmed through a review of the meeting minutes. This Board does not review regular reports on projects within the Capital Programme and does not have the delegated authority to make decisions regarding the Capital Programme. The Capital Programme is also made up of other projects that are not associated with estates and therefore the Estates Programme Board does not seem the most appropriate forum to oversee the Capital Programme.</p> <p>It was identified through discussion that a number of meetings had been arranged between the Force and OPCC to discuss the Capital Programme, however these were not held as planned. Therefore there are weaknesses in the current governance structures in place to operationally manage the Capital Programme.</p>
Response	Agreed. As per 4.1. Capital governance process subject to the estates and fin review between the OPCC and Force.
Timescale	MS. Jul 17

Recommendation 3	A formal process should be implemented for the approval of in year changes to the Capital Programme, including additions, deletions and budget virements. Formal approval should be provided by the OPCC prior to the amendments being processed by the Force.
Finding	<p>To strengthen the decision making processes in place over the Capital Programme, a formal process for the approval of amendments to the programme, including additions, deletions and budget virements, should be implemented.</p> <p>There is currently no formal agreed process for approving any changes to the Capital programme, including budget virements between projects, additions to the programme and deletions from the programme.</p> <p>The current process followed is that Force Finance will update the Capital Programme budget spreadsheet with changes and send this to the OPCC on a monthly basis. Unless the OPCC say otherwise, it is taken as approved. There is no process whereby the OPCC provides formal approval of these changes.</p> <p>There is also no forum for discussing potential amendments to the Capital Programme between the OPCC and Force prior to these decisions being taken.</p>
Response	Agreed. As per 4.1
Timescale	MS. Jul 17

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

- The Force should revise the asset registers in order for only necessary information to be held on the register. All asset registers should include the following information:
 - Item description;
 - Item valuation (both initial purchase value and current value for depreciation);
 - Item added/disposed of date;
 - Item age; and
 - Expected/Average lifespan of item

- The OPCC and Force should agree to the formatting of Capital Programme reports for monitoring purposes. Upon agreement, both parties should use the same formatting style for consistency and ease of reference.

Management confirmed that all actions will be completed by July 2017.

Business Continuity

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

Our audit considered the following control objectives:

- Roles and responsibilities in respect of Business Continuity across the OPCC and Force are clearly defined, with officers and staff having a full understanding and accountability for associated processes.
- Effective policies and procedures are maintained and regularly reviewed to ensure a consistent and effective approach to Business Continuity is applied across the OPCC and Force.
- Business Continuity and Crisis Management Procedures exist to ensure that incidents are effectively escalated and emergency action is mobilised where required. The procedures are subject to regular testing.
- An agreed annual Business Continuity testing plan is embedded across the OPCC and Force which is subject to regular monitoring.
- The delivery of testing plans, associated outcomes and unplanned events is monitored, with systems embedded to drive continuous improvement and lessons learnt.
- There is regular monitoring and reporting of business continuity processes and issues to Chief Officers, the Strategic Risk Management Board and JIAC to ensure effective scrutiny and oversight of arrangements.

In reviewing the above control objectives, our audit considered the following areas:

- Roles and Responsibilities;
- Policies and Procedures;
- Incident Escalation and Emergency Action Procedures;
- Business Continuity Test Plans;
- Continuous Improvement and Lessons Learnt; and
- Monitoring and Reporting.

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

- The OPCC should formally document its business continuity arrangements for the office. This should include the steps that are required to be taken in the event of an emergency and the roles and responsibilities in an emergency event of staff within the office.

The business continuity arrangements for the OPCC should be linked to the risks identified and documented within the OPCC Strategic Risk Register.

- Guidance should be produced for the testing / exercising of business continuity plans and this should be distributed to Plan Owners. The guidance should outline the required testing exercises dependant on the criticality of the department.

All testing / exercising results should be reported to the Force Assurance Board.

We also raised three priority 3 recommendations of a more housekeeping nature. These were in respect of storage of plans, premises contingency arrangements and recovery time objectives.

Management have confirmed that all agreed actions will be completed by 31st May 2017.

East Midlands Special Operations Unit (EMSOU)

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

The East Midlands Special Operations Unit (EMSOU) is one of the oldest collaborations, with it being established over a decade ago. It was brought together as a five force collaboration between Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire Police. It has four main units that sit within the EMSOU structure:

- EMSOU – Major Crime (EMSOU-MC)
- EMSOU – Serious Organised Crime (EMSOU-SOC)
- EMSOU – Forensic Services (EMSOU-FS)
- EMSOU – Special Branch (EMSOU-SB)

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

- A Section 22 agreement is in place that clearly sets out the decision making and governance framework that is in place;
- A clearly defined Business Plan is in place that sets out the statutory duties, objectives and the key performance indicators for the services to be provided;

- The Business Plan is set in line with the Section 22 agreement and it is regularly reviewed to ensure it remains 'fit for purpose';
- There are effective reporting processes in place to provide assurances to the Forces on the performance of the unit;
- Value for money considerations are regularly reviewed and reported to the Forces; and
- The unit has procedures in place to ensure that risks are identified, assessed recorded and managed appropriately.

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

- A review of the current governance groups should be undertaken and a consistent format to the terms of references that are in place should be applied across EMSOU. These should include, but not be limited to:
 - Purpose
 - Scope
 - Membership
 - Decision making authority
 - Reporting Requirements
 - Frequency of meetings
 - Review

- Appropriate business plans should be put in place in line with the section 22 agreements.

The business plans should have a three year outlook, clearly stating reporting requirements that will allow for an effective review of performance against the objectives set.

- A consistent approach to managing risk, including the format of risk registers, should be established across EMSOU. This should include consistency in the scoring of risks in order that EMSOU SLT is able to more effectively manage risks across each unit.

A risk register should be put in place in respect of the Serious Crime unit.

We also raised one priority 3 recommendation of a more housekeeping nature in respect of policies and procedures.

Management have confirmed that all agreed actions will be completed by 31st August 2017.

East Midlands Operational Support Services (EMOpSS)

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

The East Midlands Operational Support Services Unit (EMOpSS) is a four force collaboration between Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire Police. In December 2013 the four forces agreed to progress with a regional solution to operational support with leadership appointed in 2014 before going live in May 2015. The Unit collaborates in providing operational support in the following areas:

- Command and Control – Tasking, Co-ordination,
- Specialist Services – Dogs, Search, Tactical Support
- Armed Policing – Operations and Training
- Strategic Roads Policing – Roads Policing, Road Crime, Serious Collision Investigations

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

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

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

- A review of the current governance groups should be undertaken and a consistent format to the terms of references should be applied across EMOpSS. These should include, but not be limited to:
 - Purpose
 - Scope
 - Membership
 - Decision making authority
 - Reporting Requirements
 - Frequency of meetings
 - Review

The Terms of Reference should be established for each of the governance groups and the forums with decision making powers should ensure that they have a decision log in place and record meeting minutes.

- EMOpSS should continue to develop a performance framework.

This should consider the outputs and quality of its deployments across the region to ensure effective performance monitoring can take place.

- The risk register should be updated to include a RAG rating between the target risk score and the current risk score to clearly identify the priorities for risk mitigation actions.

The risk actions should be separated into ongoing actions and specific actions that will be taken on a set date, with the planned effect on the risk score clearly stated.

The Risk Register should be a standard agenda item at the Strategic Management Board meetings.

We also raised three priority 3 recommendations of a more housekeeping nature in respect of the meeting schedule, policies and procedures and the business plan.

Management have confirmed that all agreed actions will be completed by 30th September 2017.

Appendix A2 Internal Audit Plan 2016/17

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

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

Auditable Area	Planned Fieldwork Date	Actual Fieldwork Date	Draft Report Date	Final Report Date	Target JIAC	Comments
Other						
Core Financials Follow-up	-	June 2016	July 2016	July 2016	Sept 2016	
Walgrave Wellbeing Centre	-	Sept 2016	Oct 2016	Jan 2017	March 2017	Addition request from PCC. Final report issued.

Appendix A3 Internal Audit Plan 2017/18

Auditable Area	Planned Fieldwork Date	Actual Fieldwork Date	Draft Report Date	Final Report Date	Target JIAC	Comments
Core Assurance						
Core Financial Systems	Q3				Dec 2017	
Audit Committee Effectiveness	Q1	April 2017	May 2017	June 2017	June 2017	Final report issued.
Procurement Follow-up	Q3				Dec 2017	
Strategic & Operational Risk						
Information Technology Strategy	Q3				Dec 2017	
Data Quality	Q3				Mar 2018	
Counter Fraud Review	Q2				Dec 2017	
Financial Planning	Q3				Dec 2017	
Seized Property	Q1	May 2017	May 2017		June 2017	Draft report issued.
Estates Management	Q4				Mar 2018	
Victims Code of Practice	Q1				Sept 2017	Start date of 14 th June agreed.
Crime Management Process	Q4				Mar 2018	
Fleet Management	Q2				Sept 2017	Start date of 10 th July agreed.

Auditable Area	Planned Fieldwork Date	Actual Fieldwork Date	Draft Report Date	Final Report Date	Target JIAC	Comments
Collaboration						
EMCHRS Learning & Development	Aug 2017				Dec 2017	
EMCHRS Occupational Health	Aug 2017				Dec 2017	
EMSOU Forensic Services	Sept 2017				Dec 2017	
Criminal Justice (EMCJS)	Dec 2017				Mar 2018	
POCA	Jan 2018				Mar 2018	

Appendix A4 – Definition of Assurances and Priorities

Definitions of Assurance Levels		
Assurance Level	Adequacy of system design	Effectiveness of operating controls
Significant Assurance:	There is a sound system of internal control designed to achieve the Organisation's objectives.	The control processes tested are being consistently applied.
Satisfactory Assurance:	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.
Limited Assurance:	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.
No Assurance	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
Priority 1 (Fundamental)	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.
Priority 2 (Significant)	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.
Priority 3 (Housekeeping)	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 A5 - Contact Details

Contact Details

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A6 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.

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

Internal Audit Plan 2017/18

February 2017 (updated March 2017)

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

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

Contents

1.	Introduction.....	1
2.	The Scope and Purpose of Internal Audit	1
3.	Approach	2
4.	External Audit Consultation	4
	Appendix A – Annual Internal Audit Plan 2017-18.....	5
	Appendix B – Levels of Assurance and Opinions	9
	Appendix C – Contact Details	10
	Statement of Responsibility.....	11

1. Introduction

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

2. The Scope and Purpose of Internal Audit

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

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

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

3. Approach

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

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



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

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

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

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

4 External Audit Consultation

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

Appendix A – Annual Audit Plan 2017-18

AUDITABLE AREA	PROPOSED TIMING ¹	JIAC ²	PLAN DAYS	Commentary on Coverage
Core Assurance				
Core Financial Systems Assurance: <ul style="list-style-type: none"> • General Ledger • Payroll • Cash & Bank • Payments & Creditors • Income & Debtors 	Q3		18	To provide assurance with regards the adequacy and effectiveness of the systems of internal control in operation to manage the core financial systems. The scope of the work will include, but not be limited to: <ul style="list-style-type: none"> • Policies and procedures • Access controls • Amendments to standing data • Reconciliations • Authorisation routines • Reporting Similar to in previous years, the audit will include operations within the Multi-Force Shared Service (MFSS).
Audit Committee Effectiveness	Q1		6	To provide assurance that there is an effective audit committee function in place to provide independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting and annual governance process, as set out in CIPFA's <i>Audit Committees / Practical Guidance for Local Authorities and Police, 2013</i> .

AUDITABLE AREA	PROPOSED TIMING ¹	JIAC ²	PLAN DAYS	Commentary on Coverage
Procurement Follow-up	Q3		5	<p>To provide assurance that sound controls are in place and value for money is being sought in respect of the procurement of goods and services. The audit will cover both local / under £25k expenditure, and the use of the East Midlands Strategic Commercial Unit (EMSCU) for expenditure above £25k.</p> <p>An audit took place in 2016/17 for which the EMSCU element of operations received limited assurance. It was determined weaknesses in the systems of internal controls are such to put the Organisation's objectives at risk. The area will be revisited to provide assurance that recommendations previously made have been implemented satisfactorily.</p>
Strategic & Operational Risk Assurance				
Information Technology Strategy	Q3		8	To provide assurance that clear and effective IT Strategy has been developed and is being consistently delivered across the Tri-Force region.
Data Quality	Q3		10	To provide assurance that effective governance, policies, procedures and data quality auditing routines are in place for ensuring data quality, for example, through such systems as Niche. The audit will include dip sampling of the quality of records.
Counter Fraud Review	Q2		10	To review policies and procedures for countering fraud against best practice across the Tri-Force region. The review will include interviews, examination of key documents and questionnaires to officers / staff.
Financial Planning	Q3		12	To provide assurance with the robustness of the Force's financial planning and budget control processes, particularly in light of the Service Delivery Model and new Police & Crime Plan.

AUDITABLE AREA	PROPOSED TIMING ¹	JIAC ²	PLAN DAYS	Commentary on Coverage
Seized & Found Property	Q1		8	To provide assurance that the Force has effective controls in place for the receipting, storage, management and disposal of seized and found property. The audit will form part of a wider review covering the Tri-Force region.
Estates Management	Q4		10	To provide assurance that the OPCC / Force have effective controls in place to manage the estate. The audit will review the extent to which the Estates Strategy is being delivered, how it contributes to the strategic and medium / long term objectives of the OPCC / Force and will drill down to day-to-day maintenance routines.
Victims Code of Practice	Q1		3	An audit took place in 2016/17 for which a limited assurance opinion was given. It was determined weaknesses in the systems of internal controls are such to put the Organisation's objectives at risk. The area will be revisited to provide assurance that recommendations previously made have been implemented satisfactorily.
Crime Management Process	Q4		9	To review the systems and procedures, post SDM, in place with regards how crimes are graded, the allocation of resource etc in order to provide assurance in respect of the effectiveness of the SDM model.
Fleet Management	Q2		9	To provide assurance with regards the systems and controls in place for managing the force fleet of vehicles.

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

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

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

Appendix B – Levels of Assurance & Opinions

Definitions of Assurance Levels		
Assurance Level	Adequacy of system design	Effectiveness of operating controls
Significant Assurance:	There is a sound system of internal control designed to achieve the Organisation's objectives.	The control processes tested are being consistently applied.
Satisfactory Assurance:	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.
Limited Assurance:	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.
No Assurance:	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
Priority 1 (Fundamental)	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.
Priority 2 (Significant)	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.
Priority 3 (Housekeeping)	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.

Appendix C – Contact Details

Contact Details

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Statement of Responsibility

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

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

Mazars LLP

London

February 2017

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

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INTERNAL AUDIT RECOMMENDATIONS DASHBOARD

Summary of Audit Progress and Outcomes

2014/15

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

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

2015/16

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

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

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

2016/17

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

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

OUTSTANDING RECOMMENDATIONS

Key to Status



Action complete



Action ongoing



Action outstanding and past its agreed implementation date



Action no longer applicable or superseded by later audit action

2014/15

Follow Up – 9.14/15

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

2015/16

Detained Cash – February 2016

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.4	<p>Segregation of Duties for Fingerprints To ensure that there is appropriate overview of the fingerprints process, and in order for there to be more than one officer involved in the entire fingerprints process, a segregation of duties should be present. It was confirmed that one Officer conducts the fingerprints process at Corby Police Station. Appointments are made for the fingerprints and the member of the public will pay on the day their fingerprints are taken. The Officer conducting the process maintains a manual fingerprints register. Receipts are issued to the payee via the use of the receipt book in which the Force retains a copy. Cash is banked as soon as possible by the Officer and where this is required to be stored it will be securely kept in the Corby cash safe. The fingerprints register details are sent to MFSS on a monthly basis to support the income account reconciliation process. However, it was noted this Officer may be the only one involved in the process. For example, the Officer could arrange the appointment, take the fingerprints, take the payment and bank the cash, with no other officer or record being involved in the process. This could therefore lead to the risk that a payment may not be recorded and a receipt may not be present which could cause fraudulent activity to go unidentified. Risk: Where there is only one officer involved in the entire fingerprints process there is a risk of errors or fraudulent activity going undetected.</p>	<p>A segregation of duties should occur in the process of providing the public with fingerprints.</p>	2	<p>Following the full implementation of the E-Services project, we will request a new online functionality is created to record bookings of finger prints rather than phone call records, with a process to allow for cancellations to be emailed back to the end user, which will mean an ability to reconcile between cash in vs appointments.</p> <p>Update - The E-Services project is aware of this requirement, but it is being managed on a prioritisation basis and will be delivered as part of the online package expected on full implementation across the next 12 months. Currently we rely on the Trust & Professional Integrity of our officers & will continue to do so until a practical electronic process is available.</p>	<p>Nick Alexander 31.03.17</p>	

2016/17

OPCC Victims Code – June 2016

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.3	Preferred method of contact/ Track my Crime	Officers should ensure that relevant	3	The preferred method of contact	Rachel Swann –	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p><i>Observation:</i> VCOP entitles witnesses to verify their preferred method and frequency of contact to ensure they are updated throughout any case/ investigation. From testing undertaken on twenty crimes we found that in four cases email had been identified as a preferred method of contact but the officer recording the details had not documented an email address. Northamptonshire Police are promoting the use of 'Track my Crime' functionality and therefore encourage officers to inform victims of this availability, especially where email is the preferred method of contact. Track my Crime was not selected as a preferred method on any of the cases identified.</p> <p>In addition, testing carried out on a sample of six victim support cases with 'Voice' identified that in one case a ten day delay had been incurred as the officer had not recorded a telephone number of the victim within Niche.</p> <p><i>Risk:</i> Failure to provide victim updates through preferred communication methods, resulting in dissatisfaction and reputational risk of the Force. In addition, failure to utilise more efficient use of resources through email or track my crime updates.</p>	<p>details are recorded to enable contact to be made with victims in line with their preference.</p> <p>The availability of Track my Crime should continue to be communicated to victims to encourage take up and enable the functionality to be utilised.</p>		<p>information should be provided to Voice to inform how they approach/contact the victim to offer support services.</p> <p>The extract from Niche to Voice includes the preferred means of contact and the detail where this is available. Monitoring has shown that the email/phone number is being populated in a significant majority of cases but there is currently no mandatory system requirement in Niche and development will be more complex than with the web form.</p> <p>This should be considered as part of the wider training requirement analysis.</p>	October 16	
4.4	<p>Training</p> <p><i>Observation:</i> Officer awareness of victim requirements and associated processes to evidence these requirements have been met is fundamental to a consistent approach and compliance across the Force. There has not been any dedicated VCOP training in recent years. Niche VCOP training was issued in 'How to' guidance via Chief Orders due to the timing of the initial system training and roll out of the dedicated module.</p> <p><i>Risk:</i> Lack of awareness of officers resulting in lack of compliance with VCOP and evidencing that associated entitlements have been met.</p>	<p>Dedicated VCOP training should be rolled out to all officers to ensure they are fully aware of victim's entitlements and Northamptonshire processes for ensuring these entitlements are met.</p> <p>Findings and recommendations as a result of the internal audit review should be considered in designing the training.</p>	2	<p>Senior members of the Force and OPCC are attending a West Midlands Training Event on 16 June 2015 on a training package covering the Victims' Code, with particular emphasis on the use of special measures and identifying and managing vulnerable victims – as well as how to record and monitor compliance with the Code.</p> <p>The Voice Family has undertaken awareness training about victim service provision to a new intake of call handlers within the FCR. A large scale Public Awareness Campaign is also planned commencing in September 2016.</p> <p>An interactive Victim and Witness Journey App is currently in development that will provide information about the criminal justice system, what they should expect of the criminal justice system (linking with</p>	Paul Bullen/Rachel Swann – December 16	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
				<p>expectations of criminal justice and other agencies within VCOP). A VCoP/Voice related training requirement should be considered and this could include a short input from Niche as to exactly how they record this correctly (which can be supported with an online captive video demonstrating the correct process. Senior Niche Programme representatives will also be in attendance at the training event on 16 June to ensure the system developments can support the strategy and training plans.</p> <p>Update - Niche will support any training.</p> <p>Update - L and D panel proposal 20/2/17 – classroom update on Niche training, which will include VCOP update</p>		
4.5	<p>Complaints Process <i>Observation:</i> Victims of crime have the entitlement to make a complaint should they be dissatisfied with the service they receive. Although Northamptonshire operate a standalone complaints process, there is no link on the victims information leaflet/ victim support web page to sign post them to this process. This could cause lack of clarity in respect of where complaints should be directed dependent on where they are in their victims’ journey. For example, if the victim will have interaction with the Force, Voice or other specialist support agencies. <i>Risk:</i> Increase in victim dissatisfaction and ongoing failure in operational practices and / or VCOP compliance to be identified and addressed.</p>	<p>Victims of crime should be signposted to the Force complaints procedure to enable them to make a complaint should they be dissatisfied with the service they receive or if they feel their associated entitlements are not being met. This should define the appropriate route of complaint dependent on the progress of their journey (for example, Force, Voice and CPS). It is suggested that this be incorporated into the Information for Victims that should be provided to each victim of crime and, in addition, on the dedicated victims Northamptonshire Police web page.</p>	3	<p>The Voice website has detailed information at: http://www.voicenorthants.org/contact-us/complaints-anddissatisfaction/ to enable a formal complaint or an expression of dissatisfaction about the service received to be made. This Voice complaints procedure links to both the policies and procedures of Northamptonshire Police and Victim Support as the provider of Voice. The website also provides information on the complaints procedures for other services, notably CPS, HMCTS and Local Authority.</p>	Paul Bullen – October 16	
4.6	<p>Right to Review <i>Observation:</i> Following a police or CPS decision not to prosecute, victims are entitled to be notified of the reasons why this decision was made, how they can access further information about the decision and also</p>	<p>A dedicated Right to Review policy should be documented for Northamptonshire to provide an open and transparent process which enables a victim of crime to have a</p>	2	<p>Supportive of this recommendation.</p> <p>Update 7/2/17 - Ongoing discussions over Victims Right to Review with DI Harley.</p>	Rachel Swann – October 16	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p>to seek a review of the decision if they are dissatisfied. This process is termed Victims' Right to Review. There is no dedicated scheme in place currently for Northamptonshire to outline or confirm they are complying with this entitlement or to outline the associated roles, responsibilities and procedures to follow for right to review.</p> <p>Risk: Failure to adhere with Right to Review legislation, lack of compliance with VCOP, lack of transparency and increased victim dis-satisfaction.</p>	<p>decision not to prosecute their case reviewed.</p> <p>This will ensure that appropriate decisions are made with regard to case outcomes and will seek to improve victim satisfaction and public confidence in the service.</p> <p>The review process should accord with the policing principles of openness, fairness and accountability, as set out in the Code of Ethics.</p>		<p>There is a Lincolnshire design for Niche VRR which in principal captures the relevant requirements of the victim's right to seek a review of the decision.</p> <p>Nhants need to decide where the business wants the workflows to go, at present it is ad hoc with most going via Det Supt Foskett's PA then to DI Harley.</p> <p>Once the business has decided the Nhants process Niche can build and implement the workflows.</p> <p>Di Harley is to discuss with Supt Foskett</p> <p>Update - SL 17/2/17 - The VRR model has functioned well since its implementation with a developing model with PSD. The ownership has now passed from myself to D Supt Foskett. The risks around single reviewing officers are rightly flagged</p>		
4.7	<p>Performance Reporting</p> <p><i>Observation:</i> Performance reporting is an effective tool to highlight areas of non-compliance and to direct resource for continuous improvement. A report is generated in Niche by the Implementation Team to highlight where the Victim & Witness report has not been created, however this does not cover completion of individual fields, frequency of contact, etc.</p> <p>In addition, the performance reports currently provided to the OPCC in respect of the Voice contract do not include any dedicated performance targets around VCOP compliance.</p> <p><i>Risk:</i> Non-compliance going unidentified and therefore improvement action not being taken. This can lead to victim entitlements not being met and increased reputational risk.</p>	<p>Performance reporting should be developed to highlight areas of noncompliance with Victims Code of Practice, with oversight provided to the Victim & Witness Service Improvement Board.</p> <p>This should consider the following areas:</p> <ul style="list-style-type: none"> •Compliance with VCOP in terms of completion of individual fields (current reports on overall creation of the Victim & Witness report but no confirmation of completion of individual fields within Niche to evidence entitlements have been met); and •Performance of Voice in terms of VCOP compliance and KPIs. 	3	<p>A performance framework and dashboard has been developed and agreed. KPIs, including targets, relating to VCOP and Witness Charter compliance have been agreed between the Commissioner and Provider of Voice services – to be signed off at the next Contract Management meeting on 25 May 2015. Work to develop the performance mechanism and methodology is being developed by the Provider for OPCC sign off (see 4.9).</p> <p>Compliance with VCOP and other performance KPIs will be managed through effective contract management arrangements rather than through a Board arrangement.</p> <p>This recommendation has been shared with the Corporate Performance Team to consider what developments can be made to improve the existing report and this can then be reviewed as part of the Victim and</p>	Rachel Swann/Paul Bullen – October 16	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
				Witness Service Improvement Board going forward.		
4.8	<p>Referral Mechanisms</p> <p><i>Observation:</i> Adequate processes should be in place to ensure all records are transferred from Niche to Voice and then to ensure information is complete and facilitate contact with the victim to be made timely and initial support conversations to be informed. Niche data is transferred to Victim Support, the provider for Voice, on an overnight download. Currently however there is no reconciliation process to ensure the number of records in Niche have been received/ created in the Victim Support systems. In addition, it was noted that that fields on the transfer of data (e.g. required information) have not been refined for Victim Support or ASSIST Trauma Care (who provided the victim and witness support service for children and young people). This has resulted in not all the information required to action timely support being received by the service providers. The required data fields had not been established as part of the commissioning process.</p> <p><i>Risk:</i> If all required information is not made available there is a risk that untimely or inappropriate support may be provided. Increased reputational risk and victim dis-satisfaction.</p>	<p>A process should be introduced whereby the number of records transferred from the Niche system and subsequently created in the Victim Support CMS (and ADT) systems are reconciled to ensure referrals do not 'drop out' as part of the data transfer process. Victim Support and ASSIST Trauma Care should refine what information they require to be included on the initial referral data and this be communicated to the Niche Team (via the OPCC Head of Commissioning) to ensure complete information is received going forward to enable timely and appropriate support to be given to victims. This should include consideration of priority crime types which are not currently received by victim support.</p>	2	<p>Data requirements, processes and Data Processing Agreements are being developed to ensure data quality and that the data transfer is undertaken in a safe and secure manner. Technical representatives of the Niche Programmes will work with Voice to ensure data is appropriately reconciled.</p> <p>Update – 7/2/17 - I am not aware of any issues on the transferring of information between Niche and victim support systems.</p> <p>I have met with Gary Williams the Service Delivery manager for VOICE and gave instruction on basic Niche searching techniques.</p> <p>This is ongoing and I have a further input next week with members of the Voice team.</p> <p>Update - SL 17/2 – the Voice data extract has been reviewed and tested and has seen an improvement. The challenge remains the niche forces operating model (opt in) and Voices preferred model (opt out)</p>	Rachel Swann/Paul Bullen October 16	
4.9	<p>Voice Dip Sampling Process</p> <p><i>Observation:</i> Dip sampling is an effective means to confirming that key requirements of the process are being met and to address any areas of poor performance. This also drives consistency across the organisation and quality of service. Staffing and resource issues have affected VCOP compliance within the Voice processes over the last twelve months, however a new team has been established and processes are being revised to ensure that requirements are being met and support is in line with victim needs and entitlements. As part of these improvements the team are rolling out a dip sampling</p>	<p>The dip sampling process being embedded by Voice should be enhanced to ensure the key entitlements of VCOP have been met (please refer to Appendix A1 provided in this report). In addition, the process should be supported by a documented methodology to include - frequency, required approach, sample selection/ size, evidence of checks and action to be taken where issues have been identified.</p>	2	<p>The Provider is developing dip sampling methodology for the Case Management and Courts teams against VCOP and Witness Charter compliance. KPIs, including targets, have been agreed between the Commissioner and Provider including VCOP and Witness Charter compliance.</p> <p>The OPCC will sign off the methodology once it has been presented and compliance will thereafter be managed through internal service performance management and by</p>	Paul Bullen – September 16	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p>procedure which will seek to review ongoing cases to ensure support is effective, timely and adequate processes are in place to ensure VCOP compliance. This process however is not supported by a documented methodology and the draft monitoring sheets do not incorporate specific key entitlements of VCOP.</p> <p><i>Risk:</i> Inadequate quality assurance process, ineffective use of resources and failure to address non-compliance with VCOP in the victim support process.</p>	Enhancements recommended in this report should be actioned by Voice following communication with the OPCC Head of Commissioning.		<p>the OPCC as part of its Contract Management regime.</p> <p>This has taken longer to achieve than envisaged due to changes at the OPCC. Now delayed until the end of 2017</p>		

Financial Planning & Savings Programme – November 2016

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.1	<p>Approval of Saving Plans</p> <p><i>Observation:</i> The 'Budget Process Guidance' document states, 'Force Executive Group (FEG) to consider Service Manager budget reduction proposals, and subsequently agree budget proposal and medium term financial plan'.</p> <p>Examination of five saving plans selected from the 2016-17 savings programme identified two instances (Fuel Bill Rationalisation for £50,000 and FCR Supervisors for £20,000) where no evidence was provided to confirm they had been presented to the Force Executive Group. In addition, examination of Force Executive Group meeting minutes identified there was no formal approval of all five plans examined. All other instances were evidenced as being presented and approved by FEG. It was recognised, however, that the savings plan as a whole was presented at the Accountability Board.</p> <p>Discussion with Acting OPCC CFO and examination of the procedure also confirmed that individual savings plans are not presented to the OPCC.</p> <p><i>Risk:</i> Where there is no documented evidence to confirm savings plans have been scrutinised and approved at the</p>	<p>All savings plans should be presented, scrutinised and formally approved by the Force Executive Group (which is due to become the Chief Officer Team meeting in 2017/18). The plans should then be forwarded to the OPCC Section 151 Officer for further scrutiny.</p> <p>This process should be documented in meeting minutes.</p>	2	<p>Agreed</p> <p>As per the agreed actions for 4.4 of Corporate Governance, the force will ensure that Savings Plans for 2017/18 forward, will be formally approved by COT as part of the budget setting process. If it is required to create additional savings requirements above £300,000 within 2017/18, these will be approved through a paper to COT and then taken to the PCC for approval.</p> <p>Update - The Savings & Efficiency plans are being taken through the POD group to ensure formal process and sign off by the COT and escalation through the appropriate boards and accountability board for OPCC approval. This process will start in May 2017 & will cease when appropriate (no upper or lower limits have been set) processes have been put in place for a series of decisions and subsequent action plans to deliver those efficiencies.</p>	<p>Head of Finance</p> <p>Feb 17</p>	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p>appropriate level, there is a risk of unachievable or inadequate saving plans being put in place.</p>			<p>Update – All savings plans will be progressed through the Op Balance and SDM workstreams which feed into the Change Board. This will allow a single programme of approvals to be taken to COT and, where appropriate, the Accountability Board.</p>		
4.2	<p>Monitoring of Efficiency Savings</p> <p><i>Observation:</i> Processes should exist to enable management to highlight potential failure to deliver efficiency savings and action taken accordingly. Discussion with the Acting Head of Finance identified that savings monitoring was discussed within a monthly outturn report which is presented to the Assistant Chief Officer for Finance and Deputy Chief Constable.</p> <p>However, examination of the August 2016 report entitled 'Revenue Outturn and Capital 16/17 Year End', identified that the report did not however include planned savings compared against the actual savings realised to date. The only monitoring included in the report was the narrative which is written by the Acting Head of Finance and provides limited oversight of the savings programme. Examination of the reports for July and June 2016 also noted references to the savings programme but no explicit figures to be commented upon.</p> <p><i>Risk:</i> Where planned efficiency savings are not evidenced as monitored against the approved targets and are not scrutinised at an appropriate level, there is a risk that savings which are not going to be achieved are not identified and addressed in a timely manner.</p>	<p>Monthly monitoring of actual savings realised compared against savings targets should be undertaken on a monthly basis and documented in a consistent and clear manner. The data from such monitoring should also be included within the monthly report produced by the Acting Head of Finance which is presented to the Assistant Chief Officer for Finance and Deputy Chief Constable to provide oversight of the progress towards achieving the efficiency plan. This report should be forwarded to the OPCC Section 151 Officer.</p>	2	<p>Where savings are identified to be taken out during a financial year, the Force is creating a separate page within the Managing Finance Group reporting pack to specifically record and monitor the realisation of the savings plans.</p> <p>This will be maintained on a monthly basis as part of the pack.</p> <p>Update - Once the above plans have been instigated the financial reports for delivery of these will be adapted to report and monitor them.</p> <p>Finance will continue to liaise with depts. to cost and monitor the proposals using the existing Savings tools to ensure that estimates and assumptions are robust and available.</p> <p>Update - The separate page has been completed & all savings are now tracked through the MFG document. With the introduction of our new reporting strategy, we will create a new process to track the savings in 18/19 (there are no required savings in 17/18), however, proposed in year savings will be taken to the Change Board for review and approval.</p>	<p>Head of Finance Dec 16</p>	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.3	<p>Budget Monitoring</p> <p><i>Observation:</i> Regular monitoring should be undertaken to enable timely management information to be produced to assess performance and accuracy of the MTFP.</p> <p>Examination of budget monitoring reports for the last three months identified the dates for the August, July and June 2016 budget monitoring reports being sent to the Assistant Chief Officer for Finance and Deputy Chief Constable (DCC) were as follows: August: 23 September 2016. July: 14 September 2016. June: 21 July 2016.</p> <p>These reports were then forwarded by the DCC to the Acting OPCC Chief Finance Officer on the same day. Discussion with the Acting Head of Finance identified that he produces budget monitoring reports which are in line with Leicestershire and Nottinghamshire requirements of reporting in the third week of the month.</p> <p>The July 2016 report was accepted as being late due to the Acting Head of Finance being on annual leave. Whilst we acknowledged this point, it was agreed that the timeliness of budget reporting could be improved.</p> <p><i>Risk:</i> Where budget monitoring reports are not produced in a timely manner, there is a risk of budget variations are not promptly identified and addressed.</p>	<p>The finance team should improve the timeliness that budget monitoring reports are provided to the Assistant Chief Officer for Finance, Deputy Chief Constable and Acting OPCC Chief Finance Officer.</p>	2	<p>Agreed</p> <p>Update - the process is being changed & reports will be issued within the agreed (between all parties) timetable;</p>	<p>Head of Finance</p> <p>Dec 16</p>	
4.4	<p>Price Assumptions</p> <p><i>Observation:</i> Appropriate assumptions should be made as part of the planning process.</p> <p>Discussion with the Acting Head of Finance identified that he works with representatives from the Leicestershire and Nottinghamshire Forces to agree appropriate assumptions. Examination of an email from the Head of Finance at Nottinghamshire Police to other Force Heads of Finance across the three forces confirmed that discussions had taken place and a spreadsheet was attached with the assumptions included for each Force.</p>	<p>All price assumptions made regarding macroeconomic indicators and utility prices should be supported by the source of information the assumption has been based on.</p> <p>This should be documented.</p>	3	<p>Agreed, as part of the next budget build process we will work with the Leicester and or EMSUCU procurement teams to ensure that where possible inflationary assumptions are backed up by supporting paperwork.</p> <p>Update – This will be followed up as part of the enabling services workstream.</p>	<p>Head of Finance</p> <p>Sep 17</p>	

Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
<p>The assumptions included price inflation, such as officers pay, contract increases and utility cost increases. A column entitled 'Comments' was included, however it did not include any reference to the source of the information. For example, 'Gas', 'Electricity' and 'Water' were to be inflated by a specified percentage each year, however the comment was 'Market Assumption'. 'Water' and 'Business Rates' were planned to increase by 2% each year with a comment of 'CPI' with no reference to how this figure was arrived.</p> <p>As a source of the information was not noted, audit could not confirm they had been reasonably assumed.</p> <p><i>Risk:</i> Where assumptions made are not supported by evidence of their source, there is a risk of inaccurate assumptions being made. This may lead to prices being incorrectly forecasted leading to inaccurate budgeting.</p>					

Code of Corporate Governance – November 2016

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

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

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

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

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

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
4.7	<p>Retention of Decisions</p> <p><i>Observation:</i> To ensure that the PCC is able to make an informed decision on all occasions, all decisions should be accompanied by the appropriate supporting information including the completed Officer's report for the decision.</p> <p>In order for the PCC to adequately evidence the reasons for taking decisions, all decision documentation should be retained.</p> <p>Testing of a sample of 10 decisions confirmed for all 10 decisions that a record of this decision had either been retained on the OPCC website (for executive decisions) or retained within the decisions file (for non-executive decisions).</p> <p>Eight of the 10 decisions records were accompanied by the supporting report to the PCC which had been completed by the relevant officer. However, in two instances the decisions were not supported by an Officer report to the PCC.</p> <p>In addition, it was noted that the non-executive decisions retained within the decisions file were referenced from 006-009. Audit queried nonexecutive decisions 001-005 and it was confirmed with the Acting Director for Governance, Operations and Delivery that these decisions had been taken although the supporting documentation could not be located and therefore has not been retained.</p> <p><i>Risk:</i> Where the PCC is unable to make an informed decision there is a risk that inappropriate decisions are taken which could result in reputational damage to the OPCC.</p> <p>Where the PCC does not evidence the reasons for taking decisions there is a risk of a lack of transparency which could result in reputational damage in the event of a dispute against a decision.</p>	<p>All decisions should be accompanied by the appropriate documentation, including the completed Officer's report for the decision and any supporting information. All decision documentation should be retained for future reference on reasoning for taking decisions.</p> <p>(OPCC)</p>	3	Agreed and accepted	Director for Resources and Governance Jan 2017	

Procurement Follow Up – November 2016

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	
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	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	
4.1	<p>Purchases under £25k – Supporting Documentation</p> <p><i>Observation:</i> The Force Contract Standing Orders state that Under £10k one quote must be obtained, between £10k and £25k three quotes must be obtained and the most economically advantageous tender selected. Audit selected a sample of purchases under £25k between 1/4/16 and 1/9/16 to confirm that the correct number of quotations had been sought in line with the Force Contract Standing Orders. A review of the Oracle system found that 4/10 had no supporting documentation attached to it and therefore it was not clear if the correct number of quotes had been obtained and value for money achieved. If the purchase under £25k was related to a contract, the reference to this should be stated in Oracle, however in one instance the purchase was related to a contract but details were not attached so had to be requested from the requisitioner. <i>Risk:</i> Force fails to achieve value of money in its spending.</p>	<p>This was an audit recommendation from 2015/16. A communication should be issued to remind all staff who raise and approve requisitions that the supporting documentation should be clearly attached in the Oracle system. This should include the appropriate quotes or details of related contracts. Then dip sampling should be carried out to monitor compliance. (Local Responsibility)</p>	2	<p>Agreed. The dip sampling would ensure a more proactive approach to tackle repeat offenders and ensure compliance with CPR's.</p> <p>Update - The DIP sampling process will be devised and communications will be completed and issued once the accounts have been issued. However, MFSS are aware that we expect paperwork to be attached to the requisition & as such, we would expect requisitions to be rejected if the requirements have not been completed.</p>	<p>Nick Alexander Acting Head of Finance Corporate Services December 2016</p>	
4.2	<p>Retrospective Purchase Orders</p> <p><i>Observation:</i> Last years audit found a number of cases where purchase orders were raised after the invoice for the goods or service had been received. The Force moved to 'No Purchase Order No Pay' in June 2016 which has been a change of culture for the organisation and whilst this is embedded it is envisaged that there will be some retrospective purchase orders being raised. This year's testing found 4/10 of the purchases had retrospective purchase orders. Discussions with Finance found that reports are available that demonstrate the levels of retrospective purchase orders but they are not currently been run due to the introduction of No PO No Pay and giving it time to become normal practice across the Force. <i>Risk:</i> If a purchase order is not raised prior to the order, the Force may purchase inappropriate goods or services and/or not have the budget to support the purchase.</p>	<p>This was an audit recommendation from 2015/16. Consideration should be given to producing monitoring reports on a regular basis to review the levels of retrospective orders raised to ensure they are reducing in line with expectations and repeat offenders challenged where appropriate. (Local Responsibility)</p>	3	<p>Agreed that it would be best practice to start to monitor the number of retrospective purchase orders to ensure that they are reducing as staff become more accustomed to the new 'No PO No Pay' system that has been adopted.</p>	<p>Nick Alexander Acting Head of Finance Corporate Services December 2016</p>	
4.3	Communication					

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	
	<p><i>Observation:</i> A review of the Force intranet showed that the EMSCU Strategies and Polices were created in 2013 when the unit was established and have not been reviewed or updated since. This includes out of date contact details if Force staff needed to refer any procurement issues to EMSCU.</p> <p>Moreover, the most up to date CPR's were not easily able to be located.</p> <p>This increases the risk that the correct procurement processes are not followed if staff use the out of date information currently available.</p> <p><i>Risk:</i> Policies and procedures do not reflect the current needs of the Force leading to inconsistent working practices</p>	<p>The EMSCU Policies and Strategies should be reviewed and updated regularly to ensure the document reflects current practices and should be published on the Force intranet so it is available for staff.</p> <p>(Local & EMSCU Responsibility)</p>	2	<p>The team are aware of this and have already began to investigate how the intranet can be updated.</p> <p><i>Update - All policies and guides will be updated once the revised corporate governance documents have been issued.</i></p> <p>EMSCU need to provide the Force Communications Team with the correct information to allow the Intranet to be updated.</p> <p>Links have now been restored and will be updated again once policy review complete</p>	<p>Nick Alexander Acting Head of Finance Corporate Services January 2017</p> <p>Ronnie Adams Commercial Director January 2017</p>	
4.4	<p>Monitoring Spending Under £25k</p> <p><i>Observation:</i> Northants has a Procurement Officer in post who works closely with the EMSCU Engagement Partner to identify contract opportunities that can be passed up to EMSCU.</p> <p>They meet regularly to review opportunities however the Procurement Officer does not receive regular reports of expenditure under £25k that can be aggregated to identify opportunities that EMSCU could progress into appropriate contracts or utilise frameworks.</p> <p><i>Risk:</i> The Force miss opportunities to deliver value for money in it purchases under £25k.</p> <p>This risk is outstanding from the previous audit of Procurement in February 2016</p>	<p>This was an audit recommendation from 2015/16.</p> <p>Finance and the Procurement Officer should set up a regular reporting protocol that allows the procurement officer to review expenditure under £25k on a regular basis so the information can be used to aggregate spend and identify contract opportunities.</p> <p>(Local & EMSCU Responsibility)</p>	2	<p>Agreed that reports should be shared with EMSCU to allow this to take place.</p> <p><i>Update - We have provided extracts of all spend below £25k to EMSCU for review & Ronnie Adams is working on the processes re <£25k and how that can be 'handled' within EMSCU.</i></p> <p>EMSCU have been asked by Northants DCC to help support the under £25k spend for both Northants and Notts. This is under review.</p>	<p>Nick Alexander Acting Head of Finance Corporate Services Ronnie Adams EMSCU Commercial Director March 2017</p>	
4.5	<p>Supporting Documentation Over £25k</p> <p><i>Observation:</i> EMSCU are responsible for retaining the key documentation that is required for the procurement process of contracts over £25k, including Statement of Requirements, Business Cases, Single Tender Award forms and the signed contract. These documents show the authorisation for the contract, the reasons why it is needed and why it demonstrates value for money.</p> <p>The Crystal system is used by EMSCU to record contracts that are in place and enables key documentation to be attached against each contract in place.</p>	<p>This recommendation was raised in 2015/16.</p> <p>EMSCU should set a clear protocol in place to ensure key documentation is consistently stored in the Crystal system. The documents available should include the signed versions of:</p> <ul style="list-style-type: none"> ·Statement of Requirement; ·Business Case and/or ·Single Tender Award; 	1	<p>Agreed, there is a document storage policy that covers electronic storing methodology but does not consider the Crystal contracts management system. This policy is now under review and will be updated to cover what will be on Crystal. Once the review is complete staff training and future monitoring plan will be undertaken.</p>	<p>Ronnie Adams EMSCU Commercial Director January 2017</p>	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	
	<p>Audit testing found the following:</p> <ul style="list-style-type: none"> ·4/10 had no Statement of Requirement; ·4/10 no signed business case or single tender award so approval could not be evidenced; and ·2/10 no signed contract could be located. <p>Audit testing found that the use of attachments in the Crystal system was inconsistent, with some contracts having missing information. In some cases information was found but was stored in other locations but took staff time to retrieve these.</p> <p>If the key documents were available on Crystal this would allow a more efficient use of users time when searching for key documents and give additional assurance to EMSCU that the correct process had been followed with the documentation as evidence.</p> <p><i>Risk:</i> Breach of contract procedure rules and failure to deliver value for money; difficulties in holding suppliers to account without the signed contact.</p> <p>This risk is outstanding from the previous audit of Procurement in February 2016</p>	<p>·Signed Contract</p> <p>Once implemented, regular dip samples on new contracts awarded should be carried out to ensure all supporting documentation is in place and correct authorisation has been given.</p> <p>(EMSCU responsibility)</p>				
4.6	<p>Authorisation</p> <p><i>Observation:</i> When contracts are awarded the Tender Award Report or Business Case is signed off as the approval to proceed with contract award. This should be signed in line with the Force Scheme of Delegation.</p> <p>Audit testing found:</p> <ul style="list-style-type: none"> · 5/10 approvals could not be seen due to lack of supporting documentation; · 1/5 approvals were not in line with Force authority levels. <p>Contract CN1001357 was for over £100k and was signed by the Head of EMSCU but should have been signed by Assistant Commissioner or the Head of Finance & Asset Management or the Chief Accountant.</p> <p><i>Risk:</i> Contracts are entered that do not have the authority to do so and result in financial loss through failure to deliver value for money.</p>	<p>This was an audit recommendation from 2015/16.</p> <p>Staff should be reminded of the approval limits and the need to ensure the correct approval is obtained for the value of contract being authorised.</p> <p>Dip sampling should take place to ensure that all contract authorisations are done so in line with Force scheme of delegation.</p> <p>(EMSCU responsibility)</p>	1	<p>Agreed. EMSCU will have greater scrutiny over the approvals and ensure they are in line with authority levels. This is part of a process review which will be followed up with dip sampling.</p>	<p>Ronnie Adams EMSCU Commercial Director January 2017</p>	

Business Continuity – December 2016

	Observation/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
4.1	<p>OPCC BCM Documentation</p> <p><i>Observation:</i> Business continuity arrangements for the OPCC should be in place setting out the response that will be made in the event of a serious incident to ensure that the organisation is able to continue its business in an effective and efficient manner.</p> <p>The OPCC Chief Finance Officer (OPCC CFO) confirmed that the roles and responsibilities of staff in the office with regards to business continuity and the steps to be taken in the event of an emergency incident have not been formally defined.</p> <p>The office places reliance on the following four main aspects in order to delivery its business:</p> <ul style="list-style-type: none"> • People; • IT; • Premises; and • Documentation. <p>Discussion with the OPCC CFO identified that there is resilience in the office that would allow service delivery to continue in the event of a business continuity incident. For example, there are members of staff who could cover roles in the event of loss of staff and staff could work remotely should access to premises not be available. However, the plan to follow should the primary resources be unavailable to the office have not been formally documented.</p> <p><i>Risk:</i> Where the business continuity plan for the OPCC has not been formally documented there is a risk that staff are unaware of the steps to take and their roles in the event of an emergency incident, which could result in the OPCC being unable to resume its services in an efficient manner.</p>	<p>The OPCC should formally document its business continuity arrangements for the office. This should include the steps that are required to be taken in the event of an emergency and the roles and responsibilities in an emergency event of staff within the office.</p> <p>The business continuity arrangements for the OPCC should be linked to the risks identified and documented within the OPCC Strategic Risk Register.</p> <p>[OPCC]</p>	2	<p>The OPCC accept and agree with this recommendation. Paul Fell, Director for Delivery in OPCC is currently considering the recommendation and will be constructing a business continuity plan for the office. This is likely to follow departmental plans for a number of Force departments such as IT, as the OPCC utilises their skills and service in relation to this kind of provision.</p>	<p>OPCC Director of Delivery</p> <p>01 May 2017</p>	
4.2	<p>Exercising / Testing Continuity Plans</p> <p><i>Observation:</i> To ensure that Plan Owners are fully aware of the testing exercises required to be completed on their BCP, and in order for the type of</p>	<p>Guidance should be produced for the testing / exercising of business continuity plans and this should be</p>	2	<p>The Force will continue its policy of conducting forcewide exercises whenever major new issues emerge. In addition the</p>	<p>Force Risk and Business</p>	

	<p>exercise completed to be linked to the priority of the services delivered by the department, testing exercise guidance procedures should be produced and distributed to Plan Owners.</p> <p>The Force Business Continuity Procedure details the following:</p> <p><i>"In order to ensure that plans are up to date and fit for purpose they will be reviewed and exercised regularly".</i></p> <p>There is no further guidance available to Plan Owners on how their plans should be exercised.</p> <p>It was confirmed that there is a process in place for reviewing all business continuity plans on an annual basis. However, testing of a sample of eight departmental business continuity plans identified that in six instances the plans did not include a record of any exercises completed and therefore it could not be confirmed that the plans had been exercised. The Force Risk & Business Continuity Advisor also confirmed that the last force wide business continuity exercise to test all plans was conducted in 2011.</p> <p>The Force Risk & Business Continuity Advisor previously produced an exercising guide for business continuity plans, however this was not made operational within the Force.</p> <p><i>Risk:</i> Where Plan Owners are not fully aware of the testing exercises required there is a risk that the business continuity plans may not be tested sufficiently which may result in these being ineffective in the event of an emergency incident that causes the plan to be invoked.</p>	<p>distributed to Plan Owners. The guidance should outline the required testing exercises dependant on the criticality of the department.</p> <p>All testing / exercising results should be reported to the Force Assurance Board.</p> <p>[Force]</p>		<p>Business Continuity Advisor will produce desktop exercise scenarios for departments to use to test their plans on an annual basis.</p> <p>The Business Continuity Procedures will be amended to ensure that all exercise, and live invocation, lessons are recorded in the BCP's.</p> <p><i>Update – Desktop exercise scenarios have been developed and will be rolled out following completion of the SDM and Op Evolution changes.</i></p>	<p>Continuity Advisor</p> <p>31 March 2017</p>	
4.4	<p>Premises Contingency Arrangements</p> <p><i>Observation:</i> To ensure that a department's contingency arrangements for premises are clearly documented, the Business Continuity Plan should be amended to include a specific section on the reliance on premises.</p> <p>Testing of a sample of eight departmental business</p>	<p>The Business Continuity Plan template should be amended to include a specific section on the department's reliance on premises and its contingency arrangements should the primary location be unavailable. This should be included</p>	3	<p>The Business Continuity Plan template will be amended to ensure that there are specific contingency arrangements for premises.</p> <p>Individual BCP's will be reviewed to ensure that those where there is no contingency arrangement for premises are updated.</p>	<p>Force Risk and Business Continuity Advisor</p> <p>31 March 2017</p>	

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

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

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	<p>level and unnecessary patches. In discussion with both the Network and Communications Manager and Information Security Manager, they highlighted that this issue has previously been raised during the PSN processes and that further work and resources were required to ensure that effective patching processes were applied. Patching processes for other devices including firewalls and switches was generally up to date.</p> <p><i>Risk:</i> Patches are not applied effectively or in time leading to security weaknesses in the Infrastructure.</p>				collaboration Programme – Tri force policy to be created as part of the tri-force WAN.	
4.2	<p>Monitoring Strategy</p> <p><i>Observation:</i> Multiple monitoring tools are in place to monitor network and system activity, however there is no current formal monitoring strategy defining what is monitored and what is not and where responsibilities lie.</p> <p><i>Risk:</i> Management do not adequately define areas of risk to be monitored.</p>	The organisation should establish a formal IT monitoring strategy to clearly define what is monitored, how and by whom and what action needs to be taken if an event is identified that requires further attention.	3	Accepted. Departmental Head now working with team managers to draft initial monitoring strategy. Some additional reporting being created to ensure that key areas of technology are effectively monitored and formalised escalation processes determined.	Acting Head of ISD completion end Q1 2017	
4.4	<p>Policies and Procedures</p> <p><i>Observation:</i> Whilst there are IT policies in place which are generally applicable and appropriate and subject to update, a more detailed review has been on hold through the various iterations of the Strategic Alliance/Tri Force arrangements, as it is viewed that a single sub set of policies will be required. This is now being taken forward but this has meant that elements of the existing policies are out of date and some now defunct policies, such as the CJX disconnection and Cryptographic handling, are still highlighted in the IT security policy when no longer relevant.</p> <p><i>Risk:</i> Policies no longer relate to practice and are</p>	<p>Policies and procedures should be fully reviewed and updated. Where appropriate, this may be part of a single set of policies within the Tri-Force collaboration, but if this were not to go ahead as currently planned, the local policies should also be subject to review as soon as is practical. Once developed, these should be signed off by senior management of the Force/s and should be widely be available and all users made aware of them.</p>	3	<p>Accepted in full</p> <p>Force Information Security Manager has been working with colleagues in the Tri-force collaboration and all three forces are looking to standardise process as soon as practical.</p> <p><i>Update – Dan Cooper, ISD, is helping with the policies and procedures. The delay in decision about Tri-Force collaboration has caused a delay in this work.</i></p>	Tri-force Information Security teams likely timescales Q4 2017	

	Observation/Risk	Recommendation	Priority	Management response	Timescale/ responsibility	Status
	unenforceable.					
4.5	<p>Data Encryption and CPS</p> <p><i>Observation:</i> From discussions with the Information Security Manager, it was identified that there is an encryption policy that has been set aside temporarily in relation to sending data to the CPS due to issues on the CPS side. The force, in common with other forces, is uncomfortable with this arrangement.</p> <p><i>Risk:</i> Sensitive data sent to third parties is not adequately protected.</p>	Where possible, data sent to the CPS should be encrypted.	3	<p>Agreed in full.</p> <p>Force SIRO now agreed to re-institute encrypted media to CPS. Awaiting policy finalisation and organisation wide communication.</p> <p>Update – The Encryption Policy is due to be re-introduced from 01 June 2017.</p>	<p>Force Information Security Officer</p> <p>Q2 2017</p>	

Risk Management – February 2017

	Observation/Risk	Recommendation	Priority	Management Response	Timescale/ responsibility	Status
4.1	<p>Service Level Risk Registers</p> <p><i>Observation:</i> In order for risks to be effectively managed across departments within the Force, service level risk registers should be in place that include key risks to the departments. To ensure service level risk registers are consistent and can be easily aligned to the corporate risk register, these should be recorded on the IPSO Risk Management software. Testing of a sample of six departments within the Force confirmed that in five out of six instances, the departments have a risk register in place that is maintained using the IPSO Risk Management software. However, in one instance (Force Control Room) it was confirmed that a risk register has not been produced and there is not a risk register for this department on IPSO.</p> <p>In addition, the Force Risk and Business Continuity Advisor confirmed that the risk registers for the Intelligence and Financial Services departments have not yet been fully registered on the IPSO system.</p> <p><i>Risk:</i> Where service specific risk registers are not in place, risks at an operational level may not be effectively managed and escalated for further action to</p>	<p>Service level risk registers should be in place across all services at the Force and should include comprehensive details of all key risks to the departments. Service level risk registers should be recorded on the IPSO Risk Management Software.</p> <p>A recommendation regarding service level risk registers was raised within the 2015/16 internal audit report of Risk Management.</p> <p>(Force)</p>	2	<p>Agreed – The Deputy Chief Constable will issue an instruction to all departmental heads that they must record all service level risks in the IPSO system. The Force Risk and Business Continuity Advisor will liaise with departmental heads to ensure that the risk registers are created.</p> <p>Update – Risk registers have been created for all departments. Ongoing support is being provided to Risk Co-ordinators to ensure that registers are maintained.</p>	<p>DCC A Frost</p> <p>Richard Baldwin</p> <p>31 March 2017</p>	

	<p>be taken.</p> <p>This risk is outstanding from the previous audit of risk management in September 2015</p>				
4.2	<p>Review of Risks <i>Observation:</i> To ensure that all risks listed on risk registers are being effectively managed, a review should be completed on a regular basis and the risk should be updated on the IPSO Risk Management software following the review. It was confirmed that for one department (Force Control Room), a risk register has not been produced on IPSO and therefore no further testing could be conducted on this department. In another instance (Safeguarding), the risk register was newly registered on the IPSO risk management software and therefore the review dates for the risks had not yet been reached. For the remaining four departments it was confirmed that in two instances the risk registers had been reviewed and were therefore up to date. For these two instances it was confirmed that the mitigation actions had been reviewed and progress had been recorded on the IPSO Risk Management software. However, in two instances (ISD and Transport Management) it was confirmed through a review of the IPSO risk management software that the risk registers are outdated. All of the risks on the Transport Management risk register have not been reviewed since 2012. On the ISD risk register there are two risks which should have been reviewed on 15 July 2016, however these had not been reviewed. It was therefore confirmed that as these were outdated, the mitigating actions to the risks had also not been reviewed and recorded on the IPSO system. <i>Risk:</i> Where risks have not been reviewed there is a risk to the Force that these may not be effectively managed.</p>	<p>Risk Co-ordinators for each department within the Force should be reminded that each risk, and their mitigating actions, within the respective risk register should be reviewed and updated where necessary in line with the review dates recorded. Progress comments should be recorded and the review date should be amended as appropriate. (Force)</p>	2	<p>Agreed – The Risk and Business Continuity Advisor will provide additional training and guidance notes for Risk Co-Ordinators to ensure that all risks are reviewed and updated as appropriate.</p> <p>Update – The guidance notes have been updated and circulated to Risk Co-ordinators.</p>	<p>Richard Baldwin 31 March 2017</p>
4.3	<p>Mitigating Actions <i>Observation:</i> To ensure that departments are aware of how, and are able to evidence that, the service is mitigating potential risks, risk mitigation actions should be recorded against each risk on IPSO. Testing of a sample of six departments across the Force confirmed that for one department (Force</p>	<p>Departmental risk registers should be reviewed to ensure that mitigation actions have been recorded against risks. Risk Co-ordinators should be reminded that mitigation actions should be</p>	2	<p>Agreed – The Risk and Business Continuity Advisor will provide additional training and guidance notes for Risk Co-Ordinators to ensure that mitigating actions are correctly recorded for all risks.</p>	<p>Richard Baldwin 31 March 2017</p>

	<p>Control Room), a risk register had not been produced on IPSO and therefore no further testing could be conducted on this department. For the remaining five risk registers it was confirmed that in four instances the risks listed on the registers had mitigation actions assigned to them. These mitigation actions are the controls in place to help to prevent the risk from occurring or to reduce the impact the risk would have on the department. However, in one instance (ISD) not all of the risks had mitigation actions recorded on the IPSO Risk Management system.</p> <p><i>Risk:</i> Where staff are unaware of whether service risks are being managed, there is a risk that gaps in the control framework may not be identified which could lead to risks materialising and the system objectives not being achieved.</p>	<p>recorded against each risk within the department's risk register on the IPSO Risk Management software. (Force)</p>		<p>Update – The guidance notes have been updated and circulated to Risk Co-ordinators.</p>	
4.4	<p>Training for Risk Coordinators <i>Observation:</i> To ensure that there is a consistent and correct approach to the recording and updating of risks on the IPSO Risk Management software, training should be provided to all risk coordinators. Following the previous internal audit review, an exercise was completed to identify a 'Risk Coordinator' within each of the departments within the Force. A review of the list of Risk Coordinators identified that the Risk Coordinators for the Financial Services and Intelligence Departments have yet to receive training from the Risk & Business Continuity Advisor on the use of the IPSO Risk Management Software. In addition, it was identified during the audit that there are inconsistencies across the Force in how risks, and their mitigating actions, are recorded on IPSO. For example, testing identified that for one risk register (Local Policing) the residual risks had not been scored correctly. There is also inconsistencies with how current control mechanisms and further response measures are recorded on IPSO. The system allows the risk owner to document current controls mitigating the risk and then asks the owner to assign a risk response following this. In a number of instances the risk owners have recorded a further risk response as 'treat' which would highlight that further response measures are required. However, where 'treat' has been assigned, no further response measures have</p>	<p>All Risk Coordinators should be trained by the Force Risk and Business Continuity Advisor on their roles and responsibilities and on the use of the IPSO Risk Management software to maintain risk registers. Further refresher training should be provided to Risk Coordinators on the recording and updating of risks on the IPSO Risk Management software. A recommendation regarding risk management training within the Force was raised within the 2015/16 internal audit report of risk management. (Force)</p>	2	<p>Agreed – The Risk and Business Continuity Advisor will provide additional training and guidance notes for Risk Co-Ordinators to ensure that current control mechanisms and further response measures are correctly recorded for all risks.</p> <p>Update – The guidance notes have been updated and circulated to Risk Co-ordinators.</p>	<p>Richard Baldwin 31 March 2017</p>

	<p>been recorded. There is confusion as to whether this section is the risk response following the scoring of the inherent risk or the residual risk.</p> <p><i>Risk:</i> Where risks are not appropriately recorded and managed on the IPSO risk management software, there is a risk of ineffective risk management across the Force.</p>				
4.5	<p>Training for OPCC Staff</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. 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. The lead officer is seeking to source more formalised training for himself. All of this will be documented for next audit.</p>	<p>Paul Fell, Director for Delivery October 2017</p>



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Our ref ac/adc

26 April 2017

Dear Stephen

Annual audit fee 2017/18

I am writing to confirm the audit work and fee that we propose for the 2017/18 financial year for both the Northamptonshire police and Crime Commissioner and the Chief Constable for Northamptonshire. Our proposals are based on the risk-based approach to audit planning as set out in the Code of Audit Practice and Public Sector Audit Appointments Ltd's (PSAA's) published work programme and fee scales.

Planned audit fee

The planned audit fees for 2017/18 are shown below, along with a comparison to the prior year's fee. All fees are exclusive of VAT.

Audit area	Planned fee 2017/18	Planned fee 2016/17
Audit fee – Police & Crime Commissioner	£29,291	£29,291
Audit fee – Chief Constable	£15,000	£15,000

PSAA has set the 2017/18 scale fees at the same level as for 2015/16 and 2016/17, thereby preserving the 25 per cent reductions in cash terms that were applied to those years which in turn were in addition to the savings of up to 40 per cent in scale audit fees in 2012/13. This equates to a real terms saving of 61 per cent over this period. The 2017/18 planned fee is in line with the scale fee.

As we have not yet completed our audit for 2016/17 the audit planning process for 2017/18, including the risk assessment, will continue as the year progresses and fees

will be reviewed and updated as necessary. We will naturally keep you informed.

Redistribution of Audit Commission surplus

PSAA plans, during the course of 2017/18, to make a distribution of surplus funds to principal local government and police bodies. The distribution is made possible by the transfer of an element of the Audit Commission's retained earnings prior to its closure in March 2015 and by PSAA continuing to generate surplus funds and make further efficiencies since its establishment.

This distribution will be made directly by PSAA and not via KPMG. Based on current information, PSAA anticipates that the amount of the redistribution is likely to be in the order of 15% of the scale fee.

Factors affecting audit work for 2017/18

We plan and deliver our work to fulfil our responsibilities under the Code of Audit Practice (the Code) issued by the National Audit Office (NAO). Under the Code, we tailor our work to reflect local circumstances and our assessment of audit risk. We do this by assessing the significant financial and operational risks facing an audited body, and the arrangements it has put in place to manage those risks, as well as considering any changes affecting our audit responsibilities or financial reporting standards.

Under the Code, we have a responsibility to consider an audited body's arrangements to secure economy, efficiency and effectiveness in its use of resources and to do this we will undertake appropriate value for money (VFM) audit work. The 2017/18 fees have been set on the basis that the NAO's Code and supporting guidance does not change the level of work required on the VFM audit. Should this not be the case, or if new or increased significant VFM audit risks arise that require further audit work, additional fees will be necessary over and above the scale fee. Any such additional fees will be subject to approval through PSAA's fee variation process.

Assumptions

The indicative fees are based on a number of assumptions, including that you will provide us with complete and materially accurate financial statements with good quality supporting working papers, within agreed timeframes. It is imperative that you achieve this. If this is not the case and we have to complete more work than was envisaged, we will need to charge additional fees for this work. Our assumptions are set out in more detail in Appendix 1 to this letter.

In setting the fee at this level, we have assumed that the general level of risk in relation to the audit of the financial statements is not significantly different from that identified

for the current year's audit. A more detailed audit plan will be issued early next year. This will detail the risks identified, planned audit procedures and (if required) any changes in fee. If we need to make any significant amendments to the audit fee during the course of the audit, we will first discuss this with you and if necessary the Chief Constable and then prepare a report for the Joint Independent Audit Committee, outlining the reasons why the fee needs to change.

We expect to issue a number of reports relating to our work over the course of the audit. These are listed at Appendix 2. A statement of our independence is included at Appendix 3.

The proposed fee excludes any additional work we may agree to undertake at the request of either yourself or the Chief Constable. Any such piece of work will be separately discussed and a detailed project specification agreed with you.

Beyond 2017/18

The 2017/18 audit will be the last under the current transitional arrangements whereby PSAA is responsible for managing the audit contracts novated to it from the Audit Commission upon its closure in March 2015.

For audits of the accounts from 2018/19, the provisions of the Local Audit & Accountability Act 2014 in relation to local appointment of auditors take effect. The Secretary of State for Communities and Local Government has specified PSAA as the appointing person for principal local government and police bodies. PSAA will therefore appoint auditors and set scale audit fees for bodies that have opted into its national scheme.

Our team

The key members of our audit team for the 2017/18 audit are:

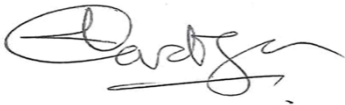
Name	Role	Contact details
Andrew Cardoza	Director	andrew.cardoza@kpmg.co.uk 07711 869957
Alasdair Colston	Manager	alasdair.colston@kpmg.co.uk 07787 141516

Quality of service

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact me and I will try to resolve your complaint. If you are dissatisfied with your response please contact the national contact partner for all of KPMG's work under our contract with PSAA, Andy Sayers (andrew.sayers@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing generalenquiries@psaa.co.uk, by telephoning 020 7072 7445 or by writing to:

Public Sector Audit Appointments Limited
3rd Floor
Local Government House
Smith Square
London
SW1P 3HZ

Yours sincerely



Andrew Cardoza
Director, KPMG LLP

cc: *Simon Edens (Chief Constable),*

Appendix 1 – Audit fee assumptions

In setting the fee, we have assumed that:

- the level of risk in relation to the audit of the financial statements is not significantly different from that identified for 2016/17;
- you will inform us of significant developments impacting on our audit work;
- internal audit meets the appropriate professional standards;
- you will identify and implement any changes required under the CIPFA Code of Practice on Local Authority Accounting within your 2017/18 financial statements;
- your financial statements will be made available for audit in line with the timetable we agree with you (note that 2017/18 is the first year in which the ‘faster close’ timetable applies whereby the deadline for draft accounts moves to the end of May and the deadline for publishing audited accounts moves to the end of July);
- good quality working papers and records will be provided to support the financial statements in line with our *prepared by client* request and by the date we agree with you;
- requested information will be provided within agreed timescales;
- prompt responses will be provided to draft reports; and
- additional work will not be required to address questions or objections raised by local government electors or for special investigations such as those arising from disclosures under the Public Interest Disclosure Act 1998.

Where these assumptions are not met, we will be required to undertake additional work and charge an increased audit fee. The fee for the audit will be re-visited when we issue the detailed audit plan.

Any changes to our audit plan and fee will be agreed with you. Changes may be required if:

- new residual audit risks emerge;
- additional work is required by KPMG, PSAA, the NAO or other regulators; or
- additional work is required as a result of changes in legislation, professional standards or as a result of changes in financial reporting.

Appendix 2: Planned outputs

Our reports will be discussed and agreed with the appropriate officers before being issued to the Joint Independent Audit Committee.

Planned output	Indicative date
External audit plan	January 2018
Report to those charged with governance (ISA260 report)	July 2018
Auditor's report giving the opinion on the financial statements, value for money conclusion and audit certificate	July 2018
Annual audit letter	August 2018

Appendix 3 – Independence & objectivity requirements

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

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

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

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

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

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

- Auditors and senior members of their staff who are directly involved in the management, supervision or delivery of PSAA audit work should not take part in political activity.
- No member or employee of the firm should accept or hold an appointment as a member of an audited body whose auditor is, or is proposed to be, from the same firm. In addition, no member or employee of the firm should accept or hold such appointments at related bodies, such as those linked to the audited body through a strategic partnership.

- Audit staff are expected not to accept appointments as Governors at certain types of schools within a local authority area.
- Auditors and their staff should not be employed in any capacity (whether paid or unpaid) by an audited body or other organisation providing services to an audited body whilst being employed by the firm.
- Auditors appointed by the PSAA should not accept engagements which involve commenting on the performance of other PSAA auditors on PSAA work without first consulting PSAA.
- Auditors are expected to comply with the Terms of Appointment policy for the Engagement Lead to be changed on a periodic basis.
- Certain other staff changes or appointments require positive action to be taken by Firms as set out in the Terms of Appointment.

Confirmation statement

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

Risk Assurance Map (2016/17)

PEEL Strand	Objective	Type of Risk	Responsibility	Initial Risk	Current Risk	Commentary	First Line of Defence: Key Controls		Second Line of Defence: Management Oversight / Governance		Third Line of Defence: Independent Assurance		Overall Assurance RAG Rating	Actions
							Assurance Measures	Effectiveness	Assurance Measures	Effectiveness	Assurance Measures	Effectiveness		
Effectiveness	Reduce Offending	Anti- Social Behaviour	ACC	Medium	Medium	ASB volumes are in line with seasonal trends. Noise nuisance complaints have risen in May and June, in line with the longer lighter evenings and seasonal trends seen.	ASB Strategy District and Sector briefings MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 and again in November 2016	Adequate		
		Road Policing	ACC	Low	Low	The summer drink drive campaign in June has resulted in increases in FPNs issued for seatbelts and speeding, although there has not been any change in the numbers of arrest for drink driving despite breath tests trebling.	Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 and again in November 2016	Adequate		
		Violent Crime	ACC	Very High	Very High	Levels of Violence against the Person are increasing (as expected with seasonal trend forecast over the summer). This increase is also being observed in A&E admissions for assaults -levels have been in exception for the six months up to June 2016. The increase in VAP is one of the main contributing factors to the increasing picture of crime harm the county is experiencing	Violent Crime Strategy District and Sector briefings MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 and again in November 2016	Adequate		
		SAC	ACC		High	SAC offences have shown a more marked increase in the last quarter into exception for theft from vehicles	Serious Acquisitive Crime Strategy MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 and again in November 2016	Adequate		
		Sexual Offences	ACC	Very High	Very High	Rape can now be considered as a long term performance exception. With 72 rapes reported in June 2016 this well above the monthly average (41). Of the 72 rape offences 22 are 'non recent' meaning that over two thirds (69.4%) are recent offences. The 22 'non recent' offences is twice the average observed over the last two years (11.5).	Rape and Sexual Violence Policy MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 and again in November 2016	Adequate		
	Investigate Crime and Manage Offenders	Repeat Offences	ACC		High	Increasing levels of repeat victims of all crime have been observed. This is mainly due to increasing levels of increasing levels of repeat victims of Violence against the Person (VAP) which includes victims of Domestic Abuse. Levels are increasing when including DA victims and when excluding DA victims. Crimes committed by those in the IOM cohort remain stable.	MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 and again in November 2016	Adequate		Internal audit of Integrated Offender Management scheduled for 2017/18
		Resolution Rates	ACC		Medium	The resolution rate has shown a slight improvement in June to 20.1% with volumes showing a marked increase (backlog of resolutions starting to filter through). The cumulative rate however continues to fall and our national position has slipped further to 35.	Crime Resolution Strategy MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 and again in November 2016	Adequate		Internal audit of Integrated Offender Management scheduled for 2017/18
	Protect Vulnerable People	Protecting Vulnerable People	ACC	Medium	High	Under 18 victims are increasing and account for over a third of all victims in the last quarter. Mental health incidents rose sharply in June to the highest levels for over 12 months. Missing people reports especially for young people under 18 are increasing and pose a potential risk to the force if this continues (impact on services and ability to respond to other calls for service).	Protecting Vulnerable People Strategy MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational performance group Effectiveness of partnership working managed through Local Safeguarding Children's Board (LSCBN), Safeguarding of Vulnerable Adults (SOVA), Health & Well-being Board (HWB), Children and Young People's Partnership Board (CYPPB)	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 and again in November 2016 HMIC inspection of Child Protection undertaken in January and October 2013.	Adequate		
		Domestic Abuse	ACC		Medium	Domestic abuse levels are stable, but data quality issues exist so levels recorded on systems now may not fully represent the actual picture of domestic abuse in the county.	Domestic Abuse Policy and Procedures MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 and again in November 2016	Adequate		
		Child Sexual Exploitation	ACC		Medium		Investigating Child Abuse and Safeguarding Children Procedure MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 and again in November 2016 HMIC inspection of Child Sexual Exploitation undertaken in September 2013.	Adequate		
		Hate Crime	ACC		Medium	There has been a national increase in reported hate crime since the EU referendum.	MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 and again in November 2016	Adequate		
	Tackle Serious and Organised Crime	Cyber Crime	ACC	High	High		Cyber Crime Plan MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 and again in November 2016	Adequate		
		Organised Crime	ACC	High	Low	No issues identified at this time. Limited data to make a full assessment	MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 and again in November 2016	Adequate		
		Terrorism	ACC	High	High	Nationally and regionally the threat in relation to the Islamic State in Iraq and the Levant (ISIL) remains a priority with the recent attacks in France and Germany continuing to highlight the significant risk posed.	MI provided through the Performance Hub Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Effectiveness inspection undertaken in October 2015 with a further inspection in November 2016	Adequate		

Risk Assurance Map (2016/17)

PEEL Strand	Objective	Type of Risk	Responsibility	Initial Risk	Current Risk	Commentary	First Line of Defence: Key Controls		Second Line of Defence: Management Oversight / Governance		Third Line of Defence: Independent Assurance		Overall Assurance RAG Rating	Actions	
							Assurance Measures	Effectiveness	Assurance Measures	Effectiveness	Assurance Measures	Effectiveness			
Efficiency	Managing Resources	Workforce Planning	DCC		High	Learning & Development are fully engaged and are core members of the newly formed Change Board. This provides an understanding of what we are trying to achieve through our change programme and support the force to deliver the skills capabilities required to optimise the Service Delivery Model and all other aspects of change. All role skills profiles have been reviewed and updated. New and vacant roles within the new model will involve recruitment processes that will include skills based assessments against these new role skills profiles. Thereafter, there will be individual training needs assessments to ensure that any skills gaps are addressed.	Workforce planning is managed by the Workforce Planning Group Operational performance is managed through the quarterly Organisational Performance Group	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of Demand Management undertaken in September 2011.	Adequate			
		Demand Management	DCC	Medium	High	Repeat locations have been increasing in recent months with June now at the UCL. Crime volumes have been steadily increasing in the last quarter across all volume crime types including violence and its derivatives, resulting in most crime types showing as exceptions. Foresight data indicates a number of outliers but in crime types not prioritised by the policing plan (e.g. other sexual offences). SAC offences have shown a more marked increase in the last quarter into exception for theft from vehicles. Peer performance has deteriorated. Sexual offences particularly rape show as an outlier in June. Cancelled crimes are stabilising.	Operational performance is managed through the quarterly Organisational Performance Group	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of Demand Management undertaken in September 2011.	Adequate			
		Workforce Management	DCC	Medium	High	Officer sickness was notably higher in June but staff sickness was stable. Officer days lost (0.81) was the highest for 6 months. Overtime costs jumped in June and are likely to have contributed to the forecasted year end overspend.	Operational performance is managed through the quarterly Organisational Performance Group	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of Workforce and Succession Planning undertaken in January 2015	Adequate			
		Training & Development	DCC	Medium	Medium		Training and Development Plan	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board. Officer and Staff welfare is overseen by the Leadership and Wellbeing Board	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of Workforce and Succession Planning undertaken in January 2015	Adequate			
		Financial Management	DCC	Medium	Medium	The force has recently been inspected for Efficiency and as part of this HMIC looked at understanding of costs and quality of service levels, reducing costs with improved quality, use of investments and planning and prioritising investments for the future and funding investments sustainably. HMIC have not yet provided their report from this inspection but the inspection de-brief highlighted that the force achieved savings within the CSR period and a much improved approach and process for force accounts. Issues were cited around the budget setting process linked to the force being invited to engage and inform this process more than previously.	Review of the Fore's financial position and the management of any identified risks is overseen by the quarterly Organisational Performance Group.	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016. Internal audit of Financial Planning & Savings Programme undertaken in November 2016. Internal audit of Core Financial Systems and Controls undertaken in March 2016. Internal Audit of Key Financial Controls undertaken in February 2015	Adequate		Internal audit of Core Financial Controls scheduled for 2017/18	
		Estates Management	DCC	Medium	Medium		Day to day operation and management of the estate is undertaken by the Estates and Facilities Department. Operational performance is managed through the quarterly Organisational Performance Group	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of Estates Strategy & Management undertaken in August 2014. Internal audit of the Estates Management Strategy undertaken in September 2012	Adequate			Tri-force internal audit of Estates management scheduled for 2017/18
		Vehicle Fleet Management	DCC	Low	Low		Day to day operation and management of the estate is undertaken by the Transport Department. Operational performance is managed through the quarterly Organisational Performance Group	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of vehicle fleet management scheduled for 2017/18	Adequate			Internal audit of Fleet Management scheduled for 2017/18
	Managing Change	Transformation Programme	DCC	Medium	Medium		Management of the Transformation Programme is overseen by the Transformation Board	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audits of Collaboration arrangements undertaken in September 2013. Internal audit of Change Management Programme undertaken in February 2014 Internal audit of Delivery of the Police and Crime Plan undertaken in January 2014 Internal audit of Change Management governance arrangements undertaken in May 2016 Internal audit of Governance of Resource Functions scheduled for 2015/16	Substantial			
		Regional Collaboration	DCC	Medium	Medium		Management of the regional collaboration programme is overseen by the Collaboration Board	Adequate	Oversight of the Regional Collaboration programme is provided by the Chief Officer Team Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of collaboration arrangements undertaken in 2016 Internal audits of Collaboration arrangements undertaken in September 2013. Internal audit of Change Management governance arrangements undertaken in May 2016	Adequate			Internal audit of five areas of regional collaboration arrangements scheduled for 2017/18 Tri-force internal audit of IT Strategy scheduled for 2017/18
		Emergency Services Integration	DCC	Medium	Medium		Management of the emergency services integration is overseen by the Interoperability Board	Adequate	Oversight of the Interoperability Board is provided through the Transformation Board Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of Change Management governance arrangements undertaken in May 2016	Adequate			
		Service Delivery Model	DCC	Medium	Medium	The final business case for the Service Delivery Model was presented to the Chief Officer Team and PCC in January. The five main areas of focus are: Crime Investigation and Management, Safeguarding, Neighbourhood Policing, Response and Proactive Policing and Demand and Contact Management. Implementation will take place between January and October 2017 running alongside Op Evolution and the Estates Strategy	Management of the implementation of the Service Delivery Model is overseen by the Change Delivery Team.	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016	Adequate			

Risk Assurance Map (2016/17)

PEEL Strand	Objective	Type of Risk	Responsibility	Initial Risk	Current Risk	Commentary	First Line of Defence: Key Controls		Second Line of Defence: Management Oversight / Governance		Third Line of Defence: Independent Assurance		Overall Assurance RAG Rating	Actions
							Assurance Measures	Effectiveness	Assurance Measures	Effectiveness	Assurance Measures	Effectiveness		
	Planning for the Future	Estates Strategy	DCC	Medium	Medium		The implementation Op Evolution is overseen by the Change Management Team	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of Estates Strategy & Management undertaken in August 2014. Internal audit of the Estates Management Strategy undertaken in September 2012	Adequate		
		Business Continuity Management	DCC	Medium	Medium	BCP's exist for all departments but they will need to be updated to reflect the changes in Force structure and any further changes as a result of the Service Delivery Model and Op Evolution.	Business Continuity Plans Business Continuity Policy and Procedures Departmental Heads are responsible for ensuring each department has an up to date Business Continuity Plan with oversight provided by the Force Risk and Business Continuity Advisor	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of Force Business Continuity undertaken in December 2016. Internal audit of FCR Business Continuity undertaken in 2014	Adequate		
		Risk Management	DCC	Medium	Medium	An internal audit of risk management undertaken October 2015 rated the Force as having 'limited assurance'. An action plan has been developed to address the recommendations from the audit .	Risk Management Policy and Procedures Corporate and Departmental Risk Registers Risk registers are managed by departmental managers with oversight by the Force Risk and Business Continuity Advisor. Management of risks is provided by the risk owners with oversight of the mitigation plans being provided by the quarterly Organisational Performance Group.	Adequate	Oversight of the effectiveness of the risk management policy and procedures is provided by the Force Assurance Board	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audits of Risk Management undertaken in 2014, 2015 and a follow up audit in January 2017	Substantial		
Legitimacy	Maintain Public Confidence	Victim and Witness Satisfaction	ACC	Very High	Medium	Satisfaction with treatment is stable but remains lower than levels seen in previous years. The public continue to report they have high confidence that the police would treat them with respect if they needed our help. Satisfaction with follow up remains a long term risk and is being managed by the victim and witnesses working group	Victim satisfaction surveys MI provided through the Performance Hub Oversight of victim satisfaction is provided by a victim satisfaction group chaired by the force.	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016. Internal Audit of Victims Code of Practice undertaken in June 2016.	Adequate		Follow up internal audit of Victims Code scheduled for 2017/18
		Community Engagement	ACC	Low	Low	Ch Supt Stempner and CI Alexander-Lloyd are developing a community engagement plan, part of which is to seek feedback from the community on their experience of various aspects of policing (including stop and search, hate crime, community engagement events). The continuous improvement team have been running a pilot to test whether there is any benefit in calling back MOPs within a short time (hours) of them receiving a visit from the police to identify any shortfall in service delivery that can be corrected. The results of this pilot will be examined in the next month.	Community Engagement Strategy District and Sector briefings Dedicated engagement officers Social Media responses	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Independent Advisory Groups	Substantial		
		Police Visibility	ACC	Low	Low		Police & Crime Plan Dashboard Police visibility is managed through the quarterly Organisational Performance Group	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 HMIC inspection of Making Best Use Of Police Time was undertaken in March 2014	Substantial		
	Maintain Discipline and Standards	Complaints	DCC	High	Low	Complaint data is stable and indicates no risks at this time.	Police Staff Misconduct Policy and Procedures Governance of discipline and standards is overseen by Professional Standards Department	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 HMIC inspection Police Integrity and Corruption undertaken July 2014. Internal audit of Complaints Management undertaken in June 2016	Substantial		
		Ethics	DCC	Low	Low	Plans are now approved and in place Spring Legitimacy Inspection will provide an opportunity to further assess effectiveness of these plans	Code of Ethics Departmental heads are responsible for ensuring their departments comply with the Code of Ethics.	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 HMIC inspection Police Integrity and Corruption undertaken July 2014.	Substantial		
	Compliance with Regulation / Legislation / Codes of Practice	Health & Safety	DCC	Low	Low	Accidents remain low across the force. Discussions have begun with Leicestershire and Nottinghamshire about the potential for cross force auditing of H&S.	Health & Safety Policy and Procedures Compliance with Health and Safety Regulations is the responsibility of departmental managers overseen by the Facilities Manager (Compliance). Oversight of Health & Safety is provided by the quarterly Health & Safety Committee.	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of Health & Safety scheduled for 2017/18	Substantial		
		Information Security	DCC	Low	Low	The National Dashboard rates Northants as 'green' for every category of Information Assurance.	Information Security Policy and Procedures Data Protection Policy Information Management Policy Security Incident Management Policy and Procedure Secure Erasure of Data procedure Compliance with Information Security policy is managed by departmental managers overseen by the Force Information Security Officer.	Substantial	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 Internal audit of Data Security undertaken in March 2014. Internal audit of ICT and Information Security procedures was undertaken in January 2017	Substantial		
		Legal / Regulatory Compliance	DCC	Medium	Medium		Departmental heads are responsible for ensuring their departments comply with all relevant regulations. Professional Standards Department provide day to day oversight of legal and regulatory compliance.	Adequate	Oversight of organisational performance is provided by the Chief Officer Team. Oversight of strategic organisational performance is provided by the Strategic Planning and Co-Ordination Board. Oversight of the effectiveness of policies and procedures is provided by the Force Assurance Board.	Adequate	HMIC Efficiency, Legitimacy and Leadership inspection undertaken June 2016 HMIC inspection Police Integrity and Corruption undertaken July 2014.	Substantial		Tri-force internal audit of Counter Fraud scheduled for 2017/18

Risk Score

Very High
High
Medium
Low
Very Low

Assurance

Substantial
Adequate
Limited
None

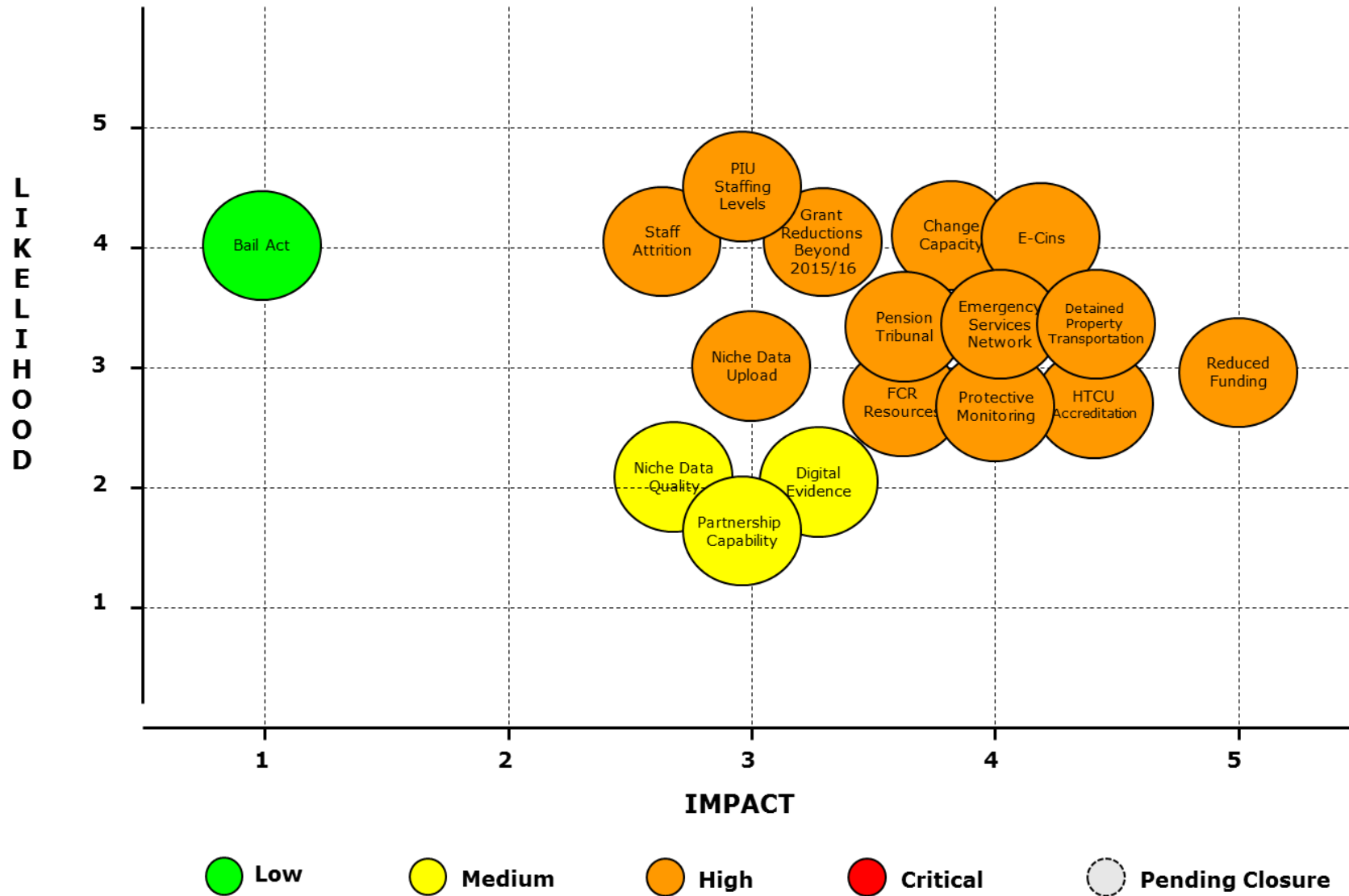


Risk Management Monthly Summary Report

June 2017

Corporate Risk Register

There are currently seventeen open risks on the Corporate Risk Register. Thirteen are 'high', three are 'medium' and one is 'low'. The details of the Detained Property risk are excluded from this report due to operational sensitivity.



Summary details are below:-

Risk Ref.	Risk Score	L'hood	Impact	Description	Response Measures	Comments	Status
CR 60	16	4	4	Reduced capacity and/or capability (i.e., financial, etc.) to deliver transformational changes that enable delivery of the force control strategy and the Police and Crime Plan could result in a failure to meet operational or financial targets.	The Change Delivery Team have restructured the programme to maximise efficiency and delivery, while increasing accountability. Some capital funds have been allocated to provide some of the needed resources. Other revenue funding options have been agreed to cover the Business Improvement Team. The SDM Full Business Case has been agreed to improve operation efficiency and effectiveness and there is a desire to proceed with a dynamic review after implementation.	There is a need to consolidate and avoid any non-essential change activity until we have landed SDM, Op Balance, Op Evolution, Oracle Fusion and the Community Safety review.	➔
CR 87	16	4	4	The lack of centralised management and control of the e-cins system affects the accuracy and integrity of data held on the system leading to possible impact on investigations, non-compliance with regulations and potential reputational damage and loss of public confidence.	E-Cins is used by a number of partner agencies each of which is responsible for managing access to the system for their own users. There is currently no central oversight of user access so the Force is reliant on partners to vet, train and manage users appropriately.	Tim Driver has confirmed that through changes to the ISA to confirm that all user organisation are shared Data Controllers, and a rewording of the contract to confirm that Northants Police pay the bill on behalf of all user organisations in the County, it will be sufficient to confirm to the ICO that we are not the system owner, so will not be responsible for all data on the system. So far the ISA has been updated, but the contract is still in progress. The work to design a Programme Manager role is ongoing. The ISD System Admin team taking on responsibility for account management has been agreed and work is ongoing to introduce the arrangements. No date has yet been set for the National E-Cins User Group.	➔

Risk Ref.	Risk Score	L'hood	Impact	Description	Response Measures	Comments	Status
R 19	15	3	5	Less funding available, both from public and private sources to enable the force to prepare for population growth. Also changes in demand/ demographics from growth could result in increases followed by delayed Council Tax receipts.	The Commission is increasing council tax by 1.99%, if collection rates & the precept continues to increase & this is available to the Force to use for frontline policing, this reduces this associated risks.	Investment requirements to the Tri-Force Collaboration & delayed savings could result in pressures on ability to delivery uniform current service levels to increased demand and populous.	➔
CR 93	12	4	3	A combination of decreased staffing levels and increased workload in the Prisoner Investigation Unit is making it difficult to manage caseloads leading to increased staff sickness and absence and a deterioration in service.	A review of staffing and workloads has been undertaken and meetings held with relevant departments to identify immediate solutions. Gold Group has been formed to resolve crisis level staffing. An action plan has been created identifying short and medium term actions. Financial approval has been given for recruitment of 25 additional LIO's, 6 Safeguarding Officers, 1 Risk Management Officer and 12 FTE equivalent of zero hour contract LLIO's to infill prior to the recruitment being fulfilled.	Significant progress has been made but the risk remains. Funding has been released to employ 12 LIO's in the short term and is being progressed. Funding has also been released for overtime to clear the backlog. There are still 3 sergeant vacancies and discussions are ongoing to recruit temporary sergeants to cover these vacancies. The current arrangements are likely to remain in place until implementation of SDM in September.	➔
CR 77	12	4	3	The announcement of the Strategic Alliance, subsequent ending of PBS Consultation and the development of a new Service Delivery Model places additional pressure on already under resourced departments and increases the threat of staff attrition due to uncertainty over the future.	Agree a retention strategy. Recruit temporarily to key posts. Share post holders across 2/3 forces.	The Strategic Alliance is no longer going ahead. Staff attrition is being tracked with the SDM and the leaver profile is currently within normal parameters. The risk remains open pending the introduction of new shift patterns and the flexible working review.	➔

Risk Ref.	Risk Score	L'hood	Impact	Description	Response Measures	Comments	Status
CR 71	12	4	3	<p>Grant reductions for 2016/17 have been announced at 1.3% with beyond being forecast as 1.3%, however, there is still an unknown top slicing effect at the tail end of the Medium Term Financial Plan (MTFP), which could significantly increase this headline. The cumulative deficit for year 5 of our MTFP ranges from £6-12.2m.</p> <p>Tri-Force enabling services collaboration savings are still being formed up, however, investment costs are likely to delay benefits, which puts pressure on revenue budgets until then through capital charges.</p>	<p>Longer Term decisions are currently being reviewed to provide an affordable Organisational Design. The Tri Force enabling services collaboration should mitigate the impact in terms of consolidation, efficiency and integration opportunities.</p>	<p>Options for Officers and Staff through phases 1 and 2 of SDM need to be considered based on a proper consideration of threat, harm and risk, activity and demand analysis.</p> <p>With lead times and the scale of the changes required, it is likely that permanent savings needed for the tail end of the MTFP are unlikely to be identified through the first phases of the SDM project.</p>	→
CR 80	12	3	4	<p>The Hi Tech Crime Unit fails to achieve ISO17025 accreditation by UKAS resulting in them possibly not being able to present evidence in court as experts leading to potential failure of prosecutions and associated risk of continued offending and reputational damage to the force and loss of public confidence.</p>	<p>Regional solutions are being developed for the legal entity and a quality management framework but it is not known at this stage whether these will be accepted by the accreditation body.</p>	<p>The timetable has been set for AC4 submission and this is on-target: 5th May for Imaging Computers and 31st May Data Extraction and Processing. It is currently estimated that UKAS assessments are 5 months from the point of AC4 submission, albeit their timetable is fluid. In order to achieve the sheer volume of technical testing for the 31st May submission, other HTCU staff will be required to support the process, which will in turn incur overtime to minimise the impact to daily business.</p>	→




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

Risk Ref.	Risk Score	L'hood	Impact	Description	Response Measures	Comments	Status
CR 88	12	3	4	Slippage to the delivery of the Emergency Services Network (ESN) means that the Force will not be able to transition to the new service within the anticipated timescales leading to a significant financial impact in terms of the ongoing costs of extending the use of Airwave and the failure to realise anticipated benefits from ESN.	<p>Ongoing work with the regional co-ordination team and the Home Office to monitor and understand the impact of slippages.</p> <p>Lobby the Home Office to ensure that adequate coverage exists before migration to ESN.</p> <p>Monitor and renew Airwave contracts within timescales.</p>	Forces will not only be required to meet the costs of supporting their continued use of Airwave as well as the ESN costs if they fail to transition within the allotted time but there will also be a fee that will have to be paid which will be shared across all 3 Emergency Services (Police, Fire and Ambulance). A statement that was released from OCiP (Operational Communications in Policing) said: "Confirmed extension of Airwave post NSD (31st Dec 2019) incurs a fee of £3.64m per month per region. "	→
CR 49	12	3	4	Limited capability to monitor systems use increases risk of misuse and potential reputational damage and loss of public confidence.	Introduce protective monitoring software to allow system use to be effectively and consistently monitored and audited.	Procurement process underway, following detailed requirements specification being developed.	→
CR 91	9	3	3	Crime and Intel data has yet to be uploaded to PND from all five EM forces. There is a risk that officers will not be able to satisfactorily complete searches for historical crime and intel data on nominal records without the data being resident in PND	Information from other EM forces that is not uploaded to PND would still be available from source e.g. Niche, however there is an inconvenience of processing two separate searches and combining the results (e.g. EM data from Niche and other force data from PND). Officers should be aware that all EM data is available from Niche and PND can still be used for acquiring crime and intel of other forces.	The upload of bulk data is continuing. Once this is complete a further upload of catch-up data for the past few months will commence. In August the Home Office are installing a new server which will enable daily incremental files to be uploaded from PND.	→

Risk Ref.	Risk Score	L'hood	Impact	Description	Response Measures	Comments	Status
CR 59	6	2	3	A reduction in partnership resources due to budgetary constraints means that the Police increasingly have to perform roles on behalf of partners which is diverting resources away from key policing functions.	Negotiation with partners to ensure commitment to providing adequate resources. Regional Service Level Agreement with EMAS to outline the standards and expectations of both services. Executive Group/COG to make decision on the position of the Force in relation to injured persons or transportation of injured persons as a result of EMAS non-attendance at scenes.	The health partners have now committed to and are recruiting dedicated mental health nurses based in our FCR who act as tac advisors as well as first responders and they are supported by a nurse and paramedic This has seen some good impacts upon police demand There are broader risks often seen in the out of hours child protection arena which we now take a firmer line on In relation to absent children from care homes we operated a policy where they would always be missing and this created work for us and the local authority did not always own their professional responsibility. This policy has been rescinded. This area will be explored further as part of the community safety review.	↓

Risk Ref.	Risk Score	L'hood	Impact	Description	Response Measures	Comments	Status
CR 82	6	2	3	The web form is the primary means of data input to Niche but lacks data validation consistently stringent enough to prevent input errors. Consequently the poor quality of some data being input to Niche compromises decision making and may affect operational activity.	<ul style="list-style-type: none"> • Development of Niche Dashboard App by ISD (for operational use to more easily identify outstanding tasks). • Development Niche Performance Dashboard by Corporate Performance Team (to monitor the trend of resolving the most significant data quality issues e.g. missing OIC and task information). • Offer to ISD to bring in an additional System Administrator for 6 months (to help address the location data integrity issues). • Recruitment of an additional local Data Cleansing Clerks (to support wider data integrity checking and resolution). • Extension of 2 x IMU Officers to the end of the financial year to undertake monitoring and feedback to operational staff (SDM review will consider ongoing. additional resource requirements) • Recruitment of an Auditor role to dip sample PO7s etc. • Web form Optimisation (phase 1 complete but further enhancements required). • Programme Team going through process of rationalising, streamlining and simplifying workflows, tasking and OELs. • Regional sessions being convened to consider business rules and mandatory fields. • Programme Team and EMCHRS providing further Staff Training and support. 	A Niche data quality strategy and improvement plan is in place that seeks to address system issues that allow data quality errors in the first place as well as training users to improve user confidence and understanding in the system.	➔

Risk Ref.	Risk Score	L'hood	Impact	Description	Response Measures	Comments	Status
CR 48	6	2	3	There is lot of complicated evidential data held in a number of different locations and formats with no appropriate policies over use. There is a danger of mis-management of the data which could result in evidential data being compromised or lost. The Force is also in breach of the Data Protection Act due to keeping records beyond the period that we are entitled to.	To have a central repository where all digital data is held and managed appropriately. This will need a policy and procedure document producing.	Implementation of a regional RRD solution is progressing. NICHE optimisation work is aiming to reduce legacy systems and concentrate data storage within the minimum number of systems; maximising the value from Regional RRD. 'Refresher' work on improving Information Asset Ownership is progressing well, following widespread changes in IAO personnel. Training packages are due for roll-out during Summer 2017, led by ISO & utilising Force Information Auditor. MOPI review of 'aged' data has substantially reduced non-compliant records.	➔
CR 92	4	4	1	Changes to the Bail Act lead to an increase in the number of suspects being released without bail, affecting public confidence, and an increased workload for inspectors and superintendents.	The new Bail Act comes into effect from 01 April 2017. The new regulations introduce the presumption that anyone entering custody will be released without bail conditions unless certain preconditions are met and authorisation is obtained by an Inspector or above. This may result in an initial increased workload for Inspectors having to assess bail applications. The 28 day bail limit may lead to an increase in the number of bail review meetings requiring a Superintendent to authorise any extension of bail. Evidence from pilots of the new process suggests that initially demand will be high until the new regulations are applied consistently. Public perception of suspects being released without bail could lead to a reduction in public confidence.	Implementation of the changes has been managed well and with few issues. More time will be needed to assess the impact on investigations.	➔

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



Report to the Joint Independent Audit Committee 19 June 2017

Corporate Risk Register and Force Assurance Board

RECOMMENDATION

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

1 PURPOSE OF THE REPORT

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

2 CORPORATE RISK REGISTER

- 2.1 There are currently seventeen risks recorded on the Corporate Risk Register. Thirteen risks are 'High', three are 'Medium' and one is 'Low'.
- 2.2 The attached Monthly Risk Report shows the details and the current status of the risks.

3 FORCE ASSURANCE BOARD

- 3.1 The Force Assurance Board met on 07 June to provide assurance that the Force has adequate and effective governance measures and controls in place to manage any identified risks and issues.
- 3.2 The Board meets quarterly to consider any issues or areas of concern highlighted from the Corporate Risk Register, the Organisational Performance Group, the Transformation Programme, departmental risk registers and regulatory compliance.
- 3.3 In addition the Board monitors progress against actions recommended from internal or external audits, HMIC inspections, IPCC investigations and serious case reviews to identify any exceptions or areas of concern.
- 3.4 The decision record of the June meeting is attached together with the Monthly Risk Summary report, the Force Assurance Map and reports summarising progress against HMIC inspection actions and internal audit actions.

EQUALITY, DIVERSITY AND HUMAN RIGHTS IMPLICATIONS

None

HUMAN RESOURCES IMPLICATIONS

None

RISK MANAGEMENT IMPLICATIONS

This is the purpose of the report.

ENVIRONMENTAL IMPLICATIONS

None

Author:

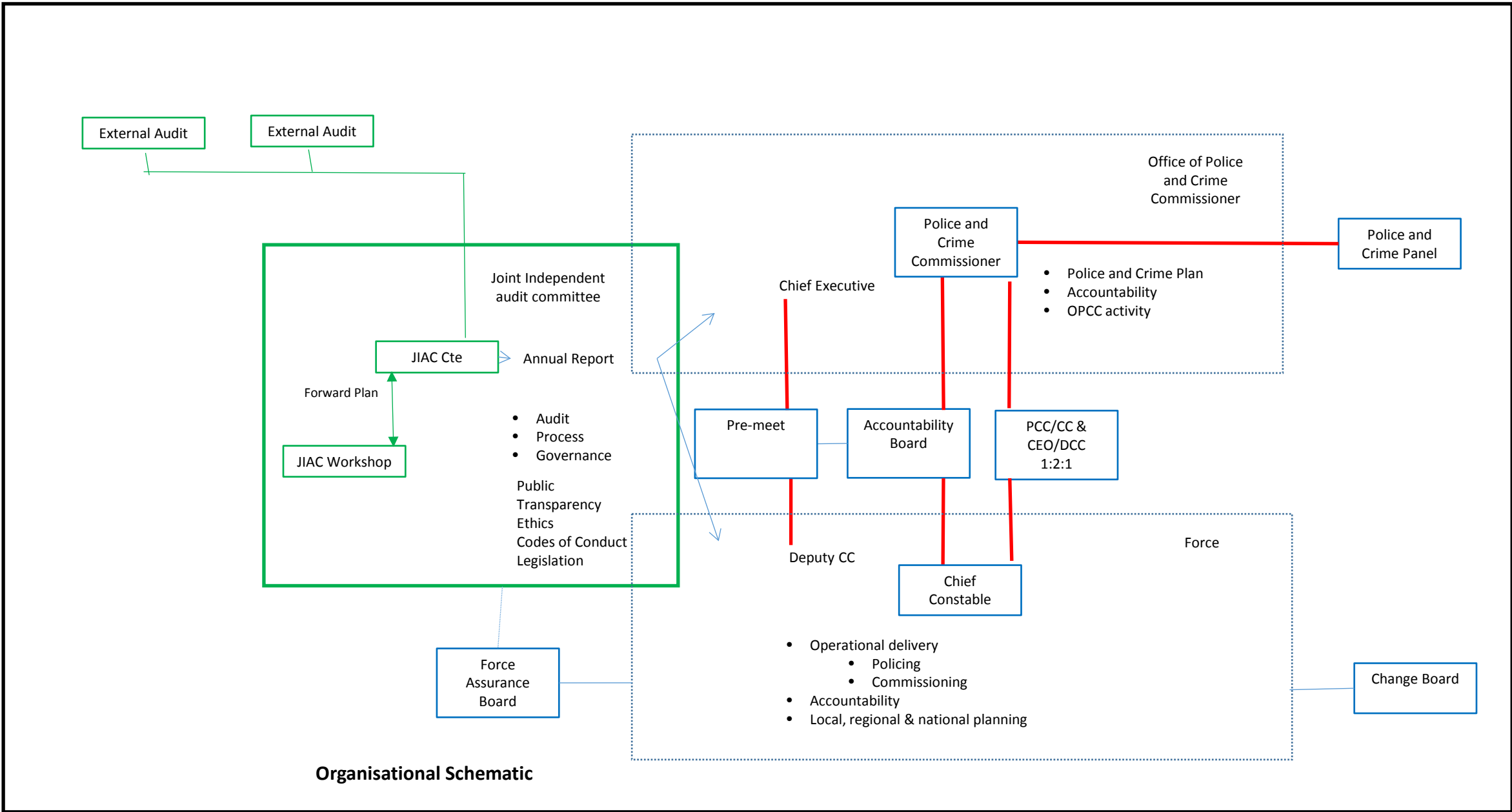
Richard Baldwin,
Force Risk and Business Continuity Advisor

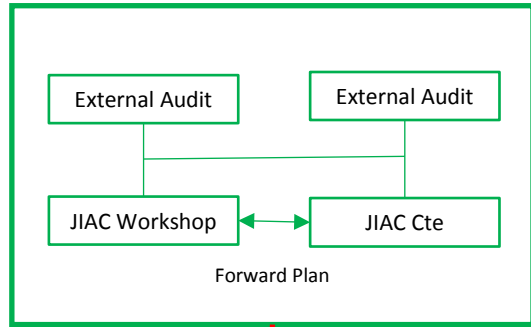
Chief Officer Portfolio Holder:

Rachel Swann, Deputy Chief Constable

Background Papers:

Monthly Risk Summary Report – June 2017
Decision Record of Force Assurance Board 07
June 2017
Force Assurance Map June 2017
Summary of Internal Audit Recommendations
for JIAC 190617
JIAC Report re HMIC AFI's June 2017g



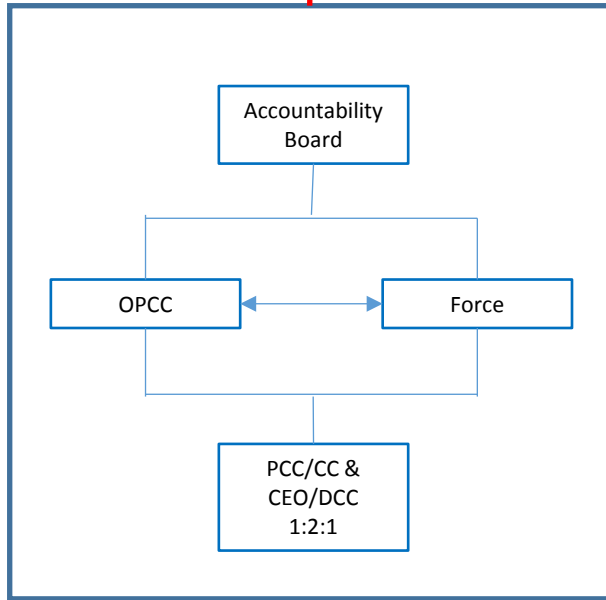


- Audit
- Process
- Governance

Public
Transparency
Ethics
Codes of Conduct
Legislation

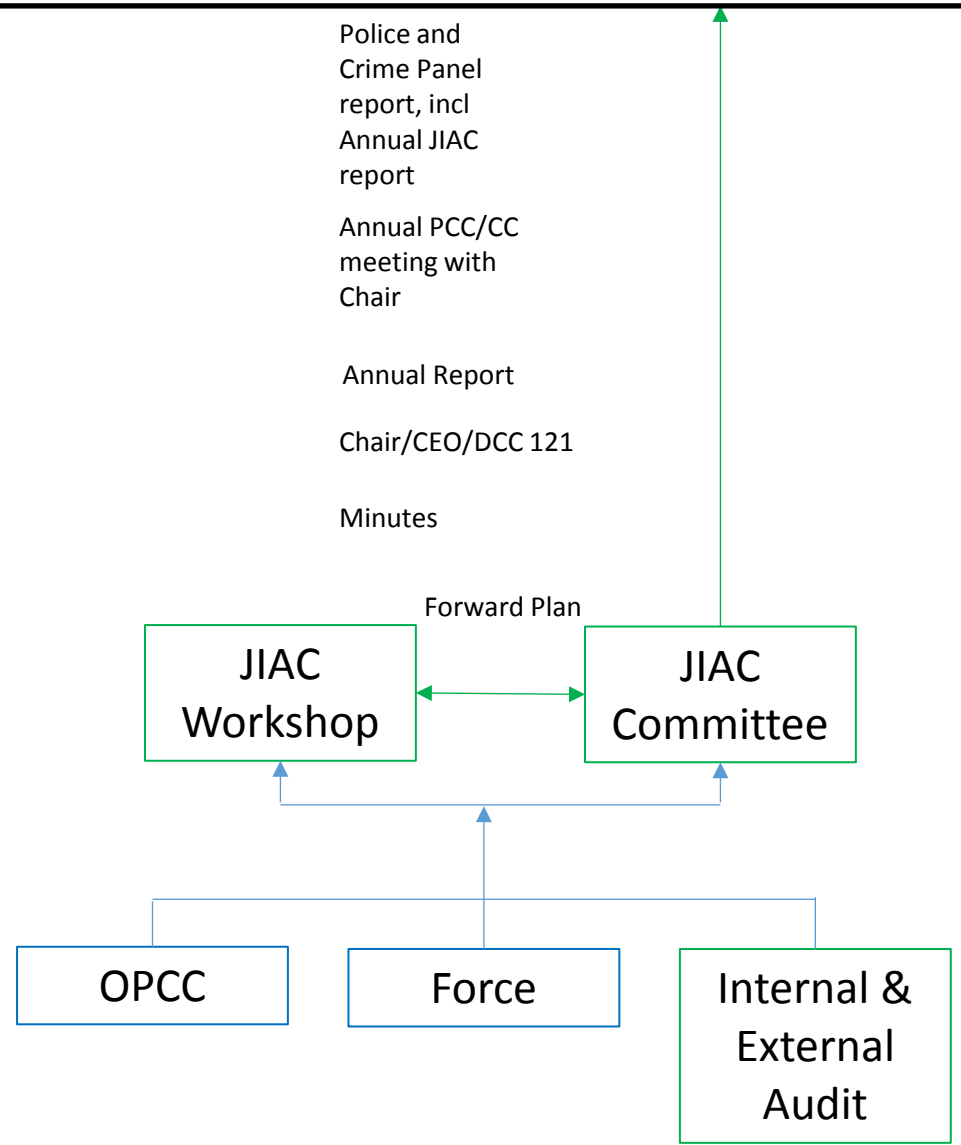
Annual Report

Police and
Crime Panel



- Operational delivery
 - Policing
 - Commissioning
- Accountability
- Local, regional & national planning

Organisational Schematic



JIAC input, outputs and escalation

	JANUARY		FEBRUARY
	Topic	Notes	Topic
1st			
2nd			
3rd			
4th			
5th			
6th			
7th			
8th			HMIC, Medium term financial plan, Performance
9th			
10th	SDM	Given the significance of this programme of work, this meeting will be a single agenda item meeting given over to SDM, to brief the PCC in relation to recommendations made and decisions taken and provide an appropriate level of reassurance in relation to fit with PCP delivery	
11th			
12th			
13th			
14th			
15th			
16th			
17th			
18th			
19th			
20th			
21st			
22nd			
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31st			

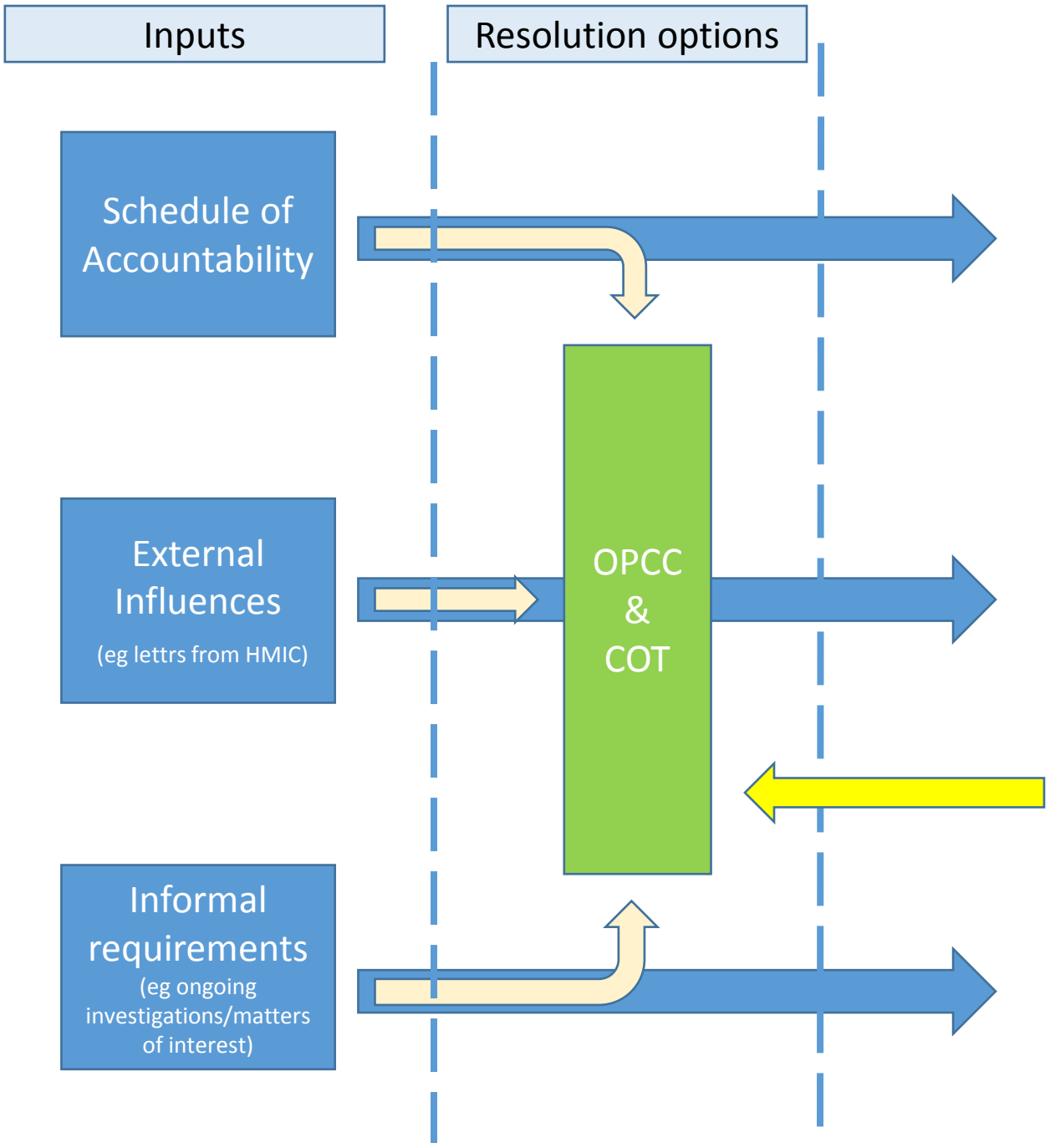
SDM

Medium term financial plan

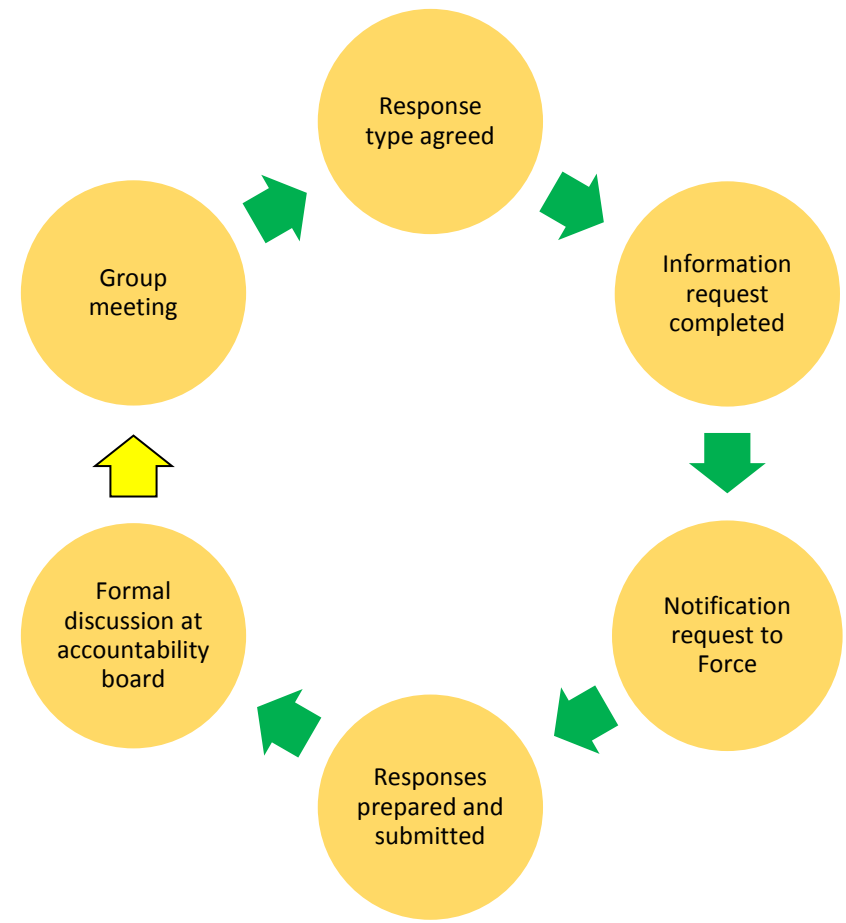
Transformation board

Performance

HMIC



Accountability Board





**ACCOUNTABILITY PROCESS
DRAFT PROPSAL FOR CHANGES TO OPCC/FORCE
ACCOUNTABILITY PROCESSES**

Author	Paul Fell
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1 INTRODUCTION

1.1 The Police and Crime Commissioner is the locally elected official to be the voice of the public, relating to matters of crime and policing. This role has a variety of functions and responsibilities, Key amongst these is the responsibility to hold the relevant Chief Constable for their respective policing area to account.

1.2 The Police Reform and Social Responsibility Act 2011 (The Act) outlines this responsibility. The Act states that a Police and Crime Commissioner must:

- (a) Secure the maintenance of the police force for that area and
- (b) Secure that the police force is efficient and effective

The Commissioner for a police area must hold the relevant Chief Constable to account for the exercise of –

- (a) The functions of the Chief Constable, and
- (b) The functions of persons under the direction and control of the Chief Constable

1.3 The Act continues that there are a number of areas in particular, within this, that the Commissioner must hold the Chief Constable to account for. These being:

- (a) The exercise of the duty under section 8(2) (duty to have regard to police and crime plan).
- (b) The exercise of the duty under section 37A (2) of the Police Act 1996 (duty to have regard to strategic policing requirement).
- (c) The exercise of the duty under section 39A (7) of the Police Act 1996 (duty to have regard to codes of practice issued by Secretary of State).
- (d) The effectiveness and efficiency of the Chief Constable's arrangements for co-operating with other persons in the exercise of the Chief Constable's functions (whether under section 22A of the Police Act 1996 or otherwise).
- (e) The effectiveness and efficiency of the Chief Constable's arrangements under section 34 (engagement with local people).
- (f) The extent to which the Chief Constable has complied with section 35 (value for money).
- (g) The exercise of duties relating to equality and diversity that are imposed on the Chief Constable by any enactment.
- (h) The exercise of duties in relation to the safeguarding of children and the promotion of child welfare that are imposed on the Chief Constable by sections 10 and 11 of the Children Act 2004.

1.4 In order to foster and maintain a productive and transparent working relationship between the Force and OPCC an environment of open and at times informal discussion is required and desirable.

1.5 There is also an equal need to have a formal accountability process between the Commissioner and Chief Constable that allows the effective discharge of the responsibilities outlined at 1.2 and 1.3.

- 1.6 Such a process, provides the Commissioner with the required level of assurance in matters of business as usual and individual areas of concern.
- 1.7 For such a process to be most effective it should be agreed with and understood by the Force and Commission, where roles and requirements are clearly understood. The Commissioner needs to be clear on the matters of concern that he/she may require reassurance on and the Force should be provided clarity on the matters that they are being asked for reassurance in relation to.
- 1.8 Whilst trying to avoid bureaucracy, following discussion with the Force it is agreed there is a need for some structure around an accountability process in order to avoid unnecessary duplication, provide clarity to all parties and support effective delivery of a policing service.

2 CURRENT POSITION

- 2.1 Currently, there are a series of meeting structures and information exchanges between PCC/OPCC and CC/Force. There are, however a number of key meetings, including, 1-2-1 meetings, Chief Officer Team (COT) and OPCC meetings and an accountability board.
- 2.2 Attendance at meetings other than 1-2-1 is currently
OPCC - Police and Crime Commissioner, Chief Executive, Chief Finance Officer and Directors.
Force - Chief Constable, Deputy Chief Constable, Assistant Chief Constable and if required regional heads for finance, HR and IT.
- 2.3 COT and OPCC meetings are held on a weekly basis and accountability board meetings monthly.
- 2.4 COT/OPCC meetings are informal meetings. Given this, they are not forums readily lending themselves to matters requiring key decisions or formal reassurances.
- 2.5 There is no process in place that formally allows for discussion or agreement on matters that will be raised at accountability board meetings. This creates the risk that the process of accountability is less effective than it otherwise could be. For this process to be at it's most effective it would benefit from the OPCC providing real clarity on matters that it requires reassurance on from these arrangements as well as the Force being properly sighted on these. Such a process, if used correctly should provide reassurance to both OPCC and the Force.
- 2.4 Neither meetings are ordinarily subject to a rigid agenda and neither recorded by way of minutes

3 PROPOSED PROCESS

- 3.1 Accountability and reassurance needs to be an iterative and ongoing process.
- 3.2 The OPCC and Force both have a key role to play in this as a process. While there is a place for a formalised meeting relating to matters of accountability, this should only be a part of a wider process in relation to accountability.

- 3.3 A wider process of accountability requires members of staff from the OPCC to be linked into subject leads within the Force, as well as partners external to the Force, to attend appropriate meetings relating to their subject lead areas, to engage in ongoing dialogue relating to matters they lead on and the existence of an internal OPCC process of accountability for matters that they are responsible for the delivery of.
- 3.4 Arrangements such as those in 3.3, ought to allow for the identification and in many cases resolution of issues of some concern and in cases where this is not the case should bring greater clarity to the actual points of reassurance the PCC requires to be asked of the Force.
- 3.5 It is suggested that the COT/OPCC meeting, if retained is divorced from any form of accountability process. COT/OPCC meetings are an informal structure, designed around information exchange rather than any accountability.
- 3.6 Currently accountability board meetings are scheduled on a monthly basis.
- 3.7 It is suggested that the process below is adopted as a formal accountability process.

Accountability board meeting are held on a monthly basis.

- Attendance at these meetings should be as a minimum Police and Crime Commissioner and OPCC Chief Executive and from the Force, Chief Constable and Deputy Chief Constable. Other attendees should be in attendance depending on the subject matters that are being discussed.
- Meetings should be recorded.

Two weeks ahead of each accountability board meeting a pre meet should be convened to allow for discussion of proposed areas requiring reassurance or accountability, as well as agreement on how these will be delivered.

- Attendance at these meetings should be OPCC Chief Executive and Deputy Chief Constable, with representatives from either organisation, where OPCC CE and DCC feel they are required to deliver the above requirements.
- From this meeting a written notification will be produced, where the OPCC will have responsibility for providing clarity both on the matters requiring assurance and the actual questions being asked or details requested.

- 3.8 In addition to the process outlined at 3.7, this will be supported by a structured schedule of accountability. This schedule, agreed with the Force, will include regular agenda items for the accountability board, diarised in line with how such issues feature in the business calendar of the Force. This will include updates relating to matters of transformation, such as Specials/Volunteers and SDM, following Transformation Board meetings and Force performance following the Organisational Performance Group meetings. Appropriate attendance from the OPCC at these forums will in itself form an integral part of the overall accountability process. Such attendance will either provide reassurance on emerging matters of concern or prompt the initial discussions of what exactly is required to provide this reassurance in relation to them. These matters will then be fed into the pre meet process, described at 3.7. Clearly, where this meeting attendance satisfies any concerns, it may negate

the need for any formal scheduled update at an accountability board. Again this will be agreed at the meeting outlined at 3.7.

- 3.9 There is also scope, to be agreed with the Force for the inclusion of regular standing agenda items for the accountability board meeting, to be reported on by way of exception. This could include matters such as HMIC inspections and progress against recommendations, as well as SDM delivery.

5 **RECOMMENDATIONS**

- 5.1 Consideration should be given to the removal of COT/OPCC meetings, or alternatively reduction of the frequency of these from weekly to 2 weekly.
- 5.2 It is agreed that accountability is an ongoing process and OPCC should review it's meeting attendance to ensure that it is best placed to contribute to this.
- 5.3 Subject to agreement on attendance the formal accountability process as described at 3.7 – 3.9 is adopted.

6 **APPENDICES**

- 6.1 Appendix A - Draft example schedule of accountability
- 6.2 Appendix B - Accountability meeting process flow diagram



Joint Estates Strategy & Asset Management Plan

Police and Crime Commissioner for Northamptonshire
Northamptonshire Police

2017 – 2030



The estate is one of the key enablers for any organisation, especially a vital emergency service. There has been a significant under-investment in our infrastructure that now manifests itself as both a threat and an opportunity.

The threat is obvious in that the current police estate is, in the main, unfit for purpose. We have too many expensive buildings that are inefficient, in the

wrong place, not maintained and do not provide the service required by our officers and staff. This, however, leads us to the opportunity to take a comprehensive look at our estate and along with our other emergency service partners consider what we need from our collective estate.

This is what we are now doing. For the first time in many years we will have a costed and affordable strategy and detailed plan to deliver a fit for purpose enabling estate that delivers what we want and where we want it. Aligned to modern technology and working practices our collective estate will work for us.

I urge you all to participate in the development of the plan and be part of this exciting and transformation improvement to emergency service delivery in Northamptonshire. Ultimately, the estate needs to help us to keep Northamptonshire safe.

Stephen Mold
Police and Crime Commissioner for Northamptonshire



“The purpose of Northamptonshire Police is to protect people from harm. I want to ensure that all of our officers and staff have the right tools at their disposal in order to fulfil our purpose which includes them having access to buildings and facilities that are fit for the 21st Century and meet their needs.”

“I want Police officers and staff in Northamptonshire to be visible, accessible and available to members of the public who have concerns about crime and their local communities. I want my officers and staff to work in partnership with other organisations who are obligated to a maintain a commitment to public safety and other interested parties in order to better protect people from harm and this estates strategy for the first time sees the Force taking a much more flexible and collaborative approach in meeting the needs of the public.”

Simon Edens
Chief Constable

Contents of Estates Strategy & Corporate Asset Management Plan

Introduction

Context

Part A - Estates Strategy

- Policy Statement
- Strategic Ambitions
- Governance

Part B - Asset Management Plan

- Current Position of the Estate
- Appendices (to follow)
 - 6 Facet Survey
 - Visibility & Accessibility

Part C - Implementation Plan

- Background
- Drivers for Change
- Capital Projects
- Service Delivery Model (SDM) – Change Programme

Part D – Agile Strategy

Part E – Reporting and Amendment Schedule

Introduction

The RICS Public Sector Asset Management Guidelines, 2012 edition, state that: “Strategic Property Asset Management is the process which aligns business and property asset strategies, ensuring the optimisation of an organisation’s property assets in a way which best supports its key business goals and objectives”.

There are three core elements to the Estates Strategy & Asset Management Plan, as outlined in the RICS Guidelines, which are included within this overall suite of documents:

1. Estates Strategy and associated Property Asset Management Policy (Part A) – establishing the directional of travel for built assets.
2. Asset Management Plan (Part B) - including detailed information to support the Estates Strategy.
3. Implementation Plan (Part C) - detailed future requirements and planned work, where required, for each building within the estate.

In addition there is a fourth part that forms an integral part of the estates strategy and that is the strategy surrounding how the estate will be utilised by staff. Therefore, the Agile Strategy has been included as Part D.

The Estates Strategy & Asset Management Plan will remain in place until 2030 but will be reviewed annually to monitor targets, update information in the Asset Management Plan and refresh the Implementation Plan.

Context

Northamptonshire's policing estate (the "estate") currently consists of 36 sites, which includes main sites, joint/partnership sites and drop in locations. There has been a historical and continuing lack of investment in the estate over the last 25 years. Therefore, in order for the estate to perform its' role as a key enabler, changes are required in terms of locations, functions and design.

Whilst the location of local police buildings can be an emotive issue for local communities, the nature and type of threat have evolved almost beyond recognition from 25 years ago and the estate must allow emergency services and partners to both meet the current and also evolving threats facing the public.

Technology and legislation have been fundamental factors in the changing nature of both crime and fire prevention also the required response. There is an increasing trend of online and technology enabled crime, which is not challenged by locality based estate. Additionally, the footfall within existing front counters is small and continuing to decrease. Mobile technology for police officers and staff is improving and will allow for less reliance on fixed locations to perform their duties and complete essential administration. The estate landscape has and continues to change.

However, the estate needs to accommodate many functions which are specific to the delivery of emergency service requirements. Some of the key functions include custody, control rooms, archive and exhibits storage, IT data centres, covert premises and police dog kennels.

Additionally, there is a potential change in the governance arrangement for the Fire Service in 2018, this is likely to increase the estate portfolio. Once the situation surrounding the Fire and Rescue Service has been confirmed this strategy will need to be revised to incorporate the increased estates portfolio and ensure maximum benefit is achieved.

Part A

Estates Strategy
2017 – 2030

Estates Strategy

In practical terms, the Estates Strategy sets out the framework for managing our estate portfolio until 2030. It is written as a guide to future strategic property decisions, ensuring that we manage our property portfolio, in conjunction with our internal colleagues, in an effective manner. Through it, the Estates Service will support the delivery of the Police and Crime Commissioner's Police and Crime Plan and the ambitions of Northamptonshire Police. To do this the challenge is to adapt the estate to fit with a changing and leaner organisation, and yet provide effective operational policing and support bases. This work also has to be crafted around the Key Outcomes and Supporting Objectives of the PCC:

- Keeping the young safe
 - Child exploitation
 - Early intervention
 - Online safety
- Community partnerships
 - Accessibility and visibility in urban and rural areas
 - Anti-social behaviour and hate crime
 - Road safety
- Protecting people from harm
 - Domestic and sexual abuse
 - Modern slavery and human trafficking
 - Drugs, alcohol and mental health
 - National and international threats
 - Burglary
 - Cyber enabled crime
- Victims at the heart of justice
 - Support to victims and witnesses
 - Swift and sure justice

There are a wide range of police building assets that are essential for the delivery of operational policing and its support services. It is essential that these assets are managed robustly and flexibly to cater for the changing needs of modern policing and service delivery to the public. The Estates Strategy sets out the direction of travel over the next 5 years along with the outline intent through to 2030, reflecting the changing environment in which we operate, responding to an age of austerity and meeting the challenge of evolving local, regional and national threats. The strategy will be reviewed at least annually to ensure the context, political direction and operational requirements remain valid.

An intention of the Estates Strategy is to reinforce the corporacy of estate planning, maintenance and provision. To this end, the Estates Service will act as “**corporate landlord**” on behalf of the Police and Crime Commissioner (PCC).

In particular, the Estates Strategy will:

- Set out how the Estates Department will work with the Commissioner and the Chief Constable to ensure fit for purpose facilities that are required to deliver effective operational policing
- Support front line policing by providing fit for purpose buildings and facilities to support operational requirements in a cost effective way
- Support the delivery of the Police and Crime Plan and complement other plans and strategies such as IT Strategy, Service Delivery Model and Agile Strategy

The Estates Strategy aims to deliver an estate which will be more efficient, lower cost to run and which is flexible enough to respond to the developing service requirements. It will allow the Force to maintain high quality services, to improve effectiveness and to ensure good value for money by the efficient use of a key resource. The Strategy seeks to deliver the right balance between operational delivery and affordability.

Vision

The vision for the estate is to:

- Create an efficient, fit for purpose and sustainable estate that delivers value for money and facilitates flexible working in line with the Police and Crime Plan
- Deliver an estate which provides an appropriate level of security for officers and staff and information
- Provide a visible and accessible service which enables multi agency working and promotes visible policing

Estates Strategic Ambitions

<p>Fit for purpose estate</p>	<ul style="list-style-type: none"> • Develop a smaller rationalised modern estate which aligns with the Service Delivery model and assists in improving public confidence and visibility within our communities. • Provide flexibility within the estate, including 'open plan' areas and reduced cellular spaces, for future adaptation and delivery of agile and mobile working practices. • Consolidate and centralise functions into operational hubs for improved efficiency and team working.
<p>Improve visibility and accessibility</p>	<ul style="list-style-type: none"> • Set standards for the quality and professional appearance of buildings which reflect a quality organisation. • Accessibility for Public, Staff and Suppliers/Contractors – improve physical access, signage and information.
<p>Comprehensive building information</p>	<ul style="list-style-type: none"> • Carry out a full assessment of the estate, using examples of good practice, benchmarking and agreed standards to ensure that accommodation is 'fit for purpose'. • Implement a full review of all buildings using the 6 facet model and visibility assessment to enable a targeted approach to estate improvements.
<p>Rationalise our estate</p>	<ul style="list-style-type: none"> • Reduce the estate footprint • Reduce average space per FTE. • Reduce estate running costs (including cost avoidance) by Dec 2017, and identify further opportunities for efficiencies to 2020. • Undertake changes to the estate to support the implementation and use of mobile technology and agile working practices. • Reduce maintenance liabilities (backlog) and identify where capital investment/disposal is needed ensuring VFM approach in all projects.

<p>Support the delivery of key projects</p>	<ul style="list-style-type: none"> • Implementation of estate changes to support SDM • Implement re-provisioning and public access works where appropriate, to improve public contact. • Develop and implement project works to reduce the carbon footprint and associated revenue running costs. • Improve force wide site security and access systems. • Undertake an occupancy and utilisation review of all properties. • Establish robust Asset Management solution.
<p>Support the protection of public and public safety</p>	<ul style="list-style-type: none"> • Facilitate the provision of estate for Specialist Units. • Support the further development of Multi Agency Safeguarding Hubs and Community Safety based projects.
<p>Improve Sustainability</p>	<ul style="list-style-type: none"> • Develop sustainable solutions to mitigate the impact on the environment by police assets, including the increased use of renewable energy across the Force, • Promote 'Green' credentials and 'good citizenship' of the estate, supporting the local economy and supply chain where possible, • Meet Government targets for energy and carbon emission reduction.
<p>Work with partners to identify opportunities to collaborate and co-locate</p>	<ul style="list-style-type: none"> • Develop a collaboration database of joint work across the Force. • Develop the One Public Estate initial agreement to support and enable collaboration and re-provisioning of police accommodation with public sector and community based partners, to share building resources.
<p>Ensure Estates supports the Northamptonshire and the East Midlands regional agenda</p>	<ul style="list-style-type: none"> • Assist in the development and implementation of regional estates use where operationally viable and practicable • Support the use of regional contracts where appropriate, and operate in line with the procurement strategies, including sustainable procurement.

Ensure buildings meet all Health and Safety requirements and security standards	<ul style="list-style-type: none">• Carry out and act upon health and safety inspections across the Force estate
Self-generate funds to improve and enhance the estate	<ul style="list-style-type: none">• Sale of buildings as per forecast• Maximum sale value achieved

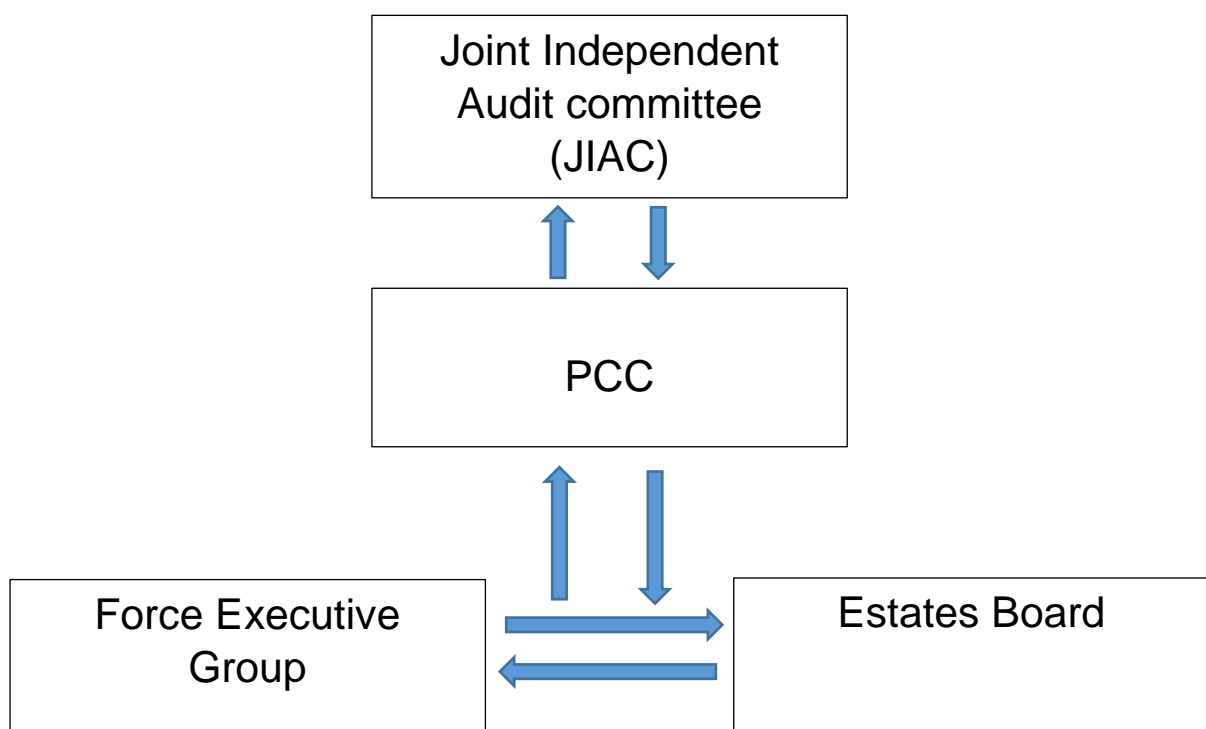
Governance

As the estate is owned by the Police and Crime Commissioner, he has ultimate responsibility for agreeing the Estates Strategy and to approve individual Business Cases. To support the PCC in managing the estate, the following are the appropriate forums for decision making, prioritising workloads and monitoring progress against agreed plans:

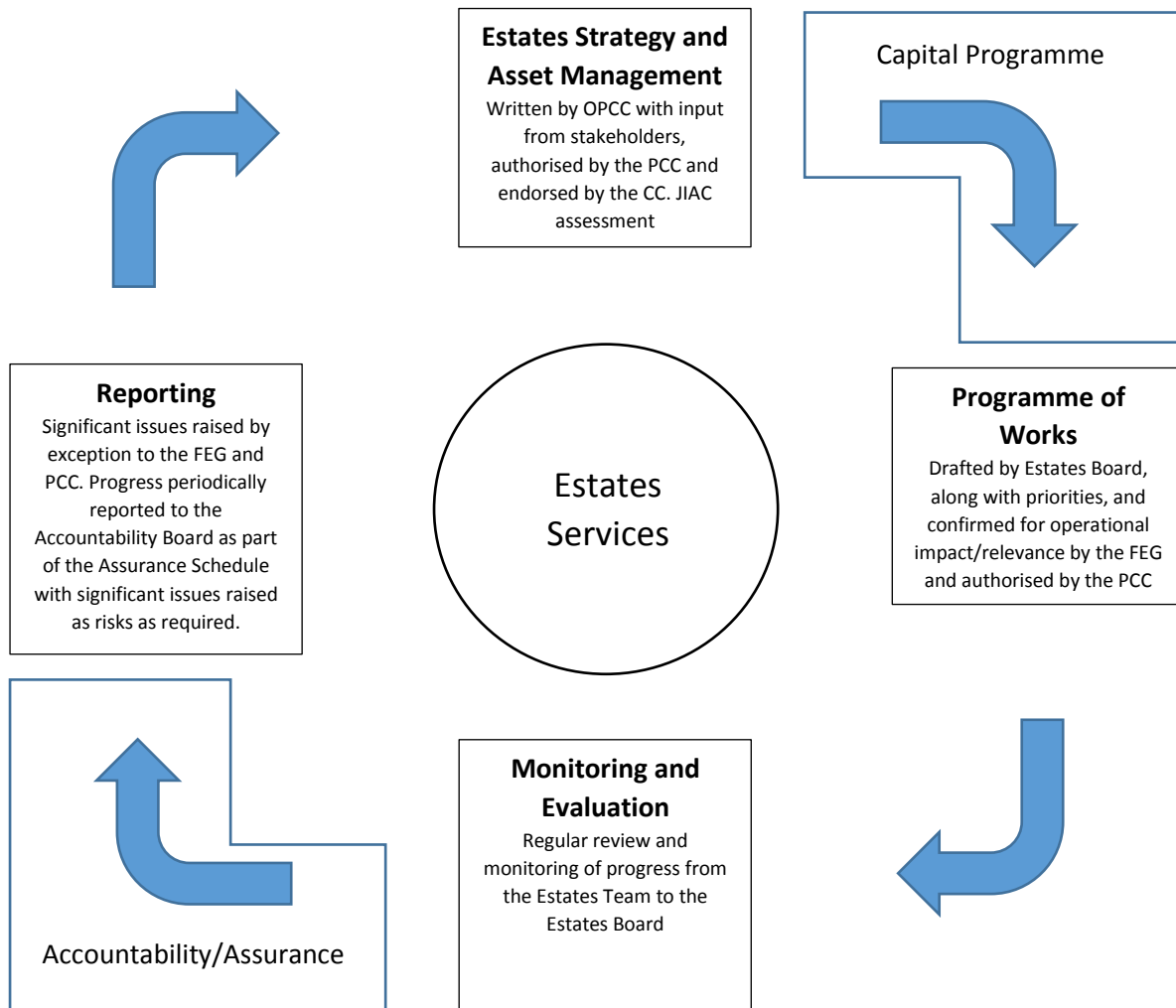
Joint Independent Audit Committee — Attended by the Chief Executive, Deputy Chief Constable, Section 151 Officers and senior representatives. Aim to oversee the estates strategy, governance processes and adherence to decision making policies allowing for the approval of Business Cases to achieve the Strategy.

Force Executive Group — chaired by the Deputy Chief Constable and attended by Departmental Heads and other senior representatives of the Force, with responsibility for initial consideration of Business Cases and ensuring that the implementation of the estates strategy and individual Business Cases align and are coherent with other operational Force activity.

Estates Board — chaired by the Chief Executive and attended by senior representatives of the Force, with the responsibility for determining the operational requirement, identifying priority works and managing risk. This Board also oversees progress with the implementation of the Estates Strategy and the development and monitoring of key performance indicators for the estate.



The annual work flow to establish and review the estates strategy followed by implementation of the agreed programme of works is as follows:



Challenges

The current estate evolved to the form it is today in order to meet the needs of traditional policing. Now, in response to the changing external environment the Force is restructuring and introducing new operating methods, which will drive significant estate changes over the next 5 years. However, the focus of work on the estate is also to achieve financial savings. This involves challenging how we use our property and how we can use it more efficiently.

Supporting this Strategy will be the Asset Management and Implementation Plans. The latter will form the basis for workload planning and implementation and will be reviewed and updated by the Estates Service and the Estates Board annually.

To meet the challenges of the changing demands on policing, the Force has reviewed its operating model, which is now predicated on demand based policing. It is Northamptonshire Police's strategic intention to identify property requirements in all geographic areas. This will mainly lead to the requirement to divest ourselves of a number of properties and, in a number of cases where gaps in the estate are identified, to provide policing services from new operating sites, either through acquisition or by sharing buildings with partners.

Additionally, we will be able to streamline accommodation to meet changing demands, communications and operating methods being presented by the new equipment. Whilst this will reduce the reliance on the built infrastructure it will also enable further joint working and sharing of accommodation, particularly as 'drop in' points where in many cases a police officer will no longer need to return to a police base to access police systems. There will be a substantial number of mobile devices issued, along with vehicle adaptations which will enable more remote operation. This stepped change to move to 'virtual buildings' will reduce the need for the traditional building infrastructure, and supports the development of a more flexible, agile and visible police workforce.

The focus of the estate will therefore be one of rationalisation and consolidation, which benefits by saving revenue budgets. This will involve divesting ourselves of buildings no longer of suitable standards or in unsuitable locations. We will actively work with partners to find opportunities to collocate and share costs, especially to re-provide required services in the same area and thereby maintaining, if not improving, the visibility of policing services. Wherever possible the intention will be to maximise capital receipts from surplus buildings, reinvesting a significant portion of the receipt back into the estate to drive out further savings. This is reflected in the strategic ambitions section.

Efficiency

Northamptonshire Police will improve the efficiency, flexibility and sharing of its facilities which will reduce the resources needed to run and maintain poorly performing buildings, allowing resources to be focused on key challenges. Suitability, sufficiency and condition of a building are a gauge of 'fitness for purpose' and should always be considered in determining future investment. Work in this area is expected to use an expanded 6 facet survey assessment to determine whether or not our buildings meet a basic required standard. Further aspects considered in this area are overall quality, statutory compliance and utilities running costs. In addition, it is necessary to ensure that visibility is also considered on each site to give the public assurance of policing presence and provide an image of a professional organisation. This is set out in further detail in the Implementation Plan section (Part C). Where re-providing police services in partner buildings we expect similar standards as a minimum.

Any business case for further property investment or alteration should consider:

- How the project supports the 6 facets and visibility,
(Condition : Suitability : Space Utilisation : Quality : Compliance : Energy)
- How the project improves efficiency and, where possible, generates revenue savings.

Part B
Asset Management

Northamptonshire Police Accommodation	Post Code	Site Area Hectares	GIa sq meters	Building Value	Land Value	Asset Value	Tenure	Future	Annual Running Costs
BRACKLEY	NN13 7XY	0.062	231	164,000	76,000	240,000	FREEHOLD	Potential disposal	18,938
EASTON on the HILL	PE9 3NW	0.124	n/a	160,000	8,000	168,000	FREEHOLD		
MEREWAY OFFICES (A, B & C)	NN4 8BH	3.345	3322	1,230,000	771,000	2,001,000	FREEHOLD	Disposal	211,425
MEREWAY RANGE	NN4 8BH	3.345	1992	1,630,000	603,000	2,233,000	FREEHOLD		40,828
TOWCESTER ROAD OFFICES	NN4 8LS	0.14	198	110,000	74,000	184,000	FREEHOLD		11,118
WESTON FAVELL	NN3 8JH	0.63	2342	1,302,000	575,000	1,877,000	FREEHOLD		163,674
CRIMINAL JUSTICE CENTRE	NN4 7SL	0.978	4700	12,618,000	725,000	13,343,000	FREEHOLD		700,953
DAVENTRY	NN11 4BS	0.245	1863	771,000	406,000	1,177,000	FREEHOLD		125,199
31 WOOTTON HALL PARK	NN4 0JA	0.066	119	68,000	45,000	113,000	FREEHOLD		4,555
DESBOROUGH	NN14 2NX	0.051	115	64,000	43,000	107,000	FREEHOLD	Potential disposal	9,803
EARLS BARTON - 94 Northampton Road	NN6 0HG	0.058	92	47,000	31,000	78,000	FREEHOLD	Potential disposal	5,409
FINEDON	NN9 5DG	0.078	203	104,000	69,000	173,000	FREEHOLD	Potential disposal	14,197
OUNDLE	PE8 4JA	0.074	133	77,000	50,000	127,000	FREEHOLD	Potential disposal	13,488
TOWCESTER	NN12 6DE	0.317	984	405,000	235,000	640,000	FREEHOLD	Potential disposal	58,182
CORBY (2 bldgs)	NN17 1SH	0.644	2612	1,024,000	478,000	1,502,000	FREEHOLD	Disposal - post NAH	172,743
KETTERING	NN15 7QP	0.334	2211	774,000	419,000	1,193,000	FREEHOLD	Disposal - post NAH	101,204
RUSHDEN STATION	NN10 6BU	0.149	565	154,000	103,000	257,000	FREEHOLD	Disposal - post NAH	29,858
RUSHDEN 71/73 NORTH STREET (HOUSES)	NN10 9BU	0.036	225	59,000	39,000	98,000	FREEHOLD	Disposal - post NAH	24,130
WELLINGBOROUGH	NN8 1HF	0.523	2093	875,000	382,000	1,257,000	FREEHOLD	Disposal - post NAH	131,845
FORCE HEADQUARTERS (16 BUILDINGS)	NN4 0JQ	8.743	9190	4,401,000	3,114,000	7,515,000	FREEHOLD		919,962
CAMPBELL SQUARE inc Robert St (2 bldgs)	NN1 3EL	0.574	4272	1,336,000	683,000	2,019,000	LEASEHOLD (999 yr lease)		264,178
EARLS BARTON - OFFICES & STORE	NN6 0JE		1676			0	LEASEHOLD		123,545
ELEANOR HOUSE	NN4 7JJ		443			0	LEASEHOLD		89,634
OLD PORSE GORSE - RADIO SITE	NN6 9RS		n/a			0	LEASEHOLD		
POTCOTE - RADIO SITE	NN12 8LP		n/a			0	LEASEHOLD		
PYCHLEY MOTORWAY POST	NN15 6XS	0.138	289	172,000	115,000	287,000	LEASEHOLD		39,280
ROTHERSTHORPE MOTORWAY POST	NN4 9QS	0.013	94	41,000	27,000	68,000	LEASEHOLD		6,556
SALTHOUSE ROAD - STORE & FINANCE	NN4 7EX		2410			0	LEASEHOLD		172,500
UNIVERSITY of NORTHAMPTON	NN2 7AL					0	LEASEHOLD		
YARDLEY CHASE - TRAINING BUNKER	NN7 2BQ		n/a			0	LEASEHOLD		17,783
WATFORD GAP SCT BASE/MOTORWAY POST	NN6 7UZ		78			0	LEASEHOLD - Vacant		9,577
SKETTY CLOSE OFFICES	NN4 7PL					0	LEASEHOLD (holding over)		
DUSTON POLICE BOX	NN5 6DT	0.008	68	40,000	26,000	66,000	LEASEHOLD (Peppercorn)		7,128
KINGSTHORPE POLICE BOX	NN2 7AZ	0.009	45	19,000	13,000	32,000	LEASEHOLD (Peppercorn)		6,099
PORTLAND PLACE POLICE BOX	NN1 4DS	0.002	64	9,000	6,000	15,000	LEASEHOLD (Peppercorn)		2,461
ST JAMES POLICE BOX	NN5 5LA	0.002	19	8,000	6,000	14,000	LEASEHOLD (Peppercorn)		1,282
BRIXWORTH	NN6 9BX		80			0	Tenancy at will		11,157
			42728	27,662,000	9,122,000	36,784,000			3,508,691

Part C
Implementation Plan (2017)

Implementation Plan

Aim

To provide future direction and implementation of a 21st Century estate.

This Implementation Plan follows the strategic direction of the Estates Strategy so that it supports the Police and Crime Plan and enables efficient and effective delivery of emergency services.

Background

Northamptonshire Police estate has seen very little investment over the last 30 years. A number of the large town centre police stations are now in need of significant upgrade or replacement.

Northamptonshire Police/Fire HQ was sold to the Education Funding Authority (EFA) in May 2016. A new Head of Terms are being signed and will see a School being built on land currently containing blocks A, B, and C. Plans to relocate the facilities and the staff are under way (Operation Evolution) and being led by Superintendent Pauline Sturman.

In March 2016 an executive order was signed to build the Northern Accommodation Building (NAB) on the outskirts of Kettering, on land already purchased by Northamptonshire Police Authority. A Police Investigation Centre (PIC) had already been approved for building on this site. In November 2016 an executive order was signed for the construction of a Learning and Development Centre on the same site. Planning permission has been granted for this building.

The original concept of the NAB was, to provide a 21st century building in the North of the County where staff currently based in Corby and Kettering would work, thus allowing the release of those two stations.

The Force is adopting 'Agile' working which enables staff to work away from police buildings or from different police buildings. The concept of fixed desks and work stations is being replaced by one of flexible space. The estate needs to be able to support this new approach.

The Service Delivery Model (SDM) is being designed to best align resources to demand. The SDM has identified the need for four main 'hubs' to deliver response and investigation services. At present these have been identified as NAB, Weston Favell, Wellingborough and Daventry. The opportunities to deliver front counter services with partners are being further explored following the successful introduction at Northampton Guildhall and Kettering Borough Council. Opportunities for Safer Community Teams (SCT) to work from partner buildings are also underway, following the examples at Thrapston, Rushden and Kettering.

Northamptonshire Police, Northamptonshire Fire and Rescue Service (NRFS) and East Midlands Ambulance Service (EMAS) have a good history of interoperability and sharing estate. Any estates strategy needs to take into account the needs of all three organisations. This report captures the immediate needs of all three organisations.

An external consultancy have been working with OPCC/Force for a number of years providing expert advice and reports identifying costed options for the development of the estate.

The NFRS estate is required to support the different staffing models in operation to meet the differing patterns of demand in urban and rural areas.

The locations are largely based on historic risk patterns and therefore not all ideally situated but have strong community links and in rural areas, there are dependencies between location and staffing

The fabric of the buildings is maintained by NCC Property Services to a reasonable standard though investment is required in some areas, particularly around maintenance of drill towers and other training facilities.

In many areas, the current estate does not provide facilities for the additional vehicles required to support the new and emerging service delivery model, for which further investment is required.

In support of the 'Next Generation Working' model all NFRS buildings support agile working through the provision of guest Wi-Fi and electronic door access via a centrally managed system.

Vision

To deliver an estate which will be more efficient and of lower cost to run, that is flexible enough to adapt to changing service delivery needs and will allow the emergency services to deliver high quality services. The estate must strike the right balance between affordability and operational delivery.

By achieving the vision it will:

- Create an efficient, fit for purpose sustainable estate that provides value for money and facilitates flexible working in line with the 'Agile' programme.
- Deliver an estate that provides an appropriate level of security for Officers, Staff and Information.
- Maintain operational standards of response
- Provides a visible and accessible service which enables multi-agency working.

The estate must support the four key pillars in the Police and Crime Plan (PCP) of keeping the young safe, community and partnership working, protecting people from harm and putting people at the heart of justice and should support the strategic objectives within the Fire and Rescue Service's IRMP of keeping our communities safe and well, keeping our staff safe and well and providing value for money.

Work Completed

- Operation Evolution is delivering phase 1 of the HQ site plan by end of September 2017

- PIC will be completed and ready for occupation June 2017
- NAB will be completed by August 2017
- Executive order signed for the construction of a Learning and Development Centre (LDC) on the same site as PIC and NAB. Planning permission has also been granted.
- SDM has identified need for four main operation bases
- Grant Thornton have provided a detail report on options for Fleet and transport. This report now needs to include costing a function at HQ.
- A number of police stations have been identified for release (Corby, Kettering and Rushden)
- Police and Fire are collocated at Thrapston and Mereway
- Police, Fire and EMAS are collocated at Rushden
- Police Officer and staff can access retained Fire Stations
- NFRS have developed Chelveston fire behaviour and 'COBRA' training facility
- NFRS have developed the Fire control facility in Daventry and procured a shared command and control system with Warwickshire.
- NFRS has developed a Command Development Centre at Daventry
- Chief Police, Fire and EMAS officers are collocated at Wootton Hall

Key Principles of the Implementation Plan:

Key principles, parameters and assumptions for phase 2 and 3

- Keep People Safe
- Protect people from harm
- School to be built on land occupied by blocks A, B and Ops building.
- To retain Firearms range
- Where possible to co-locate with partners
- Front Offices will be located with partners
- SCT teams will be located with partners
- SDM compliant
- Logistics and workshop will be joint emergency services
- ACPO/CFO/OPCC will be co-located
- Leased buildings should be surrendered where operationally practicable (Excludes Chelveston)
- Retention of community based services
- With the exception of Northampton there should only be one emergency building in each Town.
- Relocation of staff working in Walker House
- Relocation of staff working in Moulton Logistic Centre
- Relocation of staff working in the Headlands in Kettering.

Phase 2 of estates plan by 2020 - Redevelop HQ site to accommodate:

- Cyber Crime
- Confidential Unit

- ISD
- HR/Finance/Payroll
- Estates
- Special Branch
- Forensics
- Force planning
- Elvis
- Unison
- Counter Corruption/PSD/Vetting
- Fire arms Licensing
- Walker House
- Moulton Logistic Centre
- Data Centre Police and Fire
- EMAS HQ staff
- Police/Fire/NCC/EMAS work shop
- Police/Fire/NCC/EMAS stores
- Road Safety Team
- Reprographics

This would enable the following buildings to be released:

- Block A, Block B and Block C
- Walker House
- MLC
- Salthouse Road

Explore the option of an Emergency Services operational base at Moulton as part of the 'One Public Estate' opportunities. This could potentially allow for the relocation of:

- Weston Favell Police Station
- Moulton Fire Station
- Harborough Road Ambulance Station
- Major Crime

This would enable the following buildings to be released:

- Weston Favell Police station
- Moulton Fire Station
- Harborough Road Ambulance station
- Queen Eleanor House

Phase 3 of estates plan after 2020 (or sooner if practicable). To develop the concept of emergency services/Community hubs in the following areas:

- Daventry

- Towcester
- Brackley
- Rothwell/Desborough
- Oundle

Consultation with NFRS, County Council and EMAS. The outlined three phase plan involves the estate of the above three. Consultation on this plan needs to take place and agreement reached to allow detailed design to take place.

Conclusion

There is an opportunity to rationalise the estate of the emergency services in Northamptonshire, building on work already undertaken. This will deliver both operational and financial benefits. It will provide facilities that will enable staff to work more effectively and efficiently in delivering high quality services to our communities.

Part D
Agile Strategy (2017)

Agile Strategy and Road Map - 2017

Vision

"Through a culturally and technologically enabled truly agile workforce we will deliver service excellence, maximise efficiency and minimise cost"

Objectives

- To introduce a flagship agile working environment within the Northern Accommodation Hub (NAH) and any future estates developments in line with the estates strategy; supporting a reduction in overall estate footprint
- To develop suitable and flexible working environments for operational officers and support staff
- To devise suitable and flexible work space across the organisation to enable productive, efficient, collaborative approach to working practices internally; considering future scalability to include partners and external colleagues.
- To progress standardised approaches to the provision of IT equipment and asset management
- To identify services that enable functionality for conducting both transactional activities and administrative tasks
- To support the effective implementation of the Service Delivery Model (SDM)
- To engage with regional partners ensuring collaborative opportunities
- To ensure the wellbeing of officers and staff is considered within the introduction of agile working practices
- To deliver a change in culture throughout the organisation; focusing on treating work as an activity rather than a place

What is Agile Working?

Agile working allows flexibility within the workplace to enable teams and individuals to operate at an *appropriate* location to complete their tasks in the most efficient manner to meet the organisational need. Work is an activity not a place.

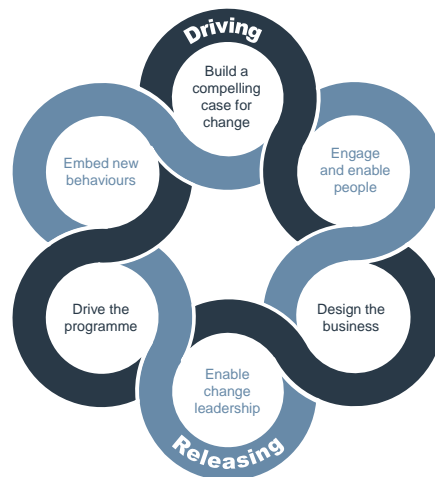
Definition of Fixed Working

- Performs a **function** that can only be carried out from a specific location
- Requires **equipment or technology** that can only be used in a specific location
- Current **process** will not allow for working outside of a specific location
- The nature of the work or **security** required is such that it can only be carried out in a specific location
- An individual's circumstances requires it

Driving and Releasing Change

Agile working is a key enabler for other force programmes of work, Service Delivery Model (SDM), Estates Strategy (Op Evolution), Specials and Volunteers, and Tri-Force Collaboration, to work effectively together and realise benefits.

Without a complete change to the organisational culture, the adoption of agile working and the ability to fully achieve objectives and benefits of the other programmes, will not be realised. The programme will adopt some of the principles of PA Consulting's Driving and Releasing Change methodology in order to mitigate this



Driving: Ensuring the technical and delivery aspects are managed within time to deliver the programme; ensuring changeover is planned including any mitigation or fall-back plans to avoid disruption to operational continuity.

Releasing: Ensuring that all of those impacted by the changes are aware and prepared ahead of implementation. Recognising the level of willingness to change on behalf of stakeholders and addressing the support required to adopt the changes.

The focus will be on six elements:

<ul style="list-style-type: none"> • Building a compelling case for change 	Communicating the rationale and proving the benefits
<ul style="list-style-type: none"> • Designing and driving the programme 	Clear scope, detailed plan for delivery, support transition to business as usual
<ul style="list-style-type: none"> • Designing the business 	Define and understand changes to business model. Implement, improve and embed.
<ul style="list-style-type: none"> • Enabling the change leadership 	Provide clear vision, build capability and drive commitment. Personify the change as the new standard of 'how we do things around here'
<ul style="list-style-type: none"> • Engaging and enabling people 	Identify and understand stakeholders. Assess impact of changes; understanding interdependencies. Provide support for transition. Maintain engagement activities to improve implementation and adoption.
<ul style="list-style-type: none"> • Embed new behaviours 	Define desired behaviours. Identify gaps. Implement changes through empowering employees. Cement changes and celebrate successes.

There are four key areas of the programme: People, Space, Process and Technology. These are described below with detail explaining the approach required in order to effectively drive and release change within each area. Detailed project plans, communication strategy and delivery plans are produced separately for the key stakeholders and project teams.

People

The people element of this programme will focus on the way in which the organisation can better support its employees through the introduction of agile working. The methodology used will include the following:

- Assessment of current culture
- Appropriate policy, guidance and training
- Understanding of how to implement changes
- Promotion of benefits
- Identifying solutions and overcoming barriers
- Providing the tools to work differently without forcing alternative practice
- Linked to the force's wellbeing plan
- Communication Strategy

In order to engage with all people within the organisation the programme will concentrate on these areas:

Area	Activity
Organisational Diagnostic	Understanding the organisational readiness for the changes. Aligning the culture and the change process; so that the current culture and values are understood and taken into account when defining the new environment. Defining the approach and structure that needs to be in place to support the organisation. Ensure actions are taken to provide people with the right skills and knowledge to realise the business vision and to work effectively as individuals and teams throughout the change transition.
Agile principles	Providing a single and clear message to people about agile working, so that they can adopt the new working practices as much or as little as required in order to work effectively for themselves, their team, and the force.
Health and Safety	Ensuring that any changes to environments, equipment, location, and the individual are considered. Conducting relevant legal assessments to ensure compliance. Considering employee welfare.
Reasonable Adjustments	Consideration for reasonable adjustments is built in to the process of assessing roles suitable for agile working. This means that any low (green) or medium (amber) compliance issues can be addressed. The process for anticipatory compliance for high (red) issues is via referral to HR.
Policy	Development of a policy before the introduction of agile working will ensure clear rules for all employees about what is in scope and appropriate.
Stakeholder engagement	<ul style="list-style-type: none"> • Stakeholder engagement will be conducted with all levels of employees throughout the organisation. Leadership and management roles must support and deliver the messages from the top of the organisation. • Agile Trailblazers are peer to peer support for people within force, as well as a means to provide two way communication through to the programme team and end users.

	<ul style="list-style-type: none"> • Working with Unison and The Federation to prevent any issues for employees, and to promote positive impacts. • Engaging with partners to work more collaboratively. • Consult with regional colleagues and external/agency employees to ensure impacts are addressed, and possible collaboration identified.
Equality and Diversity	There will be continued review of the Equality and Diversity Impact Assessment as the programme evolves and is implemented. Ensuring positive messages are promoted and mitigation is in place to address any potential negative impacts.
Communication	A detailed communication strategy will ensure key messages are delivered across the organisation, with targeted messaging where required. Using different media will ensure that people can be contacted through the most suitable means. Understanding the organisation and its stakeholders will determine the types of messaging that will be most suitable.
Operating Model	How the force is expected to conduct its business needs to be considered throughout. All solutions and provision of different ways of working under the agile programme, will have interdependencies that support the police and crime plan, and the Service Delivery Model (SDM).
Role Expectations	Understanding how employees, particularly officers, are expected to conduct their work, will shape how agile working evolves, and initially where the priority for delivery takes place.
Workforce Planning and Human Resources	<p>Engagement to support and change the way in which the force recruits employees, and provides resourcing.</p> <ul style="list-style-type: none"> • Looking at the future benefits of agile working in relation to flexible working patterns, how the organisation delivers its service, the demographic of people it recruits, retains and progresses. • To become the employer of choice. Addressing work-life balance, ability to return to work, reducing sickness, stress and absence. Offering more choice and flexibility to employees without impacting on service delivery.
Wellbeing	Support the wellbeing plan for the force, to deliver positive wellbeing through environment, leadership and resilience. Ensure that employees feel valued and respected. Provide appropriate support, self-help tools and facilities. Ensure employees have a voice and are included with the decision making processes to support the effective implementation of agile working practice.
Performance Management	Review of the current PDR process. Looking at managing people through outcomes rather than presentee-ism.

	Addressing performance issues more robustly, offering additional alternatives for line managers to support staff with performance issues.
Learning and Development	Developing new ways of working from point of entry to the organisation. Addressing any training requirements to support the transition from old to new ways of working. Providing additional tools to L&D in order to deliver their work more effectively.

Space	
<p>The space element of this programme will focus on the way in which the organisation can make better use of space within its buildings, as well as reducing the overall estate footprint. The methodology used will include the following:</p> <ul style="list-style-type: none"> • Assessment of current use of space • Re-purposing rooms/buildings • Removing personal office space • Improving meeting space availability and usage • Ensuring operational needs are met • Promotion of benefits • Identifying solutions and overcoming barriers • Providing suitable space to work differently and more effectively • Considering personal needs and the needs of the organisation • Standardising environments • Reducing cost • Aligned to estates strategy and SDM operating model 	

To effectively deliver a dramatic change to the estate footprint and use of buildings the programme will concentrate on these areas:

Area	Activity
Standardised Environments	All IT work setting equipment is owned by ISD and remains static. All furniture is owned by Estates and remains static. Departments/individuals are not able to move or introduce additional work settings. No budget codes are to be provided. Any increases to establishment estate and equipment is to be managed centrally. Funding to be given to ISD and Estates to manage accordingly.
Building Capacity	Evidence provided following a space utilisation study demonstrated the ineffective use of offices and meetings across the organisation. Removing personal issue desks and office space based on a fixed/flex/field approach will allow a more effective use of estate. Studies based on abstraction rates provide the rationale behind the

	<p>proposed ratios. A ratio of 0.8 will be applied for all work settings which will remove the personal issue of desks on a 1:1 ratio. Desk sharing and hot desking will be introduced forcewide regardless of role or department. A ratio of 0.3 will be applied within crew rooms due to the operational nature of the roles and the shift patterns in place.</p> <p>Drop in areas will be provided to enable people to work between locations.</p>
Home Zones	<p>Areas of buildings where teams are based are called Home Zones. A Home Zone is recognised by the Human Resources and Estates teams as an employee's base location and usual place of work. Home Zones can accommodate drop-in workers if there is capacity available within the room and permitted in terms of security access. Storage, filing, and personal lockers will be located within your home zone.</p> <p>A clear desk policy will be in operation. There will not be any personal desks, regardless of shift patterns, security, and size of team or likely usage by others.</p> <p>Where teams are small in size and require locations across the county they will likely have a central home zone for their department, but have satellite home zones that form part of larger teams that they work closely with – this is to manage ratios correctly and remove individual desks or office space across the organisation.</p>
Drop-In Zone	<p>Drop-in Zones area areas to accommodate people who may be working temporarily from a location which is not their usual base. It is for transient workers only and cannot be used as a base location.</p> <p><i>A Drop-In Zone can be repurposed for operational use when necessary. The estates team will advise on the availability of a suitable room to accommodate the operation and will arrange for the Drop-In Zone to be closed to general use. No one can take over the use of a Drop-In Zone without prior agreement with estates and without first exploring all other options.</i></p>
Multipurpose rooms	<p>The traditional day-to-day function of a meeting room is to facilitate planned meetings; however meeting rooms are typically underutilised space. Many meeting rooms are unused for large portions of the day, or are not used to full capacity, i.e. two people may meet in a room with capacity for ten people. A new approach to the use of meeting rooms is needed to ensure they are used more effectively, which feeds into the overarching agile strategy of facilitating a variety of working styles and allowing workers to utilise the most appropriate space for a task:</p> <ul style="list-style-type: none"> • It should be recognised that meeting rooms are one

	<p>option for workers wishing to collaborate, but there are alternative options available. Workers should choose the most appropriate setting for their discussions, e.g. it may not be necessary to book a large meeting room for two people when a break out area will suffice.</p> <ul style="list-style-type: none"> • Meeting rooms will need to become multipurpose areas used in a variety of ways to maximise the use of space. Therefore they need to be networked and furnished in a way that allows desk-based working with minimal adjustment needed (e.g. can become office space when needed; work bench style meeting table with easy access to power and network cabling to allow easy installation of a desk-based work setting; meeting room chairs to be computer chairs etc.).
Centralised calendars	<p>Initial provision of a centralised outlook calendar for all meeting rooms, with no gate-keeping function.</p> <p>Development of a meeting room booking solution that is more intuitive for delivery by 2018.</p>
Bookable meeting rooms	<p>Meeting rooms can be used for any of the following purposes (or similar):</p> <ul style="list-style-type: none"> • Planned meetings – reserved through a centralised booking system. Workers should aim to match room capacity with number of attendees. • Unplanned meetings – ad hoc basis should the room be vacant. • Briefings – these should be planned in advance to allow the meeting room to be booked. • Training sessions – should be planned in advance to allow the meeting room to be booked. • Operational use – should a dedicated office be required due to the nature of the work the Estates team can repurpose the meeting room for use as an operation room. All existing meeting room bookings will be cancelled for the duration of the operation.
Non-bookable meeting rooms	<p>A proportion of meeting rooms across Force will not be able to be reserved on the centralised booking system. These rooms will be available for anyone to use for short periods for the following purposes (or similar):</p> <ul style="list-style-type: none"> • Impromptu meetings • Making/taking phone calls

	<ul style="list-style-type: none"> • Periods of quiet working • Confidential chats <p>There will also be a variety of furniture within Home Zones and Drop-in Zones to supplement the above, such as pods for individual workers and groups with acoustic barriers for privacy</p>
<p>Operation Room/Temporary use</p>	<p>Operations/investigations/units set up as a pilot scheme (temporary/time limited) must be based within existing office space unless necessitating an increased security level.</p> <p>If the operation deals with material of such a sensitive nature that the work cannot be carried out within the existing office space, it may be possible to accommodate the operation alongside another team with similar security level (co-location).</p> <p>If neither option above is appropriate, the operation may need to request through Estates the use of a dedicated room in which to carry out the function. The options above must first have been explored and deemed inappropriate due to the scale/nature/security needs of the work. In such circumstances the Estates team can decommission a meeting room or Drop-in Zone and reallocate it for the purposes of the operation. If the dedicated facilities are required for a longer term/indefinitely the Estates team will advise regarding the most suitable location, and locations may need to be sought out of Force/partner agencies.</p>
<p>Personal Office Space and building design</p>	<p>Each building will be assessed in accordance with the teams based from them. Provision will be given as outlined above in accordance with home zones, drop in zones, multipurpose meeting spaces, bookable and non-bookable space. It is important to provide space that is suitable for the people based in the building to work effectively, as well as minimising the under-utilisation of space through opening up visibility of it to the organisation instead of having dedicated space. Removal of personal office space is key to provide enough space within each building in order to deliver this effectively.</p> <p>Current personal offices will be converted into both bookable and non-bookable space – which will allow ad hoc working/confidential conversations/quiet space/1-2-1 locations.</p> <p>It is recognised that the removal of personal office space will have the most significant impact on higher ranking</p>

	officers and senior leaders. The programme will work to deliver an effective solution so as not to disrupt managers and leaders from being able to work effectively.
Storage	<p>All pedestals will be removed. Personal storage will be provided by lockers within a home zone, or trays within crew rooms. This is to be used for personal affects only (such as a mug or to store lunch etc), it is not to store files or work in progress.</p> <p>Centralised storage will be provided for stationery and filing within home zones.</p> <p>Any secure items will be considered and suitable storage solutions provided.</p> <p>Files and associated material that are currently in progress will not be left on desks, they will have a location within the home zone in order to store them whilst in use (if it is not appropriate to file them into general storage).</p>

Process	
<p>The process element of this programme will focus on the way in which the organisation can be more effective through the use of agile principles and mobile technology. The methodology used will include the following:</p> <ul style="list-style-type: none"> • Alignment to operating model, considering the SDM • Development of new functionality • Engagement with end users to identify opportunities • Working with partners • Reduce duplication • Promotion of benefits • Identifying solutions and overcoming barriers • Reducing cost • Improved digital practice – considering Digital First, Evidence, Information Sharing and Storage • Review of current IT availability and requirements. Reducing applications, systems, and hardware • Improving working practice • Simplifying processes • Improved service delivery (particularly at first point of contact) 	

Changes to process will need to be considered throughout the introduction of agile working, as well as in relation to interdependencies across the current ways of working and changes delivered through other programmes of work:

Area	Activity
Human Resources	Developing recruitment process to reflect changes in working practice.
Service Delivery Model	Understanding changes in operating model and role expectations to develop suitable mobile solutions.
Technology	Reviewing current systems and applications in use, providing recommendations for alternatives, removal, or

	collaboration.
Departments and Teams	Working with all areas of the business to understand current working practices, helping to model and introduce alternative solutions through the use of agile principles, space and IT.
Community Engagement	Understanding the options for creating 'hubs' within the community. Developing suitable solutions that consider both fixed and agile work styles according to the needs of the community, partners and the organisation.
Regional Collaboration	Engaging with regional partners and other forces to ensure changes to ways of working within Northamptonshire Police are compatible and offer future growth with external stakeholders.
National horizon scanning	Continuing to be aware of future national impacts, legislation and development of projects, (especially in relation to the digital landscape), to ensure compliance and future opportunity.

Technology	
<p>The technology element of this programme will focus on the way in which the organisation provides IT to operational officers and back office support. The methodology used will include the following:</p> <ul style="list-style-type: none"> • Ensuring operational needs are met • Enabling mobility • Increasing accessibility • Standardisation • Reducing cost • Aligned to estates strategy and SDM operating model • Promotion of benefits • Identifying solutions and overcoming barriers • Consideration of regional opportunity • Understanding and awareness of ESN developments 	

Area	Activity
Police Officers	<p>Provision of a single laptop style device that offers the ability to conduct office based work, completion of administrative tasks, and access to force systems/applications.</p> <p>Provision of a smartphone that offers the ability to complete transactional activities, through simplified processes and access to systems/information without the need to interrogate the desktop/back office system.</p>
Back office/ administrative support	<p>Provision of a single laptop style device that offers the ability to conduct office based work, completion of administrative tasks.</p> <p>Provision of smartphone that offers access to emails, calendar, on-call capabilities.</p>

Fixed work settings	Desktops for fixed workers, people without personal issue devices, OS compatibility issues and standalone (non-networked) requirements. Will not be personal issue. Still adhering to the 0.8 ratio requirement, and clear desk policy.
Softphones	The provision of smartphones for most employees and the access to Jabber allows the removal of fixed desk phones. Headsets will be provided. This will be the approach for all employees and all work settings. Crew rooms will be provided with fixed desk phones as these are on a 0.3 ratio. Dedicated areas to make private calls or to conduct calls with members of the public in a quieter environment will be provided where required (and space allows). These will be 'phone booth' style with fixed desk phones.
On-desk power and Universal Docks	On desk power will be provided in order to supply charging options more effectively. It will also enable the use of universal docking solutions. Universal docks are required to support the transition of devices in circulation, and manage the longer term options – whereby alternative devices could be used, or partners/regional colleagues attend sites with their own personal issue IT. There will also be a reduction in the resource needed to asset manage the units or reallocate them for particular users.
Screens/Monitors	All work settings will be configured with dual screens (or a single large monitor) as standard. Consideration will be given as to the suitability of the location for the larger single monitors as they may not be appropriate for all areas (e.g. Custody).
Connectivity	WiFi has been provided within all Police owned buildings. This should continue. MiFi solutions are being phased out. The new option is either through a SIM directly within the mobile device or via tethering to a smartphone.
Functionality	The current force middleware solution (Airpoint) provides the ability to conduct some transactional activities including: <ul style="list-style-type: none"> • PNC checks • Create/Update crime reports • Search/view/update intelligence • Pocket book • Create/Update/view tasks It is recommended that additional functional items are developed and included within a middleware solution namely: <ul style="list-style-type: none"> • Electronic Witness Statements • Stop and Search • Safeguarding

	All IT equipment requires policy, application, system and security updates in order to maintain them. A suitable method for providing updates to the mobile devices in circulation is being developed. Without this process the devices will be at risk of non-compliance with security, and will eventually fail to work.
Specials Provision	No personal issue IT is currently provided to Special Officers. An interim solution providing access to desktops is in place. Requirements need to be established to understand the role and activities of Special Officers, in order to forecast and provide suitable mobile equipment. Recommendations will be made considering the force objective of including and valuing Special Officers within force.
Charging facilities	No dedicated charging facilities will be provided as standard. Assessment of requirements by team will be conducted, with consideration of location and space available. Solutions will be provided on a case by case basis. In-car chargers have been provided for response vehicles. A longer term solution will be considered with the future development of fleet. It is recommended that in-car charging solutions are as device agnostic as possible due to the continued change in device specifications.
Regional IT programme	It is expected that regional IT projects will deliver the additional requirements including: <ul style="list-style-type: none"> • Standard Operating System • Application compatibility • Active Directory • Mobile Applications • Digital evidence solutions • Standardised login and systems access • Regional WiFi • Collaborative tools (e.g. video conferencing)

In order for Agile Working to be implemented effectively as per the approach outlined above, the following items must be in place:

- **Finalised estates strategy.** This will support the reason why agile working is important, as well as ensuring the ability to design the available space effectively.
- **Building design.** Each building will need to be designed according to the people operating within them, and those expected to occasionally work within them or between them. Due to the combination of both new builds and old estate, it will not be possible to deliver a standardised approach within each location, therefore we can be clear about the type of environment that supports the agile strategy but we will need to adapt the delivery according to the building available. E.g. Drop-in space will be

provided within all buildings, but it might comprise of one large room in one building, and a set of smaller rooms across multiple levels in another building.

- **Service Delivery Model ways of working.** The messaging needs to be clear around the role expectations and how people should work. A complete understanding of head count and locations must be clear in order for the space and IT to be provided correctly.
- **External and regional employees.** Northamptonshire Police is host to many external and regional employees, both in terms of IT provision and office allocation. Consideration must be given to these employees in terms of location and technology requirements as the new model of working is introduced.

“Through a culturally and technologically enabled truly agile workforce we will deliver service excellence, maximise efficiency and minimise cost”

The roadmap outlines the current position of **where the force is now**:

- Working practices currently in place
- Use of space and technology

And where it **aims to be by the end of 2018**:

- Changes to working practice
- Reduction in estate footprint
- Improved use of space
- Enhanced technology solutions
- Simplified processes
- Standardisation

Agile working is a key enabler for other force programmes to work effectively together and realise benefits. Without a complete change to the organisational culture, the adoption of agile working and the ability to fully achieve objectives and benefits of other programmes, will not be realised.

Where we are now (including some of the journey so far)

Difficulty locating suitable space for operations

Limited ability to find quiet/confidential/break out/collaboration space

Personal desks, pedestals and storage

Continuous moves, relocation of IT, furniture and office space

Feb 2017

Under-utilised personal offices

Under-utilised and unsuitable meeting space

Inability to book meeting space

Some personal issued mobile devices

Some drop-in space

Some reconfigured home zones on a desk sharing ratio

Wi-Fi forcewide

Mobile connectivity

Policy, guidance, handbooks developed: What agile working is and is not.

Some work/life balance

Some flexible working practice

Some ability to conduct work where required. No offline capability

Issue of personal mobile devices to agile roles (approx. 80% of force)

Provision of fixed functional work areas (approx. 20% of force)

Clear desk policy, personal lockers/storage in place

Centralised team filing and storage solutions

Reconfiguration of all office space for 'Home Zones' into standardised environments

Work-settings provided upon a ratio: introducing desk sharing forcewide

No personal office space
No personal desks

Standardised environments allowing people to more around the organisation: not re-locating IT equipment or furniture. Reducing the need to conduct moves and change space.

Fit for purpose space within buildings:
* Meeting Rooms
* 1-2-1/Confidential Space
* Collaboration/Break-out/Quiet area
* Operational Space
* Muti-purpose rooms (managed centrally)

Centralised accessible booking system for meeting space

Performance managed through outcomes not presenteeism

The Future
March

2018 onwards

Improved service delivery:

- Direct entry at point of service

- Electronic witness statement
- Offline forms
- Removal of duplication
- Transactional activities performed remotely
- Simplified process
- Reduction in return to station for administrative tasks
- Increased visibility
- Community engagement

Improved work/life balance.

Supporting employees through return to work/absence/personal needs

Drop-in space for people to work between locations

Part E
Reporting and Amendment Schedule

Reporting and Amendment Schedule

Event	Requirement	Frequency	Responsibility	Remarks
Estates Strategy - complete	<ul style="list-style-type: none"> Review and update 	Annual	<ul style="list-style-type: none"> Estates Board PCC to endorse following consultation with CC JAC to review and make recommendations 	
Estates Strategy – Part B – Asset Management	<ul style="list-style-type: none"> Develop programme Monitor progress at Estates Board Evaluate Adapt and amend forecast 	Quarterly	<ul style="list-style-type: none"> Estates Board 	
Capital Programme	<ul style="list-style-type: none"> Ensure next FY estates forecast is aligned to Part B and C 	Annual	<ul style="list-style-type: none"> Estates Board in conjunction with OPCC & Force Finance PCC to authorise 	