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Date : 8th January 2020

To: ALL MEMBERS OF THE JOINT AUDIT COMMITTEE

- i. Katherine Crallan, Jude Ferguson (Chair), David Daw, Sue Warman
- ii. Chief Constable ("CC"), CFO for CC and Relevant Officers
- iii. The Police & Crime Commissioner ("PCC")
- iv. The CFO and CEO for the PCC
- v. External and Internal Auditors

Dear Member

NOTICE OF MEETING

You are invited to a meeting of the **Joint Audit Committee** to be held at **11:00** on **16th January 2020** in the **Conference Room, Police Headquarters, Portishead**. Due to the timing of this meeting lunch will be provided.

Joint Audit Committee Members are invited to attend a pre-meeting at 10:00 in the Avon Room.

The agenda for the meeting is set out overleaf.

Yours sincerely

Alaina Davies
Office of the Police and Crime Commissioner

INFORMATION ABOUT THIS MEETING

(i) Car Parking Provision

Please follow the directions as you drive in. Follow the left lane for visitor parking

(ii) Wheelchair Access

The Meeting Room has access for wheelchair users. There are disabled parking bays in the visitor's car park next to reception. A ramp will give you access to reception, a lift is available to the 1st floor.

(iii) Emergency Evacuation Procedure

The attention of Members, Officers and the public is drawn to the emergency evacuation procedure for the **Conference Room**: Follow the Green Fire Exit Signs to the large green Assembly Point A sign in the **Car Park at the front of the Admin Building**.

(iv)

(v) Please sign the register.

(vi) If you have any questions about this meeting, require special facilities to enable you to attend. If you wish to inspect Minutes, reports, or a list of the background papers relating to any item on this agenda, please contact:

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(vii) REPORT NUMBERS CORRESPOND TO AGENDA NUMBER

AGENDA

16th January 2019, 11:00

Conference Room, Police Headquarters, Portishead

1. Apologies for Absence

2. Emergency Evacuation Procedure

The Chair will draw attention to the emergency evacuation procedure for the Conference Room: Follow the Green Fire Exit Signs to the large green Assembly Point A sign in the Car Park at the front of the Admin Building.

3. Declarations of Gifts/Offer of Hospitality

To remind Members of the need to record any personal interests or any prejudicial interest relating to the agenda and disclose any relevant receipt of offering of gifts or hospitality

4. Public Access

(maximum time allocated for this item is 30 minutes)

Statements and/or intentions to attend the Joint Audit Committee should be e-mailed to JAC@avonandsomerset.pnn.police.uk

Statements and/or intentions to attend must be received no later than 12.00 noon on the working day prior to the meeting.

5. Minutes of the Joint Audit Committee Meeting held on 25th September 2019 (Report 5)

6. Business from the Chair (Report 6):

- a) Police and Crime Board (Verbal Update)
- b) Update on IOPC Investigations (Verbal Update)

7. Internal Audit (Report 7):

- a) Workforce Plan
- b) Payroll and Expenses
- c) Overtime
- d) Personal Issue of Assets (this currently a draft report which will be published when the final copy is issued)
- e) Accounts Payable
- f) Quarterly Update

8. External Audit Update (Report 8)

9. Office of the Police and Crime Commissioner Strategic Risk Register (Report 9)

10. Constabulary Strategic Risk Register (Report 10)

11. Summary of Recommendations (Verbal Update)

Part 2

Items for consideration without the press and public present

No Exempt Items

**MINUTES OF THE JOINT AUDIT COMMITTEE MEETING HELD ON WEDNESDAY
25TH SEPTEMBER 2019 AT 11:00 IN THE AVON ROOM, POLICE HQ, VALLEY
ROAD, PORTISHEAD**

Members in Attendance

Jude Ferguson (Chair)
Sue Warman
Katherine Crallan
David Daw

Officers of the Constabulary in Attendance

Andy Marsh, Chief Constable
Mark Milton, Director of People and Organisational Development (part of the meeting)
Sharon Quantick, Deputy Director – Finance and Business Services
Sarah Omell, Head of Improvement
Dorothy Russell, Head of HR Operations (part of the meeting)
Nick Ridout, Governance Officer

Officers of the Office of the Police and Crime Commissioner (OPCC)

Mark Simmonds, OPCC CFO
Ben Valentine, OPCC Strategic Planning and Performance Officer
Alaina Davies, OPCC Resources Officer

Also in Attendance

Jackson Murray, Grant Thornton
Juber Rahman, SWAP
Rupert Bamberger, SWAP
Sue Mountstevens, Police and Crime Commissioner

25. Apologies for Absence

Sarah Crew, Deputy Chief Constable
Nick Adams, OCC CFO
Iain Murray, Grant Thornton

26. Emergency Evacuation Procedure

The emergency evacuation procedure for the Conference room was noted.

27. Declarations of Interest / Gifts / Offers of Hospitality

None.

28. Public Access

There were no requests for public access

29. Minutes of the Joint Audit Committee Meeting held on 10th July 2019 (Report 5)

RESOLVED THAT the minutes of the meeting held on 10th July 2019 were confirmed as a correct record and signed by the Chair.

Action update:

Minute 6b The final version of the revised Police and Crime Plan was sent to the Joint Audit Committee Members. **Close Action**

Minute 9 A summary covering report for the Office of the Police and Crime Commissioner Strategic Risk Register is included in the papers for this meeting. **Close Action**

Minute 10 Arrows have been included the Constabulary Strategic Risk Register to signify the direction of travel. **Close Action**

Minute 17c Agreed amendments were made to the Joint Audit Committee Annual Report and it was published on the PCC's website. **Close Action**

Minute 17d Recruitment query raised at the last meeting was addressed in the Terms of Reference. The recruitment pack for the three Joint Audit Committee Members was forwarded to the Chair and she will forward to current members for information – this is also published on the PCC's website. **Close Action**

Minute 21 National collaboration has been included in the collaboration risk. **Close Action**

30. Business from the Chair

a) Yeovil Estates Update

The Joint Audit Committee Chair asked for an update on Yeovil. The Constabulary are moving into the more detailed design phase. An enquiry office will be kept open throughout the construction. There has been internal communication regarding this but not external as the PCC is mindful that any public announcement should not appear political.

b) Police and Crime Board

The OPCC CFO has sent the Joint Audit Committee Members a summary of the discussions and the minutes are available on the PCC's website.

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The discussions around the financial situation have changed and the focus shifted to managing the underspend this year with a view to investing to save. Spending proposals include IT, HR, reducing the pension deficit and topping up reserves. Recruitment is a risk – delivering recruitment of increased numbers and uncertain political times affecting future planning. The government focus on reducing police reserves is not as prevalent now. Following the Government announcement regarding an additional 20,000 officers the local allocation is not yet known. The decision with regard to whether to use part of the underspend reducing the pension deficit or topping up reserves will be made as late as possible – it is hoped to have clarity around some of the issues discussed to inform this decision. Need to consider the best use of extra resource and where it will best sit in the organisation for maximum impact.

c) Update on IOPC Investigations

There currently are 10 live IOPC Investigations. 6 of these relate to death or serious injury following police contact, 3 related to pursuit incidents, 1 custody related incident and 1 dog bite incident. 3 of the investigations involve a criminal offence or discriminatory behaviour. The oldest investigation has been live for 15 months but the average time is 6-7 months. Members were assured that Avon and Somerset are not an outlier in terms of the number of live IOPC cases.

d) Constabulary Recruitment Update

The Director of People and Organisational Development gave a presentation regarding the strategic issues facing HR and the organisational impact of additional resources – support needed, training and IT.

The Constabulary began to see an uplift in numbers from 2018/19 due to the additional funding from the PCC increasing the Council Tax precept. Local allocation of the additional officer numbers announced by the government are not yet known but the Constabulary are modelling a rise from an intake of 80 per year to 360. This will place considerable pressure on the organisation in terms of recruitment, training, vetting etc. The Constabulary assume 16 leavers per month. Now the recruitment profile is known the Constabulary can fund the staffing behind that.

The Police Constable Degree Apprenticeship is now up and running. This is a 3 year degree course and officers will have a level 6 degree at the end of it. Intake of 60 is the maximum intake UWE have agreed to.

Members were assured that the Constabulary have a forward plan for growth and some increase in staffing numbers will be required to cope.

The Constabulary are working on launching new employer branding in order to make clear that they are an organisation offering career development and opportunity.

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Learning capability – budgeted for saving from the learning team but have had to reverse cuts.

Members were assured that the Constabulary are mindful of the flow of people around the organisation e.g. PCSOs applying to become Police Constables and the need to backfill.

The entry routes into becoming a Police Officer were highlighted:

- PEQF – up and running with the second cohort now. 3 year course level 6 degree. They will become a Police Constable on joining but will need to complete practical training to receive a warrant. Combines study at university with work experience. Good relationship with UWE (the provider). This model gives more time to train officers and in a more fit for purpose environment. They will rotate in different roles to ensure a wide range of experience.
- DHEP – conversion route. Candidates will have an established educational ability but still have to complete a 2 year programme. Hope to launch early next year.
- Police Degree – not open until 2020 so don't expect to see any coming through until 2022/23. Outside funding arrangements and they would still need to complete the operational safety elements of the PCDA. No arrangements in place for this yet.

Members queried how the Constabulary will cope with mentoring new officers – impact discussed and the Constabulary are encouraging more officers to become tutors but this does come with extra responsibilities. Need to be mindful of absorbing new officers into operational areas without diluting capability. This is a real cultural change to the previous financial position. Members discussed the issue of retention - this is a risk but people are attracted to organisations with structured learning programmes and career opportunities.

It was highlighted that there is a dedicated procurement lead to manage the contract with UWE to reflect the importance of this.

Constabulary are looking at a wide range of apprenticeship opportunities in relation to staff as well and are about to take on 6 in HR. Looking at working with FE/HE colleges.

Members asked how the increase in officer numbers might affect workforce representation percentage. The Constabulary are putting out a positive message. There is a risk regarding keeping up the outreach work in underrepresented communities but the PCC and Chief Constable made the decision to temporarily uplift funding to the outreach team (now 8 members of the team who have a background in youth work) – this is the largest investment from a force in this area of business outside of the Met.

Tools and equipment were discussed. E-recruitment system needs to be embedded and this is currently being procured – automated

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recruitment system which will allow the reallocation of staff time in to value added tasks.

SEARCH assessment tool – currently utilising through other forces but will look to become a locally established SEARCH centre once National issues in relation to this are addressed.

The police are being relied upon more for interventions which have been the responsibility of other agencies e.g. mental health and young offenders. This is set to get worse as these other agencies remain under-funded and Members queried if officer skills are being reviewed in response to this. There will be more early intervention work which officers will be trained on and there will be a focus on working with partners on things like the Violence Reduction Units (VRUs) and working with schools (15 PCSOs now in schools as a result of the surge money).

Members asked if the Government are considering the impact on the CPS, Courts, Prisons and Probation of an increase in crime recording. There is concern that the pipeline is already not working. Money has been announced for the CPS and Prisons but not Courts – need to look at the Criminal Justice system as a whole. The PCC and Constabulary are lobbying the Government regarding this at the moment.

31. Internal Audit Reports:

a) Workforce Plan

A verbal update on the Workforce Plan internal audit was given. The initial draft report has been sent to business leads and should be finalised in the next couple of weeks – the final report will be circulated to Joint Audit Committee Members on completion.

New arrangements in place as part of the new People Strategy which are not yet fully embedded. The Internal Auditors confirmed that they are happy with the design and control element but are not yet able to give an opinion on the application and so the report will be a position statement. Members were assured that the Constabulary are making the progress the internal auditors would expect to see. The Constabulary confirmed the actions in the work plans are not yet in WeKan but this is in progress. It was agreed that Workforce Planning should be looked at again in 12-18 months.

Resolved that:

- i. the final Workforce Plan Internal Audit Report will be circulated to Joint Audit Committee Members on completion;
- ii. the committee will look at Workforce Planning again in 12-18 months. Include a baseline in the report so the new Members of the Joint Audit Committee, who will be in place by then, understand the context; and

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- iii. the timeline of planned audits will be checked to ensure they can be realistically delivered in case there is anything happening within the organisation that might prevent it.

b) Quarterly Update

The report provides a summary of internal audit activity to date. Due to the handover from the previous internal auditors to SWAP the audit programme was delayed by 3-4 months but Members were assured that delivering the plan by the end of the year is on track.

It was clarified that Members had requested a future Health and Safety Audit rather than a follow up.

Three areas agreed for regional police work are:

- Forensics Performance and Tasking
- Review and recommend a standard approach to obtaining assurance for AGS
- Regional benchmarking on fleet as part of the Avon and Somerset fleet management review

The Appendix gives a regional comparison of the Joint Audit Committee Terms of Reference. There are a number of reds against the findings in relation to Avon and Somerset and Members discussed updating the Terms of Reference as this is not a true reflection of the Joint Audit Committee – the Chair and OPCC CFO compare against the CIPFA Guidance annually. Members training is carried out in addition to Member briefings prior to every Joint Audit Committee meeting. There is no context given to the findings in the report.

Members agreed that the Terms of Reference should be updated but they do not wish the document to become too long and detailed – possibly include an appendix to give additional detail or reference to complying with CIPFA Guidance rather than giving full explanation in the document. Members confirmed that many of the things highlighted red against Avon and Somerset in the report are being covered but this is just not explicit in the Terms of Reference.

Resolved that:

- i. a Health and Safety Audit should be scheduled for the future – possibly in the next internal audit plan; and
- ii. the Joint Audit Committee Terms of Reference will be reviewed prior to the next Joint Audit Committee meeting and be submitted for discussion at that meeting.

32. External Audit Update:

a) Annual Audit Letter

Summary of the final version of audit findings – some tweaks were made to the wording of the Value for Money section in light of the

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higher than anticipated funding settlement and pay increases agreed. It was confirmed that the audit certificates have been issued.

Due to additional work as a result of national issues there has been a cost increase. Members and the OPCC CFO asked the external auditor to inform the organisation at an earlier stage in future of any issues which have cost implications to help manage the risk.

The McCloud (pension liability) risk was discussed. Have to assume some risk. The Home Office and Treasury are yet to decide where the money is to come from. The figure could be higher or lower than the actuary calculation. Still a question over the figure, who will pay and how it will be paid.

Members thanked the external auditors for a useful and easy to read report. Members asked that page 10 of the report at paragraph 3 be amended to say 2019/20 and that page 33 include Joint Audit Committee Member training in the list under the Executive Summary.

Resolved that the Annual Audit Letter be amended as discussed and the updated version be published.

b) Progress Report

Planning and interim visits for the audit of the 2019/20 accounts will begin over the next few months. A Joint Audit Plan will be submitted to the January meeting of the Joint Audit Committee.

The sector updates included in the report were highlighted. The independent review into local government audit could impact the format of public accounts going forward – this should be kept in mind when reviewing the Joint Audit Committee Terms of Reference.

The OPCC CFO and Joint Audit Committee thanked the Constabulary Finance Team for all their work on the 2018/19 accounts at a time when they were short of staff.

33. Office of the Police and Crime Commissioner Strategic Risk Register (Report 9)

Key changes were highlighted:

- SR5 Lack of public confidence in or awareness of OPCC – this is a new risk added to reflect the importance of confidence in the organisation and public awareness of the difference between the OPCC and the police.
- SR10 and SR2 – separated the risk of failure to set the Police and Crime Plan and failure to deliver the Police and Crime Plan.
- SR7 Failure to deliver commissioned services – removed duplication relating to partnership risks.
- SR3 Financial incapability or ineffectiveness – this risk has reduced following the Government announcement of an additional 20,000 officers nationally. It was noted that the Constabulary risk in relation to

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this has not changed as the wording of their financial risk is different and relates to impact on resources rather than lack of resources.

The OPCC Strategic Risk Register is still a work in progress. Changes are intended to improve the risk management process.

Members queried why SR2, Failure to deliver the Police and Crime Plan, is red. This is always a high impact risk and there are certain key issues which the OPCC don't yet have assurances on regarding delivery e.g. Lighthouse Safeguarding Unit (LSU), response times and proven benefits of the Neighbourhood Policing model. Discussed whether there could be a contextual statement on both the risk registers to highlight the mitigation of risk – need to reassure the public about what the Constabulary is doing and that there is a clear framework and risk understanding. Maybe consider separating out the National issues which cannot be locally controlled. Need to make the document clearer to those outside the organisation.

Extra funding opportunities are welcomed but create a risk of the public expecting to see immediate results and a greater expectation that the police will be doing more straight away. Public will be most concerned with the risk of failure to keep people safe. British model of policing is to police by consent which is tied to legitimacy. The impact of austerity on policing will take time to undo. Also need to be mindful that with an increase in officer numbers will come an increase in recorded crime.

The Joint Audit Committee thanked the OPCC Strategic Planning and Performance Officer for his work on this.

Resolved that further changes to the OPCC Strategic Risk Register, based on discussions, will be discussed with the Senior Leadership Team.

34. Constabulary Strategic Risk Register (Report 10)

The Constabulary Strategic Risk Register was discussed at the Strategic Planning Meeting last week and it was agreed that the majority of the risk scores would stay the same.

It was agreed that SRR6, Data Quality, risk score should remain at the same level as in the July Risk register (16). Impact of the actions taken to improve the issues is not yet evident. Cultural changes take time and the Constabulary is also considering automation where appropriate. Possible 6-12 months lapse anticipated before the impact can be seen.

With regard to SRR1, Loss of legitimacy and public confidence, the Constabulary are keen to move work forward looking at the ethical use of data and ensuring a stronger governance structure on how data is used and shared in a legitimate way. Need to be able to reassure the public. Looking at predictive analytics – how it is used and the impact.

Risk relating to workforce and capability and capacity – making the best use of additional resources. HR are still mapping what this looks like.

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There will be changes next time around the collaboration risk as this is going to be refreshed – this will be a fresh look at opportunities for collaboration with other forces and partnership agencies.

There has been a change to wording regarding lack of financial resources but the score has remained the same, reflecting the risk of managing the change in financial situation.

Police and Crime Plan Priorities – there is now more transparency and visibility about how the Constabulary move forward to achieve this. There is a Dashboard visible on Qlik with dynamic performance indicators. Need to be mindful of factors which could undermine the Constabulary's ability to deliver.

35. Summary of Recommendations (Verbal Update)

Nothing exceptional to report. Some outstanding recommendations aligned to the Strategic Framework so there is a delay but these can be completed once the Strategic Framework is fully embedded.

The meeting concluded at 13:50

CHAIR

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ACTION SHEET

MINUTE NUMBER	ACTION NEEDED	RESPONSIBLE MEMBER/ OFFICER	DATE DUE
Minute 31b(i) Internal Audit: Quarterly Update 25th September 2019	Schedule a future Health and Safety Audit.	SWAP	TBA (2020)
Minute 31b(ii) Internal Audit: Quarterly Update 25th September 2019	The Joint Audit Committee Terms of Reference will be reviewed prior to the next Joint Audit Committee meeting and be submitted for discussion at that meeting.	OPCC CFO/ OPCC Strategic Planning and Performance Officer/ Head of Improvement	January 2020
Minute 31a(i) Internal Audit: Workforce Plan 25th September 2019	Circulate the final Workforce Plan internal audit report to Joint Audit Committee Members on completion.	SWAP	On Completion
Minute 31a(ii) Internal Audit: Workforce Plan 25th September 2019	Look at Workforce Planning again in 12-18 months. Include a baseline in the report so the new Members of the Joint Audit Committee, who will be in place by then, understand the context.	SWAP	TBA (2020)
Minute 31a(iii) Internal Audit: Workforce Plan 25th September 2019	Check the timeline of planned audits to ensure they can be realistically delivered in case there is anything happening within the organisation that might prevent it.	SWAP/ Head of Improvement	Immediate
Minute 32a External Audit: Annual Audit Letter 25th September 2019	The Annual Audit Letter be amended as discussed and updated version be published.	Grant Thornton	Immediate



AVON &
SOMERSET
POLICE & CRIME
COMMISSIONER



SWAP

INTERNAL AUDIT SERVICES
Assuring – Improving – Protecting

7a


Avon and Somerset Constabulary Workforce Plan

Final Report

Issue Date: 27th November 2019

Working in Partnership to Deliver Audit Excellence

Executive Summary

Audit Opinion		Recommendation Summary	
	<h2>Partial</h2> <p>In relation to the areas reviewed and the controls found to be in place, some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.</p>	Priority	Number
		Priority 1	0
		Priority 2	1
		Priority 3	2
		Total	3

Audit Conclusion

Control Effectiveness:

We have only been able to provide an overall Partial assurance opinion following our review of the Constabulary's Workforce Plan arrangements, which in part reflects the early stages of the development of the new arrangements around workforce planning. Due to the Constabulary being in the early stages of implementing the new arrangements, we are not yet at a stage where evidence/data is available to support achievement of the objectives set. In addition, we were not provided with requested information/data in some instances as noted within this report to evidence progress made towards the achievement of objectives set.

In 2017/18, the Constabulary experienced demand challenges in filling police officer and Police Community Support Officer (PCSO) vacancies as a result of an uplift in establishment. Whilst the Constabulary was able to meet the required establishment level, this recruitment activity resulted in a strain to available resources. As part of the agreed scope of this audit, we were asked to review the impact of this recruitment exercise on diversity and inclusion. Diversity profiles were requested specifically in relation to this recent uplift. However, the data was not provided. As a result, we are unable to provide an informed opinion in relation to this area. In addition, we found that no formal lessons learnt exercise has been carried out in relation to this uplift in order to help identify key issues and potential areas for improvement to mitigate the risk of reoccurrence. However, improvements in relation to this area have been made or are in process of being implemented. For example, the Constabulary have recently recruited eight Outreach Workers to help engage with local communities. In addition, an e-recruitment system is in the process of being procured to improve efficiencies in recruitment processes which currently require a significant degree of manual input.

A project is currently underway to identify how the Constabulary can make better use of 'real time' establishment data for forward planning. A project plan was requested but not provided. As such, we have been unable to provide an opinion on the progress and effectiveness of the project. However, we note that in 2017, the Constabulary was given a rating of 'outstanding' for how well it understands demand; a 'good' for how well it used its resources; and a 'good' for how well it plans for the future by HMICFRS.

Due to the limited testing we were able to undertake as a result of some controls not yet being in place/fully operational, consideration should be given as to whether a follow up review in this area ought to be undertaken as part of a future audit plan to ensure that the controls are operating effectively.

Control Design:

We felt that the control framework was generally well designed from our review, supported by commentary within the Summary of Control Framework section within this report.

We identified a number of controls, such as the development of a corporate People Strategy, linked to the Constabulary's Strategic Framework, which drives the overarching Workforce Plan and subsequent Directorate Workforce Plans that were found to be well designed as follows:

- Workforce Plans look to assess demand, capability, capacity and gaps against organisational priorities and set specific objectives to 'supply' against the demand identified.
- Each Workforce Plan contains an action / intervention plan which details how each Directorate will address the identified issues, risks and gaps to meet demand and in turn, help achieve the organisations strategic objectives.
- As part of the Strategic Framework's 'Single Delivery Plan', an IT system (WeKan) has been implemented to help monitor actions including those set out within the Workforce Plans.

A number of controls were in the early stages of development/implementation at the time of our review, for example:

- The Constabulary is currently in the process of procuring a new learning management system (Chronicle). The contract for which is currently in the process of being finalised. The system will bring together learning / skills data from across a number of IT systems into one environment. This will help improve visibility of skills data across the organisation, allow for more informed training and development plans for police officers and staff and increase efficiency in organising internal training courses. However, a significant body of work remains to migrate existing data from current systems before benefits can be realised.
- A Learning Strategy is currently being drafted which sets out the Constabulary's goals and objectives in relation to learning and development of its workforce.
- A project is currently underway to identify how the Constabulary can make better use of 'real time' establishment data for forward planning.
- An e-recruitment system is currently in the process of being procured which will help improve efficiencies in the recruitment processes.

We were also requested to consider the Constabulary's approach to Inclusion and Diversity. We established that Equality, Diversity and Inclusion training is currently being provided to Inspector level and above and police staff equivalents, which commenced in May 2019. We were informed by the Head of Organisational Development that Diversity Champions were placed across the organisation to provide support to underrepresented groups.

Control Application:

Whilst we noted the implementation of WeKan to help monitor actions across the organisation, actions relating to Workforce Plans have not yet been uploaded onto the system for monitoring to occur. It is not clear whether these actions will be uploaded onto WeKan for monitoring or whether this will occur locally within Directorate areas. Directorate Leadership Teams (DLT) are ultimately responsible for monitoring progress made against their respective Workforce Plans. DLT minutes were requested to support monitoring was taking place in the interim, however, these were not provided. As such, we are unable to confirm whether any progress has been made towards the implementation of actions set out within Workforce Plans due to this information not yet being present on WeKan or through a review of DLT minutes. If progress is not monitored appropriately, this could result in reputational damage and dissatisfaction amongst staff leading to high

turnover due to ineffective and/or delayed delivery of actions. In addition, the objectives outlined within the People Strategy may not be achieved. We do however accept that the importance of monitoring Workforce Plans is recognised, and appropriate governance measures are currently being worked through to ensure monitoring occurs at a local and strategic level. The People Strategy and Workforce Plans are relatively new and therefore, governance surrounding monitoring of these are still in the process of being embedded.

Whilst Equality, Diversity and Inclusion training commenced in May 2019 and another tranche of training is due to be delivered in October 2019, no monitoring to ensure that all relevant officers and staff have received the training has taken place. However, we were informed by the Head of Organisational Development that once the second tranche in October is delivered, then further 'mop up' sessions will be provided to those who could not attend the previous ones.

A list of Diversity Champions was requested to ensure that there was adequate representation for all staff across the organisation. However, this was not provided. We would suggest that the Constabulary reviews this information to ensure Diversity Champions have been appointed at all levels in the organisation in order to provide sufficient representation across the workforce.

Audit Assessment of Agreed Themes

Background

Throughout our audits this year, we have agreed to consider the following themes where appropriate, as discussed by members of the Joint Audit Committee and the Chief Finance Officers.

Theme	RAG Rating	Reason for RAG Rating
Leadership & Culture		The Constabulary has recently implemented a new Strategic Framework which relates to strategy, delivery, assurance and governance to enable the organisation to achieve its mission and vision efficiently and effectively. Work is still in its early stages to fully embed this across the organisation.
Learning		The Constabulary is currently in the process of procuring a new learning management system (Chronicle). This will help improve how the Constabulary develops and trains its workforce. However, a significant body of work remains to migrate and cleanse existing data before benefits of the new system can be realised. In addition, a Learning Strategy is in the process of being finalised. As such, the objectives set out within have yet to be achieved.
Diversity and Inclusion		An Inclusion and Diversity Strategy has recently been implemented which sets out five key objectives and five 'big initiatives' aimed at improving diversity and inclusion across the organisation. A Diversity and Inclusion Board has been convened to monitor progress against the objectives and initiatives. The Diversity and Inclusion Board has only met once since the Inclusion and Diversity Strategy was approved. As such, work in relation to area is still in its early stages.

Background

Workforce planning refers to the process of ensuring an organisation has current and future access to the human capital it needs to perform effectively. Workplace planning involves identifying current and future personnel needs and exploring the most appropriate and cost-effective methods to recruit and retain these individuals. There is also an element of continual analysis of workforce effectiveness and implementing the necessary measures, such as learning and development initiatives, to ensure the workforce remains efficient.

Strategic workforce planning is workforce planning that is aligned to the organisation's overall business objectives and the long-term vision. For Avon and Somerset Constabulary, these have been detailed below:

MISSION AND VISION

Our mission is to:

Protect, Serve, Respect

Our vision is:

Outstanding policing for everyone

POLICE AND CRIME COMMISSIONER'S PRIORITIES

Our Service is required to deliver the PCC's priorities which are to:

1. Protect the most vulnerable from harm;
2. Strengthen and improve local policing teams;
3. Ensure ASC has the right people, right equipment and right culture;
4. Work together effectively with others to provide better services to local people.

VALUES

Our approach to achieving the mission will be guided by our Force values which are to be:

COURAGEOUS

CARING

INCLUSIVE

LEARNING

Extract taken from Avon and Somerset Police's People Strategy 2019 – 2025.

In early 2019, Avon and Somerset Police implemented a new strategic framework related to strategy, delivery, assurance and governance to enable the organisation to achieve its mission and vision efficiently and effectively. Workforce planning forms part of the People Strategy which is one of the four corporately agreed strategies of the framework (see Appendix A). The People Strategy sets out seven objectives (see Appendix B) which aim to:

“...increase the productivity of [the] workforce; to ensure effective and empowering leadership and management; to ensure we have the right values, behaviours, knowledge and skills in the right place at the right time; to maximise engagement and wellbeing; and, to build a more diverse workforce and inclusive culture in which our people flourish whatever their talents, roles or backgrounds.”

The detailed findings from our review against the Audit Objective set out below have been documented within the main body of this report hereafter.

Corporate Risk Assessment

Audit Objective

To provide assurance that the Constabulary’s workforce planning arrangements are effective in ensuring the delivery of its strategic objectives and in attracting, recruiting, developing, supporting and retaining a workforce that is reflective of the community it serves to meet demand for its services.

Risks	Inherent Risk Assessment	Manager’s Initial Assessment	Auditor’s Assessment
1. The Constabulary’s workforce planning arrangements may not be adequate in meeting its policing objectives which could lead to financial loss, reputational damage and legal challenge.	High	Medium	Medium
2. The Constabulary is unable to attract, recruit, develop, support and/or retain a diverse workforce to meet demand and establishment levels which could lead to financial loss, a loss in trust and confidence and legal challenge.	High	Medium	Medium

Scope

The audit sought to consider the following:

- The mechanisms in place to assess the Constabulary's workforce planning arrangements around managing demand, capability and gaps against organisational priorities. This included a review of the effectiveness of the Constabulary's arrangements in place to assess the accuracy of data gathered through this exercise and how the key issues / risks are monitored and managed;
- The effectiveness of the Constabulary's People Strategy to 'supply' against the organisation's current and predicted future gaps in skills and numbers based on the organisational requirements;
- The adequacy of the Constabulary's Workforce Plans in ensuring supply requirements are met and other supporting plans in place to help ensure delivery of 'the right people with the right skills in the right place at the right time';
- Measures in place to eliminate discrimination, advance equality of opportunity and foster good relations between people. Including an assessment of the strategies and supporting policies in place to help ensure the above; and
- The arrangements in place to train staff and raise awareness of diversity and equality across the organisation.

As part of the initial scope of the audit, we also agreed to review a number of other controls in place. However, due to a variety of reasons, we were unable to perform testing in these areas in order to provide an informed opinion on whether they were operating effectively. These included the following:

- The methods used by the Constabulary to attract and recruit a diverse workforce to fill vacancies and the impact of recent demand challenges experienced in filling police officer and PCSO vacancies on diversity requirement. Data in relation to a recent uplift in police officers and PCSOs was requested to assess the impact of recruitment processes on diversity and inclusion. However, this was not provided. This has been discussed part of Section 2.1 below and a recommendation has been raised accordingly;
- How the Constabulary ensures its people at all levels of the organisation possess and develop the skills, knowledge and experience to fulfil their own ambitions and those of the organisation. However, as a result of the findings detailed within Section 2.2. below, testing was not performed in this area;
- The Establishment Control Framework in place to enable the Constabulary to have an appropriate organisational design. Including how the Constabulary matches supply to demand; monitors change in establishment levels; and horizon scans; and
- Whether Diversity Champions had been appointed to provide support for underrepresented groups across the organisation. A list of these Diversity Champions was requested to ensure that there was adequate representation across the organisation. However, this was not provided. A suggestion has been made below for the Constabulary to review this information to ensure there is sufficient representation across the whole workforce.

Findings and Outcomes

Summary of Control Framework

In 2017, the Constabulary was given a rating of 'outstanding' for how well it understands demand; a 'good' for how well it used its resources; and a 'good' for how well it plans for the future by HMICFRS. Avon and Somerset Police have implemented a new Strategic Framework which relates to strategy, delivery, assurance and governance to enable the organisation to achieve its mission and vision efficiently and effectively (see Appendix A). There are four corporately agreed strategies in place as part of this framework. These are Service Design, Digital, People and Infrastructure. Workforce planning is one of the components of the People Strategy. However, it is also considered as part of the other strategies. For example, an objective of the Digital Strategy is to implement a learning management system which can hold and report on skills and learning to support workforce development planning.

Workforce Plans are currently in place for the majority of Directorate areas. These are used to assess demand, capability, capacity and gaps against organisational priorities and set specific objectives to 'supply' against the demand identified. Workforce Plans that are in place have been completed using a standardised format. Each Workforce Plan contains the following information:

- **Section 1: Introduction** - Summary of Workforce Planning background, context, policing objectives etc.
- **Section 2: Current Workforce** - Current workforce specific to the Directorate.
- **Section 3: Future workforce** - The Directorate's key priorities.
- **Section 4: Gap analysis** - Assessing future requirements against current workforce including a review of resourcing issues, risks and gaps
- **Section 5: Options and Actions** - The key actions/interventions that will be taken in relation to each identified theme, or required to take the directorate from our current staffing position to where we need to be and how we will undertake skills development in order to address the identified skills gaps.
- **Section 6: Review and monitoring** - How options and actions will be monitored.

An overarching Workforce Plan is also in place which consolidates the information contained within Directorate specific plans. The information contained within these Workforce Plans, together with the actions set out to meet demand, will help ensure the delivery of the objectives set out within the People Strategy (see Appendix B). The Constabulary also assesses its demand, capability, capacity and gaps through the Force Management Statement (FMS). Both the Workforce Plans and FMS are completed annually.

As part of the 'delivery' element of that Strategic Framework, a 'Single Delivery Plan' (SPD) has been implemented to help develop, monitor and report improvement and change activity across the organisation. This will help enable the organisation to achieve the objectives set out under the four corporate strategies (including those related to workforce planning) and its overall mission and vision. IT systems WeKan and QlikSense are in place to support the SPD. WeKan will hold the details of all actions required to achieve the objectives set out under the four corporate strategies. WeKan will be used for adding actions, recording an owner; start and end date; current status (e.g. not started, in progress or complete); label (e.g. the theme of the action); assurance and risk levels; and capturing learning and recommendations. WeKan will provide a central location for all actions to be stored with an aim to avoiding duplication and 'silo' working. QlikSense will be used to pull data directly from WeKan (and other IT systems) to provide an overview of all activities being undertaken which will give a

more strategic perspective of the information being recorded. An agreed governance structure is in place as part of the Strategic Framework which sets out key responsibilities for developing, monitoring and delivering the four corporate strategies. Key governance arrangements have been set out within Appendix C of this report. Whilst the above mechanisms are in place, these have not yet been fully utilised as outlined within Section 1.1 of this report.

An Inclusion and Diversity strategy is also in place to support the People Strategy. This sets out five strategic objectives as follows:

- 1) An inclusive culture** - *"We will build a fairer and more respectful workplace at every level where diversity is harnessed as a strength and where people are valued as individuals and helped to flourish whatever their unique background or characteristics."*
- 2) A diverse workforce** - *"We will proactively tackle underrepresentation and create a workforce that far better reflects the diversity of the communities it serves."*
- 3) Inclusive practices** - *"We will embed inclusive policies, processes and practices at every level, meeting or exceeding recognised standards against which these will be benchmarked"*.
- 4) Inclusive services** - *"We will ensure greater dignity, fairness and respect in treatment and outcomes, tackling prejudice, unintended bias and reducing inequalities in service delivery."*
- 5) Community engagement** - *"We will better understand and engage with diverse communities, building stronger relations, trust and confidence in policing and contributing to a more inclusive society."*

In addition to the above objectives, the Constabulary has also set "five big initiatives" as part of the Inclusion and Diversity Strategy. These work in tandem with the objectives set out above to help accelerate and make a significant step change in the overall capability of the organisation in relation to Diversity and Inclusion. These five big initiatives are:

Big Initiative 1 – External Accreditation for Diversity and Inclusion.

Big Initiative 2 – Three tier approach to embedding diversity and inclusion constabulary wide through learning.

Big Initiative 3 – Strengthening our capability to attract diverse talent into the constabulary.

Big Initiative 4 – Recruiting for difference.

Big Initiative 5 - Mobilising the whole workforce

A Diversity and Inclusion Board has been convened which is chaired by the Deputy Chief Constable to oversee and monitor progress against the objectives and initiatives set out within the Inclusion and Diversity Strategy. Delivery of these objectives and initiatives will help achieve the objectives set out under the People Strategy. At the time of testing, the Diversity and Inclusion Board had only met once since the agreed Inclusion and Diversity Strategy was put in place. As such, progress towards the achievement of objectives set out within is still in its early stages. In July 2019, the Constabulary won an award for best 'Representative Workforce' at the Employers Network for Equality and Inclusion Awards. The awards recognise the commitment of organisations achieving diverse and inclusive workplaces and celebrated the teams and individuals that are making a difference.

Diversity and Inclusion training is currently being delivered by an external provider (Above Difference) to Inspector level and police staff equivalents. Further sessions are planned in October 2019 with potential for others for anyone that could not attend the previous ones. A Learning Strategy is currently being drafted which sets out the Constabulary's goals and objectives in relation to learning and development of its workforce. This will also support the delivery of the objectives set out under the People Strategy.

1. The Constabulary's workforce planning arrangements may not be adequate in meeting its policing objectives which could lead to financial loss, reputational damage and legal challenge.

Medium

1.1 Finding and Action	
Issue	Risk
Actions set out under Directorate Workforce Plans may not be monitored in line with agreed processes.	Potential reputational damage and dissatisfaction amongst staff resulting in a high turnover due to ineffective and/or delayed delivery of actions. In addition, the objectives outlined within the People Strategy may not be achieved.
Findings	
<p>Workforce Plans are currently in place for seven of the eight Directorate areas, with The Business Improvement and Transformational Workforce Plan yet to be finalised. We were informed by the Head of HR Operations that this is currently being reviewed and will be in place in the coming months. The Director of Business Improvement and Transformation is not yet in post which has impacted on the Workforce Plan being finalised. Each Directorate specific Workforce Plan assesses current and future demands and highlights key issues, risks and gaps in meeting supply. Each Workforce Plan also contains an actions / interventions plan, which detail how each Directorate will address the identified issues, risks and gaps to meet demand and in turn, help achieve the organisations strategic objectives.</p> <p>Directorate Leadership Teams (DLT) are responsible for monitoring progress of the actions set out under their respective Workforce Plans. In order to do so efficiently and effectively, the Constabulary has implemented WeKan; a system that consolidates these actions into one location. WeKan is used to add actions; record an owner, start and end date, status (e.g. not started, in progress or complete), label (e.g. the theme of the action), assurance and risk levels; and capture learning and recommendations. However, actions identified as part of the Directorate Workforce Plans have not yet been uploaded into WeKan. It is not clear whether WeKan will be used to monitor actions relating to Workforce Plans or whether these will be monitored locally within Directorate areas. DLT minutes were requested in order to evidence whether monitoring was taking place. However, discussion at some DLTs are not formally recorded. As such, we were unable to comprehensively confirm whether any progress has been made towards the implementation of actions set out within Workforce Plans. Assurances have been provided by the Head of HR Operations that HR Business Partners have a standing agenda item at DLT to (amongst over things) review progress against Workforce Plans, However, it is our opinion that these arrangements need to be formalised.</p>	
Recommendation	
We recommend that the Head of HR Operations, once the new Director of Business Improvement and Transformation is appointed, finalises the Business Improvement and Transformational Workforce Plan. Once approved, arrangements in place to monitor actions across all eight Directorate Workforce Plans should be formalised.	<div>Priority Score</div> <div>2</div>

Agreed Action	Timescale	31/05/2021
The workforce plan for Business Improvement and Transform has been completed.		
Progress on Directorate workforce plans is continuing with quarterly reviews at SLT level. Development of a wider governance strategy will link into the developing future strategy programme. A second iteration of workforce plans is planned over the next 12 months.	Responsible Officer	Head of HR Operations

1.2	Finding and Action		
Issue		Risk	
The People Strategy is not subject to version control or available to staff.		The People Strategy may not be reviewed at appropriate intervals which could impact on the delivery of the Constabulary's overall mission and vision resulting in financial loss, reputational damage, legal challenge and dissatisfaction amongst stakeholders.	
Findings			
The current People Strategy is not version controlled and therefore, does not contain important information such as dates of approval, responsible officers, stakeholder involvement, date of next review etc. Whilst we accept that this will be reviewed annually as part of the Strategy refresh requirements set out under the Strategic Framework, this information should still be present on a key document that supports the delivery of the Constabulary's mission and vision.			
In addition to the above, the People Strategy is not currently available to employees on the Constabulary's Intranet (Pocketbook). In order to drive achievement of the objectives within the People Strategy, it should be accessible to all relevant stakeholders.			
Recommendation			
We recommend that the Head of HR Operations amends the People Strategy to include version control and makes this available to staff via the Intranet.		Priority Score	3
Agreed Action		Timescale	15/12/2019
A request has already been submitted to the move the People Strategy to a more prominent place and more easily searchable on Pocketbook. Version control will be added to the People Strategy as part of the move.		Responsible Officer	Head of HR Operations

2. The Constabulary is unable to attract, recruit, develop, support and/or retain a diverse workforce to meet demand and establishment levels which could lead to financial loss, a loss in trust and confidence and legal challenge.

Medium

2.1 Finding and Action

Issue

A lessons learnt exercise has not been carried out in relation to challenges faced as a result of a recent increase to establishment levels and its impact on diversity and inclusion.

Risk

Key issues and potential areas for improvement in recruitment processes may not be identified and adequately managed. This could lead to future establishment levels not being met which may result in reputational damage and dissatisfaction amongst stakeholders.

Findings

In 2017/18, the Constabulary experienced challenges in filling police officer and PCSO vacancies as a result of an uplift in establishment. Whilst the Constabulary was able to meet the required establishment level, this recruitment activity resulted in a strain to available resources. We were informed by the Head of HR Operations that the majority of challenges faced in filling these vacancies was due to the manual processing of applications. The Constabulary is expecting a further uplift this year by 100 police officers and there is also potential for further increases over the next few years as a result of the Government's recent announcement to increase police officer numbers by 20,000 nationally by 2023. Whilst no formal lessons learnt exercise has been carried out, we accept that improvements in relation to this area have been made or are in process of being implemented. For example, the Constabulary have recently recruited eight Outreach Workers to help engage with local communities. In addition, an e-recruitment system is in the process of being procured to improve efficiencies in recruitment processes which currently require a significant degree of manual input.

As part of the agreed scope of this audit, we were asked to also review the impact of recruitment processes in filling these police officer and PCSO vacancies on diversity and inclusion. Diversity profiles were requested specifically in relation to this recent uplift however, the data was not provided. As a result, we are unable to provide an informed opinion in relation to this area.

Recommendation

We recommend that the Head of HR Operations reviews the diversity data specific to the uplift in 2017/18 in order to identify potential areas for improvement in relation to diversity and inclusion which could be made for future recruitment exercises.

Priority Score

3

Agreed Action	Timescale	31/05/2021
<p>In terms of the lessons learned review, whilst there was not a formally documented review there was a review prior to moving back into business as usual. We have been making improvements based on the lessons identified from that process and pursuing the improvements including to the fundamental infrastructure/tools needed to help us run the processes more effectively. We have secured investment to enable these improvements and we are progressing with implementation.</p> <p>The systems and process that are currently in place make this difficult to agree a specific course of action at this time. Currently the collection of data is via a number of excel spreadsheets and is a time consuming and manual process. Working collaboratively within HR and OD we will continue to review the diversity profile across the organisation. We anticipate that once the full implementation of an e-recruitment system has taken place the organisation will be in a position to review diversity data in a timely manner and take appropriate action with the aim to improve the diversity profile.</p>	Responsible Officer	Head of HR Operations and Head of OD

2.2	Finding
	<p>The Constabulary is currently in the process of procuring a new learning management system (Chronicle), the contract for which is currently in the process of being finalised. The system will bring together learning / skills data from across a number of IT systems into one system. Appendix D of this report details the current system landscape for skills recording and the future vision. The procurement follows a number of recommendations made by the Constabulary's former Internal Auditors and HMICFRS. The benefits of the new system include (but are not restricted to) improved visibility of skills data across the organisation; more informed training and development plans for police officers and staff; and greater efficiency in organising internal training courses. However, a significant body of work remains to migrate existing data from current systems into the new system before benefits can be realised. It is estimated that this data transfer and cleansing could take up to 12 months. According to the Head of Learning, training for system administrators will begin in October 2019. As a result of the work currently being undertaken to improve learning and development across the organisation, no further work in relation to this area was carried out as part of this audit.</p>

Other Suggestions
<p>We were informed by the Head of Organisational Development that Diversity Champions are in place to provide support to underrepresented groups across the organisation. A list of these Diversity Champions was requested to ensure that there was adequate representation across the organisation. However, this was not provided. We would suggest that the Constabulary reviews this information to ensure Diversity Champions have been appointed at all levels in the organisation in order to provide sufficient representation across the workforce.</p>



Avon and Somerset Police **FORCE STRATEGIES**

We will build safer communities that are recognised and heard, receive the support they need at the earliest opportunity, and are protected from harm.

- More effective engagement and partnership working = **a better understanding of our communities**
- Better understanding of demand = **more effective decision-making, prioritisation and smarter ways of working**
- Deploying our resources more effectively = **better service to victims and witnesses**



We will ensure our people are empowered, with the right skills, behaviours, knowledge and values:

- Workforce planning = **the right people, knowledge, skills and behaviours in the right place at the right time**
- Nurturing engagement and wellbeing = **helping people to be their best**
- Valuing everyone equally = **a more inclusive and diverse workforce and culture**
- High quality leadership and management = **the right working environment**

We will exploit our information and technology to improve our response to the growing complexity of policing in the modern digital age.

- Making the best use of data = **understanding demand and solving problems**
- The right kit = **more flexible and effective working**
- Encouraging and exploiting innovation = **learning from others and developing a digital culture**
- Managing information and technology = **common standards and disciplines**



Our staff need to be able to count on having an effective working environment, tools, equipment and information available to them in the right place and at the right time.

- Sustainable solutions and advanced technology = **smarter ways of working**
- Inclusive environment to work in = **a great place to work where wellbeing counts**
- Reliable information, tools and equipment = **professional and quality services**
- Bringing finance 'alive' throughout the organisation = **value based decision making**

Police & Crime Plan

PRIORITY 1

Protect the most vulnerable from harm

PRIORITY 2

Strengthen and improve your local policing teams

PRIORITY 3

Ensure Avon and Somerset Police have the right people, right equipment and right culture

PRIORITY 4

Work together effectively with other police forces and key partners to provide better services to local people

Our values



CARING



COURAGEOUS



INCLUSIVE



LEARNING



The Objectives of Avon and Somerset Police's People Strategy

Appendix B

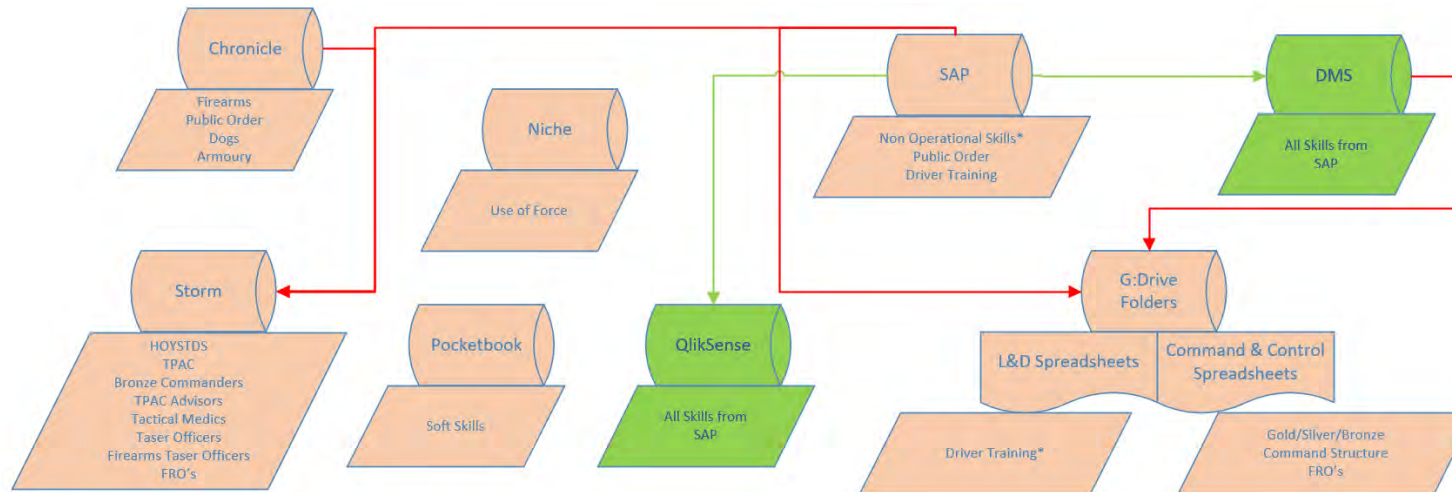
Theme	Objective
1. People data and analytics innovation	<ul style="list-style-type: none"> We will unlock and exploit the power of people data and modern approaches to people analytics, placing this at the core of supporting decision making and strengthening our capability to collaborate with regional partners. We will build on our strength at the forefront of business intelligence in policing and stretch the boundaries of this with innovation in the people data and analytics arena.
2. Leadership and management excellence	<ul style="list-style-type: none"> We will develop excellence in leadership and management at all levels, building the competence and capabilities of leaders and managers. We will promote a culture of empowerment and coaching in which leaders and managers' role-model, support and influence behaviours and performance in accordance with our values.
3. Workforce planning and development for capacity and capability	<ul style="list-style-type: none"> We will develop and deliver an integrated, effective, and multi-dimensional approach to workforce planning that uses data, evidence and professional judgement to ensure we have the right knowledge, skills and behaviours in the right place at the right time now and in future to meet the service strategy and address the demand challenge.
4. Promoting engagement and wellbeing	<ul style="list-style-type: none"> We will systematically improve engagement and wellbeing across the board as this is the right thing to do in accordance with our values and because it will contribute to improving working lives and productivity.
5. Embracing inclusion, diversity and fair treatment	<ul style="list-style-type: none"> We will become the most inclusive police force in the UK, embedding recognised standards of best practice in inclusion, expanding and harnessing diversity. We will ensure that everybody is valued as a unique individual and treated with fairness and respect so that they can flourish at work whatever their talents, roles, or backgrounds.
6. Embedding a learning culture	<ul style="list-style-type: none"> We will create a positive culture of personal and collective responsibility for learning whereby all our people are proactive in identifying and investing in opportunities to develop and improve the organisation and themselves in ways relevant to their role.
7. Citizens in policing and volunteering	<ul style="list-style-type: none"> We will increase the involvement of citizens in policing, improve recruitment and retention of volunteers and enhance the volunteer experience. We will use this as a way of increasing the capacity, capability and diversity of the workforce and building stronger community relations.

Key Governance Arrangements under the Strategic Framework

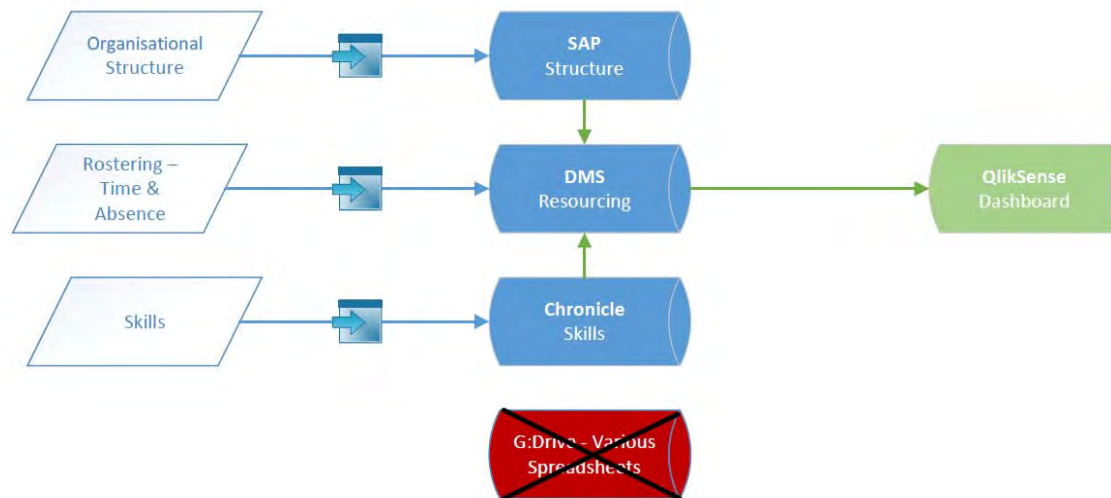
Appendix C

Forum	Responsibility
Strategic Planning Meeting (SPM)	The SPM replaces Constabulary Strategy Board and is responsible for Horizon Scanning and Strategic Planning. The purpose of the meeting is to ensure the Constabulary understands the changing context, identifies implications, and remains on track to achieve the Force vision.
Constabulary Management Board (CMB)	<p>The CMB forms the heart of the new governance structure. It provides the key means to assure delivery against the objectives in the force strategies (primary authority) and the agenda will be framed around the corporate strategies.</p> <p>The agenda of this meeting will be proportionate to risk and on a 'by exception' basis – with the emphasis on objectives which have a 'red' risk rating, and items escalated from other boards.</p>
Operational Leadership	
Senior Leaders Meeting	The SLM provides a forum for the eight directorate leads to work jointly and collaboratively to ensure the delivery of the strategic objectives. The purpose of this meeting will be to strengthen leadership, communication and coordination of activity, share learning, and improve operational effectiveness and efficiency across the eight Directorates.
Directorate Leadership Meetings (DLM)	The eight DLMs lead and manage the delivery of the core services ('BAU') and are the key delivery mechanism of the single delivery plan. The majority of constabulary improvement activity in support of ASC corporate strategies and associated objectives will be driven at this level, including coordinating Tier 1 assurance activity.
Transformation and Innovation	
Portfolio Management Board (PMB)	The purpose of the PMB is to provide assurance over the delivery of commissioned change activity in accordance with the appropriate Project and Programme mandates and business cases. The focus will be on governing activity which is determined by the organisation as 'transformational' (see Section 5) and therefore requires formal programme and project methodologies applied to its management.
Innovation Forum (IF)	The IF will encourage, support, develop and prioritise ideas in relation to innovation, change and business design. It will help to assess whether ideas are 'improvement' or 'transformation' – and define how they should be developed and managed.
Temporary Themed Groups	
Gold / Silver Groups	<p>These will be task and finish groups to take forward specific initiatives, improvement or problem-solving activity and are temporary (though not necessarily short-term) in nature. Gold and Silver groups can only be commissioned and de-commissioned by CMB (or another gold group, in the case of Silver Groups). All Gold and Silver Groups will have clear terms of reference and objectives from the point of commissioning. A Gold Group will exist where the problem/theme being tackled could have a significant impact on public confidence/legitimacy, and will generally require leadership at COG level. A Silver Group will exist either as the tactical arm of a Gold Group, or as a standalone tactical task and finish or problem-solving group.</p> <p><i>Gold and Silver Groups formed temporarily to deal with an operational incident will not be considered part of formal governance.</i></p>

Current System Landscape for Skills Data



Future System Landscape for Skills Data



Authors and Distribution

Please note that this report has been prepared and distributed in accordance with the agreed Audit Charter and procedures. The report has been prepared for the sole use of the Partnership. No responsibility is assumed by us to any other person or organisation.

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INTERNAL AUDIT SERVICES

Assuring – Improving – Protecting

7b


Avon and Somerset Constabulary Payroll and Expenses

Final Report

Issue Date: 07 January 2020

Working in Partnership to Deliver Audit Excellence

Executive Summary

Audit Opinion		Recommendation Summary	
	<h2>Reasonable</h2> <p>Most of the areas reviewed were found to be adequately controlled. Generally, risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.</p>	Priority	Number
		Priority 1	0
		Priority 2	1
		Priority 3	3
		Total	4

Audit Conclusion

Effectiveness of Control Framework

- The design of the overall control framework which governs payroll and expense processes was generally found to be well controlled.
- However, a number of recommendations to improve the application of controls throughout the processes reviewed have been identified which had led to the assurance opinion provided.
- £42.8k (0.05% of the total paid to employees YTD of £82.7m) has been overpaid to individuals this financial YTD. Not all of these overpayments were the result of late notification of termination of employment. Over £16k (38% of the total value of overpayments of £42.8k made financial YTD) was overpaid in September. A total of 14 individuals received an overpayment in this month. It was found that 12 out of the 14 individuals were overpaid as a result of Payroll not being notified promptly of a leaver or their circumstances (e.g. remaining annual leave allowances).

Design of Control Framework

The design of the control framework in relation to Payroll was found to be satisfactory:

- Formalised processes were found to be in place for Starters, Leavers and Changes to Payroll data.
- Segregation of duties exists between preparation of the pay file; checking of the pay file; and approving the file for payment.
- A suite of exception reports is completed prior to payment of the pay run to investigate items/pay amounts that fall outside of agreed parameters.
- Procurement cardholders are not currently required to sign and confirm that they have read and understood the terms of use of the card, which was a recommendation raised by the previous Internal Auditors. The Senior Procurement Manager confirmed that the current procurement card framework is due to be updated in the new year with new procurement cards issued. Assurances have been provided by the Senior Procurement Manager that prior to issuing these new procurement cards to cardholders, all cardholders will be required to sign the agreement to confirm that they agree with the terms of use

Application of Control Framework

- From a sample of 25 starters reviewed, no Contract of Employment was available for review for three of these starters and a further seven Contracts of Employment were unsigned by the employee.
- We reviewed a sample of 25 leavers who had left the organisation this financial year and identified that three of these were overpaid as a result of late notification by line managers, in one case a month after the individual had left the Organisation. The total value of overpayments made to these three individuals was just over £1800.
- We reviewed 50 expense claims as part of this audit and identified two where receipts to support claims could not be found.
- Procurement cardholders are provided with a copy of their statement each month to reconcile transactions and provide information to support the item and retain a VAT receipt for all VAT applicable purchases. Our review identified over 160 instances where a description against the goods or service was not provided and over 600 cases where VAT receipts had not been retained.
- An authorising officer is assigned to each procurement card issued to approve a reconciled statement by the cardholder. For a sample of 15 approvals (for five cardholders), we could not confirm three as the approvals had been deleted from the email inbox managed by Special Procurement Services (SPS).
- Testing of samples of new starter data to the Payroll system, changes, exception reports and BACS run approvals were all found to be satisfactory.

Audit Assessment of Agreed Themes

Theme	RAG Rating	Reason for RAG Rating
Leadership & Culture		This is the first year the payroll function has operated outside of Southwest One. The Payroll Team, previously based at Somerset County Council, were required to relocate to help ensure continuity and delivery of the service. This has had a positive impact on team cohesion, however the move from Southwest One has resulted in significant changes to staff and in turn, a shift in leadership and culture. Although these arrangements are relatively new, the Payroll Team appears to be working well.
Learning		A number of employees within the Payroll Team have had to be trained in payroll process. This is due to staff changes as a result of the move from Southwest One. As the Payroll Team are still familiarising themselves with payroll processes, the rating we have been able to provide is amber.
Diversity and Inclusion	Not Assessed	We have been unable to provide an opinion on diversity and inclusion specific to overtime processes reviewed.

Background

The Constabulary uses SAP as their payroll system. This covers also covers a number of other services including Finance, Procurement and Human Resources. The Constabulary a shared service arrangement with Southwest One to a close in June 2018. This is the first year they are managing payroll and HR functions in house.

Expense claims are submitted for approval through Employee Self-Serve (ESS). Once the claim has been submitted, a unique reference number is generated. The claimant is required send in receipts to support the expense claim by noting the unique reference number. These are sent to an email inbox managed and monitored by HR and Payroll. The claimant's line manager is then required to check the details of the claim and approve this for payment is satisfied. A total of £453k has been paid in expenses from the 1st of April 2019 – 30th September 2019.

Procurement cards to the purchase of low value, non-recurring goods and services which cannot be purchased from existing Contracts or Frameworks are in place. These are managed by the Strategic Procurement Service (SPS) team. A total of 25 procurement cards have been issued. Nine of which have been issued to covert police officers. The framework which manages these cards is due to be replaced in early 2020. The new framework will allow for greater efficiencies in monitoring and managing spend by moving to an online interface which will provide more real time data.

Corporate Risk Assessment

Audit Objective

To provide assurance that key controls within Payroll are operating effectively. This will also include a review of expenses paid to police officers and staff to ensure that these are accurate and processed in accordance with agreed policy and procedure.

Risks	Inherent Risk Assessment	Manager's Initial Assessment	Auditor's Assessment
1. Additions, deletions and/ or amendments to the processing of the payroll are not reviewed or authorised, leading to potential inaccuracies and resulting in external scrutiny and financial loss.	High	Medium	Medium
2. A lack of reporting/ monitoring processes prior/ subsequent to payroll payments being made leads to errors not being identified and results in potential legal action and financial loss.	High	Medium	Low
3. Fraudulent or erroneous expense claims are made resulting in financial loss.	High	Medium	Medium
4. The Constabulary faces a higher level of risk as a result of not implementing previous recommendations raised by Internal and External Audit, leading to the continuance of poor practice and inefficiencies resulting in financial loss and increased external scrutiny.	High	Medium	Low

Scope

The audit reviewed / considered the following areas:

- The processes in place for new starters to ensure payroll and HR requirements are met prior to an individual commencing employment;
- Controls to ensure any amendments to payroll are requested and authorised in accordance with agreed policy and procedure;
- The leavers process and the procedures in place to prevent any overpayments being made to anyone that is leaving / has left the organisation;
- Policies and procedures in place in relation to key functions performed by the Payroll Team to ensure that these are sufficient, up to date and communicated to staff;
- The BACs procedure including how the file is prepared, reviewed and approved for payment;
- Exceptions reports produced to identify potential issues / anomalies in order to ensure that these have been appropriately reviewed;
- A follow up of recommendations raised in the previous year's internal and external audit reports; and
- The controls in place to review, manage and authorise expense claims made by police officers and staff. This will also include a review of P-Card expenses.

Findings and Outcomes

1. Additions, deletions and/ or amendments to the processing of the payroll are not reviewed or authorised, leading to potential inaccuracies and resulting in external scrutiny and financial loss.

Medium

1.1 Finding and Action

Issue	Risk	
Overpayments have been made to employees who have left the organisation as a result of Payroll not being promptly notified of a leaver.	Overpayments may not be recovered resulting in financial loss to the Constabulary.	
Findings		
Line managers are responsible for notifying Payroll of the last date of employment for anyone leaving the organisation. This is done through completing a Personal Change Request Form (PCR). Three out of the 25 leavers tested were found to have been overpaid as a result of late notification. The total value of overpayments made to these three individuals was just over £1800. In one instance, a line manager had notified Payroll of the leaver almost a month after the individual had left and in the other two cases, less than a weeks' notice was given to Payroll to remove the individual and put in place measures to prevent an overpayment being made. In this instance, both leavers were casual workers and therefore were only required to give a weeks' notice of termination of employment, so in some cases this will be unavoidable. Work is underway to recover two of the three overpayments made. In relation to the third, a decision was made not to pursue recovery of this due to the amount being considered not cost effective to recover (under £40).		
The total value of overpayments made this financial YTD is £42.8k, however, not all of these overpayments have been a result of late notification of termination of employment. A monthly breakdown of overpayments was provided by Payroll. Over £16k (38% of the total value of overpayments made financial YTD) was overpaid in September to 14 individuals. Upon further investigation, it was found that 12 out of the 14 individuals were overpaid as a result of payroll not being notified promptly of a leaver or their circumstances (e.g. remaining annual leave allowances). For comparison, the total value of payments made to employees this financial YTD is £82.7m.		
Recommendation		
We recommend that the Head of HR Operations remind all line managers (in particular the one identified in our sample) of their requirement to promptly notify Payroll of anyone leaving the organisation.	Priority Score	2
Agreed Action	Timescale	29/02/2020
The Head of HR Operations will remind all line managers (in particular the one identified in the sample) of their requirement to promptly notify Payroll of anyone leaving the organisation and of any changes which may affect pay i.e. changes to working hours.	Responsible Officer	Head of HR Operations

1.2	Finding and Action		
Issue		Risk	
Contracts of Employment for three employees were not available for review and seven were unsigned by the employee.		The employee and the Constabulary may not be protected against potential employment related disputes / claims brought against them which could result in financial loss and reputational damage.	
Findings			
A sample of 25 starters in this financial year were randomly selected for review. One of the selected individuals was found to have started in 2015 on a casual contract but made permanent in 2019. Therefore, whilst technically a starter, the individual’s records had been transferred from previous records held. The original documentation for this starter obtained in 2015 was not readily available for review having been achieved. Therefore, this individual was discounted from our sample. All 24 other starters reviewed were found to have been accurately added onto the payroll system (SAP) following instruction from HR.			
For three of the 25 new starters to the Organisation, no Contract of Employment was available for review and a further seven Contracts of Employment were unsigned by the employee.			
Recommendation			
We recommend that the Head of HR Operations ensure that a signed Contract of Employment is in place for all employees and copies of contracts are retained for audit purposes.		Priority Score	3
Agreed Action		Timescale	31/03/2020
The Head of HR Operations will ensure that a signed Contract of Employment is in place for all employees and copies of contracts are retained for audit purposes.		Responsible Officer	Head of HR Operations

2.	A lack of reporting/ monitoring processes prior/ subsequent to payroll payments being made leads to errors not being identified and results in potential legal action and financial loss.		Low
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2.1	Findings
<p>A sample of five exception reports for three payroll runs (September, October and November) were reviewed as part of this audit to ensure these had been adequately reviewed prior to the payroll run being approved for payment. All 15 exception reports sampled were found to have been reviewed and investigated by the Assistant HR Business Partner – HRAP prior to payroll run being approved for payment.</p>	

3. Fraudulent or erroneous expense claims are made resulting in financial loss.

Medium

3.1	Finding and Action	
Issue		Risk
Receipts to support all expense claims are not being submitted / retained.		Expense claims may not be thoroughly checked and approved for payment resulting in financial loss and reputational damage to the Constabulary.
Findings		
<p>An individual will submit an expense claim for approval to their line manager through Employee Self-Serve (ESS). Once the claim has been submitted, a unique reference number is generated. The claimant is required send in receipts to support the expense claim by noting the unique reference number. This is sent to an email inbox managed and monitored by HR and Payroll. The claimant's line manager is then required to check the details of the expense claim and approve this for payment. A 10% dip check of all expense claims submitted is undertaken each month by the Payroll Team. In addition to this, high value checks (claims over £100) are also checked. This is an erroneous process which is resource intensive for both the individual and the payroll team.</p> <p>A sample of 50 expense claims paid this financial year were reviewed to ensure that these had been submitted, verified and approved for payment in accordance with agreed policy and procedure above. No receipt to support two of the claims sampled were identified. Both claims were under the value of £10.</p>		
Recommendation		
We recommend that the Head of HR Operations reminds all staff of their responsibility for ensuring supporting evidence (e.g. receipts) are submitted and retained for all expense claims issued.		Priority Score
		3
Agreed Action		Timescale
The Head of HR Operations will remind all staff of their responsibility for ensuring supporting evidence (e.g. receipts) are submitted and retained for all expense claims issued.		29/02/2020 and 30/11/2020
The Head of HR Operations will explore options to move to a more modern expenses system to support a reduction in the resource impact and errors while improving efficiency. To allow time for proper investigation of this, progression through business case and approvals and then implementation, progress against this action should be formally reviewed in the autumn of 2020.		Responsible Officer
		Head of HR Operations

3.2 Finding and Action		
Issue		Risk
Information to support procurement card transactions is not being recorded in all instances.		Without independent verification of procurement card spend, fraudulent transactions could be made resulting in financial loss and reputational damage to the Constabulary.
Findings		
<p>At the beginning of each month, Strategic Procurement Services (SPS) sends procurement cardholders a spreadsheet download of their procurement card statement listing all transactions made on their cards in the previous month. Cardholders are required to check and confirm all transactions listed are correct and provide a description against each transaction for audit and approval purposes. A VAT receipt must also be retained for expenses that are subject to VAT. These are then sent to the cardholder’s assigned authorising officer for checking and approval. Confirmation that the transactions are correct by the procurement card holder together with the completed spreadsheet (with descriptions listed) and approval from the authorising officer will be sent back to SPS by email.</p> <p>All procurement card transactions made this financial year were reviewed using data analytic software (IDEA). We identified over 160 instances where a description against the goods or service was not provided and over 600 cases where VAT receipts had not been retained. However, it should be noted that in some of these cases, the goods or service procured may not have been subject to VAT and therefore a VAT receipt would not be required (e.g. for software licences purchased).</p> <p>Furthermore, we also reviewed a sample of five procurement cardholders to ensure statements / transactions had been reviewed and approved by their respective authorising officers. Three consecutive months were reviewed (August, September and October). We were unable to confirm four approvals for three of the cardholders due to email confirmations being deleted.</p>		
Recommendation		
We recommend that the Head of Finance, Head of Procurement and Head of HR Operations, work together to liaison to ensure the following: <ul style="list-style-type: none">▪ Descriptions against all procurement card transactions are provided;▪ A VAT receipt is retained for VAT applicable goods and services; and▪ Confirmation / approvals of statements from a procurement cardholder’s authorising officer is retained.		3
Agreed Action		Timescale
The Head of Finance and Head of Procurement will work together to ensure: <ul style="list-style-type: none">▪ Descriptions against all procurement card transactions are provided;▪ A VAT receipt is retained for VAT applicable goods and services; and▪ Confirmation / approvals of statements from a procurement cardholder’s authorising officer is retained.		30/04/2020
		Responsible Officer
		Head of Finance

4. The Constabulary faces a higher level of risk as a result of not implementing previous recommendations raised by Internal and External Audit, leading to the continuance of poor practice and inefficiencies resulting in financial loss and increased external scrutiny.

Low

4.1 Findings

As part of the agreed scope of this audit, we reviewed the progress made against the agreed actions raised within the previous year's internal audit report (Key Financial Controls, issued 4th of January 2019) carried out by the Constabulary's previous auditors (RSM). The External Audit 2017/18 report from Grant Thornton did not highlight any recommendations in relation to the payroll and expense functions for the Constabulary. RSM's Key Financial Controls report issued on 4th January 2019 provided a 'Partial Assurance' opinion. A total of two recommendations relating to payroll and expense processes were raised as part of this report. One recommendation (Ref 17) was found to have been completed. The second recommendation relating to procurement cardholders signing to confirm that they have read and understood the terms of use is in progress. This recommendation was queried with the Senior Procurement Manager who has created a procurement card agreement. However, the current procurement card framework is due to be updated in the new year with new procurement cards issued. Assurances have been provided by the Senior Procurement Manager that prior to issuing these new procurement cards to cardholders, all cardholders will be required to sign the agreement to confirm that they agree with the terms of use. As such, this recommendation is considered to be in progress.

Authors and Distribution

Please note that this report has been prepared and distributed in accordance with the agreed Audit Charter and procedures. The report has been prepared for the sole use of the Partnership. No responsibility is assumed by us to any other person or organisation.

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Avon and Somerset Constabulary Overtime Payments

Final Report

Issue Date: 07 January 2020

Working in Partnership to Deliver Audit Excellence

Executive Summary

Audit Opinion		Recommendation Summary	
	<h2>Partial</h2> <p>In relation to the areas reviewed and the controls found to be in place, some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.</p>	Priority	Number
		Priority 1	0
		Priority 2	2
		Priority 3	1
		Total	3

Audit Conclusion

Effectiveness of Control Framework

- We analysed overtime payments made during the current financial year up to and including 30th September 2019. The headline findings from this analysis are as follows:
 - A total of £3.6m has been spent on overtime in the six-month period reviewed, paid to a total of 3272 employees;
 - An average of £194 has been paid to each claimant during the period;
 - 9.7% of the total overtime spend in this period has been paid to 50 individuals with 78 individuals receiving over £5000 in overtime payments; and
 - A total of 131,523 hours of overtime has been worked and paid for in this period.
 - By year end, the Constabulary predicts a total overspend of £707k against overtime budgets.
- The Constabulary has been operating with high vacancies across a number of Departments / Services (e.g. Investigations, Transport, Learning etc.) which has contributed to high levels of overtime spend.
- Given the headline analysis above, a recommendation has been raised to undertake further investigation of individual circumstances which have resulted in these claims and to ensure measures are put in place to reduce overtime going forward and to safeguard the health and wellbeing of these individuals. If this is not managed more effectively, employees who work a considerable amount of overtime may be at risk of sickness or could leave the organisation.

Design of Control Framework

- The design of controls surrounding the process for request, submission, approval and payment of overtime were found to be satisfactory. There are a number of policies and guides in relation to overtime dependent on the role, position and contract of employees.
- An employee claiming overtime must obtain pre-authorisation from their line-manager (or above) to do so. Once pre-authorised and worked by the claimant, the claim will be submitted through Employee Self-Serve (ESS) for checking and approval by line-management. Once approved, payment will be processed by Payroll and paid on the next payroll date.

- Due to the nature of policing, there are circumstances where an employee will work overtime before it can be pre-authorised. In such cases, the overtime will be 'pre-authorised' retrospectively. SAP will not allow a claim of overtime to be made unless pre-authorised.
- There are no time limitations for when an employee can claim overtime for payment after it has been worked. Therefore, it is not uncommon for employees to store overtime claims to be paid in bulk at their convenience. However, any claim for overtime older than 26 weeks must be submitted to Payroll via a paper form, with line manager's authorisation that the claim was valid. Where there have been changes in line management or responsibility, we are not clear that the managers can be assured the claims are valid.

Application of Control Framework

- A sample of 50 overtime claims was reviewed to ensure that these were made in line with the agreed control framework and all were found to be satisfactory.
- Over 100 historic claims of overtime (those made prior to April 2019) – including some dating back to 2014 - were paid in this financial year.
- The process outlined above for claims older than 26 weeks is considered by the Payroll Team as an inefficient use of resources due to the paper format and approval requirements.
- Payment of historic claims is likely to have a negative impact on effective budget management if these claims are not a known liability when reviewing spend against budget, in addition to a potential impact on cash flow, should the number of claims be significant.
- Regular review of overtime spend against budget takes place through a number of forums, including the Constabulary Management Board (CMB) and SLT which provide a mechanism for workforce planning.

Audit Assessment of Agreed Themes

Theme	RAG Rating	Reason for RAG Rating
Leadership & Culture		This is the first year the payroll function has operated outside of Southwest One. The Payroll Team, previously based at Somerset County Council, were required to relocate to help ensure continuity and delivery of the service. This has had a positive impact on team cohesion, however the move from Southwest One has resulted in significant changes to staff and in turn, a shift in leadership and culture. As these arrangements are relatively new, the RAG rating we have been able to provide in this area is amber.
Learning		A number of employees within the Payroll Team have had to be trained in payroll processes including those related to overtime. This is due to staff changes as a result of the move from Southwest One. As the Payroll Team are still familiarising themselves with payroll processes, the rating we have been able to provide is amber.
Diversity and Inclusion	Not Assessed	We have been unable to provide an opinion on diversity and inclusion specific to overtime processes reviewed.

Corporate Risk Assessment

Audit Objective

To provide assurance that the controls in place to process and pay police officers and staff for overtime are operating effectively.

Risk	Inherent Risk Assessment	Manager's Initial Assessment	Auditor's Assessment
Inaccurate, unauthorised and/or fraudulent overtime payments are made to police officers and staff resulting in financial loss.	High	Medium	Medium

Scope

The audit reviewed / considered the following:

- Policies and procedures in place which govern overtime claims;
- The processing and payment of claims to ensure that they have been submitted and approved in accordance with agreed policy and procedure and paid correctly. A sample of 50 claims was reviewed against the above criteria; and
- The mechanisms in place to monitor and manage overtime across the organisation, including senior management scrutiny; budget management; and how the information feeds into workforce planning.

Findings and Outcomes

1. Inaccurate, unauthorised and/or fraudulent overtime payments are made to police officers and staff resulting in financial loss.

Medium

1.1 Finding and Action

Issue	Risk
Our review has highlighted a number of individuals who have worked a significant amount of overtime over a six-month period. Whilst the findings may not directly result in the risk of inaccurate, unauthorised or fraudulent overtime claims being made, individual circumstances which have led to high overtime claims should be reviewed.	The health and wellbeing of individuals may be negatively impacted by the number of hours they work in overtime. This may result in these individuals going off sick or leaving the organisation. This could lead to a loss of talent; strain on resources due to re-recruitment, training etc.; and legal challenge, financial loss and reputational damage as a result of potential constructive dismissal claims brought against the Constabulary.

Findings

Overtime payments made between 1st April 2019 and 30th September 2019 were analysed as part of this audit. A total of £3.6m has been spent on overtime and paid to 3272 employees in this period.

The table below provides an extract of overtime spend by the highest paid employees in the period (Person ID and Salary has been removed for confidentiality but are available on request):

Position	Total No. of Overtime Claims in Period Reviewed	Total Amount of Overtime Paid	% of Overtime Paid against Annual Salary
Staff	30	£15,061.85	44%
Police Officer	20	£11,215.55	27%
Police Officer	20	£10,960.36	27%
Police Officer	22	£9,660.59	24%
Police Officer	13	£8,850.83	19%
Staff	15	£8,792.06	38%
Police Officer	15	£8,754.13	21%
Police Officer	18	£8,548.74	21%
Police Officer	19	£8,445.38	21%

The table above highlights a number of individuals who have been paid a significant amount of overtime over the six-month period reviewed. Whilst we accept there may be valid explanations for this (e.g. bulk submissions of claims, vacancies in a particular department etc.), we feel it would be beneficial for the Constabulary to investigate individual circumstances which have resulted in these high claims and to review measures going forward to ensure that the Constabulary is operating within Working Time Regulations

The table below provides an extract from the overtime we reviewed detailing employees who have worked a high number of overtime hours in a short period of time:

Position	Total No. of Overtime Claims Paid in Period Reviewed	Total Number of Hours Worked	Period Overtime Hours Worked	Average Number of Overtime Hours Worked Per Month
Police Officer	13	545	Feb 2019 – July 2019 (5mths)	109
Staff	15	512	Mar 2019 – Aug 2019 (6mths)	85
Police Officer	9	512	Dec 2018 – Jun 2019 (6mths)	85
Police Officer	15	472	Dec 2018 – Aug 2019 (8mths)	59
Police Officer	20	407	Feb 2018 – Jul 2019 (5mths)	81

Whilst we accept that the high spend on overtime may be a result of the Constabulary operating with a high vacancy level for a number of years, we are concerned about the potential impact on the health and wellbeing of individuals who have worked a large number of overtime hours in a short period of time.

Recommendation

We recommend that the Head of HR Operations analyses the circumstances behind individuals who have received significant amount of overtime payments and reviews whether any measures could be put in place specifically for these individuals to reduce their overtime going forward. Similarly, consideration of particular departments/operational teams where there are significant overtime claims will help inform organisational workforce planning.

Priority Score

2

Agreed Action

The Head of HR Operations will establish the reasons behind the high-level payments and discuss with resourcing managers to ensure fairness for allocation; any implications for workforce planning will be identified. As part of our review of policies HR will ensure it provides SLT with an overview of their overtime, including highlighting where individuals have received a significant amount of overtime payment SLTs will be responsible for reviewing these and putting in place measures to balance wellbeing of individuals/reduce overtime where necessary.

Timescale

31/05/2020

Responsible Officer

Head of HR Operations
SLTs – Department Heads

Recommendation		
We recommend that the Head of HR Operations identifies any individuals at risk of being negatively impacted as a result of the number of overtime hours that they work. Measures should then be put in place to help safeguard the health and wellbeing of these identified individuals.	Priority Score	3
Agreed Action	Timescale	31/05/2020
The Head of HR will ensure that any individuals at risk of being negatively impacted as a result of the number of overtime hours that they work are identified through HR are payroll processes. The HR team will dip sample some cases to test the health and wellbeing measures put in place and to identify any supportive, developmental or corrective action required. The Department Head and their SLT through their teams will be responsible for ensuring appropriate measures are in place to help safeguard the health and wellbeing of individuals.	Responsible Officer	Head of HR Operations SLTs – Department Heads

1.2	Finding and Action	
Issue		Risk
A number of historic overtime claims have been submitted by individuals for payment this financial year.		Historic claims submitted for approval may adversely affect budget management, monitoring and forecasts. In addition, these may also cause a strain on resources who are required to check and approve historic overtime claims.
Findings		
<p>The Constabulary currently has no time limitations on payment for overtime worked and all claims for overtime which are submitted within 26 weeks of being worked will be paid. Any claims older than 26 weeks can still be paid but must be submitted in hardcopy format to Payroll for checking and approval. Our review found 112 overtime claims worked over a year ago were paid in this financial year, the oldest of which dated back to 2014.</p> <p>All claims older than 26 weeks must be checked and verified by the claimant's line manager before submission to Payroll. This includes checking to confirm whether the overtime has actually been worked by reviewing supporting evidence (e.g. pocket notebook entries). However, we are concerned about the level of assurance that a line manager would be able to provide to support historic claims dating back a number of years, especially in cases where there is limited or no supporting evidence for the hours worked or where there has been a change in line management.</p>		
Recommendation		

We recommend that the Head of HR Operations and Chief Finance Officer establish the feasibility of implementing a 'cut-off' timeframe for overtime claims after which these would not be paid. Active promotion of prompt claims should also be implemented.	Priority Score	2
Agreed Action	Timescale	30/06/2020
The Head of HR Operations and Chief Finance Officer will establish the feasibility of implementing a 'cut-off' timeframe for overtime claims after which these would not be paid. Active promotion of prompt claims will also be implemented.	Responsible Officer	Head of HR Operations and Chief Finance Officer

1.3	Finding
<p>A random sample of 50 overtime claims were reviewed as part of this audit to ensure the following:</p> <ul style="list-style-type: none"> ▪ The claimant was eligible to claim overtime. ▪ The claim had been submitted in accordance with agreed policy and procedure. ▪ The claim had been appropriately approved. ▪ The claim had been verified before payment. ▪ The amount paid was correct. <p>All 50 claims reviewed were found to be satisfactory. However, 33 out of the 50 overtime claims reviewed were found to have been 'pre-authorised' after the date worked by the claimant. Ideally, overtime should be pre-authorised by line management before the overtime is worked by the claimant. However, due to the nature of policing, it is not always possible to ensure this. SAP will not allow an overtime claim to be made until it is pre-authorised. Therefore, any financial risk to the organisation as a result of retrospective pre-authorisation is low and no recommendation has been raised.</p> <p>In addition to the above, one overtime payment sampled (which included multiple overtime claims) was found to have been submitted on a paper form and not through ESS. The claims were for historic overtime dating back to 2015 and all related to short notice changes in shifts which were eligible for compensation payment. All claims were authorised for payment by the individual's line manager and if approved and assured that the overtime has been worked then Payroll made the payment. It is not clear why these claims were not made by the individual at or around the time of being worked. The recommendations raised within Section 1.2 above should help address these claims going forward. These findings have been reported for management information only.</p> <p>ASC Comment: Processing retrospective claims and paper claims forms is a time-consuming process. To ensure appropriate assurance the overtime has been worked the payroll need have to get additional information from individuals and line managers. The payroll team then have to manually input the information. If overtime worked is in previous tax years they also have to unlock previous payrolls to make the necessary calculations. The payroll team have found errors in some claims which means that there could be matters referred to PSD for investigation.</p>	

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Avon and Somerset Constabulary


Accounts Payable

Final Report

Issue Date: 07 January 2020

Working in Partnership to Deliver Audit Excellence

Executive Summary

Audit Opinion		Recommendation Summary	
	<h2>Partial</h2> <p>In relation to the areas reviewed and the controls found to be in place, some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.</p>	Priority	Number
		Priority 1	0
		Priority 2	3
		Priority 3	3
		Total	6

Audit Conclusion

Effectiveness of Control Framework

A 'Partial' assurance opinion has been provided due to weaknesses identified in the application and effectiveness of the control framework as set out below:

- The VAT number of one supplier paid during this financial year out of a sample of 25 reviewed was found to be invalid. This was confirmed by HMRC and the case is currently being investigated by the Deputy Admin Hub Delivery Manager and Master Data Team. If it is found that the Constabulary have reclaimed VAT from the invoices rendered by the supplier who is not VAT registered, the Constabulary may be liable for financial penalties to HMRC.
- The Constabulary currently has around 10,000 active suppliers in SAP. IDEA was used to identify suppliers with the same name but with different supplier reference numbers and this identified over 350 matches. Duplicate suppliers are a leading cause of duplicate payments and given that it is unlikely that all of the active suppliers will have been used in the last year (or more), a thorough review and data cleanse of supplier data should take place as soon as practicable.

Design of Control Framework

- The overall design of the control framework was found to be generally satisfactory in most areas. System controls within SAP enforce separation of duties throughout the Accounts Payable process and will not allow purchase requisitions to be approved by the same officer. These are work flowed to by the Accounts Payable Team. Invoice payments are processed by Finance.
- Emergency / one off payments to suppliers can be made where they have been missed through the usual payment process. These are infrequent and require sign off by either the Chief Finance Officer for the Constabulary or OPCC, OPCC Chief Executive, Head of Finance or Deputy Head of Finance.
- A list of suppliers, goods and services that do not require a purchase order has been agreed by the Head of Finance.
- Guides in relation to accounts payable processes were found to be out of date. A Finance and Procurement Guide which detailed key information relating to the procure to pay process was found to have been last updated in March 2012. Out of date policies, procedures and guidance may not reflect current requirements and best practice which may lead to inconsistent and/or ineffective practices being applied.

- Access to accounts payable permissions within SAP could not be easily isolated and as such we were unable to review relevant SAP roles / permissions to ensure these had been appropriately assigned to individuals. This issue was identified by the Constabulary's previous internal auditors (RSM) in 2018/19.
- VAT numbers for suppliers are not currently verified against the VAT Information Exchange System (VIES).

Application of Control Framework

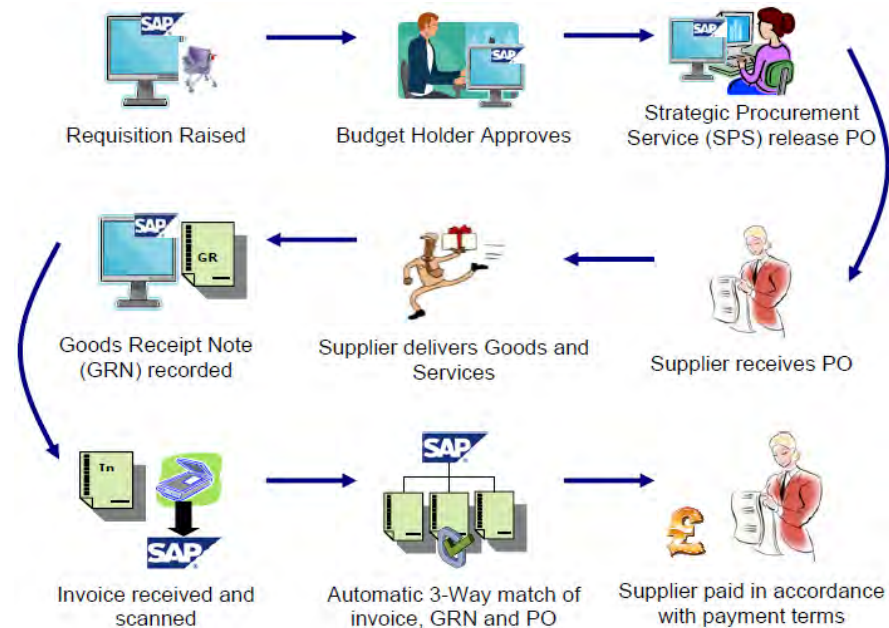
- A sample of 25 paid invoices were reviewed as part of this audit. Adequate separation of duties was found to be in place for all 25 invoices paid. Each was adequately receipted and approved.
- BACS runs are performed three times a week and are made by a member of the Finance Team. They can only approve transactions and not prepare the payments to be made in each run. A sample of 16 consecutive BACS runs was reviewed. All BACS runs were found to have been prepared, checked and paid by different individuals. The amounts transmitted for payment were cross checked against the Constabulary's bank account and found to have been paid out correctly.
- A sample of three emergency / one off payments were reviewed and found to be supported by adequate evidence and appropriately signed off.
- A sample of 10 invoices paid without a purchase order number assigned to them was randomly selected for review. All 10 were found not to require a purchase order to be raised and therefore, satisfactory. A suggestion has been made to review and update the list of non-purchase order suppliers, goods and services.
- Changes to standing data for a sample of suppliers were found to be satisfactory.
- Reconciliations between the Accounts Payable system (SAP) and supplier statements have not been performed which could increase the likelihood of incorrect or missed payments, potentially leading to financial loss or legal action.

Audit Assessment of Agreed Themes

Theme	RAG Rating	Reason for RAG Rating
Leadership & Culture		<p>The Head of Finance was appointed in post earlier this year. This will have had an impact on the steer and culture of the Finance and Account Payable Team, the benefits of which it is too early to assess. The Accounts Payable function sits within the Constabulary's Admin Hub and not within Finance. It is our opinion that this separation may impact on team cohesion and efficiencies. As such, an amber rating as been provided.</p> <p>ASC Comment: <i>The Deputy Director for Finance & Business Services has visibility of both functions (Accounts Payable and Finance) within her Senior Leadership Team and will lead the cohesion of the Accounts Payable function moving forwards. Team structures will continue to be reviewed to ensure they are best placed to deliver an appropriate Accounts Payable service.</i></p>
Learning	Not Assessed	We have been unable to provide an opinion on Learning specific to Accounts Payable processes reviewed.
Diversity and Inclusion	Not Assessed	We have been unable to provide an opinion on diversity and inclusion specific to Accounts Payable processes reviewed.

Background

The Constabulary uses SAP as their Finance system. This also covers a number of other services including Payroll, Procurement and Human Resources. The below diagram sets out the key steps in the procure to pay process:



Corporate Risk Assessment

Audit Objective

To provide assurance that the Constabulary has an effective control framework in place for its Accounts Payable function.

Risk	Inherent Risk Assessment	Manager's Initial Assessment	Auditor's Assessment
Fraudulent, inaccurate, unauthorised and/or late payments are made resulting in potential financial losses and reputational damage.	High	Medium	Medium

Scope

The audit reviewed / considered the following areas:

- Policies and procedures which help govern key functions performed by the Accounts Payable Team.
- The separation of duties in place between creating a requisition and purchase order, to receiving an invoice and authorising a payment;
- The mechanisms in place to ensure invoices are processed in accordance with payment terms;
- An assessment of the controls surrounding the creation and amendment of suppliers;
- A review of reconciliations performed from the creditor control account to the general ledger;
- Exception reporting performed by the Accounts Payable Team including any reports produced to identify potential duplicate payments and suppliers; and
- A follow up of recommendations made by Internal and External audit in the previous year.

Access to Accounts Payable permissions within SAP was discussed with the Corporate Business Partner, HR Business Partner and the Senior Accountant with knowledge of systems. They were unable to isolate the relevant SAP roles/permissions for reporting purposes. We noted that this was also an issue during the Financial Key Controls work undertaken by the Constabulary's previous internal auditors (RSM) in 2018/19. As a result, we have not been able to consider system access in detail during this audit but this should be considered in detail during future reviews of Main Accounting / General Ledger.

In addition to a review of Accounts Payable processes, we are also in the process of conducting a benchmarking review across all our Police Partners to help identify areas of good practice in relation to income generation. The findings from this will be reported separately to management in the New Year.

Findings and Outcomes

1. Fraudulent, inaccurate, unauthorised and/or late payments are made resulting in potential financial losses and reputational damage.

Medium

1.1 Finding and Action		
Issue	Risk	
The VAT number of one supplier sampled was found to be invalid.	The Constabulary may incorrectly reclaim VAT on goods or services provided by suppliers that are not VAT registered. This may be classified as VAT fraud and could result in a penalty issued by HMRC leading to financial loss and reputational damage.	
Findings		
A sample of 25 invoices paid this FYTD was reviewed. Invoices with VAT applied to them were checked to ensure that the supplier was VAT registered. These were checked online against the VAT Information Exchange System (VIES). One supplier (to be provided to the Constabulary) was found to have an invalid VAT number. We queried the issue directly with HMRC who confirmed that the VAT number was in fact invalid. No further information could be provided by HMRC in respect of this due to security / data protection reasons. However, HMRC advised that the Constabulary should query this issue directly with the supplier. The information was provided to the Deputy Admin Hub Delivery Manager who is currently in the process of investigating this.		
The VAT numbers are not checked by Finance when a supplier is set up on SAP.		
Recommendation		
We recommend that the Head of Finance, together with the Deputy Admin Hub Delivery Manager, ensures that the circumstances surrounding the Supplier identified are fully investigated. The investigation should establish why an invalid VAT number has been provided. In addition, the Constabulary should ensure VAT has been not been reclaimed on any invoices paid which should not have been. Where VAT has been reclaimed incorrectly, this should be resolved with HMRC.	Priority Score	2
Agreed Action	Timescale	31/01/2020

<ul style="list-style-type: none"> Enquiries will be made with the supplier to understand why they are quoting an incorrect VAT number on their website and invoice. The amount of VAT reclaimed under the erroneous VAT number will be quantified and corrections made with HMRC. 	Responsible Officer	Head of Finance
Recommendation		
We recommend that the Head of Finance implements a procedure which ensures VAT numbers are checked for validity at the point a supplier is set up on SAP.	Priority Score	2
Agreed Action	Timescale	31/01/2020
The supplier set up form will be amended to indicate a "VAT number checked box". The Master Data team will check the VAT number on the VIES website each time a new supplier is set up.	Responsible Officer	Head of Finance
Recommendation		
We recommend that the Head of Finance considers carrying out a full review of VAT numbers for suppliers set up in SAP to ensure that these are valid. Any VAT numbers found to be invalid should be fully investigated.	Priority Score	3
Agreed Action	Timescale	30/06/2020
The VAT numbers of all suppliers used over the last 2 years will be checked over the next six months	Responsible Officer	Head of Finance

1.2	Finding and Action	
Issue	Risk	
Multiple suppliers with the same details were identified.	The Constabulary is exposed to a higher risk of fraudulent or duplicate payments being made resulting in financial loss and reputational damage.	
Findings		
A report of all active suppliers was provided for review, which contained approximately 10,000 active suppliers. Data analytics software (IDEA) was used to identify suppliers with the same name but different supplier reference numbers and this identified over 350 suppliers matching these criteria. These were queried with the Accounts Payable Team who acknowledged that the current supplier database needs reviewing / cleansing. However, due to other priorities, this has not been possible. Duplicate suppliers are a leading cause of duplicate payments. Given our findings within Section 1.1, it is our opinion that the Constabulary’s supplier database should be reviewed at the earliest opportunity.		
Recommendation		

We recommend that the Head of Finance ensures that the Constabulary's supplier database is reviewed. Where duplicate vendors are identified, these should be removed. In addition, suppliers found to be inactive for a long period of time should be suspended to ensure payments cannot be made to them by mistaken.	Priority Score	2
Agreed Action	Timescale	31/12/2020
<ul style="list-style-type: none"> A list of the 350 duplicate suppliers will be obtained and examined to see if they are duplicated or there is a need for the different supplier accounts All supplier accounts not used over the last 2 years will be blocked on SAP (deletion is not possible) with the assistance of the IT team. This will be a significant task due to SAP complexities and will likely require some additional resource to complete. 	Responsible Officer	Head of Finance / IT / Master Data Team

1.3	Finding and Action	
Issue	Risk	
Reconciliations between the Accounts Payable system (SAP) and supplier statements have not been undertaken.	Records for Accounts Payable may not agree with those of their suppliers, increasing the likelihood of incorrect or missed payments, potentially leading to financial loss or legal action.	
Findings	Reconciliations between the Accounts Payable system (SAP) and supplier statements were discussed with the Constabulary's Chief Financial Officer and the Head of Finance. They advised that these are not currently carried out due to resource constraints and there is some dispute as to where the responsibility for these reconciliations should sit if they are to be undertaken.	
Recommendation		
We recommend that the Head of Finance assesses the value of performing reconciliations between supplier statements and the Accounts Payable system. If there is sufficient appetite to resume these reconciliations, responsibility for them should be formalised.		3
Agreed Action	Timescale	31/03/2020
<ul style="list-style-type: none"> The volume of supplier statements being received by the AP team will be assessed over the next 3 months together with the associated risks of not completing statement reconciliations. By the end of March 2020 we will decide on the most appropriate way forward and implement accordingly. 	Responsible Officer	Head of Finance / Deputy Admin Hub Delivery Manager

1.4 Finding and Action		
Issue		Risk
Guides in relation to accounts payable processes were found to be out of date.		Out of date guides may not reflect current requirements and best practice which may lead to inconsistent and/or ineffective practices being applied.
Findings		
A Finance and Procurement Guide was provided for review which detailed key information relating to the procure to pay process. This was last reviewed in March 2012.		
Recommendation		
We recommend that the Head of Finance ensures all policies, procedures and guidance in relation to the accounts payable processes are updated and reviewed at appropriate frequencies.		3
Agreed Action		Timescale
An updated Finance and Procurement guide will be collated drawing on best practice. Currently there are guides that explain procedures and guidelines for all new staff joining the Accounts Payable team and these will be incorporated into the guide. All new Accounts Payable staff have an appropriate induction to the team which involves an introduction to the various systems and a period of job-shadowing to ensure procedures are followed correctly.		31/03/2020
		Responsible Officer
		Head of Finance / Deputy Admin Hub Delivery Manager / Head of Procurement

1.5 Findings	
<p>As part of the agreed scope of this audit, we reviewed the progress made against the agreed actions raised within the previous year's internal audit report (Key Financial Controls, issued 4th of January 2019) carried out by the Constabulary's previous auditors (RSM). The External Audit 2017/18 report from Grant Thornton did not highlight any recommendations in relation to the Accounts Payable functions for the Constabulary.</p> <p>RSM's Key Financial Controls report issued on 4th January 2019 provided a 'Partial Assurance' opinion. A total of three recommendations were raised in relation to Accounts Payable processes. Two recommendations were found to have been completed. These related to updating the Constabulary's Financial Regulations and ensuring changes to bank details of suppliers are verified with the suppliers. One recommendation, relating to checking SAP access was found not to have been implemented. This has been discussed within Section 1.6 above and will be considered as part of a future Main Accounting / General Ledger audit.</p>	

ASC Comment: The SAP permissions for the Accounts Payable team and Finance (Accounts Payable control) team will be reviewed to ensure appropriate segregation of duties is being maintained. This will be documented by end Mar 2020 and updated annually. (Responsible Officer: - Head of Finance)

Suggestions

A list of suppliers, goods and services not requiring a purchase order to be raised has been agreed by the Head of Finance. This is maintained by the Accounts Payable Team. The list was reviewed as part of this audit. Expenses paid to the Special Constabulary do not require a purchase order to be raised before payment. However, these types of payments were found not be present on the list provided. A suggestion has been made for management to review the list and ensure it is up to date and inclusive of all suppliers, goods or services not requiring a purchase order.

ASC Comment: The Head of Procurement annually signs off and agrees the list of supplier, goods and services not requiring a PO. The above finding was an exception and will now be included and the list updated.

Exception reports are produced every Friday by the Finance Assistant and checked by the Senior Accountant. These detail the following:

- Debit balance (credit notes)
- Items blocked (e.g. not goods receipted)
- Account blocked
- No valid payment method
- Account flagged for deletion

Whilst we were able to evidence that exception reports had been run most weeks, there are some instances where they have not been. When queried, this was found to be a result of a lack of resilience in the process. For example, if the Finance Assistant responsible for producing the reports is on leave, then these will not be produced. A suggestion has been made for management to consider training other individuals in producing and checking exception reports to improve resilience and increase the frequency of reporting.

ASC Comment: Further Finance personnel will be trained to ensure exception reports are run and reviewed weekly.

Authors and Distribution

Please note that this report has been prepared and distributed in accordance with the agreed Audit Charter and procedures. The report has been prepared for the sole use of the Partnership. No responsibility is assumed by us to any other person or organisation.

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7f

Avon & Somerset Constabulary and Office of the Police and Crime Commissioner Joint Audit Committee (JAC)

Report of Internal Audit Activity- January 2020

Internal Audit ■ Risk ■ Special Investigations ■ Consultancy

Executive Summary

The Assistant Director is required to provide an annual opinion to support the Annual Governance Statement.

As part of our plan progress reports, we will look to provide an ongoing opinion to support the end of year annual opinion.

We will also provide details of any significant risks that we have identified in our work.

We have sought to make our Committee Papers more concise and as such, we will formally report on our performance once a year. To support this, we have included a reminder of our assurance opinions and risk assessment in Appendix B, to avoid duplication in each report presented.

The Chief Executive for SWAP reports company performance on a regular basis to the SWAP Directors and Owners Boards.



Audit Opinion and Summary of Significant Risks

Audit Opinion:

The majority of finalised reports issued in the year to date have been provided a Partial assurance opinion, save for the Payroll and Expenses audit, for which we provided a Reasonable opinion. This suggests that some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives. However, it is worth noting that we anticipate providing a further five assurance opinions on the remaining individual engagements which, along with our overarching view on the Constabulary's governance and risk management, may ultimately impact significantly on the final annual opinion.

Progress of 2019/20 Internal Audit Plan

At the time of reporting, the majority of audits scheduled for Quarters 1-3 have been completed or reached report stage and we are in the process of scoping all Quarter 4 audits. This includes the Overtime Payments audit which was brought forward due to the expected delay in completing the Cybersecurity review. Copies of the following reports are submitted with this Quarterly Update:

- Workforce Plan;
- Payroll & Expenses;
- Overtime Payments;
- Accounts Payable (Key Financial Controls); and
- Personal Issue of Assets (This is currently in Draft Report, awaiting Management Responses).

The fieldwork is completed for the work on Cybersecurity and will shortly be reported upon. Further detail is provided in Appendix A and is summarised in the table below:

Performance Measure	Performance
<u>Delivery of Annual Audit Plan</u>	
Completed	33%
Work at Report Stage	8%
Fieldwork/In Progress	25%
Scoping	33%
Not Yet Started	0%

Executive Summary

Significant Risks:

We have not assessed any audit risks as 'High' in our reports issued to date.

Follow up of Recommendations:

As agreed, we have followed up on the implementation of relevant recommendations raised by the previous auditors on Key Financial Controls and Chief Constable & PCC Expenses during the course of our own work in these areas. Other outstanding recommendations from previous audits of GDPR Governance and Strategic Framework will be followed up as part of our relevant Quarter 4 audits, along with standalone follow up of IT Projects – Benefits Realisation and Change Commissioning Transformation. It is worth noting that this work is being carried out to complement the internal follow up processes of the Audit and Inspection Team, on which we have placed reliance as considered appropriate.

Internal Audit Plan Progress 2019/20

Appendix A

Link to FMS	Audit Area	Period	Audit Days	Status	Opinion	No of Recs	1 = Major	↔	3 = Minor
							Recommendation		
							1	2	3
Force Functions	Workforce Plan	Q2	15	Completed	Partial	3	-	1	2
Finance	Payroll & Expenses	Q3	15	Completed	Reasonable	4	-	1	3
Finance	Overtime Payments	Q3	15	Completed	Partial	3	-	2	1
Finance	Accounts Payable (Part of Key Financial Controls)	Q3	15	Completed*	Partial	6	-	3	3
Finance	Personal Issue of Assets	Q3	15	Draft Report	Partial^	9	-	8	1
IT & Information Management	IT Cyber Security	Q3	15	Fieldwork	-	-	-	-	-
Governance, Fraud and Risk Management	Refreshing Strategic Framework	Q4	15	Scoping	-	-	-	-	-
Force Functions	Fleet Management	Q4	15	Scoping	-	-	-	-	-
IT & Information Management	IT Business Continuity	Q4	15	Scoping	-	-	-	-	-
IT & Information Management	Data Quality	Q4	15	Scoping	-	-	-	-	-
Governance, Fraud and Risk Management	Contribution to Regional Police Audit Work	Throughout Year	5	In Progress	-	-	-	-	-
Governance, Fraud and Risk Management	Follow Up	Throughout Year	5	In Progress	-	-	-	-	-

*A supplemental piece of comparison work regarding Income Generation across the regional Forces remains to be completed and will be reported on separately

^This report is being presented in Draft format so the assurance opinion and recommendations are awaiting finalisation.

Assurance Definitions

None	The areas reviewed were found to be inadequately controlled. Risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Partial	In relation to the areas reviewed and the controls found to be in place, some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Reasonable	Most of the areas reviewed were found to be adequately controlled. Generally, risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Substantial	The areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.

Definition of Corporate Risks

Risk	Reporting Implications
High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
Medium	Issues which should be addressed by management in their areas of responsibility.
Low	Issues of a minor nature or best practice where some improvement can be made.

Categorisation of Recommendations

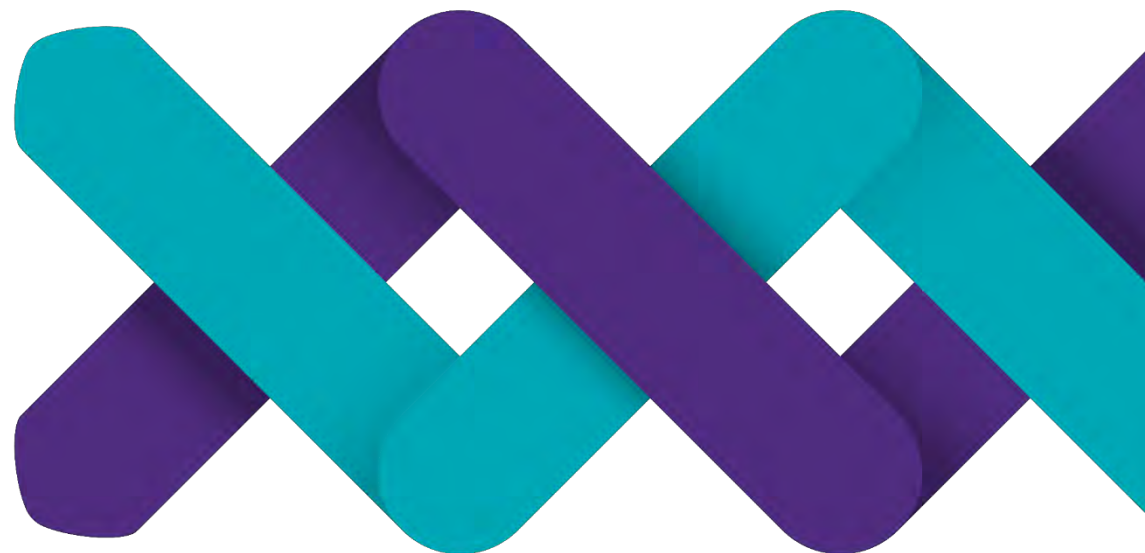
In addition to the corporate risk assessment it is important that management know how important the recommendation is to their service. Each recommendation has been given a priority rating at service level with the following definitions:

Priority 1	Findings that are fundamental to the integrity of the service's business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management.
Priority 3	Finding that requires attention.

Audit Progress Report and Sector Update

Avon and Somerset Police and Crime Commissioner and Chief Constable
Year ending 31 March 2020

January 2020



Contents and Introduction



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This paper provides the Joint Audit Committee with a report on progress in delivering our responsibilities as your external auditor.

The paper also includes a summary of emerging national issues and developments that may be relevant to you.

Members of the Joint Audit Committee can find further useful material on our website where we have a section dedicated to our work in the public sector. Here you can download copies of our publications. Click on the following link to be directed to the website <https://www.grantthornton.co.uk/>.

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

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Progress at January 2020

Financial Statements Audit

We issued our opinions on the Police and Crime Commissioner and Chief Constable 2018/19 Statement of Accounts on 31 July 2019. We completed our work on your group Whole of Government Accounts (WGA) submission on 12 September 2019, and we issued our audit certificates, closing the audits on 17 September 2019.

We will soon begin our planning for the 2019/20 audit and will issue a detailed Joint Audit Plan, setting out our proposed approach to the audit of the Police and Crime Commissioner and Chief Constable 2019/20 financial statements.

We will agree dates for our interim audit visit with officers. Our interim fieldwork includes:

- Updated review of the Police and Crime Commissioner and Chief Constable control environment
- Updated understanding of financial systems
- Review of Internal Audit reports on core financial systems
- Early work on emerging accounting issues
- Early substantive testing

We will report the findings from our work in the Joint Audit Findings Report and aim to give our audit opinions on the Statements of Accounts by 31 July 2020.

Value for Money

The scope of our work is set out in the guidance issued by the National Audit Office. The Code requires auditors to satisfy themselves that the Police and Crime Commissioner and Chief Constable have each made proper arrangements for securing economy, efficiency and effectiveness in their use of resources.

The guidance confirmed the overall criterion as: "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".

The three sub criteria for assessment to be able to give a conclusion overall are:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties

Details of our initial risk assessment to determine our approach will be included in our Joint Audit Plan.

We will report our work in the Joint Audit Findings Report and aim to give our Value For Money Conclusion by 31 July 2020.

The NAO is consulting on a new Code of Audit Practice from 2020 which proposes to make significant changes to Value for Money work.

Progress at January 2020 (Cont.)

Other areas

Meetings

We continue to meet with Finance Officers as part of our quarterly liaison meetings and continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective.

We also met with the Police and Crime Commissioner and Chief Constable in October 2019 to discuss their strategic priorities and plans.

Events

We provide a range of workshops, along with network events for members and publications to support the Council.

Your finance officers have been invited to our Financial Reporting Workshops that are taking place in January and February, which will help to ensure that they are up to date with the latest financial reporting requirements for 2019/20.

We are also proposing to hold our annual event for Police Audit Committee members. We plan to issue further details on this event early in the new year.

Further details of the publications that may be of interest to Joint Audit Committee members are set out in our Sector Update section of this report.

Audit Fees

During 2017, PSAA awarded contracts for audit for a five year period beginning on 1 April 2018. 2019/20 is the second year of that contract. Since that time, there have been a number of developments within the accounting and audit profession. Across all sectors and firms, the Financial Reporting Council (FRC) has set out its expectation of improved financial reporting from organisations and the need for auditors to demonstrate increased scepticism and challenge and to undertake additional and more robust testing.

Our work in the Local Government sector in 2018/19 has highlighted areas where financial reporting, in particular, property, plant and equipment and pensions, needs to improve. There is also an increase in the complexity of Local Government financial transactions and financial reporting. This combined with the FRC requirement that all Local Government audits are at or above the “few improvements needed” (2A) rating means that additional audit work is required.

We are currently reviewing the impact of these changes on both the cost and timing of audits. We will discuss this with your Chief Finance Officers, including any proposed variations to the Scale Fee set by PSAA Limited, before communicating fully with the Joint Audit Committee.

As a firm, we are absolutely committed to meeting the expectations of the FRC with regard to audit quality and local government financial reporting.

Audit Deliverables

2018/19 Deliverables	Planned Date	Status
Joint Audit Findings Report The Joint Audit Findings Report was reported to the July 2019 Joint Audit Committee.	July 2019	Complete
Auditors Reports These are the opinions on your financial statements, annual governance statements and value for money conclusions.	July 2019	Complete
Joint Annual Audit Letter This letter communicates the key issues arising from our work.	September 2019	Complete
2019/20 Deliverables	Planned Date	Status
Fee Letters Confirming audit scale fees for 2019/20.	April 2019	Complete
Joint Audit Plan We are required to issue a detailed accounts Joint Audit Plan to the Joint Audit Committee setting out our proposed approach in order to give an opinion on the Police and Crime Commissioner and group and Chief Constable's 2019/20 financial statements.	March 2020	Not yet due
Interim Audit Findings We will report to you the findings from our interim audit and our initial value for money risk assessment within our Progress Report.	March 2020	Not yet due
Joint Audit Findings Report The Joint Audit Findings Report will be reported to the Joint Audit Committee.	July 2020	Not yet due
Auditors Reports These are the opinions on your financial statements, annual governance statements and value for money conclusions.	July 2020	Not yet due
Joint Annual Audit Letter This letter communicates the key issues arising from our work.	August 2020	Not yet due

Sector Update

Policing services are rapidly changing. Increased demand from the public and more complex crimes require a continuing drive to achieve greater efficiency in the delivery of police services. Public expectations of the service continue to rise in the wake of recent high-profile incidents, and there is an increased drive for greater collaboration between Forces and wider blue-light services.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider Police service and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- **Grant Thornton Publications**
- **Insights from sector specialists**
- **Accounting and regulatory updates**

More information can be found on our dedicated public sector and police sections on the Grant Thornton website by clicking on the logos below:

Public Sector

Police

HMICFRS



PEEL: Police effectiveness, efficiency and legitimacy 2018/19 – group 2

HMICFRS have published the second group of findings for 14 forces inspected in the PEEL 2018/19 assessment. The findings for the first 14 forces were published in May 2019. In early 2020, HMICFRS propose to publish the findings from inspections in the remaining forces in England and Wales.

The summary press releases can be accessed by [clicking here](#).

Police response to cyber-dependent crime is generally good, but it can be inconsistent, finds Inspectorate

Police forces and the National Crime Agency are generally effective at tackling cyber-dependent crime, according to a new report. However, there are too many local variations in the response to a national threat.

HMICFRS inspected how the police and the National Crime Agency deal with the threat presented by cyber-dependent crime and the wide range of criminals that commit it. This includes hostile state actors, organised crime groups, and those involved in online harassment.

The subsequent report, Cyber: Keep the light on – An inspection of the police response to cyber-dependent crime, identified several areas of positive practice, but also inconsistencies in the response provided at a local level by forces.

The report can be accessed by [clicking here](#).

Selection and development of senior police officers is inconsistent and often ineffective

HMICFRS has warned that police forces do not always identify the best candidates for senior leadership positions because of questionable selection procedures in a new report. In addition, they identify that current training does not equip chief officers with the knowledge and skills they need to perform at their best.

The report, Leading Lights: An inspection of the police service's arrangements for the selection and development of chief officers, found that a lack of consistency, fairness and transparency is having a detrimental effect on police forces' ability to identify and support those with the most potential to become chief officers.

The report highlighted three major areas of concern:

- Police forces are not able to identify potential chief officers as quickly and effectively as they should be;
- Training and development opportunities for chief officers are not sufficiently comprehensive or coherent; and
- The appointment of chief officers is managed in an often-haphazard manner.

The report includes a number of recommendations to help improve the selection and development of chief officers, and the report can be accessed by [clicking here](#).

Other news

World Class Policing Awards 2019

On 14 November 2019 the inaugural World Class Policing Awards ceremony was held in London, celebrating and acknowledging the best in all aspects of 21st century policing. Grant Thornton UK LLP were proud to be a sponsor for the first year of these awards.

Devon and Cornwall Police's Operation Encompass was chosen from an outstanding field of 54 finalists from police departments and forces from across the globe to be crowned overall winner at the inaugural World Class Policing Awards.

The World Class Policing Award judges, who were drawn from across the entire policing field, said they were deeply moved by what Encompass had achieved. Devon and Cornwall Police beat off competition from over 100 entries from across the world to win the overall award.

More information on the Awards can be accessed by [clicking here](#).

Detail on Operation Encompass can be [found here](#), and further detail on the successful nominations will be published on the [Policing Insight website](#) over the coming weeks.



Forces in Focus: Frontline ICT experiences from ten UK forces

CoPaCC has published in-depth individual analyses of police ICT provision in the 10 police forces providing the largest response to the CoPaCC National Police ICT Survey in 2018.

The report charts the respondent's level of satisfaction with ICT provision in their individual forces via ten questions covering a range of subjects including overall satisfaction, investment, access to a computer, provision of mobile devices, system integration and data reliability, training and support.

The responses are broken down to federated ranks, senior officers and staff providing a unique insight into the challenges experienced in each force. The results are bench marked in each subject area against the national average of the all the responses from survey.

The overall report, as well as the individual Force reports, can be [accessed here](#).

CIPFA publish Police Statistics 2019/20 Estimates

CIPFA have published their 2019/20 edition of Police Statistics which includes a detailed analysis of budgeted revenue expenditure and income, plus a wide range of other financial and non-financial data.

The publication can be [purchased here](#).

Financial Reporting Council – Summary of key developments for 2019/20 annual reports

On 30 October the Financial Reporting Council (FRC) wrote an Open Letter to Company Audit Committee Chairs. Some of the points are relevant to local authorities, including police bodies.

The reporting environment

The FRC notes that, “In times of uncertainty, whether created by political events, general economic conditions or operational challenges, investors look for greater transparency in corporate reports to inform their decision-making. We expect companies to consider carefully the detail provided in those areas of their reports which are exposed to heightened levels of risk; for example, descriptions of how they have approached going concern considerations, the impact of Brexit and all areas of material estimation uncertainty.” These issues equally affect police bodies, and the Statement of Accounts or Annual Report should provide readers with sufficient appropriate information on these topics.

Critical judgements and estimates

The FRC wrote “More companies this year made a clear distinction between the critical judgements they make in preparing their accounts from those that involve the making of estimates and which lead to different disclosure requirements. However, some provided insufficient disclosures to explain this area of their reporting where a particular judgement had significant impact on their reporting; for example, whether a specific investment was a joint venture or a subsidiary requiring consolidation. We will continue to have a key focus on the adequacy of disclosures supporting transparent reporting of estimation uncertainties. An understanding of their sensitivity to changing assumptions is of critical value to investors, giving them clearer insight into the possible future changes in balance sheet values and which can inform their investment decisions.” Critical judgements and estimates also form a crucial part of local authority statements of account, with the distinction often blurred.

IFRS 16 Leases

The FRC letter notes “IFRS 16 is effective for periods beginning on or after 1 January 2019. We recently conducted a thematic review looking at how companies reported on their adoption of the new standard in their June 2019 interim accounts. In advance of our detailed findings which will be published shortly, I set out what we expect to see by way of disclosures in the forthcoming accounts, drawing on the results of our work.

- Clear explanation of the key judgements made in response to the new reporting requirements;
- Effective communication of the impact on profit and loss, addressing any lack of comparability with the prior year;
- Clear identification of practical expedients used on transition and accounting policy choices; and
- Well explained reconciliation, where necessary, of operating lease commitments under IAS 17, ‘Leases’, the previous standard and lease liabilities under IFRS 16.”

The implementation of IFRS is delayed until 1 April 2020 in the public sector when it will replace IAS 17 Leases and the three interpretations that supported its application. Entities will need information and processes in place to enable them to comply with the requirements. They will need to make disclosures in the 2019/20 accounts about the impact of IFRS 16 in accordance with IAS 8/ Code 3.3.4.3 requirements for disclosure about standards which are issued but are not yet effective.



Financial Reporting Council

What is the future for local audit?

Paul Dossett, Head of local government at Grant Thornton, has written in the Municipal Journal “Audit has been a hot topic of debate this year and local audit is no exception. With a review into the quality of local audit now ongoing, it’s critical that part of this work looks at the overarching governance and management of the audit regime. We believe there is a strong need for new oversight arrangements if the local audit regime is to remain sustainable and effective in the future.”

Paul goes on to write “Local (local authority and NHS) audit has been a key part of the oversight regime for public services for more than a century. The National Audit Office (NAO) has exercised this role in central government for several generations and their reporting to Parliament via the Public Accounts Committee is a key part of the public spending accountability framework.

Local audit got a significant boost with the creation of the Audit Commission in 1983 which provided a coordinated, high profile focus on local government and (from 1990) NHS spending and performance at a local level. Through undertaking value for money reviews and maintaining a tight focus on the generational governance challenges, such as rate capping in the 1980s and service governance failings in the 1990s, the Commission provided a robust market management function for the local audit regime. Local audit fees, appointments, scope, quality and relevant support for auditors all fell within their ambit.

However, the Commission was ultimately deemed, among other things, to be too expensive and was abolished in 2010, as part of the Coalition Government’s austerity saving plans. While the regime was not perfect, and the sector had acknowledged that reform of the Commission was needed, complete abolition was not the answer.

Since then, there has been no body with complete oversight of the local audit regime and how it interacts with local public services. The Ministry of Housing, Communities and Local Government; Department of Health; NHS; NAO; Local Government Association (LGA); Public Sector Audit Appointments Ltd (PSAA); the Financial Reporting Council (FRC); the Chartered Institute of Public Finance & Accountancy (CIPFA), audit firms and the audited bodies themselves all have an important role to play but, sometimes, the pursuit of individual organisational objectives has resulted in sub-optimal and even conflicting outcomes for the regime overall.

These various bodies have pursued separate objectives in areas such as audit fee reduction, scope of work, compliance with commercial practice, earlier reporting deadlines and mirroring commercial accounting conventions – to name just a few.

This has resulted in a regime that no stakeholder is wholly satisfied with and one that does not ensure local audit is providing a sufficiently robust and holistic oversight of public spending.

To help provide a more cohesive and co-ordinated approach within the sector, we believe that new oversight arrangements should be introduced. These would have ultimate responsibility for ensuring the sustainability of the local audit regime and that its component parts – including the Audit Code, regulation, market management and fees – interact in an optimal way. While these arrangements do not need to be another Audit Commission, we need to have a strategic approach to addressing the financial sustainability challenges facing local government and the NHS, the benchmarking of performance and the investigation of governance failings.

There are a number of possible solutions including:

- 1) The creation of a new arm’s length agency with a specific remit for overseeing and joining up local audit. It would provide a framework to ensure the sustainability of the regime, covering fees, appointments, and audit quality. The body would also help to create a consistent voice to government and relevant public sector stakeholders on key issues arising from the regime. Such a body would need its own governance structure drawn from the public sector and wider business community; and
- 2) Extending the current remit of the NAO. Give it total oversight of the local audit regime and, in effect, establish a local audit version of the NAO, with all the attendant powers exercised in respect of local audit. In this context, there would be a need to create appropriate governance for the various sectors, similar to the Public Accounts Committee.

While the detail of the new arrangements would be up for debate, it’s clear that a new type of oversight body, with ultimate responsibility for the key elements of local audit, is needed. It would help to provide much-needed cohesion across the sector and between its core stakeholders.

The online article is available here:

<https://www.themj.co.uk/What-is-the-future-for-audit/214769>

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.



MEETING: Joint Audit Committee	DATE: 16th January 2020	AGENDA NO: 9
DEPARTMENT: OPCC	AUTHOR: Ben Valentine	
NAME OF PAPER: OPCC Summary of Strategic Risk Management	PURPOSE: Information	OPEN SESSION

1. PURPOSE OF REPORT AND BACKGROUND

This report provides members of the Joint Audit Committee (JAC) with an overview of any significant changes to the OPCC Strategic Risk Register (SRR), and other points related to the management of risk, in the period of time since the last JAC meeting held on 25th September 2019.

2. POINTS OF NOTE

CEO and CFO

The most significant change that is reflected in the OPCC SRR is the resignation of the (long standing) CEO and the following mitigating activity which will see the OPCC CFO acting as interim CEO and Monitoring Officer. As the same person cannot discharge the duties of the Monitoring Officer and the s151 (CFO) duties the s151 responsibility will be temporarily assumed by the Constabulary CFO.

This interim solution does however create a number of secondary risks. Firstly there will be a loss of independence in having the same person discharging the section 151 duties for the PCC and Chief Constable and there will be a substantive CFO vacancy in the PCC's office for this interim period. However this secondary risk is mitigated because the interim CEO has the expertise and experience of a CFO and can still advise the PCC in such matters even though he cannot legally discharge the duty. It should also be noted that this is not unique and some PCCs and Chief Constables have a joint s151 officer as a permanent arrangement.

The other secondary risk is the reduced capacity, at a senior level, in the PCC's Office and the additional demand this will create for the rest of the office. A plan has now been agreed with the PCC and wider Senior Leadership Team of how the office will operate in the interim period and additional responsibilities and duties that people will take on. In addition to this the monthly People and Purpose meeting, attended by the PCC and SLT, has recently adopted a new approach to broaden the collective focus on governance through management of performance, risks, issues and opportunity and will become the OPCC Management Board.

Although the PCC and the office are satisfied with the plans now in place it also acknowledges there is increased risk during this period. Therefore the unmitigated and mitigated probability scores will increase by one point for each *SR1 Governance Failure* and *SR6 Lack of capacity/capability within the OPCC*. This means the mitigated risk scores for both have increased to 16.

PCC

The PCC has announced this week that she will not stand again to be PCC in the May 2020 elections. This means that there will definitely be a new PCC from May 2020 which brings with it a level of uncertainty and risk. This is heightened in Avon and Somerset as there has only ever been the one PCC and separately uncertainty is compounded at this current time as there has only been one PCC candidate declare so far. This change is not reflected on the SRR as the office has not yet had chance to fully consider the effects of this but it will impact on the risks of Failure to deliver the Police and Crime Plan (SR2) and Failure to set an effective Police and Crime Plan (SR10).

The current CFO acting as the interim CEO becomes more important given this most recent news as that consistency will help to mitigate the risks a new PCC will bring.

Opportunity

It must be noted the above is written in the context of being a risks and issues paper and so highlights the potentially negative points and challenges; the Office of the Police and Crime Commissioner recognise that a new CEO and new PCC also bring with them great opportunity as well.

3. RECOMMENDATIONS

There are no recommendations as the paper is for information only.



Office of the Police and Crime Commissioner for Avon and Somerset

Strategic Risk Register

January 2020

A Strategic Risk is anything that might impede the delivery of the organisational objectives. Risk management is the process by which these risks are identified, assessed and controlled. This risk register is the document which records these risks and related information.

Risk is assessed by considering the causes of the risk and the consequences if that risk were to happen. The scoring is therefore based on the likelihood multiplied by the impact. The below grids explain the scoring in more detail. Risk is about planning for the future so when considering the assessment it goes beyond current performance.

Impact	5 Extreme	5	10	15	20	25
	4 High	4	8	12	16	20
	3 Moderate	3	6	9	12	15
	2 Low	2	4	6	8	10
	1 Negligible	1	2	3	4	5
		1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost Certain
		Probability				

Probability	
5 Almost Certain	Likely to occur within a twelve-month time period, or about a 75% probability of occurrence
4 Likely	Likely to occur within a two-year time period, or about a 50% probability of occurrence
3 Possible	Likely to occur within a three-year time period, or about a 25% probability of occurrence
2 Unlikely	Likely to occur within a five-year time period, or about a 15% probability of occurrence
1 Rare	Likely to occur in a ten year period, or about a 5% probability of occurrence

Impact	
5 Extreme	<ul style="list-style-type: none"> • Fatality of any individual • Financial impact greater than £1/2 m • Vote of no confidence from Local Authorities - failed • National media attention • Government/ HO intervention • Total disruption to service • Exceptional/long term reputational damage
4 High	<ul style="list-style-type: none"> • Serious life-threatening injury of any individual • Financial impact greater than £1/4 m • Vote of no confidence from Local Authorities - failed • Regional media attention • Adverse comment by Minister / auditor • Major service disruption/reputational damage
3 Moderate	<ul style="list-style-type: none"> • Serious non-life-threatening injury of any individual • Financial impact greater than £100k • Criticism from the Police and Crime Panel • Local media attention • Significant service disruption • Significant reputational damage
2 Low	<ul style="list-style-type: none"> • Minor injury of any individual • Financial impact up to around £100k • Multiple thematic complaints • Some service disruption • Some negative consequences relating to reputation
1 Negligible	<ul style="list-style-type: none"> • Slight injury of any individual • Low level financial loss • Isolated complaints • Minor service disruption • Minor/contained negative consequences

The unmitigated scores are the assessment based on the current position with no action taken or controls in place. The mitigated scores are based on the success of the controls (anticipated or actual) in reducing the risk.

It should be noted that the OPCC and the Constabulary are separate organisations and therefore each may assess the same risk as being at a different level. This is most evident in the risk of failure to deliver the police and crime plan. This exists on both Strategic Risk Registers but may score differently. One of the main reasons for this is that the OPCC assess delivery of the plan as a whole which relies on agencies, other than the Constabulary to fully deliver e.g. the CPS and Courts. Whereas when the Constabulary assess this risk they need only consider the parts of the plan they are expected to deliver. A difference may also be caused whether considering the risk in the short, medium or long term.

[illegible]

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to deliver the Police and Crime Plan	SR2	CEO	5	4	20
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	4	16
			Mitigated Risk change:		◀▶
Cause		Impact			
<ul style="list-style-type: none"> • Response timeliness • Poor data quality • Positive Outcomes - not seeing the improvements hoped for - particularly of Op Remedy crimes. • Uncertainty of delivery following Neighbourhoods review - yet to see improvements • Lack of capacity/capability within the Constabulary (see Constabulary SRR3 commentary) - Investigations vacancies critical • Lack of representation in the Constabulary workforce • National rape crisis reduces confidence in the entire Criminal Justice System • Lack of control/influence over other Criminal Justice agencies • Government may want a more centralised/national approach to policing – the key outcomes measures scrutinised may differ from the local approach and split the focus of policing. • Increased numbers of officers will result in more people going through the Criminal Justice System – unknown if other agencies will be funded to deal with the increased volume – particularly a concern in terms of prisons and probation. • ORI01 – Not all VIP victims correctly referred to Lighthouse • ORI08 – Lighthouse failing to meet SLAs about victim contact • ORI14 – Lack of response trained drivers • ORI15 – Increased demand on Patrol officers 		<ul style="list-style-type: none"> • Loss of legitimacy in the OPCC and Constabulary • Loss of public confidence/trust in the OPCC (SR4) and Constabulary • Failure to keep people safe • Failure to protect and support vulnerable people • Failure to bring offenders to justice • People will feel unsafe • Police and Crime Panel criticism and/or fail to agree precept increase 			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none"> • PCC/Chief Constable meetings • Police and Crime Board (PCB) discusses performance, assurance and risk • Representation at Constabulary CMB • Audits and Inspections (HMICFRS & SWAP) overseen by Joint Audit Committee • Internal assurance mechanisms are in place to evaluate delivery of the Plan's objectives • Service Delivery Assurance visits led by OPCC check and test for areas to improve • Joint performance framework allows better oversight of delivery against the plan • Oversight of all strategic constabulary data through Qlik • Panel Meetings • Contacts analysis • Forum analysis • Scrutiny of complaints and conduct 	May 2020 May 2020 Feb 2020	PCC CEO CEO Mark Simmonds Ben Valentine Ben Valentine Ben Valentine Ben Valentine CEO Niamh Byrne Niamh Byrne Sally Fox	<ul style="list-style-type: none"> • OPCC attendance at CMB and the PCB which follows this continues to work well in terms of assurance and open dialogue about areas of concern where the plan may not be delivered. • The Strategic Threat Assessment and Strategic Intelligence Requirements documents raise concerns around the Constabulary's ability to deliver against the Plan, but HMICFRS inspections indicate good progress. • Due to lack of capacity SDAs are conducted infrequently • Framework now live - first reported on Q2 19/20 will continue to develop and improve. 		

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Financial incapability or ineffectiveness	SR3	Mark Simmonds	3	5	15
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			2	4	8
			Mitigated Risk change:		◀▶
Cause		Impact			
<ul style="list-style-type: none">● Op Uplift – local share of funding confirmed for 2019/20 and 2020/21 – but uncertain thereafter. Funding this year dependant on recruiting the additional officers.● Uncertainty around associated costs of Op Uplift e.g. increase in senior officer ranks, estates provision.● Central funding effectively ring-fenced to deliver the additional officers as 40% of the budget is from precept this still leaves significant challenges. Budget only balanced with 5 years of 2% precept rises – this may not be supported by the Police and Crime Panel.● Capital budget not fully funded from 2023/24 – borrowing already at prudent levels and diminishing potential for capital receipts.● Pay awards may be agreed nationally but not funded through central grants (every 1% pay rise is approx. £2.2 million).● Increasing pension costs for officers and staff schemes.● National work will require local funding with no control over decision making e.g. ESMCP, NPAS, national IT.● Uncertainty of local costs in high value areas: IT and replacement of SAP.● Police Funding formula review for 2020.● Brexit could cause an economic crisis which may lead to an emergency budget and current planned spending increases dampened.● Failure to agree, fund or deliver a balanced and sustainable budget.● Failure to ensure value for money in OPCC and delegated Constabulary budgets.		<ul style="list-style-type: none">● Run out of money - require intervention (Governmental)● Loss of public confidence (SR5)● Unable to fund adequate or minimum service● Unable to fund delivery of PCC priorities (SR2)● Unable to afford change● Inefficiency in use of police funds wastes money and harms reputation			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none">● Medium and long term financial planning● Regular oversight of revenue & capital budget● Maintain adequate risk-assessed reserves● Subject to external and internal audit both overseen by the Joint Audit Committee● Treasury Management strategy in place outcomes reviewed by CFOs and Finance meeting● HMICFRS efficiency inspection regime		<div>Mark Simmonds</div> <div>Mark Simmonds</div> <div>Mark Simmonds</div> <div>Mark Simmonds</div> <div>Mark Simmonds</div> <div>Mark Simmonds</div>	<ul style="list-style-type: none">● Outturn for 18/19 is £6m core underspend used to fund provisions and capital. New savings agreed mostly from Enabling Services - in process of being delivered.● MTFP - Revenue budget for 3 years is funded. Cost pressure from pay and pension funding means £5m annual savings needed by March 2024 to balance the MTFP and additional savings are required to generate investment funds if funding after 2019/20 does not improve in the CSR.● Capital plan being reviewed - funding risk as capital receipts reduce as less assets to sell. £15m borrowing facility agreed to fund longer term assets over next 4 years.● Reserves stable but will be consumed - forecast useable non ring fenced reserves to be £12 million by 2022 (4% of net PCC annual budget).● Precept agreed £24 rise per annum for band D in 2019-20, then revert to 1.99% capped increase.● Assuming the additional funding for police is delivered as planned in the short term this will create an underspend position. For the current financial year the underspend has been used to 'accelerate' a number of Constabulary plans, used on reducing re-offending work and remainder will be put into reserves to manage future risk.		

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to engage with the public and other stakeholders	SR4	CEO	4	3	12
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			3	3	9
			Mitigated Risk change:		◀▶
Cause		Impact			
<ul style="list-style-type: none">• Limited resources to support this within the OPCC• Engagement methods do not always reach a wide audience or different communities or groups• Lack of awareness or willingness to engage from the public		<ul style="list-style-type: none">• Reputational damage to both the OPCC and Constabulary• Loss of legitimacy in both the OPCC and Constabulary• Lack of public confidence in or awareness of OPCC (SR5)• Partnership relationships damaged• Failure to understand people's priorities and issues re policing and crime and which could be biased by only hearing those individuals already proactive/engaged.• Police and Crime Plan and delivery not aligned to public concerns and priorities (SR10 & SR2)			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none">• OCC/OPCC Corp Comms joint meetings• Attendance at Gold Groups as required• Oversight of Operation Remedy Communications Plan through ongoing meeting structure• Creation of an overarching strategic approach to communications going forward to work in a more focused and smarter way that enhances business objectives and strategic priorities• Review of communications approach and channels as part of creating a new strategy• Creation of tactical communications plans for particular workstreams (including public engagement/events) with ownership and delivery allocated to one person who is accountable• Redesign website and review and goal focused social media communications plan• Meetings with local community group leaders• Increase community engagement at forums, community days and events etc• Joint working on communications plans for the Five Big Ideas being implemented by the Constabulary including three tier approach to cultural sensitivity training, workforce mobilisation, creation of a new cultural intelligence hub to enhance the representative workforce programme, engagement and support of communications activity in relation to Commission of Racial Equality (CORE) in Bristol• Converting Comms intern post into full time permanent role will support this• Revise stakeholder mapping and management	March 2020	Niamh Byrne CEO Niamh Byrne	<ul style="list-style-type: none">• PCC is developing a communications strategy which will involve closer joint working on tactical communications plans under particular workstreams. The approach includes working together from planning stage to ensure roles and responsibilities for delivery are set out from the start of a piece of work and make it clear what role each organisation plays.		
	March 2020	Niamh Byrne			
	March 2020	Niamh Byrne			
	March 2020 May 2020 May 2020	Niamh Byrne PCC PCC Niamh Byrne	<ul style="list-style-type: none">• Current website under review by Head of Comms and will present findings to SLT. Aim to be re-designed by April 2020. Social media plan to be written and being delivered in Q3 2019/20.• Part of the new communications strategy is to take a different approach to drop-ins by making them a part of community events that are already taking place as opposed to independent ones set up by our office for Sue that haven't seen the level of engagement desired. We will be working to include more opportunities in our diverse communities.		
		April 2020 April 2020			
			<ul style="list-style-type: none">• Agreed at P&P meeting in January with a view to completing before new PCC arrives		

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Lack of public confidence in or awareness of OPCC	SR5	CEO	4	3	12
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			3	3	9
			Mitigated Risk change:		◀▶
Cause		Impact			
<ul style="list-style-type: none">● Failure to engage with the public and other stakeholders (SR4)● Failure to discharge statutory duties (SR1)● Failure to deliver the Police and Crime Plan (SR2)● Failure to set an effective Police and Crime Plan (SR10)● Policing failures/adverse incidents (even at an operational level) can impact on the perception of the OPCC also● Public expectation of the role of the PCC may not be matched by available funding or powers of the PCC● Op Remedy fails to deliver expected outcomes● Failure of the Constabulary to deliver Op Uplift (Force Futures) or if delivered failure to improve outcomes would likely impact confidence in the OPCC due to public expectations● National rape crisis reduces confidence in the entire Criminal Justice System● Government may want a more centralised/national approach to policing which may undermine the legitimacy of the role of PCCs.		<ul style="list-style-type: none">● Loss of legitimacy in the OPCC● Failure to demonstrate value for money● Could undermine the working relationship between the Constabulary and OPCC● Low voter turnout in PCC elections● Loss of political support for the need for PCCs			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none">● Gold Groups manage critical issues of public confidence● Embed new strategy/ways of working within OPCC● Establishing a calendar of regular media appearances / communications activities which will also link to national days or weeks where relevant.● Creating, owning and delivering tactical communications plans for all relevant workstreams e.g. Op Remedy, Resolve, Strategic Priorities● Redesign website <ul style="list-style-type: none">● Creating election microsite	March 2020	CEO	<ul style="list-style-type: none">● The OPCC has a standing invite to all Gold Groups● The new strategy will look holistically at internal and external communications with input from the whole organisation.● Delivery of this strategy will be monitored through KPIs, within individual tactical plans for each workstream, on a regular basis with SLT and other key members of staff. Tactical plans at various stages of development.● In order to drive forward this work the Comms team will be replacing the existing intern role with a permanent full time post.● Microsite now live - will be a developing site as new questions asked for prospective candidates.		
	March 2020	Niamh Byrne			
	March 2020	Niamh Byrne			
	March 2020	Niamh Byrne			

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Lack of capacity/capability within the OPCC	SR6	Kate Watson	5	4	20
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	4	16
			Mitigated Risk change:		▲
Cause		Impact			
<ul style="list-style-type: none">• CEO is leaving in Jan 2020 – loss of organisational knowledge and new CEO may bring a significant change in leadership.• CFO taking on interim CEO role will have a knock on effect of work passed down through the office increasing demand on a number of individuals.• Small size of the organisation and varied specialisms also makes building resilience challenging.• A number of single points of failure within the OPCC (can cause risk to materialise temporarily during periods of prolonged absence).• Insufficient sharing of knowledge or work among the team reduces resilience.• Change in legislated duties of the PCC requiring additional resource/expertise.• There has been a period of staff turnover, although vacancies have been filled there are many 'new in service'.• Temporary loss of Senior Commissioning and Policy Officer.• ASC OPCC has a relatively small budget (bottom quartile) compared to other OPCCs.• Demand too high for current resource levels.• PCC elections May 2020 - new priorities of PCC term may require rapid learning/development of staff in new areas.• PCC elections May 2020 - a new PCC may have different ways of working or different values that may cause staff to leave.• National appetite for PCCs portfolio to extend to Fire & Rescue Services after next elections – this will create additional demand on this office and there will be lack of experience in dealing with this area of business.		<ul style="list-style-type: none">• Increased likelihood of materialisation of all other strategic risks through delivery failure• Delivery of work is late or not to standards of quality desired			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none">• Resource planning - SLT have a monthly People & Positions meeting to help mitigate this risk• Regular team meetings to share knowledge and resolve issues• PDR process and regular supervisory sessions• Annual staff survey which forms the basis of a delivery plan• Training and development budget maintained• Skills matrix maintained• Salary levels set at a reasonable market rate and in line with other OPCCs• Values and teamwork embedded and recruited to improving retention	May 2020	Mark Simmonds	<ul style="list-style-type: none">• CFO acting as interim CEO until after PCC elections when a permanent appointment is made.• Plan agreed between PCC and SLT of new responsibilities ways of working during the interim CEO period.• Commissioning & Partnerships have recruited a new Support Officer in Dec 19 and new Support Assistant in Jan 20.• PDR process being considered to bring more independent assessment of these• Need to refresh the matrix and better embed its use in the process of assigning new work• OPCC values reviewed and agreed waiting on development of supporting material/plan to launch at team meeting.		
	June 2020	Kate Watson			
	June 2020	Kate Watson			
	June 2020	Mark Simmonds			
	June 2020	Kate Watson			
Feb 2020	CEO/Mark Simmonds Niamh Byrne				

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk	
Failure to deliver commissioned services	SR7	Marc Hole	4	4	16	
			Mitigated Probability	Mitigated Impact	Mitigated Risk	
			2	4	8	
			Mitigated Risk change:		◀▶	
Cause		Impact				
<ul style="list-style-type: none">● Vacancies and backlogs in in Lighthouse (the primary commissioned service)● End of Home Office VAWG Transformation Fund risks continuity of provision after March 2020● Control Room Triage failing to deliver as expected● Staff changes within the OPCC Commissioning & Partnerships Team		<ul style="list-style-type: none">● Failure to support victims particularly vulnerable victims - PCP Priority 1 (SR2)● Loss of public confidence in or awareness of OPCC (SR5)● Relationship with Constabulary and partners● Reduction or withdrawal of victims grant from Government● Failure to devolve further funding/commissioning				
MITIGATION						
Controls	Review date	Owner	Commentary / Controls updates			
<ul style="list-style-type: none">● Maintain a sufficiently resourced and prioritised commissioning team within the OPCC.● Lighthouse victims service jointly established with the Constabulary with regular review meetings.● Victim Services Provider forum and AWP Partnership Board are regular joint strategic meetings with commissioned services.● Performance Framework includes commissioned services MoJ data to bring greater visibility and accountability of services.● Co-commission, with the Constabulary, new approach to Out of Court Disposals and interventions.	Jan 2020	Marc Hole	<ul style="list-style-type: none">● Senior Commissioning Officer will be on maternity leave from December 2019 however a new Support Officer started in Dec 19 and new Support Assistant in Jan 20. The temporary loss of the senior role is also being managed through the pipeline of work from the SLT into the team.● Recommendations for short-term improvements in Lighthouse were agreed at Sept PCB – this will continue to report back to PCB every month and as the situation progresses the medium-long term solutions will be decided upon.			
	Jan 2020	Marc Hole				
			Marc Hole	<ul style="list-style-type: none">● Need to further improve the governance and decision making over commissioned services utilising the new performance framework.● ASCEND pilot went live Nov 2018 - interim evaluation in June 19 with final evaluation in Q1 2020/21. Pathway and approach for hate crime still to be finalised and signed off.		
	Mar 2020	Marc Hole				
	Jan 2020	Charlotte Pritchard				

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to deliver effective and efficient collaborations with other forces	SR8	CEO	4	3	12
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	3	12
			Mitigated Risk change:		◀▶
Cause		Impact			
<ul style="list-style-type: none">• 'Political' barriers to collaboration• Reduced appetite for regional collaborations due to past failings• Failure to agree effective models for collaboration• Increased funding for police means the imperative to collaborate is not so pressing• Ineffective governance and scrutiny over existing collaborations - lack of accountability• Ineffective governance and ownership of regional projects and programmes• Tension between local forces and collaborations in terms of competing interests and lack of uniformity of people and processes• Lack of direct influence/control in order to make changes i.e. everything must be done by (multi-force) committee		<ul style="list-style-type: none">• Governance failure as a duty of the PCC (SR1)• Failure to deliver value for money• Failure to deliver specific services provided by existing collaborations• Inefficient compared to other regions/areas• Criticism from HMICFRS• Government scrutiny/intervention• Lack of resilience otherwise provided by a collaboration• Forced to accept others terms from future alliances or mergers			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none">• Strategic Collaboration Governance• Regional commissioning and programme boards and policy officer• SWAP appointed as Internal Auditor (from April 2019) - working in partnership with other regional forces	Mar 2020	PCC Mark Simmonds Mark Simmonds	<ul style="list-style-type: none">• Given the reduced strategic oversight of the Collaboration Boards need to increase scrutiny within OPCC• Remaining collaborations are largely mandated:<ul style="list-style-type: none">- Regional Organised Crime Unit- Counter Terrorism Police- Forensics- Special Branch- NPAS- Tri Force Firearms Training- Major Crime Investigations		

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to deliver effective and efficient collaborations or outcomes with other partners	SR9	CEO	4	4	16
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			3	3	9
			Mitigated Risk change:		◀▶
Cause		Impact			
<ul style="list-style-type: none">● Partner funding remains under pressure with financial settlements not keeping pace with inflation and demand. This increases the risk of demand and funding requests moving to the ASC and OPCC● Failure to put in place effective governance and ownership of partnership working● Differing priorities and leadership of agencies● Lack of accountability		<ul style="list-style-type: none">● Governance failure as a duty of the PCC (SR1)● Failure to deliver the Police and Crime Plan (SR2) - particularly Priority 4● Failure to deliver a whole systems approach to crime and continue the 'revolving door' of offending and victimisation● Failure to deliver value for money			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none">● Representation on LCJB, CSPs, Children's Trusts, Health and Wellbeing Boards● Meetings (outside of Boards) with LA chairs/CEOs; CSP Chairs● Criminal Justice Transformation	March 2020	CEO CEO Jo Coulon	<ul style="list-style-type: none">● CJ Transformation Programme finished 2019 but OPCC continue to sit on LCJB and will be a policy area for OPCC to work with 'CJ task force'.● Local Resolve Programme extended to Sept 2020 – Regional SRO being recruited in Nov 2019● Grant awarded by HO Q2 2019/20 same funding granted for 2020/21 – there are 5 local VRUs in each LA area with a central Strategic Governance Group chaired by the PCC. The first year will be set up and production of problem profiles and response strategies.		
<ul style="list-style-type: none">● Resolve Programme (local and regional)	March 2020	Zoe Short/ Sophie Baker			
<ul style="list-style-type: none">● Violence Reduction Units	Jan 2020	Charlotte Pritchard			
<ul style="list-style-type: none">● Collaborate with Fire Authorities		CEO			

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to set an effective Police and Crime Plan	SR10	CEO	3	5	15
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			2	4	8
			Mitigated Risk change:		◀▶
Cause		Impact			
<ul style="list-style-type: none">● PCC elections May 2020 - could result in a substantially revised or new plan - more likely given the certainty of a new PCC● Failure to sufficiently assess needs● Lack of data or poor data quality● Ineffective working with the Constabulary		<ul style="list-style-type: none">● Failure of governance particularly a key statutory requirement of the PCC (SR1)● Lack of public confidence in or awareness of OPCC (SR5)● Priorities, and therefore Constabulary service, fails to address local needs● Inability to scrutinise the Constabulary effectively● Ineffective working / loss of engagement with the Constabulary● Ineffective working / loss of engagement with partners or other commissioned services			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none">● Police and Crime Needs Assessment (PCNA) produced for 2019 which will be provided to all PCC candidates● Revised PCNA will be produced ahead of any new plan being written● OPCC will follow best practice outlined in 'APACE Police and Crime Plans - Guidance and Practice Advice' when setting a new plan		CEO Ben Valentine Ben Valentine	<ul style="list-style-type: none">● This is an emerging risk given the PCC elections. Failure to set a plan at all is the bigger impact but very unlikely: the bigger risk within this is ensuring the plan is effective.		