NORTHAMPTONSHIRE OFFICE OF THE POLICE AND CRIME COMMISSIONER

INDEPENDENT AUDIT COMMITTEE

27th November 2013 at 10.00am

Greenwell Room, Wootton Hall, Northampton, NN4 0JQ

If you should have any queries in respect of this agenda, please contact Stuart McCartney on 03000 111 222 Ext 346665

AGENDA

1. Apologies for non-attendance.

2. Minutes of the meeting held on 10th September 2013

3. Declarations of personal and prejudicial interests in respect of items on the agenda.

4. Appointments to the Audit Committee

5. OPCC Risk Register

6. Force Performance

7. Protocol for the Performance Improvement of Northamptonshire Police

8. OPCC Transformation Portfolio – progress report

9. Implementation of Internal and External Audit recommendations [oral report]

    o   Force

    o   OPCC

10. Internal Audit - Progress Report

11. External Audit – Annual Audit Letter

12. Dates for future meetings of the Audit Committee [oral report]

13. Urgent Business

Such other business by reason of the special circumstances to be specified, the Chairman is of the opinion is of sufficient urgency to warrant consideration. (Members who wish to raise urgent business are requested to inform the Chairman beforehand).

14.	Items for which the public be excluded from the meeting:

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:

"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".

(a) Exempt minutes of the meeting held on 10 September 2013

PARAGRAPH 1 OF PART 1 OF SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972

(b) Force Risk Register

(c) Audit Report: Procurement of Internal Audit Services

IAIN BRITTON

ASSISTANT COMMISSIONER (JUSTICE) & MONITORING OFFICER

Report to the Audit Committee

27 November 2013

Report by the Interim Assistant Commissioner Resources

APPOINTMENTS TO THE AUDIT COMMITTEE

1. **RECOMMENDATIONS**

1.1 The Committee notes the retirement from the Committee of Mr Simon Schanschieff JP OBE DL on 30 November 2013.

1.2 The Committee notes the appointment of Ms Gill Newton CBE as Chair of the Audit Committee from 1 December 2013 until 30 September 2014.

1.3 The Committee note the approval of the Police and Crime Commissioner and Chief Constable to increasing the membership of the Audit Committee from four to five members, on a temporary basis, from 1 December 2013 to 31 March 2014.

1.4 The Committee approves the appointment of Mr Anthony Knivett and Mr Martin Pettitt as Members of the Audit Committee with effect from 1 December 2013 until 30 September 2016

1.5 The Committee notes the extension of the appointment to the Audit Committee of Ms Gill Newton CBE and Mrs Jackie Haynes until 30 September 2014.

2. **PURPOSE OF THE REPORT**

2.1 This report provides an update on the membership of the Audit Committee.

3. **BACKGROUND**

The Independent Audit Committee was established following the establishment of the Police and Crime Commission in November 2014. The initial appointments as members of the Committee were all made from former members of the Police Authority. This ensured a continuation of knowledge amongst members of the Audit Committee.

In accordance with Executive Order 16 the initial appointments to the Audit Committee end on 31 March 2014.

4. PROPOSAL

Simon Schanschieff who has served as Chair of the Committee since November 2012 will retire from the Committee on 30 November 2013. Mr Robert Wootton has indicated that he wishes to retire from the Committee by 31 March 2014. Gill Newton and Jackie Haynes have indicated their willingness to continue as members of the Committee.

A recruitment process for a new Chair and member of the Audit Committee was recently undertaken.   It was agreed that the appointments be made by the three existing members of the Committee (Gill Newton, Jackie Haynes and Robert Wootton with the Interim Assistant Commissioner Resources and the Head of Corporate Services in attendance as advisors.

Unfortunately there were no applications for the role of Chair. There were however five candidates suitable to be shortlisted for membership of the Committee. It was therefore agreed that the appointment panel would appoint two new members to the Committee if there were suitable candidates from the five shortlisted candidates.

Interviews were held on 14 December 2013. The overall quality of the five candidates interviewed was very high and after careful consideration the appointments panel determined that Mr Anthony Knivett and Mr Martin Pettitt should be appointed as members of the Committee. Mr Knivett has enjoyed a long and very successful career in the Probation service and consultancy. Mr Pettitt is a former senior local government officer.

In order to help ensure an effective transition in the membership of the Committee the Police and Crime Commissioner have approved a temporary increase in the Committee membership from 4 to 5 on a temporary basis from 1 December 2013 to 31 March 2014. This will allow for the continuing membership of Ms Newton, Mrs Haynes and Mr Wootton during this period together with the appointment to the Committee of Mr Knivett and Mr Pettitt from 1 December 2013.

Following Mr Schanschieff's retirement from the Committee and the failure to recruit a new Chair through an open external recruitment process the Police and Crime Commissioner and Chief Constable have appointed Ms Gill Newton CBE as Chair until 30 September 2014 and also extended her membership of the Committee until this date.

The Police and Crime Commissioner and Chief Constable have also confirmed the following appointments to the Audit Committee:

• Mrs Jackie Haynes, Member until 30 September 2014

- Mr Tony Knivett , Member from 1 December 2013 until 30 September 2016
- Mr Martin Pettitt, Member from 1 December 2013 until 30 September 2016.

5.   CONCLUSION

The above proposals result in the appointment of two new Members of the Audit Committee while also maintaining appropriate continuity in terms of existing experience of membership of the Committee.

John Raisin
Interim Assistant Commissioner Resources

19 November 2013

Agendum item 5

COMMISSIONER'S RISK REGISTER AT 3rd September 2013

POLITICAL Assumptions and Capability Risks	RISK INDICATORS	RISK			ASSURANCES	CONTINGENCY	COMMENTS
		P	I	R			
1 **Police Commissions are 'going-concerns'**	Government announcements Informed commentators suggest changes in prospect	0	5	0	Ensure PCC 'intelligence' is broadly based and current. **CE**	Re-shape priorities and plan transition when alternative arrangements emerge.	No change expected in 2013
2 **Commissioner serves full term**	Rising adverse criticism at P & C Panel Commissioner signals change in intent	1	4	4	Robust plans and evidence of delivery and success **CE**	Succession plans in place consistent with Police Reform and Social Responsibility Act 2011	We do not expect any change in 2013

STRATEGIC Assumptions and Capability Risks	RISK INDICATORS	RISK			ASSURANCES	CONTINGENCY	COMMENTS
		P	I	R			
3 **Government agenda understood and stable**	Indications of significant policy shift by government	1	4	4	Ensure PCC 'intelligence' is broadly based and current. **CE**	Re-shape priorities appropriately	No adverse or material change expected in 2013
4 **Continuing appropriateness of PCC priorities**	Indications of significant policy shift by government Adverse media and / or other stakeholder feedback In addition to above any change in relevant local drivers Changes in current performance	2	3	6	Ensure PCC 'intelligence' is broadly based and current. **CE** Ensure performance management is fully effective **CE**	Re-shape priorities appropriately	No reason to change priorities at this stage

STRATEGIC Assumptions and Capability Risks	RISK INDICATORS	RISK			ASSURANCES	CONTINGENCY	COMMENTS
5 **We are confident that the PCC priorities will be delivered on time**	Lack of plan Doubts re capability to deliver plans Adverse media and / or other stakeholder feedback	2	5	10	Ensure an agreed process and timescales are in place to develop effective plans **CE**	Secure external capacity; consider changes in leadership	Transformation Portfolio has been agreed. Detailed delivery and resourcing plans to be agreed by November. Plans to be delivered over first term

OPERATIONAL Assumptions and Capability Risks	RISK INDICATORS	RISK			ASSURANCES	CONTINGENCY	COMMENTS
		P	**I**	**R**			
6 **Roles and responsibilities of staff and their priorities are fully understood across the ONPCC**	Evidence of confusion / stress / overload Failure to deliver any specific priority objective and / or statutory requirement Absence of agreed staff objectives	**1**	**4**	**4**	Staff performance management approach including setting of key objectives to individuals **ACs** Regular management meetings of PCC with his Assistant Commissioners **ACs**	Direct intervention by PCC to resolve	PCC has agreed AC objectives for 2013-14.

COMPLIANCE Assumptions and Capability Risks	RISK INDICATORS	RISK			ASSURANCES	CONTINGENCY	COMMENTS
		P	I	R			
7 **We meet all legal and good governance requirements**	Adverse stakeholder feedback particularly from HMIC and internal and external audit	2	4	8	Ensure PCC 'intelligence' is broadly based and current. **CE** We have a robust local Scheme of Corporate Governance in place **ACG** That Scheme is complied with and effective as evidenced by the annual review **ACG**	We secure expert legal advice to minimise the impact of any breach. We rectify the consequences of any breach as quickly as is reasonably possible.	Code of Corporate Governance has been approved by the Commissioner and has been published on website. Work continues to fully embed the Code in day to day practice is expected to be completed shortly.

FINANCIAL Assumptions and Capability Risks	RISK INDICATORS	RISK			MITIGATIONS	CONTINGENCY	COMMENTS
		P	I	R			
8 **Stable sustainable and deliverable PCC Budget and MTFP**	Government announcements and / or Informed commentators suggest material changes in prospect	2	5	10	Ensure PCC 'intelligence' is broadly based and current **ACR**	At minimum Year 1 budget must be balanced, using Reserves if absolutely necessary	The MTFP shows increasing deficits from 2014-15 onwards to 2017-18.
					Latest Economic forecasts are understood and acted upon **ACR**		The approved Transformation Portfolio is designed to ensure financial stability over the medium term.
	Forecast deficits				Effective MTFP and Budget building and monitoring processes **ACR**	S151 Officer powers under s114 etc.	Detailed Budget process starts in September.
	Extent of one off financing of recurrent spending						

COMMUNITY JUSTICE SECURITY

Report to the Audit Committee

27 November 2013

Report by the Deputy Chief Constable

FORCE PERFORMANCE

RECOMMENDATION

The Committee is asked to note this report.

1   PURPOSE OF THE REPORT

1.1   This report provides an update on the Force's performance since the beginning of the financial year. Performance statistics are as of 31 October 2013 unless otherwise stated.

2   BACKGROUND

2.1   The Chief Constable regularly discussed the Force's performance against a range of indicators with HMIC. In order to provide the Audit Committee with an overview of the Force's performance since the beginning of the financial year the same indicators have been used. These place the Force's performance in a national context (England and Wales) rather than the more restricted comparison with those of the MSF.

3   OVERVIEW

3.1   Since the last report (September), performance has continued to improve, both in terms of the year to date (1 April to 31 October 2013) and over the last 12 months. All Crime has reduced by 14.8% year to date and by 11.3% over the last 12 months. This is well in excess of the national average reduction (October 2012 to September 2013 from Iquanta). Victim based crime continues to reduce over both time periods as do the five main groups within this type. These have previously represented a challenge within the county. Other Crime against Society as a whole has increased slightly but this is the result of increased proactivity within the Force.

3.2   Although performance is improving locally it is acknowledged that challenges remain with the Force's peer performance. The Force adjusted its monitoring to 12 month trends at the start of the performance year. This has provided greater context for senior managers regarding the scale of the performance challenge in both the short term (2013-14) and the longer term (in line with the Police and Crime Plan and the CSR period).
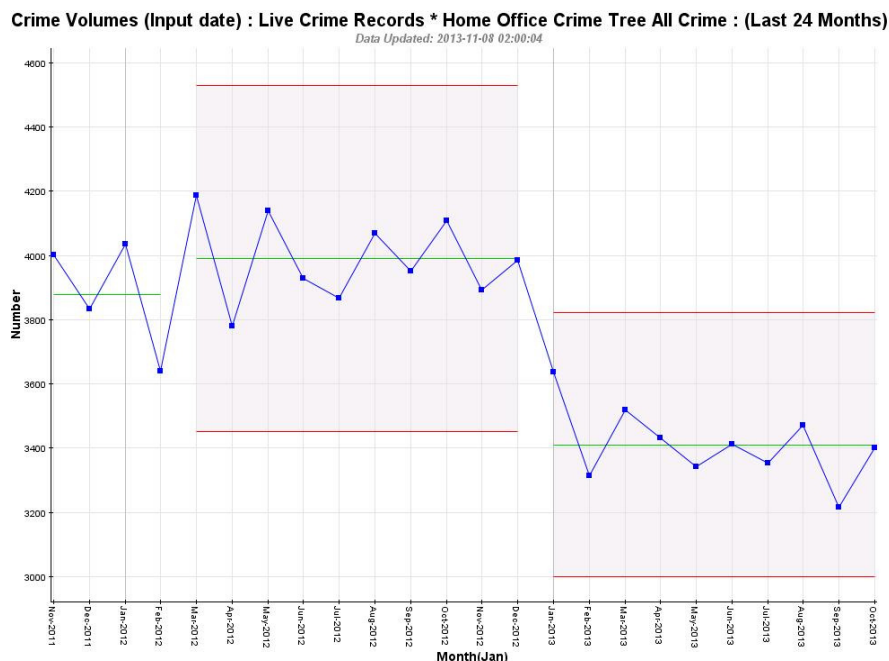
3.3 There have been some positive movements in the 'direction' performance of Force priorities and other volume crime types but it is acknowledged that the Force must continue and enhance what it is doing to demonstrate sustainability. This should be considered within the financial climate in which the Force is operating and the changing demographics within the County (Northamptonshire has the fastest growing population in the UK (Office of National Statistics and HMIC) and Corby CSP the fastest growing population in England and Wales (CIPFA).

4 ALL CRIME

4.1 All crime is showing a very positive reduction of 14.8% year to date (4,180 fewer victims of crime). The 12 month reduction has improved to 11.3% which nationally places the Force 31st for rate per 1,000 population (34th last report). The Force remains committed to achieving further improvements.

4.2 The chart below shows that the Force is sustaining its step change in crime levels. The last 10 months have been consistent, indicating a stable system in which it is now operating.

Chart 1 – All crime

Crime Volumes (Input date) : Live Crime Records * Home Office Crime Tree All Crime : (Last 24 Months)
Data Updated: 2013-11-08 02:00:04

4.3 Victim Based Crime is showing a 13% reduction in the year to date and a 9.3% reduction over a 52 week period. This equates to 3,284 and 3,997 (respectively) fewer victims of crime. In the last 10 months there has been a step change in recorded crime levels.

4.4 Other Crime against Society is showing an increase of 4.2% year to date, reflecting an increase in possession of weapons and drug offences. As reported in the September report, this is the result of proactive work across the County linked to SAC and organised crime together with more effective use of intelligence to target known individuals and locations.
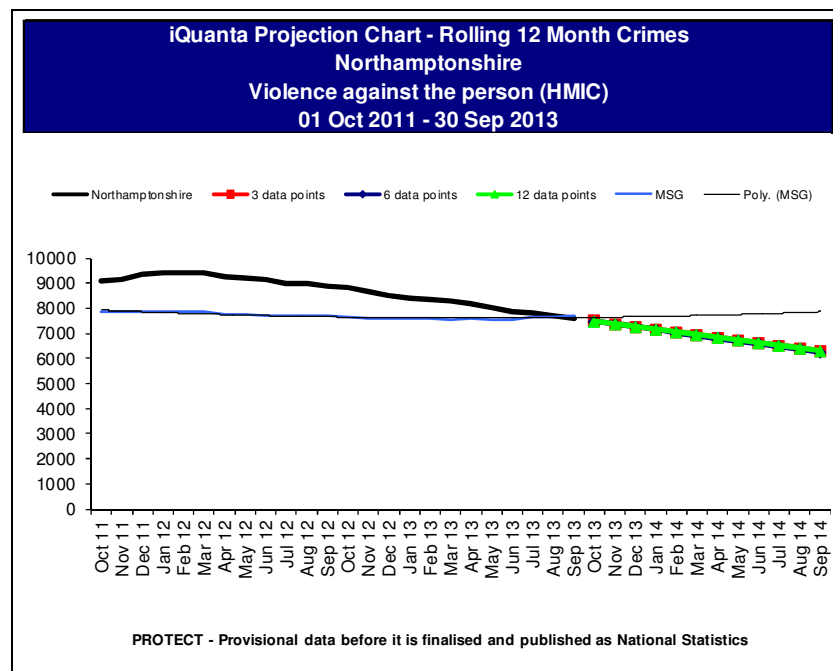
5   VIOLENCE AGAINST THE PERSON

5.1   Violence Against the Person is down 14.7% year to date (741 fewer victims of crime) and 14.6% over the last 52 weeks. Chart 2, below, illustrates the stability of performance in this area. There are 21 consecutive points, each representing a month, where performance could be classed as within the expected range, and projections very clearly suggest these levels will continue to fall, despite a slight rise in the MSG average (Chart 3).

Chart 2 – violence against the person

Crime Volumes (Input date) : Live Crime Records * 1.1 VIOLENCE OFFENCES : (Last 24 Months)
Data Updated: 2013-11-08 02:00:04
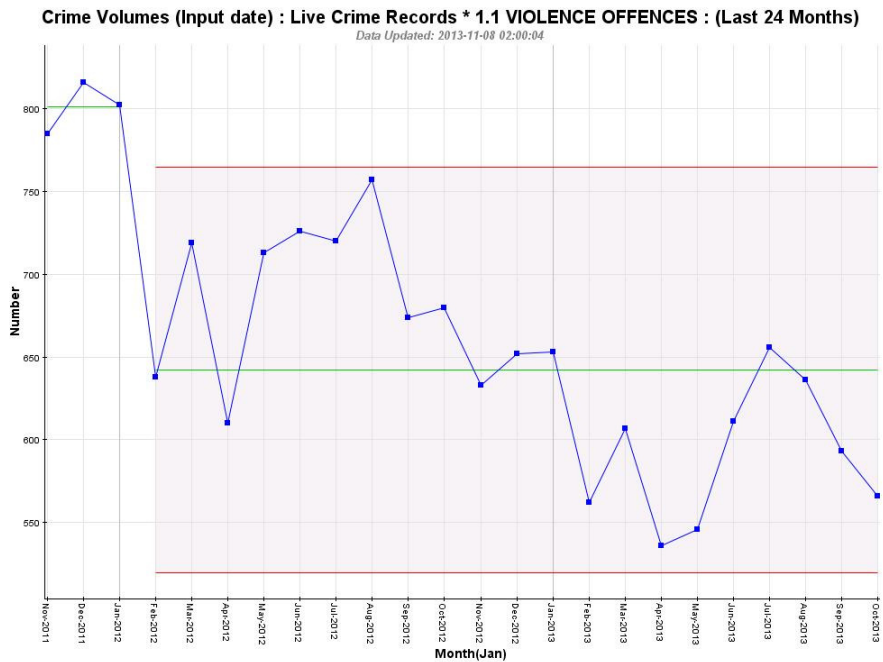
5.2   Violence with Injury is down 13.7% and Without Injury down 15.7% year to date. The Force is showing success across the whole spectrum of violence (domestic violence, night-time economy crime, youth related and alcohol related crime); a reflection of the multi-faceted Operation Challenge programme.

5.3   Over the last few months, a good national comparison has been reported within Violence Against the Person. For the entire performance year (April – Oct) the Force has been one of the top 10 in national ranking for direction of travel in this category. This is now being reflected in the reducing crime rate per 1,000 population. The Force is currently ranking 29th. It was ranked 40th 12 months ago.
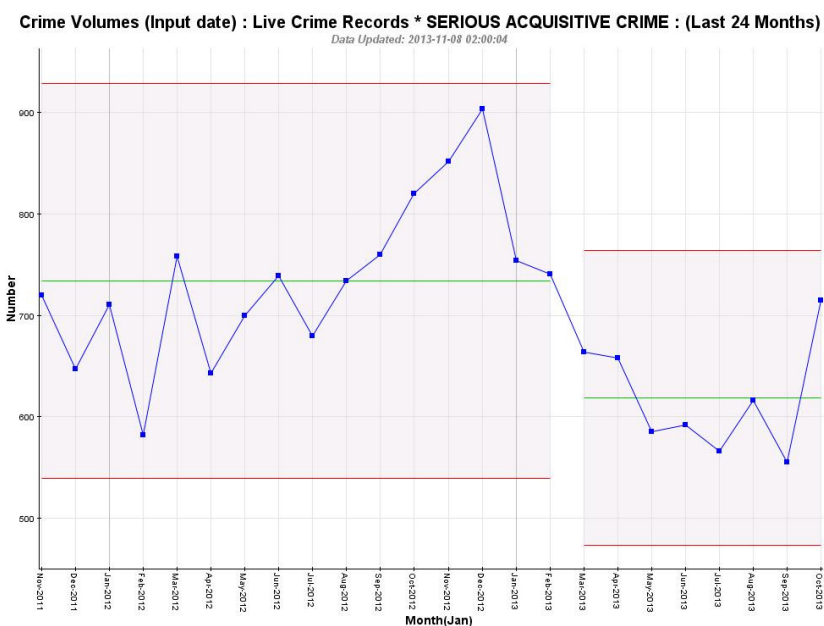
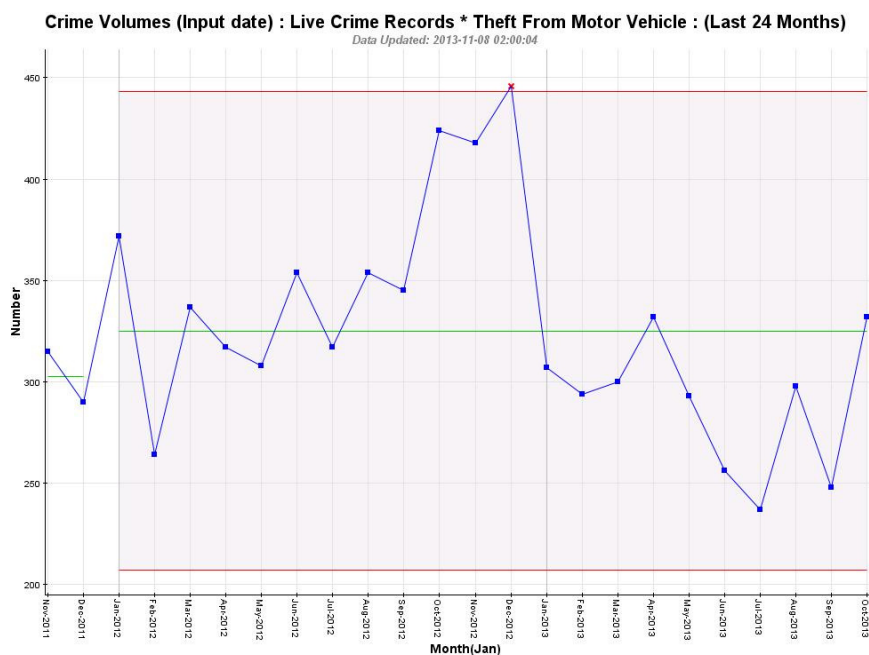**Chart 3 - iQuanta Projection Chart - Rolling 12 Month Crimes – VAP**

iQuanta Projection Chart - Rolling 12 Month Crimes
Northamptonshire
Violence against the person (HMIC)
01 Oct 2011 - 30 Sep 2013

Northamptonshire — 3 data points — 6 data points — 12 data points — MSG — Poly. (MSG)

PROTECT - Provisional data before it is finalised and published as National Statistics

6   SERIOUS ACQUISITIVE CRIME

6.1   The Force continues to show comparative reductions both year to date, and over a 52 week period (-15.4% YTD; -3.4% 52 weeks). Noticeably, the rate of reduction over a twelve month period is moving closer to the national average and the Force is currently rank 28th nationally for this direction of change; a considerable improvement on 12 months ago when it was ranked 42nd.

Chart 4 – Serious Acquisitive crime

Crime Volumes (Input date) : Live Crime Records * SERIOUS ACQUISITIVE CRIME : (Last 24 Months)
Data Updated: 2013-11-08 02:00:04

6.2   Chart 4 demonstrates the movement into a different performance period for SAC Crimes. Whilst October recorded a higher number of offences than over the last few months, it is only one of three months above the period's average, with five months below.

6.3   All four elements of SAC are showing reductions in the year to date. Robbery is down 10.4% and Theft of Vehicles down 26.4%. Both show similar reductions over the last 12 months. The reduction in Theft of Vehicle crimes remains strong in a national context, ranking 3rd for the direction of travel. The category is now ranked 29th for the rate per 1,000 population.

6.4   Theft from Vehicles has continued to reduce in volume, currently -17.5% YTD and -5.9% over a 12 month period. The national average for reduction in this category is currently -1.1%.

6.5   Chart 5 reflects the improvements shown on YTD and 12 month comparisons. Volumes of crime have been consistently lower since January 2013.

Chart 5 – Theft from vehicles

Crime Volumes (Input date) : Live Crime Records * Theft From Motor Vehicle : (Last 24 Months)
Data Updated: 2013-11-08 02:00:04

6.6   Burglary Dwelling has remained the Force's primary focus within SAC. In the year to date there has been a 9.2% reduction but it is showing an 11.1% increase over the last 52 weeks. The Force currently ranks 40th nationally for direction of travel and 34th for rate per 1,000 households. The last 8 months are significantly better than the latter part of 2012. Whilst Chart 6 demonstrates that levels are under control, the Force is working to achieve a step change in performance that would improve the Force's comparison with peers.

Chart 6 – Burglary dwelling

Crime Volumes (Input date) : Live Crime Records * 1.3.1.1 BURGLARY DWELLING : (Last 24 Months)
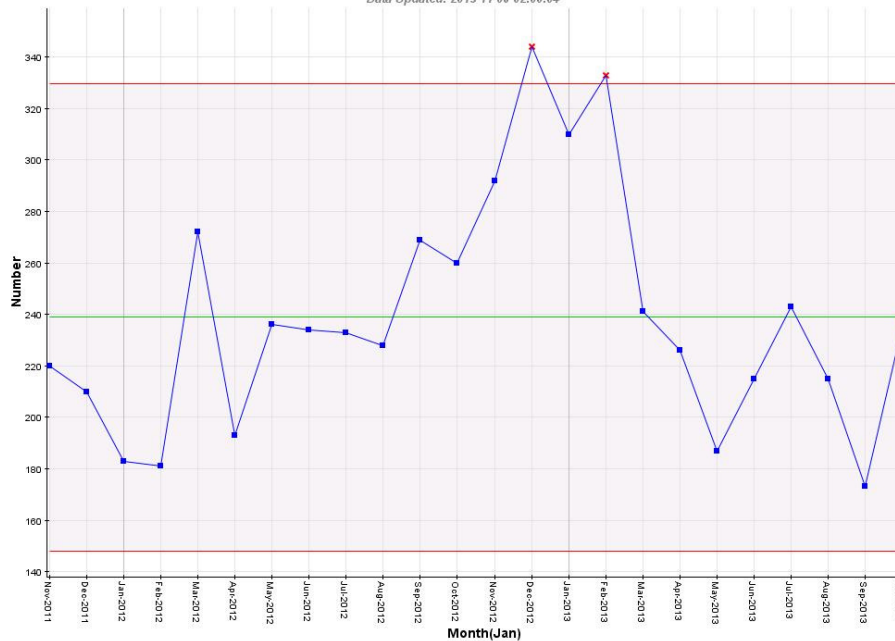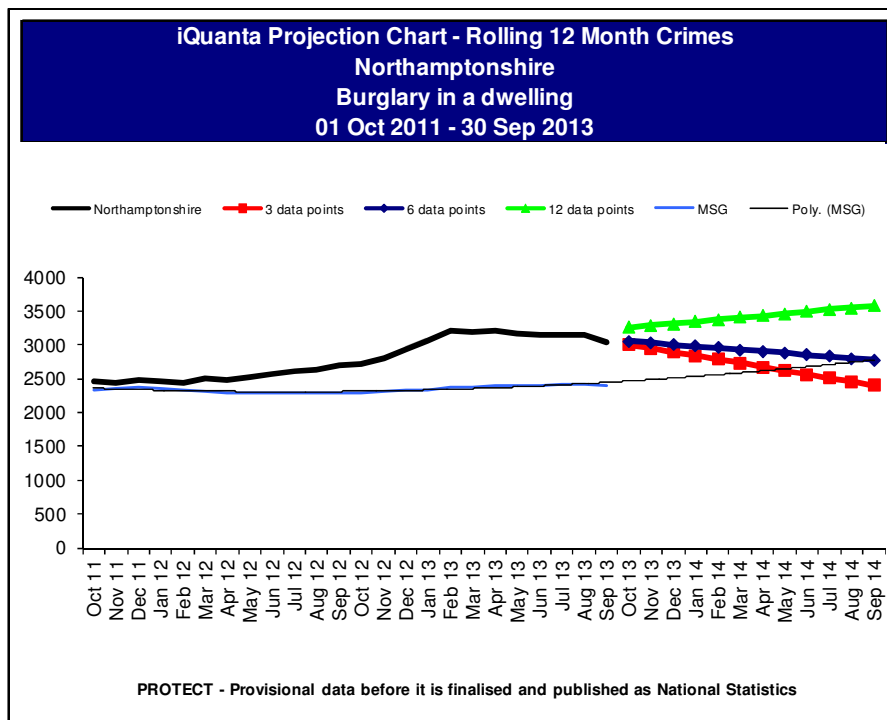*Data Updated: 2013-11-08 02:00:04*

Chart 7 – iQuanta Projection Chart - Rolling 12 Month Crimes – Burglary Dwelling

iQuanta Projection Chart - Rolling 12 Month Crimes
Northamptonshire
Burglary in a dwelling
01 Oct 2011 - 30 Sep 2013

PROTECT - Provisional data before it is finalised and published as National Statistics

6.7   Chart 7 is a prediction from iQuanta. There are two key things reflected in this graph. The first is that both the predictions using the last 3 and 6 months of data show continued reduction. Both intersect with the MSG average between April 2014 and August 2014. The second is the rise in the MSG average itself. Despite a general rise in Burglary Dwelling offences, the Force is working hard to continue with its current levels of reduction.

6

7   RESOLVED CRIME

7.1   Resolved rates (the use of Sanction Detection and Restorative Justice) have improved this year. The Force continues to exceed last year's end rate of 26.2%. It is currently at 29.5% (YTD). The 12 month picture is also improving (currently 29.4%. All departments understand the need to resolve crime and are focussed on achieving the best outcome for the victim.

7.2   Within All Crime, the Force's year to date Sanction Detection rate is 25.0% and Non-Sanction 4.4%. The overall resolution rate puts the Force 22nd nationally and significantly higher than 12 months ago (ranked 38th). Sanction Detection performance is still improving, currently ranked 32nd which is a good improvement on 12 months ago when the Force was ranked 40th.

7.3   The Force has improved on most categories within Victim Based Crime, currently 23.7% for all resolved rates. Violence offences currently have a 40.5% resolved rate and all theft offences are achieving a 20.4% resolution rate. However despite the resolution rate for Robbery ranking 24th and Theft of Motor Vehicle ranking 16th, SAC categories still pose a challenge as they are some of the lowest nationally. Officers investigating these offences have received training inputs from experienced staff to help in obtaining TICs and to ensure skills are kept up to date.

8   PERFORMANCE MONITORING

8.1   The Force has adopted a new Performance Framework developed within Corporate Development. This framework consolidates what is already available but within a structure that makes it much easier for operational staff to access what is important to their local area.   Information is available at 5 levels.

  • Level 1 – contribution to the Force priorities. This will ensure everyone knows how their area is performing regarding the targets set by the PCC.

  • Level 2 – Other general information on their sector (eg other crime types, intelligence logs, stop searches, outstanding warrants, incidents, domestic abuse, hate crime, strength and absence). This will give a richer picture of what else is happening on the area.

  • Level 3 – More detailed information about the sector (eg top streets for Anti-Social Behaviour, high risk DA victims and offenders, repeat callers, burglary hotspots). This will help monitor risk within the area.

  • Level 4 – Team management information data.   This has not been available since 2010 but its reintroduction in November will give sergeants and inspectors the opportunity to monitor their team as a whole and ensure it is focussed on what matters.

  • Level 5 – Officer management information data. This also has not been available since 2010 but its reintroduction will allow sergeants to ensure everyone is contributing to the team and provide a starting point for conversations with staff.

8.2   The framework will focus on sector performance initially and over the coming months be extended to other units and specialist teams.

8.3   Workshops held with frontline supervisors have indicated this is a welcome change which will help them to prioritise resources where they are needed and provide an overview to the public at local meetings.

9   CONCLUSION

9.1   The Force is exceeding all four of its core performance targets.

9.2   Crime categories that have been consistently showing a good direction of change are now showing that same improvement in the rate per 1,000 population.

9.3   The Force is focussed on the opportunity that the third quarter of 2013, and much of quarter four, presents in terms of reflecting a reduction. The Force is extremely well positioned to build on the success so far this performance year.

9.4   The Force remains focussed on SAC crime performance and, using crime data going back to April 2013, predictions about its end of year position suggest it should reach a 17.9% SAC reduction overall and a 19.3% reduction in Burglary Dwelling. With five months remaining of the performance year the Force is in a very strong position to achieve all it set out to do at the start of the year and achieve a good platform to continue in 2014/15.

Martin Jelley

Deputy Chief Constable

November 2013

Draft Protocol for the Performance Improvement of Northamptonshire Police

Introduction

The Police and Crime Plan sets out the PCC's commitment to deliver the safest county. To achieve this will require a substantial reduction in crime and improvement in comparative crime performance.

Nationally crime has been falling. Recorded crime in Northamptonshire has also fallen over several years, and seen significant falls more recently, but the crime rate generally remains comparatively high, whilst the rate of crimes being 'resolved' remains comparatively low. Other measures of performance, such as that provided by the Crime Survey for England and Wales (CSEW), HMIC Value for Money Profiles and public satisfaction surveys reinforce the challenges that Northamptonshire including Northamptonshire Police, the wider criminal justice agencies and their statutory and non-statutory partners face.

A primary duty of the Police and Crime Commissioner is to hold the Chief Constable to account for policing performance. The role of the Commissioner is to be 'client side', to champion the voice of victims and communities and to ensure that the quality of policing services and the results delivered by the police are the best they can possibly be for the people of Northamptonshire, delivering the Safest County.

The Commissioner and Chief Constable share a commitment and common ambition that over the course of the next three-to-five years there will be a sustained step change in performance to deliver comparative performance that is amongst the best in the country. There is also a shared commitment to improve standards of service for victims, reflecting the commitments set out across the Victims Voice recommendations.

This protocol sets out the processes that underpin effective performance management, improvement and accountability by drawing on existing, albeit historic, 'hallmarks' of effective performance management and having consulted with the Police and Crime Commissioner, Chief Executive of the Police and Crime

Commission, Chief Constable, Deputy Chief Constable and Her Majesty's Inspectorate of Constabulary.

What does success look like?

Becoming the safest place in England is not defined by a single set of measures or comparisons between fixed periods in time. It means that people across the county experience crime rates that are sustainably amongst the lowest in the country; that people feel safe and have confidence in the police, the criminal justice system and other public services; that the workforce exhibit the highest standards of integrity skill and professionalism at all times; that victims are treated with compassion and empathy, being placed at the heart of the criminal justice system; and, that children, young people and vulnerable adults are protected from harm through effective and robust safe-guarding measures.

Service transformation is the means by which this will be achieved by working differently; getting 'upstream' of crime to prevent crime; greater integration and partnering that deliver; involving the public; and adopting evidence-based practice.

What is police performance management?

In its simplest terms, performance in a policing context describes how well the police carry out and deliver the wide variety of things for which they have responsibility. Good performance is only really achieved by a combination of doing the right things ('priorities'), doing them well ('quality') and doing things in the best, evidenced ways ('smarter working'). Getting this right is the responsibility of everyone working in policing.

Performance management is the practice of reviewing past and current performance and the factors that might impact future performance, taking decisions in response to that information so that appropriate actions are taken in order to make future performance better. It is about understanding the business to make it work better to get the most out of the resources (people, money, equipment) available. Performance management is not just the preserve of 'specialists' such as performance analysts, nor is it just the concern of the force executive or senior managers. It should form a golden thread that connects the strategic objectives set out by the Police and Crime Plan on behalf of the public, to the work of commands and departments to the actions of teams and individuals.

Performance management is not a simple comparison or measurement of the performance indicators of crime volumes, percentage changes or other numbers and statistics. Performance indicators are important foundations for a broader performance system. Both analysis of past performance and future threats/opportunities to perform, to develop a strong understanding of performing, and then the application of evidenced-based models of performance improvement

are key to a holistic performance management approach. In policing, performance management should be viewed in organisational terms as having the right and responsive processes in place to direct resources to do the right thing to achieve the best outcomes. This requires a need to understand why objectives or outcomes are or are not being achieved – e.g. why crime is going up or down; why has public satisfaction fallen; why are our services more or less expensive - and what can be done more of, less of, or differently to achieve step change and enable sustainable performance improvements.

Delivering Performance Accountability and Improvement

The Chief Constable is responsible for the direction and control of the force and has operational independence.

The Police and Crime Commissioner (PCC) provides stronger and more transparent accountability of the police than previously, holding the Chief Constable and force to account on behalf of the public they serve.

Both parties are responsible for the performance management of the force – the Chief Constable for operational strategy and delivery and the PCC in setting the broader strategy through the Police and Crime Plan, driving the overall transformational change programme, and holding the Chief Constable to account for operational delivery.

The accountability arrangements between the Office of the Police and Crime Commissioner and Northamptonshire Police will be conducted following the four key principles:

1. **Reflecting victim and community priorities and concerns**. It is important that the Police and Crime Commissioner looks at the delivery of policing from the perspective of those at the front-line experiencing it, and the communities that rely upon it.

2. **Adopting a long-term strategic perspective**. One of the factors undermining police effectiveness can be the pressure to achieve short-term numeric targets. Instead what is needed is well planned and evidenced approaches embedded into the 'DNA' of how the force operates and leading to sustained as well as big improvements in performance. The thrust of the Police and Crime Commissioner's focus will be on the Chief Constable putting in place what is required to achieve a sustained step change in performing, transforming from worse than average to amongst the best, over a period of three-five years. The Chief Constable and force need to be provided the space to focus on this, without the distraction of continuous emphasis on short-term crime figure fluctuations and numbers chasing.

3. **Being 'intrusive' when it needs to be, and 'light touch' when it doesn't**. The Police and Crime Commissioner has a duty to the people of Northamptonshire to challenge and to drill down where there are evidently issues of management or delivery that are impeding the strong performance of their local police force. In these situations it is right that the Police and Crime Commissioner is intrusive, challenging and sets high expectations of improvement, but balances this with not placing an unnecessary burden that distracts the Chief Constable and force from their core focus of driving and sustaining a high level of operational performance.

4. **Based upon trust**. Countless surveys have reflected that police officers are amongst the most trusted public figures. The Commissioner shares that view. Rather than building a vast infrastructure of independent monitoring, investing in performance officers and developing a theatre of public accountability meetings, the model will be one based on an open, mature and honest relationship in which performance issues are transparently shared by the force and engaged with, whilst serving the needs for accountability and transparency through the mechanisms set out below.

The force employs a team of analysts who report to the Chief Officers on performance on a regular basis. A performance hub has been set up on the force intranet to enable officers to access a range of daily, weekly and monthly performance reports, which forms the basis for operational daily, weekly, fortnightly and monthly tactical tasking and performance and accountability meetings.

Performance information produced by Northamptonshire Police will be shared with the Police and Crime Commissioner's Policy Director, Commissioning and Performance, as a matter of course. An informal performance briefing will be provided to the Police and Crime Commissioner, the Chief Executive of the Office of the Police and Crime Commissioner and/or the Policy Director, on a monthly basis by the force's Performance Analysis Manager.

The process of more formal performance accountability will be undertaken through the following processes:

1. The PCC will formally hold an accountability meeting with the Chief Constable on a bi-monthly basis with force performance being the single agenda item. This will involve the Chief Constable transparently presenting an update on force performance, particularly in the context of performance improvement, with the PCC providing constructive challenge and holding the Chief Constable to account. Whilst these will not be public meetings, a record detailing actions and timescales for their undertaking, will be published on the Police and Crime Commissioner's website.

2. The Policy Director, Commissioning and Performance, will formally meet with the Deputy Chief Constable on a monthly basis with force performance being the single agenda item. This meeting will drill into the performance data to

identify performance risks and opportunities and actions for performance improvement.

3. Annually the Police and Crime Commissioner and Chief Constable will agree performance improvement expectations for the priorities of the [Police and Crime Plan](#) for the following year as measured by the most appropriate performance indicators. Quarterly milestones to meet the agreed improvements will be determined by the Chief Constable. When there are two consecutive quarters where the milestones have not been met the Chief Constable will flag as an emerging issue to ensure that the Police and Crime Commissioner is well sighted on concerns.

4. Should a subsequent milestone not be reached, or where there is any other performance issue identified by the Commissioner and, following discussion with the Chief Constable, represents a significant concern over a sustained period of time[1], the Chief Constable will be required to write a public letter to the Police and Crime Commissioner, which sets out:

   a) A brief summary of the performance issue concerned (to include the figures which triggered the issue, together with a graph of longer – term trend over the last three years, and in the case of crime performance on a sector this to be compared to force performance over the same period for that crime type, and contextual information will be provided at national, regional and Most Similar Force Group levels as appropriate);

   b) A brief analysis of the issue (for example, for a local crime problem, what does the intelligence picture suggest is driving the crime problem, have there been any discernible patterns or trends underpinning the crime problem, and what are the root causes that need to be addressed);

   c) A brief analysis of the reasons behind the failure to achieve (what measures have been put in place, and why they are assessed not to have yet delivered sufficiently);

   d) As assessment of the leadership that is in place to tackle the problem; and,

   e) A summary of what measures are being put in place to achieve again the required performance standards in subsequent quarters.

5. Force success will also be celebrated by the Police and Crime Commissioner. A significant and sustainable improvement by the force by achieving the annual performance improvement will result in the Police and Crime

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[1] On most occasions the sustained period of time will be defined as three quarters

Commissioner writing a public letter highlighting the performance to the public.

Improving transparency

As described above, for the purposes of transparency, the following will be published on the Police and Crime Commissioner's website:

The agreed record of the Performance and Accountability meetings between the Police and Crime Commissioner and Chief Constable, highlighting performance success and risks, and detailing actions and timescales for their undertaking;

Public letters between the Police and Crime Commissioner and Chief Constable;

A report updating the Police and Crime Panel on progress in delivering the priorities of the Police and Crime Plan;

A performance report using the available performance indicators, linking to other sources of police and crime data, will be produced and published on the Police and Crime Commissioner's website on a quarterly basis.[2] The style, format and content of these reports are currently under development.

Author: Matt Chester, Policy Director, Commissioning and Performance
Office of the Police and Crime Commissioner

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[2] Links to other sources of performance and crime data, including HMIC and police.uk websites.

COMMUNITY JUSTICE SECURITY

NORTHAMPTONSHIRE POLICE AND CRIME COMMISSIONER

Report to the Audit Committee

27th November 2013

TRANSFORMATION PORTFOLIO UPDATE REPORT

RECOMMENDATIONS

The Audit Committee is RECOMMENDED to note and comment on the approach to managing transformational change through the Portfolio Office arrangements

* * * * *

1   BACKGROUND

1.1   The Commissioner has an ambition for Northamptonshire to become the Safest Place in England. The delivery of the Police and Crime Plan is central to this and the Commissioner has set up a Transformation Portfolio to oversee the delivery of this.

1.2   The objectives of the portfolio are:

-   Criminal justice and community safety services *designed to meet the needs and expectations of victims and communities*;

-   An approach that is *rooted in community* – including a step change in community consultation, involvement and accountability.

-   The *performance* expectations contained within the Police and Crime Plan;

-   *A radically new and better delivery model across criminal justice, community safety and 'blue light' services*. This will involve new ways of working and collaborating across criminal justice, community safety, safeguarding, protection, prevention, offender

management, partnering and 'blue light' response, that embrace organisational reform and reconfiguration, increase emphasis on community engagement and prevention, and foster innovative practice;

- *A new model for policing*, transforming the police organisation and practice to deliver the brightest and best force in England and Wales, reflecting evidence-based practice, a preventative approach, a victim-centric approach, bold innovation, intelligence-led and pro-active practice, prioritisation of the front-line, and a model that fosters community engagement and participation at its core;

- *The required financial savings* on the PCC's budget, is estimated to be £21.2m over a 4 year period from 2014-15

- *A legacy* that will support future improvement beyond the term of the change portfolio, including: a world-class Institute which will sustain high quality insight, analysis, evidence and the translation of these assets into practice; a proposed new School on the site of Wootton Hall FHQ, and wider impact across education; an embedded model of community action including a large-scale innovative approach to preventative work and wellbeing, and galvanised faith-based and community initiatives.

2 TRANSFORMATION PORTFOLIO FRAMEWORK

2.1 The Commissioner has set up a Board for the Transformation and Delivery of the Police and Crime Plan. The purpose of the board is to oversee, approve and direct the design and delivery of the transformation portfolio.

2.2 The board is chaired by the Commissioner and comprises the Chief Constable, Deputy Chief Constable, Assistant Commissioners for Resources, Justice and Governance, the Chief Executive and a Director from the County Council. In addition two Non-Executive Directors are currently being sought to provide external strategic experience in delivering major change and providing a robust governance process.

2.3 To support the Board, the Commissioner has created a Portfolio Office. The Portfolio Office's remit is to provide strategic coordination across the programmes of the portfolio overseeing benefits realisation, risk and change management, ensuring key dependencies between programmes are understood and managed.

2.4 The Portfolio Office is there to ensure delivery of the programmes but also to ensure that a robust process and governance arrangements are in place for every element of the transformation portfolio.

2.5   The Portfolio Office has provided a framework within which the governance arrangements of programmes and projects operate. This includes defining the responsibilities of the programmes, projects and individuals within the portfolio, the approach to benefits that is being taken across the portfolio, how risk will be managed and an approach to managing the investments of the portfolio.

2.6   Benefits for the portfolio will be captured across four categories:

- Financial savings
- Performance improvements
- Improving the service to victims
- Improving engagement and participation with communities

This approach ensures that a balance of benefits across the portfolio is delivered of both cashable savings and improvements for the benefits of the communities of Northamptonshire.

2.7   Part of these arrangements is defining a clear business change lifecycle through which each programme/project must pass as part of the programme. This ensures that no programme is committed to at the outset with little understanding of the scope and complexities, meaning investments in developing the programme can be made before a full commitment to the full delivery of the programme, thereby minimising risk.

2.8   Stage gate 1 is the acceptance of the policy and vision for a programme.

2.9   Stage gate 2 requires a clearly defined scope and mandate for the programme to proceed, governance arrangements must be in place and an acceptable Equality Impact Assessment must be undertaken at programme level.

2.10   Stage gate 3 is the detailed design phase and includes the development of the future operating model, detailed project plan and service design. Project Initiation Documents must be complete and acceptable at this point ensuring the scope of projects within any programme is clearly defined. Equality Impact Assessments at project level must also be complete and acceptable at this point. It is at this point that investment and resourcing decisions for the delivery of the programme are taken.

2.11   The programmes and projects are at this stage into mobilisation and delivery and the portfolio will track progress against agreed milestones, highlighting and addressing issues to delivery as required.

2.12   Stage gate 4 is the closedown of the project or programme, ensuring a robust and defined acceptance of the completion of the initiative.

3   Portfolio Progress

3.1   There are five programmes and one project at different stages of development within the portfolio.

3.2   Project Institute is the furthest advanced, already being into the delivery phase. This project delivers a new Insitute with an academic institution to provide community insight, evidence based research and a translation of evidence into practice through vocational training across the criminal justice system. The project is due to deliver in April 2014.

3.3   Programme Justice has been accepted as a programme through having a defined mandate, effectively to deliver the recommendations of the Victims' Voice report. This includes developing a Victims' and Witnesses Service, new specialist victim services, and making Northamptonshire a restorative practice county. The detailed designs of the projects are being worked on with an anticipation of agreeing them in February 2014. Delivery of significant elements of this programme will take place before the end of 2014.

3.4   Programme Involve is an accepted programme developing new ways of involving the public and increasing the level of participation in the criminal justice system, including developing volunteering opportunities across criminal justice agencies and increasing the involvement of faith and community based initiatives in delivering the Police and Crime Plan. Detailed design of the projects is underway, with the Office of Faith Based and Community Initiatives due to be launched in January 2014.

3.5   Programme Estates is an accepted programme to look across the public sector to develop an estate fit for the 21st century, including seeking to close Wootton hall as Headquarters and develop a new headquarters site. A business case for the development of the entire estates is currently being developed with the intention to agree options for a full business case in February 2014.

3.6   Programme Aspire is in development. This develops a new operating model that integrates police and fire and rescue much more closely. It rethinks what and how the front line operates, focusing on prevention, supporting the victim, witness or casualty. The intention is to full integrate Specials and volunteers into the operating model, enhancing the front line, whilst delivering sustainable support services, enabling the delivery of the required reductions in budget. The Target Operating Model is currently in development, from which will develop a series of supporting projects. It is intended to be in a position to agree the operating model in February 2014.

3.7   Programme Prevent is in development. This is a wider ranging programme to prevent crime and address other social issues to reduce

the impact on the entire public sector. This includes consideration of the causes rather than the symptoms such as alcohol, drugs and environmental issues, drawing in a range of partner agencies to deliver new models for services. The governance and detail around the programme is being developed with the intention to be in a position to agree the mandate in February 2014.

4   CONCLUSION

4.1   A robust governance arrangement has been put in place to oversee and deliver the Commissioner's Police and Crime Plan. Office of Government Commerce best practice is being utilises to manage the portfolio of change programme and projects. The Portfolio Office has in place regular reporting mechanisms to ensure that delivery of change is occurring to plan, and mechanisms are in place to escalate issues that are preventing delivery.

4.2   The next three months will further develop the portfolio approach, with the individual programmes being worked up further to enable delivery to be focused on through 2014-15.

Author: Paul Bullen – Transformation Portfolio Manager

Background Papers: Portfolio Management Framework

Office of the Northamptonshire Police and Crime Commissioner and Northamptonshire Police

Internal Audit Progress Report

Independent Audit Committee meeting: 10 September 2014

Introduction

The internal audit plan for 2014/15 was approved by the Independent Audit Committee in March 2014.

Summary of Progress against the Internal Audit Plan

Assignment *Reports considered today are shown in italics*	Status	Opinion	Actions Agreed (by priority)		
			High	Medium	Low
Follow Up (10.13/14)	*FINAL*	*Adequate*	*0*	*2*	*1*
Follow Up - Collaboration – Governance & Financial Framework	*FINAL*	*Good Progress*	*N/A*		

Assignment *Reports considered today are shown in italics*	Status	Opinion	Actions Agreed (by priority)		
			High	Medium	Low
Stock Management (1.14/15)	*FINAL*	*Green*	*0*	*0*	*0*
Firearms Licensing (2.14/15)	*FINAL*	*Green*	*0*	*0*	*2*
Medium Term Financial Planning (3.14/15)	*Draft issued 15 Aug 2014*				
Risk Management (4.14/15)	*FINAL*	*OPCC - Amber / Green Force – Amber / Green*	*0*	*6*	*6*
Estates Strategy & Management (5.14/15)	*Draft issued 21 Aug 2014*				
Force Control Room Business Continuity	In QA				
Collaboration – Efficiency Savings Plans (to be completed as part of a joint review with the East Midlands)	Planned Sep 2014				
Key Financial Controls	Planned 27 Oct 2014				
Volunteers – Strategy, recruitment and training	Planned 1 Dec 2014				
Follow up	Planned 3 Dec 2014				
Human Resources – Workforce and Succession Planning	Planned 13 Jan 2015				

Governance	Planned 10 Feb 2015				
Commissioning	Planned 6 Jan 2015				
IT Licenses	TBC				

Other Matters

Planning and Liaison:

Since the last Committee we have met with the Interim Assistant Commissioner Resources (Section 151 Officer), Head of Corporate Services, Head of Finance and Asset Management and Chair of the Independent Audit Committee to discuss the progress of the audit plan.

Internal Audit Plan 2014/15 - Change Control:

There have not been any changes to the audit plan since the last meeting.

Information and Briefings: We have issued the following updates electronically since the last Joint Audit Committee:

Police Risk Register Analysis – August 2014

In this paper we have provided an analysis of the contents of police risk registers, including those of Office of the Police & Crime Commissioners (OPCC) and Police Forces. This analysis provides valuable insight and intelligence of the current risk landscape facing the policing sector.

Emergency Services News Briefing - August 2014

- Policing in austerity: Meeting the challenge
- Consultation on HMIC's programme for regular force inspections
- Reform of anti-social behaviour powers, statutory guidance for frontline professionals
- Home Office guidance: Police officer misconduct, unsatisfactory performance and attendance management procedures
- Preparing for the National Fraud Initiative 2014/15

Local Government News Briefing - July 2014

- Home Office unveils new police corruption offence
- Collaboration - the bigger reward
- Making savings from contract management
- The National Fraud Initiative

Local Government News Briefing - June 2014

- CIPFA Conference - Risk, Resilience, Reform: Creating a Sustainable Future
- National Fraud Initiative, June 2014 report
- Serious Crime Bill

Key Findings from Internal Audit Work (High and Medium Recommendations only)

Assignment: Follow Up (10.13/14)	Opinion:	Adequate

Taking account of the issues identified, in our opinion the Office of the Police and Crime Commissioner for Northamptonshire and Northamptonshire Police has demonstrated <u>adequate</u> progress in implementing actions agreed to address internal audit recommendations.

Where recommendations are in the process of being implemented and both management and the Joint Audit Committee are aware of the outstanding issues, we have not reiterated these recommendations. We have made new recommendations where appropriate; these are detailed in the action plan.

Recommendation Priority	Number followed up	Of which:	
		Addressed	Not implemented or still in progress
High	0	0	0
Medium	8	2	6
Low	14	12	2
Totals	22	14	8

Action	Management Response	Date	Responsible Officer
Rec 3.1.34 Medium The Force (or Local Resilience Forum) should include a risk assessment for each probable emergency event highlighting possible dangers to staff and identifying clear controls to mitigate the risk of them materialising.	The Local Resilience Forum has a Risk Group chaired by the County Council who prepare a Northamptonshire risk register assessing the local impact of those risks identified on the National Risk Register.	Already in place	Insp Neil Dorothy
Rec 3.1.26 - Medium **Recommendation Restated** Northamptonshire Police should develop an environmental policy which clearly documents how it intends to deliver the areas identified within the regional environmental policy.	It is accepted that the Force needs to adopt an environmental policy applicable to its own aims and objectives. The overarching regional policy needs to be reviewed and updated and no target has been set for this piece of work. Northants Police will complete and publish its own policy by the end of September 2014. The policy will take account of the OPCC needs as the owner of the estate assets. It will also	30/09/14	Stuart Bonner (Head of Estates and Facilities)

	closely link with the Transport and Travel Carbon Management plan.		

Assignment: Follow Up - Collaboration – Governance & Financial Framework (Joint report)	**Opinion:**	**Good Progress**

Taking account of the issues identified, in our opinion the Organisation has demonstrated good progress in implementing actions agreed to address internal audit recommendations.

For two of the medium priority recommendations we were unable to confirm that the recommendation had been fully implemented as implementation is relying on the utilisation of the revised Business Case document, which is effective from 1st April 2014. Therefore, we will ensure that this is followed up during 2014/15, to provide assurance that all recommendations made within our original report have been fully addressed and actioned.

Categorisation	Implemented	In Progress
High	0	0
Med	3	2
Low	2	0

Assignment: Stock Management (1.14/15)	**Opinion: Green** **H – 0** **M – 0** **L – 0**	**Green**

Design of control framework

We found one weakness in the design of the control framework which resulted in a 'medium' recommendation relating to segregation of duties.

We confirmed from review of the Oracle system access, that Stores Assistants had fewer access rights in their user profiles than the Stores Manager and whilst the Stores Assistants could place orders for uniform and equipment for their own use via the self service system; all orders were routed through the Stores Manager which should maintain segregation in the process.

However, whilst orders were routed to the Stores Manager, they had delegated all orders placed in the system to go to the Stores Assistants for processing; which had been done in order for the Department to effectively handle the volumes of orders received (over 7,000 in the last 12 months). This effectively meant there was no segregation between Stores Assistants raising, approving, and receipting orders for uniform and equipment.

This issue related only to the Stores Assistants and we accept that there were also compensating controls in place which included:

- System reports listing all orders and returns made by each user,
- Management review of minimum and maximum stock levels, and
- Stock counts and investigation of variances.

Controls operating effectively included the following:

- A Standard Operating Procedure for the Uniform Stores Department outlined basic operational information including opening hours, location and access arrangements to the department, requirements for visitors, and the process for receiving deliveries.

- A Standards of Appearance Policy described the expectations of Police Officers and Staff and outlined the requirements for ordering, and replacing uniform items as well as detailing the requirements for wearing the various types of apparel.

- User guides had been developed to assist employees when ordering uniform and equipment via the i-procurement (iProc) self-service system, and to guide the Stores staff through various day to day process on the system.

- The roles and responsibilities for the Stores Assistants had been clearly defined and included processing orders and maintaining adequate levels of stock within the department, receipting stock deliveries, preparing stock for dispatch to the various locations in the county, assisting in stock counts and conducting uniform fittings for new employees.

- We reviewed a report of users with access to the Stores Procurement module and confirmed that there were seven in total and these were all appropriate.

- The Stores Manager had the delegated authority to approve orders up to £20,000 for suppliers listed on the iProc system catalogue. Orders up to £100,000 required Budget Holder authorisation, above this figure authorisation was required by the Chief Constable.

- Uniform and equipment could be ordered in two ways, for individuals requesting items for their own use via the self-service system or by the Stores Manager to replenish stock held in warehouse for frequently issued items and for specialist equipment including Method of Entry (MOE) apparatus and Personal Protective Equipment (PPE). The items are ordered via the iProc system, however, any non-catalogue items were required to be reviewed by Procurement Dept. to ensure that value for money was being obtained before approval to be added to the catalogue.

- Stock levels were reviewed and maintained against minimum and maximum levels within the ordering system. These were guidelines and could be amended by the systems administrators if required. Particular focus was placed on the minimum stock levels for planned intakes of new employees for example the recruitment of additional Special Officers and Police Volunteers.

- Due to the range of suppliers and the bespoke nature of certain items ordered, lead times were frequently over 3 months from order to delivery. To ensure that these orders remained open, we confirmed that a list of the outstanding orders was communicated to the Multi-Force Shared Service (MFSS) so these items could be receipted when they did arrive to maintain accurate system records and reduce the likelihood of repeat orders being placed.

- Expected levels of uniform and equipment were calculated based on information provided from HR confirming the numbers and anticipated start dates. These were communicated in advance to allow for planning in uniform fittings.

- We reviewed the Stores Department calendar and confirmed that recruitment activity had been highlighted to enable adequate preparation to take place for the increased workload in orders received in the weeks leading up to the new recruits starting.

- A level of recycled stock was also held which helped to minimise the costs of ordering new items compared to the price of laundry costs, where feasible.

- At the time of our audit the savings calculated from recycling uniform was £37,415.99 less minimal cleaning costs and we verified this was based on the current cost per item if new and the quantities used.

- Actual stock levels held in stores were checked against the system periodically during the year to ensure that the system remained accurate and reflected the current holding of uniform and equipment. Regular checks were completed by the Stores Manager to ensure that the stock levels continually reconciled to the correct values held in the system.

- Once individual orders for uniform and equipment had been placed, they were either picked from existing stock held in stores, or placed on hold if further supplies of stock were awaiting delivery; they were then picked following receipt of the required stock.

- Orders received for stores as reserves and in preparation for forthcoming recruitment events were receipted by the Stores Assistants and added to the system to adjust the stock levels accordingly.

- If all items on order were not received, the reasons were established, to determine if the items were delayed, out of stock or missing for example, and the order was held open and not closed down on the system until all items were receipted. A list of missing stock items was regularly monitored at the stores delivery bay and checked off as the items were received.

- Where individual uniform and equipment orders were incomplete, the employees were notified via the dispatch note of the items outstanding.

- Once stock was receipted onto the system, it was ready to be picked for individual employee orders. As orders were received via the self service system, picking lists were produced which listed the items each employee required. Items were physically picked from the stock holding areas and placed onto dedicated trolleys depending on which location the item was to be dispatched to. The system was updated to indicate that the items had been removed from stock and were no longer available for picking.

- When the items on the trolleys were physically dispatched from stores to the various stations, the status of the orders was updated to indicate that the items in the orders had been dispatched to the relevant employees. The orders were then delivered to the appropriate locations by the Force's internal couriers.

- Items of uniform or equipment returned by employees were logged upon receipt, and either recycled for example if a wrong size was issued or disposed of if the items were not able to be reused for example upon an employee leaving or if the item is damaged.

- Annual stock counts were undertaken on all stores items including uniform, equipment and corporate stationary. These were completed prior to year end and were done in three phases:
    o 1st count - An initial count was undertaken to identify the current stock holding in the stores.
    o 2nd count - A secondary validation check was completed for accuracy and to highlight any variances.
    o 3rd and final checks - these were completed upon review of any discrepancies between the system and physical stock held and investigations were completed to establish the nature of the discrepancy.

- The stock count was finally signed off by the Stores Manager upon satisfactory investigation and correction of inaccurate stock records.

- A record was held in the Stores Department of all stock disposals completed and what had been done with the uniform/ equipment. All disposals were required to be signed off by the Stores Manager and by the Head of Finance for values up to £500 which was agreed locally by the Assistant Commissioner Resources. Stock adjustments were made in the system to account for the stock being disposed of and this was completed approved in Finance to maintain segregation in the process.

- The Stores Department was based at an Industrial Estate in Northamptonshire in an unmarked building. The building was accessed using a key- fob issued to staff by HR. In order to gain access to the department, a call bell was required to be used to contact a member of staff who would allow entry to the building upon sight of suitable identification. General access to the Stores Department was not permitted to unauthorised staff and employees were required to make appointments in advance to attend uniform fittings.

- The delivery bay through which stock was received from suppliers remained shut when not in use and was locked out of hours. Stores had additional rooms in the building where bulk uniform items were held and these were kept locked with the keys held within the Stores Department and locked away in the Stores Managers office out of hours.

- At year end the stock figures were incorporated into the annual accounts and represented as an inventory value for uniform.

- During this process reconciliations were completed between the actual stock holding and adjustments were made to account for stock take variances identified, discontinued and obsolete lines that had been disposed of and adjustments for stock pricing changes.

- The reports extracted from the ledger stated that the system stock value at 31 March was £364,334.81, against physical stock holding of £365,763.95, resulting in a discrepancy of £1,429.19. This had been reviewed by the Chief Accountant and the Stores Manager who had investigated the variance. This value was adjusted in the ledger by the Chief Accountant and would be subject to External Audit review as part of the year end accounts. Any stock write-offs were required to be approved by the Office of the Police and Crime Commissioner.

- From review of the detail behind the variances, we confirmed that they related to 32 lines of stock most of which were accounted for by micro fleece jackets and police helmets. These were expected to be investigated and errors corrected for the year end accounts.

- We verified that the stock values had been reconciled to balance in the ledger taking into consideration

adjustments for unit price changes of uniform and stock items during the year.

- We confirmed that expenditure at year end 2013/14 had been stated in the Management Accounts as being £76k adverse to budget, which was contributed to by overspends in the uniform and specialist operational equipment budgets due to the increased volume of Special Police Officers that were being recruited.

Application of and compliance with control framework

We found the control framework had been consistently applied and complied with and testing undertaken during the audit covered the following areas:

- We reviewed a sample of 20 orders placed on the oracle system in the last 12 months including uniform and equipment. We sought to confirm if all of the orders had been through a review and approval process and if there was segregation in the process between ordering and approval.
  - o We found that 16 of the 20 orders we reviewed had been approved in the system. The remaining four had either been cancelled, rejected, was incomplete or in progress. We verified that 11 of the 16 orders that had been 'approved' were done so independently than the person who had raised the order.
  - o In the five remaining cases, the items had been requested and approved by a member of Stores Staff as they had been completing uniform fittings for the employees and had effectively processed the orders on their behalf to update the stock holding records accordingly.

- We undertook sample testing on 25 items of uniform and equipment and contrasted the physical stock held against the quantities detailed on the system. We found that in 24 cases the stock held matched the quantities described on the system. In the remaining case, the system was showing there to be a higher quantity of stock than was physically held. There was a discrepancy of 1 plain white shirt, to the value of less than £5.00. We investigated the reason for the discrepancy and it was likely that the item had been counted incorrectly during the stock take in February 2014 as these are packed in boxes of 10, but there were two boxes with items used which may not have been identified during stock take. This was raised with the Stores Manager who confirmed that the Stores Assistants would be reminded of the importance of confirming that boxes contained the expected quantity during future stock counts for accuracy, due to the low value we have not raised a recommendation in this instance.

- Using the sample of 20 orders, we reviewed the receipting process for the 16 orders that had been approved and processed. We sought to determine whether there was a record of the items being receipted and if there was segregation in this process from the individual placing the order. We found that 15 of the orders had been fully satisfied either from stock or from the suppliers. One of the orders was short by five items of uniform and we verified that this was indicated on the goods receipt note. We also confirmed that the items were sent on the next delivery.

- We reviewed segregation in these orders and confirmed of the 16, five of the orders had been independently receipted from the individual placing the order. Ten of the orders did not require goods receipt notes as the items were already held in stock in the Stores for which picking lists were produced. The remaining order had been raised and receipted by the Stores Manager to correspond to an external purchase order that had been raised direct with the supplier and was within their delegated authority limits. In this instance, we confirmed that the order had been placed for body armour which was made to measure and the list of items that had been ordered corresponded to the details of the uniform issued to those employees.

- Using the testing sample of 20 orders we also reviewed the process of issuing uniform and equipment for the 16 orders that were approved. We sought to determine whether the items on the orders had been issued to the relevant employees. We found that three of the orders had been issued to the relevant individuals, of which one order related to method of entry equipment that was allocated to a station and not a particular employees. The remaining 13 orders had been taken away by the individuals as the items on the order were either fitted with items from stock during an appointment with the Stores Assistants, or had to collect made to measure body armour which also required fitting.

- We confirmed that reports of all outstanding stock items were held at the delivery bay in the Stores Department.

  From review of the reports held we selected 10 overdue orders and noted that orders with items outstanding were held going back to July 2013 - in this instance the order related to safety helmets which had failed supplier safety standards and therefore had been delayed. These were orders for stock and not for individual employees. Each order had notes added where the suppliers had been pursued, the status of the order and awaited items was updated and included revised delivery dates, at the time of our audit, we were informed that a number of orders had been closed down in the system by the MFSS team at Cheshire, as the orders had exceeded the expected delivery date.

- We confirmed that a detailed record was maintained for any safety equipment issued or loaned to employees including body armour. We verified that these items were registered onto a spreadsheet which included the serial number and manufacture date. For each item, details of the employee who was issued the item were recorded against the corresponding piece of equipment including their name, collar number and rank. Whilst we were informed that the standard life of these items was five years, the expected life of the equipment had been able to be extended, upon receiving assurances that they remained fit for purpose following confidence testing that simulated the impact from bullets and knives. We verified that records were held to confirm the serial numbers of the items that had been tested and certificates were issued to validate the safety of the items.
- We conducted sample testing on five items where there were discrepancies identified in stock take and confirmed that the physical stock held matched the system records therefore confirming stock adjustments had been fully completed and subject to the appropriate level of review and scrutiny in Finance.
- We reviewed the disposals reports held over the last 12 months and confirmed that there had been £16k stock written off as a result of discontinued and obsolete stock and a small amount to system variance. From review of a sample of 5 write offs completed we confirmed that they had been submitted to Retained Finance and the OPCC to gain appropriate approval. We verified that in each case that the stock records on the system reflected accurate levels of remaining stock held.

Action	Management Response	Date	Responsible Officer
No recommendations made.			

Assignment: Firearms Licensing (2.14/15)	Opinion: **H – 0** **M – 0** **L – 2**	**GREEN**

Effectiveness

Testing confirmed the effectiveness of controls governing the administration, processing and approval of applications. We noted in particular that;

- A total of 257 previously mismatched addresses in STORM have been fully reconciled to NFLMS, which means that addresses in STORM are both red-flagged to indicate the presence of firearms and hyperlinked to NFLMS so that firearms details can be viewed within STORM. A total of 77 previously mismatched addresses have been red-flagged only, with work on-going to hyperlink them to NFLMS. In these instances, the presence of firearms at an address is indicated within STORM, which the system user can then interrogate within NFLMS should they require the precise details of the type and quantity of firearms. The Senior Firearms Administrator's database contains four outstanding address errors, which were all being investigated at the time of our review. Our testing revealed no instances of STORM failing to highlight the presence of firearms at addresses sampled within NFLMS.
- Certificates are granted following due process in accordance with Home Office guidance. All applicants are risk-assessed and any refusals are for valid reasons.
- Renewals were sent on an average of 13 weeks and reminders an average of 12.9 weeks in advance of certificate expiry. The Firearms Licensing Manager's statistical record of performance noted 92% of firearm certificates and 90.5% of shotgun certificates renewed before expiry over the four-month period January to April 2014, compared to a target of 80% for both.

Design of control framework

- Policies and procedures were in place for the issuing and review of firearms licences and were supported by detailed checklists and process maps, with clear delineation of Firearms Licensing Unit (FLU) staff roles and responsibilities. FLU documentation referenced and accorded with the Home Office's Guidance on Firearms Licensing Law, a copy of which has been made available to FLU staff.
- An extensive suite of information, guidance and application forms was made available to members of the general public on the Northamptonshire Police's internet website and addressed individuals, clubs and Registered Firearms Dealers (RFD).

- Applications for firearms licences were subject to review and approval following visits to applicants by Firearms Enquiry Officers to conduct physical security assessments.
- Refusal to issue a licence was made following risk assessment, with reasons for refusal in accordance with policy and Home Office guidelines. Reasons were supplied in writing to applicants, who were afforded the opportunity to lodge and appeal.
- The National Firearms Licensing Management System was interrogated daily to identify pending licences pending expiry and ensure that the license holder was engaged within the renewals process.
- Fees for the grant and renewal of licences were set at levels commensurate with Home Office guidance and were logged, securely held and either banked (cash) or forwarded to MFSS (cheques).
- Registered Firearms Dealers and clubs were subject to periodic security checks and stock counts.
- Detailed daily checks were conducted by members of the FLU team to identify any contentious issues or adverse information regarding applicants for or holders of firearms certificates.

Application of and compliance with control framework

- From a sample of 20 applications for the grant of a new shotgun or firearms licence, we confirmed that all applications were correctly completed, including details of the applicant's referee(s) and General Practitioner; all applicants were visited and assessed by FEOs; all applications were risk-assessed, RAG-rated and approved by the Firearms Licensing Manager; certificate details including expiry dates were correct; and the System Task & Operational Resource Management system (STORM) was red-flagged, to indicate to operational uniformed personnel that firearms were present at the applicant's address.

Our sample testing revealed no instances of non-compliance with the Home Office's Guidance on Firearms Licensing Law with respect to applications for the grant of a licence.

- From a sample of 20 licence refusals, we confirmed that in all cases refusals were made for valid reasons in accordance with Home Office guidance; attempts were made to contact all applicants to inform them of the reason for refusal and of their right of appeal; and details were correctly recorded within NFLMS.
- From a sample of 20 licences due to expire between June and August 2014, we confirmed that in all cases renewal or reminder letters were sent to licence holders and their sub-status was amended to 'renewal' or 'reminder' within NFLMS. In all cases, reminder and renewal letters were sent at least 90 or 56 days respectively in advance of expiry.
- From a sample of 10 Registered Firearms Dealers (RFD), we confirmed that in all cases they were visited at least every 12 months and that full stock checks were conducted by FEOs every 1 – 3 years. Of the RFDs within our sample, six were subject to routine FEO enquiries / visits at the time of our review.
- From a sample of 10 Cash and Cheque Finance Registers (batch sheets), we noted that in all cases they were cast correctly, signed by the preparer and independently reviewed. Of five batch sheets recording cash receipts, totals accorded with the paying in book which was stamped by the bank upon deposit.

The above controls were applied consistently, however we identified two areas of weakness that resulted in **two low** priority recommendations being made.

All recommendations were accepted by management.

Action	Management Response	Date	Responsible Officer
No High or Medium priority recommendations made.			

	Opinion:	
Assignment: Risk Management (4.14/15)	**H – 0** **M – 6** **L – 6**	**OPCC – Amber / Green** **Force – Amber / Green**
Design of control framework.		
The following controls were adequately designed:		
Force		

- The Force has a documented Risk Management Policy and associated procedures that are subject to an annual review. Documents are made available to staff via the intranet.
- Risk Management Procedures adequately detail the criteria, requirements and processes in relation to assessment of risks.
- Responsibilities for risk management ultimately rest with the Chief Constable with the Deputy Chief Constable taking the ACPO lead. Day to day responsibilities rest with the Force Risk and Business Continuity Advisor who is also the guardian of the risk management system, IPSO.
- Internally the Chief Officers Group (COG) (All risks), Strategic Tasking Co-ordination Group (STC) (Strategic risks) and the Information Assurance Board (IAB) (information related risks) have risk management overview and monitoring responsibilities which are detailed within their relevant Terms of Reference.
- The Joint Independent Audit Committee has the overview responsibility for risk management and this is detailed within their Terms of Reference.
- All risks captured in the corporate risk register are assigned to a nominated party.
- Controls and actions to manage and or mitigate a risk are recorded against each risk on the IPSO risk management database.
- Risks are assessed and scored in accordance with the matrix detailed in the Risk Management Procedures.
- Each risk is subject to a periodic review, which will be determined according the current status of the risk, any known future issues and the level of current controls. Risk assessment and or scores will be adjusted, where required, following each review.
- All risks on the corporate register will be subject to a monthly overview by the Force Risk and Business Continuity Advisor. The COG has overview and monitoring responsibility for operational risks, the STCG for strategic risks and the IAB for information related risks.
- Risk owners are required to identify and record on IPSO sources of assurance that can be used to inform the risk reviews around control effectiveness.
- The Risk Management Procedures requires all departments to identify any internal 'operational' risks that may affect them. These are to be recorded on the IPSO risk management database and managed in accordance with the procedures.
- Formal reporting to COG, STCG, and IAB are undertaken quarterly. Formal reporting to the Joint Audit Committee is undertaken six monthly.

We did not identify any areas of design weakness that have resulted in a recommendation being made.

OPCC

- The Risk Management Policy details the requirements for assessing risks in accordance with a set matrix.
- Responsibility for risk management ultimately rests with the PCC with day to day management being undertaken by the current Strategic Resources Manager reporting to the Interim Assistant Commissioner Resources. External responsibility for the overview of risk management rests with the Joint Independent Audit Committee.
- The Strategic Resources Manager is responsible for maintaining the risk register which is an in house designed excel database.
- Risks are assigned to one of the current Assistant Commissioners and recorded as such on the risk register.
- The Strategic Resources Manager will take the lead to ensure that risks are reviewed at periodic intervals.
- The Risk Management Policy includes the proviso that appropriate training will be provided to all staff.
- The Risk Management Policy states that risk reporting is undertaken six monthly to the Joint Independent Audit Committee.

The following controls were considered not to have been effectively designed:

- Whilst a Risk Management Policy has been drafted it has not been formally approved by the PCC or the Joint Independent Audit Committee. A high priority recommendation to address this was made in our Risk Management internal audit report in 2013/14 and following presentation of this to the Joint Independent Audit Committee at their June 2014 meeting it was agreed that the Policy should be formally presented to the December 2014 meeting. We have not re-stated this recommendation, however, as a result of our findings within this review we identified a number of issues that should be addressed through amendment and or enhancement to the Policy before its presentation in December 2014. There is a risk that without appropriate and inclusive guidance within a policy implementation of

> that policy may be compromised. A **medium** priority recommendation has been made to address these issues.
> - Use is made of an in-house developed register to record risks. Our review of this considers that improvements should be made to strengthen key areas of recording around areas such as controls, assurance sources, assurance outcomes and risk directions. There is a risk that without sufficient or appropriate information a reader would not be able to make an informed decision as to the effectiveness of the management of a risk. A **medium** priority recommendation has been made to address this matter.

Application of and compliance with control framework

The above controls had been adequately and effectively applied and complied with the following exceptions:

<u>Force</u>

- We note from our review that there is no inclusion within the Risk Management Procedures on 'assurances' i.e. what to look for in an assurance, how assurances should be recorded, how assurance outcomes should be sought and used etc.
  From discussion with the Force Risk and Business Continuity Advisor and by review we confirmed that there is a 'box' within IPSO to record the 'assurance mechanism'. A review of the information recorded on the five risks sampled noted that details of where the assurance could be sought from and what form this might take is annotated. However in all cases, and this was confirmed by the Force Risk and Business Continuity Advisor, whilst risk owners would be aware of the assurance outcomes and react in negative cases there is no formal process for the assurance outputs to be recorded and actions required noted. There is a risk that due to ineffective reviews of controls an escalating risk may not be identified in a timely manner and addressed before the risk may actually crystallise. A **medium** priority recommendation has been made to address this issue.

- Testing in relation to the maintenance and management of Departmental risk registers noted that of the three Departments sampled only one was using the IPSO risk management database in accordance with Procedures. There is a risk that by Departments not using the IPSO database risks may not be being managed in accordance with procedures and additionally there is an increased danger that potential corporate risks are not identified and moved through to the corporate risk register. A **medium** priority recommendation has been made to address this issue.

In addition to the above we identified six other areas of minor weakness that have resulted in **low** priority recommendations being made.

<u>OPCC</u>

- Testing noted that whilst the draft Risk Management Policy stated that risks should be reviewed it does not include any specifics as to the periodicity of such reviews. There is a risk that under current arrangements formal reviews of risk will only be undertaken to meet onward reporting requirements and that whilst we accept that 'risk' may be being considered in day to day operations this may not actually manifest itself into any formal review of a risk. A **medium** priority recommendation has been made to address this matter.

- An appropriate training programme around risk management has not yet been implemented. Discussions are being held internally to try to come up with the most appropriate methodology to undertake this that can link into existing processes. There is a risk that without appropriate training/dissemination of 'risk' to staff the risk management process will remain too 'top down' focused and risks not identifying risks faced by staff in their day to day operations that could possibly have wider implications to the OPCC and its delivery. A **medium** priority recommendation has been made to address this issue.

We have not identified any other areas of non-compliance with controls that have resulted in recommendations being made.

Action	Management Response	Date	Responsible Officer
FORCE			
Rec 1.5 – Medium Whilst assurance sources and types of assurance outputs are being captured there is no formal process whereby 'actual' assurance outputs are	This will be raised with the owners of each respective risk at the next review date.	31/12/2014	R Baldwin

being recorded and used to inform/validate current controls risks assessments and scores. We would recommend that outputs can be recorded in the existing box where the assurance source is recorded but just need these to be clearly detailed.			
Rec 1.6 – Medium To ensure standardisation and the ability to verify that effective risk management processes are being followed at departmental level all departments should use the IPSO risk management database as prescribed within the Risk Management procedures. This would enable the Force Risk and Business Continuity Advisor, as manager of the database, to oversee inclusion of a risk and to ensure the integrity of key areas such as: Controls are recorded appropriately. Risk descriptors are sufficient. Sources of assurance are identified. Actual assurance sources identified. This issue should be discussed by the Chief Officers Group and a formal decision made to enforce all departments to use IPSO for all risk management functions. Where use continues by Departments of their own risk management spreadsheets/ databases there is a danger that by allowing this there is a loss of oversight by the Force Risk and Business Continuity Advisor. Whilst we accept that responsibility for managing risks are departmental level remains with the relevant Head of Department and Risk Co-ordinator we would nevertheless comment that there should be a form of overview by the Force Risk and Business Continuity	This issue will be raised with the Chief Officers Group at the next meeting where risk is due to be discussed.	31/10/2014	R Baldwin

Advisor to ensure compliance and that there is an effective mechanism operating that engenders a bottom up approach to identifying and managing risk. This overview should also be used to ensure the 'correct' recording of risks within the system.			
OPCC			
Rec 2.1 – Medium Prior to submission of the Risk Management Policy to the December meeting of the Audit Committee we would recommend that the following enhancements are made: Amend the risk scoring matrix from a 0-25 overall risk score to a 1-25 risk score. Make appropriate amendments in light of the OPCC restructure. Enhance and include more specific details/guidance around the identifying and recording of controls and assurances. Re-align risks, where required to new risk owners in light of the re-structure.	Agreed	30/11/14	John Neilson
Rec 2.2 – Medium To improve risk recording and information management we would recommend that a revision to the format and content of the risk register is undertaken.	Agreed	30/11/14	John Neilson
Rec 2.3 – Medium As part of the review of the Risk Management Policy prior to submission to the PCC and Joint Independent Audit Committee the opportunity should be taken to instigate a more formal review process of risks. This could be informed through assignment of review periods to the current risk assessment, i.e. Red risks to be reviewed	We take the risk register to each meeting of the Audit Committee so all risks are reviewed at least quarterly	30/11/14	John Neilson

formally monthly. Amber risks to be reviewed formally quarterly, and Green risks to be formally reviewed six monthly in line with current reporting to the Independent Audit Committee. There would be a need to ensure that there is some form of mechanism established to capture evidence that reviews are being undertaken as required. This could be through some form of internal recording system or a further enhancement to the risk register to record the last and next review dates.			
Rec 2.4 – Medium The issue of dissemination of risk awareness and training on risk for staff needs to be addressed. We would suggest that one way this could be achieved is through alignment of risk to corporate objectives, i.e.: There would be a need for a broad training session on risk management to encompass high level aspects such as: • What is a risk? How you can identify a risk? How does not managing risk affect you and the organisation? How could you manage a risk? What do you do when you identify a risk? • Staff are then set personal objectives. • They are required to identify any 'risks' that may affect them achieving these objectives. • Through the appraisal process Line Manager reviews the 'risks' identified and through assessment identify any areas of commonality which may require	This is helpful advice which will inform the approach we shall take.	30/11/14	John Neilson

referring 'up the line' to see if they have a wider corporate implication on which case consideration can then be made to include the overarching risk onto the main OPCC risk register. • As part of the appraisal process Line Managers will assess not only how staff are doing in achieving their objectives but also how they are managing the associated risks.			

Annual Audit Letter 2012/13

Northamptonshire Police and Crime Commissioner and Northamptonshire Chief Constable

October 2013

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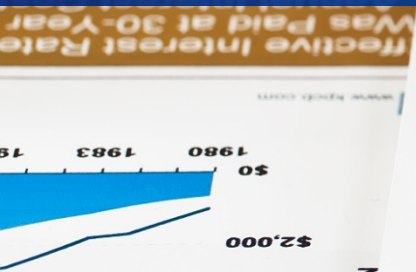
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This report summarises the key findings from our 2012/13 audit for the Northamptonshire Police and Crime Commissioner (PCC) and for the Northamptonshire Chief Constable (CC).

Although this letter is addressed to the Northamptonshire Police and Crime Commissioner and the Northamptonshire Chief Constable, it is also intended to communicate these issues to key external stakeholders, including members of the public.

This report relates to the findings arising from our audit of the 2012/13 financial statements and the 2012/13 VFM conclusion for both the PCC and CC.
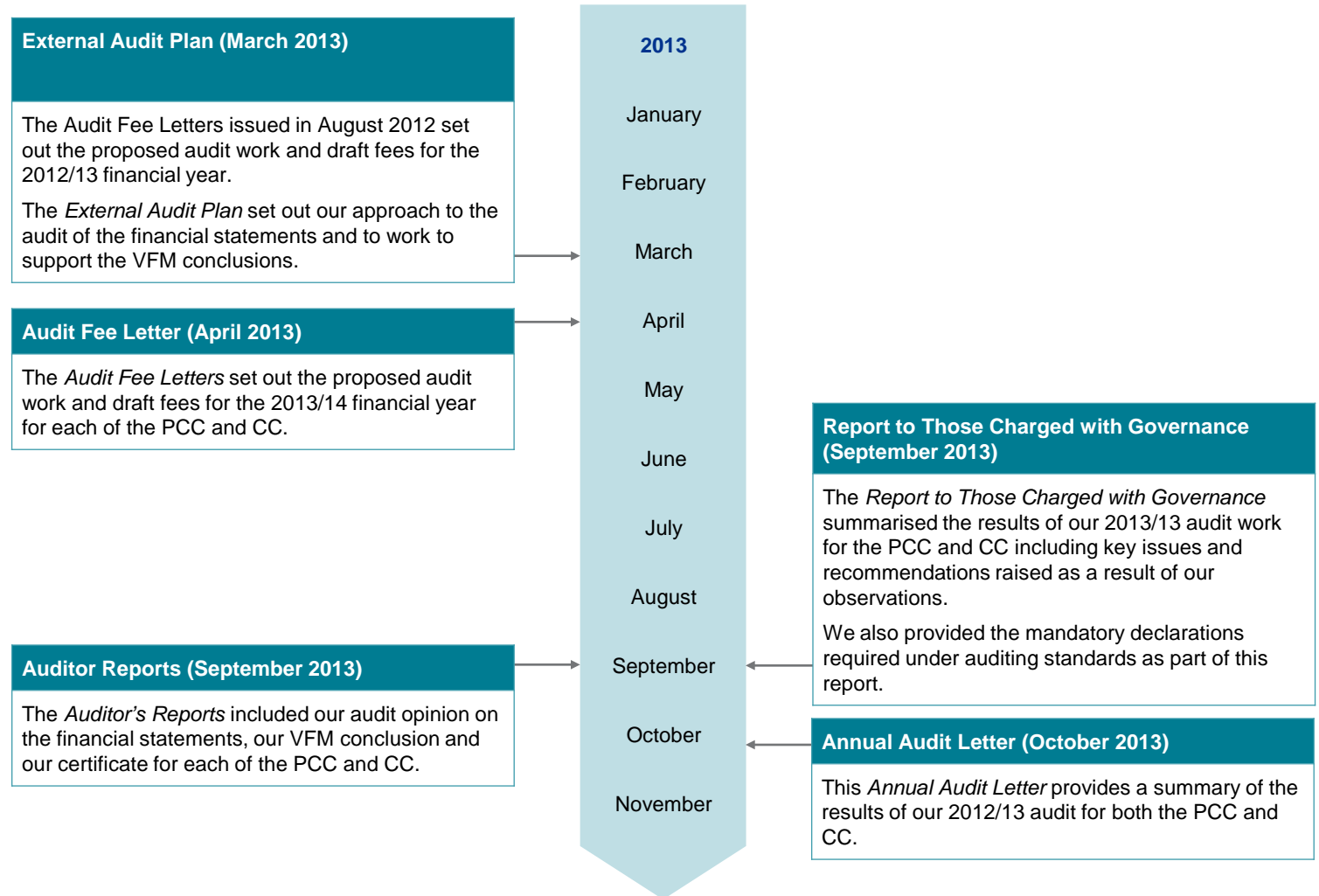
VFM conclusion	We issued unqualified value for money (VFM) conclusions for 2012/13 for both the PCC and CC on 30 September 2013. This means we are satisfied that both bodies have proper arrangements for securing financial resilience and challenging how they secure economy, efficiency and effectiveness. To arrive at our conclusion we looked at the processes that both bodies have for financial governance, financial planning and financial control, together with the arrangements for prioritising resources and improving efficiency and productivity.
VFM risk areas	Our initial risk assessment took into account the key business risks facing the PCC and CC which are relevant to our VFM conclusion. We considered the actions being taken by both bodies to meet ongoing financial pressures. We were satisfied that sufficient work in relation to this risk was being carried out by the PCC and CC to mitigate the audit risks for our VFM conclusion. We concluded that we did not need to carry out any specific additional work ourselves.
Audit opinion	We issued an unqualified opinion on the financial statements of each of the PCC and CC on 30 September 2013. This means that we believe that both sets of financial statements give a true and fair view of the financial position of the respective body and of their expenditure and income for the year.
Financial statements audit	We reported the significant matters arising from the financial statements audit to the Joint Audit, Risk and Assurance Committee in our Report to those Charged with Governance. We did not need to report any significant audit differences to the Committee.
Annual Governance Statement	We reviewed the *Annual Governance Statements for the PCC and CC* and concluded that they were consistent with our understanding of the respective governance arrangements.

All the issues in this letter have been previously reported. The detailed findings are contained in the reports we have listed in Appendix 1.

Whole of Government Accounts	We reviewed the consolidation pack prepared to support the production of Whole of Government Accounts by HM Treasury. We reported that the pack was consistent with the audited financial statements.
Certificate	We issued our certificates on 3 October 2013. The certificates confirms that we have concluded the two audits for 2012/13 in accordance with the requirements of the *Audit Commission Act 1998* and the Audit Commission's *Code of Audit Practice*.
Audit fee	The total audit fee for the two bodies for 2012/13 was £63,500, excluding VAT. This is in line with the planned fee. Further detail is contained in Appendix 2.

Appendix 1: Summary of reports issued

This appendix summarises the reports we issued this year.

External Audit Plan (March 2013)

The Audit Fee Letters issued in August 2012 set out the proposed audit work and draft fees for the 2012/13 financial year.

The *External Audit Plan* set out our approach to the audit of the financial statements and to work to support the VFM conclusions.

Audit Fee Letter (April 2013)

The *Audit Fee Letters* set out the proposed audit work and draft fees for the 2013/14 financial year for each of the PCC and CC.

Auditor Reports (September 2013)

The *Auditor's Reports* included our audit opinion on the financial statements, our VFM conclusion and our certificate for each of the PCC and CC.

2013

January

February

March

April

May

June

July

August

September

October

November

Report to Those Charged with Governance (September 2013)

The *Report to Those Charged with Governance* summarised the results of our 2013/13 audit work for the PCC and CC including key issues and recommendations raised as a result of our observations.

We also provided the mandatory declarations required under auditing standards as part of this report.

Annual Audit Letter (October 2013)

This *Annual Audit Letter* provides a summary of the results of our 2012/13 audit for both the PCC and CC.

This appendix provides information on our final fees for 2012/13.

To ensure openness between KPMG and your Audit Committee about the extent of our fee relationship with you, we have summarised the outturn against the 2012/13 planned audit fee.

External audit

Our final fee for the 2012/13 audit of the PCC and the CC was £63,500, split as follows:

- Police and Crime Commissioner   £43,500
- Chief Constable   £20,000

This compares with a fee of £72,600 for the 2011/12 audit of the Northamptonshire Police Authority and represents a total fee reduction of 14 percent compared to 2011/12. The 2012/13 fee reflects the reductions that the Audit Commission has been able to make to its scale fees following the market testing of audit services.

The final fee is the same as the planned fee and we have not needed to submit any additional fee requests to the Audit Commission.