AVON &
SOMERSET
POLICE & CRIME
COMMISSIONER

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E-mail: JAC@avonandsomerset.pnn.police.uk   **Date : 7th July 2016**

To: ALL MEMBERS OF THE JOINT AUDIT COMMITTEE

   i.   Katherine Crallan, Jude Ferguson (Chair), Shazia Riaz, 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 **15th July 2016** in the **Conference Room, Police Headquarters, Portishead.**

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

The agenda for the meeting is set out overleaf.

Yours sincerely

Alaina Davies
Office of the Police and Crime Commissioner

Police and Crime Commissioner for Avon & Somerset
Police Headquarters, Valley Road, Portishead, Bristol BS20 8JJ
Website: www.avonandsomerset-pcc.gov.uk   Tel: 01275 816377   email: pcc@avonandsomerset.pnn.police.uk

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INFORMATION ABOUT THIS MEETING

(i) Car Parking Provision

Please ask the Gatehouse staff where to park, normally the South Car Park. Disabled parking is available.

(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 **Visitor's Car Park**.

(iv) Please sign the register.

(v) 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:

Office of the Police and Crime Commissioner
Valley Road
Portishead
BS20 8JJ

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(vi) REPORT NUMBERS CORRESPOND TO AGENDA NUMBER

AGENDA

15th July 2016, 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 Visitors Car Park.

3.   Declarations of Gifts/Offers 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 10th March 2016 (Report 5)

6.   Business from the Chair (Report 6):

a)   **JAC Membership (Verbal Update)**
b)   **PCC re-election (Verbal Update)**
c)   **2015/16 Draft Statement of Accounts**
d)   **Update on IPCC Investigations (Verbal Update)**
e)   **Joint Audit Committee Member Update (Verbal Update)**

7.   Internal Audit (Report 7):

a)   **Annual Internal Audit Report 2015/16**
b)   **Progress Report**
c)   **Vulnerability**
d)   **Project Atlas (Niche) – Project Management Review**
e)   **Culture**
f)   **Rostering – Project Aurora**

8.   External Audit (Report 8):
a)   **Progress Report**
b)   **Audit Fee Letters**

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

10.   Constabulary Strategic Risk Register (Report 10)

Part 2

Items for consideration without the press and public present

11.   Exempt minutes of the Joint Audit Committee Meeting held 10th March 2016 (Report 11)

12.   HMIC Update (Report 12)

POLICE AND CRIME COMMISSIONER FOR AVON AND SOMERSET

MINUTES OF THE AUDIT COMMITTEE HELD ON THURSDAY 10TH MARCH 2016 AT 10:00 IN THE AVON ROOM, POLICE HQ, VALLEY ROAD, PORTISHEAD

Members in Attendance

Katherine Crallan
Jude Ferguson (Chair)
Lee O'Bryan
Shazia Riaz
Sue Warman

Officers of the Constabulary in Attendance

Andy Marsh, Chief Constable
Julian Kern, Director of Finance ("OCC CFO")
Nick Adams, Head of Finance and Business Services
Sean Price, Head of Performance and Process Improvement
Jane Walmsley, Inspection and Audit Coordinator
Dan Wood, Head of Strategic Service Improvement
Kirsty Cogram, Financial Investigations Unit (Part of Meeting)

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

Mark Simmonds, Chief Finance Officer ("OPCC CFO")
Kate Watson, Office and HR Manager
Alaina Davies, Resources Officer

Also in Attendance

Sue Mountstevens, Police and Crime Commissioner
Iain Murray, Grant Thornton
Jackson Murray, Grant Thornton
Mark Jones, RSM
Vickie Gould, RSM

1.   **Appointment of the Joint Audit Committee Chair**

The OPCC Office and HR Manager gave an overview of the Joint Audit Committee (JAC) Member review process. Feedback was also sought from JAC Members on their views on Effective Police Audit Committees.

The 360 degree JAC Chair review was conducted by the Police and Crime Commissioner (PCC) in February 2016 and included capability and knowledge ratings and commentary on performance. Feedback was sought from JAC Members, the Deputy Chief Constable, Internal and external auditors – this anonymous feedback was passed to the PCC for her review meeting with the Chair which was positive.

Nominations for the JAC Chair were open to all Members. Jude Ferguson was nominated and has been confirmed in post. Out of the three options presented to JAC Members for the JAC Chair term of appointment it was proposed that it be until December 2017.

The terms of appointment for all JAC Members ends in May 2016 and the PCC and Chief Constable will write to Members inviting them to extend to a second term in accordance with the terms of reference

> 2.4 Current Terms of Reference state that all JAC Members will serve for a maximum of 2 terms, with each term being a maximum of 3 years. To ensure continuity, where possible, members shall be rotated on and off the JAC in turn rather than as a group, therefore the term of membership for the JAC will be determined on recruitment of another member.

RESOLVED that the Joint Audit Committee Chair be Jude Ferguson and the term of appointment run until 13 December 2017.

2. Apologies for Absence

None

3. Emergency Evacuation Procedure

The emergency evacuation procedure for the Gordano meeting room was noted.

4. Declarations of Interest / Gifts / Offers of Hospitality

None.

5. Public Access

There were no requests for public access

6. Minutes of the Joint Audit Committee Meeting held on 18 September 2015 (Report 8)

RESOLVED THAT the minutes of the meeting held on 10 December 2015 were confirmed as a correct record and will be signed by the Chair.

Action update:

Minute 50b(i)   The term of appointment for all JAC Members is confirmed at agenda item 1. Action Closed

Minute 50b(ii)   The JAC Chair nomination process and term of appointment was discussed at agenda item 1. Action Closed

Minute 51a   The Constabulary will replicate the governance process which has been put into place regarding

recommendations from the HMIC Reports for internal audit. Action Closed

Minute 51b   The Internal Audit report on Proceeds of Crime is item 8b on the agenda. Action Closed

Minute 53   A summary report on the findings of the complaints peers review was presented by the Head of Professional Standards at exempt item 14. Action Closed

7.   Business from the Chair

The Chair formally thanked Liz Cave from Grant Thornton for her work and welcomed Iain Murray who has taken over. The Chair also welcomed the new Chief Constable Andy Marsh.

The Chair feels that it is a positive step to be discussing the PCC and Constabulary Strategic Risk Registers in the public part of the meeting but expressed strong concern about the late availability of papers for this meeting. Apologies were made regarding the lateness of some of the reports.

a)   Update on IPCC Investigations (Verbal Update)

No specific updates regarding cases were given but the Chief Constable raised concerns regarding the high number of IPCC Investigations which he intends to discuss with the IPCC Commissioner next week.

Concerns were discussed regarding the length of time IPCC investigations take and the significant impact this has on those involved. The PCC updated Members following her conversation with the Deputy Commissioner at the IPCC last week regarding the new body that will replace them.

Discussion took place regarding the lack of a national overview of Joint Audit Committees all of which appear to operate slightly differently. There is not currently a national meeting of Police Audit Committee Chairs. There are some examples of regional Chairs meetings and collaboration with other JACs should remain a consideration for the Joint Audit Committee.

b)   Joint Audit Committee Member Update (Verbal Update)

There were no JAC Member updates.

8.   Internal Audit Reports:

a)   Follow Up (Report 8a)

The conclusion of this follow up report stated that progress has been limited as the majority of the recommendations are ongoing. There is an issue with action being taken as a result of recommendations but not being recorded as implemented as the outcome of that action is yet to

be realised. Members were assured that the action from the previous meeting of the Joint Audit Committee to replicate the governance process in place for HMIC Recommendations should help going forward. The new Assurance Framework will help pick up concerns and control points will be in place to provide assurance.

The Constabulary CFO confirmed that actions have been taken to address the HR Absence Management recommendations but this is an ongoing action and the Constabulary recognise there are still things to be done. The action in response to the Estates recommendation relied on the Atrium and SAP interface which has never taken place although a manual work around is in effect.

Members suggested that the Constabulary and the Internal Auditors should ensure that the description of the action to be taken is detailed and clear enough.

Members raised their concern regarding a perceived lack of strategic coherence and whether this is a line management issue which can be raised through the PDR process. It is understood this process is under review. In addition the Chief Constable has launched a further staff survey this week and intends to use the outcome of this to inform progress. The Police are a heavily scrutinised service and it is important to get the right rigour in response to recommendations from IPCC, HMIC and audit.

RESOLVED that the Constabulary and Internal Auditors ensure that details of the action to be taken in response to recommendations are clear.

b)   Proceeds of Crime (Report 8b)

This internal audit was not focused on process, control or risk but looked instead at visibility and benchmarking against other forces. The conclusion is focused on the income generation and how the financial and non-financial value of the Financial Investigation Unit (FIU) is difficult to measure. The Benchmarking shows that all forces are finding it difficult to measure the added value of the FIU.

The work of the FIU is much wider than collecting money e.g. tracking a missing person through the use of their credit card or vulnerable people being targeted for bank fraud. There are delays in collecting proceeds of crime e.g. sale of a house. The PR work around Proceeds of Crime was discussed and looking at ways to share this positive work with the public, particularly as some of the proceeds of crime are used to fund the Commissioner Community Action Fund so money is diverted into Community Safety projects – this reserve is discussed by the CFOs every year as part of the reserves budgeting. Members suggested that consideration be given to a target in this area.

The scope of the internal audit was discussed and why Zephyr was not included. It was agreed that as well as proceeds of crime being discussed by the JAC as part of the Follow Up report it should also be

included as a six monthly item on the Joint Finance Meeting agenda so that the JAC are assured that the PCC is receiving regular updates in this area of business.

RESOLVED that proceeds of crime should be included on the Joint Finance Meeting agenda on a six monthly basis.

c)   Payroll (Report 8c)

This is the annual payroll audit which was given a green assurance by the internal auditors. There were two medium recommendations relating to communication between payroll and finance and the scrutiny of expenses as a couple of occasions were flagged up where receipts were missing.

d)   Safeguarding Follow Up (Report 8d)

Internal auditors reported that ways of working in safeguarding are more consistent post the new Operating Model implementation. Internal audit focused only on the process in relation to safeguarding for this report.

A detailed discussion took place regarding this audit. Members questioned why this report gives a green level of assurance when the HMIC have reported safeguarding as an area for improvement. Members also questioned the apparent limited scope of this Audit Report and the amount of assurance that can be taken from this report. They requested that in future further narrative be provided to justify conclusions in reports for example where the report highlights the difference in process between Bristol and Somerset. Members would like to see a more detailed plan of the actions being taken by the Constabulary in relation to Safeguarding. Members recognised that this report focused on process whilst the HMIC report was broader in its scope. Safeguarding has been a concern of the JAC since it first formed and the report has been long awaited due to implementation of the Operating Model.

The Chief Constable assured Members he is working with his team closely to address the issues raised in the HMIC report and recognises that this is an area of growth.

It was agreed that the scope of audits need to be clearer in future and that consideration should be given to members having the opportunity to comment on the scope of an audit prior to sign off. The external auditors queried whether the JAC might be looking to audit to provide more assurance than it can in this case and that it might be worth considering other ways of being assured.

The PCC attends a meeting with the safeguarding chairs every six months. This is an area that is constantly under scrutiny. CSE crime is up 57.1% year on year. The PCC is keen for safeguarding to be an area where savings are utilised for reinvestment.

Consideration was given to whether the Operating Model should be reviewed as the demand is now different. The Constabulary have established 'The Managing Demand Board', which will be helpful in looking at whether the operating model needs to be reviewed.

RESOLVED that consideration should be given to members having the opportunity to comment on the scope of an audit prior to sign off.

e) **Internal Audit Strategy 2016/17 (Report 8e)**

The Internal Audit Strategy presented is built on the assurance mapping workshops with the JAC and is more risk based than previous years.

Members discussed the need for assurance regarding Major Crime and Counter Terrorism, although they understand there may be issues around security clearance. The PCC gets regular updates and will provide assurance to the JAC Chair in their 1:1 meetings regarding these areas.

The Constabulary CFO requested that auditing of the pensions administration scheme (Peninsula) be included in the Internal Audit Strategy in 2017 following on from the Regional Pensions Programme Board where this was discussed. The internal auditors confirmed that this is included in the audit plans of some other forces.

It was agreed that the procurement audit should be deferred until 2018 until the regional arrangements are in place and embedded. Members were assured that an independent review by Attica has been carried out on the current procurement arrangements and their report provides sufficient assurance.

The estimated cost of Legal claims against the organisation was highlighted as a risk. A detailed discussion took place and it was agreed that benchmarking is required in this area. Constabulary do take learning from these cases but some cases are linked to IPCC cases and that is why they take a long time to resolve. The internal auditors stated that the scope of any such audit would need to be considered carefully and not focused on the specifics of cases. Members agreed that this is an area of high risk and would like to see the scope of this and the pensions audit (including the number of days) in order to make a decision as they are mindful that some contingency days need to be retained in the strategy for work that may come up during the year.

Members were informed that the work has not started on the Workforce Development Stage 1 yet as this Internal Audit Strategy has not yet been signed off. Members want to be sure that the scope of this audit is carefully aligned to the other demand work going on in the organisation.

RESOLVED that the procurement audit should be deferred until 2018 and that the audits of the pension scheme and legal claims should be scoped and shared with members.

f)   **Progress Report (Report 8f)**

The internal auditors confirmed that work is due to start on the Project Management and also the Culture audits next week and that work began this week on the Rostering (Project Aurora) audit. These three audit reports will be discussed at the July 2016 meeting of the Joint Audit Committee.

9.   External Audit Reports:

a)   **Update Report (Report 9a)**

The 2015-16 final accounts audit will take place between July and August. The external auditor highlighted the timescales for the appointment of auditors. The changes to the public inspection of accounts were discussed.

b)   **Joint Audit Plan (Report 9b)**

Blackrock (Shared PFI Firearms Facility) will be shown in the balance sheet for the first time in 2015-16. The external auditor confirmed that they have previously looked at this type of shared model.

Whilst the Autumn 2015 statement was better than anticipated there are still savings which will need to be made through efficiency. The public sector faces great challenges and as a result collaboration between services is an emerging theme. The PCC election in May creates a level of uncertainty.

The two significant risks identified are standards related and driven by professional standards needing to be alive to the potential for fraud. Other risks identified focus on major areas of outgoings where judgement is required.

The CIPFA guidance in relation to the valuing of assets last year was open to interpretation regarding the frequency and the external auditor confirmed that this guidance has since been clarified and a "short time" means five years. The Constabulary confirmed that they have a qualified member of staff within the Estates Department who will carry out a full valuation at the end of this financial year as it is five years since it was last done.

The external auditors confirmed that they will need to carry out an audit of the SAP Controls but that a different approach will be taken to reporting the outcomes. JAC Members felt that the approach to this report in the past did not reflect the contract with Southwest One to deliver a service.

10. **Office of the Police and Crime Commissioner Strategic Risk Register (Report 10)**

New Strategic Risk 7 regarding capacity and capability within the OPCC is not a high risk as the resources appropriately match the budget. Strategic Risk 1 and 2 will need to be reviewed following the PCC election in May – the Police and Crime Plans will be delayed this year until after the PCC election and at that time the Governance structure will also need to be reviewed.

The OPCC are currently developing a method to link the OPCC issues register to strategic risks to see how many will flag up on the Strategic Risk Register – a meeting will be arrange with the Constabulary to see how this work can be synchronised with theirs.

11. **Constabulary Strategic Risk Register (Report 11)**

The level of risk for Strategic Risk 8 was discussed. It was felt that this is the right level of risk as a high risk would represent a collapse of the organisation. It was agreed that another risk should be added in relation to the Constabulary's delivery of the Police and Crime Plan.

Members queried Strategic Risk 7 as it was agreed at the previous meeting that this would either be embedded in other risks or the wording changed. It was agreed that the wording of the description will be changed to legitimacy or public confidence.

RESOLVED that the wording of the description of Strategic Risk 7 be changed to legitimacy or public confidence and that a new risk be added in relation to the delivery of the PCC's Police and Crime Plan.

12. **Exempt Minutes of the Joint Audit Committee Meeting held 10th December 2015 (Report 12)**

RESOLUTION IN EXEMPT MINUTES

13. **HMIC Update (Verbal Update)**

RESOLUTION IN EXEMPT MINUTES

14. **Complaints Peer Review (Report 14)**

RESOLUTION IN EXEMPT MINUTES

The meeting concluded at 12:35

CHAIR

ACTION SHEET

MINUTE NUMBER	ACTION NEEDED	RESPONSIBLE MEMBER/ OFFICER	DATE DUE
Minute 51a **Internal Audit: Follow Up** 10/12/2015	The Constabulary will replicate the governance process which has been put into place regarding recommendations from HMIC Reports for internal audit.	Head of Performance and Process Improvement	Immediate
Minute 8a **Internal Audit: Follow Up**	The Constabulary and Internal Auditors ensure that details of the action to be taken in response to recommendations are clear.	Head of Performance and Process Improvement/ Internal Audit	Immediate
Minute 8b **Internal Audit: Proceeds of Crime** 10/03/2016	Proceeds of crime should be included on the Joint Finance Meeting agenda on a six monthly basis.	OPCC Resources Officer	Ongoing
Minute 8d **Internal Audit: Safeguarding Follow Up** 10/03/2016	Consideration should be given to members having the opportunity to comment on the scope of an audit prior to sign off.	Head of Performance and Process Improvement	Immediate
Minute 8e **Internal Audit: Internal Audit Strategy 2016/17** 10/03/2016	The procurement audit should be deferred until 2018 and that the audits of the pension scheme and legal claims should be scoped and shared with members.	Head of Performance and Process Improvement/ Internal Audit	Immediate
Minute 11 **Constabulary Strategic Risk Register** 10/03/2016	The wording of the description of Strategic Risk 7 be changed to legitimacy or public confidence and a new risk be added in relation to the delivery of the PCC's Police and Crime Plan.	Head of Strategic Service Improvement	Immediate

MEETING: Joint Finance Meeting	Date: 21st June 2016	Agenda No
DEPARTMENT: Finance and Business Services	AUTHOR: Nick Adams	
NAME OF PAPER: 2015/16 Draft Statement of Accounts		

1. PURPOSE OF REPORT

The Accounts and Audit (England) Regulations 2011 require that the "responsible financial officer" sign and date a draft copy of the Statement of Accounts by 30th June, with formal approval required prior to publication before 30th September.

In support of the Chief Finance Officers sign off, the Finance meeting is asked to review, discuss and approve the attached unaudited Statement of Accounts for the year 2015/16.

2. BACKGROUND

Every year we are required, under statute, to produce and publish an annual statement of accounts before the end of September of the following financial year. The primary financial statements within this document comprise:-

- Movement in Reserves;
- Comprehensive Income and Expenditure Statement;
- Balance Sheet; and
- Cash Flow Statement.

In addition to these primary statements the accounts include narrative statement providing context and explanations, and a series of notes providing further detail to the primary statements. The Annual Governance Statement (AGS) also accompanies the accounts. The AGS sets out the management's view of its governance arrangements, issues to be addressed and actions to be taken to strengthen governance.

Since the Police Reform and Social Responsibility Act 2011 (the Act) came into effect, we now published two sets of financial statements:-

- PCC's Statement of Accounts (including Group accounts); and
- Chief Constable's Statement of Accounts.

This requirement was brought about by the creation of two separate legal entities under the Act.

The presentation of these two Statements of Account is determined both by the legal substance of the transaction, as well as by the application of the accounting principle of "Substance over Form". This accounting principle is used to ensure that financial statements present a complete, relevant and accurate picture of transactions and events by accounting for the financial reality (the "economic substance") rather than the legal form of the transaction.

We have considered our application of the requirements of substance over form when preparing our 2015/16 financial statements (see Annex A for detail).

3. PRESENTATION OF THE STATEMENT OF ACCOUNTS

The outcome of our substance over form review concluded that the presentation of last year's financial statements is still applicable in 2015/16. Therefore in summary the accounts presented contain the following:-

Prime Statement	PCC/Group	Chief Constable
Movement in Reserves	Full statement reflecting the movement on all reserves	Only Pension accounting adjustments through the general fund
Comprehensive Income & Expenditure Statement	PCC – includes costs of the OPCC and inter-group adjustments. Group – shows combined PCC and CC position	Includes the income and expenditure associated with providing a policing service in accordance with the PCC scheme of governance
Balance Sheet	Full statement reflecting the totality of all assets, liabilities and reserves across the PCC, CC and combined group	Includes the pension assets and liability, the short-term absences accrual, and other employee related balances, offset by a debtor from the PCC
Cash Flow Statement	Full statement reflecting the cash flow across the PCC, CC and combined group	Includes those non-cash adjustments required to ensure consistency with other primary statements

4.   2015/16 REVENUE AND CAPITAL FINANCIAL PERFORMANCE

The 2015/16 financial performance across both the revenue budget and the capital plan has been the subject of a detailed paper presented to the joint finance meeting on 27th May 2016.

In summary we reported an underspend against revenue budget of £0.9m/0.3% after all year-end accruals, provisions and reserve adjustments have been made. During the year we also spent £15.8m on capital projects, against an overall programme of £31.2m. This resulted in £15.1m being carried forward into 16/17 in support of ongoing projects and £0.3m released in recognition that those projects had not progressed during the year.

5.   USEABLE RESERVES AT 31/03/16

The movement on reserves statement (as detailed at page 26 of the group accounts) identifies a net reduction of £8.9m in useable reserves, which is substantially driven by the utilisation of our capital receipts reserve during the year in support of our capital spend. The table below summarises the position on our useable reserves:-

Details	General Fund Reserve £'000	Earmarked Revenue Reserves £'000	Capital Receipts Reserve £'000	TOTAL £'000
Balance as at 1 April 2015	14,400	28,848	17,009	60,257
Net Increase/(Decrease)	(4,000)	491	(5,431)	(8,940)
Balance at 31 March 2016	10,400	29,339	11,578	51,317

The General fund balance has reduced by £4m compared with prior year. This balance is set by the risk assessment carried out by the PCC CFO and approved at the Joint Finance Meeting. This balance represents 3.8% of our 15/16 revenue budget.

The earmarked revenue reserves (which are explained in more detail on page 69 of the group accounts) have seen a small increase of £0.5m in year. This is the net position on a number of

movements, including increases to our discretionary reserves (so as to provide for ingoing costs of change and transformation), reduction to our non-discretionary reserves (driven in part by the reductions to our self-insurance reserves), and an increase to our capital and PFI reserves (driven by increase to our PFI sinking fund in accordance with our PFI financial model).

Our earmarked reserves can broadly be broken down into three distinct areas:-

- **Revenue funds – discretionary**: These are the funds that we have set aside, predominantly in support of the revenue costs associated with our change programme (be that our operating model implementation, delivery on our estates and ICT strategy etc...). In addition to these transformation funds, we also hold a major operations fund which provides contingency against significant operational costs driven by incidents or investigations, and have set aside £1.2m against the anticipated cost of implementing automated overtime payments;

- **Revenue funds – non-discretionary**: These are funds that we account for at the end of the year, but which predominantly relate to funds that we have received either for specific purposes (e.g. unspent specific grant funding, unspent proceeds of crime funding) or funds that represent money which is not (either wholly or in part) ours (e.g. detained property the majority of which is returnable, balance on our regional serious organised crime unit which is hosted by A&S). In addition we also hold self-insurance reserves, the levels of which are set with reference to annual independent fund review;

- **Capital and PFI funds**: These are funds held in support of future capital programmes, and in support of our PFI buildings. By using reserves to support our capital investment we are able to minimise our need to borrow additional funds, thereby providing an ongoing revenue saving from not having to provide for the servicing of this borrowing (both interest and provision for re-payment of principal).

The following graph summarises the relative values across these three areas of earmarked reserves compared to prior year:

Our capital receipts reserve has reduced by £5.4m during 2015/16 following the utilisation of these funds in support of our capital expenditure during the year. A balance of £11.6m is held at the end of 2015/16, and will be used in support of our future capital spend.

6.   PENSIONS ACCOUNTING

In preparing the accounts we are required to comply with pension accounting requirements as set out in International Accounting Standard 19 (IAS 19).

IAS 19 requires an organisation to account for retirement benefits when it is committed to give them, even if the actual giving will be many years to come. It requires employers to disclose the total value of all pension payments that have accumulated (including deferred pensions) at the 31st March each year. This value is made up of:-

- The total cost of pensions being paid out to former employees who have retired; and
- The total sum of the pension entitlements earned to date for our current employees – even though it may be many years before the people concerned actually retire and begin drawing their pension.

IAS 19 also requires us to show all investments (assets) of the Pension Fund at their market value, as they happen to be at the 31st March each year. The value of these investments is subject to regular fluctuation on a day-to-day basis, and so when compared across a 12 month time difference, can present significant movement year on year.

Setting side by side the value of all future pension payments and the snapshot value of investments as at the 31st March, results in either an overall deficit or surplus for the Pension Fund.

As at 31 March 2015 the pension fund liability (deficit) identified by our actuaries is £3.02bn (2014/15 - £3.20bn). Of this £2.84bn relates to Police Officers (2014/15 - £2.98bn), and £178m to Police Staff (2014/15 - £221m).

The Police Officers scheme is the responsibility of the Home Office, and the Chief Constable (as employer during the course of 2015/16 following transfer of officers and staff to employment of the Chief Constable from 1st April 2014) is responsible for making employer contributions towards this pension. The Police Staff scheme (which is Somerset County Councils Local Government Pensions Scheme [LGPS]) however is the responsibility of the PCC and Chief Constable, and the PCC CFO represents the PCC at the Somerset County Council Pension Committee.

For the reasons set out above the IAS 19 figures can only be a snapshot at a given point in time. A truer reflection of a pensions fund's actual position comes from a more detailed assessment made by an Actuary. This assesses and examines the ongoing financial position of the pension fund, and as a result can differ considerably from the IAS 19 valuation.

These more detailed actuarial assessments are carried out periodically, and are used to review the contribution rates to the Fund made by us as the employer, to ensure that existing assets and future contributions will be sufficient to meet future pension payments. We can do this, because by its very nature, the Pension Fund is ongoing and long-term and gives employers time to act so that any deficit is spread and paid-off over a number of years.

The last assessment completed on the LGPS was completed during 2013/14, and as a result identified a need to alter the way in which we make employer contributions into the fund. These changes had the effect of reducing the % employer contribution for each employee (now set at 11% from 14.1% where it was previously set), but introducing a lump-sum payment into the fund the value of which would not change depending on the number of staff employed. The result of these changes were an overall increase in our employer contributions into the fund, and this increase has been factored into our budget plans. The next detailed actuarial valuation exercise is expected in one years' time.

7.   PFI ACCOUNTING

During 2015/16 our firearms training PFI facility became operational. This was the last of our PFI buildings to become operational, with our three other facilities operational from 2014/15.

The accounting arrangements for our PFI buildings were explained last year, and the same principles and approach have been applied during the preparation of our 2015/16 accounts. The only difference with our firearms training facility is that this is a shared asset between the PCC's of Avon & Somerset, Wiltshire and Gloucestershire. As a consequence we have prepared the accounting entries for this building, and then split these out so that the building and associated PFI entries are accounted for in the statement of accounts of each PCC.

8.   OTHER CONSIDERATIONS

As is normal during our preparation of the draft financial statements we have had to make several considerations. These include:-

- Impairment of assets – As required by accounting standards we have conducted an impairment review of our assets. The result of this review identified that there were no impairments other than those identified through the asset valuation below.

- Asset valuations – The Local Government Code of Practice requires us to ensure that the carrying amount of assets does not materially differ from that which would be determined by using the fair value as at the balance sheet date. After consideration and discussions with our external auditors, we have agreed a new policy for the valuation of our assets which will see us undertake a full valuation of our assets every two years, with a desktop review of valuations completed in the intervening years.   This work will be completed within our estates department, thereby negating the need to commission an external party to provide this service. A full valuation has therefore been carried out as at 31st March 2016, and the results of this valuation have been captured within the financial statements presented;

- Related Parties – We have written to the PCC and her executive officers, and to the Chief Officers of the Constabulary to ascertain whether there were any financial transactions requiring disclosure. The result of this review is presented at note 13 (page 52) of the Group accounts and note 9 (page 32) of the Chief Constables accounts;

- Insurance – Our insurance experts have conducted their annual review, and identified a discounted value of future known liabilities. This has resulted in £7.3m provided for (note 31, page 66 – Group Accounts), and a balance of £1.9m in earmarked reserve (note 33.3, page 68-69 – Group Accounts) to manage future risks;

- Contingent Liabilities – In accordance with the requirements of the accounting standards we have considered whether there are any liabilities which have not been financially provided for because they are remote or cannot be accurately valued. The results of this review are presented at note 32 (page 67) of the Group accounts, and note 17 (page 40) of the Chief Constables Accounts;

- Short-Term Absences – In accordance with statutory requirements we have valued the outstanding leave owed to officers and staff at 31st March, and have reflected this balance on the Chief Constable's balance sheet, with the movement on this balance charged through the Chief Constable's Income and Expenditure Account (note 15, page 39 – Chief Constables accounts).

9.   EQUALITY ANALYSIS

The Statement of Accounts has been prepared in accordance with accounting conventions and the

guidance contained within the CIPFA Code of Practice on Local Authority Accounting. Where possible we have included explanatory notes to aid the reader of the Accounts in interpreting the information included.

The Statement of Accounts are published through the website of the PCC, and additional copies can be made available to members of the public who make a request to either of the Chief Finance Officers.

10.   SUSTAINABILITY

The draft accounts continue to be very sizeable documents. We will continue to refine and where possible reduce the number of pages needed through formatting, and as in previous years we intend to keep the number of printed copies of the financial statements to a minimum.

There are no specific requirements at this stage relating to sustainability issues which need to be included within the 2011/12 financial statements.

11.   CONCLUSIONS AND RECOMMENDATIONS

As in previous years the Accounts have not yet been audited. The audit should be completed during July/August 2015. In accordance with the Accounts and Audit Regulations, the responsible financial officer has to approve the accounts by 30 June 2014. Providing the auditors are content, they will issue an Audit Certificate, enabling the final Statement of Accounts to be approved by Audit Committee at its meeting on 9th September and published before the deadline set under the Regulations.

The finance meeting is therefore invited to discuss the 2015/16 Financial Statements. Following these discussions the CFO's are required to sign and date a draft copy of the financial statements.

MARK SIMMONDS   **JULIAN KERN**
Chief Finance Officer - PCC   Chief Finance Officer – CC
01275 816380   01275 816012

Annex A – Substance over form review
Annex B – Draft 2015/16 Group and PCC Financial Statements
Annex C – Draft 2015/16 Chief Constable Financial Statements

RSM

OFFICE OF THE POLICE AND CRIME
COMMISSIONER FOR AVON AND SOMERSET AND
AVON AND SOMERSET CONSTABULARY

FINAL

Annual internal audit report 2015/2016

April 2016

RSM

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1 THE HEAD OF INTERNAL AUDIT OPINION

In accordance with Public Sector Internal Audit Standards, the Head of Internal Audit is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. The opinion should contribute to the organisation's annual governance statement.

1.1 The opinions

For the 12 months ended 31 March 2016, the Head of Internal Audit opinion for the Office of the Police and Crime Commissioner for Avon and Somerset is as follows:

Head of Internal Audit opinion 2015/2016

The organisation has an adequate and effective framework for risk management, governance and internal control.

However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

For the 12 months ended 31 March 2016, the Head of Internal Audit opinion for Avon and Somerset Constabulary is as follows:

Head of Internal Audit opinion 2015/2016

The organisation has an adequate and effective framework for risk management, governance and internal control.

However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

Please see appendix A for the full range of annual opinions available to us in preparing this report and opinion.

1.2 Scope of our work

The formation of our opinions is achieved through a plan of work agreed with both OPCC and Constabulary management, and approved by the Joint Audit Committee (JAC), which should provide a reasonable level of assurance, subject to the inherent limitations described below.

The opinions do not imply that internal audit has reviewed all risks and assurances relating to the organisations. The opinions are substantially derived from the conduct plans generated from OPCC and Constabulary risk registers and management concerns. Throughout the year work has been undertaken to improve both risk registers and develop an assurance map. The 2016/17 audit plan has been developed using a risk based approach and therefore the JAC, OPCC and Constabulary will be able to use the new assurance framework when considering its annual governance statement (AGS) going forward.

1.3 Factors and findings which have informed our opinions

Based on the work we have undertaken on the systems of internal control, governance and risk management across the Constabulary and OPCC, we do not consider that there are any issues that need to be flagged as significant internal control weaknesses. We have not issued any 'no assurance' opinions, however across two 'partial assurance' reports there were eight high category management actions agreed, two of these in the Business Continuity report and six in the Project Atlas Project Management review, which flagged issues in the following areas:

- Training and business readiness;
- Organisational change management;
- Lack of business representation on the project;
- Sponsorship;
- Data migration and cleansing; and
- IT management.

We issued positive assurance reports for five reviews undertaken in 2015/16; Commissioning, Payroll, Safeguarding, Financial Control and Estates, as well as reasonable progress in the first follow up audit and little progress in our second follow up.

Furthermore, we have completed three reviews of an advisory nature. These were in the areas of Collaboration, Proceeds of Crime and Rostering (Project Aurora) where a number of management actions were included to assist both organisations moving forward.

A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

1.4 Topics judged relevant for consideration as part of the annual governance statement

The OPCC and Constabulary should consider the areas set out above whereby partial assurance was given over the control framework for Business Continuity, Project Atlas (Project Management) as well as Culture and responding to staff survey results, when completing its annual governance statement, unless assurances have been gained internally over improvements in the highlighted areas of weakness since the audit reports were issued.

In line with our review of Collaboration, further sector reviews have found weaknesses across other Police forces on collaborative assurances, and this is another area for consideration for the governance statements.

2 THE BASIS OF OUR INTERNAL AUDIT OPINION

As well as those headlines discussed at paragraph 1.3, the following areas have helped to inform our opinions. A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

2.1 Acceptance of internal audit findings

Management have agreed actions to address all of the findings reported by the internal audit service during 2015/2016. Please note, three reports remain in draft at the time of prepared this annual report.

2.2 Implementation of internal audit actions

Our two follow up reviews of the actions agreed to address previous internal audit findings confirm that the organisation made reasonable progress in our first follow up and little progress in our second follow up in implementing the agreed recommendations and actions.

Follow Up Part 1:

Follow Up Part 2:

The first graph above reflects that the reports that did not have recommendations implemented in the first follow up were from the HR Absence Management and Integrated Offender Management (IOM) audits, however there was further explanation provided to the JAC that the delay in moving forward with IOM actions was due to delays with partner agencies which was out of the Constabulary's control. During our second follow up review we found that the situation within the Constabulary regarding the Integrated Offender Management recommendations had moved on since the recommendations were originally made and were therefore no longer relevant.

The second graph highlights the main areas of weakness in our second follow up review which were from the HR Absence Management and the two Estates audit reports. Due to the low number or reports followed up this impacted the opinion strongly, resulting in an opinion of little progress.

2.3 Working with other assurance providers

In forming our opinion we have not placed any direct reliance on other assurance providers.

3 OUR PERFORMANCE

3.1 Wider value adding delivery

Throughout the year we have provided technical and sector updates as part of our progress reports presented to each JAC meeting.

We have facilitated two risk workshops with JAC members, OPCC and Constabulary management. This has resulted in the successful implementation of assurance maps and improved risk registers.

We have provided benchmarking information where possible from across our Police client base, for example, detailed benchmarking information was provided in the Collaboration and Proceeds of Crime reports, with more general benchmarking in financial control and payroll reports.

We have used specialist consultants to assist and advice the Constabulary, specifically in our Project Management review.

We encouraged the OPCC to participate in a benchmarking review looking at preparation for PCC elections, and shared the results with the OPCC in a timely manner.

3.2 Conflicts of interest

RSM has not undertaken any work or activity during 2015/16 that would lead us to declare any conflict of interest.

3.3 Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Public Sector Internal Audit Standards (PSIAS).

Under PSIAS, internal audit services are required to have an external quality assessment every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in 2011 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF) published by the Global Institute of Internal Auditors (IIA) on which PSIAS is based.

The external review concluded that "the design and implementation of systems for the delivery of internal audit provides substantial assurance that the standards established by the IIA in the IPPF will be delivered in an adequate and effective manner". Work is in hand to arrange our next review.

The risk assurance service line has in place a quality assurance and improvement programme to ensure continuous improvement of our internal audit services. Resulting from the programme, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

3.4 Feedback

We actively seek feedback on each audit assignment when the final report is issued, however for 2015/16 no feedback was provided by the Constabulary or OPCC.

3.5 Performance indicators

A number of performance indicators were agreed with the JAC . Our performance against those indicators is as follows:

Delivery	Target	Actual	Notes (ref)	Quality	Target	Actual	Notes (ref)
Audits commenced in line with original timescales	Yes	No	(1)	Conformance with PSIAS	Yes	Yes	
Draft reports issued within 10 days of debrief meeting	100%	100%		Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit	Yes	Yes	
Final report issued within 3 days of management response	100%	90%	(2)	Respond to general enquiries for assistance within two working days	100%	100%	
Completion of audit plan by the end of the financial year	Yes	Yes		Respond to emergencies or notifications of potential fraud within one working day	100%	N/A	
Notes							

(1) Delays with scoping Proceeds of Crime audit, communicated with OPCC and JAC through progress reports
(2) Payroll responses were not processed within 3 days of receiving the management responses

APPENDIX A: ANNUAL OPINIONS

The following shows the full range of opinions available to us within our internal audit methodology to provide you with context regarding your annual internal audit opinion.

Annual opinions
The organisation has an adequate and effective framework for risk management, governance and internal control.
The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.
There are weaknesses in the framework of governance, risk management and control such that it could be, or could become, inadequate and ineffective.
The organisation does not have an adequate framework of risk management, governance or internal control.

APPENDIX B: SUMMARY OF INTERNAL AUDIT WORK COMPLETED 2015/2016

Assignment	Executive lead	Assurance level	Actions agreed		
			H	M	L
Commissioning – External Victim Services (1.15/16)	Marc Hole, Head of Commissioning & Partnerships	Substantial	-	-	1
Follow Up Part 1 (2.15/16)	Jane Walmsley, Inspection and Audit Coordinator	Reasonable Progress	-	2	-
Business Continuity Plans (3.15/16)	Adam Stewart, Strategic Alliances / Programme Director	Partial	2	2	-
Estates (4.15/16)	David Harley, Head of Estates	Reasonable	-	4	4
Collaboration (5.15/16)	Chris Eastwood, Chief Superintendent (Devon and Cornwall)	Advisory	-	7	-
Financial Controls (6.15/16)	Julian Kern, Constabulary CFO and Director of Resources	Reasonable	-	4	1
Payroll (7.15/16)	Cathy Dodsworth, Head of HR	Substantial	-	2	-
Proceeds of Crime (8.15/16)	Kirstie Cogram, Financial Investigation & Economic Crime	Advisory	-	2	-
Safeguarding (9.15/16)	Superintendent Will White	Substantial	-	1	-
Follow Up Part 2 (10.15/16)	Jane Walmsley, Inspection and Audit Coordinator	Little Progress	-	6	1
Project Atlas (Niche) – Project Management review (11.15/16)	Leila Board, Digital Policing Programme Director	Partial	10	1	1
Culture (12.15/16)	Cathy Dodsworth, Head of HR	Partial	-	3	-
Rostering (Project Aurora) (13.15/16)	Adam Stewart, Programme Director	Advisory	-	-	-

We use the following levels of opinion classification within our internal audit reports. Reflecting the level of assurance the board can take:

None	Partial	Reasonable	Substantial
Taking account of the issues identified, the Board cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective. Urgent action is needed to strengthen the control framework to manage the identified risk(s).	Taking account of the issues identified, the Board can take partial assurance that the controls to manage this risk are suitably designed and consistently applied. Action is needed to strengthen the control framework to manage the identified risk(s).	Taking account of the issues identified, the Board can take reasonable assurance that the controls in place to manage this risk are suitably designed and consistently applied. However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).	Taking account of the issues identified, the Board can take substantial assurance that the controls upon which the organisation relies to manage the identified risk(s) are suitably designed, consistently applied and operating effectively.

FOR FURTHER INFORMATION CONTACT

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OFFICE OF THE POLICE AND CRIME COMMISSIONER FOR AVON AND SOMERSET AND AVON AND SOMERSET CONSTABULARY

Internal Audit Progress Report

Joint Audit Committee

15 July 2016

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As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at http://www.icaew.com/en/members/regulations-standards-and-guidance.

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made.

Recommendations for improvements should be assessed by you for their full impact before they are implemented. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

This report is solely for the use of the persons to whom it is addressed and for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to our Client on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.

1 INTRODUCTION

The internal audit plan for 2016/17 was approved by the Joint Audit Committee at the meeting on 10 March 2016 subject to some minor changes as discussed at the meeting.

The audit plan for 2015/16 has been completed and the remaining final reports are presented to this meeting. All reports issued since the last Joint Audit Committee meeting are summarised below.

Assignments	Opinion issued	Actions agreed		
		H	M	L
2015/16				
Project Atlas (Niche) Project Management Review (11.15/16)	ADVISORY	10	1	1
Culture (12.15/16)		0	3	0
Rostering - Project Aurora (1.16/17)	ADVISORY	0	0	0
2016/17				
Vulnerability (2.16/17)		1	2	0

1.1 Impact of findings to date

The Project Management review of Project Atlas was undertaken by a specialist consultant, and an action plan has been agreed as a result of the audit with the Digital Policing Programme Director. The actions going forward are not just focusing on this one project, but all project management processes across the Constabulary.

The Culture audit flagged some key issues reported directly from staff and officers which has already fed into the design of the new PDR processes.

The Vulnerability audit has highlighted substantial concerns with the data quality of Niche, which is in line with initial findings in the Project Atlas review. This confirms and quantifies concerns already held by the Constabulary, but also provides some assurance that operational missing persons investigations are being undertaken in a timely manner when logged accurately in Niche.

2 LOOKING AHEAD

Assignment area	Timing per approved IA plan 2015/16	Status	Target Audit Committee per the IA Plan 2015/16
Workforce Development – Phase One	Q1 June 2016	Scoping meeting took place 5 July 2016, draft report to be issued	September 2016
Benefits of Change Portfolio	Q1 June 2016	Fieldwork undertaken w/c 27 June 2016	September 2016
Action Tracking	Q2 July 2016	Fieldwork taking place w/c 18 July 2016	September 2016
HR – Staff Wellbeing and Productivity	Q2 August 2016	Fieldwork taking place w/c 1 August 2016	December 2016
Collaboration	Q2 September 2016	Advise / audit to be provided as and when required	N/A
Legal Claims	Q2 September 2016	Fieldwork taking place w/c 22 August 2016	December 2016
Workforce Development – Phase Two	Q3 October 2016	Fieldwork taking place w/c 3 October 2016	December 2016
Financial Controls	Q3 November 2016	Fieldwork taking place w/c 7 November 2016	December 2016
Data Quality	Q3 December 2016	Fieldwork taking place w/c 12 December 2016	March 2017
Payroll	Q4 January 2017	Fieldwork taking place w/c 2 January 2017	March 2017
Action Tracking	Q4 January 2017	Fieldwork taking place w/c 23 January 2017	March 2017
Police Pensions	As required	Fieldwork date TBC	TBC

3 OTHER MATTERS

3.1 Changes to the audit plan

There have been no reported changes to the 2016/17 audit plan.

3.2 News briefing

We have attached our most recent Emergency Services sector news briefing, from May 2016.

FOR FURTHER INFORMATION CONTACT

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AVON AND SOMERSET POLICE

Vulnerability

FINAL

Internal Audit Report: 1.16/17

5 July 2016

RSM

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Debrief held	8 June 2016	**Internal Audit team**	Mark Jones, Head of Internal Audit
Draft report issued	23 June 2016		Vickie Gould, Manager
Responses received	4 July 2016		Cian Spaine, Auditor
Final report issued	5 July 2016	**Client sponsor**	Geoff Wessell, Head of Prevention & Protection Jane Walmsley, Inspection and Audit Coordinator Mike Prior, District Superintendent (Missing Persons Lead) Natalie Steadman, Head of Integrated Victim Care (Lighthouse) Leanne Pook, DCI (FGM Lead)
		Distribution	Jane Walmsley - Inspection and Audit Coordinator

1 EXECUTIVE SUMMARY

Background

An audit around Vulnerability was undertaken as part of the 2016/17 internal audit plan. This was included in the Audit Plan to follow up key HMIC findings, and to address Joint Audit Committee concerns.

The 2015 PEEL (police effectiveness, efficiency and legitimacy) assessment was the HMIC's second assessment of the effectiveness, efficiency and legitimacy with which Avon and Somerset Constabulary keeps people safe and reduces crime.

In terms of efficiency and legitimacy Avon and Somerset Constabulary were graded as 'good', however it received a 'requires improvement' grading regarding its effectiveness at keeping people safe and reducing crime. The review showed that the Constabulary is good at preventing crime and anti-social behaviour but the standards of victim care and the quality of investigations lack consistency.

The Constabulary is generally good at identifying vulnerability but an accurate assessment of the risks presented to domestic abuse victims and persons reported as missing is not always evident. This specifically related to Domestic Abuse, Stalking and Honour Based Violence (DASH) risk assessments not being completed for domestic abuse cases and under-18s being classified as absent rather than missing, which is against national guidance.

This audit was therefore agreed to review:

- the Constabulary's classification of minors as absent;
- the quality of data regarding missing persons;
- reviews of missing persons investigations;
- completing risk assessments for all domestic abuse cases; and
- whether Lighthouse are being referred all cases they should be.

1.1 Conclusion

The OPCC and Joint Audit Committee can take only take partial assurance as we have identified several risks relating to lack of compliance with Constabulary and national policy as well as issues relating to the quality and reliability of data in Niche.

Internal Audit Opinion:
Taking account of the issues identified, the OPCC and Joint Audit Committee can take **partial assurance** that the controls to manage this risk are suitably designed and consistently applied.
Action is needed to strengthen the control framework to manage the identified risks, specifically the input of information into Niche which in turn affects the quality of the data the Constabulary can use to inform and manage its risks.

No assurance | Partial assurance | Reasonable assurance | Substantial assurance

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1.2 Key findings

The key findings from this review are as follows:

- Missing person reports are not being completed or not completed correctly for all missing persons. This could result in delayed future investigations as there will not be a missing person report to refer back to;
- Some reports of missing children and young people (under 18 years of age) are being incorrectly recorded in Niche as "absent", instead of "missing", contrary to the adopted Force procedural guidance, creating a risk that missing children might not be investigated as they should be and follow-up safeguarding may not take place;
- Missing persons risk ratings are not being recorded in the correct fields in Niche, therefore there is a risk that the required action is not being taken based on the risk grading; however, we did find that high risk missing persons investigations are being reviewed on a daily basis and actions addressed in a timely manner from these reviews;
- DASH risk assessments ('public protection notices' within Niche) are not being completed for all domestic abuse cases and the risk may therefore not be adequately assessed; and
- Lighthouse teams are not being referred all cases they should be. Our testing found that up to 3,800 cases a year may not be receiving the increased victim support they should.

However, in response to our findings the Force informed us that in March 2016, 52 reports were identified relating to children incorrectly recorded in Niche as "absent" since the Force's change of procedure in September 2016 to exclude children from the absent category. These cases were incorrectly recorded in the "missing/absent persons report" Details Tab as having a missing/absent status of "Absent" and in some cases, the Classification "Absent Child /Young person" was also incorrectly selected. All 52 reports were reviewed by the Missing Persons Coordinators who found that in every case the child received a missing persons response and that the issue was one of incorrect recording in Niche. These 52 reports were subsequently corrected by the Digital Policing Team in May 2016.

1.3 Management Action Summary

The following tables highlight the number and categories of management actions made. The Action Plan at Section 2 details the specific actions agreed with management actions to implement.

Management Actions raised during this audit:

Area	Agreed actions		
	Low	Medium	High
Missing Persons	0	0	1
Public Protection Notices/DASH Risk Assessments	0	1	0
Lighthouse	0	1	0
Total	**0**	**2**	**1**

2 ACTION PLAN

Categorisation of internal audit findings	
Priority	**Definition**
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may, with a high degree of certainty, lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

Our internal audit findings and the resulting actions are shown below.

Ref	Findings summary	Priority	Actions for management	Implementation date	Responsible Owner
3.1	Our testing found that missing person reports are not being completed correctly in Niche for all missing persons. This demonstrates a training issue with the officers inputting to Niche, resulting in inadequate data. Our testing found that minors are being incorrectly classed as absent in the missing person reports in Niche. There is a risk that minors are being treated as absent instead of missing, and therefore not given high priority attention.	High	a.) The Constabulary will explore what other forces are doing in terms of missing person logs in Niche to share best practice, and whether other similar issues are found elsewhere and how other forces are dealing with the lack of mandatory fields in Niche. The Missing Persons Lead will gain authorisation to liaise with other forces on this matter.	September 2016	Mike Prior, District Superintendent (Missing Persons Lead) Leila Board, Digital Policing Programme Director

The Performance and Process Improvement Unit identified that in the first quarter of 2016/17 only 20% of cases had the risk rating recorded in the correct field in Niche for missing persons. This means that the force cannot identify how many cases of each risk rating have been dealt with, or are currently open and follow up and investigate accordingly.

We selected a sample of 10 missing person occurrences and found the following:

- 3/10 had the risk rating recorded in the missing person report; and

- 7/10 did not have the risk rating recorded on the Niche occurrence. The only rating recorded was in the Storm log.

The force has a 'whiteboard' report which shows, on a daily basis, how many missing persons there are in each area at any time. However, due to data accuracy issues in Niche this report is inaccurate and unreliable.

b.) The Niche Management Group will consider how a more powerful and clear message can be communicated to officers to ensure more accurate and complete input into Niche. Training materials will be reviewed with CLaD and consideration of communicating statistics on poor compliance and poor data quality with officers on Niche training will be given. Further Niche update training has been provided and the Constabulary will continue to monitor if this has had the desired effect in addressing these audit findings. Performance management information from Niche is actively reviewed by the IT trainers and repeated failures are dealt with by "floor walkers" from the unit. A specific training plan in the form of a case study is due to be rolled out across over 2,000 front line staff between September and December 2016 which deals with the top ten Niche related problems.	September 2016	Mike Prior, District Superintendent (Missing Persons Lead) CLaD Jon Reilly, Area Commander
c.) The Constabulary will look into the availability of resources to undertake peer reviews / audits of data relating to missing persons. This can link into the Level 2 assurances in the Constabulary's assurance framework.	September 2016	Mike Prior, District Superintendent (Missing Persons Lead) Dan Wood, Head of Strategic Service Improvement Continuous Improvement Officers

3.2	Our testing found the following:	Medium	The Constabulary will investigate why PPNs are not being consistently completed.	September 2016	Andy Bennett, Head of Criminal Justice

Our testing found the following:
- PPNs are not being consistently completed and no reason for non-completion logged is being logged in Niche; and
- some occurrences do not require a PPN as they were completed another occurrence but these do not link together in Niche. Reporting does therefore not identify this.

If PPNs are not being completed for all domestic abuse cases as required, the risk may not be adequately assessed and these cases may not be dealt with in a timely or correct way due to being adequately informed of all surrounding circumstances. Additionally, due to the fact that PPNs are being completed on different Niche occurrences without them linking together, it appears as if more PPNs are missing than there actually are.

The Constabulary will investigate why PPNs are not being consistently completed.
The Constabulary will undertake monthly peer reviews / audits of compliance with completion of PPNs for domestic abuse cases.

However, it should also be noted that:
- The DASH completion rate has increased over recent months.
- Lighthouse dip-samples the quality of PPNs, and provides feedback to officers on poor ones, and a monthly dip-sample by LPA officers is due to be reinvigorated.
- The newly-available DA Toolkit has been introduced to address both of these issues.

3.3 We found that in the four weeks between April to 14 May 2016, 976 cases that were flagged by the call handlers were not referred to the Lighthouse teams.

We selected a sample of 20 cases within these four weeks and found the following:

- 6/20 were not referred but should have been;
- 2/20 should possibly have been referred but weren't; and
- 12/20 were not a Lighthouse issue.

This demonstrates how many cases may not be receiving the attention they should be.

There is also risk that the call handlers are potentially flagging too many cases as needing Lighthouse involvement.

Medium

Due to the new Allocation Policy rolled out in June 2016, Lighthouse are implementing a Niche workaround known as the 'safe search'. This searches all logs in Niche by crime type, and drops all relevant crime types into a newly set up Lighthouse in-tray for review by Lighthouse officers. The pilot for this is running in June 2016 with full implementation planned for July 2016.

July 2016

Natalie Steadman, Head of Integrated Victim Care (Lighthouse)

3 DETAILED FINDINGS

3.1 Missing Persons

At the point of the initial report of a missing person, the call handler obtains information from the caller that will assist the Force Incident Manager to determine whether the person is missing or absent. A log is created in Storm (the Force's command and control system) to record the information given by the caller. The opening code in Storm is always the missing person code "PMP" as, at this stage, the report is for a missing person. To establish whether the person should be classified as absent or missing, the call taker will ask a set of predefined questions, the answers to which may prompt further questions. The responses to these questions will be recorded on the Storm incident log.

The Force Incident Manager will review the Storm incident log containing the information and other available relevant sources (such as Niche, the Force crime recording system) and will then decide whether a person should be classified as absent or missing. The risk level (High, Medium, Low) is assessed by the Force Incident Manager and recorded on the Storm log.

Absent cases are dealt with live on Storm, while missing cases are closed on Storm and pushed through to Niche, the Niche occurrence is then used as the live record. When an absent person has returned or has been changed to a missing person, the Storm log is closed and pushed through to Niche.

The attending Officer completes a missing persons report in Niche, risk assessments and reviews are also recorded against this report.

Categorisation of missing persons

The Constabulary's Procedural Guidance for The Management, Recording and Investigation of Missing and Absent Persons has the following definitions:

A Missing Person is:

"Anyone whose whereabouts cannot be established and they are either:

- *aged under 18; or*

- *aged 18 or older, and the circumstances are out of character or the context suggests the person may be subject of crime or at risk of harm to themselves or another".*

An Absent Person is:

"A person, aged 18 or older, not at a place where they are expected or required to be and there is no apparent risk". These are adults who are not presently where they are supposed to be and there is no apparent risk.

Prior to the Force introducing the above definitions on 1 September 2015, it followed the national definitions of missing and absent persons which allow children to be treated as "absent". The HMIC PEEL 2015 inspection was carried out whilst the Force was applying the national definitions and found that the Force required improvement in the way it used the classification of "absent" rather than "missing". The review found a number of cases where the use of this classification was inappropriate and potentially exposed the child to the risk of grooming for child sexual exploitation. HMIC found evidence that some operational staff and supervisors regarded repeat missing children as a distraction from other duties and did not appreciate the need to consider the risk and the necessity to take safeguarding action.

We asked for a report of all 'absent' cases and found that due to the many different fields within Niche, this was difficult to obtain. In the end we obtained a report of all occurrences classed as 'absent' in the missing person report in Niche. This can be seen in the two illustrations below (please note the occurrence information is entirely fictional). On the front screen there are two separate fields: Occurrence Type (this is transferred across from Storm) and Force tags.

Illustration 1 - Front screen of a Missing Person Occurrence in STORM:

STORM Call Card Grading

Occurrence

#5216000194 - PMP - Missing Person @13/06/2016 08:15
Occurred between: 13/06/2016 08:00 - 13/06/2016 08:05
Dispatch type: Public Safety/Welfare

Occurrence #	Dispatch type	Occurrence type
5216000194	Public Safety/Welfare	PMP - Missing Person

Source	Priority
Tel 101	1

Report date/time	Occurred between	and
13/06/2016 08:15	13/06/2016 08:00	13/06/2016 08:05

Status	Status date
New	13/06/2016

Summary
Caller's 5 year old son has gone missing from their home address - It is believed the child has let themselves out of the address via the front door

MoPI grade

Finalised: No
Force tags: Missing person; Safeguarding child; Youth related age under 10 (Vul child/young person; Youth related)

Force Tags & NICL

Finalised	Finalised date	CAD event

Force tags
Missing person; Safeguarding child; Youth related age under 10

NICL closure
Occurrence type
PMP - Missing Person

NICL qualifier
Vul child/young person; Youth related

Open HOCR OEL
Case management

Update case management

Occurrence Ids (1)
[C and C number] AS-20160613-0001

View last CAD event ← **Full STORM Log Remarks**

Add OEL entry   View OEL

Please note this data is entirely fictional

There are also two additional fields within the Missing Person Report that is created within the Niche occurrence as illustrated below: Classification, and Missing/absent status.

Illustration 2 - Missing Person Report on Niche Occurrence:

*Please note this data is entirely fictional

We selected a sample of 20 occurrences with missing person reports tagged as absent in the Missing/absent status in Niche and found the following:

- all 20 were correctly tagged in Storm as PMP – missing person initially by the call handlers; however

- 11/20 were incorrectly tagged as absent in Niche by the Officer completing the missing person report. These were all minors under the age of 18 so should have been tagged as missing.

As officers are misclassifying the occurrences in the missing persons reports in Niche, there is a risk that minors are being treated as absent instead of missing, and therefore not given high priority attention.

We also obtained a report that had a missing person storm code (PMP – Missing Person) but the two missing person classification fields from the missing person report in Niche were left blank. This report listed 404 occurrences without a missing person report.

We selected 10 of these occurrences and found that in the 'force tag' field in Niche, five were tagged as 'missing', two as 'absent', one as 'domestic abuse' and two did not have any tag at all. Our testing also found:

- the two cases tagged as absent were both over 18 so were correctly classified as absent. These did not require a missing person report;

- 5/10 cases should have had a missing person report completed but didn't. Two of these occurrences had been finalised, despite the fact that they should not be finalised without a missing person report;

- 2/10 cases had a missing person report but the two classification fields were not completed; and

- one occurrence had a missing person report fully completed, this was simply timing error from report to testing.

When missing person reports are not completed, there is a risk that future missing persons investigations are not fully informed of prior occurrences to enable a timely and positive outcome.

Our testing and fieldwork has concluded that there are data input issues resulting in data quality concerns in Niche. The fact that we were unable to easily extract a report to select our audit testing sample, indicates that management information on live missing persons data is not available.

Management Actions:

3.1a) The Constabulary will explore what other forces are doing in terms of missing person logs in Niche to share best practice, and whether other similar issues are found elsewhere and how other forces are dealing with the lack of mandatory fields in Niche. The Missing Persons Lead will gain authorisation to liaise with other forces on this matter.

3.1b) The Niche Management Group will consider how a more powerful and clear message can be communicated to officers to ensure more accurate and complete input into Niche. Training materials will be reviewed with CLaD and consideration of communicating statistics on poor compliance and poor data quality with officers on Niche training will be given. Further Niche update training has been provided and the Constabulary will continue to monitor if this has had the desired effect in addressing these audit findings.

3.1c) The Constabulary will look into the availability of resources to undertake peer reviews / audits of data relating to missing persons. This can link into the Level 2 assurances in the Constabulary's assurance framework.

Data quality in Niche

All missing person occurrences require a risk rating (High, Medium or Low). An initial assessment of risk will be made by the call handlers. This is then put on the Storm log before it is pushed through to Niche. The purpose of the risk assessment is to direct the investigation, allocate appropriate resources and decide upon the level of supervision required. A subsequent risk assessment is completed and recorded in Niche by the attending officer, and countersigned by their supervisor to confirm that the rating remains correct. The Association of Chief Police Officers definitions of high, medium, and low risk, which are applied by the Constabulary, are outlined below.

High Risk	The risk posed is immediate and there are substantial grounds for believing that the subject is in danger through their own vulnerability; or may have been the victim of a serious crime; or the risk posed is immediate and there are substantial grounds for believing the public is in danger Actions: This category requires the immediate deployment of police resources. The Duty Inspector will consider informing the Local Policing Area Operations Superintendent or Chief Inspector immediately or at the earliest opportunity. The Area DI or DCI will take responsibility for the investigation. It may be necessary to: appoint an SIO; and have a press /media strategy and /or close contact with other agencies. Whilst the person is still missing, firm plans should be put in place, in consultation with relevant agencies, to ensure that the return is managed effectively (see paras 7.27 – 7.34).
Medium Risk	The risk posed is likely to place the subject in danger, or they are a threat to themselves or others. Actions: this category requires an active and measured response by the police and other agencies in order to trace the person and support the person reporting. The Duty Inspector will retain the ownership of the missing person

		report and coordinate any immediate enquiries, which will be completed before the end of the tour of duty. If necessary, the Duty Inspector will liaise with the Local Policing Area Operations Superintendent or Chief Inspector, partners and other agencies. Whilst the person is still missing, firm plans should be put in place, in consultation with relevant agencies, to ensure that the return is managed effectively (see paras 7.27 – 7.34).
	Low Risk	There is no apparent risk of danger to either the subject or the public. Actions: in addition to recording the information on PNC, the officer will advise the person reporting the disappearance that, following basic enquiries agreed with the Duty Inspector, unless circumstances change, only proportionate active enquiries will be carried out by police. The missing persons details will we passed to Missing People. They will be kept under review as risk can increase over time.

The Performance and Process Improvement Unit extracted a report in April 2016 which identified that in the final quarter of 2015/16 only 25% of cases had a risk rating that was recorded in the correct field in the missing person report. This fell to 20% in the first quarter of 2016/17. The cases may have been given risk ratings but they are recorded in the occurrence evidence log (OEL) or other sections of Niche. This means that the information cannot be extracted from Niche into management reports and the force cannot identify how many cases of each risk rating have been dealt with. This has been raised with Niche Management Group and Missing Persons Working Group for staff to raise awareness in their areas of the value of accurate information and how to enter data correctly.

We selected a sample of 10 missing person occurrences (seven medium risk, three high risk) and found the following:

- 3/10 had the risk rating recorded in the missing person report; and

- 7/10 did not have the risk rating recorded on the Niche occurrence. The only rating recorded was in the Storm log.

Our findings reflect the total percentages of the Performance and Process Improvement Unit reports. There is a risk that the Constabulary cannot identify how many occurrences of each risk rating it currently has open, or has dealt with in the past due to a lack of or inaccurate data, and therefore may not apply the appropriate resource and urgency to missing persons cases.

See Management Action 3.1a.

The force has a 'whiteboard' report which shows, on a daily basis, how many missing persons there are in each area at any time. However, due to some data accuracy issues in Niche this report is inaccurate and unreliable. The first problem identified was that if officers do not 'lock down' a case when the missing person has returned and the case is closed, they will still appear on the whiteboard. Secondly, if a missing person report is not completed on the missing person occurrence, the whiteboard will not include the missing person on the report.

As outlined by our testing above, not all missing person occurrences have a missing person report so this will need to be address to make best use of the whiteboard report.

Due to the unreliability of the whiteboard report, the Missing Persons Coordinators have to complete manual searches using Niche and cross reference these with other reports to obtain a list of all active missing person cases. To obtain a full list of all active missing persons the Missing Persons Coordinators run a Niche search of all current missing persons in their area which is cross-checked with three further reports:

- a search of cases tagged as 'concern for welfare' in their area (which is the level above the missing persons classification that missing persons fit under) is run for cases which are missing person cases but have not been pushed through as a missing person case yet;

- a search of missing person cases in their area in Storm; and

- a search of missing person cases with no address. The logs and case history of these are then reviewed individually to see if any should be included for their area.

We reviewed the process with the Missing Persons Coordinator in the Bristol SCU and found this to be a laborious process which requires approximately 1-2 hours each day.

There is a risk of inefficient use of resources due to the data issues outlined above, potentially resulting in delays in recognising vulnerable missing persons. Additionally, manual processes are subject to more risk of error than automated processes.

Reviews of missing persons investigations

Active missing person investigations are reviewed by a Supervising Officer regularly based on their rating. This process is set out in a formal procedural guidance document:

- High – daily;

- Medium – every 48 hours; and

- Low – every five days.

There are currently no prompts in place in Niche to notify officers when a review of a missing person investigation is due. Monitoring when reviews are required is currently a manual process, which increases the risk that reviews are not completed.

When reviews are completed they are recorded in the OEL. There is currently no functionality to run a report of which reviews are outstanding as reports cannot be run on data in the OEL as this is mainly free text.

The Bristol SCU has a mitigating control in place which helps address this risk. Following the process outlined above to identify all active missing persons, the Missing Persons Coordinator sends out a daily email of all current missing persons and records whether a review is required or overdue. However, there is no such mitigating control in place at the Somerset or BaNES & South Glos SCUs.

There is therefore a risk that reviews are not conducted in line with the timescales required and these reviews aim to flag high priority missing persons investigations not solved or closed, to establish if further resource is needed.

We selected a sample of 10 missing person occurrences (seven medium risk, three high risk) and found the following:

- 6/10 were found within several hours of being reported so no review was required; and

- 4/10 cases were open for several days and therefore required regular review. We reviewed these and confirmed that the reviews were completed in line with the required timescales and actions were reviewed and updated.

Our testing indicates that reviews are taking place in line with requirements, suggesting that the investigating of missing persons is effective, it is the data that causes concerns as it affects the assurances over what is happening operationally, as this is not accurately reflected in Niche.

3.2 Public Protection Notices/DASH Risk Assessments

The HMIC PEEL 2015 inspection identified that the Force required improvement regarding risk assessments of domestic abuse cases. Specifically this related to Domestic Abuse Stalking and Honour Based Violence (DASH) risk assessments not being completed. The DASH risk assessment is a tool that was developed to identify the risk rating of a victim.

The Constabulary uses a public protection notice in Niche to complete the risk assessments for domestic abuse cases.

We obtained a list of all domestic abuse cases without a public protection notice on Niche and reviewed the OEL with assistance with an Inspector from the Performance and Process Improvement Unit. Our testing found the following:

- 6/20 had no PPN completed and no reason for non-completion logged in Niche;

- 1/20 had notes in the free text in Niche that it was classed as a high risk case but no PPN had been completed;
- 9/20 did not require a PPN; and
- 4/20 had been completed elsewhere in Niche, where there was another occurrence but these do not link together in Niche.

There is a risk that if PPNs are not being completed for all domestic abuse cases as required, the risk may not be adequately assessed and these cases may not be dealt with in a timely or correct way due to being adequately informed of all surrounding circumstances. Additionally, due to the fact that PPNs are being completed on different Niche occurrences without them linking together, it appears as if more PPNs are missing than there actually are. Again, this comes down to how Niche has been configured and how staff and officers are inputting data into Niche.

See Management Action 3.2:

3.3 Lighthouse

Lighthouse deals with victims of the most serious crime types such as domestic abuse, hate crime, terrorism, sexual offences and attempted murder. It also deals with persistently targeted victims, vulnerable victims and intimidated victims as defined by the Victims Code of Practice.

Lighthouse was set up with the resources intended to deal with approximately 26% of all crimes. As at the end of April 2016 Lighthouse had dealt with 25% of all crimes year to date. This is in line with the target and the resources available.

In the Constabulary's old system Guardian, all occurrences that were flagged as any of these crime types would automatically be referred to the Lighthouse teams via a workflow inbox process. In addition to this, officers could refer occurrences to Lighthouse via Guardian. Niche does not have this automatic referral functionality available so the Constabulary is now entirely reliant on officer referrals.

When a call is received by the Constabulary's call handlers, they tag it when inputting it on to Storm to flag that it may be required to be referred to Lighthouse. Officers dealing with the case have to then manually refer the cases on Niche for the Lighthouse team to receive the case.

The Performance and Process Improvement Unit developed a daily report identifying referrals that potentially should have been referred as they were flagged by the call handlers, but had no Lighthouse involvement. These reports have been in place since the implementation of Niche, however we found that it had been identified at a recent Niche management meeting that the Lighthouse team had not been using these reports. There was a difference in understanding in whose responsibility it was to use the reports to ensure Lighthouse is involved in the cases it should be. The Performance and Process Improvement Unit understood that the report was intended for Lighthouse to proactively search for cases they should be involved in. However, the Lighthouse team believed the reports were for supervising officers to review to ensure their officers were referring all required. Following our testing, in our professional opinion, we believe it would not be an efficient use of resources for the Lighthouse teams to proactively look for cases as looking through the OEL and Storm logs to identify whether a case requires Lighthouse involvement is very time-consuming.

We requested and inspected a report for the four weeks from 18 April to 14 May 2016 identifying how many cases had the Lighthouse flag from the call handlers but did not have any Lighthouse involvement. We found that in these four weeks 976 cases that were flagged by the call handlers were not referred to the Lighthouse teams.

We selected a sample of 20 cases within these four weeks and found the following:

- 6/20 were not referred but should have been;
- 2/20 should possibly have been referred but weren't; and
- 12/20 were not a Lighthouse issue.

From our results above 30% should have been referred to Lighthouse. If this is extrapolated over the 976 cases over the four week period reviewed, this is 292 cases, or 73 cases a week. Over a year this could be up to approximately 3,800 cases. We acknowledge that the sample is likely not be 100% representative of the entire population of cases over the entire year, however this demonstrates how many cases may not be receiving the attention they should be.

There is a risk that the call handlers are potentially flagging too many cases as needing Lighthouse involvement, and this could be a training issued. There is also a risk that Lighthouse is not receiving referrals from officers and therefore victims are not receiving the additional support available.

During the debrief discussion we were informed that a new Allocation Policy was rolled out in June 2016. A safe search is being developed by the Lighthouse team which searches for all crime types Lighthouse should deal with and places these in to a Lighthouse tray. The pilot for this safe search will run in June and full implementation is planned for July 2016.

Management Action 3.3:

Due to the new Allocation Policy rolled out in June 2016, Lighthouse are implementing a Niche workaround known as the 'safe search'. This searches all logs in Niche by crime type, and drops all relevant crime types into a newly set up Lighthouse in-tray for review by Lighthouse officers. The pilot for this is running in June 2016 with full implementation planned for July 2016.

APPENDIX A: SCOPE

Scope of the review

The scope was planned to provide assurance on the controls and mitigations in place relating to the following risks:

Objective of the area under review	Risks relevant to the scope of the review	Risk source
To provide assurance on the areas identified in the HMIC PEEL inspection report that resulted in the Force receiving a 'requires improvement' grading.	Governance failure - OPCC SR1	OPCC Strategic Risk Register
	Risk that we fail to truly identify risk and vulnerability of callers as a result of being unable to meet demand - ASC SR 2	Constabulary Strategic Risk Register
	Serious operational policing service failure - ASC SR10	Constabulary Strategic Risk Register

Background

The 2015 PEEL (police effectiveness, efficiency and legitimacy) assessment was the HMIC's second assessment of the effectiveness, efficiency and legitimacy with which Avon and Somerset Constabulary keeps people safe and reduces crime.

In terms of efficiency and legitimacy Avon and Somerset Constabulary were graded as 'good', however it received a 'requires improvement' grading regarding its effectiveness at keeping people safe and reducing crime. The review showed that the constabulary is good at preventing crime and anti-social behaviour but the standards of victim care and the quality of investigations lack consistency. The constabulary is generally good at identifying vulnerability but an accurate assessment of the risks presented to domestic abuse victims and persons reported as missing is not always evident.

Additional management concerns

At the scoping meeting on 5 May 2016 concerns were raised over the data quality of Niche in relation to missing persons. This was considered as part of the audit testing.

It was also noted that the additional concerns and requests for coverage from JAC members could be addressed by providing internal management reports and information, rather than adding this to the areas of consideration for audit testing.

Scope of the review

The following areas will be considered as part of the review:

Missing Persons

HMIC identified issues with the correct classification of missing persons being used and documented in Niche (specifically not classing under-18s as 'absent'), with the appropriate subsequent actions taken.

We did this by reviewing the conversion of STORM logs to Niche, and reviewing a sample of absent people in Niche. As part of this, we looked into the data quality of Niche missing persons logs, establishing how the Constabulary know

how many people are missing at any point in time, how these are categorised into high, medium and low in line with National Policy and the Constabulary's Threat, Risk and Harm approach, and whether there is a mechanism for Niche to flag high risk issues that have not been adequately dealt with.

DASH Risk Assessments

We undertook testing on the Constabulary's compliance with DASH risk assessment requirements and how this is recorded in Niche. The HMIC report made a recommendation that staff understand clearly when they should complete a DASH risk assessment. Currently the Constabulary has DASH forms in place for 68% of domestic abuse cases, however, within Niche, if risk assessments are carried out or documented outside of the Public Protection (PP) form where the DASH sits, this is difficult to pick up in Niche and report on. We looked into the data whereby there are DA cases with no PP form and investigate the reasons why and other records documented for a sample of cases.

Lighthouse

The HMIC report highlighted concerns on the capacity of the Lighthouse team to manage demand, however there is currently data available to support that this is being managed. Lighthouse has an internal performance target of referring cases to an allocated Coordinator within 24 hours of referral and this data and evidence was reviewed. We also considered whether the Lighthouse team is getting all the referrals that it should be, as the Niche system does not automatically refer cases classified as 'serious crime' or 'vulnerability' as it used to in Guardian, therefore there is a risk that some cases may not get through.

The following limitations apply to the scope of our work:

We did not look at the actions taken in terms of investigation / operational policing of cases, only that compliance with the above required steps is achieved.

Testing was undertaken on a sample basis only.

Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

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AVON & SOMERSET CONSTABULARY

Project Atlas (Niche) - Project Management Review

FINAL

Internal Audit Report: 11.15/16

6 July 2016

CONTENTS

Debrief held	14 March 2016	**Internal Audit team**	Mark Jones, Head of Internal Audit
Draft report issued	5 April 2016		Paul Underwood, Consultancy Director
			Victoria Gould, Assistant Manager
Responses received	5 July 2016		
Final report issued	6 July 2016	**Client sponsor**	Julian Kern, Constabulary CFO and Director of Resources
			Leila Board, Digital Policing Programme Director
		Distribution	Julian Kern, Constabulary CFO and Director of Resources
			Leila Board, Digital Policing Programme Director
			Jane Walmsley, Inspection and Audit Coordinator

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We have no responsibility to update this report for events and circumstances occurring after the date of this report.

1 EXECUTIVE SUMMARY

Background

As part of the Internal Audit Plan for 2015/16 management requested a review of the Project Management of the Project Atlas (Niche) implementation.

Project Atlas is part of the Digital Policing Programme. The purpose of the Niche Delivery project (Project Atlas) was to deliver the successful implementation and handover to business as usual of an integrated Investigations, Intelligence, Custody and Case Preparation System, replacing the current systems in place (Guardian & elements of NSPIS ie custody and case prep).

The project was initiated because NSPIS would not be supported by Capita after May 2016, and the Guardian system was no longer fit for purpose, requiring a significant number of workarounds in order to complete business processes.

Project Atlas was originally scheduled to go live in two phases. At a fairly early stage of the project it was identified that these dates were unrealistic and new dates were set for September and November 2015. There were limited opportunities for go live dates due to factors such as summer holidays, resources issues caused by the Glastonbury festival, Christmas etc. A two phased approach was taken rather than a single 'big bang' approach as the vendor (Niche) would not support a single go live as they said it was too risky and they did not have the experience or resource to support a single date go live.

The project went live on the revised dates and formal risk assessments were taken at various stages up to the morning of the go lives. The risks associated with the go lives were signed off as being acceptable via the formal governance process that was in place for the project.

Conclusion

The project went live on time and on budget and a number of project activities followed good practise. For example:

- Use of Go live readiness risk assessment.

- Use of DigiSpocs and uPerform to support users at go live.

- Involvement of third parties (eg Deloitte) to fill skills and resource gaps.

- Use of a Business Design Authority to provide governance and constructive challenge to the project.

- Niche Management Group meetings to help improve project level communication, planning and issue resolution.

There was also strong leadership from the Digital Policing Programme Director when she took over part way through the project. However, there were a number of areas that were not as well managed and can be seen as learning points in order to successfully deliver future projects. The six findings that have been reported as Red in Section 2 'Detailed Findings' of our report relate to:

- Lack of appropriate training: lack of coverage of force staff and the training was focused on the technical use of Niche not on the process and user impact elements. Planning of courses was also left late in the project.

- Poor change management: there was a lack of business understanding of the level of cultural change required and understanding of the impact on users. The project was also seen as an IT implementation rather than a business change project by the business.

- Business representation: Despite requests from the project team, there was a lack of business representation on the project.

- Poor sponsorship: There was a lack of senior sponsorship and associated leadership and communication.

- Data migration and cleansing. There were issues with the data migration software not working as intended as well as issues with the back record conversion process. There was also a lack of attention on user impact of data issues in the legacy systems now being more visible in Niche.

- Lack of IT management: There was tension between Southwest One and Deloitte who also had to provide cover to Southwest One outside of their original scope as Southwest One did not have the capability or capacity to meet the project needs. There appears to have been delays from the technical team in delivering what was required.

Management are already aware of a number of the risks and have started planning activities aimed at addressing them.

In addition to the findings and recommendations included in Section 2, we have also set out in Section 3 'Additional Findings', a number of observations that were made during our work that, whilst not within the scope of our review, have been reported for the benefit of management and do not form part of our overall opinion. We have also set out some lessons learnt and good practise that should be considered when undertaking further change and collaboration activities. These relate to:

- Project management: take a more iterative and behavioural based approach to project management in order to balance the needs for business input and the need to deliver what the business needs.

- ITIL: the use of IT process good practise, especially relating to business readiness.

- Collaboration: utilising the guidance in ISO 11000 'Collaborative Business Relationships' to provide direction and guidance for any collaborative activities.

Note:

We have not followed up on any specific post go live user issues that have been raised.

The Mobile project was outside of the scope of this review.

Internal Audit Opinion:

Taking account of the issues identified, the OPCC and Joint Audit Committee can take **partial assurance** that the controls to manage this risk are suitably designed and consistently applied.

Action is needed to strengthen the control framework to manage the identified risk(s).

1.1 Key findings

The key findings from this review that support our conclusions are set out below.

Our findings are based on a review of the information provided by Avon and Somerset Police and interviews with 19 individuals (see Appendix B for details).

A number of positive messages were raised by staff during our review which included:

- Successful delivery (especially when compared Niche go lives in other forces).

- Strong leadership (following the appointment of the Digital Policing Programme Director).

- Strong go live risk assessment.

However, there were a number of on-going challenges that were consistently raised which included:

- Lack of visibility over defects and outstanding functionality.

- Lack of/ poor training.

- Open access (system does have mandatory fields; people can change the owners of tasks etc).

- Lack of accountability for data and processes.

We have identified the following examples of good practice during this assignment:

- Go live readiness risk assessment: A robust go live readiness assessment process is in place covering various aspects of the project. It is clear what the risks are and the impact they may have. This enables educated decisions to be made and risks proactively managed.

- Use of DigiSpocs and uPerform: There was a good use of the DigiSpoc role to support users at go live as well as using uPerform to support user training.

- Involvement of third parties: There was good use of third parties, ie Deloitte to support the project where the force had identified they had skills and competency shortage.

- Business Design Authority: A BDA was in place which assisted in focusing the project on the business needs.

- Escalation and governance: There appeared to be strong Governance and it appeared clear when decisions needed to be escalated.

- Niche Management Group meetings: The group met regularly days a week for an hour which helped understand the key project dependencies, assumptions and risks and address them on a timely manner. It also helped improve communication between key stakeholders and project team members.

- Project go live: The project went live on the (revised) go live dates and on budget.

There were a number of areas that were not as well managed and need to be seen as learning points to successfully deliver future projects. In summary these are (categorised by their priority rating):

Red rated:

- Lack of appropriate training (and communication).

- Poor organisational change management.

- Lack of business representation.

- Data migration and cleansing issues.

- Issues with IT management.

Amber rated

- Lack of a Technical Design Authority.

1.2 Additional information to support our conclusion

Each key process area of the Project Management review has been rated below:

	Rating
Business case/ requirements	SATISFACTORY
Project planning	OPPORTUNITY FOR IMPROVEMENT
Organisational change management and communication (incl sponsorship and business input (SME's))	INSUFFICIENT
Supply chain/ procurement management	SATISFACTORY
Risk and opportunity management	SATISFACTORY
Training	INSUFFICIENT
Financial management	SATISFACTORY
Quality management (including testing)	OPPORTUNITY FOR IMPROVEMENT
Resource management	OPPORTUNITY FOR IMPROVEMENT
Project governance and project change management	SATISFACTORY
Post go live review including lessons learnt and success measures	OPPORTUNITY FOR IMPROVEMENT

Key:

RATINGS	CONDITIONS
LEADING	Internal Controls are operating as intended. In addition, the entity has certain leading edge processes and / or documentation that allow it to anticipate both challenges and opportunities in order to optimize its performance.
SATISFACTORY	The entity has virtually no gaps in their documentation and internal controls. There may be minor issues with execution of internal controls. There may also be opportunity to strengthen processes to facilitate growth or expansion.
OPPORTUNITY FOR IMPROVEMENT	The entity has a few gaps in their documentation or internal control design, and controls are not all executed consistently. The entity has processes which allow it to run on a day-to-day basis, but may not support controlled growth or development.
INSUFFICIENT	The entity has basic gaps in their processes, documentation and internal control design which could adversely affect the day-to-day running of the entity.

2 DETAILED FINDINGS

Categorisation of Internal Audit Findings	
Priority	**Definition**
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may, with a high degree of certainty, lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

Ref	Audit findings and implications	Priority	Recommendation	Management action / date
1	**Training and business readiness** The planning of user training was left late in the project and the scale of the task at hand appeared to have been underestimated. Lesson plans were not created prior to creating the training. There was a lack of coverage of staff being trained and the content of the training was too general and did not address the specific processes being used by the force or the changes that users would face compared to existing processes and system. Staff lacked confidence and belief in the new processes and systems. There was a high dependency on temporary staff to deliver the training that only had knowledge of the system rather than the processes and the system was being used by the force and difference to how staff worked previously eg what reports would show, how to action outstanding information, mandatory fields, changes in roles and responsibilities etc. There was also a high training staff turnover. There was also limited train the trainer. There appeared to be limited focus on lessons learnt and ensuring that when issues were identified,	**High**	Training plans need to be created prior to commencing the preparation of the training material.	This is standard process that needs to be followed by all parties for future projects. A high level plan was created, however, on this occasion there was insufficient revalidation and refinement as the project progressed. No further action
			Training material needs to be verified by the business prior to roll out.	This is standard process that needs to be followed by all parties for future projects. No further action
			Better use of business resource that have already been through train the trainer or have experience in delivering training.	To improve the ability of internal staff to support training and improve knowledge levels we will work with other forces to support each other on projects e.g. this recommendation is being adopted for the 5.04 upgrade. Mar 2017: Senior Niche User, Head of CLaD
			Focused additional training should be undertaken focusing on areas of highest risk or impact eg vulnerability or where misclassification of data may lead to a loss in funding.	Follow up training has been completed. Lessons have been learnt and are overseen by the Niche Management Group. Complete

	improvement actions were taken to address them. Some of the initial courses were poorly attended or had to be cancelled due to contract trainers leaving. There was also limited impetus from the business to ensure staff attended.		Terminology needs to be clarified eg what is a 'Niche'? and clarity over what should and should not be recorded in Niche needs to be communicated.	Follow up training has been completed. Complete
			A review of all process documentation needs to be undertaken to ensure that any Niche elements are adequately covered. Guidance also needs to be provided on which fields must be completed for different scenarios. Whilst some staff have said that these fields are just the same as the previous system so staff should know, this does not provide a robust and error proof process and does not meet the needs for starters or movers (and people forget or do things by habit) etc.	DPSU have undertaken the process documentation review. Additional guidance has been created and published. All relevant documentation has been shared with other Niche forces via the Minerva library. Complete
2	**Organisational change management** Little consideration was given to the behavioural and cultural change required as a result of the Niche implementation and training staff didn't understand the design documents and operating model prepared by the project team. There was a lack of business representation amongst the training resource (see Ref 3 'Lack of business representation' below). The business appears to have seen the implementation as purely and IT project rather than truly understanding it as a business change project and therefore not responding accordingly.	**High**	An impact assessment needs to be undertaken early in the project to ensure that business engagement, communication and training are focused on the areas of greatest risk or impact and staff understand the impact of the changes on their roles.	This was undertaken but the impact of the project was not fully understood or accepted by the business. There should be greater focus for future projects on continuous and visible executive level leadership. Ongoing: SSI, Corporate Comms
			Business culture needs to be formally recognised and taken in to account when planning communications and training and undertaking the impact assessment eg users are used to the system telling them what they can do and in filtering errors, however, now they need to use their discretion, there are no mandatory fields, staff are allowed to make mistakes, data issues are visible, tasks can be unassigned etc.	This was undertaken but the impact of the project was not fully understood or accepted by the business. There will be greater focus on getting input and ownership from departmental/ middle managers. Ongoing: SSI, Corporate Comms
			Go live / transition support needs to be focused on the high risk and impact areas of the business.	Additional support was provided in the form of floor walkers at key locations, however, there were insufficient numbers and lacked the detailed knowledge of the system or business processes to be as effective as required. See section 3 below
			See also Ref 1 Training, Ref 3 Lack of business representation' and Ref 5 Data migration and Ref 7 Communication.	No action required

| 3 | **Lack of business representation on the project** | High | The communications plan needs to make it clear that it is a business change project not simply and IT replacement project. An impact assessment would have assisted in ensuring that the communication was focused on the areas with most business impact. | This was undertaken but the impact of the project was not fully understood or accepted by the business. More focused, impactful messaging needs to take place.
The new force intranet is being designed to support improved communication and engagement.
Dec 2016: Corporate Comms |
| | There was a lack of business representation on the project; in particular very few Subject Matter Experts (SMEs) were assigned to the project on a full time basis. | | See also Ref 7 'Communication' below. | No action |
| | Staff appear to have been suffering from change fatigue as a result of initiatives that had been undertaken previously eg restructure, therefore, there was a mix of reluctance to put staff forward and for staff to volunteer as they were still getting used to the changes in the business and with their own roles. | | The organisation needs to ensure flexible ways of releasing staff who can deliver training and subject matter expertise without it having a detrimental personal impact eg having to relinquish a substantive post in order to fulfil a temporary requirement. | HR to provide advice and facilitate the decision making process to future projects (SRO etc).
Ongoing: Retained HR |
| | Whilst there was verbal commitment from senior management to put forward staff to work on the project, this either never materialised or was on an ad hoc and part time basis. | | Take an iterative (as opposed to a Cascade or Agile) approach to the project management and delivery of high risk or more complex areas of the project. See section 3 below 'Project management framework'. | The organisation is moving towards adopting an iterative approach in relevant situations. Appropriate guidance and framework is being developed to support this.
Mar 2017: SSI |
| | If staff worked in CLaD and were to work on the project they may have to give up their substantive post.
There does not appear to be any process for evaluating the impact of staff moving from their substantive post on to the project to ensure that business impact is minimised ie can work be reallocated, is a temporary backfill required etc | | We recognise that organisational restructure with associated changes in roles and responsibilities and processes would have contributed to change fatigue and staff uncertainty whilst they became used to the new structures and processes. Wherever possible back to back large change projects that impact the same staff should be avoided where possible. We recognise this was unavoidable in this instance. | Noted |
| | | | There did not appear to be a robust IT business readiness process. See Ref 6 below. | A process was in place, however, it was inconsistently applied. This will be addressed for future projects. An awareness session will be run with business stakeholders to improve understanding.
Dec 2016: SWOne |

4	**Data quality, migration and cleansing**	High		
	The data migration, cleansing and back record conversion activities did not go to plan. The algorithm element of the data mapping / record linking software (IBM MDM entity) that was procured has not worked as intended and at the time of our review was still not working as intended. This led to a number of issues such as staff having to take more time to review numerous cases that had not been linked or information was duplicated (eg multiple spellings of names and addresses etc)		Data cleansing activities need to be started earlier in the project.	This is accepted, however, it was unpreventable due to delays in the procurement and decision making (authorisation) process. No further action.
	As a result of the way information is now reported and presented, issues with data accuracy that exited in the previous system are now much more visible as the old system effectively filtered them via the reporting process to present a more user friendly view.		Testing of unproven tools needs to be undertaken earlier in the project and contingency plans put in place to reduce go live and operational risks.	This is accepted and is part of our lessons learnt as something that was new to the organisation. Our learning is being shared with other forces embarking on Niche implementations. No further action.
	The data cleansing activities that took place were also undertaken later than planned.		Following any impact assessment, the communications plan and training curriculum needs to address the identified changes to ensure users are not only aware of the changes but confident in using the system. See also ref 1 'Training and business readiness', 2 'Change management', 3 'Lack of business representation', 6 'IT Management', 7 Communication', 8 Technical Design Authority'.	This was undertaken but the impact of the project was not fully understood or accepted by the business. More focused, impactful messaging needs to take place. Dec 2016: Corporate Comms

There will be greater focus on getting appropriately timed input and ownership from departmental/ middle managers. Ongoing: SSI, Corporate Comms |
5	**IT Management**	High		
	There appeared to be tension between the Deloitte and Southwest One (technical services) teams as well as confusion over who was delivering what work. This appeared to be due to the lack of capability of the Southwest One team to provide the level of resource (capacity constraints) and skills required for the project. As a result Deloitte resources appear to have filled some of the void that was left (moving resource from other areas of the project).		A skills assessment needs to be undertaken prior to any key projects being undertaken in order to be able to proactively address any gaps.	Future business case authors to work closely with Tech Services to understand technical capabilities that will be required and build potential costs in to business case. Ongoing: SSI, SW1
	There appears to have been delays from the technical team in delivering what was required.		A Technical Design Authority should be put in place (see Ref 9 below).	No action
	There was a lack of a clear process for identifying and communicating what technical issues were outstanding, the status of defects and bugs and for key outstanding deliverables for the project were from the		Appoint a Critical Friend on to the project board who is not from the force or main contractors in order to provide insight and constructive challenge.	This will be reviewed on a case by case basis. Ongoing: SSI
			The IT team need to follow good practise project management eg robust project plan, risk and opportunity log etc and also apply ITIL good practise (see section 3 'ITIL' below).	A process was in place, however, it was inconsistently applied. This will be addressed for future projects. No further action.

	technical team.		Undertake an exercise to capture all 'snags' from the business to ensure completeness of the existing list. The list needs to be prioritised; timeline for delivery agreed and any additional resources required to deliver them needs to be identified and actioned.	This has been undertaken and managed through the Niche Management Group/ Business Change Manager.

Complete |
| 6 | **Technical Design Authority**

No TDA was in place for the project and there was a lack of project management by technical services. The absence of a TDA in a large IT project can lead to confusion and uncertainty among project participants on their task and role in the project. | Medium | Ensure all key IT projects have a TDA (may be a person or group of people) with responsibility for IT elements of the project such as:

- Focal point for IT matters;
- Architecture Design Approval;
- Ensures quality assurance standards and project management protocols are followed Technical Assurance;
- Communicates and leads the implementation of the IT elements of the project;
- Provides technical leadership to project team to produce detail design deliverables;
- Leads project team in the development, final preparation and evaluation of supplier bid packages;
- Leads site acceptance testing, commissioning, startup activities and obtains customer sign-off. | Future business case authors to work closely with Tech Services to understand the governance and decision making process for technical aspects of the project

Ongoing: SSI, SWOne |
| 7 | **Lessons learnt**

There was limited use of lessons learnt from previous change projects (limited lessons learnt were available) and there was no formal lessons learnt process in place during the project in order to address issues in a timely manner eg communication, training, SME involvement, project sponsorship.

A User Case Analysis (lessons learnt) has recently been undertaken, however no plan of action currently exists (this is due to the review only just being completed at the time of our review). | Low | All future projects need to ensure that there are milestones set where formal lessons learnt review is undertaken in order to deliver continuous improvement as the project progresses rather than just at the end. This needs to be formalised in order to give it the attention it requires rather than just being an agenda item at the monthly project meetings.

The lessons learnt review needs to focus on clear actions and action plan. The plan needs to have a clear owner and a process needs to be put in place to ensure that lessons learnt are applied to future projects | A lessons learnt review has been completed and shared with relevant internal stakeholders and other forces embarking on similar major change eg Northants and the Met). The lessons learnt will also be included in the Programme Closure Report to be presented at force corporate change board in Aug 16.

There is also a lessons learnt plan that has been developed following the review.

Aug 2016: SRO (Julian Kern) |

3 FURTHER OBSERVATIONS

In addition to the findings and recommendations set out above, a number of observations were made during our work that, whilst not within the scope of our review, have been reported for the benefit of management and do not form part of our overall opinion. We have also set out some lessons learnt and good practise that should be considered when undertaking further change and collaboration activities. These observations and recommendations are to be considered in the wider context of delivering future change within the force.

Ref	Observation	Recommendation
1	**Project management framework**	There needs to be appropriate levels of Project Management (Office) support provided to all functions undertaking any form of organisational change.
	There is a risk for functions that are going through organisational change that they are not provided with the appropriate levels of structured support and that they are swamped with the additional work as well as having to deliver business as usual activities.	There also needs to be training and awareness sessions for new starters and individuals who become part of a project team to ensure they are aware of terminology, process, cultural and governance differences.
	The approach taken for Niche was a traditional Waterfall approach (similar to Prince2) which places an onus on the business to clearly define all requirements and then pass over to IT to build. This was not appropriate in areas of the project where requirements were not clear or well understood.	An approach called 'Iterative' project management would have been more appropriate for areas of the project where there was greater risk or uncertainty of requirements. This puts a number of milestones were the business and IT team formally review requirements and build to date and then agree on actions through to the next milestone. This ensures business involvement during the build and implementation phase without requiring dedicated resources.
	An alternative approach to project management is Agile, however, this would not be appropriate due to the lack of SMEs from the business.	A behavioural approach to project management would also assist the project team follow good practise without needing to be trained on full blown project methodology such as Prince 2. An example of the principles for people to understand as part of the behavioural approach are set out below.

Ref	Observation	Recommendation

2	**ITIL**
	
	There does not appear to be any evidence of Southwest One following the good practise processes as set out in the IT ITIL framework (IT equivalent of Prince2 for IT departments), in particular processes associated with Business Readiness (Service Transition).
		The organisation needs to adopt the good practise set out in the ITIL framework, in particular for Business Readiness. These processes that should be followed for effective IT change in an organisation would include:
		
		• Processes that support the IT services lifecycle (ie not just project go live)
		  o Change management
		  o Service asset and configuration management
		  o Knowledge management
		• Processes that focus on service transition (go live) only
		  o Release and deployment management
		  o Transition planning and support
		  o Service validation and testing
		  o Change evaluation
		
		The ownership of the processes usually lies with the IT department working closely with the business and user community.

3	**ISO 11000 Collaborative Business Relationships** No reference has been made to the suggested good practise for collaborative relationships as set out in ISO 11000.	A review of ISO 11000 should be undertaken in order to identify and good practise that would benefit Avon and Somerset Police collaboration with third parties. See further information below of considerations when undertaking Collaborative relationships. The good practise may help in delivering improved service and outcomes with third parties such as Southwest One, Niche and Deloitte.

Collaborative relationships

Set out below some considerations are when looking at future collaboration.

- Agree what type of collaboration you will be undertaking ie
  - Resource sharing is the first level of collaboration and can be very effective in eliminating costs. Participants agree to share the cost of service delivery or to save money by sharing or acquiring a resource that neither could afford nor justify on their own.
  - Joint venture collaboration involves commitments from two or more organizations to undertake a major project or to jointly address a strategic issue or community need. The distinguishing feature compared to resource sharing is that it undertakes a particular project or need. The level of commitment is higher than resource sharing and any change of these boundaries should involve renegotiation among participants.
  - Strategic alliances are the most complex and ambitious type of collaboration and the most open ended. It requires a commitment by two or more organizations to pursue an agreed set of goals that assist both in attaining their mission. The collaboration goes beyond normal inter organisational dealings but they do not go as far as to create a formal merger or single organisation.

- Before embarking on one of the collaboration types set out above, you need to be clear on how you will address the following challenges:

- What is the optimal level of time and resources to put in to the collaboration in order to achieve the desired outcomes?
- There must be something in it for all parties – be clear on what that is.
- There needs to be equality on how much all parties put in to the collaboration as well as what they get out. It does not mean they must put the same thing in or get the same out.

- Ensure there is a clear structure to the collaboration. For your collaboration to succeed you need to ensure that the people, processes and resources are well-defined in advance so that people can focus on actually collaborating and not on non-value adding activities.

- Ensure there are clear accountabilities, clear time frames and measurable objectives. There also needs to be clear and consistent commitment from the top of all participating organisations. You need to clearly articulate the problem that you are trying to address in terms of objectives, outcomes and measures. Do not focus on the stand alone benefit that collaboration brings but compare it to the alternative without collaboration. Collaboration objectives should be set against SMART (specific, measurable, achievable, realistic and time bound) criteria.

APPENDIX A: SCOPE

Scope of the review

The internal audit assignment has been scoped to review the project management framework focusing specifically on the planning and implementation of the new crime recording software Niche, also linked to the implementation of the Operating Model. In particular we will be reviewing the approach to:

- Business case/ requirements documentation

- Project planning

- Communications

- Supply chain management and engagement

- Risk and opportunity management

- Training and end user upskilling

- Post go live review including lessons learnt and success measures

- Project financial management

- Change management

Additional management concerns/

No additional management concerns were raised at the scoping meeting.

The following limitations apply to the scope of our work:

- Our work is limited to the areas discussed above.
- Testing will be undertaken on a sample basis only.
- Our work does not provide absolute assurance that material error, loss or fraud does not exist.
- We have not reviewed the Mobile project as it is being run as a separate project.

APPENDIX B: FURTHER INFORMATION

Persons interviewed during the audit assignment:

- Steve Ingram-Cotton - Project Officer
- Paul Hembury - AS Project Manager
- Andy Jeal - IT Project Manager
- Gareth Price - Senior Project Officer
- Matthew Hawkins - Local Policing Inspector
- Chloe Hope - Incident Assessor & Review Team Leader
- Steve Webb - Detective Constable
- Andy Fox - Detective Sergeant
- James Moore - Intelligence Assistant
- David Pullen - Criminal Intelligence Analyst
- Mike Vass – Acting police sergeant
- Steve Maynard - Intelligence Assistant
- Adam Boothby – Deloitte Delivery Lead
- Leila Board - Digital Policing Programme Director
- Ronnie Hext - Head of Change Management Unit
- Zoe Thompson, Business Change Manager
- Laura Hurditch, DPSU Manager
- ACC Sarah Crew, Strategic Lead / Senior Stakeholder
- Julian Kern, Constabulary CFO and Director of Resources
- Sharon Colley, Programme Manager

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THE OFFICE OF THE POLICE AND CRIME COMMISSIONER FOR AVON AND SOMERSET AND AVON AND SOMERSET CONSTABULARY

Culture

FINAL

Internal Audit Report: 12.15/16

9 May 2016

RSM

CONTENTS

Debrief held	25 April 2016	**Internal Audit team**	Mark Jones, Head of Internal Audit Vickie Gould, Manager Patrick Bevan, Auditor
Draft report issued	29 April 2016		
Responses received	9 May 2016		
Final report issued	9 May 2016	**Client sponsor**	Cathy Dodsworth, Head of HR
		Distribution	Mark Simmonds, OPCC CFO Julian Kern, Constabulary CFO and Director of Resources Cathy Dodsworth, Head of HR Jane Walmsley, Inspection and Audit Coordinator

1 EXECUTIVE SUMMARY

1.1 Background

The staff survey results from 2015 were published on 4th August 2015. The survey was an interim 'pulse' survey which was shorter than the usual annual survey and focussed on three specific areas. The last annual (full) survey was conducted in October 2014 with results published in January 2015. The main issues identified in both the annual and interim staff surveys were around three key areas:

- Performance Development Reviews (PDRs);

- Wellbeing / workload issues; and

- Change management.

Through the implementation of the operating model, which began in 2014, there has been a vast amount of change to the structure and operations of the Constabulary. Whilst the PDR system has not been used during 2014/15 conversations around performance and development should still have taken place. The PDR process and facilitating system is being updated by HR, and this will be introduced in July / August 2016 (delayed from the original date in March 2016).

The annual staff survey results were provided to senior leadership teams across the Constabulary for them to action within their local teams as they saw appropriate.

This audit aimed to take a cross section of teams and establish what actions have been taken in response to the staff survey, as well as gather qualitative feedback on the above three themes. Specific questions were agreed with the Head of HR as well as which teams were to be involved, based on both positive and negative staff survey results.

1.2 Conclusion

Internal Audit Opinion: Amber Red
Taking account of the issues identified, whilst the OPCC and Joint Audit Committee can take partial assurance that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied.

Action is needed to strengthen the control framework to ensure this area is effectively managed.

1.3 Key findings

The key findings from this review are as follows:

- Staff and managers from all teams interviewed expressed a strong desire for the new PDR process to be given time to embed before any further changes are made, thereby enhancing stability and continuity in order to allow greater 'buy-in' from staff and strengthen understanding amongst line managers.

- Staff avoided (or were reluctant) to use the Care First hotline offered by the Constabulary, but felt there was insufficient counselling sessions available to staff.

- Where staff were involved in the change management process, we found they had a more positive opinion of change management as well as a perception of the value of completing the staff survey. Subsequently, these teams had more positive staff survey results.

- Although many staff did complete the staff survey, there was a lack of awareness of subsequent phases in the staff survey process such as communication of results and actions taken locally to address results. Without stronger awareness of the whole process, there is a risk that staff become disengaged with (and do not complete) the staff survey. Of those teams interviewed, those that communicated well also had more positive staff survey results.

2 ACTION PLAN

The Trust has already taken actions to address the issues identified in the staff survey results, however the action plan below outlines further actions identified as a result of this review:

Categorisation of internal audit findings	
Priority	**Definition**
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may, with a high degree of certainty, lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

Our internal audit findings and the resulting actions are shown below.

Ref	Findings summary	Priority	Actions for management	Implementation date	Responsible Owner
3.1.1	Concerns were raised about the training provided to line managers since implementation of the Op Model around career progression and staff training, which needs to align both individual, team and Constabulary objectives. Staff and managers expressed a strong desire for the new PDR process to be given time to embed before any further changes are made. Without this there is a risk that staff do not 'buy-into' the process and line managers fail to understand the new process.	Medium	The new PDR programme is being rolled out in August 2016 and there are no plans to make any further amendments to the process after this. The programme has been designed based on feedback from workshops involving staff from across the Constabulary. This includes a change in name, to focus more on personal responsibility. A wider piece of work is needed alongside this to align career progression and training requirements. Following roll out of the new PDR process, training and guidance will be provided to all line managers to ensure they have an understanding of the outcomes required. Training data will be reported to management to provide assurance that this has been achieved.	31 August 2016	Head of HR

3.1.3	Staff avoided or were reluctant in using certain occupational health and wellbeing services offered by the Constabulary, whereas staff felt there was insufficient availability of other occupational health services.	Medium	Management will review the feedback on why officers and staff do not utilise the support and wellbeing services, and feed this into the newly developed Wellbeing Strategy. Managers will be educated on what is available and how we can best signpost staff to the relevant services.	31 August 2016	Head of HR
3.1.5	There was a lack of awareness of later phases of the staff survey process such as communication of results and local action plans to address the findings and results. Without stronger awareness of the whole process, there is a risk that staff become disengaged with (and do not complete) the staff survey.	Medium	The 2015 Staff Survey has an improved completion rate of 50%. The 2016 Staff Survey launch date will soon be announced, and as part of this HR is already working on a Communications Plans. We will ensure that local communications of results and actions is included in this communications plan, and that there is better follow up in the form of spot checks across local teams to ensure actions are being taken and communicated.	30 November 2016	Head of HR

3 DETAILED FINDINGS

3.1 Findings from site visits

Between 14 and 18 March 2016 we held interviews with 16 staff and line managers to obtain clarification on the attitudes feeding into the recent staff survey results. In particular we discussed attitudes towards the performance development process, wellbeing and workload, and change management. Staff and line managers interviewed were from the following four teams:

- Bristol Local Policing (staff and officer posts)

- Criminal Justice (staff posts)

- Communications (staff posts)

- Somerset Investigations (officer posts)

During our site visits, staff were informed that discussions were confidential and optional. The staff interviewed came across as open and forthcoming in telling us about their opinion on culture, both positive and negative perspective.

Our findings from our site visits are summarised below.

3.1.1 Performance development

We were informed by the Bristol Local Policing Team Sergeant that the Chief Constable had emailed all staff at the start of March 2016 to inform them that PDRs should be held by 31 March 2016. However, we note that throughout the majority of interviews staff were uncertain or unaware as to whether the PDRs were being held and if so whether they were mandatory.

Through discussions with staff we found there was a general feeling amongst the majority of staff that the previous PDR process did not 'work' for them, with the process perceived as overly 'bureaucratic' and more of a 'box ticking exercise'. Upon further discussion around the PDR process we noted the following findings:

- 25% of staff interviewed hadn't received a PDR in over two years, due to the staff having had a series of temporary line managers who did not take ownership of the process;

- Staff felt line managers had not received sufficient guidance or training on the PDR process at a local level. This concern was emphasised where the operating model changes have made paths for career progression less clear such as those posts relating to unconventional operations;

- Staff felt they were not supported in seeking out and attending relevant training;

- Staff informed us that PDR actions were either agreed and not monitored, or not agreed at all. Further to this, three staff felt actions/ training was purely retrospective to address issues/ gaps, and lacked a forward-looking element to prevent future issues/ gaps and allow for progression;

- Staff felt there was a duplication of work where applying for a post internally. The existing PDR format contains a specific section to capture information regarding any internal job applications which the internal recruitment application also requests, thereby leading to some staff having to provide such extensive information twice and subsequently giving rise to a risk that one set of information is different to another where there is a lapse in time between the application and the PDR); and

- One member of staff with line manager responsibilities raised concerns that where performance issues were continually picked up at PDR and the disciplinary process subsequently completed, there was still a lack of support for dismissal. In cases discussed, staff that had been disciplined were moved to another team where their poor performance posed less of a threat to operations.

These findings indicate the importance of having line managers in place that have a robust understanding of the PDR process and career paths in order to ensure their reviews are meaningful and support directed performance and progression in line with individual, team and Constabulary objectives. The introduction of the operating model has led to fewer line managers in some areas, meaning more staff will be reviewed by each line manager thereby creating a risk of more potential PDR failures where line manager is not sufficiently trained or does not have adequate time to undertake PDRs to the level expected. We have raised a management action to address this.

Through discussions with five line managers we found all felt there had been inconsistent messages regarding the PDR process due to the amount of changes to the process in the past. Therefore, there was a strong desire that the new process would be given time to embed before any further changes are made. This stability and continuity would allow greater 'buy-in' from staff and strengthen understanding amongst line managers.

See Management Action 3.1.1.

3.1.2   Workload

There is a facility in place for staff to claim overtime for hours worked over their contracted hours; however, we found line managers encouraged a flexi time approach, so that if a member of staff works over their hours one day, that member of staff is given a shorter day on one of the following days where appropriate.

All staff interviewed felt workload was too high, however, the regularity and acceptance of excessive workload varied between staff. Some staff felt had knock-on effects on the quality of their work and their effectiveness, which they felt was damaging to their morale and job satisfaction. However, they were reluctant to raise concerns to line managers until they were physically unable to do the work due to time-restraint, stress and exhaustion. When asked why they were reluctant to flag concerns we found:

- Staff felt it was an inherent part of the job;

- Staff felt if they flagged concerns about workload it may lead to colleagues having to do it instead; and

- Staff felt there was nothing their line manager or the Senior Leadership Team could do to address it.

In two of the four teams interviewed, we found actions had been taken to address workload which included reviewing processes to shift workload to stages where staff were under less pressure and multiskilling staff so different sub-teams could assist each other during alternate quiet and busy periods. Even where these actions were yet to have a clear impact staff felt more positive about the workload knowing plans were in place to reduce it. This was reflected in staff survey results of those teams.

Where actions are not being taken by some teams to address workload issues, there is a risk that staff are overworked, resulting in poor wellbeing and associated risks. Where teams had taken actions, staff within those teams felt supported thereby boosting morale and wellbeing, even in instances where actions were less effective.

3.1.3   Wellbeing

Staff were able to confirm the three services employed by the Constabulary to support wellbeing of staff. Firstly, the use of Care First, a mental health and wellbeing hotline, which directs those with concerns to appropriate services. Second, is the Constabulary's internal Occupational Health Team staffed by nurses who risk assess staff and their work environment where requested, this includes risk assessments of the work environment such as seating to ensure it is ergonomically friendly and conducting return to work interviews with staff following a period of absence due to sickness. And finally, there is an internal Trauma Risk Incident Management (TRIM) Team staffed by volunteers across the Constabulary who speak to staff with wellbeing concerns to help identify the necessary support or refer them to one of the other two services mentioned.

Through discussions with staff we found staff were aware of the services available; however, the following concerns were raised:

- Care First was helpful in signposting staff to the appropriate place; however, staff felt the concept of calling someone and having to explain (what were often quite personal) wellbeing issues over the phone to a stranger felt impersonal and made the situation more difficult;

- Any subsequent calls to Care First would likely be with a different call handler and so the wellbeing issues would have to be re-explained, which staff found in some cases led to inconsistent advice;

- Counselling sessions organised by Care First were found to be very helpful by staff that used them; however, staff are limited to six sessions which those staff found to be insufficient;

- The Occupational Health Team was found to be quick to respond and put measures in place to address wellbeing issues. A lack of sensitivity from one Occupational Health Nurse was noted by several staff; however, we were informed the post holder has been re-positioned outside the Occupational Health Team; and

- No issues were noted against TRIM.

As a result of the reluctance to use wellbeing support services, there is a risk that staff either do not raise wellbeing concerns or line managers are increasingly expected to provide wellbeing support (which may have been otherwise provided by those with specialist experience and knowledge) such as arranging and managing transition back to work plans. The risk becomes even more significant where staff work in operations which increasingly expose them to scenarios which are likely to impact their mental health, such as those in the Communications Department taking 999 and 101 emergency calls and front line officers.

Throughout our discussions with staff we were informed of the drive from management to hold periodic one-to-ones between staff and line managers. Staff found this noticeably improved their wellbeing as it provided a recurring opportunity to flag concerns and made staff feel supported. However, the Constabulary need to be clear that it is not the responsibility of line managers to provide counselling type services as part of these one-to-ones as they are not appropriately training to do so.

See Management Action 3.1.3.

3.1.4   Change management

The four teams interviewed for this audit were each subject to differing levels of change with the new operating model. We found that the two teams that experienced most change felt most let down by management in the way changes were implemented. Through further discussions with staff that felt let down, we found this was due to:

- Communication was limited and predominantly provided by central management, with local management, even at senior levels, not having much more information than the staff;

- Minimal involvement of staff in the implementation of changes; and

- Where staff were involved, they felt any concerns and solutions put forward by staff were not taken on board, in some cases, this led to solutions being overlooked that were later implemented only after the issue arose.

The concerns raised by staff above created an atmosphere of uncertainty and lack of control, which staff felt increased stress, thereby damaging wellbeing. Further to this, the lack of control affected individuals' drive and enthusiasm for their work.

In contrast, staff from the remaining two teams had more positive opinions of change management. Through further discussion with these staff we found the following actions taken that improved staff engagement with change:

- Holding interactive workshops where changes are presented and staff are asked to raise concerns. Potential actions are discussed and agreed, thereby improving staff embracement of current and future changes; and

- Use of team 'newsletters' and intranet pages keeping staff updated with changes.

The main purpose of the interactive workshop mentioned above was to discuss staff survey results, which staff informed us improved the perceived value of filling out the staff survey.

3.1.5   Staff survey

As part of interviews we asked staff a set of 'yes' or 'no' questions regarding the staff survey. The results of these were as follows:

Measure	A	B	C	D	Total
% staff that completed the staff survey	50%	100%	50%	50%	**63%**
% staff aware of the staff survey results	75%	75%	75%	0%	**56%**
% staff aware of actions taken to address results	0%	75%	50%	25%	**38%**
% staff that felt actions taken have made a difference	0%	75%	50%	25%	**38%**
% staff that intend to complete next staff survey	25%	75%	100%	25%	**56%**

Through discussion with staff we found there were varying interpretations of what the questions in the staff survey were trying to capture. This presents a risk that the results and subsequent analysis of these results might be less effective. We suggest the wording of the staff survey questions/ statements is reviewed and discussion held with staff to ensure survey responses are an accurate reflection of the attitudes trying to be captured.

Throughout our interviews across all teams we found those staff with a longer service or experience in officer roles were most disinterested with the staff survey. This is supported by the data in that Team D, which had low scores on all measures, consisted of predominantly officers who had served for 10 years or more. Through discussions with these staff we found the reason for this disinterest was the perceived lack of action following staff surveys in the past. As a result, those interviewed expressed little faith in the value of the staff survey and so did not feel it was worth the time spent completing.

This demonstrates that there is a need for better communication of staff survey results, and most crucially, the actions taken to address poor performing areas. This also strengthens the relationship senior management have with staff at lower levels. In instances discussed where staff felt there was a lack of meaningful communication between senior management and staff this had resulted in a 'them and us' feeling, demonstrating the risk to morale of poor communication.

Overall, we note that despite over half of staff completing the staff survey, as we examine the subsequent phases of the staff survey (i.e. communication of results and actions taken to address results) where the value of the survey is realised, these phases are not completed. This presents the need noted above that staff and line managers are made aware of the value of the staff survey beyond the initial data collecting phase.

See Management Action 3.1.5.

APPENDIX A: SCOPE

Scope of the review

The scope was planned to provide assurance on the controls and mitigations in place relating to the following risks:

Objective of the area under review	Risks relevant to the scope of the review	Risk source
Ensure a positive workforce culture leading to staff wellbeing and therefore an efficient and effective workforce to deliver services to the public.	The end of the Cultural Change Programme does not bring about the required improvements.	Risk identified by Constabulary audit lead as relevant to this review.

When planning the audit, the following areas for consideration and limitations were agreed:

Areas for consideration:

- Inform the Cultural Change Programme to ensure the right behaviours and mind sets that underpin new ways of working are embedded

- Regularly engage with the Staff Forum, Unions, Supt Association and Federation keeping them informed and providing an opportunity for feedback

- Consult with staff via ways of working workshops and provide opportunity for feedback, ensuring consultation is impactful and solution focussed

- Promote and use staff support mechanisms

- Workforce/succession plans established

The following areas will be considered as part of the review:

This audit will consider how management have responded to results of the staff survey by implementing action plans to deal with the issues raised. We will discuss with management the steps taken and obtain the supporting action plans and progress data to validate improved staff perceptions. We will review the following themes from the survey that showed poor results:

- Leadership management of performance issues, including absence

- Identification of ways to support and enhance individual's performance (recognise, support and encourage good performance, address poor performance)

- Action taken to support the development of individual's performance e.g. coaching of staff, learning or development initiatives

- Management of workload and staff wellbeing e.g. through working across teams to manage resource, resource planning including use of specials and volunteers

As part of this review we will also speak to staff around the following areas to determine their views on the staff survey results and the actions taken since its release:

1) Did you complete the last staff survey?

2) If not, why was this?

3) Are you aware of the results from the last staff survey?

4) Are you aware of any actions taken as a result of the staff survey results?

5) Do you feel differently about these areas now? Have the actions taken been appropriate to address the issues identified?

6) Do you plan on completing the next staff survey?

As part of this review we will be visiting the following teams:

- Bristol Local Policing

- Somerset Investigations

- Communications Centre

- Criminal Justice

Limitations to the scope of the audit assignment:

- We did not ask staff for their opinions on topics within the staff survey, only whether they have completed it or not.

- We have not identified the staff interviewed as part of the audit.

- Testing was undertaken on sample basis only.

- Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

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OFFICE OF THE POLICE AND CRIME COMMISSIONER FOR AVON & SOMERSET AND AVON & SOMERSET CONSTABULARY

Rostering – Project Aurora

FINAL

Internal Audit Report: 13.15/16

5 July 2016

RSM

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Debrief held	10 June 2016	**Internal Audit team**	Mark Jones, Head of Internal Audit
Draft report issued	13 June 2016		Vickie Gould, Manager
Responses received	5 July 2016		Ben Shore, Senior Auditor
Final report issued	5 July 2016	**Client sponsor**	Adam Stewart, Programme Director
		Distribution	Adam Stewart, Programme Director
			Mark Simmonds, OPCC CFO
			Julian Kern, Constabulary CFO and Director of Resources
			Jane Walmsley, Inspection and Audit Coordinator

1 EXECUTIVE SUMMARY

1.1 Background

A review of rostering, focusing on Project Aurora, has been undertaken as part of the 2015/16 internal audit plan.

The Rostering Project was instigated following the roll out of the SAP Enterprise Resource System (ERS) in 2008 and the non-delivery by Southwest One as the contractor, of a list of 96 items within the specification. Originally the Constabulary purchased, and had paid for, the Workforce Management module of SAP to deliver the Constabulary's rostering needs. However, SAP withdrew its support of the Workforce Management module before implementation, and as the full SAP roll out for the Constabulary was imminent.

Following a period of a few years where the Constabulary was trying to hold Southwest One to its SAP contract to deliver a rostering module, the Constabulary was able to reduce number of issues with the SAP system from an original 96, down to five through holding Southwest one to account. One of the five unresolved issues was the non-delivery of the rostering module. A decision was taken by the Constabulary to decouple rostering from the rest of the SAP implementation and to re-plan the rostering solution.

The Constabulary decided that its preferred option would be to upgrade its existing rostering system to the most recent version, although this was a complex process as new interfaces were required with SAP which incorporates the key business functions of an organisation. We were unable to identify the date this decision was made due to changes in the project delivery team, but this would have been the early part of 2012. During this process it was determined that the Constabulary wanted additional functionality which included a new learning support module and a forecasting and intraday scheduling module.

From early 2015 the responsibility for the delivery of the project has been with the Programme Director and Project Aurora has now been extended to include seven work streams:

- Duty Management Systems Upgrade;
- Implementation of Learning Solutions;
- Command and Control Interface;
- Time Management System;
- Forecasting and Intraday Scheduling;
- Mobile Functionality; and
- Historical Data.

As of April 2016 the forecast end date for Project Aurora is February 2017.

1.2 Conclusion

Following the significant delays in the early stages of the delivery of a Workforce Management module, Project Aurora was established in early 2015 to provide the required management and resource to deliver the project, following the failings of both Southwest One and a project manager in delivering a rostering system that met the needs of the Constabulary. With a centralised team, delivery plans have been created showing progress made and the business cases clearly define the functionality and expected cost of the system. Due to the duration of the project and the significant changes in personnel, we have been unable to compare how the expected functionality and costs compare with those proposed at the outset of the project.

Project management and governance is now robust and in line with what would be expected in delivering a project of this size.

1.3 Key findings

The key finding from this review are as follows;

- We were unable to locate a business case for the original SAP project which was due to be implemented by Southwest One. In October 2015 an Outline Business Case (OBC) for Project Aurora following its creation in early 2015, was presented to the CCB with the purpose of bringing all the elements of the original programme into a single business case. This was approved.

- The OBC gives a consolidated view of the work streams in the programme, identifying what has been completed to date, the activities that are in progress and future work plans. It summarises the cost and resources utilised so far and shows the forecast for resources required to complete the programme work streams. A Full Business Case is due to be presented in April 2016.

- A further OBC was presented and approved by the CCB in March 2016. This business case covered the Forecasting and Intraday Scheduling (FIS) tool. The OBC states that the FIS project continues to be run within the Project Aurora and resources detailed in the Project Aurora OBC have already been included within the Medium Term Financial Plan (MTFP). But, as the project moves towards implementation there will be activities around training of managers and staff, network and server configurations, data loading and business rules building. This will involve additional resource including dedicated trainers and testers.

- Delivery plans are in place which identify when each aspect of the project will be completed. These have been updated when delays have been encountered. The reasons for these delays will be presented as part of the Full Business Case (FBC) to the Corporate Change Board (CCB) in April 2016.

- Benefit maps have been created and presented to the CCB linking the benefits of the Project Aurora to one of the nine Programme Objectives defined within the OBC, which in turn, are linked to the impact the project will have on the Constabulary Plan for Continuous Improvement.

- Project costs have been included within the OBC. These are due to be updated within the Full Business Case. Although not reviewed, the cost of the Project will have increased from any original business case due to the increase in functionality.

- The Project Aurora is managed by the Project Manager who holds weekly Aurora Team Meetings with the Project Team where the detail in completing the day to day tasks of the project is discussed. A weekly SLT Meeting between the Programme Director, Project Manager and a representative from Southwest One provides a high level update on progress. The Aurora Steering Group meets on a monthly basis and is chaired by the Chief Financial Officer. Membership extends to the Programme Director, members of the Project Team, HR representation and Capita and IBM who are delivering the project.

- The project is overseen by the CCB and Major Projects Governance Board (MPGB) both of which meet on a monthly basis. Both Boards are provided with an update on the progress of the project through a Highlight Report.

2 ACTION PLAN

Categorisation of internal audit findings	
Priority	**Definition**
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may, with a high degree of certainty, lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

No management actions have been raised as part of this review.

3   DETAILED FINDINGS

3.1   Background

Project Aurora was instigated following the decision to relieve Southwest One of its duty to deliver a Workforce Management programme and to implement a Duty Management System (DMS) solution, which was the Constabulary's existing system, but required a large upgrade from version nine to version 20. During this process it was determined that the Constabulary wanted additional functionality in the system including a new learning support module and a forecasting and intraday scheduling module.

In March 2015, the Operating Model (OM) Programme requested that the Workforce Management (WFM) tool be de-scoped from the Programme and it was recommended for it to be taken forward as a separate project or part of another programme of work. Prior to this the Constabulary had completed a process to test the market and evaluate a permanent solution. The Constabulary agreed with the OM recommendation and that WFM was a critical enhancement for Avon and Somerset's ability to manage threat harm and risk by smarter staff deployments. Work to deliver an improved WFM system was therefore needed and the Project Aurora was commissioned to deliver this.

Since the decision to implement the DMS solution was made, further functionality in the system has been requested by the Constabulary. This has resulted in Project Aurora including the following seven work streams which when delivered will aid the Constabulary in the management of their Officers;

1. **Duty Management System (DMS) Upgrade**
   With the decision to stay with the current DMS system there was a requirement to move from the version in use at the time (version nine) to the most current version (version 20). A new interface has had to be created to link the new platform to the data feeds on Police Personnel (PP) and Training Administration and Support (TAS).

2. **Implementation of Learning Solutions (LSO)**
   Learning solutions is an event and course booking system held within SAP. It records the availability, booking and completion of courses resulting in the accreditation of skills to an individual's SAP HR record. At the commencement of the project the Constabulary recorded the skills of its staff through four independent platforms. This resulted in a substantial about of dual keying. With the implementation of the LSO all personnel information will be held in SAP HR. This will allow the Resource Units to roster officers both by rank and skills profile to meet the day to day needs of the Force and its support services.

3. **Command and Control Interface**
   This work stream involves the development of an interface to allow the transfer of data from the rostering records to the STORM platform to allow dispatchers information on working Officers.

4. **Time Management System (TMS)**
   It is planned that Origin Time Management, which is due to be launched in June 2016, will ensure that people are correctly paid/compensated for overtime, working bank holidays, rest days, and flexitime. Pre-planned overtime which is rostered by the Resource Units will be automatically authorised when an individual books off, after choosing either pay or TOIL. Any working outside of rostering hours will require authorisation by a higher Rank/Grade through a simplified process.
   Time Management will also streamline the process for requesting leave which will reduce manual intervention and automate the updating of rosters.

5. **Forecasting and Intraday scheduling**
   This module will look at the ability to demand predictions based on the levels of calls and requests for service coming into the Communications Department and to schedule staff based on their skills, proficiency. Intraday scheduling will allow for a fine tuning of working schedules down to 15 minute periods to incorporate all abstractions within the day. It also provides the facility to make real time adjustments to respond to changes in demand and resource availability.

6. **Mobile Functionality**
   Project Aurora is investing the possibility of developing a version of the duty management and time management systems which will be deployed on mobile devices. This will allow officers to undertake all aspects of time management and leave requests from their hand held devices.

7. **Historical Data**
   The currently used NSPIS Police Personnel and NSPIS Training Administration and Support Modules will be held as historical data only and held in a 'read only' format. This database will be transferred to a revised platform as the NSPIS server is decommissioned.

We were able to review a document presented to the Chief Officer Group (COG), the date of presentation is unknown, which provides an update on the Constabulary's research into options available to it following the failure of Southwest One to deliver the project. The report states that investigation was completed by the Constabulary's SAP Project Team, operational officers as well as Southwest One staff and HR. The report identified two solutions, the first being the upgrade of the DMS system to the most recent version, with the second being the implementation of a rostering system created by Crown Computing. The report discusses the advantages and disadvantages of both solutions with it concluding that;

'Crown Computing "Open Options" offers more facilities and more benefits - though a bigger task to implement – as it already has SAP interfaces, is a popular Police Rostering system, has better and more comprehensive Flexi, Time Recording and Time Management facilities, greater configuration flexibility and a user-friendly Microsoft-based screen design, so could be considered a better choice for the long term.'

Although we were unable to identify where the final decision to implement the DMS upgrade was made we did locate a presentation document which evaluated the DMS and Crown Computing solutions. This was presented to a steering group in March 2012. The systems had been scored on a scale of one to five (five being the maximum score) in the following areas;

- Functional requirements;
- Non Functional Requirements including reports;
- Reporting requirements;
- Integration with SAP;
- Usability;
- Cost; and
- Implementation Schedule.

The outcome of the evaluation identified that SAP was the preferred solution scoring 29/40 against Crown Computings 24/40.

3.2 Delivery plans

Due to the length of the project and the significant changes in personnel delivering the project, from Southwest One, originally, to the employment of a SAP/ERP Specialist Project Manager to the creation of the Project Aurora team it has problematic to obtain original timescales for the completion of the project.

Focusing on the delivery of the system since the creation of Project Aurora has identified that the first delivery timeline was created in April 2015 during a meeting of the project team. This identifies that the LSO module was expected to be completed in December 2015, with TMS going live in April 2016 and the whole project completed by the end of June 2016.

The most recent revision of the timeline was completed in March 2016 following Capita development and delays to LSO. This timeline identifies that the delivery of LSO interfaces to allow data to move from SAP HR to Origin DMS is now expected to be completed by the end of May 2016. TMS is now recorded as due to be delivered in December 2016.

As part of the review we selected two aspects of Project Aurora which have experienced delays since the initial timeline created in April 2015, with these being LSO and TMS. Discussions were held with the Project Manager to identify the reasons behind these delays.

LSO

We were informed that the software development by Capita and Southwest One was completed as planned, but the implementation of solutions and retesting of defects identified as part of system integration testing was delayed. Issues and delays in the implementation date included;

- SAP consultancy had to be called in to address a major problem with access to the LSO system which Southwest One could not resolve.
- Functionality required to assign employees to courses effectively was not available. It was agreed in the Aurora steering committee that this would be implemented before go-live.
- The preference for the implementation work to be done at the weekend, so that the impact on the resource units is minimised is constrained by the availability of key resources.
- The preference to avoid the short bank holiday weeks again to reduce impact on resource unit has affected the available timeslots.

At the time of review it was expected that the LSO system would go live in mid-April 2016.

TMS

TMS has been delayed due to Capita requesting that TMS is converted to the latest version of the system called eSeries. This has delayed the implementation until June 2016, six months later than originally expected. This was challenged and a conference call took place with the Capita Account Manager. The Constabulary were informed that the conversion to the eSeries platform bought a number of benefits, these include;

- Increased flexibility of the user interfaces.
- The changes will utilise the latest technology so there is no need to retrain end users (i.e. all officers and staff) following upgrade from the 2015 release to 2016 version.
- There is also a cost saving by going to eSeries in one step rather than two steps.

The reasons for these delays will be presented as part of the Full Business Case to the Corporate Change Board (CCB) in April 2016.

We are confident that the Constabulary, through the Project Aurora Team, are driving the project towards completion and any delays are being appropriately managed.

3.3 Business Case

As the original Workforce Management module was due to be implemented in 2009 we were unable to confirm that a business case was created for the SAP project which was due to be implemented by Southwest One.

The OBC for Project Aurora was presented in October 2015 to the CCB where it was approved. The OBC gives a consolidated view of the work streams in the programme, identifying what has been completed to date, the activities that are in progress and future work plans. It summaries the cost and resources utilised so far and shows the forecast for resources required to completed the programme work streams.

The OBC records the summary objectives of the programme work streams are to deliver the following;

- A reliable and efficient system for the Resource Units to roster police officers and staff.
- A system for the management of skills and learning that is integrated with other systems in the force where access to accurate information about skills and/or available training is required.
- A solution that integrates the personnel data held in SAP with the equivalent data in DMS. SAP is the primary source of the data, but the synchronisation removes the overhead of dual keying and simplifies the process of applying organisation changes.
- A simplified and reliable way of recording working time:
  - o Addresses the deficiencies in SAP around flexitime and unpaid meal breaks
  - o Enhances the management if planned and unplanned overtime
  - o Automatically calculates additional payments with simpler user choices
  - o Offers a way of simplifying leave management and Winsor bank holiday elections
  - o Provides reports and tools for personnel and financial management
- To allow departments to more accurately match resource allocation to predicted demand.
- To give departments/areas an accurate view of available resources by location or capability.
- To be prepared for the extension of mobile data access within the Force.
- Allows the retirement of historic data to a less costly environment.

The Full Business Case is due to be presented in April 2016 to the CCB and at the time of review (April 2016) was still being drafted.

A further OBC was presented to the CCB in March 2016 to seek approval for the budget in the range of £200,000 to £400,000 for the Forecasting and Intraday Scheduling (FIS) tool. The OBC states that the FIS project continues to be run within Project Aurora and resources detailed in the Project Aurora OBC have already been included within the Medium Term Financial Plan (MTFP). But, as the project moves towards implementation there will be activities around training of managers and staff, network and server configurations, data loading and business rules building. This will involve additional resource including dedicated trainers and testers.

The business case records that information gathered indicates a cost to purchase the required modules for Forecasting and Intraday Scheduling will be in the range of £150,000 to £400,000. With the highest extreme of that range being seen as exceptional.

The OBC recommends that the CCB agrees;

- The selection of procurement option 3, which is procurement through a framework, to progress the selection and costing of the Forecasting and Intraday Scheduling solution.
- Further analysis and quantification of the identified benefits so that the return on investment can be demonstrated.

- Continuation of the allocation of resource from within Project Aurora to undertake this work.
- The development of a Full Business Case to be presented to Force COG in May to seek approval to purchase.

The FIS OBC was produced as per the Project Aurora OBC which states;

'As part of the programme, we have presented to the Corporate Change Board a 'Request for Change' in respect of Forecasting and Intraday scheduling, which is seen as the final element within a suite of tools to undertake Work Force Management. This will look at the ability to staff according to demand predictions based on the levels of calls and requests for service coming into the Communications Department. It will be possible to schedule staff, in 15-minute intervals, based on their skill, proficiency, preferences and the business rules required. The outcome of the initial piece of work, which was raised as a request for change, will be reported to CCB in December as an Outline Business Case. The implementation is targeted to complete by the end of Q1 2016/17, subject to approval and funding.'

The FIS OBC was approved by the CCB at the March 2016 meeting with the Head of Finance and Business Services confirming that the money for the tool had already been planned into the Capital Plan.

3.4 Functionality of the System

As previously described due to duration of the project and significant changes in personnel delivering we have been unable to obtain the original business case of the project which identifies the expected benefits of the system. During this period the scope of the project has expanded to include additional functionality which the original work force planning system did not included such as the LSO and FIS modules.

Using Project Aurora OBC as a base document we have identified that eight objectives of the system have been identified which are recorded above within section 3.3.

The CCB requested that a paper should be produced for the February 2016 meeting describing the benefits of Project Aurora. Review of the paper established that nine objectives were reported against and identified the realisation timescale and provided an update on progress. The nine objectives reported against did not directly relate to the objectives defined within the OBC.

The report was neither well received by the CCB nor liked by the Project Aurora Team. To rectify this the Project Team has created Benefit Maps for the three separate systems within Aurora, FIS, LSO and DMS.

For the three systems the Benefits Maps identifies;

- Project Output/ Enabler;
- Business Change;
- Benefits;
- Disbenefit (if applicable)
- Programme Objective; and
- Constabulary Plan Impact.

All benefits are linked to one of nine Programme Objectives, which in turn, are linked to the impact it will have on the Constabulary Plan for Continuous Improvement. In total it is expected that the Project Aurora will help deliver 13 objectives from the Constabulary Plan for Continuous Improvement.

The Programme Objectives include the eight which are included within the Aurora Programme OBC. The 'a simplified and reliable way of recording working time' objective included within the Business Case has been split into 'simpler time recording processes' and 'simpler management processes' both of which are sub-objectives within the Business Case.

3.5 Cost of the System

We were informed that the cost of the Project will have increased from any original business case due to the increase in functionality. The Project Aurora OBC identifies that a total of £938,257 is budgeted to Project Aurora in the Medium Term Financial Plan. This consists of £414,557 revenue pay and £523,700 non pay/capital.

The OBC records that a further £157,084 of revenue pay and non-pay/capital in the range of £60,000 to £150,000 is required to take the programme from 1 April 2016 to completion. The non-pay costs relate to the system changes required to allow SAP to accept payroll transactions that are generated by the time management system and the end to end testing of the system. The range of costs is based on knowledge of the costs incurred in developing the interface from SAP to DMS (£64,000). Although the OBC states that the scale to the SAP system has not yet been defined and is thought to be the most costly element of the work.

In summary the OBC includes the following table identifying costs of the system;

	COST for period 1 [£] Aug 2014 – March 2016	COST for period 2 [£] 2016/2017
Revenue Pay	414,557	157,084
Revenue Non-Pay / Capital	523,700[a]	TBA
Income	-	-
TOTAL	938,257	TBA

[a] *Worst case if all time and material days are utilised for development of RFC by Capita.*

All of these costs do include the costs for the Command and Control Interface and mobile access to DMS and TMS as described by the OBC.

The draft Full Business Case identifies that the expected costs to the end of 2016/17 are now;

- Revenue non-pay/ capital are £310,000 plus a contingency of 15%.
- Revenue pay through to end of 2016/17 is £105,459.

3.6 Project Management

Project Aurora is managed on a daily basis by the Project Manager and is supported by three further members of the Project Team. The Business Lead is the Programme Director with the Business Lead being the Constabulary Director of Resources. A number of project management meetings are driving the project forward, with these being;

Aurora Team Meeting

This is a weekly meeting between the members of staff who are responsible for implementing the project. The meeting is used as a forum where the detail in completing the day to day tasks of the project is discussed.

Through review of the February 2016 meeting minutes we can confirm that actions are assigned to individuals along with an update or completion date. These are following up at subsequent meetings. The structure of the meetings is as follows;

- Actions from previous meeting;
- LSO;
- Time Management;
- Forecasting;
- Risks and Issues;
- Any Other Business; and
- Date of Next Meeting.

SLT Meetings

Each Monday morning the Programme Director meets with the Project Manager and a representative from Southwest One to provide the Programme Director with an update on progress being made. Meeting minutes are not taken at this informal meeting.

Aurora Steering Group

This meeting occurs on a monthly basis and is chaired by the Chief Financial Officer. Membership extends to the Programme Director, members of the Project Team, HR representation and Capita and IBM who are delivering the project.

We requested the last three meeting minutes, these being held on 2 September 2015, 29 September 2015 and 25 January 2016. The November 2015 meeting did not take place due to non-availability. December 2015 meeting was an informal conference call. Review of the meeting identified that an update on each aspect of the project is delivered under the following headings;

- Minutes and Actions of Previous Meeting;
- LSO Projects Update;

- Chronicle;
- Time Management;
- Forecasting and Intraday Scheduling;
- Mobile Development;
- Risks, Issues and Dependencies; and
- Any Other Business.

As identified by the headings actions are assigned members and followed up at subsequent meetings.

The management structure of Project Aurora and the frequency and membership of its meetings is what we would expect from a project of this size and complexity.

3.7 Project Governance

The project is overseen by the CCB and Major Projects Governance Board (MPGB) both of which meet on a monthly basis. Both Boards are provided with an update on the progress of Project Aurora through a Highlight Report. The same report gets presented at both Boards.

The Highlight Report is structured to provide a brief update on the progress made during the previous month. The February 2016 report provides an update on LSO, TMS, FIS and Mobile Functionality before identifying the most recent financial figures. Project risks and the mitigating action in place are also recorded.

The report concludes with a more detailed update on progress against each aspect of the project with the progress being recorded on a red, amber, green rating. This is not presented to CCB members, but is reviewed within MPGB meetings.

We were informed that the MPGB has a dynamic agenda and as such all paper work presented is sourced from other meetings, including the CCB. We can confirm that the Aurora Highlight Report was presented at the March 2016 meeting of the MPGB.

Through review of the CCB meeting minutes for January, February and March 2016 we can confirm that a Project Aurora Highlight Report had been presented.

The Chief Officer Group (COG) does not receive the Highlight Reports due to many of the members also being a member of CCB. Although all Full Business Cases will be presented to COG for approval.

With Project Aurora reporting to the CCB and MPGB on a monthly basis it is deemed that the project is being governed correctly.

APPENDIX A: SCOPE

Scope of the review

The scope was planned to provide assurance on the controls and mitigations in place relating to the following risks:

Objective of the risk under review	Risks relevant to the scope of the review
The delivery of a Workforce Management module.	The system is not delivered, or the system does not meet the requirements of the Constabulary.

Additional management concerns:

None notified.

Areas for consideration:

In 2009 the Constabulary entered into agreement with Southwest One to deliver a Workforce Management module. Delays have occurred due to a misinterpretation of the requirements by Southwest One. It became apparent circa 2014 that Southwest One could not deliver a workforce management programme that met the requirements of the Constabulary. It was decided that the Constabulary would upgrade their current DMS system to meet their requirements. Since early 2015 this has been delivered by Project Aurora with current delivered of the project expected by the end of 2016.

The following areas have been considered as part of the review:

- We have confirmed that the decision to move from the Southwest One SAP system to the DMS system had been appropriately authorised.

- We have reviewed progress in the implementation of the DMS system against current delivery plans. Where there has been slippage in the implementation we have investigated the reasons behind this for a sample of modules.

- The functionality of the DMS system has been reviewed to confirm that it will meet the original requirements of the system. This has included the benefits of the system to the Constabulary (cashable and non-cashable).

- The project management of the system with tasks being assigned and reported on at weekly SLT and Steering Group meetings.

- The reporting of progress of the project to senior management through the Corporate Change Board and Major Projects Governance Board.

Limitations to the scope of the audit assignment:

- We have undertaken an assessment of the adequacy of aspects of the control framework and we have undertaken limited testing to confirm its operation in practice.

- Our work does not provide any guarantee against material error, loss or fraud, or provide an absolute assurance that material error; loss or fraud does not exist. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

FOR FURTHER INFORMATION CONTACT

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Grant Thornton

Joint Audit Committee Update for the Avon and Somerset Police and Crime Commissioner and Chief Constable

Progress Report and Update Year ended 31 March 2016

July 2016

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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.

Introduction

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

Members of the Audit Committee can find further useful material on our website www.grant-thornton.co.uk, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications including:

- Partnership working in mental health; Joining up the dots, not picking up the pieces (April 2016); http://www.grantthornton.co.uk/globalassets/1.-member-firms/united-kingdom/pdf/publication/2016/partnership-working-in-mental-health.pdf

- Better Together: Building a successful joint venture company; http://www.grantthornton.co.uk/en/insights/building-a-successful-joint-venture-company/

- Knowing the Ropes – Audit Committee Effectiveness Review; www.grantthornton.co.uk/en/insights/knowing-the-ropes--audit-committee-effectiveness-review-2015/

- Making devolution work: A practical guide for local leaders (October 2015) www.grantthornton.co.uk/en/insights/making-devolution-work/

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 to date

2015/16 work	Planned Date	Complete?	Comments
Fee Letter We are required to issue a 'Planned fee letter' for 2015/16 to both the Police and Crime Commissioner and the Chief Constable by the end of April 2015.	April 2015	✓	The 2015-16 fee letters were submitted to the Police and Crime Commissioner and Chief Constable in accordance with the national deadline. The 2016/17 fee letters are included for information as a separate item on the July 2016 Joint Audit Committee agenda.
Accounts Audit Plan We are required to issue a detailed accounts joint audit plan covering the audit for the Police and Crime Commissioner and the Chief Constable setting out our proposed approach in order to give an opinion on the Police and Crime Commissioner's group financial statements, including the statements of the Chief Constable in 2015/16.	March 2016	✓	The Joint Audit Plan was taken to the March 2016 Audit Committee.
Interim accounts audit Our interim fieldwork visits covers work on both the Police and Crime Commissioner and the Chief Constable arrangements, including: • updating our review of the control environments • updating our understanding of financial systems • review of Internal Audit reports on core financial systems • early work on emerging accounting issues • early substantive testing • proposed Value for Money conclusion work.	March 2016	✓	An update on our work completed during the interim visit is included within this report.
Final accounts audit Covering the Police and Crime Commissioner's group financial statements, including the statements of the Chief Constable, we will: • audit the 2015/16 financial statements • issue opinions on the 2015/16 financial statements	July – August 2016	Not yet due	We will complete the accounts audit in line with the statutory deadline. We have supported the efficient production of the accounts with our series of accounts workshops, in conjunction with CIPFA, which officers attended. We have specified our working paper requirements in advance of the audit, and have received draft versions of the financial statements.

Progress to date

2015/16 work	Planned Date	Complete?	Comments
Value for Money (VfM) conclusion The scope of our work to inform the 2015/16 VfM Conclusion requires conclusions on whether: *"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".* This change of guidance was issued by the National Audit Office in November 2015. The Code requires auditors to satisfy themselves that; "the audited body has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources". 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	February – September 2016	In progress	Our work on the significant risks reported in our Audit Plan presented at the March 2016 Audit Committee is in progress. We will be unable to finalise our work until shortly before issuing our value for money conclusion.
Annual Audit Letter We will summarise all the work completed as part of our 2015/16 audit within one letter which will be issued after the opinion.	December 2016	Not yet due	We will issue the Annual Audit Letter following the completion of our audit.
Engagement with you since the last Joint Audit Committee meeting			Finance staff attended our accounts workshop held in Bristol in conjunction with CIPFA. We have had liaison with the accounting staff during the accounts production phase to discuss accounting queries and clarify our audit expectations.

Results of interim audit work

	Work completed	Conclusion
Internal Audit	We have completed a high level review of internal audit's overall arrangements. Our work has not identified any issues which we wish to bring to your attention. We have also reviewed internal audit's reports on the key financial systems that have been issued to date. We have not identified any significant weaknesses impacting on our responsibilities from this review. We will review the remaining reports that support the Head of Internal Audit opinion when they are issued.	Overall, we have concluded that the internal audit service provides an independent and satisfactory service and that internal audit work contributes to an effective internal control environment. Our review of internal audit work issued to date has not identified any weaknesses which impact on our audit approach.
Entity level controls	We have obtained an understanding of the overall control environment relevant to the preparation of the financial statements including: • Communication and enforcement of integrity and ethical values • Commitment to competence • Participation by those charged with governance • Management's philosophy and operating style • Organisational structure • Assignment of authority and responsibility • Human resource policies and practices	Our work has identified no material weaknesses which are likely to adversely impact on the financial statements.

Results of interim audit work (continued)

	Work completed	Conclusion
Walkthrough testing	We have completed walkthrough tests of the controls operating in areas where we consider that there is a risk of material misstatement to the financial statements. These are in relation to: - Property, Plant and Equipment - Employee Remuneration - Operating Expenditure - PFI - Police Officer Pension Scheme Benefit Payments - Police Officer Pension Scheme Member Data	Our work has not identified any control issues which we wish to bring to your attention.
Journal entry controls	We have reviewed the journal entry policies and procedures as part of determining our journal entry testing strategy and have no issues to report.	We will undertake detailed testing of individual journal entries during the post statements audit visit.
Early substantive testing	To date we have undertaken detailed sample testing on the following transactions recorded for the first ten months of the financial year: - Revenues - Employee Remuneration - Operating Expenditure No issues have been identified that we wish to highlight for your attention.	We will conclude our testing in these areas during our post statements audit visit.

Police Sector updates

Police innovation fund: successful bids 2016 to 2017

In March 2016, the Home Office released details of the projects that have been successful in securing an award from the 2016/17 Police Innovation Fund.

The Fund seeks to incentivise collaboration, support improved police ICT and digital working and enable PCCs to invest in innovative approaches to improve policing and deliver further efficiency in the future. The objectives are to transform policing, prevent crime and protect vulnerable people.

The Police Innovation Fund works in two main ways:

1. **Supporting Proof-of-Concept bids.** Funding genuinely new, early stage but high potential ideas to develop into fully worked through solutions.

2. **Supporting Implementation-Ready bids.** Funding fully formed initiatives to bring innovation to life more quickly.

To deliver the objectives of the Fund, Implementation-Ready bids were required to be focused on particular areas:

- 1. Technology-enabled public contact and communication channels to improve public interaction
- 2. Enhanced workforce efficiency to improve criminal justice outcomes
- 3. Digital forensic and investigative capabilities to quickly identify offenders
- 4. Data analytics and intelligence-led activity to improve decision-making and tasking to enable crime prevention
- 5. Rethinking partnership and emergency services working to provide a better public service
- 6. Building capabilities to tackle hidden crime and protect vulnerable people

Avon and Somerset Police are the lead force for one of the successful bids, with a funding award totalling £609,962. This is the year 2 funding for a project designed to develop a proactive West of England Child Sexual Exploitation victim identification and support service.

The PCC was also a party to £2 million of innovation fund bids, shared across a number of forces participating in six successful ICT and national bids.

The full list of successful bids in 2016/17 to the Police Innovation Fund can be found at
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/508668/successful_Bids_to_the_PIF_2016-17.pdf

Office for National Statistics figures on violent crime

Figures released by the Office for National Statistics (ONS) have shown that violent crime recorded by police rose by 27 per cent in 2015. The figures from the ONS revealed there were 939,518 violent offences recorded by police in England and Wales. All 43 forces recorded a rise, with 41 seeing double digit increases. The number of sexual offences recorded by the police also topped 100,000 for the first time on record, rising 29 per cent year-on-year.

The ONS said "most" of the rise was due to improved crime recording by the police, following allegations that forces had been misreporting figures for years.

Across England and Wales there was an overall seven per cent increase in police recorded crime to 4.4 million offences in 2015 compared with the previous year.

- The year saw 573 murders - 56 more than the previous year, an increase of 11 per cent.
- Knife crime rose nine per cent in the year to 28,008 offences, with 35 of the 44 forces in England and Wales recording an increase.
- Firearms crime rose for the first time in a decade.
- There were 5,122 gun offences recorded in England and Wales, up four per cent on the previous year.
- Among the total sexual offences, rapes recorded by police increased by 30 per cent year-on-year to 34,741, while other sexual offences increased by 29 per cent to 68,873 offences.

A parallel measure of crime, the Crime Survey of England and Wales (CSEW) which asks the public about their experiences of crime regardless of whether they were reported to police, said overall crime fell seven per cent to 6.4 million offences.

Home Affairs Committee report on Police diversity

The Home Affairs Committee says "urgent and radical action" is needed to tackle the gross under-representation of black and minority ethnic people in the police forces of England and Wales, which the police service has "consistently failed to address" over several decades. The Committee calls for the appointment of a national "Diversity Champion" by the Home Secretary to provide a national lead across the police service, to collect and publish data, promote best practise and oversee a diversity lead in each of the 43 forces.

The report findings include:

- No police force in England and Wales has a Black or Minority Ethnic (BME) representation which matches its local demographic
- 11 forces have no BME officers above the rank of Inspector
- In 2015, 5.5% of police officers were from a BME background, compared to 14% of the population, and 11.4% of the UK workforce
- There are no Chief Constables who are BME
- As of October 2015, 4 police forces—Cheshire, North Yorkshire, Dyfed-Powys and Durham—employ no Black or Black British police officers at all

The Committee says practical steps should be taken in each force, against which their performance should be assessed, including:

- Introducing coaching and mentoring for BME officers
- Selection panels, including for specialist posts, to receive diversity training
- More external assessors from BME background to be appointed to selection panels
- Units which deal with complaints from officers on personnel matters should receive dedicated training on diversity issues
- Establishment of a BME senior leaders' forum, similar to the Association of Senior Women in Policing, to provide support and guidance to BME officers seeking promotion

A copy of the report can be found at http://www.publications.parliament.uk/pa/cm201617/cmselect/cmhaff/27/27.pdf

Outcomes from the 2016 Police and Crime Commissioner elections

Police and Crime Commissioners (PCCs) were elected for 40 Forces in England and Wales on 5 May 2016, with no elections held in Greater Manchester or London where elected Mayors (or an appointed deputy) also fulfil the PCC role.

The highest turnout was 49.1% in Dyfed-Powys, whilst the lowest turnout was Durham with 17.4%. All recorded turnout figures were an increase on those recorded for the 2012 PCC elections. The turnout figures do not include rejected ballot papers.

The elections results are as follows:
- 20 Conservative PCCs (an increase of 4 from 2012)
- 15 Labour PCCs (an increase of 3 from 2012)
- 3 independent PCCs (a loss of 9 from 2012)
- 2 Plaid Cymru PCCs (an increase of 2 from 2012)

The elections resulted in 22 new PCCs being elected in 2016.

A comparison of the political make up of PCC areas in 2012 to 2016 can be found at the following link, as produced by Policing Insight https://policinginsight.com/wp-content/uploads/2016/05/Force-Map-Comparison.pdf

Grant Thornton and other publications

Partnership Working in Mental Health

Responding to issues related to an underlying mental illness does not solely sit within the remit of health professionals. Emergency services working together in street triage and similar schemes frequently 'pick up the pieces' after a crisis event. Collaboration around this issue is essential to provide high quality care and make savings to the wider public purse.

Mental ill health costs the economy over £100 billion each year and affects one in four people. However, responding to issues related to an underlying mental illness does not solely sit within the remit of health professionals. With many parts of the public sector needing to respond, and each facing significant financial pressures, collaboration around this issue is essential if savings are to be found and the best care provided.

This paper draws together examples of successful collaboration between public services and feedback from a Midlands round table discussion – where the West Midlands Combined Authority has set up a mental health commission – to look at how different services have overcome some of the traditional barriers and demarcation lines between organisations.

The report contains four key messages:

1. The unpredictable nature of mental health symptoms can mean that the first point of contact is via emergency services, with ambulance, fire and rescue or police officers being present. The cost of services not being available at the right place at the right time can be huge, in terms of the personal suffering of individuals and costs to the wider system.

2. Often relatively modest amounts of money targeted at specific initiatives such as street triage or community cafes can make a huge difference in improving the availability of important services.

3. An impact can be made without the need for expensive structural change. Most importantly, it requires a genuine approach to collaboration and a culture of putting the patient first.

4. Investing in collaborative initiatives that focus on the needs of mental health patients were undoubtedly resulting in savings elsewhere to the public purse.

The report can be downloaded from our website:

http://www.grantthornton.co.uk/en/insights/partnership-working-in-mental-health/

Alternatively, hard copies can be provided by your Engagement Lead or Audit Manager.

Grant Thornton
An instinct for growth

Partnership working in mental health
Joining up the dots, not picking up the pieces

Better Together:
Building a successful joint venture company

Grant Thornton reports

Local government is evolving as it looks for ways to protect front-line services. These changes are picking up pace as more councils introduce alternative delivery models to generate additional income and savings.

'Better together' is the next report in our series looking at alternative delivery models and focuses on the key areas to consider when deciding to set up a joint venture (JV), setting it up and making it successful.

JVs have been in use for many years in local government and remain a common means of delivering services differently. This report draws on our research across a range of JVs to provide inspiring ideas from those that have been a success and the lessons learnt from those that have encountered challenges.

Key findings from the report:

- JVs continue to be a viable option – Where they have been successful they have supported councils to improve service delivery, reduce costs, bring investment and expertise and generate income

- There is reason to be cautious – Our research found a number of JVs between public and private bodies had mixed success in achieving outcomes for councils

- There is a new breed of JVs between public sector bodies – These JVs can be more successful at working and staying together. There are an increasing number being set up between councils and wholly-owned commercial subsidiaries that can provide both the commercialism required and the understanding of the public sector culture.

Our report, Better Together: Building a successful joint venture company, can be downloaded from our website:
http://www.grantthornton.co.uk/en/insights/building-a-successful-joint-venture-company/

Grant Thornton
An instinct for growth

ALTERNATIVE SERVICE DELIVERY MODELS IN LOCAL GOVERNMENT

Better together
Building a successful
joint venture company

CIPFA publication

Fighting Fraud and Corruption Locally

Fighting Fraud and Corruption Locally is a strategy for English local authorities that is the result of collaboration by local authorities and key stakeholders from across the counter fraud landscape .

This strategy is the result of an intensive period of research, surveys, face-to-face meetings and workshops. Local authorities have spoken openly about risks, barriers and what they feel is required to help them improve and continue the fight against fraud and to tackle corruption locally.

Local authorities face a significant fraud challenge. Fraud costs local authorities an estimated £2.1bn a year. In addition to the scale of losses, there are further challenges arising from changes in the wider public sector landscape including budget reductions, service remodelling and integration, and government policy changes. Local authorities will need to work with new agencies in a new national counter fraud landscape.

The strategy:

- calls upon local authorities to continue to tackle fraud with the dedication they have shown so far and to step up the fight against fraud in a challenging and rapidly changing environment

- illustrates the financial benefits that can accrue from fighting fraud more effectively

- calls upon central government to promote counter fraud activity in local authorities by ensuring the right further financial incentives are in place and helping them break down barriers to improvement

- updates and builds upon Fighting Fraud Locally 2011 in the light of developments such as The Serious and Organised Crime Strategy and the first UK Anti-Corruption Plan

- sets out a new strategic approach that is designed to feed into other areas of counter fraud and corruption work and support and strengthen the ability of the wider public sector to protect itself from the harm that fraud can cause.

The strategy can be downloaded from
http://www.cipfa.org/services/counter-fraud-centre/fighting-fraud-and-corruption-locally

Fighting
Fraud &
Corruption
LOCALLY

The local government
counter fraud and
corruption strategy
2016-2019

Supported by
CIPFA COUNTER FRAUD CENTRE

Julian Kern
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BS20 8JJ

27 April 2016

Dear Julian

Planned audit fee for 2016/17

The Local Audit and Accountability Act 2014 provides for the introduction of a new framework for local public audit. Under these provisions, the Audit Commission closed in March 2015 and the Secretary of State for Communities and Local Government delegated some statutory functions from the Audit Commission Act 1998 to Public Sector Audit Appointments Limited (PSAA) on a transitional basis.

PSAA will oversee the Commission's audit contracts for local government bodies until they end in 2018, following the announcement by the Department for Communities and Local Government (DCLG) that it will extend transitional arrangements until 2017/18. PSAA's responsibilities include setting fees, appointing auditors and monitoring the quality of auditors' work. Further information on PSAA and its responsibilities are available on the PSAA website.

Scale fee

PSAA prescribes that 'scale fees are based on the expectation that audited bodies are able to provide the auditor with complete and materially accurate financial statements, with supporting working papers, within agreed timescales'.

There are no planned changes to the overall work programme for police audited bodies for 2016/17.

PSAA have proposed that 2016/17 scale audit fees are set at the same level as the scale fees applicable for 2015/16. Your scale fee for 2016/17 has been set by PSAA at £18,750. The scale fee for the PCC is £36,353. Therefore the total fee for the audit of the group financial statements is £55,103.

The audit planning process for 2016/17, including the risk assessment, will continue as the year progresses and fees will be reviewed and updated as necessary. Should the proposed fee change from the scale fee set out in this letter, we will communicate this to you at the relevant time.

Scope of the audit fee

Under the provisions of the Local Audit and Accountability Act 2014, the National Audit Office (NAO) is responsible for publishing the statutory Code of Audit Practice and guidance for auditors from April 2015. Audits of the accounts for 2016/17 will be undertaken under this Code, on the basis of the work programme and scale fees set out on the PSAA website. Further information on the NAO Code and guidance is available on the NAO website.

The scale fee covers:

- our audit of your financial statements;
- our work to reach a conclusion on the economy, efficiency and effectiveness in your use of resources (the value for money conclusion)
- our work on your whole of government accounts return (if applicable).

PSAA will agree fees for considering objections from the point at which auditors accept an objection as valid, or any special investigations, as a variation to the scale fee.

Value for Money conclusion

The Code requires us to consider whether the Chief Constable has put in place proper arrangements for securing economy, efficiency and effectiveness in their use of resources. This is known as the Value for Money (VfM) conclusion.

The NAO issued its guidance for auditors on value for money work in November 2015. The guidance states that for police bodies, auditors are required to give a conclusion on whether the Chief Constable has put proper arrangements in place.

The NAO guidance identifies one single criterion for auditors to evaluate:
In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

Billing schedule

Fees for the audit of the Chief Constable's financial statements will be billed as follows:

Main Audit fee	£
September 2016	4,687.50
December 2016	4,687.50
March 2017	4,687.50
June 2017	4,687.50
Total	**18,750.00**

Outline audit timetable

We will undertake our audit planning and interim audit procedures in December 2016 to March 2017. Upon completion of this phase of our work we will issue a detailed audit plan setting out our findings and details of our audit approach. Our final accounts audit and work on the VfM conclusion will be completed between January and September 2017 and work on the whole of government accounts return in June to September 2017.

Phase of work	Timing	Outputs	Comments
Audit planning and interim audit	December 2016 to March 2017	Joint audit plan	The plan summarises the findings of our audit planning and our approach to the audit of the Police and Crime Commissioner group accounts and VfM.
Final accounts audit	July to September 2017	Joint Audit Findings (Report to those charged with governance)	This report sets out the findings of our accounts audit and VfM work for the consideration of those charged with governance.
VfM conclusion	January to September 2017	Joint Audit Findings (Report to those charged with governance)	As above
Whole of government accounts	July to September 2017	Opinion on the WGA return	This work will be completed alongside the accounts audit.
Annual audit letter	December 2017	Joint annual audit letter	The letter will summarise the findings of all aspects of our work.

Our team

The key members of the audit team for 2016/17 are:

	Name	Phone Number	E-mail
Engagement Lead	Iain Murray	0207 383 5100	iain.g.murray@uk.gt.com
Engagement Manager	Jackson Murray	0117 305 7600	jackson.murray@uk.gt.com
In Charge Auditor	Megan Gibson	0117 305 7600	megan.gibson@uk.gt.com

Additional work

The scale fee excludes any work requested by the Chief Constable that we may agree to undertake outside of our Code audit. Each additional piece of work will be separately agreed and a detailed project specification and fee will be agreed with the Chief Constable.

Quality assurance

We are committed to providing you with a high quality service. If you are in any way dissatisfied, or would like to discuss how we can improve our service, please contact me in the first instance. Alternatively you may wish to contact Jon Roberts, our Public Sector Assurance regional lead partner, via jon.roberts@uk.gt.com.

Yours sincerely

Iain Murray
Engagement Lead

For Grant Thornton UK LLP

Mark Simmonds
Chief Finance Officer
Office of the Police and Crime Commissioner for Avon and Somerset
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BS20 8JJ

27 April 2016

Dear Mark

Planned audit fee for 2016/17

The Local Audit and Accountability Act 2014 provides for the introduction of a new framework for local public audit. Under these provisions, the Audit Commission closed in March 2015 and the Secretary of State for Communities and Local Government delegated some statutory functions from the Audit Commission Act 1998 to Public Sector Audit Appointments Limited (PSAA) on a transitional basis.

PSAA will oversee the Audit Commission's audit contracts for local government bodies until they end in 2018, following the announcement by the Department for Communities and Local Government (DCLG) that it will extend transitional arrangements until 2017/18. PSAA's responsibilities include setting fees, appointing auditors and monitoring the quality of auditors' work. Further information on PSAA and its responsibilities are available on the PSAA website.

Scale fee

PSAA prescribes that 'scale fees are based on the expectation that audited bodies are able to provide the auditor with complete and materially accurate financial statements, with supporting working papers, within agreed timescales'.

There are no planned changes to the overall work programme for police audited bodies for 2016/17.

PSAA have proposed that 2016/17 scale audit fees are set at the same level as the scale fees applicable for 2015/16. Your scale fee for 2016/17 has been set by PSAA at £36,353. The scale fee for the Chief Constable's office is £18,750. Therefore the total fee for the audit of the group financial statements is £55,103.

The audit planning process for 2016/17, including the risk assessment, will continue as the year progresses and fees will be reviewed and updated as necessary. Should the proposed fee change from the scale fee set out in this letter, we will communicate this to you at the relevant time.

Scope of the audit fee

Under the provisions of the Local Audit and Accountability Act 2014, the National Audit Office (NAO) is responsible for publishing the statutory Code of Audit Practice and guidance for auditors from April 2015. Audits of the accounts for 2016/17 will be undertaken under this Code, on the basis of the work programme and scale fees set out on the PSAA website. Further information on the NAO Code and guidance is available on the NAO website.

The scale fee covers:
- our audit of your financial statements
- our work to reach a conclusion on the economy, efficiency and effectiveness in your use of resources (the value for money conclusion)
- our work on your whole of government accounts return (if applicable).

PSAA will agree fees for considering objections from the point at which auditors accept an objection as valid, or any special investigations, as a variation to the scale fee.

Value for Money conclusion

The Code requires us to consider whether the Police and Crime Commissioner has put in place proper arrangements for securing economy, efficiency and effectiveness in their use of resources. This is known as the Value for Money (VfM) conclusion.

The NAO issued its guidance for auditors on value for money work in November 2015. The guidance states that for police bodies, auditors are required to give a conclusion on whether the Police and Crime Commissioner has put proper arrangements in place.

The NAO guidance identifies one single criterion for auditors to evaluate:
In all significant respects, the audited body has proper arrangements to ensure it took properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

Billing schedule

Fees for the audit of the Police and Crime Commissioner's financial statements will be billed as follows:

Main Audit fee	£
September 2016	9,088.25
December 2016	9,088.25
March 2017	9,088.25
June 2017	9,088.25
Total	**36,353.00**

Outline audit timetable

We will undertake our audit planning and interim audit procedures in December 2016 to March 2017. Upon completion of this phase of our work we will issue a detailed audit plan setting out our findings and details of our audit approach. Our final accounts audit and work on the VfM conclusion will be completed between January and September 2017 and work on the whole of government accounts return in June to September 2017.

Phase of work	Timing	Outputs	Comments
Audit planning and interim audit	December 2016 to March 2017	Joint audit plan	The plan summarises the findings of our audit planning and our approach to the audit of the Police and Crime Commissioner group accounts and VfM.
Final accounts audit	July to September 2017	Joint Audit Findings (Report to those charged with governance)	This report sets out the findings of our accounts audit and VfM work for the consideration of those charged with governance.
VfM conclusion	January to September 2017	Joint Audit Findings (Report to those charged with governance)	As above
Whole of government accounts	July to September 2017	Opinion on the WGA return	This work will be completed alongside the accounts audit.
Annual audit letter	December 2017	Joint annual audit letter	The letter will summarise the findings of all aspects of our work.

Our team

The key members of the audit team for 2016/17 are:

	Name	Phone Number	E-mail
Engagement Lead	Iain Murray	0207 383 5100	iain.g.murray@uk.gt.com
Engagement Manager	Jackson Murray	0117 305 7600	jackson.murray@uk.gt.com
In Charge Auditor	Megan Gibson	0117 305 7600	megan.gibson@uk.gt.com

Additional work

The scale fee excludes any work requested by the Police and Crime Commissioner that we may agree to undertake outside of our Code audit. Each additional piece of work will be separately agreed and a detailed project specification and fee will be agreed with the Police and Crime Commissioner.

Quality assurance

We are committed to providing you with a high quality service. If you are in any way dissatisfied, or would like to discuss how we can improve our service, please contact me in the first instance. Alternatively you may wish to contact Jon Roberts, our Public Sector Assurance regional lead partner, via jon.roberts@uk.gt.com.

Yours sincerely

Iain Murray
Engagement Lead

For Grant Thornton UK LLP

Risk / Objective	Description	Impact	Controls and Assurances	Probability	Impact	Risk Score	Commentary and Review date
	RISK		**MITIGATION OF RISK**	**ASSESSMENT**			
				Unmitigated / Current Risk			
SR1 **Governance failure**	Ineffective governance, scrutiny, oversight of services and outcomes delivered by the Constabulary. Ineffective arrangements for complaints and serious cases. Failure to ensure adequate transparency of the OPCC and/or the Constabulary. Failure to ensure effective systems and controls are in place to manage risk and support the delivery of service. Fraud. Failure to hold Chief Constable to account. Failure to address conduct or performance of Chief Constable. Failure to address complaints against the Chief Constable. Failure to ensure Chief Constable sets appropriate culture, ethics and values.	- Reduced Public confidence - Relationship with Constabulary not optimal - Government criticism, penalties - Sub standard performance results and poor inspection outcomes - Force not efficient /effective risks not managed financial loss - reputational risk	Risk owner: PCC / OPCC CEO and CFO PCC Police and Crime Board PCC Chief Constable 1:1s Representation at Constabulary CIB, CCB and Force COG Monthly OPCC Performance Pack Audit Committee, audit, annual governance statement Scrutiny of complaints - IRP Service Delivery assurance OPCC visits Police and Crime Panel meetings DCC attedance at OPCC SLT Portfolio meetings as required Staff survey review	4 3	4 4	16 **12** ◀▶	PCC and Chief Executive reviewed governance arrangements and has proposed a revised governance structure to the DCC. Introducing a PCC Board to run monthly, formalising scrutiny, key decisions and performance tracking. This will replace PCC-COG Board.
SR2 **Police and Crime plan**: Setting the plan, delivery of the plan	Failure to sufficiently assess needs and failure to agree an appropriate Police and Crime Plan with the Chief Constable. Failure to deliver the Police & Crime Plan.	- PCC priorities not agreed, set or delivered - Public confidence eroded	Risk owner: PCC / OPCC CEO PCC/Chief Constable meetings PCC/COG Oversight Board Chief Officer portfolio meetings (Performance) Representation at Constabulary CIB Monthly OPCC Performance Pack Audit Committee	4 4	4 4	16 **16** △	Probability of this risk has been increased (anticipating this being temporary) to reflect that the current plan is unlikely to be delivered against by the Constabulary. The new plan is in development and the approach being adopted to develop this is one of greater collboration which may make delivery more complicated (but does plan for joint agreement between PCC, Police and Partners). Once objectives are jointly agreed, would anticipate the probability rating lowering.

	RISK		MITIGATION OF RISK	ASSESSMENT			
				Unmitigated / Current Risk			Commentary and Review date
Risk / Objective	Description	Impact	Controls and Assurances	Probability	Impact	Risk Score	
SR3 **Financial Incapability & VFM**	Failure to agree and deliver a balanced Constabulary budget with the Chief Constable. Running an unsustainable budget deficit running out of funds. Unable to meet financial obligations as they fall due, reserves insufficient to cover deficits. Unable to manage or control budgets. Savings not delivered in sufficient time, sequence or scope. Borrowing and /or Government intervention required. Failure to set precept. Failure to ensure value for money in OPCC and across the delegated budgets to the Chief Constable.	- Run out of money - require intervention - Govt. intervention - Reputation / public confidence lost - unable to fund adequate or minimum service unable to fund delivery of PCC priorities - inefficiency in use of police funds wastes money and harms reputation	Risk owner: PCC / CFO Portfolio meetings as required Medium and long term financial planning Regular oversight of revenue & capital budget Maintain adequate risk-assessed reserves Audit Committee / Internal Audit Treasury Management strategy in place outcomes reviewed by CFOs and Finance meeting HMIC effeiciency inspection regime	4 3	4 4	16 12 ◄►	Current £5-6m plus funding deficit for 2016-20 period after £11m planned savings. Risks to future funding as a result of a revised Police funding formula now deferred until 2017/18. Precept rise agreed 1.99% for 2016-17 and assumed at 1.99% increase for the following 3 years. Strategic Collaboration with Wiltshire and Gloucestershire Constabularies are being scoped. Discussions ongoing around enabling services. Other regional projects being developed to produce savings. A&S-only "Tiger Team" work has circa £5m additional savings in scope.
SR4 Failure to **Engage with the public**	Failure to effectively engage with local people, communities and stakeholders. Failure to understand people's priorities and issues re policing and crime. Not taking account of local people's views, only "loud voices" and single issue voices heard.	- Reputation / public confidence - Relationship with partners - Police and Crime plan and actual delivery not aligned to public concerns and priorities	**Risk owner:** PCC / OPCC CEO/Head of Comms Meetings with LA chairs/ CEOs; CSP Chairs; local community group leaders PCC Forums, out and about days, attendance at summer events, meeting community groups Web site, twitter & social media Representation on CSPs, Children's Trusts, LCJB, Health and Wellbeing Boards OCC/OPCC Comms meetings	4 2	3 3	12 6 ▽	Low attendance at PCC Forums - also dominated by local councillors and special interest groups. Opportunities exist to increase community engagement. PCC awareness increased since Police Authority, contacts to OPCC materially increased, approx. 4 times higher number of website visitors per month than when operating as a Police Authority. PCC and COG are developing a joint comms plan (proactive and reactive) to ensure closer working and resource allocation. Police and Crime plan development offers engagement opportunities. Reviewing best ways to work with partners to engage PCC/OPCC with public.

	RISK		MITIGATION OF RISK	ASSESSMENT			
Risk / Objective	Description	Impact	Controls and Assurances	Unmitigated / Current Risk			Commentary and Review date
				Probability	Impact	Risk Score	
SR5 Failure to meet **OPCC Statutory Requirements** or commission adequate services	Failure to: Set Policing Plan / Priorities (as above). Set Policing Precept budget (as above). Deliver community safety, victims services and other partnership outcomes effectively. Operate an effective Custody Visiting Scheme. Provide effective oversight of complaints against Chief Constable. Failure to follow legal and other guidance to ensure transparency of OPCC work.	- Delivery failure - Reputation / public confidence - Relationship with Constabulary and partners - Government penalties - Poor assessment results	**Risk owner:** PCC / OPCC CEO, CFO, Office/HR Manager and Head of C&P OPCC Business Plan Police and Crime Plan / Annual Report OPCC commissioning team Governance Boards, scheme of governance Annual Assurance Statement Audit Committee / Internal Audit Victims service established by OPCC/OCC Transparency Checklist OPCC Risk Register OPCC Issue Register	4 3	3 3	12 9 ◄►	Annual OPCC Business and Delivery Plan in place - will be refreshed in September 2016. OPCC team appointed owners to statutory duties and assessing resource allocation to workstreams. OPCC will create a new foum to raise issues and risks.
SR6 **Collaboration** Failure to deliver effective and efficient regional and other collaborative outcomes	Failure to: Develop and implement effective regional strategy to make the region more efficient and effective Develop and deliver collaboration plans with Wiltshire and Gloucestershire Constabularies to increase efficiency and effectiveness Failure to put in place effective governance and ownership of regional projects and programmes Collaborate with Fire Authorities.	- Inefficient compared to other regions/areas - Government scrutiny/intervention - forced to accept others terms from future alliances or mergers - Poor VFM assessment results	**Risk owner:** PCC / OPCC CEO/ OPCC CFO OPCC Business Plan Regional commissioning and programme boards Strategic Collaboration Governance	4 3	4 4	16 12 ◄►	Strategic Collaboration programme established and being scoped. Governance established. OPCC CSE work underway with Wilts OPCC. Regional progress on Major Crime, ROCU, Forensics, STORM, CT, Tri Force. Dialogue with local partners regarding commissioned services working together, e.g. drug & alcohol, victims etc. Dialogue with Fire and Local authority partners underway focused on co-location and call centres.
SR7 **Capacity/ Capability** Failure to have adequate capacity and capability within OPCC to effectively fulfil functions	Risk that: i) People in post do not have sufficient knowledge or skills to perform roles to standards of quality and/or to meet deadlines; ii) there is insufficient transfer of knowledge that would provide cover/resilience; iii) there is insufficient capacity in workloads to perform role to standards of quality and/or to meet deadlines.	- Increased likelihood of materialisation of risks through delivery failure (governance, scrutiny, commissioning of services, engagement with public); - damaged relationship with public, constabulary and/or partners.	**Risk owner:** PCC / OPCC HR Manager (supported by SLT) OPCC Business Plan PDR process and regular supervisory sessions SLT, Portfolio Leads and Team meetings (to share knowledge, resolve issues) OPCC HR policies Resource planning	4 3	3 3	12 9 ◄►	Trajectory of risk is likely to reduce - as impact will also be mitigated against once SLT are able to reconsider the resource planning of the organisation (aspiration to more closely align to Police and Crime Plan and risk and performance framework and eliminate single points of failure created through silo working).