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**Date :** 30th June 2020

**To: ALL MEMBERS OF THE JOINT AUDIT COMMITTEE**

- i. David Daw, Jude Ferguson (Chair), Zoe Rice, Martin Speller
- 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 via Teams (link included in the meeting invite) at **14:00** on **8<sup>th</sup> July 2020**.

The agenda for the meeting is set out overleaf.

Yours sincerely

**Alaina Davies**  
**Office of the Police and Crime Commissioner**

## INFORMATION ABOUT THIS MEETING

- (i) Car Parking Provision

N/A – Virtual meeting

- (ii) Wheelchair Access

N/A – Virtual meeting

- (iii) Emergency Evacuation Procedure

N/A – Virtual meeting

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

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- (v) REPORT NUMBERS CORRESPOND TO AGENDA NUMBER

## **AGENDA**

**8<sup>th</sup> July 2020, 14:00 – 17:00**

**To be held via Teams (link included in the meeting invite)**

**1. Apologies for Absence**

**2. Emergency Evacuation Procedure**

N/A – Virtual meeting

**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](mailto: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 19<sup>th</sup> March 2020 (Report 5)**

**6. Internal Audit (Report 6):**

- a) Follow Up of Previous Recommendations
- b) Workforce Plan Follow Up
- c) Data Protection – Incident Reporting
- d) Head of Internal Audit Annual Opinion Report
- e) Quarterly Update

**7. Business from the Chair (Report 7):**

- a) Police and Crime Board (Verbal Update)
- b) Update on IOPC Investigations (Verbal Update)
- c) Joint Audit Committee Terms of Reference

**8. Office of the Police and Crime Commissioner Strategic Risk Register (Report 8)**

**9. External Audit Update (Report 9):**

- a) Audit Progress Report and Sector Update
- b) External Audit Plan Update

**10. Annual Accounts and Governance Statement: Joint Audit Committee Questions and Answers – paper to follow**

**11. Summary of Recommendations (Verbal Update)**

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## **Part 2**

**Items for consideration without the press and public present**

- 12. Exempt Minutes of the Joint Audit Committee Meeting held on 19<sup>th</sup> March 2020 (Report 12)**
- 13. Constabulary Strategic Risk Register (Report 13)**

**POLICE AND CRIME COMMISSIONER FOR AVON AND SOMERSET**

**5**

**MINUTES OF THE JOINT AUDIT COMMITTEE MEETING HELD ON THURSDAY  
19<sup>TH</sup> MARCH 2020 AT 11:00. MEETING HELD VIA TELECONFERENCE.**

**Members in Attendance**

Jude Ferguson (Chair)

David Daw

Martin Speller

Zoe Rice

**Officers of the Constabulary in Attendance**

Sarah Crew, Deputy Chief Constable (part of the meeting)

Nick Adams, Constabulary CFO

Dan Wood, Director of People and Organisational Development

Michael Flay, Governance Manager

Sarah Omell, Head of Improvement (part of the meeting)

Nick Lilley, Director of Information Technology (part of the meeting)

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

Ben Valentine, OPCC Strategic Planning and Performance Officer

Vicky Ellis, PA the OPCC CFO & Interim CEO

**Also in Attendance**

Sue Mountstevens, Police and Crime Commissioner

Gail Turner-Radcliffe, Grant Thornton

Iain Murray, Grant Thornton

Juber Rahman, SWAP

Laura Wicks, SWAP

**1. Apologies for Absence**

Mark Simmonds, OPCC CFO & Interim CEO

Andy Marsh, Chief Constable

Jennifer Grannan, Head of Transformation (part of the meeting)

**2. Emergency Evacuation Procedure**

The emergency evacuation procedure for each call participant was left for them to determine.

**3. Declarations of Interest / Gifts / Offers of Hospitality**

None.

**4. Public Access**

There were no requests for public access

**5. Minutes of the Joint Audit Committee Meeting held on 16<sup>th</sup> January 2020 (Report 5)**

**RESOLVED THAT** the minutes of the meeting held on 16<sup>th</sup> January 2020 were confirmed as a correct record and will be signed by the Chair when physically possible.

Action update:

**Minute 31b(ii)** The Joint Audit Committee Terms of Reference are being updated and will be discussed at the 8<sup>th</sup> July 2020 meeting of the Joint Audit Committee.

**Minute 42a** The Constabulary and Internal Auditors had arranged to meet to discuss the Workforce Planning audit in March/April but this will be delayed now due to Covid-19 disruption.

**Minute 43** The South West JAC event is on hold at the moment – could possibly be held at the end of the year, Covid-19 dependent. Will be reviewed at the 8<sup>th</sup> July 2020 meeting of the Joint Audit Committee.

**6. Internal Audit Reports (Report 6):**

**a) Internal Audit Plan 2020/21 and Internal Audit Charter**

It was confirmed there were no conflicts of interest. In light of the global covid-19 pandemic it was noted that there will be some flexibility around the plan and the ability to undertake some of the work remotely.

External auditors are in a similar position and noted that the Government has recognised this and moved the audit of accounts deadline to the end of September.

**RESOLVED THAT** both internal and external audit work would continue as best it can and flex and change as necessary, reviewing plans as required.

**b) Cybersecurity**

This was an advisory report in relation to Cybersecurity which sought to build on/dovetail with other reports undertaken. The Constabulary acknowledged that by design, various things were not in place when the audit was completed and these are now implemented. The National Enabling Programme will standardise Office 365 and security of devices across all forces. This is resource intensive and sits alongside the constabulary work on cybersecurity. The audit committee queried the level of assurance given and the report received. It asked for clarification regarding the nature of the report. Was it advisory? Flagging areas for review? Was there a value in benchmarking against other forces?

**RESOLVED THAT** the internal auditors would ask their IT team to elaborate on the report and provide further clarity for the Joint Audit Committee.

## UNCONFIRMED Draft

The Constabulary will try to find ways to provide better assurance outside of this audit process, for example through the annual penetration testing which is undertaken.

### **c) ICT Business Continuity**

A partial audit opinion was given in relation to ICT Business Continuity. This is due to lack of documentation, and does not reflect the ability of the police to respond. Members were particularly concerned about this report with low assurance and its pertinence in the light of current fast changing situation. Since this report work on business continuity has moved at pace and silver and gold groups have been formed to respond to the situation. The Constabulary confirmed that IT Business continuity has improved significantly since the audit but accepted that documentation across the organisation needs to improve. The Constabulary welcomed the report and recognised the need for more work. During this time of increased home working, plans are being tested to the full. It is seen as a good opportunity to see how the capacity of the Constabulary's ICT system responds. The Constabulary confirmed that the system has the capacity to support 7,500 staff working from home now and the resilience of the network is being demonstrated.

Members queried whether the final report should be recast/redone in light of changes since it was completed. Members also noted that the report talks of a lack of buy in but this doesn't seem to reflect practice. The current high usage of home working may provide evidence on which future redesign may be based.

**RESOLVED THAT** internal audit were asked to prioritise the follow up of these actions.

### **d) Fleet Management**

This partial audit opinion reflects the need for improved systems in fleet management. The audit found expired MOTs and services due across the fleet. Members acknowledged the new systems and technology that had been introduced to manage and address this since the audit.

The Constabulary stated that the audit had confirmed the extent of the issue, of which they were aware. Plans had already been put in place to update systems prior to this audit. There is the capability to use automation and robotics to improve some of these systems and this action address this issue moving forward.

The PCC noted this was an area of increasing concern and acknowledged it was not always just the responsibility of one department. The PCC was reassured that the Constabulary were already aware of issues ahead of the audit and they agreed to keep this area under review. The PCC also acknowledged this was a department currently working extremely hard and thanked them for all their efforts.

### **e) Data Quality**

## UNCONFIRMED Draft

This partial audit report related to identified key risks not being well managed and systems requiring improvement of internal controls.

Members questioned how Constabulary can be sure training has taken place if not recorded. Is the system being used correctly?

The Constabulary stated that they are implementing Chronicle which will improve the recording of training and are expecting this to be in place by summer 2020 (Covid-19 implications allowing).

Members commented that the personal accountability of officers and staff is a key message to emphasise and noted the report focused on training. The scope of the audit did not cover the technical and process elements and this may be where some of the errors occurred with data quality.

### **f) Refreshing Strategic Framework**

This report is also a partial opinion. It was acknowledged that the Constabulary has come a long way with their Strategic Framework and have received a number of positive comments from stakeholders in relation to it. The cultural change required will take some time to impact as is to be expected in a large organisation.

The Constabulary agreed there is work still to do and that they will work through the recommendations, they have started on the process and are working on the Framework.

### **g) Personal Issue of Assets**

The draft report on the Personal Issue of Assets audit was discussed at the 16<sup>th</sup> January 2020 meeting of the Joint Audit Committee. This final draft is included with the papers for this meeting for Members to note.

**RESOLVED THAT** this will be reviewed at the September JAC regarding progress made.

### **h) Quarterly Update**

SWAP presented the quarterly update on progress made to date to the JAC this indicated good progress against plan. The impact on Covid 19 on the further delivery of this plan was noted.

Further discussion took place on the presentation of the audit opinion and consideration was given to refining the approach taken, given the impact of the timing of audits in a rapidly changing environment. It was suggested that consideration be given to the use of dual reporting to give an extra perspective on the opinion given.

## **7. Business from the Chair**



## UNCONFIRMED Draft

The Chair thanked the PCC for agreeing to continue in post in these unprecedented times.

### **a) Police and Crime Board**

The S151 Officer presented the key highlights discussed at the meeting. These related to the setting of the budget and the agreement of the financial plan. The headlines from this were outlined as follows:

- The PCC has approved a revenue budget of £328.5m in 20/21, incorporating the increase in government and precept funding to support the delivery of the uplift in officer numbers
- Capital funding is confirmed as £0.27m, a reduction of 70% on prior year, so revenue funding of capital has been increased to compensate
- Balanced budget for 3 years predicted

**RESOLVED THAT** documentation to support this would be sent to members.

The PCC advised members that the Home Office had confirmed that the current Police and Crime Plan will not need to be amended this year and that HMICFRS have suspended their inspections for the foreseeable future and secondees have been returned to their respective forces. There is no requirement for Force Management Statements (FMS) this year.

### **b) Update on Independent Office for Police Conduct (IOPC) Investigations**

The Deputy Chief Constable updated on the 11 IOPC investigations currently underway. There had been one new referral since the previous meeting and this was a mandatory referral with no conduct or performance issues identified. Members were assured that the working relationship with IOPC is positive and joined up and also appropriately challenging as needed.

Members noted the improvement in the efficiency of IOPC investigations and any impact of Covid-19 on this would be advised. Where formal meetings are scheduled the IOPC are looking at using technology to allow these to continue and are seeking the support of the Federation, Unison and the Legally Qualified Chair's to support this.

## **8. Office of the Police and Crime Commissioner Strategic Risk Register (Report 8)**

The major change in the risk register for the OPCC was Covid-19 and the situation is so fast paced that the information sent to members ahead of the meeting was already out of date. The impact on the police and the delivery of the plan in the crisis situation was noted.

## **9. Joint External Audit Plan (Report 9)**

The external auditors presented the plan and talked through the risks. Members requested further explanation of the context. There is a new standard which sees a change in accounting standards which is an international change and not specific to the public sector.

## UNCONFIRMED Draft

Value for money and the current shift in emphasis was discussed alongside the need for the Constabulary to do more with less. Some changes are already underway as the National Audit Office have issued changes to the way value for money will be reported but the auditors are waiting for guidance to go alongside this. It will be implemented from 2020/21 onwards.

The proposed increase of 20% in external audit fees was discussed. Members would like assurance that the increased fee is indicative of increased workload and quality. It was noted that some of the increase is being shared with the auditors. There was disappointment expressed towards the Public Sector Audit Appointments (PSAA) around how this has been presented to the public sector.

**RESOLVED THAT** the Chair will write to PSAA expressing the concerns and the committee's disappointment with the proposed increase.

**RESOLVED THAT** fee variations up to a maximum of £8,500 were acknowledged, and agreed effort would be made to reduce the financial impact where possible.

### **Part 2**

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#### **Items for consideration without the press and public present**

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

**SEE EXEMPT MINUTES**

The meeting concluded at 14:00

**CHAIR**

**ACTION SHEET**

<b>MINUTE NUMBER</b>	<b>ACTION NEEDED</b>	<b>RESPONSIBLE MEMBER/ OFFICER</b>	<b>DATE DUE</b>
<b>Minute 31b(ii)</b> <b>Internal Audit: Quarterly Update</b> <b>25<sup>th</sup> September 2019</b>	The Joint Audit Committee Terms of Reference will be reviewed prior to the next Joint Audit Committee meeting and be submitted for discussion at that meeting.	OPCC CFO/ OPCC Strategic Planning and Performance Officer/ Head of Improvement	8 <sup>th</sup> July 2020
<b>Minute 42a</b> <b>Internal Audit: Workforce Plan</b> <b>16<sup>th</sup> January 2020</b>	The Constabulary and Internal Auditors will agree the best time to carry out a further audit on Workforce Planning	Director of People and Organisational Development	Delayed now due to Covid-19 disruption.
<b>Minute 43</b> <b>External Audit Update</b> <b>16<sup>th</sup> January 2020</b>	The External Auditors should work with the OPCC on the arrangements for running a South West JAC event.	Grant Thornton/ OPCC	8 <sup>th</sup> July 2020
<b>Minute 6a</b> <b>Internal Audit Plan 2020/1 and Internal Audit Charter</b> <b>19<sup>th</sup> March 2020</b>	Internal and external audit work would continue as best it can and flex and change as necessary, reviewing plans as required	SWAP / Grant Thornton	Ongoing
<b>Minute 6b</b> <b>Cybersecurity</b> <b>19<sup>th</sup> March 2020</b>	Internal auditors would ask their IT team to elaborate on the report and provide further clarity for the Joint Audit Committee.	SWAP	8 <sup>th</sup> July 2020
<b>Minute 6c</b> <b>ICT Business Continuity</b> <b>19<sup>th</sup> March 2020</b>	Internal Audit were asked to prioritise the follow up of these actions.	SWAP	Immediate
<b>Minute 6g</b> <b>Personal Issue of Assets</b> <b>19<sup>th</sup> March 2020</b>	This will be reviewed at the September JAC regarding progress made.	SWAP	23 <sup>rd</sup> September 2020

## UNCONFIRMED Draft

<b>Minute 7a</b>  <b>Police and Crime Board</b>  <b>19<sup>th</sup> March 2020</b>	Documentation to support this would be sent to members	Constabulary CFO	Immediate
<b>Minute 9</b>  <b>Joint External Audit Pan</b>  <b>19<sup>th</sup> March 2020</b>	The Chair will write to PSAA expressing the concerns and the committee's disappointment with the proposed increase	JAC Chair	Immediate
<b>Minute 9</b>  <b>Joint External Audit Pan</b>  <b>19<sup>th</sup> March 2020</b>	fee variations up to a maximum of £8,500 were acknowledged, and agreed effort would be made to reduce the financial impact where possible.	Grant Thornton	Immediate

<b>MEETING: Police and Crime Board</b>	<b>Date:</b> 1 <sup>st</sup> July 2020	Agenda No
<b>DEPARTMENT:</b> Finance and Business Services	<b>AUTHOR:</b> Claire Hargreaves	<b>3a</b>
<b>NAME OF PAPER:</b> 2019/20 Draft Statement of Accounts		

## 1. PURPOSE OF REPORT

The report presents the 2019/20 draft statement of accounts for both the Chief Constable, as well as the PCC (which incorporates the group position).

Members of the Police and Crime Board are asked to review and discuss these accounts.

The Interim PCC and Constabulary Chief Finance Officer has already signed and dated the accounts, thus allowing commencement of the period of public inspection and audit.

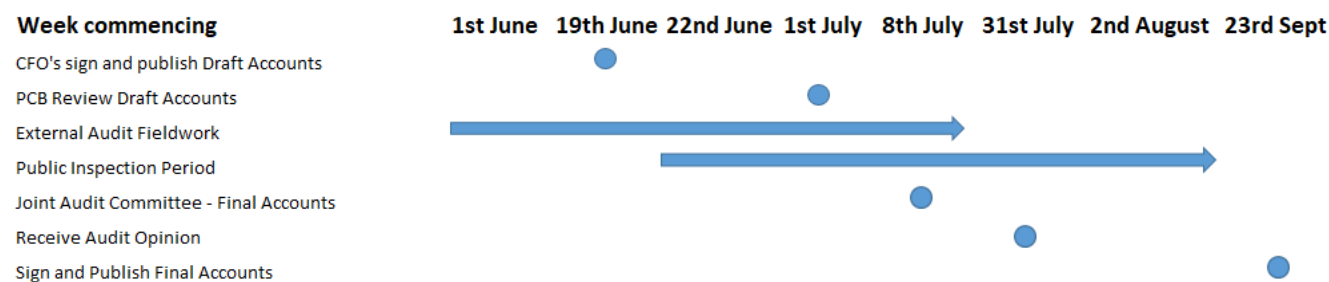
## 2. BACKGROUND

The Accounts and Audit Regulations 2015 require that the “responsible financial officer” sign and date a draft copy of the Statement of Accounts prior to commencing the period during which the public can exercise their rights to inspect the accounts.

Upon completion of the period during which the public can exercise their rights, the final (audited) accounts will then be considered by way of a committee (which in our case will be the Joint Audit Committee). If there are no issues, the Joint Audit Committee will recommended the accounts to the PCC and CC for their approval and signature.

Due to the current Covid-19 situation, the Ministry for Housing, Communities and Local Government (MHCLG) has extended the statutory audit deadline for 2019/20 for all local authorities, including police forces. The publication date for audited accounts has moved from 31 July to 30 November 2020.

With the above deadline in mind, we are planning to complete our own accounts and audit activity by 23<sup>rd</sup> September 2020. The table below sets out the timeline for key events to achieve completion by this date :-



The format of the accounts is prescribed in legislation, with further refinement added through guidance and regulations issued. The primary financial statements within this document comprise:-

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

In addition to these primary statements the accounts include narrative statements 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.

Since the Police Reform and Social Responsibility Act 2011 (the Act) came into effect, we now publish 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.

### 3. PRESENTATION OF THE STATEMENT OF ACCOUNTS

In preparing both sets of financial statements, we have assessed the appropriateness of presenting the accounts on a going concern basis. We recognise that the PCC and Chief Constable can only be created or discontinued through statutory prescription. As we have no indications of any intentions on the part of Government or Parliament to bring about changes that will see either of these corporations sole cease to exist, we consider that preparing our accounts on a going concern basis remains valid.

Another consideration for going concern is our financial sustainability, and our ongoing ability to live within our financial means. This is annually assessed in the preparation and scrutiny of our Medium Term Financial Plan (MTFP), which sets out our 5 year revenue and capital forecasts, incorporating considerations of reserves and risks within this. Since the publication of our last MTFP the response to the global COVID-19 pandemic has presented material uncertainty in our previous assumptions, requiring us to review these as part of our preparation for the 21/22 MTFP. We intend to undertake more work in preparation for this over the summer and into the Autumn.

The presentation of the 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 2019/20 accounts. The outcome of this review, in addition to there not be any material changes to accounting or statutory regulations, concluded that the presentation of last year's financial statements remains appropriate. Therefore the accounts as presented contain the following:-

Prime Statement	PCC/Group	Chief Constable
Comprehensive Income and 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
Movement in Reserves	Full statement reflecting the movement on all reserves	Only Pension accounting adjustments through the general fund
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. 2019/20 REVENUE AND CAPITAL FINANCIAL PERFORMANCE

The 2019/20 financial performance across both the revenue budget and the capital plan has been the subject of a detailed paper presented to PCB at its meeting on 6th May 2020.

In summary we reported an under spend against revenue budget of £5.1m/1.7% (2018/19 £11.4m/4.0%), which was entirely accounted for through provisions and reserve adjustments. During the year we also spent £14.4m (2018/19 £11.7m) on capital projects, and are carrying forward £3.9m (2018/19 £4.0m) into 2020/21 in support of ongoing projects.

The budget and outturn figures presented to PCB on 6th May will not reconcile exactly to the Income and Expenditure Statement due to adjustments between accounting and funding, however in order for the Board to recognise the figures and reconcile back to previous reports a reconciliation is detailed below:

	£'000
<b>19/20 Budget/Outturn (per management accounts)</b>	<b>306,278</b>
Less Commissioning of Victims' Support Grant	(1,958)
Less Council Tax Adjustment (for Collection Fund movements)	(1,036)
Plus Capital Grant received	<u>1,033</u>
<b>Adjusted Total Taxation and non-specific Grant Income</b> (per Group CIES on page 26 of Group Accounts)	<b>304,317</b>

#### 5. USEABLE RESERVES AT 31<sup>st</sup> MARCH 2020

The movement on reserves statement (as detailed at page 28 of the group accounts) identifies a net increase of £11.3m/30% (2018/19 increase £2.7m/7.5%) in useable reserves. The table below summarises the position on our useable reserves:-

Details	General Fund Reserve	Earmarked Revenue Reserves	Capital Receipts Reserve	TOTAL
	£'000	£'000	£'000	£'000
<b>Balance as at 1 April 2019 (restated)</b>	<b>10,000</b>	<b>24,101</b>	<b>3,528</b>	<b>37,629</b>
Net Increase/(Decrease)	(1,000)	11,867	454	11,321
<b>Balance at 31 March 2020</b>	<b>9,000</b>	<b>35,968</b>	<b>3,982</b>	<b>48,950</b>

The General fund balance is set by the risk assessment carried out by the PCC CFO in conjunction with

the Chief Constables CFO. The General fund balance has reduced by £1.0m (2018/19 £0.4m) following a recent review.

Our earmarked reserves (which were included in the outturn report presented to PCB in May, and which are explained in more detail on pages 65-67 of the group accounts) can broadly be broken down into three distinct areas:-

- **Revenue funds – discretionary:** These are the funds that we have set aside, predominantly held to support the ongoing costs of proactive and reactive operations, enable us to continue to realise our change and transformation ambitions and to provide support to face the future financial uncertainty created by COVID-19;
- **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 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. balance on our regional serious organised crime unit which is hosted by A&S);
- **Capital and PFI funds:** These are funds held in support of future capital programmes, and in support of our PFI buildings.

The earmarked revenue reserves have increased by £3.1m (2018/19 £1.3m decrease) during the year. This is the net result of a number of movements, including:-

- a £1.6m increase (2018/19 £1.2m decrease) to our non-discretionary reserves (as a result of the increase of reserves for Victim Support Services (£0.8m) and Hinckley Point (£0.8) and,
- a £1.5m increase (2018/19 £0.1m decrease) to our discretionary reserves (the net result of the introduction of two new reserves for Operation Remedy (£1.3m) and Covid-19 recovery (£1.0m), an increase in carry forwards (£0.9m), increase in the Buildings & Sustainability reserve (£0.3m) and a £2m decrease in the Transformation reserve).

The earmarked capital reserves have increased by £8.7m (2018/19 £1.1m increase) during the year, reflecting our long-term capital funding plans.

## 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 2020 the pension fund liability (deficit) identified by our actuaries is £3.49bn (2018/19 - £3.71bn). Of this £3.22bn relates to Police Officers (2018/19 - £3.44bn), and £271m to Police Staff (2018/19 - £272m).

The Police Officers scheme is the responsibility of the Home Office, and the Chief Constable (as employer during the course of 2019/20) 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.

## **7. PFI ACCOUNTING**

Through our PFI contract our private sector partner (Blue Light Partnership [BLP]) is responsible for providing and making available the four PFI funded buildings throughout the 25 year life of the contract. At the end of the contract the legal ownership of the buildings will revert to the PCC (in the case of the shared facility it will revert to shared ownership) at nil cost.

As the PCC is deemed to control the services that are provided under the PFI schemes, and ownership of the buildings will pass to the PCC at the end of the contracts for no additional charge, the PCC will carry the assets on its Balance Sheet as part of Property, Plant and Equipment.

The financial implications of this contract will see the PCC commit to an annual unitary charge across the 25 year life of the contract, being £9.4m in 2019/20 (£9.3m 2018/19), and £248.1m over the 25 years. The UK Government (Home Office) has committed to provide £187m capital funding ("PFI Credits") in the form of annual grants over 25 years.

The difference between the unitary charge cost for the provision of the buildings, and the PFI credits will be closed through a combination of the:-

- a. Interest earned on our sinking fund balance (being the reserve into which the timing difference between the receipt of the PFI credits and the actual requirement to use these funds, is accounted for);
- b. Contributions from our partners towards the running costs of the building (contributions from Gloucestershire and Wiltshire Constabulary will contribute towards the annual running costs of the shared firearms training facility);
- c. Revenue budgets of the Constabulary, which have been realigned following savings achieved as a consequence of the closure of other buildings.

## 8. OTHER CONSIDERATIONS

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

- Asset valuations – In accordance with our policy for the valuation of our assets an external valuation was carried out as at 31<sup>st</sup> March 2020 by Jones Lang LaSalle Limited. The properties have been valued in accordance with the current RICS valuation standards and took into account the potential future impact of COVID-19 and as such were reported on the basis of material valuation / market uncertainty principles. The results of this valuation have been captured within the financial statements presented;
- Related Parties – We have written to the members of the Joint Audit Committee, 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 50) of the Group accounts and note 11 (page 40) of the Chief Constable's accounts;
- Insurance – Our insurance experts have conducted their annual review, and identified a discounted value of future known liabilities. This has resulted in £9.0m (2018/19 £11.5m) provided for (note 24, page 63 – Group Accounts) to manage future risks. The provision is deemed sufficient to cover unexpected losses;
- Detained Property – In previous years, seized monies and sales proceeds of seized property has been retained in a reserve named as Detained Property Reserve (DPR). As most of these assets will ultimately be returned to their owner it has been decided that this balance should more appropriately be reclassified as a creditor balance instead of reserve balance. This is detailed on page 67 in the group accounts (4<sup>th</sup> paragraph).

As the comparative years figures needed to be adjusted to account for this change, there are several references to “restated” balances throughout the group accounts e.g. PCC restatement column on the Group Balance Sheet page 30. All these restated balances refer to this DPR adjustment.

- 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 note includes reference to the following:
  - McCloud/Sargeant Judgment regarding the discrimination arising from the Transitional Provisions in the Police Pension Regulations 2015; and
  - The uncertainty created by the Coronavirus pandemic.

The results of this review are presented at note 25 (page 64) of the Group accounts, and note 19 (page 49) of the 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 Chief Constable, 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. As the Finance team have all been working from home over the last three months due to the COVID-19 pandemic, no paper copies have been printed in the preparation of these accounts.

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

**11. CONCLUSIONS AND RECOMMENDATIONS**

As in previous years the Accounts have not yet been audited. The audit is underway, however owing to the challenges of completing this work remotely it is not possible to say at this stage when this audit will be completed. Our external auditors will provide an update on their progress and expected timeframes at the Joint Audit Committee meeting on 8th July 2020. Once the audit is completed the external auditors will issue an Audit Certificate, enabling the final Statement of Accounts to be published by 23rd September 2020.

The Police and Crime Board is therefore invited to discuss the 2019/20 Draft Statements of Accounts.

Appendix A – Draft 2019/20 Group and PCC Financial Statements

Appendix B – Draft 2019/20 Chief Constable Financial Statements



6a

# Avon and Somerset Police and OPCC

## Follow Up of 2018-19 Internal Audit Recommendations

### Final Report

Issue Date: 18<sup>th</sup> June 2020

Working in Partnership to Deliver Audit Excellence

## Executive Summary

Audit Objective	Progress Summary of Recommendations				
	RSM Risk Category	Complete	In Progress	Not Started	Total
	High	2	1	0	3
	Med	7	4	0	11
	Low	15	1	0	16
To provide assurance that agreed actions to mitigate against risk exposure identified by the Force's previous internal auditors (RSM) have been implemented.	<b>Total</b>	<b>24</b>	<b>6</b>	<b>0</b>	<b>30</b>

### Scope

This audit seeks to 'Follow Up' on the implementation of recommendations made by the Force's previous Internal Auditors (RSM). The progress of recommendations raised within the following RSM audit reports were reviewed:

- IT Projects – Benefits Realisation (issued 3<sup>rd</sup> January 2019)
- Key Financial Controls (issued 4<sup>th</sup> January 2019)
- Change Commissioning / Transformation (issued 8<sup>th</sup> January 2019)
- GDPR Governance (issued 8<sup>th</sup> January 2019)
- Chief Constable and PCC Expenses (issued 21<sup>st</sup> February 2019)

The scoring system used by RSM to categorise their recommendations have been used in this report (High, Medium and Low). These differ from SWAP's classifications (Priority 1, 2 and 3). Testing has been performed in relation to all High and Medium recommendations and evidence has been obtained to support implementation of these recommendations. Follow-up of all Low recommendations have been based on self- assessment by the responsible manager provided as part of this review or the Force's own internal follow up process conducted by its Audit and Inspections Team.

## Audit Conclusion

Significant progress has been made towards the implementation of recommendations raised by the Force's previous Internal Auditors (RSM). 24 out of the 30 recommendations raised across five audit reports are now complete. A total of six recommendations remain outstanding with work underway to ensure their completion. A summary of those outstanding recommendations are summarised in the table below:

	RSM Audit Reports					Total
	IT Projects – Benefits Realisation	Key Financial Controls <i>(see page 3)</i>	Change Commissioning / Transformation <i>(see pages 3-6)</i>	GDPR Governance <i>(see pages 6-7)</i>	Chief Constable and PCC Expenses	
High	-	-	-	1	-	1
Med	-	1	2	1	-	4
Low	-	-	1	-	-	1
<b>Total</b>	-	<b>1</b>	<b>3</b>	<b>2</b>	-	<b>6</b>

There are independencies between the outstanding recommendations in some audits which has impacted on the figures highlighted above. For example, activity to fully implement the outstanding Low risk recommendation in the Change Commissioning audit cannot be achieved until some of the work in relation to the Medium risk recommendation has been completed. All outstanding recommendations have been assigned a revised target by the business area and all overdue recommendations are planned to be completed by the end of the calendar year. Further detail in relation to outstanding recommendations only has been provided within Appendix A below for management consideration.

Details in relation to recommendations we deem complete have also been included for consideration as part of Appendix B below.

Senior Management together with the Force's Audit and Inspections Team are recommended to monitor the progress of those recommendations that are still outstanding to ensure their implementation by the revised target dates provided. No further follow up of these recommendations will be undertaken by SWAP.

# Appendix A – Detailed Progress of Outstanding Recommendations

## Key Financial Controls (issued 4<sup>th</sup> January 2019)

### Original Audit Objective:

To provide assurance on the design and application of internal controls within key financial processes operated by the Constabulary.

**Risk** | 1. Monies are lost, or misappropriated. 2. Monies are spent without appropriate authorisation

Ref. 2 | Finding and Action

### Recommendation

**Medium**

The Constabulary should implement a quarterly spot check of access levels afforded to positions within SAP, to ensure that the access is appropriate for the job role and that no inappropriate changes have been made to user access.

### Agreed Action (Original Target Implementation Date 01/06/2019)

The Constabulary will document a list of which SAP roles cannot be held by the same person in order to ensure effective segregation of duties. Once this is done, a quarterly review of SAP user access will take place to ensure that no one individual holds these two roles.

### Summary of Progress / Follow Up Action Required

**In Progress**

The SAP structure is currently under review by the People and Positions Review Team. There are plans in place to implement the agreed action by September 2020. This cannot be achieved earlier due to other priorities. However, as an interim measure, a quarterly audit of role profiles of five random individuals within Finance, Accounts Payable, Business Order Unit, Admin Hub and the Chief Officer Group will be undertaken to check they have appropriate roles and segregation of duties is in place.

Revised Implementation Date

30/09/2020

Revised Responsible Officer

Head of Finance

## Change Commissioning / Transformation (issued 8th January 2019)

### Original Audit Objective:

To ensure a consistent approach to change and transformation, so that the Constabulary can manage and monitor the achievement of benefits from change projects (efficiencies / savings / improved service).

**Risk** | Failure to deliver effective regional or other collaboration outcomes.

Ref. 1	Finding and Action		
Recommendation			Low
As part of the strategic framework project, the Constabulary should develop a clear change commissioning process and ensure this is communicated and well understood across the organisation.			
Agreed Action ( <i>Original Target Implementation Date 30/06/2019</i> )			
Agreed. This is one of the things we had already planned to improve on as part of the constabulary's new Strategic Framework - which provides an opportunity to refresh our current change commissioning processes and recommunicate this as part of our wider communication and implementation plan. In the meantime, we do have a change commissioning process in place and the Transformation Department maintain oversight of the process and supports business leads with navigating proposals through the approval process.			
Summary of Progress / Follow Up Action Required			In Progress
The above is dependent on the completion of some activity detailed within the 'Summary of Progress / Follow Up Action Required' section of Ref.2 below.			
Revised Implementation Date	31/07/2020	Revised Responsible Officer	Delivery Manager - Portfolio

Ref. 2	Finding and Action		
Recommendation			Medium
To ensure the focus of programmes is on programme delivery and not reporting, the Constabulary should consider the introduction of event-based programme boards. This would mitigate the weaknesses of regular meetings such as delivering to the board rather than plan.			
Agreed Action ( <i>Original Target Implementation Date 30/06/2019</i> )			
Whether or not this approach is appropriate is dependent on the nature and scale of the change – and perhaps more useful for project boards as opposed to programme boards. In some programmes (particularly during initiation) we operate using Gateways (e.g. Tri-Force) and schedule boards around key decision making. However, for most of our more established programmes, this approach works better for the individual projects – where we do use event-based meetings. As part of our Strategic Framework project we will explore this concept in more detail when we are considering governance across the force.			
Summary of Progress / Follow Up Action Required			In Progress
Improvements in terms of planning and preparation to Programmes Boards have been made since the original audit. This has led to the introduction of Chair pre-meetings, agenda setting, standardised outputs / templates and the publication of materials online. These materials and templates were confirmed to be in place as part of our work. However, in Q4 of 2019/20, a further governance review was requested by the Deputy Chief Constable to improve programme management. This will include a revision to the current decision-making model of Programme Boards and look to introduce new structures to support any revisions made (e.g. Terms of Reference, schedules, supporting documentation etc.). The work remains on-going and is expected to conclude in October 2020. As such, this action remains in progress and management are recommended to monitor the progress made towards the implementation of this recommendation.			

Ref. 5	Finding and Action		
Recommendation			Medium
As part of the strategic framework, the Constabulary should ensure that its existing support function for change is empowered and has responsibility for:			



- Creating and maintaining a central repository of lessons learnt and ensuring these are shared at initiation stage of future projects and programmes;
- Maintaining professional oversight of change across the organisation;
- Providing advice and guidance to nontechnical project and programme managers, outlining the key stages and processes to follow in managing a project or programme, and ensuring each template and stage is completed effectively. (This is currently provided verbally by the portfolio office or by colleagues/line management); and
- Ensuring the above support provided to nontechnical staff as their “internal customers” is understood, available and accessible.

#### Agreed Action (Original Target Implementation Date 30/08/2019)

Noted. The process for recording and reporting lessons for change is fairly robust, and they are handed over to business leads to take forward as part of the project closure process. However, there is an opportunity to improve what happens beyond that in terms of ‘learning’ the lesson. We can consider this as part of the Strategic Framework, where we are developing a ‘single delivery plan’ – consolidating all existing constabulary improvement / activity plans. On the other points, there is a portfolio office in existence and a network of improvement consultants and project / programme experts as part of transformation who provide professional advice and guidance to business leads – but we can build on this and will consider how we do this in the new year when we review our own departmental Continuous Improvement Delivery plan.

#### Summary of Progress / Follow Up Action Required

In Progress

The Central Portfolio Office has responsibility for maintaining professional oversight of change delivery at a strategic level. Different methods for communication are being used to share knowledge which currently focuses on the use of Pocketbook intranet software and the creation of ‘Team Rooms’. However, the Force is in the process of implementing Office 365 and Microsoft Teams. Benefits of these programmes will include improved collaboration which will help support the implementation of the above recommendation. Office 365 and Microsoft Teams is not due to be implemented until later in 2020. In addition, the governance review of programme management detailed within Ref. 2 above will also help implement the recommendation through the introduction of new structures, models and ways of working. As such, this recommendation is considered to be in progress and is subject to the benefits afforded by the introduction of the above technologies and outputs of the governance review. Management are recommended to monitor the progress made towards the implementation of this action.

#### Revised Implementation Date

31/10/2020

#### Revised Responsible Officer

Delivery Manager - Portfolio

## GDPR Governance (issued 8<sup>th</sup> January 2019)

#### Original Audit Objective:

*“[RSM] have been commissioned to perform an agreed upon procedures assignment of the current data governance processes, procedures and controls. Our report is a factual report and we do not provide a level of assurance, or internal audit opinion, and should not be taken to provide such.”*

#### Risk

*Not applicable – Consultancy work.*

#### Ref. 1

#### Finding and Action

#### Recommendation

High

It is a priority to complete the personal data discovery and mapping within the Constabulary to ensure that all personal data flows are identified and that appropriate controls are in place to address the requirements of the GDPR. (Constabulary and OPCC).

*Agreed Action (Original Target Implementation Date 30/04/2019)*

The new DPO will own this process and ensure completion of data flow spreadsheet in cooperation with Directorates/IAOs. This will be reported via the Strategic Information Management Board. The new DPO will also give advice on compliance with best practice on the OPCC side around information assets recording.

*Summary of Progress / Follow Up Action Required*

**In Progress**

A meta compliance tool has been purchased to help monitor compliance in this area. This will allow both the Force and OPCC to create the Record of Data Processing Activities (ROPA) and Information Asset Register (IAR). Each Information Asset Owner (IAO) will be given access to the system and will work through a form for each information asset they have in their department and directorate. The IAOs are due to receive training in relation to the tool in June 2020. Following this, the tool will be made available to the IAOs and their respective Information Asset Assistants (IAAs). The IAOs and IAAs will begin to collate and complete the relevant sections of the ROPA with the assistance of the Data Protection Officer. Originally, training was due to take place with IAO's between March to May 2020. However due to Covid-19, this needed to be rescheduled for a later date. As a result of the above, the action is considered to be in progress. The above activity is intended to be finalised by the end of the calendar year and therefore, the action is considered to be in progress.

*Revised Implementation Date*

31/12/2020

*Revised Responsible Officer*

Data Protection Officer

**Ref. 3 Finding and Action**

**Recommendation**

**Medium**

For completeness, the data flow spreadsheets should be updated to show, or refer to, applicable data retention schedules / schemes for all data assets. (Constabulary and OPCC).

*Agreed Action (Original Target Implementation Date 30/04/2019)*

The DPO will reviewed and updated to reflect data retention schedules / schemes for all data assets.

*Summary of Progress / Follow Up Action Required*

**In Progress**

Work to review and revise the Force Retention Schedule began in Q1 of 2020. The objectives of the review focus on three of the following areas:

1. Make the document user friendly, so the schedule can be given to users to reference with no training.
2. Incorporate two years of updates from the Records Review Managers decision and stakeholder engagement meetings.
3. Highlight any gaps or risk areas.

The target deadline for this was the originally for April 2020, in which the Retention Schedule went to the Force Information Governance Group for review and 'draft' sign off. The draft Retention Schedule has been reviewed as part of this follow up audit. Wider engagement with IAOs was recognised as part of the Information Governance Group meeting. An IAO training day is planned for the mid-June where this document will be reviewed together with the ROPA. Further work is likely to be required as a result of this input. A revised completion date of 31<sup>st</sup> December 2020 has been assigned and therefore, this action is considered to be in progress.

*Revised Implementation Date*

31/12/2020

*Revised Responsible Officer*

Records Review Team Manager

# Appendix B – Detailed Progress of Completed Recommendations

## IT Projects – Benefits Realisation (issued 3<sup>rd</sup> January 2019)

### Original Audit Objective:

To ensure that high level IT projects are being adequately monitored to provide assurance that the required benefits are being realised, and the investment was effective.

Risk	Perceived benefits are not realised, and investments are not effective.
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### Ref. 1 Finding and Action

#### Recommendation

Low

Management should review the Post Profile for the Portfolio Manager role and ensure that it fully reflects the current requirements of the post.

#### Agreed Action

The Head of Transformation is planning to review the Post Profile for the Portfolio Manager post as there have been a few tweaks to the duties since the role was first established in 2018. These are in line with the rank and responsibilities of the role so are not substantial changes.

#### Summary of Progress / Follow Up Action Required

Complete

The Delivery Manager – Portfolio and Director of Information Technology has confirmed that the Post Profile for the Portfolio Manager role has been reviewed. Some minor amendments to the role have been made which have been agreed.

### Ref. 2 Finding and Action

#### Recommendation

Low

Management should aim to document the benefits realisation process in the form of operating procedures or similar, for the practical and consistent application of required processes and controls within benefits realisation management.

#### Agreed Action

The Transformation Department is already looking to implement a suite of 'how to' guides – this will form part of the rollout of the new Strategic Framework in 2019. This will include aspects such as benefits realisation and will be made available to all staff and officers.

#### Summary of Progress / Follow Up Action Required

Complete

The Delivery Manager – Portfolio and Director of Information Technology has confirmed that the benefits realisation process is well defined. Any transformational change requires a business case to be signed off. Business cases require clear articulation of proposed benefits. Portfolio Office resources are used to track benefit metrics. When benefits are to be signed off, a standard one-page form is completed for the Programme Board to endorse (i.e. it is not a subjective assessment by the Programme Team).

itself). Project Closure reports reflect benefit realisation, and this is central to any commissioned Post Implementation Reviews (PIR). Progress of benefits beyond the PIR stage should soon be visible via a new QLIK reporting application.

Ref. 4	Finding and Action	
Recommendation		Medium
Management should ensure that where a business cases does not present measurable, quantifiable benefits, that there is a clear plan in place to identify benefits through the project lifecycle and postimplementation review process - to ensure that change is not approved without a clear focus on delivering business advantages.		
Agreed Action		
There is already a formal Change Commissioning process in place which ensures that business cases have a sufficient focus on benefits. Management will ensure that, through the development of the Strategic Framework, this is enhanced and developed. It will also ensure that, in terms of the Digital Programme specifically, there is renewed emphasis on benefits realisation – through the PIR process as appropriate.		
Summary of Progress / Follow Up Action Required		Complete
The Transformation Team has now invested in benefits development through the introduction of a new Business Analyst Benefits Management Role. This role retains the lead to support Programme Managers throughout the benefit lifecycle from identification, ratification and transfer to business leads. This role has introduced standardised tracking processes for existing metrics and ensures benefits for all projects cover financial, performance and case study examples. A QLIK benefits application is under development. Business case processes have tightened to ensure no future business case will be commissioned by Programme Board, CMB or PCB without measurable and quantifiable benefits clearly articulated. This applies to digital change now managed through the Service Redesign and Development Programme.		

Ref. 5	Finding and Action	
Recommendation		Low
As agreed with management (see Ref.4 above), the Portfolio Office should ensure that identified benefits within the Digital Programme are tracked accurately at Portfolio Office level and reported in a transparent manner to senior management.		
Agreed Action		
Management are working to address the differences between the tracker and the reports presented to the Programme Board, however we do not believe that this finding / weakness impacts on senior management decision making. This improvement activity will form part of our new Benefits workstream within the Digital Programme.		
Summary of Progress / Follow Up Action Required		Complete
The Delivery Manager – Portfolio and Director of Information Technology confirmed that Management are working to address the differences between the tracker and the reports presented to the Programme Board. However, this does not impact on senior management decision making. This improvement activity will form part of the new Benefits workstream within the Digital Programme. Benefits management by the Digital Programme is extremely comprehensive. The Team have established a Benefits Group with dedicated Business Analyst resource. Benefits measurement is using a blend of interviews, surveys and metrics. For the latter, a raft of LPA level metrics are tracked every week for review. The holistic picture of benefit performance is reported as on a quarterly basis by Programme Manager at Programme Board.		

Additionally, an update was given for the OPCC in March. Finally, the Programme is committed to the extension of the current approach above (largely focussing on mobilisation) to reflect all areas of Programme delivery.

#### Ref. 6 Finding and Action

##### Recommendation

**Medium**

Responsibility for completing tracking and reporting on post-project benefits: we noted that the process adopted following the report to the Programme Board specifically allocates this responsibility to the Portfolio Office. Management will ensure that a PIR is scheduled as standard following the project implementation (typically around six months after implementation) and that a specific reason for omission is stated if a PIR is not commissioned.

##### Agreed Action

The project closure report templates have been updated and will now make reference to whether a PIR has been completed, and the conclusions achieved by the PIR. Management will also ensure that there is a more formal and visible process to ensure that the dates of PIRs are recorded and take place as scheduled.

##### Summary of Progress / Follow Up Action Required

**Complete**

All commissioned Projects require formal closure via the Programme Board. A Project Closure Report is produced to provide a summary of the project. Part of this template makes reference to the requirement for a Post Implementation Review (PIR) in certain circumstances. Where a PIR is required, the timing of the review is agreed and the Central Portfolio Office will resource the request. The Central Portfolio Office retains an overall schedule of PIRs for planning. Where PIRs are being completed, a Terms of Reference is initially provided to the Programme Board to agree the scope of the work. Discussions relating to PIRs, including the rationale to not request follow up activities, is captured on the Programme Board matrix which provides a summary of overall actions and decisions. The day to day management of PIRs is via the Central Portfolio Office TRELLO Board where progress can be checked. Evidence to support the process described above has been reviewed as part of this audit.

## Key Financial Controls (issued 4<sup>th</sup> January 2019)

#### Original Audit Objective:

To provide assurance on the design and application of internal controls within key financial processes operated by the Constabulary.

**Risk** 1. Monies are lost, or misappropriated. 2. Monies are spent without appropriate authorisation

#### Ref. 1 Finding and Action

##### Recommendation

**Medium**

The Financial Regulations need to be reviewed and updated to reflect the changes that have taken place across the Constabulary over the past year.

##### Agreed Action

A review of the Financial Regulations will be undertaken as part of the wider review of the Scheme of Governance, to reflect new structures, systems and processes.

Summary of Progress / Follow Up Action Required	Complete
The Financial Regulations have been updated and confirmed to be in place as part of this follow up work.	

Ref. 3	Finding and Action
Recommendation	Low
The Head of Finance should perform monthly / quarterly spot checks of journals and escalate any themes or issues identified with mis postings.	
Agreed Action	
The new Head of Finance will re-implement the monthly review of journals, sampled based on value / time or day posted / cost centre etc. Any errors identified will be fed back to the finance team.	
Summary of Progress / Follow Up Action Required	Complete
The Head of Finance confirmed that testing of journals has taken place and will continue quarterly going forward. These are carried out by the Financial Accounting Corporate Business Partner and reviewed by Head of Finance.	

Ref. 4	Finding and Action
Recommendation	Low
The Finance team should update the month end timetable each month to show that the required tasks have been completed, by whom and when. Management response: This would not add value as any uncompleted tasks would be identified as part of the monthly meetings. It would be more useful to maintain a record of issues discussed at the monthly meetings.	
Agreed Action	
The Finance team will minute the monthly finance meetings and maintain a record of any issues discussed.	
Summary of Progress / Follow Up Action Required	Complete
The Head of Finance has confirmed that actions points are now being produced following Finance meetings.	

Ref. 5	Finding and Action
Recommendation	Low
Management should ensure that all bank and key balance sheet control account reconciliations are completed every month in a timely manner and are prepared and reviewed by two separate members of staff, with the reviewer being independent from the day to day processing. If staffing resource does not currently allow for this, a timetable should be created to identify and prioritise when the reconciliations will be done.	
Agreed Action	
A review of bank and control accounts will be carried out with a view to reinstating monthly reconciliations where these are identified as necessary, recognising the current capacity constraints in the finance team.	

Summary of Progress / Follow Up Action Required		Complete
The Head of Finance confirmed that reconciliations are being carried out and reviewed by the Finance Business Partner - Financial Accounting.		
Ref. 6	Finding and Action	
Recommendation		Medium
The Debt Management Procedure should be reviewed and updated to ensure that the expected debt chasing activity at the Constabulary will effectively address the poor debt position whilst being realistic for the finance team to deliver.		
Agreed Action		
The Debt Management Procedure will be updated when the new Head of Finance is recruited. Following the implementation of the new Debt Management Procedure, periodic debt management meetings between the Head of Finance, Finance Assistant and Legal team will be reinstated to review the current debts.		
Summary of Progress / Follow Up Action Required		Complete
Debt management Policy has been updated and confirmed to be in place as part of this follow up audit.		
Ref. 10	Finding and Action	
Recommendation		Medium
The Finance team should contact new suppliers via telephone to verify that bank and other details are correct prior to updating the supplier ledger. This should be documented to evidence that the phone call has taken place. The same approach should be taken when changes to standing data, such as bank details and address, are requested by suppliers.		
Agreed Action		
The Finance team will be reminded to apply and document more robust checks when adding new suppliers or changing supplier details within the supplier ledger.		
Summary of Progress / Follow Up Action Required		Complete
The above was confirmed to be in place as part of our Accounts Payable 2019/20 audit.		
Ref. 13	Finding and Action	
Recommendation		Medium
Management should ensure the HQ petty cash reconciliations are completed by the Admin Officer by the 15th of each month and checked by Finance. Spot Checks to be conducted by Head of Finance.		
Agreed Action		
Spot checks will be undertaken by the Finance team to ensure petty cash balances are reconciled with no errors or differences on a monthly basis. Those responsible for managing cash balances will be reminded of this requirement.		

Summary of Progress / Follow Up Action Required		Complete
Petty cash reconciliations were found to be undertaken on a regular basis. These are being reviewed and signed off by either the Head of Finance or Finance Business Partner.		
Ref. 17	Finding and Action	
Recommendation		Low
As planned, the Procurement Card Policy should be updated to reflect the new process.		
Agreed Action		
The Administration Manager will review and update the Procurement Card Policy to reflect new and best practice.		
Summary of Progress / Follow Up Action Required		Complete
The Senior Procurement Manager confirmed that the updated Procurement Card Policy has been recirculated to all cardholders - this was completed in November 2019.		
Ref. 18	Finding and Action	
Recommendation		Low
Following implementation of the new Procurement Card policy, the Senior Procurement Manager should ensure that all current and future cardholders sign to acknowledge possession of a procurement card and to confirm that they have read and agree to the terms of use.		
Agreed Action		
Staff will be reminded to maintain records going forward of all new procurement cardholder signed agreements. A task will also be undertaken to retrospectively gather and retain this evidence for current cardholders.		
Summary of Progress / Follow Up Action Required		Complete
The Senior Procurement Manager confirmed that all cardholders have received copies of the updated cardholders policy/agreement. They have all accepted their responsibilities under this agreement and understand that it is their responsibility to ensure the monthly transaction returns are completed and submitted in a timely fashion and that they must retain copies of their receipts for no less than seven years. In order to maintain a clearer overview of the level of spend, the Procurement Team can now access Clearspend on a daily basis to assist with the management of their card programme.		
Ref. 21	Finding and Action	
Recommendation		Low
Following the implementation of the Duty Sheet expenses software for Special Constables, the Special Constabulary Co-ordinator should perform a quarterly spot check of a sample of five expense claims to ensure sufficient supporting documentation is available to support the claims. In setting up the authorisation hierarchy in Duty Sheet, an independent check / reconciliation to SAP should take place to ensure delegated authority is in line with the Financial Regulations.		



#### Agreed Action

The Finance team will work with the Special Constabulary Coordinator to ensure the internal audit recommendations are built into the use of Duty Sheet going forward, and this will aid the evaluation of how the system is used in the future.

#### Summary of Progress / Follow Up Action Required

Complete

The Special Constabulary Programme Manager confirmed that Finance have been given access to DutySheet and carry out regular checks for consistency of authority between DutySheet and SAP. The Special Constabulary Co-ordinator has begun carrying out five checks per quarter, as per the agreed action.

## Change Commissioning / Transformation (issued 8th January 2019)

#### Original Audit Objective:

To ensure a consistent approach to change and transformation, so that the Constabulary can manage and monitor the achievement of benefits from change projects (efficiencies / savings / improved service).

Risk	Failure to deliver effective regional or other collaboration outcomes.
------	--

Ref. 3	Finding and Action
--------	--------------------

#### Recommendation

High

The Constabulary should document key decisions taken during its projects and programmes. The decision papers will evidence:

- How the decision was reached;
- The risks and mitigations; and
- Opportunities.

#### Agreed Action

Agree that this is good practice, and certainly since the closure of MFSS we have tightened up on this. The programme board meetings have recently been reshaped and now include spotlight reports - used when there is a shift in risks or issues associated with a particular project that requires a decision from the board. The board outputs have also been refined to be more focused on recording decisions and agreements. In some cases, a more detailed report is required to support decision making (such as an options paper) and whilst we do not have a strict format for this, we could explore this as part of the Strategic Framework project.

#### Summary of Progress / Follow Up Action Required

Complete

Change items are formally documented using set templates owned by the Central Portfolio Office which reflect various stages of a project. These include a Project Mandate, Outline Business Case, Business Case, Spotlight Reports, Project Closure Report, Benefit Ratification, Post Implementation Review. All of these templates were updated in late 2019 / early 2020 and were confirmed to be in place as part of this follow up work. Programme Board is responsible for reviewing content, scrutinising, and agreeing decisions in relation to change activity. Decisions and actions are documented in a single Programme Board Matrix File which details the discussions that have taken place and the rationale for approval. The Programme Board Matrix File has been reviewed and confirmed to be in place as part of this follow up audit.

Ref. 4	Finding and Action
Recommendation	High
<ul style="list-style-type: none"> <li>As was done for the Tri-Force Futures Programme and in line with the Constabulary's project management practices, all projects and programmes going forward will have all of the below stages/documents completed:</li> <li>Business case (developed from an options paper);</li> <li>Blueprint;</li> <li>Project / programme plan with gateways; and</li> <li>Outline high-level benefits (for example as part of the options paper and business case) and specific benefits when the detail is known.</li> </ul>	
Agreed Action	
<p>Noted. The organisation would not normally embark on a significant piece of change such as MFSS without a clear business case / blueprint and associated appraisal of benefits. There were exceptional circumstances around this particular change that the organisation has reflected on and learned from. The development of the Blueprint for the new Strategic Framework for the organisation provides us with an opportunity to refresh our approach, and ensure we are explicit around the controls and governance that should be in place around change activity.</p>	
Summary of Progress / Follow Up Action Required	Complete
<p>Change activity is supported by the formal templates described in Ref. 3 above. Additionally, the Force has invested in a Business Analyst role focussing specifically on benefits management and development working to APMG industry standards. All change programmes are required to complete a Benefits Ratification Form and submit evidence to Programme Board to ensure achievement of their benefits. The Programme Highlight Reports provides assurance in relation to individual project plans, timelines, risk, issues and reviews. These are reviewed as part of the quarterly meetings of the Programme Board.</p>	

## GDPR Governance (issued 8<sup>th</sup> January 2019)

Original Audit Objective:	
<p><i>"[RSM] have been commissioned to perform an agreed upon procedures assignment of the current data governance processes, procedures and controls. Our report is a factual report and we do not provide a level of assurance, or internal audit opinion, and should not be taken to provide such."</i></p>	
Risk	Not applicable – Consultancy work.

Ref. 2	Finding and Action
Recommendation	Medium
<p>Management should ensure that details of information sharing agreements and protocols are in place for all instances identified where personal data are shared with third parties. (Constabulary and OPCC).</p>	

Agreed Action	
The new DPO will review information sharing agreements around personal data being shared with third parties, and will take the necessary action, and report this via the SIMB.	
Summary of Progress / Follow Up Action Required	Complete
In July 2019, a business case was agreed to permit the recruitment of an Information Sharing Coordinator (ISC). This was identified as a gap in the current information governance structure. The position of ISC was filled and the individual commenced work in March 2020. A web page dedicated to the Information sharing in Force is in place. The ISC is undertaking a review of the current practices in Force and provided a highlight paper to Strategic Information Management Board (SIMB) in May 2020 of recent activity. An action from SIMB is for the ISC to work with relevant stakeholders throughout the Force to raise the awareness of appropriate sharing and the completion of governance processes to ensure all sharing is justified. The paper presented to SIMB in May 2020 was reviewed to confirm this action.	

Ref. 4	Finding and Action
Recommendation	Low
To ensure that responsible staff are able adequately to administer individuals' rights under GDPR, procedures on Data Subject Rights should be completed and implemented. (Constabulary)	
Agreed Action	
The new DPO will review standard operating procedures and ensure they are updated to reflect the new GDPR.	
Summary of Progress / Follow Up Action Required	Complete
The Data Protection Officer confirmed that this has been completed. Requests under access are managed within the Data Protection Team. All other rights are managed by the DPO.	

Ref. 5	Finding and Action
Recommendation	Low
OPCC management should consider adapting or supplementing the data breach guidance with more staff-focused step-by-step guidance as implemented at the Constabulary. (OPCC)	
Agreed Action	
The new DPO will liaise with the OPCC to assess whether there is a need for further data breach guidance - as implemented by the Constabulary, and whether this can be adopted across both entities.	
Summary of Progress / Follow Up Action Required	Complete
The Data Protection Officer confirmed that the OPCC are aware of the breach requirements. This will be reinforced by the creation of new guidance for both the Constabulary and OPCC. The Constabulary breach form was amended in December 2019 and a copy was sent to the OPCC on the 17th December 2019 for them to utilise. This will ensure that the breach reporting processes are uniformed across both organisations.	

## Chief Constable and PCC Expenses (issued 21<sup>st</sup> February 2019)

### Original Audit Objective:

To review the adequacy of and compliance with the expenses policy, and whether this reflect efficient use of public funds.

### Ref. 1.1 Finding and Action

#### Recommendation

Low

Management should include the Constabulary's expense policy alongside the declared expenses on the public website

#### Agreed Action

The expense policy document will be uploaded to the public website so that the public can review declared expense alongside the policy.

#### Summary of Progress / Follow Up Action Required

Complete

The Chief Finance Officer, Avon and Somerset Police and Interim Chief Finance Officer, OPCC confirmed that the Expense Policy was updated in April 2020.

### Ref. 1.2 Finding and Action

#### Recommendation

Low

Management should include the table of authorised allowance amounts issued by the Home Office in the Travel and Expense policy. The policy will be published alongside the declared expenses.

#### Agreed Action

In line with demonstrated best practice, the authorised allowance amounts table will be added to the Travel and Expense policy. The expense policy document will be linked to the public website so that the public can review declared expense alongside the policy.

#### Summary of Progress / Follow Up Action Required

Complete

The Chief Finance Officer, Avon and Somerset Police and Interim Chief Finance Officer, OPCC confirmed that a table of authorised allowance amounts issued by the Home Office has been included in the OPCC Travel and Expenses policy. The OPCC Travel and Expenses policy has been published on the PCC web page alongside the published expenses.

### Ref. 2.2 Finding and Action

#### Recommendation

Low

Management should include the information referenced by the Home Office in their monthly submissions to the OPCC website.

#### Agreed Action

The declared expense documentation uploaded to the public website will reflect the guidance issued by the Home Office in August 2018.

Summary of Progress / Follow Up Action Required		Complete
The Chief Finance Officer, Avon and Somerset Police and Interim Chief Finance Officer, OPCC confirmed that information referenced by the Home Office is included in monthly PCC expenses as of January 2019.		
Ref. 3.2	Finding and Action	
Recommendation		Low
Management should consider the suitability of disclosing business mileage as an expense of the Chief Constable and if this should be published monthly in the public domain.		
Agreed Action		
Operational issues will be considered alongside the increased workload to ascertain if it is suitable to publish the business mileage of the Chief Constable on a monthly basis.		
Summary of Progress / Follow Up Action Required		Complete
The Chief Finance Officer, Avon and Somerset Police and Interim Chief Finance Officer, OPCC confirmed that the OPCC include the information referenced by the Home Office in our monthly published submissions going forward.		

# Authors and Distribution

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## Report Authors

This report was produced and issued by:

Laura Wicks	Assistant Director
Ed Nichols	Principal Auditor
Juber Rahman	Senior Auditor

## Distribution List

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Mark Simmonds	Interim Chief Executive Officer



AVON &  
SOMERSET  
POLICE & CRIME  
COMMISSIONER



6b

# Avon and Somerset Police Workforce Plan Follow Up

## Final Report

Issue Date: 21<sup>st</sup> May 2020

Working in Partnership to Deliver Audit Excellence

# Executive Summary

## Follow Up Audit Objective

To provide assurance that agreed actions to mitigate against risk exposure identified within the 2019/20 Partial opinion Workforce Plan audit have been implemented.

## Original Audit Objective

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

## Scope

This audit seeks to 'Follow Up' on the implementation of recommendations made as part of the Workforce Plan audit at Avon & Somerset Police, which was finalised in November 2019. Audit testing was performed in relation to the priority 2 recommendations and supporting evidence obtained to support implementation of recommendations. Follow-up of the priority 3 recommendations is based on self-assessment by the responsible manager. Video conferencing / telecommunication technology (Skype) was used to conduct audit interviews with a number of business leads across the Force in order to obtain updates in relation to key developments to workforce planning arrangements since our original audit. This included interviews with (but not restricted to) the Chief Officer – People and Organisational Development, Acting Head of Organisational Development, Head of HR Operations and Head of Learning.

In addition to assessing the progress of recommendations raised in the original report, and as agreed with Senior Management and Members of the Joint Audit Committee, we also re-visited a number of control areas which we were not able to review at the time of our original audit. These included:

- The methods used by the Force to attract and recruit a diverse workforce to fill vacancies and the impact of recent demand challenges experienced in filling police officer and PCSO vacancies on diversity requirement.
- Data in relation to a recent uplift in police officers and PCSOs to assess the impact of recruitment processes on diversity and inclusion.
- How the Force ensures its people at all levels of the organisation possess and develop the skills, knowledge and experience to fulfil their own ambitions and those of the organisation.
- The Establishment Control Framework in place to enable the Force to have an appropriate organisational design including how the Force matches supply to demand; monitors change in establishment levels; and horizon scans.
- Whether Diversity Champions had been appointed to provide support for underrepresented groups across the organisation.

The information obtained pertaining to the above areas is referenced within the Audit Conclusion section below, under the heading to which they relate.



## Audit Conclusion

Since our original audit was completed in November 2019, significant work has been undertaken to further improve the Force's workforce planning arrangements. This work will help the Force ensure the delivery of its strategic objectives and in attracting, recruiting, developing, supporting and retaining a workforce that is reflective of the community it serves to meet demand for its services. We are therefore pleased to report all three recommendations raised within our original audit have been implemented. In addition to reviewing the progress of recommendations raised, we also re-visited a number of control areas which we were not able to review at the time of our original audit (see 'Scope' section above). These, together with other key areas of activity to improve workforce planning arrangements since our original audit have been detailed below:

### Outreach Workers and Diversity Champions

The Force has recruited seven outreach workers to its Representative Workforce Team to help attract diverse talent by ensuring greater visibility at community and educational events and by extending the Force's outreach work to encourage more people from underrepresented communities in society to join the Force. The Force has also enlisted the services of two media specialists to help them better target campaigns, recruitment advertising etc. at underrepresented groups. In addition to the outreach workers, the Force currently has 32 Diversity Champions in post from across all levels of the organisation to help instil a diverse and accepting culture. All Diversity Champions receive training on mentoring skills and the Force's recruitment processes in order to help support individuals through recruitment to retention.

### National Equality Standard Accreditation

In March 2020, Avon and Somerset Police became the first Force in the Country to achieve the National Equality Standard accreditation (NES). The NES assesses (RAG rates) organisations against a set of 35 clear equality, diversity and inclusion criteria. The Force was found to competent (green) in 25 of the 35 areas assessed. The remaining areas were assessed as amber and work is underway to improve those areas which is monitored by the Force's Inclusion and Diversity Board. The accreditation is independently reviewed each year by the company that developed the accreditation (Ernst & Young) with a full assessment undertaken again after three years.

### Recruit for Difference

The Force is currently in the process of trialing a programme called 'Recruit for Difference'. The aim of the programme is to change the way the Force thinks and acts in its recruitment processes to help enable it to become better at recruiting a more representative police staff workforce and attract more people from diverse communities. The Force has partnered with an organisation called 'Diversity by Design' to help deliver the programme. This programme is currently being trialled in four initial service areas (Intelligence, Call Handling, IT and Safeguarding) with further expansion into other areas planned in the future.

### E- Recruitment

In May 2019, the Force agreed to procure a new e-recruitment system (Oleeo) after finding its current recruitment processes and systems 'outdated, inefficient and cumbersome'. The new system is due to go live at the end of May 2020 with intended benefits including improved management information; digitalised recruitment processes; automated validation; improved compliance with data protection legislation; increased visibility, communication and storage; and a self-service online portal for candidates and hiring managers.

### Chronicle

At the time of our original audit, the Force was in the process of procuring a new learning management system (Chronicle). The system would bring together learning / skills data from across a number of IT systems into one system. The project implementation is now six months into development and work is well underway to extract and cleanse data from legacy systems. Once complete, the data will be migrated into a test system ready for configuration. The project has a dedicated Project Team with four Subject Matter Experts to help ensure its delivery. In April 2020, the project took a minor setback in that one of the newly purchased modules was found to contain data from the old Tri-Force arrangements. This data was isolated into a separate environment quickly by the Project Team but the temporary diversion of resources to resolve this issue has resulted in delayed delivery for the overall project by a few weeks. The system is now due to be implemented at the end of October 2020 instead of at the beginning of October 2020. In addition, the current method planned to train individuals on Chronicle may also be impacted due to Covid-19 if social distancing measures are to remain in place. The original plan was to undertake training in classroom sessions. However, if social distancing is still enforced, training is likely to take a more 'blended' approach with a combination of small classroom sessions attended by key stakeholders and virtual training (e.g. through Microsoft Teams).

### Workforce Plans

A Workforce Plan is in place for all eight Directorate areas. These are used to assess demand, capability, capacity and gaps against organisational priorities and set specific objectives to 'supply' against the demand identified. Actions are being monitored at Directorate and Senior Leadership level through the use of spreadsheets. This solution is not a permanent one. The intention is to move to Microsoft Planner when Office 365 goes live. This forms part of an already agreed recommendation raised in SWAP's 'Refreshing the Strategic Framework' audit completed in March 2020. This recommendation is currently scheduled to be completed by the end of August 2020. The next iterations of the Workforce Plans are currently in development and are due to be in place by the end of the calendar year.

### Establishment Control Framework

The Force are currently in the process of developing two new applications to help provide more accurate information about the current workforce as well as for future planning. The first application will look at real time establishment data (i.e. current availability etc.) to help inform operational decisions. This application is planned to be ready by the end of the calendar year. The second application will look at historic / trend data (starters, leavers etc.) to help inform actions going forward. This will be released in tranches (starting with leavers information) throughout the year. Work is also underway to standardise and streamline governance processes surrounding changes made to establishment. A proposal is currently being drafted for consideration by the Constabulary Management Board.

# Findings and Outcomes

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

1.1 Finding and Action		
Issue	Recommendation	Priority 2
Actions set out under Directorate Workforce Plans may not have been monitored in line with agreed processes.	We recommend that the Head of HR Operations, once the new Director of Business Improvement and Transformation is appointed, finalises the Business Improvement and Transformational Workforce Plan. Once approved, arrangements in place to monitor actions across all eight Directorate Workforce Plans should be formalised.	
Agreed Action (27 <sup>th</sup> November 2019)		
The workforce plan for Business Improvement and Transformation has been completed.		
Progress on Directorate workforce plans is continuing with quarterly reviews at SLT level. Development of a wider governance strategy will link into the developing future strategy programme. A second iteration of workforce plans is planned over the next 12 months.		
Summary of Progress / Follow Up Action Required		Complete
The Workforce Plan for Business Improvement and Transformation has been finalised. Progress on Directorate-specific workforce plans continues to be monitored through spreadsheets due to the inability to fully utilise WeKan as originally planned. The solution to use spreadsheets to monitor progress against delivery is not permanent. The intention is to move to Microsoft Planner when Office 365 goes live. This forms part of an already agreed recommendation raised in SWAP's 'Refreshing the Strategic Framework' audit completed in March 2020 that is currently scheduled to be completed by the end of August 2020.		

1.2 Finding and Action		
Issue	Recommendation	Priority 3
The People Strategy was not subject to version control or available to staff.	We recommend that the Head of HR Operations amends the People Strategy to include version control and makes this available to staff via the Intranet.	
Agreed Action (27 <sup>th</sup> November 2019)		
A request has already been submitted to the move the People Strategy to a more prominent place and more easily searchable on Pocketbook. Version control will be added to the People Strategy as part of the move.		
Summary of Progress / Follow Up Action Required		Complete
This action was completed soon after the original audit. This has since been reviewed and version 2 is now available on Pocketbook.		

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

### 2.1 Finding and Action

Issue	Recommendation	Priority 3
A lessons learnt exercise had not been carried out in relation to challenges faced as a result of a recent increase to establishment levels and its impact on diversity and inclusion.	We recommend that the Head of HR Operations reviews the diversity data specific to the uplift in 2017/18 in order to identify potential areas for improvement in relation to diversity and inclusion which could be made for future recruitment exercises.	

#### Agreed Action (27<sup>th</sup> November 2019)

In terms of the lessons learned review, whilst there was not a formally documented review there was a review prior to moving back into business as usual. We have been making improvements based on the lessons identified from that process and pursuing the improvements including to the fundamental infrastructure/tools needed to help us run the processes more effectively. We have secured investment to enable these improvements and we are progressing with implementation.

The systems and process that are currently in place make this difficult to agree a specific course of action at this time. Currently the collection of data is via a number of excel spreadsheets and is a time consuming and manual process. Working collaboratively within HR and OD we will continue to review the diversity profile across the organisation. We anticipate that once the full implementation of an e-recruitment system has taken place the organisation will be in a position to review diversity data in a timely manner and take appropriate action with the aim to improve the diversity profile.

#### Summary of Progress

Complete

Data from the last three uplift campaigns has been reviewed in order to assess how well the Force's recruitment campaigns work to attract more diversity. Considerable work has been done to extract data from these different recruitment campaigns to track the impact this work is having on the Force's recruitment processes from application through to post. Organisational Development have been working with the Talent Acquisition Team to extrapolate campaign data in order to understand what the data is highlighting in a more meaningful way. Work is also being done to ensure that the new e-recruitment system being implemented will allow the Force to automatically track this data and pull management information reports where and when needed. Therefore, enabling the Force to collect, monitor and evaluate diversity data in a more comprehensive way going forward.

In addition to the data analysis activity above, significant work has also been undertaken since the original audit review to help attract more diverse talent in both police officer and staff member roles. This activity has been detailed within the section 'Audit Conclusion' section above.

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## Report Authors

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Juber Rahman	Senior Auditor

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Nick Adams	Chief Finance Officer, Avon and Somerset Police and Interim Chief Finance Officer, OPCC
Mark Simmonds	Interim Chief Executive Officer



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# Avon and Somerset Police and The Office of the Police & Crime Commissioner (OPCC)

## Internal Audit Annual Opinion and Report 2019-20

## Contents

### The contacts at SWAP in connection with this report are:

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# Summary

**The Head of Internal Audit is required to provide an opinion to support the Annual Governance Statement.**

## Purpose

The Head of Internal Audit (SWAP Assistant Director) should provide a written annual report to those charged with governance to support the Force's and OPCC's respective Annual Governance Statements (AGS). This report should include the following:

- an opinion on the overall adequacy and effectiveness of the organisations' governance, risk management and internal control environment;
- disclose any qualifications to that opinion, together with the reasons for the qualification;
- present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies;
- draw attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the Annual Governance Statement;
- compare the work actually undertaken with the work that was planned and summarise the performance of the internal audit function against its performance measures and standards; and
- comment on compliance with these standards and communicate the results of the internal audit quality assurance programme.

The purpose of this report is to satisfy this requirement and Members are asked to note its content and the Annual Internal Audit Opinion given.

## Scope

The Internal Audit service for Avon & Somerset Police and OPCC is provided by SWAP Internal Audit Services. The internal audit work is completed to comply with the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. The work of the team is guided by the Internal Audit Charter which is reviewed annually.

Internal Audit provides an independent and objective opinion on the control environment by evaluating its effectiveness. Primarily the work of the service is based on the Annual Plan agreed by Senior Management and this Committee (see Appendix). This report summarises the activity of the internal audit function for the 2019/20 year against the Internal Audit Plan (as approved by the Joint Audit Committee). Our annual opinion should inform the Review of Effectiveness within the AGS.



## Summary of Audit Work

The Annual Opinion is made based on the following sources of information:

- Completed audits (during the year 2019/20) which evaluate risk exposures relating to the organisation's governance, information systems, reliability and integrity of information, efficiency and effectiveness of operations and programmes, safeguarding of assets and compliance with laws and regulations.
- Observations from consultancy/advisory support.
- Follow up of previous audit activity, including agreed actions.
- Notable changes to the organisation's strategy, objectives, processes or IT infrastructure.
- Assurances from other providers, including third parties, regulator reports etc.

### Annual Opinion

The Head of Internal Audit is required, under the Public Sector Internal Audit Standards (PSIAS) and linked in with the Chartered Institute of Internal Audit IPPF Standard 2450, to provide an annual opinion on the overall adequacy and effectiveness of the of the organisations' framework of governance, risk management and internal control.

Our internal audit annual opinion is a balanced reflection rather than a snapshot in time. Information to support this assessment is obtained from multiple engagements and sources (including advice/ consultancy work). The results of these engagements, when viewed together, provide an understanding of the organisation's risk management processes and their effectiveness.

Whilst the majority of the assurance opinions resulting from Internal Audit work completed in 2019/20 were Partial, giving consideration to the adequacy and effectiveness of the wider governance and risk management arrangements at the Force and OPCC, overall I am able to offer a **Reasonable** Annual Opinion. The number of Partial assurance opinions provided across the individual Internal Audit engagements during 2019/20 has resulted from the inclusion of some targeted reviews to provide assurance on or inform internal strategic reviews of known areas of potential control weakness. This was informed by our opinion that the Force and OPCC have a sound understanding of their respective risk profiles and potential areas of weakness in their respective control environments. There are currently no significant issues that Internal Audit is aware of which would require inclusion within the Annual Governance Statement.

It is important to note that Internal Audit has not reviewed all risks and assurances relating to Avon & Somerset Police and OPCC and therefore cannot provide absolute assurance on the internal control environment. Senior Management are ultimately responsible for ensuring an effective system of internal control.

Further detail on the constituent areas informing our Opinion is outlined under subsequent headings below.

### COVID-19

The COVID-19 pandemic has inevitably impacted how the Force and OPCC managed their operations towards the end of the 2019/20 financial year. The pandemic will have resulted in changes to working practices for officers and staff, together with challenges in new areas, such as greater consideration being afforded to infection control and the requirement to source substantial amounts of Personal Protective Equipment (PPE). The 2019/20 Internal Audit Plan at Avon & Somerset Police and OPCC had largely been delivered by the time the pandemic became more widespread and thus the impact on Plan delivery was minimised. Risk management and robust internal control will remain of paramount importance in responding to the issues raised by the pandemic and for the foreseeable future, given the unprecedented nature of its impact.

## Summary of Audit Work

Internal audit is only one source of assurance; therefore, where we have highlighted gaps in our coverage, assurance should be sought from other sources where possible in order to ensure sufficient and appropriate assurances are received.

*Internal audit coverage can never be absolute and responsibility for risk management, governance and internal control arrangements will always remain fully with management. As such, internal audit cannot provide complete assurance over any area, and equally cannot provide any guarantee against material errors, loss or fraud.*

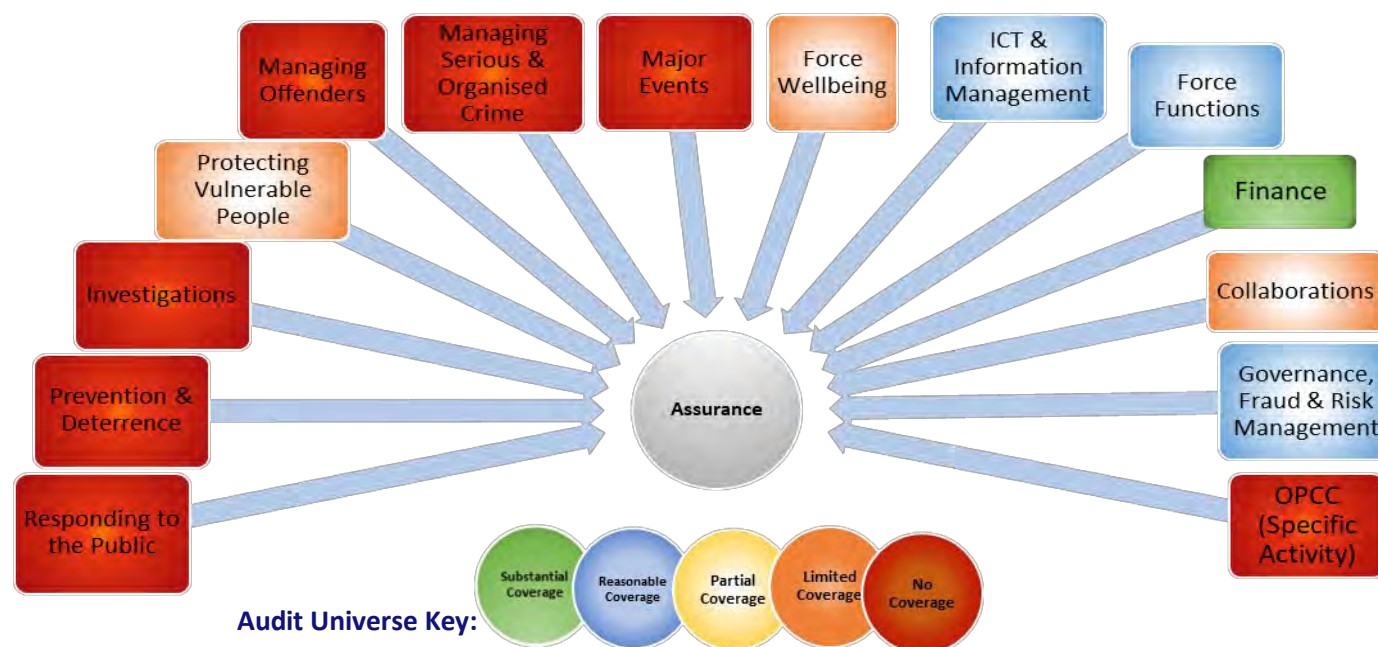
*For those areas marked as Red (No Coverage), we anticipate that other assurance providers, e.g. HMICFRS, will provide coverage of these areas.*

### Opinion on Internal Control

As stated above, the majority of our Internal Audit work in 2019/20 resulted in the provision of a **Partial** assurance opinion. On an individual engagement level, we define this as some key risks being not well managed and systems requiring the introduction or improvement of internal controls to ensure the achievement of objectives. As previously alluded to, this reflects the targeted nature of a number of audit assignments being directed towards areas of risk or known control weakness. Whilst we consider the breadth of our audit plan adequate to inform an overall opinion, coverage of some more operational areas of the Force's work has been limited and our opinion should be considered in this context. A summary of the assurance opinions awarded during the course of the year, together with details of the number of recommendations raised, is included in Appendix A.

### Internal Audit Coverage

The diagram below provides an assessment of the *depth of our audit coverage* over 180 days against the sections of the Force Management Statement as a proxy for the audit universe:



## Summary of Audit Work

### Definitions of Corporate Risk

#### High Risk

Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.

#### Medium Risk

Issues which should be addressed by management in their areas of responsibility.

#### Low Risk

Issues of a minor nature or best practice where some improvement can be made.

**We keep our audit plans under regular review to ensure that we are auditing the right things at the right time.**

### Significant Corporate Risks

During the course of the year, we identified two significant/ 'High' corporate risks in our reports. The details of these are outlined below:

Review/Risks
<b>Personal Issue of Assets</b> Personal assets are not issued, managed or disposed of properly which could result in financial loss and reputational damage.
<b>IT Business Continuity</b> Over reliance on the IT service to maintain Corporate business continuity resulting in a loss of organisation wide service continuity in the event of a disruption to IT services.

A number of recommendations were raised as a result of this work, all of which were accepted by Management and prioritised for action.

### Recommendations

High priority recommendations to address weaknesses identified were raised accordingly with Management to address the weaknesses identified and will be subject to independent follow up and verification when due.

Over the year, we have found the organisation to be supportive of Internal Audit findings and responsive to the recommendations made. In a number of cases, recommendations were raised to formalise actions which were already in train in response to risks identified.

An internal process is in place whereby the Improvement Team maintains a record of recommendations raised (from Internal Audit and from other sources) and record progress towards implementation. This is reported to the Joint Audit Committee (JAC). As part of the 2019/20 Internal Audit Plan, SWAP have followed up the outstanding recommendations from the previous internal auditors, which remained ongoing at the time of writing, however no particular concerns regarding timeliness of implementation had been raised to date.

### Changes to the Internal Audit Plan

The schedule provided at Appendix A contains a list of all audits agreed for delivery as part the Annual Audit Plan 2019/20 and the final outturn for the financial year. In total 11 Force and OPCC audits will be delivered, together with three supplementary pieces of regional work. It is important that Members are aware of the status of all audits and that this

## Summary of Audit Work

### Annual Opinion Continued

information helps them place reliance on the work of Internal Audit and its ability to complete the plan as agreed. No changes to the 2019/20 Internal Audit Plan were required.

#### Governance

As part of our annual audit plan, we conducted a review of the Force's journey towards embedding its new Strategic Framework. Whilst this was awarded a 'high' Partial assurance opinion, this was significantly impacted by the issues surrounding the development of a software solution to maintain and manage actions for the Force's Single Delivery Plan. This was being addressed by the introduction of a new solution, planned for Summer 2020 and despite the delays with implementing software, improvement actions continued to be monitored and managed, albeit via a different process.

Our work noted that the Force had made considerable progress in implementing its refreshed Strategic Framework during the last 18 months was integral to the change desired by all stakeholders interviewed as part of the audit. It was clear that certain elements of the Framework had 'landed' better than others; for example, the values, vision and mission, together with the four corporate strategies. The strategic planning cycle over the course of the year is delivering benefits in ensuring plans are completed and reviewed at the right time, with further understanding of the interdependencies of these plans on each other. The cycle of meetings has further aided the governance structure under the Framework in assisting information flow across the organisation.

#### Risk Management

Whilst we have not specifically afforded Internal Audit coverage to risk management during the course of 2019/20, our work completed as part of the Refreshing of the Strategic Framework review including consideration to risk management processes as part of alignment to the Framework. We are satisfied that the robust management of corporate risk registers at both the Force and OPCC levels takes place with the former being aligned to the new governance Framework in so far as was appropriate to allow for effective risk management. The Strategic Planning Meeting (SPM), which takes place on a quarterly basis, is ultimately responsible for review and oversight of the Force's corporate risk register, with membership of the SPM comprising senior Force management. Risk registers are presented to the Joint Audit Committee (JAC) to assist them in discharging their duties. We have not yet considered risk management at levels below the corporate risk registers.

## Summary of Audit Work

At the conclusion of audit assignment work each review is awarded a “Control Assurance Definition”;

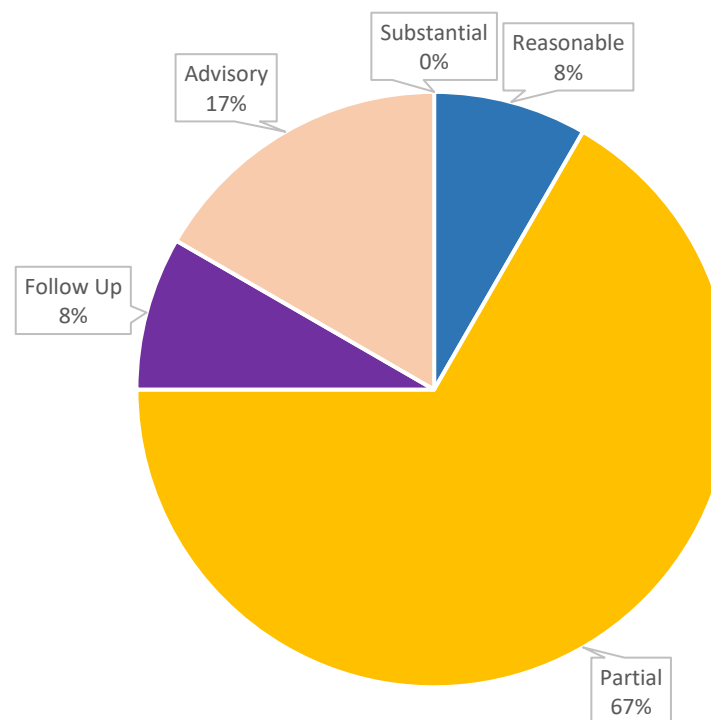
### Assurance Definitions

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

### Summary of Control Assurance Opinions

As well as our standard audit opinions, we have also included our Follow Up work. It should be noted that the chart below is based on all of the 2019/20 work and considers regional work as Advisory.

### Summary of Opinions for 2019/20 Internal Audit Plan



## Summary of Audit Work

Recommendations raised within our audit reports are scored according to priority:

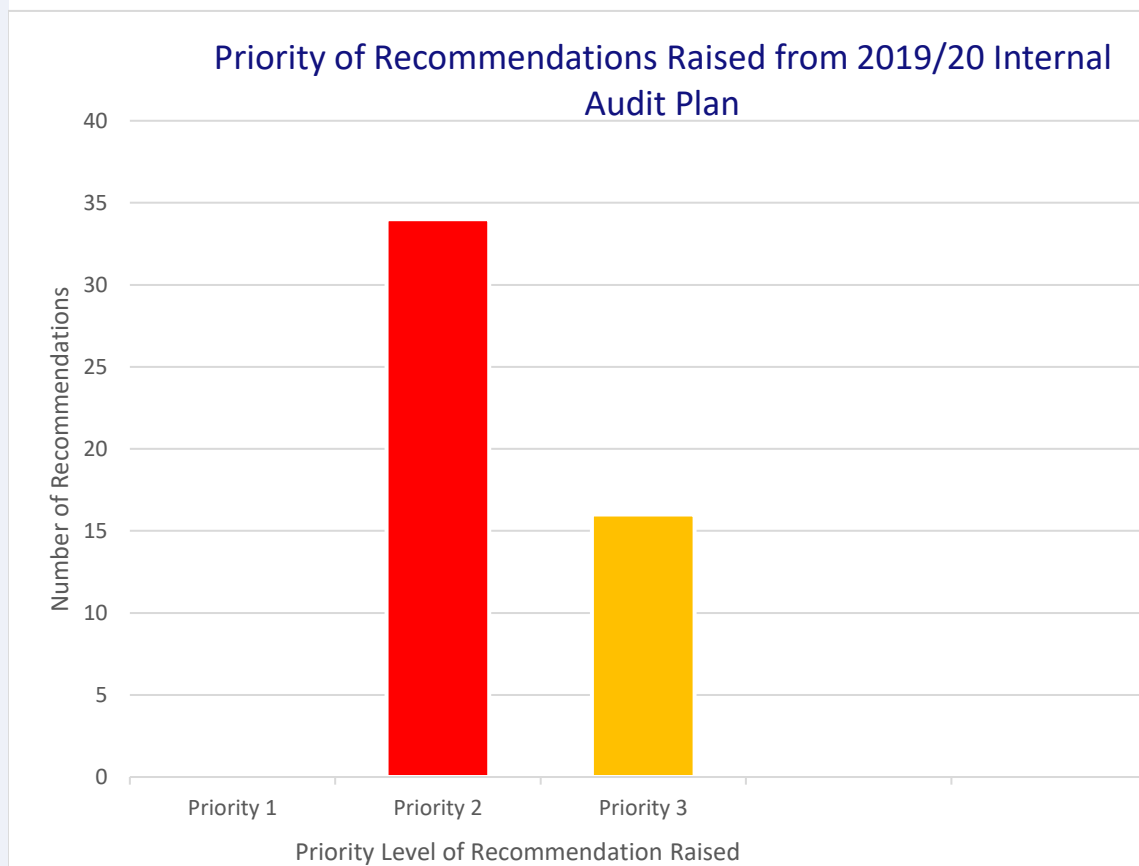
### Categorisation of Recommendations

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

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

### Summary of Recommendations Raised

A graph outlining the priority level of the recommendations raised during the course of producing the Internal Audits for 2019/20 is detailed below. A significant number of Priority 2 recommendations have been raised during the course of the year; however this is reflective of the number of Partial assurance opinions provided.



## Plan Performance

### Value Added

**'Extra feature(s) of an item of interest (product, service, person etc.) that go beyond the standard expectations and provide something more while adding little or nothing to its cost.'**

### Value Added

We look to identify opportunities to add value to the organisations, throughout the scoping, fieldwork and reporting processes. In addition, we have:

- Tailored the standard SWAP audit reports to the Force's specific requirements to help identify where control weaknesses were observed (for example, breaking down the Effectiveness, Design and Application of Controls in the Conclusion);
- Through our Partnership with the five South West regional Forces, we have been able to undertake regional work pertaining to three areas of consideration requested by the Regional Directors of Finance, being Sources of Assurance for the AGS, Fleet Management and Forensics Performance and Tasking;
- Consistently applied data analytics in our audit work, to provide insights on entire populations of data as opposed to completing testing on a sample basis;
- Commencing sharing of risk registers for benchmarking;
- Utilised risk areas and audits undertaken with other Partners to inform our 2020/21 audit plan;
- Provided Audit Committee Member training;
- Issued high risk bulletins to the Regional Directors of Finance twice per year;
- Accessed benchmarking information from other police forces outside of the SWAP Partnership and attended national Police Audit Group conferences.

Furthermore, as agreed at the start of the year, we included consideration of three thematic areas during the course of our audits (Leadership & Culture, Learning, Diversity & Inclusion). The modal rating for each area from our audit engagements is outlined below:

Area	Average RAG rating
Leadership & Culture	
Learning	
Diversity & Inclusion	N/A*

\* The audit scope for seven of the nine assurance reviews completed in year did not lend itself to provide an opinion regarding Diversity & Inclusion. On the two audits where we could provide an opinion in this area, we provided one Green and one Amber opinion.



## Plan Performance

Internal audit is responsible for conducting its work in accordance with the Code of Ethics and Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS).

### Internal Audit Team Performance

SWAP's performance is subject to regular monitoring and review by both the Executive Board and the Member Board. The respective outturn performance results for Avon & Somerset Police and OPCC for the 2019/20 year are as follows:

Performance Measure	Performance
<b><u>Audit Plan – Percentage Progress (Days)</u></b>	
Final, Draft and Discussion	99%
In progress/ Review	1%*
Yet to start	0%
<b><u>Quality of Audit Work</u></b>	
Overall Client Satisfaction <i>(did our audit work meet or exceed expectations, when looking at our Communication, Auditor Professionalism and Competence, and Value to the Organisation?)</i>	N/A
Percentage of SWAP staff qualified or working towards a qualification	100%
<b><u>Outcomes from Audit Work</u></b>	
Percentage of Priority 1 & 2 equivalent level recommendations made by the previous internal auditors that remained In Progress/Outstanding past their implementation date (as per the Follow Up Report)	20%
Value to the Organisation <i>(client view of whether our audit work met or exceeded expectations, in terms of value to their area)</i>	N/A

**\*One of the three regional audits remains in progress and is being pursued by the Wiltshire Police Chief Finance Officer at the time of writing.**

**N/A is denoted as no responses to our client feedback requests have been received.**



## Plan Performance

### External Quality Assessment

SWAP's work is completed to comply with the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.






Under these standards we are required to be independently externally assessed at least every five years to confirm conformance to the required standards. SWAP was recently externally assessed in February 2020 and confirmed that we 'Generally Conform' to the standards.





Attribute Standard 1300 of the IPPF requires heads of internal audit to develop and maintain a Quality Assurance and Improvement Programme (QA&IP). Standard 1310 continues that the programme must include both internal and external assessments for improvement. Following our external assessment, we have pulled together our QA&IP and included additional improvements and developments identified internally that we want to achieve, as aligned to SWAP's Business Plan. The QA&IP is a live document and will be regularly reviewed by the SWAP Board to ensure continuous improvement and delivery on our agreed actions.

# Summary of Work Plan 2019/20

# Appendix A

The schedule below contains a list of audits agreed for inclusion in the Annual Audit Plan 2018/19 and the final outturn for the financial year.

Link to FMS	Audit Title and Objective	Audit Days	Status	Opinion	No. of Recs	1 = Major	↔	3 = Minor
						Recommendation		
						1	2	3
Force Functions	<b>Workforce Plan</b> To provide assurance that the Constabulary's workforce planning arrangements are effective in ensuring the delivery of its strategic objectives and in attracting, recruiting, developing, supporting and retaining a workforce that is reflective of the community it serves to meet demand for its services.	15	Completed	 High Partial	3	-	1	2
Finance	<b>Payroll &amp; Expenses</b> To provide assurance that key controls within Payroll are operating effectively. This will also include a review of expenses paid to police officers and staff to ensure that these are accurate and processed in accordance with agreed policy and procedure.	15	Completed	 Low Reasonable	4	-	1	3
Finance	<b>Overtime Payments</b> To provide assurance that the controls in place to process and pay police officers and staff for overtime are operating effectively.	15	Completed	 High Partial	3	-	2	1
Finance	<b>Accounts Payable (Part of Key Financial Controls)</b> To provide assurance that the Constabulary has an effective control framework in place for its Accounts Payable function.	15	Completed	 High Partial	6	-	3	3
Finance	<b>Personal Issue of Assets</b> To provide assurance that the Constabulary's internal controls in relation to the issue, management and disposal of personal assets to police officers and staff such as mobile phones, laptops and other equipment are operating effectively.	15	Completed	 Partial	9	-	8	1
IT & Information Management	<b>IT Cyber Security</b> The audit review was undertaken using a framework of 20 Key Cyber Security Controls. There was significant overlap between the agreed SWAP work template and the testing completed in the recent NIST (NEP) and IT Health-check assessments. In order to avoid unnecessary	15	Completed	Advisory	N/A	-	-	-

Link to FMS	Audit Title and Objective	Audit Days	Status	Opinion	No. of Recs	1 =	↔	3 =
						Major		Minor
						1	2	3
	duplication, it was agreed that we would, where possible, place reliance on the work completed elsewhere.							
Governance, Fraud & Risk Management	<b>Refreshing Strategic Framework</b> To provide assurance on the Force's current position in developing and implementing its refreshed strategic framework, including the embeddedness of diversity and inclusion therein.	15	Completed	 High Partial	8	-	3	5
Force Functions	<b>Fleet Management</b> To provide assurance on the effectiveness of controls in place to manage, monitor and maintain the Constabulary's fleet to deliver its operational requirements. This will include a review of any work being undertaken to reduce the environmental impact of the Constabulary's fleet through the use of cleaner and more energy efficient vehicles.	15	Completed	 Partial	9	-	8	1
IT & Information Management	<b>IT Business Continuity</b> To ensure that the organisation has planned for and can maintain an agreed level of business continuity to priority services in the event of a critical IT incident.	15	Completed	 Low Partial	4	-	4	-
IT & Information Management	<b>Data Quality</b> To provide assurance over the effectiveness of the Force's training programme in place to help ensure the accuracy and completeness of data captured within its records management system (NICHE) and that the Force is seeking to drive a positive culture around data quality.	15	Completed	 Partial	5	-	5	-
Governance, Fraud & Risk Management	<b>Follow Up of Previous Internal Auditor's Recommendations</b>	5	Completed	Advisory	-	-	-	-
Governance, Fraud & Risk Management	<b>Contribution to Regional Police Audit Work</b>	5	In Progress	Advisory	-	-	-	-

## **TERMS OF REFERENCE FOR JOINT AUDIT COMMITTEE**

### **AVON & SOMERSET POLICE AND CRIME COMMISSIONER AND CHIEF CONSTABLE**

#### **1. INTRODUCTION**

- 1.1. The principles of good governance as set out by the Chartered Institute of Public Finance and Accountancy (CIPFA), and the Financial Management Code of Practice for the Police Service of England and Wales, mandate the need for a Joint Audit Committee (JAC) as an independent body to serve and oversee the Police and Crime Commissioner (PCC) and the Chief Constable (CC).
- 1.2. The purpose of the JAC is to provide independent oversight and advice on governance and risk management. This will help ensure public trust and assure confidence in the governance of the PCC and CC. The JAC also helps the PCC discharge their statutory duties in holding the force to account, managing risk and in approving annual accounts and audit opinions.

#### **2. THE JAC**

- 2.1. The JAC derives its authority from these Terms of Reference (ToR). It is a non-executive body.
- 2.2. In discharging its responsibilities the JAC will:
  - Act to assure both the PCC and the CC in their pursuit of service excellence.
  - Provide independent scrutiny and assurance.
  - Advise on best management practice particularly that relating to risk management and on good governance.
  - Oversee the audit and inspection and reporting process both internal and external.
  - Scrutinise financial and non-financial performance control mechanisms and monitor agreed actions.
  - Approve the internal audit strategy and programme.
  - Oversee the financial reporting process and external audit of the annual accounts.
  - Review the controls in place to counter fraud and corruption.
- 2.4. The JAC will maintain a formal record of its deliberations, commentary, findings and recommendations made in pursuit of their responsibilities. Those records are available for public scrutiny and as such provide public assurance.
- 2.5. To fulfil its purpose as a body to serve the public good the JAC will establish open lines of effective communication with the PCC and CC, their respective offices, their nominated representatives, their respective Chief Finance Officers and the heads of commissioned internal audit and external audit.

#### **3. JAC MEMBERSHIP**

- 3.1. The JAC will have a Chair and up to three other members, all of whom must be independent of the PCC, the CC and the Police and Crime Panel.

#### **4. SUPPORT**

- 4.1. The Chair, in conjunction with the OPCC and OCC, has particular responsibility for ensuring that the work of the JAC is appropriately resourced and fully supported in order that the Committee is able to discharge its responsibilities and functions fully.
- 4.2. The allocation of secretariat support to the JAC and the commensurate funding will be agreed between the OPCC and OCC.
- 4.3. The JAC may with reasonable justification procure specialist ad-hoc advice needed to support the JAC in discharging its duties, for example legal or ICT support. This is particularly so where specialist advice is not available within the existing JAC support arrangements or it is not considered appropriate to use this support. Procurement of this advice must have joint approval of the OPCC and OCC Chief Financial Officers (CFOs).

#### **5. FREQUENCY AND NOTICE OF MEETINGS**

- 5.1. The JAC will meet at least four times a year; the calendar of meetings shall be agreed at the start of each year.
- 5.2. One meeting is to include members' scrutiny of and advice on the draft statement of accounts of the PCC and CC, before submission to external audit.
- 5.3. Unless otherwise agreed, formal notice of each meeting will be no later than five working days before the date of the meeting. This notice will confirm the venue, time and date together with the agenda of items and supporting papers to be discussed. It will be sent to each member of the JAC and all attendees as agreed by the Chair.
- 5.4. Further meetings outside of the normal cycle of the JAC can be convened at the discretion of the JAC Chair. The PCC and or CC may also ask the JAC to convene further meetings to discuss particular issues on which they want the JAC's advice. Meetings can also be requested by the external or commissioned internal auditors with the agreement of the JAC Chair.
- 5.5. Extra ordinary meetings should be convened with a proper period of notice except where there is an emergency. They are subject of quorum requirements and a formal agenda with supporting papers. Minutes are to be kept.

#### **6. ATTENDANCE**

- 6.1. Members of the JAC are expected to attend all meetings. Absence from two or more meetings in any year are to be reviewed during the annual appraisal. Members' regular non-attendance will lead to their removal from the JAC.
- 6.2. The PCC and CC (or their nominee), will attend all meetings of the JAC. Given the statutory responsibilities of the JAC and the CFOs, the CFOs (or designated deputy) of the PCC and the CC are expected to attend all meetings of the JAC.
- 6.3. The Head of Commissioned Audit and representatives of the external auditor will be invited to attend meetings on a regular basis.
- 6.4. A minimum of three members of the JAC must be present for the meeting to be deemed

quorate. In the absence of the Chair an acting Deputy Chair can be sanctioned.

- 6.5. The JAC may hold private informal meetings but no formal decisions can be made at these meetings or commitments made. These private meetings include meetings with representatives of commissioned internal auditors and external auditors separate from the OPCC and OCC.
- 6.6. There is a regulatory requirement that all JAC meetings are subject to formal record. This ensures probity, impartiality and independence is assured. Minutes of meetings are to be kept and once approved as a true record are to be placed in the public domain. Minutes from closed sessions will not be available to the public but the reasons for the session being closed will be recorded in the public minutes.

## **7. PUBLIC ACCESS**

- 7.1. JAC meetings will be open to the public when the matters being discussed will be placed in the public domain. Where the items are of a commercially sensitive or confidential nature the JAC will meet in a closed session – that is excluding members of the public or press – and will record their reasons for this decision in the public domain.
- 7.2. Any member of the public wanting to attend a JAC meeting must submit a written application and secure written agreement of the JAC Chair. Expenses are at the cost of the member of public attending.
- 7.3. The JAC Chair reserves the right to refuse or suspend access if there is any security risk to the public, a member of the public behaves in a disruptive manner. A member of the public may only address the meeting, for a maximum of five minutes, where a statement has been previously provided to the JAC Chair and prior sanction has been granted.
- 7.4. The public are only to contact the JAC via the group JAC e-mail address or in writing to the JAC Chair at the OPCC address. All other approaches will be rejected as invalid. The Chair reserves the right to reasonably limit the amount of public access in order to assure best business practice is observed.
- 7.5. Notice of Meetings. A forward plan for the quarterly JAC meetings will be published on the PCC website.

## **8. REPORTING**

- 8.1. The JAC Chair will provide the PCC and CC with an annual report of work undertaken and delivered in the name of the JAC. This will be timed to support finalisation of the accounts and the Annual Governance Statement. This report will be placed in the public domain once the PCC and the CC have been consulted and agree its release. The Chair will be responsible for dealing with any public or media questions relating to that report.
- 8.2. The JAC will annually review its own performance to ensure it is fulfilling its terms of reference and operating effectively. In doing so it will make any recommendations for change to the PCC and CC.
- 8.3. The JAC will annually review its terms of reference to ensure compliance with changes in legislation and relevant guidance.

## **ADMINISTRATIVE NOTES TO THE TERMS OF REFERENCE FOR JOINT AUDIT COMMITTEE**

### **AVON & SOMERSET POLICE & CRIME COMMISSIONER AND CHIEF CONSTABLE**

#### **1. INTRODUCTION**

This document is supplementary to the Joint Audit Committee (JAC) Terms of Reference (ToR) and provides more detail about the JAC's responsibilities and other supporting detail about points in the ToR.

#### **2. RESPONSIBILITIES**

##### **2.1. Risk management, governance and internal control responsibilities**

The JAC will seek assurance and support the PCC and CC in connection with the following. In discharging this duty the JAC will have due regard to CIPFA's Audit Committees Practical Guidance for Local Authorities and Police.

- 2.1.1. The establishment and maintenance of an effective system of risk management, integrated governance and internal control, across the whole of the PCC and CC activities that supports the achievement of the objectives of the Police and Crime plan, ensuring probity, value for money and good governance. This will include reviewing the local Statement, Code and Scheme of Governance when it is amended.
- 2.1.2. The timely implementation of any actions necessary to ensure compliance with all internal standards and best practice or audit recommendations; both financial and non-financial operated by the PCC and CC.
- 2.1.3. The adequacy of relevant disclosure statements, in particular the Annual Governance Statement, together with any accompanying Head of CIA report, external audit opinion, strategic risk registers or other appropriate independent assurances, prior to endorsement by the PCC and/or the CC. Subject to this the JAC will recommend for adoption the Annual Governance Statements for the PCC and CC.
- 2.1.4. The adequacy of arrangements to ensure commitment to ethical values, the Seven Principles of Public Life and compliance with relevant regulatory, legal and code of conduct requirements and fraud and corruption as set out in Secretary of State Directives and other relevant bodies or professional standards. The adequacy of these arrangements will consider how well these factors are championed and embedded throughout the wider organisation at all levels.
- 2.1.5. Notwithstanding the specific responsibilities of the JAC in connection with both commissioned internal and external audit, consider the adequacy of response by the PCC and / or the CC to recommendations contained within any external inspection report that has been received for the purposes of assurance.
- 2.1.6. Review and monitor PCC and CC policies relating to fraud, irregularity and corruption.

- 2.1.7. Where the JAC considers there is evidence of ultra vires transactions, evidence of improper acts, management has taken unacceptable levels of risk or if there are other important matters that the JAC wishes to raise, the Chair of the JAC must initially take advice from the Monitoring Officer before raising the matter with the PCC and CC. Where appropriate the JAC may then seek independent legal advice. Exceptionally, the matter may need to be referred directly to the external auditor, HMICFRS and/or the Home Office e.g. fraud suspicion directly involving the PCC or CC.

## **2.2. Commissioned internal audit responsibilities**

It is anticipated that the PCC and CC will engage the same commissioned internal auditors. The role of the JAC in relation to CIA will include the following.

- 2.2.1. Consider and make recommendations on the provision of auditors, including appointment, ensuring organisational independence, assessment of performance, levels of fees and dismissal.
- 2.2.2. Approving but not directing the audit strategy and annual plan, ensuring that this:
- is consistent with professional standards;
  - meets the audit needs of PCC and CC; and
  - provides the JAC with adequate coverage for the purpose of obtaining appropriate levels of assurance over the adequacy of the risk management, governance and internal control environment of both the PCC and CC.
  - is not inappropriately limited in scope or by resource.
- 2.2.3. Consider the Head of CIA's annual report and opinion, and a summary of audit activity (actual and proposed) and the level of assurance it gives over the risk management, internal controls and governance arrangements of the PCC and CC.
- 2.2.4. Consider the findings of CIA reports, the assurance provided and the adequacy of the response by the PCC and / or CC. Ensuring risks identified are incorporated into the risk management process.
- 2.2.5. Recommending additional work from the CIA, having regard to any actual or potential conflicts of interest, considering the views of the PCC and CC and their CFOs and with due regard to any budget constraints.
- 2.2.6. Ensuring co-ordination between the commissioned internal and external auditors to optimise audit resources.
- 2.2.7. Annually review the effectiveness of CIA and in order to do this JAC members should keep up to date with changes affecting the professional practices and expectations of commissioned internal auditors so that they can provide the necessary support.

## **2.3. External audit responsibilities**

It is anticipated that the PCC and CC will engage the same external auditors. The role of the JAC in relation to external audit will include the following.

- 2.3.1. Consider and make recommendations on the provision of external auditors, including appointment, fees and dismissal in conjunction with the Audit Commission who are



currently responsible for the appointment of external auditors in England to bodies subject to audit under the Audit Commission Act 1998.

- 2.3.2. Review, advise on and endorse the external audit strategy and annual audit plan, ensuring that this is consistent with professional standards and the External Audit Code of Audit Practice.
- 2.3.3. Consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
- 2.3.4. Consider specific reports as agreed with the external auditor.
- 2.3.5. Commissioning work from the external auditor, having regard to any actual or potential conflicts of interest.
- 2.3.6. Consider major findings of external audit work and the adequacy of response of the PCC and/or CC.
- 2.3.7. Ensuring co-ordination between the commissioned internal and external auditors to optimise audit resources.
- 2.3.8. Annually review the effectiveness of external audit.

## **2.4. Annual Accounts of the PCC and CC**

The JAC will:

- 2.4.1. Review, scrutinise and recommend for signature the annual statement of accounts prior to their external audit. Specifically, it will seek assurances whether appropriate accounting policies have been followed and whether there are any concerns arising from the financial statements.
- 2.4.2. Consider the external auditor's report to those charged with governance on issues arising from the audit of accounts.

## **3. MEMBERSHIP**

- 3.1. The JAC Chair will be jointly recruited by the PCC and the CC, or their representatives. The tenure of the appointment is for a maximum of 2 terms each of 4 years.
- 3.2. Members of the JAC shall be recruited by the JAC Chair, in conjunction with the OPCC and OCC on application and through open competition. To ensure absolute independence there are exclusion criteria which means JAC members shall not be:
  - A standing or ex-PCC or CC.
  - A member or ex-member of a Police and Crime Panel.
  - Serving police officers or have served as a police officer within the last 8 years.
  - Currently serving staff of the Constabulary or Office of the Police and Crime Commissioner.
  - Elected or ex-local government councillors or those active in local or national politics (to be decided on a case by case basis).
  - Currently serving officers of any county, city, borough or district councils within the force area.

- Individuals who have significant business or personal dealings with the Office of the Police and Crime Commissioner or Force (to be decided on a case by case basis).
  - Individuals who have close relationships with or who are close personal associates of the PCC or CC or their Senior Leaders including immediate family members and as such may not have the requisite level of independence required for JAC membership (to be decided on a case by case basis).
  - Individuals removed from a trusteeship of a charity.
  - Individuals under a disqualification order under the Company Directors Disqualification Act.
  - A person who has been adjudged a bankrupt, or made a composition or arrangement with his creditors.
  - Persons convicted in the UK, Channel Islands or the Isle of Man of any offence and has had passed on a sentence of imprisonment (whether suspended or not) for a period of not less than three months without the option of a fine, within the last five years prior to their appointment.
- 3.3. The JAC membership should retain all the necessary skills and experience to fulfil its terms of reference. The members can only serve for 2 terms of 3 years. Exceptionally an extension of one year only may be granted.
- 3.4. On appointment each JAC member must undergo a programme of induction training in order that they may discharge the full range of their responsibilities.
- 3.5. JAC Members have the right to vote on matters where they have an entitlement.
- 3.6. All members of the JAC will be subject to annual appraisal, the outcomes will inform the member development programme.
- 3.7. JAC members are required to record any conflicts of interest in the register of pecuniary and non-pecuniary interests. In addition, JAC members will be required to disclose any such interests at the commencement of any meeting where there is a need to do so due to the nature of the JAC agenda, or immediately if they arise unexpectedly in discussion.
- 3.8. All of the JAC are to comply with the disciplinary procedure for JAC members.
- 3.9. JAC members will comply with the laws and regulations about data protection when handling or privy to material of a personal or otherwise restricted nature.
- 3.10. The PCC and CC may give members six months' notice, in writing, to terminate early a term of membership for any reason. Any member may give six months' notice to the PCC and CC to terminate their membership early for any reason. Members given notice to terminate their term of office early may ask for a review of this decision by the Chair of the JAC.

#### **4. REMUNERATION**

The members of the JAC will be remunerated and reimbursed for expenses incurred in the fulfilment of their JAC duties in accordance with the schedule of allowances and expenses agreed by the OPCC and OCC.

#### **5. SUPPORT**

To ensure 4.1 of the ToR is fulfilled the JAC Chair has a duty to report any shortfall in the level of support to the PCC and CC in the first instance and in a public report if this is not remedied.

## **6. FREQUENCY AND NOTICE OF MEETINGS**

Further to 5.3 of the ToR: where a supporting paper will not be available an oral report will be given and this will be identified on the agenda. Oral reports should only be used by exception and/or by prior agreement with the Chair.

## **7. MINUTES OF MEETINGS**

- 7.1. The secretary of the JAC will record the names of those present at the meeting, write minutes, including the key points and decisions of all JAC meetings, along with any actions stemming from discussion. The minutes of the previous meeting must be approved by the JAC and signed by the chair as a true record at each meeting.
- 7.2. The Chair of the JAC will establish, at the beginning of each meeting, the existence of any conflicts of interest and the secretary will minute them accordingly.
- 7.3. The unsigned and unapproved minutes of the most recent JAC meeting will be circulated promptly and no later than ten working days after the meeting to all members of the JAC, to the PCC and the CC along with their nominated representative at the JAC, the Chief Finance Officers of the PCC and CC and to the commissioned internal and external auditors, once they have been approved by the Chair or deputy Chair in the Chair's absence.

## **8. ACCESS**

Designated and nominated representatives of the PCC, CC and the audit bodies have free and confidential access to the Chair of the JAC. These representatives include, but are not limited to the CFOs, the Chief Executive Officer, Head of CIA and external auditors.

## **9. DEFINITIONS AND TERMS**

- 9.1. In this terms of reference the following types of audit/auditors are referred to:
  - External – this is the independent audit of financial matters. The auditors are appointed by the JAC but there is no other direction over the content or scope of the audit internally. The current external auditors are Grant Thornton.
  - Commissioned Internal – this is the quasi-independent audit of broader business matters (which may also include specific elements of finance). The auditors are appointed by the JAC and the scope of their work is jointly determined by the JAC, OPCC and OCC. This may be considered in other organisations as 'internal audit'. The current auditors are SWAP Internal Audit Services.
  - Internal – this is audit conducted by Constabulary employees of matters determined by the Constabulary of which the JAC or OPCC have no direction over; however relevant findings will be made available to the JAC.
- 9.2. Acronyms:
  - CC – Chief Constable
  - CIA – Commissioned Internal Audit
  - CIPFA – Chartered Institute of Public Finance and Accountancy
  - HMICFRS – Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services
  - OCC – Office of the Chief Constable

## Joint Audit Committee Terms of Reference – Administrative Notes

- OPCC – Office of the Police and Crime Commissioner
- PCC – Police and Crime Commissioner

DRAFT

MEETING: <b>Joint Audit Committee</b>	DATE: <b>8<sup>th</sup> July 2020</b>	AGENDA NO: <b>8</b>
DEPARTMENT: <b>OPCC</b>	AUTHOR: <b>Ben Valentine</b>	
NAME OF PAPER: <b>OPCC Summary of Strategic Risk Management</b>	PURPOSE: <b>Information</b>	<b>OPEN SESSION</b>

## 1. PURPOSE OF REPORT AND BACKGROUND

This report provides members of the Joint Audit Committee (JAC) with an overview of any significant changes to the Office of the Police and Crime Commissioner (OPCC) Strategic Risk Register (SRR), and other points related to the management of risk, in the period of time since the last JAC meeting held on 19th March 2020.

## 2. POINTS OF NOTE

Below sets each strategic risk and key factors that have changed or been considered since last discussed at March JAC.

### SR1 – Governance Failure

In the time during the last report the PCC term has been extended by another year until May 2021. With this has come the extension of the interim Chief Executive Officer role (filled by the substantive OPCC Chief Financial Officer (CFO)) and the decision to recruit an interim OPCC CFO again. The new interim OPCC CFO started on 29<sup>th</sup> June. With this added stability, and now that the CFO role has been confirmed by the Police and Crime Panel, it is felt this risk has reduced and formal review at the OPCC Management Board (OMB) next month will likely see the risk score reduce to reflect this.

### SR2 – Failure to deliver the Police and Crime Plan

The mitigated risk score has increased from 16 to 20 as it is considered more likely there will be failure to successfully deliver the aspirations of the Plan. Below are some of the key points considered; much of the additional risk is reflective of national challenges not unique to Avon and Somerset.

- Criminal justice system (CJS) failures – this is arguably the single biggest issue being driven by the significantly reduced capacity of the courts and corresponding backlogs/delays in criminal justice outcomes (which are inevitably for the more serious and prolific offending and offenders).
- Failure to protect vulnerable people – particularly victims of domestic abuse and child victims of abuse – because of the current lockdown circumstances and the increased vulnerability this creates as well as the knock on effect of the above CJS situation.
- Increased demand – although crime and demand significantly decreased at the start of lockdown this has started to increase again and some types of offending have grown to higher levels than previously. Significant recession likely to increase crime and disorder further.
- Reduced resources – in the short term – the Constabulary have managed resources well and have seen some of the lowest sickness rates in the country. However going forward there remains the risk that there could be a second peak of COVID-19 / increased self-isolation caused by track and trace / accumulated annual leave and TOIL starting to be reclaimed.
- Increased police resources – in the medium term – as significant numbers of new officers and staff start because of Op Uplift and use of precept funding for additional roles.
- Better allocation of resources could lead to improved service delivery.
- Underpinning the delivery risk of all of this is the financial uncertainty and the increased public expectation from the additional funding that policing has received both through central government grant and local taxpayers' increase in precept funding.

### SR3 – Financial incapability or ineffectiveness

The mitigated and unmitigated probability scores have both increased by one point meaning the risk scores have increased to 20 and 12 respectively. When this was reviewed at OMB there was a good debate about whether the assessment of the risk should increase to a mitigated score 16 at the point. It was decided, as risk is reviewed every month at OMB, to wait for further developments and information around this risk and to be able to seek the view of the new CFO before increasing any further.

The macro-economic effect of COVID-19 will be a recession of some extent; to what extent unknown, particularly when considering the additional uncertainty caused by the ending of the Brexit transition period.

It is acknowledged there will be short term and longer term impacts of the COVID situation on policing.

Short term factors include:

- Costs of responding to COVID-19 pandemic (e.g. PPE, supporting home working).
- Potential increased costs of delivering plans (e.g. estates projects, IT projects).
- Loss of income as a consequence of COVID-19 pandemic (e.g. Airport policing, events policing, speed enforcement).
- 2020/21 budget overspends without immediate means to offset this against underspends elsewhere.
- Use of reserves required to support short-term costs, thereby limiting ability to use reserves in more considered way to manage the medium term finances.

Longer term factors include:

- Unclear impact on grant funding over the medium term, and how this supports the continued delivery of the Government's ambition to uplift officer numbers.
- Expectation of impact to council tax base as more households are entitled to discounts, and new house building slows down. Reductions in council tax funding therefore likely in short-term, with uncertainty as to how long it will take to recover from this.
- Longer-term costs and losses of income (e.g. Airport reductions on more permanent basis).
- Risks around pension funds due to wider economic impact.
- The need for further savings after 10 years of austerity presents further challenges.
- Failure to set a sustainable revenue budget or capital plan across the medium term.

### SR4 – Failure to engage with the public and other stakeholders

The risk scores in this area have not changed since last discussed but this reflects a mixture of positive and negative changes. The significant factor that has increased the risk in this area is the inability to be able to meet people face-to-face and so the PCC cannot conduct usual business such as public forums or community days. However alternative methods of engaging the public, such as the Facebook Live chats, have shown good results.

Since last reported a Deputy PCC has been appointed with a primary focus on engagement. In addition to this the Head of Communications and Engagement has now been appointed on a permanent basis and there has just been agreement for an additional role within the office to support on engagement.

### SR5 – Lack of public confidence in or awareness of OPCC

The risk scores in this area have not changed since last discussed. There is a strong link with engagement so the above factors also effect this risk. In addition there was consideration of how recent events may impact on the confidence in the PCC: these include handling of the lockdown, the criminal justice service, inequality (particularly racial inequality) and policing of large gatherings and public order and risk of these increasing. These factors offer both risk and opportunity when considering confidence in the PCC and the police. There has been a large increase in PCC contacts but these are a mixture of both complimentary and critical. It is also important to note that the latest public confidence results (January – March 2020) from the local survey show an 80.4% confidence in policing; the highest it has been since 2015. Although this is confidence in policing this has a direct correlation to the PCC.

#### SR6 – Lack of capacity/capability within the OPCC

The mitigated risk score has increased from 16 to 20 as the probability has increased. This increased risk is entirely caused by the impact of COVID-19 and the lockdown. It recognises the detrimental effect on the current ways of working on all members of the team but there are certain team members which have a significantly reduced capacity for work (primarily linked to child care issues). It is also recognising the continued risk posed by the virus and potential need to self-isolate.

It should be noted in contrast to this new posts have been agreed to expand the OPCC to focus on key areas such as engagement, criminal justice and reducing reoffending.

#### SR7 – Failure to deliver commissioned services

The risk scores in this area have not changed since last discussed. Commissioned services have of course been affected by COVID-19 and have had to adapt to different ways of working but have not seen any significant service disruption. In addition there has been some additional funding successfully bid for by the OPCC to support some services and there are new funding streams also being made available which could help bolster these services.

It is recognised that that there is some risk in the move from face-to-face to remote contact, for victim support services particularly, but as yet there is no indication that has broadly affected outcomes.

#### SR8 – Failure to deliver effective and efficient collaborations with other forces

The risk scores in this area have not changed since last discussed. There has not been anything significant highlighted that has required this risk to be re-assessed.

#### SR9 – Failure to deliver effective and efficient collaborations or outcomes with other partners

The risk scores in this area have not changed since last discussed. There has not been anything significant highlighted, at this stage, that has required this risk to be re-assessed.

It is however recognised that the macro-economic factors discussed above could have an even greater detrimental effect on partners, particularly Local Authorities, than on the police. This financial position could cause partners to withdraw or reduce levels of service to partnerships so this will be continued to be monitored with the financial risk.

#### SR10 – Failure to set an effective Police and Crime Plan

This has been removed from the Strategic Risk Register for the time being. Although it is a risk which will need to be managed again later in the financial year it is not one that is being actively considered at the moment and is adding no value in being cited on the Register.



## Office of the Police and Crime Commissioner for Avon and Somerset

### Strategic Risk Register

July 2020

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

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

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



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

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

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

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

RISK			ASSESSMENT		
Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Governance Failure	SR1	CEO	5	4	20
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	4	16
			Mitigated Risk change:		◀▶
Cause		Impact			
<ul style="list-style-type: none"><li>● Failure to deliver OPCC statutory requirements:<ul style="list-style-type: none"><li>- Police &amp; Crime Plan and priorities</li><li>- Policing Precept budget</li><li>- Community safety, victims services and other partnership outcomes effectively (SR9)</li><li>- Hold the Chief Constable to account</li><li>- Address conduct or performance of Chief Constable</li><li>- Oversight of complaints against Chief Constable</li><li>- Custody Visiting Scheme</li></ul></li><li>● Ineffective scrutiny and oversight of services and outcomes delivered by the Constabulary including delivery of the Strategic Policing Requirement</li><li>● Ineffective arrangements for complaints and serious cases</li><li>● Failure to ensure adequate transparency of the OPCC and/or the Constabulary</li><li>● Failure to ensure effective risk management and support the delivery of service</li><li>● Failure to ensure Chief Constable sets appropriate culture, ethics and values</li><li>● Lack of control/influence over other Criminal Justice agencies</li><li>● National appetite for PCCs portfolio to extend to Fire &amp; Rescue Services after next elections – taking on any new responsibilities as there are more likely to be governance failures whilst the team learn.</li></ul>		<ul style="list-style-type: none"><li>● Failure to deliver the Police &amp; Crime Plan (SR2)</li><li>● Financial loss (SR3)</li><li>● Damaged reputation and reduced public confidence (SR5)</li><li>● Damaged relationship with Constabulary, commissioned services or partners</li><li>● Government criticism or penalties</li><li>● Panel criticism</li><li>● Sub-standard performance results and poor inspection outcomes</li><li>● Force not efficient/effective</li><li>● Risks not managed</li><li>● Failure to improve the delivery of the broader Criminal Justice Service</li></ul>			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none"><li>● OPCC Management Board (OMB) - allows greater oversight of performance, risks and issues and provides a formal decision making mechanism for non-Constabulary business.</li><li>● Current OPCC CFO acting as interim CEO and Monitoring Officer</li><li>● New interim CFO recruited</li><li>● Police and Crime Board (PCB)</li><li>● PCC and Chief Constable 1:1s</li><li>● OPCC attend Constabulary Management Board and other strategic meetings (open invitation from the CC).</li><li>● Audit Committee, audit, annual governance statement</li><li>● Police and Crime Panel meetings</li><li>● COG attendance at weekly OPCC SLT</li><li>● Force Management Statements</li><li>● Police and Crime Plan Annual Report</li><li>● Victim Services appointed and managed by the OPCC Commissioning Team</li><li>● Scheme of governance and Governance Boards</li><li>● Scrutiny of complaints through the Independent Residents Panel</li><li>● SLT lead and increased dedicated capacity to deal with complaints and conduct and appeals</li><li>● Transparency Checklist</li><li>● The Constabulary Strategic Framework has revised the Mission Vision and Values and delivery and governance arrangements (which will allow greater oversight of risk and assurance by the OPCC)</li><li>● Working with Joint DPO to ensure good information governance and compliance with GDPR and DPA 2018.</li></ul>	June 2021	PCC/CEO	● OMB established Feb 2020 and will be a monthly meeting.		
	June 2021	PCC/CEO PCC/CEO CEO PCC CEO  CFO PCC CEO SPPO SPPO Head of C&P CFO Volunteer Manager Head of C&C	● Although the s151 officer for the PCC will not be independent of the Constabulary the interim CEO has the knowledge and experience to advise the PCC on financial matters helping maintain checks and balances. ● PCB is monthly following CMB and continues to be the principal joint decision making forum and provides the PCC formal oversight of the Constabulary. ● The internal audit report on governance concluded that the PCC and CC have an adequate and effective framework for risk management, governance and internal control. ● CoPaCC transparency award received. ● OPCC Plans developed with work streams that detail activity covering all statutory requirements and OPCC team appointed owners to statutory duties.		
	July 2020	Office Manager SPPO  Office Manager/ SPPO	● Constabulary Mission Vision Values continues to be embedded but not all elements of the Strategic Framework are fully developed. Strategies revised for 2020/21 new performance, assurance and governance frameworks being developed to support this.		

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to deliver the Police and Crime Plan	SR2	CEO	5	4	20
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			5	4	20
			Mitigated Risk change:		◀▶
Cause		Impact			
<ul style="list-style-type: none"><li>● COVID-19:<ul style="list-style-type: none"><li>- Criminal justice system (CJS) failures – reduced capacity of the courts and corresponding backlogs/delays in criminal justice outcomes</li><li>- Failure to protect vulnerable people, particularly victims of domestic abuse and child victims of abuse</li><li>- Demand has started to increase again after initial lockdown and some types of offending have grown to higher levels than previously. Significant recession likely to increase crime and disorder further.</li><li>- Reduced resources in the short term possible because of the risk that there could be a second peak of COVID-19 / increased self-isolation caused by track and trace / accumulated annual leave and TOIL starting to be reclaimed.</li></ul></li><li>● Underpinning the delivery risk of all of this is the financial uncertainty and the increased public expectation from the additional funding that policing has received both through central government grant and local taxpayers' increase in precept funding.</li><li>● Positive Outcomes - not seeing the improvements hoped for - particularly of Op Remedy crimes.</li><li>● Uncertainty of delivery following Neighbourhoods review.</li><li>● Lack of capacity/capability within the Constabulary (see Constabulary SRR commentary) - Investigations vacancies critical</li><li>● Lack of representation in the Constabulary workforce</li><li>● National rape crisis reduces confidence in the entire criminal justice system</li><li>● Lack of control/influence over other criminal justice agencies</li><li>● Government may want a more centralised/national approach to policing – the key outcomes measures scrutinised may differ from the local approach and split the focus of policing.</li><li>● Increased numbers of officers will result in more people going through the criminal justice system – unknown if other agencies will be funded to deal with the increased volume – particularly a concern in terms of prisons and probation.</li><li>● ORI08 – Lighthouse failing to meet SLAs about victim contact</li><li>● ORI14 – Lack of response trained drivers</li><li>● ORI15 – Increased demand on Patrol officers</li></ul>		<ul style="list-style-type: none"><li>● Loss of legitimacy in the OPCC and Constabulary</li><li>● Loss of public confidence/trust in the OPCC (SR4) and Constabulary</li><li>● Failure to keep people safe</li><li>● Failure to protect and support vulnerable people</li><li>● Failure to bring offenders to justice</li><li>● People will feel unsafe</li><li>● Police and Crime Panel criticism and/or fail to agree precept increase</li></ul>			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none"><li>● Police and Crime Board (PCB) discusses performance, assurance and risk</li><li>● PCC and Chief Constable 1:1s</li><li>● OPCC attend Constabulary Management Board and other strategic meetings (open invitation from the CC).</li><li>● Audits and Inspections (HMICFRS &amp; SWAP) overseen by Joint Audit Committee</li><li>● Internal assurance mechanisms are in place to evaluate delivery of the Plan's objectives</li><li>● Service Delivery Assurance visits led by OPCC check and test for areas to improve</li><li>● Joint performance framework allows better oversight of delivery against the plan</li><li>● Oversight of all strategic constabulary data through Qlik</li><li>● Panel Meetings</li><li>● Contacts analysis</li><li>● Forum analysis</li></ul>	<div>Aug 2020</div> <div>Aug 2020</div>	<div>CEO</div> <div>PCC</div> <div>CEO</div> <div>CFO</div> <div>SPPO</div> <div>SPPO</div> <div>SPPO</div> <div>CEO</div> <div>Head of Comms</div> <div>Head of Comms</div>	<ul style="list-style-type: none"><li>● OPCC attendance at CMB and the PCB which follows this continues to work well in terms of assurance and open dialogue about areas of concern where the plan may not be delivered.</li><li>● The Strategic Threat Assessment and Strategic Intelligence Requirements documents raise concerns around the Constabulary's ability to deliver against the Plan, but HMICFRS inspections indicate good progress.</li><li>● Due to lack of capacity SDAs are conducted infrequently</li><li>● Framework now live - first reported on Q2 19/20. Will need to review in light of national outcomes being defined and new Constabulary Performance and Assurance Framework.</li></ul>		

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Financial incapability or ineffectiveness	SR3	CFO	4	5	20
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			3	4	12
			Mitigated Risk change:		◀▶
Cause		Impact			
<ul style="list-style-type: none"><li>● COVID-19:<ul style="list-style-type: none"><li>- Costs of responding to COVID-19 pandemic (e.g. PPE, supporting home working).</li><li>- Potential increased costs of delivering plans (e.g. estates projects, IT projects).</li><li>- Loss of income as a consequence of COVID-19 pandemic (e.g. Airport policing, events policing, speed enforcement).</li><li>- Unclear impact on grant funding over the medium term, and how this supports the continued - delivery of the Government's ambition to uplift officer numbers.</li><li>- Expectation of impact to council tax base as more households are entitled to discounts, and new house building slows down. Reductions in council tax funding therefore likely in short-term, with uncertainty as to how long it will take to recover from this.</li><li>- Longer-term costs and losses of income (e.g. Airport reductions on more permanent basis).</li><li>- Risks around pension funds due to wider economic impact.</li></ul></li><li>● Op Uplift – local share of funding confirmed for 2019/20 and 2020/21 – but uncertain thereafter. Funding dependant on recruiting the additional officers. Uncertainty around associated costs of Op Uplift e.g. increase in senior officer ranks, estates provision. Central funding effectively ring-fenced to deliver the additional officers.</li><li>● Required precept increase may not be supported by Police and Crime Panel.</li><li>● Capital budget not fully funded from 2023/24 – borrowing already at prudent levels and diminishing potential for capital receipts.</li><li>● Pay awards may be agreed nationally but not funded through central grants (every 1% pay rise is approx. £2.2 million).</li><li>● Increasing pension costs for officers and staff schemes.</li><li>● National work will require local funding with no control over decision making e.g. ESMCP, NPAS, national IT.</li><li>● Uncertainty of local costs in high value areas: IT and replacement of SAP.</li><li>● Comprehensive spending review 2020</li><li>● The end of Brexit transition period (2021) could cause an economic crisis which may lead to an emergency budget and current planned spending increases dampened.</li><li>● Failure to agree, fund or deliver a balanced and sustainable budget.</li></ul>		<ul style="list-style-type: none"><li>● 2020/21 budget overspends without immediate means to offset this against underspends elsewhere.</li><li>● Use of reserves required to support short-term costs, thereby limiting ability to use reserves in more considered way to manage the medium term finances.</li><li>● As officer numbers are protected it may mean using officers in roles currently undertaken by civilians if other savings do not materialise.</li><li>● Failure to set a sustainable revenue budget or capital plan across the medium term.</li><li>● The need for further savings after 10 years of austerity presents further challenges.</li><li>● Failure to meet heightened expectations of stakeholders</li><li>● Loss of public confidence (SR5)</li><li>● Unable to fund adequate or minimum service</li><li>● Unable to fund delivery of PCC priorities (SR2)</li><li>● Unable to afford change</li><li>● Revenue budget underspends may undermine support from PCP for sustainable increases to the precept.</li><li>● Failure to ensure value for money.</li></ul>			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none"><li>● Medium and long term financial planning</li><li>● Regular oversight of revenue &amp; capital budget</li><li>● Maintain adequate risk-assessed reserves</li><li>● Subject to external and internal audit both overseen by the Joint Audit Committee</li><li>● Treasury Management strategy in place outcomes reviewed by CFOs and Finance meeting</li><li>● HMICFRS efficiency inspection regime</li></ul>		CFO CFO CFO CFO CFO  CFO	<ul style="list-style-type: none"><li>● In the short term the additional funding has facilitated the growth in enabling services to support officer uplift however from 21/22 there is still uncertainty.</li><li>● 2020 maximum precept increase agreed (£10 Band D household ~ 4.59%) higher than originally anticipated but additional 2.6% will be used for specific initiatives.</li><li>● MTFP - Revenue budget was funded for 3 years (pre-COVID). MTFP will need to be substantially re-modelled presenting a number of options because of the economic uncertainty.</li><li>● Capital plan being reviewed - funding risk as capital receipts reduce as less assets to sell. £15m borrowing facility agreed to fund longer term assets over next 4 years.</li><li>● Reserves stable but will be consumed - forecast useable non ring fenced reserves to be £12 million by 2022 (pre COVID).</li><li>● Assuming the additional funding for police is delivered as planned in the short term this will create an underspend position. For the current financial year the underspend has been used to 'accelerate' a number of Constabulary plans, used on reducing re-offending work and remainder will be put into reserves to manage future risk (particularly relevant because of COVID-19).</li></ul>		

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to engage with the public and other stakeholders	SR4	CEO	4	3	12
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			3	3	9
			Mitigated Risk change:		◀▶
Cause		Impact			
<ul style="list-style-type: none"><li>● Limited resources to support this within the OPCC</li><li>● Engagement methods do not always reach a wide audience or different communities or groups</li><li>● Lack of awareness or willingness to engage from the public</li></ul>		<ul style="list-style-type: none"><li>● Reputational damage to both the OPCC and Constabulary</li><li>● Loss of legitimacy in both the OPCC and Constabulary</li><li>● Lack of public confidence in or awareness of OPCC (SR5)</li><li>● Partnership relationships damaged</li><li>● Failure to understand people's priorities and issues re policing and crime and which could be biased by only hearing those individuals already proactive/engaged.</li><li>● Police and Crime Plan and delivery not aligned to public concerns and priorities (SR10 &amp; SR2)</li></ul>			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none"><li>● OCC/OPCC Corp Comms joint meetings</li><li>● Attendance at Gold Groups as required</li><li>● Oversight of Operation Remedy Communications Plan through ongoing meeting structure</li><li>● Creation of an overarching strategic approach to communications going forward to work in a more focused and smarter way that enhances business objectives and strategic priorities</li><li>● Calendar of regular media appearances / communications activities which will also link to national days or weeks where relevant</li><li>● Creation of tactical communications plans for particular workstreams (including public engagement/events) with ownership and delivery allocated to one person who is accountable</li><li>● Redesign website and review and goal focused social media communications plan</li><li>● Meetings with local community group leaders</li><li>● Increase community engagement at forums, community days and events etc</li><li>● Joint working on communications plans for the Five Big Ideas being implemented by the Constabulary including three tier approach to cultural sensitivity training, workforce mobilisation, creation of a new cultural intelligence hub to enhance the representative workforce programme, engagement and support of communications activity in relation to Commission of Racial Equality (CORE) in Bristol</li><li>● Revise stakeholder mapping and management</li><li>● Increase team capacity</li></ul>	July 2020	Head of Comms CEO Head of Comms	● Increased digital ways of working e.g. Facebook Lives		
		Head of Comms	● Improved strategic engagement approach to target PCC priorities. ● PCC is developing a communications strategy which will involve closer joint working on tactical communications plans under particular workstreams. The approach includes working together from planning stage to ensure roles and responsibilities for delivery are set out from the start of a piece of work and make it clear what role each organisation plays.		
		Head of Comms			
		Head of Comms			
	July 2020 July 2020	Head of Comms PCC PCC Head of Comms	● New website will launch July 20. This will incorporate improved approach to engagement and broadening scope of public surveys. ● Part of the new communications strategy is to take a different approach to drop-ins by making them a part of community events that are already taking place as opposed to independent ones set up by our office for Sue that haven't seen the level of engagement desired. We will be working to include more opportunities in our diverse communities. ● Work agreed at P&P meeting in January. Qlik will be the technological solution to this - proof of concept delayed due to COVID-19. ● New Deputy PCC started Apr 20; new coordinator role started May 20; Head of Communications and Engagement appointed on a permanent basis (Jun 20); agreement for an additional role within the office to support on engagement.		
		Head of Comms Head of Comms			

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Lack of public confidence in or awareness of OPCC	SR5	CEO	4	3	12
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			3	3	9
			Mitigated Risk change:		◀▶
Cause		Impact			
<ul style="list-style-type: none"><li>● Policing failures/adverse incidents (even at an operational level) can impact on the perception of the OPCC also - inequality/disproportionality and public order policing particularly relevant at this time (June 20)</li><li>● Failure to engage with the public and other stakeholders (SR4)</li><li>● Failure to discharge statutory duties (SR1)</li><li>● Failure to deliver the Police and Crime Plan (SR2)</li><li>● Public expectation of the role of the PCC may not be matched by available funding or powers of the PCC</li><li>● Op Remedy fails to deliver expected outcomes</li><li>● Failure of the Constabulary to deliver Op Uplift (Force Futures) or if delivered failure to improve outcomes would likely impact confidence in the OPCC due to public expectations</li><li>● COVID-19 court closures and national rape crisis reduces confidence in the entire criminal justice system</li><li>● Government may want a more centralised/national approach to policing which may undermine the legitimacy of the role of PCCs</li></ul>		<ul style="list-style-type: none"><li>● Loss of legitimacy in the OPCC</li><li>● Failure to demonstrate value for money</li><li>● Could undermine the working relationship between the Constabulary and OPCC</li><li>● Police and Crime Panel failure to support precept increases</li><li>● Low voter turnout in PCC elections</li><li>● Loss of political support for the need for PCCs</li></ul>			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none"><li>● Gold Groups manage critical issues of public confidence</li><li>● Engagement activity recorded against SR4 is the primary direct mitigation against this risk.</li><li>● Fulfilling statutory duties (SR1) and delivery of the Police and Crime Plan (SR2) are critical to ensuring confidence in the PCC</li></ul>		CEO / Head of Comms CEO / Head of Comms  PCC / CEO	<ul style="list-style-type: none"><li>● The OPCC has a standing invite to all Gold Groups</li></ul>		



Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Lack of capacity/capability within the OPCC	SR6	Office Manager	5	4	20
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			5	4	20
			Mitigated Risk change:		◀▶
Cause		Impact			
<ul style="list-style-type: none"><li>● COVID-19 lockdown has a detrimental effect on the current ways of working on all members of the team but there are certain team members which have a significantly reduced capacity for work (primarily linked to child care issues). The continued risk posed by the virus and potential need to self-isolate.</li><li>● Small size of the organisation and varied specialisms also makes building resilience challenging.</li><li>● A number of single points of failure within the OPCC (can cause risk to materialise temporarily during periods of prolonged absence).</li><li>● Insufficient sharing of knowledge or work among the team reduces resilience.</li><li>● Change in legislated duties of the PCC requiring additional resource/expertise.</li><li>● Temporary loss of Senior Commissioning and Policy Officer.</li><li>● ASC OPCC has a relatively small budget (bottom quartile) compared to other OPCCs.</li><li>● Demand too high for current resource levels.</li><li>● National appetite for PCCs portfolio to extend to Fire &amp; Rescue Services after next elections – this will create additional demand on this office and there will be lack of experience in dealing with this area of business.</li></ul>		<ul style="list-style-type: none"><li>● Increased likelihood of materialisation of all other strategic risks through delivery failure</li><li>● Delivery of work is late or not to standards of quality desired</li></ul>			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none"><li>● Resource planning is part of OMB and informal SLT</li> <li>● Regular team meetings to share knowledge and resolve issues</li><li>● PDR process and regular supervisory sessions</li><li>● Annual staff survey which forms the basis of a delivery plan</li><li>● Training and development budget maintained</li><li>● Skills matrix maintained</li><li>● Salary levels set at a reasonable market rate and in line with other OPCCs</li><li>● Values and teamwork embedded and recruited to improving retention</li></ul>	   August 2020 August 2020  August 2020  July 2020	   Office Manager Office Manager Office Manager CFO Office Manager CEO/CFO Head of Comms	<ul style="list-style-type: none"><li>● Interim CEO in place for remainder of PCC term.</li><li>● New Deputy PCC started Apr 20; new coordinator role started May 20; Head of Communications and Engagement appointed on a permanent basis (Jun 20); interim CFO appointed (Jun 20).</li><li>● Agreement for additional roles within the office to support on engagement, criminal justice and reducing reoffending.</li><li>● PDR process being considered to bring more independent assessment of these</li><li>● Need to refresh the matrix and better embed its use in the process of assigning new work</li><li>● OPCC values reviewed and agreed waiting on development of supporting material/plan to launch at team meeting.</li></ul>		

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to deliver commissioned services	SR7	Head of C&P	4	4	16
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			2	4	8
			Mitigated Risk change:		◀▶
Cause		Impact			
<ul style="list-style-type: none"><li>● Vacancies and backlogs in in Lighthouse (the primary commissioned service)</li><li>● Control Room Triage failing to deliver as expected</li><li>● Staff changes within the OPCC Commissioning &amp; Partnerships Team</li><li>● Risk of reduced quality in the move from face-to-face to remote contact with victims particularly</li></ul>		<ul style="list-style-type: none"><li>● Failure to support victims particularly vulnerable victims - PCP Priority 1 (SR2)</li><li>● Loss of public confidence in or awareness of OPCC (SR5)</li><li>● Relationship with Constabulary and partners</li><li>● Reduction or withdrawal of victims grant from Government</li><li>● Failure to devolve further funding/commissioning</li></ul>			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none"><li>● Maintain a sufficiently resourced and prioritised commissioning team within the OPCC.</li><li>● Lighthouse victims' service jointly established with the Constabulary with regular review meetings.</li><li>● Victim Services Provider forum and AWP Partnership Board are regular joint strategic meetings with commissioned services.</li><li>● Performance Framework includes commissioned services MoJ data to bring greater visibility and accountability of services.</li><li>● Co-commission, with the Constabulary, new approach to Out of Court Disposals and interventions.</li><li>● C&amp;P office working closely with Constabulary on improving and evaluating CRT</li><li>● Scan and apply for additional funding as available.</li></ul>	July 2020	Head of C&P	<ul style="list-style-type: none"><li>● The temporary loss of the senior role is also being managed through the pipeline of work from the SLT into the team. New roles agreed to focus on criminal justice and reducing reoffending.</li><li>● Recommendations for short-term improvements in Lighthouse were agreed at Sept PCB – this will continue to report back to PCB every month. Service needs to be at full capacity in order to properly evaluate it. Agreement to recruit to over establishment and use underspend to fund temporary additional posts in 20/21.</li></ul>		
		Head of C&P			
		Head of C&P			
	Sept 2020	Head of C&P	<ul style="list-style-type: none"><li>● Need to further improve the governance and decision making over commissioned services utilising the new performance framework.</li><li>● ASCEND pilot went live Nov 2018. Two tier framework has been well adopted but overall numbers of OOCd have not seen a significant increase. Pathway and approach for hate crime still to be finalised and signed off. Evaluation to report in July 20.</li></ul>		
	August 2020	Senior C&P Officer			
		C&P Officer Head of C&P	Additional funding for DA and SV services awarded.		



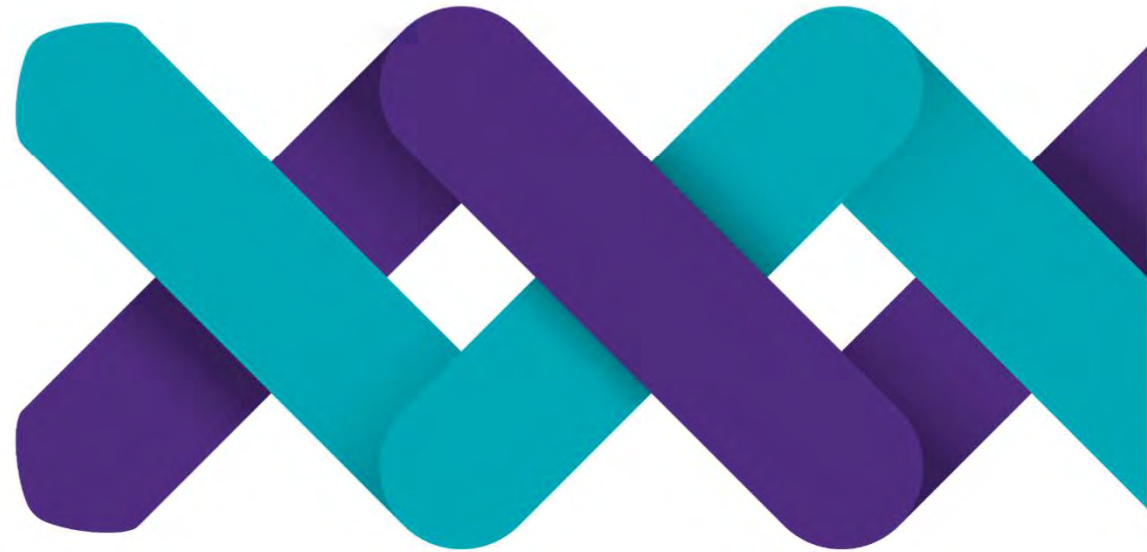
Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to deliver effective and efficient collaborations with other forces	SR8	CEO	4	3	12
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	3	12
			Mitigated Risk change:		◀▶
Cause		Impact			
<ul style="list-style-type: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

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to deliver effective and efficient collaborations or outcomes with other partners	SR9	CEO	4	4	16
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			3	3	9
			Mitigated Risk change:		◀▶
Cause		Impact			
<ul style="list-style-type: none"><li>● Partner funding remains under pressure with financial settlements not keeping pace with inflation and demand. This increases the risk of demand and funding requests moving to the ASC and OPCC</li><li>● Failure to put in place effective governance and ownership of partnership working</li><li>● Differing priorities and leadership of agencies</li><li>● Lack of accountability</li><li>● Lack of meaningful 'live' information sharing</li><li>● Macro-economic factors could have a detrimental effect on partners, particularly Local Authorities. This financial position could cause partners to withdraw or reduce levels of service to partnerships</li></ul>		<ul style="list-style-type: none"><li>● Governance failure as a duty of the PCC (SR1)</li><li>● Failure to deliver the Police and Crime Plan (SR2) - particularly Priority 4</li><li>● Failure to deliver a whole systems approach to crime and continue the 'revolving door' of offending and victimisation</li><li>● Failure to deliver value for money</li></ul>			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none"><li>● Representation on LCJB, CSPs, Children's Trusts, Health and Wellbeing Boards</li><li>● Meetings (outside of Boards) with LA chairs/CEOs; CSP Chairs</li><li>● Criminal Justice Transformation</li></ul> <ul style="list-style-type: none"><li>● Resolve Programme (reducing re-offending) now operating at force and regional level</li><li>● Violence Reduction Units</li></ul> <ul style="list-style-type: none"><li>● Collaborate with Fire Authorities</li><li>● Information sharing recognised by the VRU and reducing reoffending strategic groups as a key challenge - working with DSIC to try identify a solution</li></ul>	July 2020	CEO CEO C&P Officer (CJ)	<ul style="list-style-type: none"><li>● CJ Task Force is now live (taking over from Transformation Programme). This task force reports to the ASCJB which the PCC sits on/chairs.</li><li>● Local Resolve Programme extended to Sept 2020 (will be replaced by C&amp;P officer role) – Regional SRO recruited in Nov 2019</li><li>● HO funding granted for 2020/21. Planning to maintain the current model with the same level of devolved funding.</li></ul>		
	July 2020	Local / Regional SRO  Senior C&P Officer			
	July 2020	CEO Respective Strategic Groups			

# Audit Progress Report and Sector Update

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

July 2020



# Contents and Introduction



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

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

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

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

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# Progress at July 2020

## Financial Statements Audit

We have started planning for the 2019/20 financial statements audit in March 2020 and have issued a detailed Joint Audit Plan, setting out our proposed approach to the audit of the Group, PCC and Chief Constable 2019/20 financial statements.

Subsequent to the issue of our Joint Audit Plan, global events have moved in an unexpected and tragic direction. None of us could have foreseen the impact that the COVID-19 crisis has had on the world. As a police body, you are at the forefront of efforts to support local people, and clearly your focus will be directed to supporting local communities as best you can in these exceptionally difficult circumstances. As your auditors, we absolutely understand the challenges that you and your teams are facing and we have already been discussing with you and your team how we can work with you as effectively as we can. At these challenging times it is even more important to ensure that we can deliver a high quality audit, focused on good governance and the application of relevant accounting and auditing standards, whilst recognising the day to day pressures you face.

With this in mind we prepared an updated addendum to our Joint Audit Plan for 2019/20 issued on 26 May 2020 outlining our response to the COVID-19 pandemic.

## Value for Money

The scope of our work is set out in the guidance issued by the National Audit Office. The Code requires auditors to satisfy themselves that; "the authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".

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

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

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

We reported the significant risks identified as a result of our initial risk assessment in in our Joint Audit Plan.

As part of our VfM work we will ensure we understand the arrangements you are putting in place to manage risks around business continuity in the current crisis. We do not envisage this will be a significant audit risk for 2019/20.

We will report the conclusions from our work in the Joint Audit Findings Report.

## Other areas

### Meetings

We last met (virtually) with Finance Officers in June as part of our ongoing audit liaisons. We continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective; especially given the need to work remotely.

We will update the Joint Audit Committee as part of our year end reporting on the resolution of each of these points.

### Events

We will keep you informed of upcoming events and ensure that invitations are circulated to both management and the committee. Plans are currently on hold as we continue to work remotely.

# COVID-19 Update

## Impact on working arrangements:

- following the government's announcement on Monday 16th March, we have closed our offices for the foreseeable future and your audit team are now working from home
- we will therefore likely be working remotely during the accounts audit and have discussed the logistics of these arrangements with the finance team.
- although there are some audit tasks which are best undertaken in person, the majority of the audit will be able to be completed remotely. This is however likely to make the audit process longer. We will work closely with the finance team to make this different way of working as efficient as possible.
- we acknowledge there may need to be further changes to planned audit timings due to potential illness within the audit team or the finance team and due to the further developments of COVID-19.

## Impact on accounts and audit opinions

The following sets out a number of the key issues which finance teams will need to consider as part of the year end closedown.

- Impact on reserves and financial health and whether the audited body needs to provide additional disclosures that draw attention to a Material Uncertainty around Going Concern.
- Impact on collectability of debt and assumptions made in bad debt provisions.
- Impact on post-balance sheet events (the consequences of the virus post 31 March 2020 will generally be non-adjusting post balance sheet events but some form of disclosure may be needed).
- Disclosure of impact in annual report.
- Disclosure of critical judgements.
- Disclosure of material estimation uncertainties.
- Impact on the content of the Annual Governance Statement, particularly with regards to risks, controls and mitigation.
- Considerations in respect of service continuity and disaster planning arrangements (this could impact on the VfM conclusion).
- Impact on reporting to those charged with governance and signing arrangements.

## Regulatory changes

CIPFA adopted a small number of presentational changes to its Accounting Code of Practice for 2019/20. The changes which are now proposed to the Code, for example around disclosure, will have only a marginal impact on the audit.

The Government accounting Financial Reporting Advisory Board (FRAB) has deferred the implementation of IFRS 16 by a year. Whilst IAS 8 disclosures will be required, this change will lead to some reduction in preparatory work required.

Finally, the publication date for the draft accounts has been revised to 31 August and a target date for publication of audited accounts to 30 November. Whilst flexibility in moving away from July is welcome, a number of bodies have highlighted the risk that a delayed closedown process could impact on their budget programme for 2021/22. We have agreed to start our visit in June 2020.

# Audit Deliverables

2019/20 Deliverables	Planned Date	Status
<b>Fee Letters</b> Confirming audit scale fees for 2019/20.	April 2019	Complete
<b>Joint Audit Plan</b> We are required to issue a detailed accounts Joint Audit Plan to the Joint Audit Committee setting out our proposed approach in order to give an opinion on the Police and Crime Commissioner and group and Chief Constable's 2019/20 financial statements.	January 2020	Complete
<b>Interim Audit Findings</b> We will report to you the findings from our interim audit and our initial value for money risk assessment within our Progress Report.	March 2020	Complete
<b>Joint Audit Findings Report</b> The Joint Audit Findings Report will be reported to the September Joint Audit Committee.	September 2020	Not yet due
<b>Auditors Reports</b> These are the opinions on your financial statements, annual governance statements and value for money conclusions.	September 2020	Not yet due
<b>Joint Annual Audit Letter</b> This letter communicates the key issues arising from our work.	January 2021	Not yet due

# Sector Update

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

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

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

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

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

Public Sector

Police



## PEEL: Police effectiveness, efficiency and legitimacy 2018/19 – group 3

HMICFRS has published their findings for the third, and final, group of forces inspected in the PEEL 2018/19 assessment. This group of 14 reports completes a full annual cycle of inspections of the 43 forces in England and Wales, following previous publications in May and September 2019.

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

## PEEL spotlight report: Diverging under pressure – Overview of themes from PEEL inspections 2018/19

This report gives an overview of the themes from the 2018/19 PEEL (police effectiveness, efficiency and legitimacy) inspections. With the publication of the final 14 force reports from the third tranche of inspections, this report reflects on findings from all 43 force inspections to draw together national themes in policing.

PEEL is the annual assessment of police forces in England and Wales. HMICFRS assess forces in three ways to find out:

- how effective they are at preventing and investigating crime, protecting vulnerable people and tackling serious organised crime;
- how efficiently they manage demand and plan for the future; and
- how legitimately they treat the public, how ethically they behave, and how they treat their workforce.

Following the completion of HMICFRS's Integrated PEEL Assessments (IPA) for 2018/19, the inspectorate has found that although many forces are performing well under pressure, the consistency of service across England and Wales needs to be addressed.

In the report Divergence Under Pressure HMICFRS found that forces are still struggling to understand demand in their areas. This is preventing them from being able to use their resources well and plan for the future. Forces also need to ensure they are determined to maintain and improve how they treat the public, in particular using stop and search fairly and properly.

HMICFRS report that:

- forces have greatly improved their ability to protect vulnerable people and support victims;
- there is still a lack of capacity in neighbourhood policing to analyse and use intelligence;
- the likelihood of the police bringing someone to justice following a criminal investigation is decreasing; and
- there are stark differences in the way forces investigate crimes across the country.

The full report is available by clicking [here](#)

## COVID-19 Update

Consultation on the proposed police inspection programme and framework for 2020-21: Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) had launched a consultation on its proposed police inspection programme and framework for 2020-21 which was scheduled to run until April 2020. The consultation deadline has been extended indefinitely due to the Coronavirus pandemic. HMICFRS also suspended all inspection work requiring contributions from police forces and fire and rescue services until further notice.

# Home Office

## Policing gets biggest funding boost in decade

The government has announced the biggest increase in funding for the police system in a decade.

The amount of funding available to the policing system for 2020 to 2021 will increase by more than £1.1 billion, totalling £15.2 billion, if Police and Crime Commissioners (PCCs) take full advantage of flexibility to set the police precept.

This represents an almost 10% increase on the core (resource) grant provided to forces last year, enabling the police to cut crime and deliver on the people's priorities.

It builds on a number of existing government commitments to bear down on the criminals who seek to do our communities and our country harm. It will enable forces to recruit 6,000 of the 20,000 additional police officers by the end of March 2021.

The settlement includes the £750 million announced by the Chancellor last year to enable forces to meet their officer recruitment targets.

The bulk will go directly to PCCs (£700 million). The remainder will be spent nationally on capabilities and infrastructure to support the recruitment drive.

As announced by the Home Secretary on Tuesday 21 January, funding for counter-terrorism policing will total £906 million in 2020 to 2021, a year-on-year increase of £90 million.

The full article is available by clicking [here](#).

## Home Office announces first wave of 20,000 police officer uplift

The Home Office has confirmed the officer recruitment targets for every police force in England and Wales for the first year of the unprecedented drive to increase their ranks by 20,000 over the next 3 years.

Strengthening police numbers is a priority for the government, which is providing £750 million to support forces to recruit up to 6,000 additional officers onto our streets by the end of 2020 to 2021, the first stage in this new uplift.

All officers recruited as part of the 20,000 uplift will be additional to those hired to fill existing vacancies. They are also on top of the extra officers already being recruited because of the £1 billion increase in police funding for 2019 to 2020, which includes money from council tax and for serious violence.

The first-year recruitment targets are available [here](#).



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# Other news

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## The Police Federation and CIPFA call for new funding system

The Police Federation and CIPFA have warned that the current funding formula and yearly settlement it generates is outdated and prevents long-term planning that could deliver greater savings. The calls for reform echo those made by PCCs in response to the announcement of this year's funding allocations.

Analysis by the Police Federation concluded that the settlement in real terms equates to 6.4% increase on last year. It is the responsibility of PCCs to add funding through the increases in the precept element of council tax.

CIPFA said the funding would meet the demands generated by the uplift recruitment programme but not the efficiencies that ministers are also expecting.

Rob Whiteman, CIPFA Chief Executive, said: 'This is yet another example of unsustainable, short-term thinking when it comes to police finance. Forces urgently need financial certainty in order to fulfil their vital role – protecting those in need and delivering a safer society.'

The full article can be accessed [here](#)



## World Class Policing Awards 2020

The World Class Policing Awards recognise exceptional performance, effective collaboration, innovative and progressive policing, beneficial outcomes for the public, as well as initiatives that improve the welfare of officers and staff to empower them to greater achievement. The Awards celebrate and share World Class Policing knowledge and practice with the whole policing community.

The Awards will honour the very best in policing at a prestigious awards ceremony in London this November.

Nominations for the awards are now open. Find out more at <https://worldclasspolicing.com/home>



# Brydon Review – the quality & effectiveness of audit

The Brydon review is an independent review, led by Sir Donald Brydon, which has looked at the quality and effectiveness of audit, seeking to make proposals that will improve the UK audit ‘product’. The review has examined the nature and scope of audit from a user perspective and seeks to clarify and potentially close the ‘expectation gap’ (ie what stakeholders and society expect from audit compared to what it delivers today).

A full list of Sir Donald’s recommendations can be found online, and a brief summary is provided below:

- Redefinition of audit and its purpose
- Creation of a corporate auditing profession, governed by principles
- Introduction of suspicion into the qualities of auditing
- Extension of the concept of auditing to areas beyond financial statements
- Mechanisms to encourage greater engagement of shareholders with audit and auditors
- Change in language of the opinion given by auditors
- Introduction of a corporate Audit and Assurance Policy, a Resilience Statement and a Public Interest Statement
- Suggestions to inform the work of BEIS on internal controls and improve clarity on capital maintenance
- Greater clarity around the roles of the audit committee
- A package of measures around fraud detection and prevention
- Improved auditor communication and transparency
- Obligations to acknowledge external signals of concern
- Extension of audit to new areas including Alternative Performance Measures
- Increased use of technology

On the auditor’s responsibility to detect fraud, Jonathan Riley, Grant Thornton Head of Quality and Reputation, said: “We are pleased to note that Sir Donald Brydon makes it clear that not only is there an expectation gap in relation to the purpose of audit and the detection of fraud but that the current ISAs need revision, and training of corporate auditors need to be enhanced, in order to allow auditors to better detect fraud. This is further reinforced by the new ability to make it easier for users of accounts, not just management, to inform the auditor of concerns relating to financial statements.”

“Notwithstanding these proposals, it is neither possible or desirable for an auditor to test in detail every transaction of the company and so materiality will still exist. In addition, a fraud involving collusion and sophistication may still prove extremely hard to detect.”

Grant Thornton welcomes the consideration given by Sir Donald on the quality and effectiveness of audit. These recommendations should bring far greater clarity and transparency to the profession and ultimately result in an audit regime that allows auditors to better assess, assure and inform all users of financial accounts.

Crucially, the Government must now consider these recommendations not just in context of earlier inquiries into the profession, but also against the backdrop of global trade and Britain’s future role as a pillar of global commerce. The report places new obligations not only on auditors, but also on company directors. Together with other regulations such as the revised Ethical Standard and wider corporate governance requirements, the proposed changes need to strike the right balance and not dent our place on the world’s financial stage. Careful explanation particularly of what this means to those fast growing mid-sized public entities seeking capital will be necessary.

The public perception of audit remains weak and failures continue to happen, so we agree that now is the right time to explore what needs to change to ensure that audit is fit for modern day business and meets the public interest. The report should contribute heavily towards this outcome.

Link to the full report and full list of recommendations:

<https://www.gov.uk/government/publications/the-quality-and-effectiveness-of-audit-independent-review>

# Redmond Review – Review of local authority financial reporting and external audit

The independent review led by Sir Tony Redmond sought views on the quality of local authority financial reporting and external audit. The consultation ran from 17 September 2019 to 20 December 2019.

Grant Thornton provided a comprehensive submission. We believe that local authority financial reporting and audit is at a crossroads. Recent years have seen major changes. More complex accounting, earlier financial close and lower fees have placed pressure on authorities and auditors alike. The target sign-off date for audited financial statements of 31 July has created a significant peak of workload for auditors. It has made it impossible to retain specialist teams throughout the year. It has also impacted on individual auditors' well-being, making certain roles difficult to recruit to, especially in remote parts of the country.

Meanwhile, the focus on Value for Money, in its true sense, and on protecting the interests of citizens as taxpayers and users of services are in danger of falling by the wayside. The use of a black and white 'conclusion' has encouraged a mechanistic and tick box approach, with auditors more focused on avoiding criticism from the regulator than on producing Value for Money reports that are of value to local people.

In this environment, persuading talented people to remain in the local audit market is difficult. Many of our promising newly qualified staff and Audit Managers have left the firm to pursue careers elsewhere, often outside the public sector, and almost never to pursue public audit at other firms. Grant Thornton is now the only firm which supports qualification through CIPFA. It is no longer clear where the next generation of local auditors will come from.

We believe that now is the time to reframe both local authority financial reporting and local audit. Specifically, we believe that there is a need for:

- More clearly established system leadership for local audit;
- Simplified local authority financial reporting, particularly in the areas of capital accounting and pensions;

- Investing in improving the quality of financial reporting by local bodies;
- A realistic timescale for audit reporting, with opinion sign off by September each year, rather than July;
- An increase in audit fees to appropriate levels that reflect current levels of complexity and regulatory focus;
- A more tailored and proportional approach to local audit regulation, implementing the Kingman recommendations in full;
- Ensuring that Value for Money audit work has a more impactful scope, as part of the current NAO Code of Audit Practice refresh;
- Introducing urgent reforms which help ensure future audit arrangements are sustainable and attractive to future generations of local audit professionals.

We note that Sir Donald Brydon, in his review published this week, has recommended that *“the Audit, Reporting and Governance Authority (ARGA) (the proposed new regulatory body) should facilitate the establishment of a corporate auditing profession based on a core set of principles. (This should include but not be limited to) the statutory audit of financial statements.”* Recognising the unique nature of public audit, and the special importance of stewardship of public money, we also recommend that a similar profession be established for local audit. This should be overseen by a new public sector regulator.

As the reviews by John Kingman, Sir Donald Brydon, and the CMA have made clear, the market, politicians and the media believe that, in the corporate world, both the transparency of financial reporting and audit quality needs to be improved. Audit fees have fallen too low, and auditors are not perceived to be addressing the key things which matter to stakeholders, including a greater focus on future financial stability. The local audit sector shares many of the challenges facing company audit. All of us in this sector need to be seen to be stepping up to the challenge. This Review presents a unique opportunity to change course, and to help secure the future of local audit, along with meaningful financial reporting.

# National Audit Office – Code of Audit Practice

The Code of Audit Practice sets out what local auditors of relevant local public bodies are required to do to fulfil their statutory responsibilities under the Local Audit and Accountability Act 2014. 'Relevant authorities' are set out in Schedule 2 of the Act and include local councils, fire authorities, police and NHS bodies.

Local auditors must comply with the Code of Audit Practice.

## Consultation – New Code of Audit Practice from 2020

Schedule 6 of the Act requires that the Code be reviewed, and revisions considered at least every five years. The current Code came into force on 1 April 2015, and the maximum five-year lifespan of the Code means it now needs to be reviewed and a new Code laid in Parliament in time for it to come in to force no later than 1 April 2020.

In order to determine what changes might be appropriate, the NAO consulted on potential changes to the Code in two stages:

**Stage 1** involved engagement with key stakeholders and public consultation on the issues that are considered to be relevant to the development of the Code.

The NAO received a total of 41 responses to the consultation which included positive feedback on the two-stage approach to developing the Code that has been adopted. The NAO stated that they considered carefully the views of respondents in respect of the points drawn out from the [Issues paper](#) and this informed the development of the draft Code. A summary of the responses received to the questions set out in the [Issues paper](#) can be found below.

[Local audit in England Code of Audit Practice – Consultation Response \(pdf – 256KB\)](#)

**Stage 2** of the consultation involved consulting on the draft text of the new Code. To support stage 2, the NAO published a consultation document, which highlighted the key changes to each chapter of the draft Code. The most significant changes are in relation to the Value for Money arrangements. The draft Code includes three specific criteria that auditors must consider:

- Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the body ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.

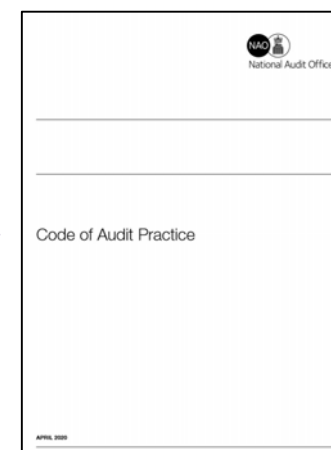
The auditor will be required to provide a commentary on the arrangements in place to secure value for money. Where significant weaknesses are identified the auditor should make recommendations setting out

- Their judgement on the nature of the weakness identified
- The evidence on which their view is based
- The impact on the local body
- The action the body needs to take to address the weakness

The consultation document and a copy of the new Code can be found on the NAO website. The new Code will apply from audits of local bodies' 2020-21 financial statements onwards.

Link to NAO webpage for the new Code:

[https://www.nao.org.uk/code-audit-practice/wp-content/uploads/sites/29/2020/01/Code\\_of\\_audit\\_practice\\_2020.pdf](https://www.nao.org.uk/code-audit-practice/wp-content/uploads/sites/29/2020/01/Code_of_audit_practice_2020.pdf)



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.







# External Audit Plan update

*Year ending 31 March 2020*

Avon and Somerset Police and Crime Commissioner and Chief Constable  
May 2020





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# Introduction & headlines

## Purpose

This document provides an update to the planned scope and timing of the statutory audit of Avon and Somerset Police Crime Commissioner and Chief Constable as reported in our Joint Audit Plan dated March 2020, for those charged with governance.

## The current environment

In addition to the audit risks communicated to those charged with governance in our Joint Audit Plan on 19 March 2020, recent events have led us to update our planning risk assessment and reconsider our audit and value for money (VfM) approach to reflect the unprecedented global response to the Covid-19 pandemic. The significance of the situation cannot be underestimated and the implications for individuals, organisations and communities remains highly uncertain. For our public sector audited bodies, we appreciate the significant responsibility and burden you have to ensure vital public services are provided. As far we can, our aim is to work with you in these unprecedented times, ensuring up to date communication and flexibility where possible in our audit procedures.

## Impact on our audit and VfM work

Management and those charged with governance are still required to prepare financial statements in accordance with the relevant accounting standards and the Code of Audit Practice, albeit to an extended deadline for the preparation of the financial statements up to 31 August 2020 and the date for audited financial statements to 30 November 2020, however we will liaise with management to agree appropriate timescales. We continue to be responsible for forming and expressing an opinion on the Police and Crime Commissioner, Chief Constable and group financial statements and VfM arrangements.

In order to fulfil our responsibilities under International Auditing Standards (ISA's (UK)) we have revisited our planning risk assessment. We may also need to consider implementing changes to the procedures we had planned and reported in our Audit Plan to reflect current restrictions to working practices, such as the application of technology to allow remote working. Additionally, it has been confirmed since our Audit Plan was issued that the implementation of IFRS 16 has been delayed for the public sector until 2020/21.

## Changes to our audit approach

To date we have:

- Identified a new significant financial statement risk, as described overleaf
- Reviewed the materiality levels we determined for the audit. We did not identify any changes to our materiality assessment as a result of the risk identified due to Covid-19.

## Changes to our VfM approach

We have updated our VfM risk assessment to document our understanding of your arrangements to ensure critical business continuity in the current environment. We have not identified any new VfM risks in relation to Covid-19.

## Conclusion

We will ensure any further changes in our audit and VfM approach and procedures are communicated with management and reported in our Joint Audit Findings Report. We wish to thank management for their timely collaboration in this difficult time.

## Significant risks identified – Covid – 19 pandemic

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
<b>Covid – 19</b>	<p>The global outbreak of the Covid-19 virus pandemic has led to unprecedented uncertainty for all organisations, requiring urgent business continuity arrangements to be implemented. We expect current circumstances will have an impact on the production and audit of the financial statements for the year ended 31 March 2020, including and not limited to;</p> <ul style="list-style-type: none"> <li>- Remote working arrangements and redeployment of staff to critical front line duties may impact on the quality and timing of the production of the financial statements, and the evidence we can obtain through physical observation</li> <li>- Volatility of financial and property markets will increase the uncertainty of assumptions applied by management to asset valuation and receivable recovery estimates, and the reliability of evidence we can obtain to corroborate management estimates</li> <li>- Financial uncertainty will require management to reconsider financial forecasts supporting their going concern assessment and whether material uncertainties for a period of at least 12 months from the anticipated date of approval of the audited financial statements have arisen; and</li> <li>- Disclosures within the financial statements will require significant revision to reflect the unprecedented situation and its impact on the preparation of the financial statements as at 31 March 2020 in accordance with IAS1, particularly in relation to material uncertainties.</li> </ul> <p>We therefore identified the global outbreak of the Covid-19 virus as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• Work with management to understand the implications the response to the Covid-19 pandemic has on the organisation's ability to prepare the financial statements and update financial forecasts and assess the implications on our audit approach</li> <li>• Liaise with other audit suppliers, regulators and government departments to co-ordinate practical cross sector responses to issues as and when they arise</li> <li>• Evaluate the adequacy of the disclosures in the financial statements in light of the Covid-19 pandemic.</li> <li>• Evaluate whether sufficient audit evidence using alternative approaches can be obtained for the purposes of our audit whilst working remotely</li> <li>• Evaluate whether sufficient audit evidence can be obtained to corroborate significant management estimates such as asset valuations and recovery of receivable balances</li> <li>• Evaluate management's assumptions that underpin the revised financial forecasts and the impact on management's going concern assessment</li> <li>• Discuss with management any potential implications for our audit report if we have been unable to obtain sufficient audit evidence</li> </ul>

Question From	Question	OCC or OPCC	Answer
Martin Speller	The number of staff who are paid £50K shows a sharp rise in the Bands £55,000 to £59,999 up from a figure of 109 in 2018-19 to 132 in 2019-20 and in the £60,000 to £64,999 up from a figure of 18 to 24 in the same two accounting years. Can the Constabulary provide some detail as to why there has been this increase? Is there a connection with the initiative to recruit extra Police Constables?	p.39 - OCC p.49 - PCC	The categorising of the banding is based on taxable pay, which includes overtime as well as pension payments. The variation of overtime paid will cause movement between bandings. The main movement between bandings has been the result of the pay award in 19/20. This has subsequently pushed several top end scale roles into the next band, (i.e. Inspector role in to the £55k -£60k banding)
Martin Speller	The Financial Outlook is based on a Revenue Budget which is forecast to increase significantly. Given the wider COVID-19 impact does this statement still hold true and is there a worst case planning assumption?		There are both short-term and long-term financial consequences resulting from our COVID-19 response. In the short-term these manifest themselves both in terms of the costs of supporting our response (e.g. cost of PPE for frontline staff, cost of enabling and supporting home working) and the loss of income (e.g. no major events policing services, loss of training income). These costs are being monitored and reported into the Home Office on a monthly basis, and along with other forces around the country we will continue to support efforts to seek central government support for these costs. In the longer-term there are likely to be impacts on both our funding (e.g. council tax collection rates, uncertain grant funding) and costs (e.g. pensions costs, ongoing PPE etc...). Our intention is to model a range of scenarios as part of our future financial planning, and this will include a worst case scenario. This will enable us to consider how we might respond through the delivery of savings to ensure we can continue to live within our means.
Jude Ferguson	Do staffing numbers include the 279 student officers?	p. 2 - OCC p.2 - PCC	Yes - the number of officers reported as at 31st March is inclusive of all new recruits introduced during the year.

Question From	Question	OCC or OPCC	Answer
Jude Ferguson	Victim survey figures shown as 4.56/5 and 4.17/5 For consistency with the figures above should this be in percentages?	p.5 - OCC p.5 - PCC	Agreed - we will update this statement to show 91.2% and 83.4%
Jude Ferguson	4.1 Recruitment of officers — has this resulted in a more representational workforce?	p. 5 - OCC	The diversity of our workforce continues to improve as reported in the Annual Governance Statement on page 21.
Jude Ferguson	Annual Governance Statement. 2.1 Counter Corruption Unit investment. Should the outcome of this investment be added to the 3 year audit plan or is this adequately covered by HMICFRS?	p. 13 - OCC	The investment specifically responds to a recommendation made by HMICFRS. We would therefore expect that this will be a feature of HMICFRS's inspection programme going forward. However, that does not mean that this shouldn't be considered at some future stage for inclusion within our internal audit planning.
Jude Ferguson	Annual Governance Statement How are the Ethics Committee monitoring improvements resulting from the local response to the new Police Complaints and Misconduct regulations?	p. 14 - OCC	The ethics committee has no specific responsibility here. The ethics committee support the Constabulary in its approach to decisions which include considerations of ethics. The local response to the new Police Complaints and misconduct regulations remain the responsibility of the Constabulary, through its professional standards department, with oversight provided by the PCC.
Jude Ferguson	2.5 IPR What % of staff currently have IPR's?	p. 17 - OCC	81% of the workforce had objectives set in their IPR's for 2019/20. By the end of April 2020 (being the last date we have data at this stage) 51% had been completed, with recognition that the remainder will have been impacted to some extent by COVID-19.
Jude Ferguson	AGS - 2.7 Para 3 Suggested change in text – "The appointment of new Internal Auditors brought with it some challenges whilst both organisations gained understanding of new ways of working and	p.19 - OCC p.21 - PCC	Agreed - statement will be updated as suggested.

Question From	Question	OCC or OPCC	Answer
	identified developments of benefit to both organisations."		
Jude Ferguson	AGS - 2.7 Para 5 Please check date Dec 2021 Suggested amendment to text. ... 3 members of the committee reached the end of their term 1 of whom had only been in the role for 1 year. Through a competitive recruitment process 1 member was reappointed and 2 new members appointed, bringing a diverse range of skills and experience to the new team.	p. 19 - OCC p. 21 - PCC	Dec 2021 date checked and confirmed by OPCC who are responsible for appointment.  Agreed - statement will be updated as suggested.
Jude Ferguson	AGS - Para 3.1 Failure to improve data quality- bullet point 3 ...will reduce the no of records ... data quality issues.	p.21 - OCC	Agreed - statement will be updated to include the word "issues"
Jude Ferguson	AGS - Para 3.2 ..reasonable assurance annual opinion. Suggested change of text- In providing this opinion they have recognised that whilst the majority..... assurance had been gained that the PCC and Constabulary had a sound...	p. 21 - OCC p.23 - PCC	Agreed - statement will updated to read... "Assurance has been gained that the PCC and Constabulary have a sound understanding..."
Jude Ferguson	Notes to the Financial statements Comment. Inconsistent use of full title to acronym re OCC.	OCC	Noted - we will review and amend
Jude Ferguson	Transactions with related people and organisations	p. 40 - OCC	The PCC agrees to make donations from our proceeds of crimes funding and from our road safety fund into the Police Community Trust.

Question From	Question	OCC or OPCC	Answer
	How were decision made re contributions to charitable bodies?	p. 51 - PCC	Through this Trust small donations are made to charitable and community organisations in support of the PCC's priority areas. The Police Community Trust exists as a separate organisation, and publishes its own certified accounts through the Charity Commission website at <a href="https://beta.charitycommission.gov.uk/charity-details?regid=1076770&amp;subid=0">https://beta.charitycommission.gov.uk/charity-details?regid=1076770&amp;subid=0</a>
Jude Ferguson	Please explain definitions of present value and value.	p. 45/8 - OCC p. 55/8 - PCC	Present Value is the value of the pension liability as at March 2020 based on the full valuation completed in 2016 and adjusted using the assumptions mentioned in the tables on page 44.
Jude Ferguson	Revenue Financial Performance Central and miscellaneous costs. What is the reason for this overspend? How does it relate to underspends identified elsewhere?	p. 6 - OCC p. 6 - PCC	<p>The full financial outturn was explained in the outturn report presented to PCB in May and published at <a href="https://www.avonandsomerset-pcc.gov.uk/Document-Library/TERM-TWO/Police-and-Crime-Board/06-May-2020/11.-Item-7-2019-20-Revenue-and-Capital-Financial-Performance.pdf">https://www.avonandsomerset-pcc.gov.uk/Document-Library/TERM-TWO/Police-and-Crime-Board/06-May-2020/11.-Item-7-2019-20-Revenue-and-Capital-Financial-Performance.pdf</a></p> <p>In summary the overspend on central and miscellaneous costs reflects the utilisation of underspends elsewhere to support small pressure created by COVID-19 costs in 19/20 (c. £100k) and the accounting for underspends in support of capital expenditure or through ring-fencing these underspends into reserves.</p>
Jude Ferguson	Are the costs of the transformation projects referred to accounted for in Infrastructure Programme?	p. 6 - OPCC	The estate aspect is accounted for within the infrastructure programmes line, with other digital projects accounted for within the digital programme line.
Jude Ferguson	The impact of Covid 19 on the MTFS is highlighted. Which existing and planned investments will help breach the funding gap?	p. 8 - OCC	There are a number of initiatives and projects which will realise savings. These include:-

Question From	Question	OCC or OPCC	Answer
		p. 9 - OPCC	<ul style="list-style-type: none"> <li>Investment in Robotic Process Automation - realising savings through smarter automation of processes throughout the organisation</li> <li>Investment in our estate - realising savings through more modern efficient buildings</li> <li>Investment in mobile technology - enabling more remote working and collaboration, thereby reducing travel and vehicles costs</li> </ul>
Jude Ferguson	Are there further savings to be realised in procurement?	p. 10 - OPCC	Yes - there remain opportunities through our procurement team to achieve savings in our non-pay budgets. As of July 2020 we have embarked on direction that will see our procurement function in Avon and Somerset become more closely aligned to the existing procurement collaboration across our neighbouring Police Forces. Through this close collaboration we recognise further opportunities to unlock further strategic savings through close alignment of category plans.
Jude Ferguson	Has the Constabulary reviewed their borrowing strategy in the light of the disparity between interest earned and interest received?	p. 39 - OPCC	<p>No. The interest payable reflects both the interest aspects of the accounting for our PFI buildings (£4.5m) and the interest payable on our external borrowing in support of capital investments directly funded from borrowing (£1.6m).</p> <p>Our borrowing strategy remains unchanged. We will borrow, and plan to borrow, in support of appropriate capital schemes. This strategy reflects the necessity of borrowing to enable further capital investment (recognising cuts to capital grant funding and dwindling capacity to generate capital receipts).</p>
Jude Ferguson	What were the abortive projects costs relating to construction?	p. 59 - OPCC	These related to the Multi Force Shared Service project that was decided not to go ahead.

Question From	Question	OCC or OPCC	Answer
Zoe Rice	<p>Staffing information.</p> <p>Please can the % of part time staff be shown? Rationale: this can be an important indicator of inclusivity for underrepresented groups. The info is there but expressing as a % could make it more accessible to the reader.</p>	p. 4 - OCC	<p>Agreed - we will look to amend the table to include % who are PT. This is as follows:-</p> <p>Police Officer = 2.8% PCSO's = 4.4% Police Staff = 14.4% OPCC = 15.8% <b>TOTAL = 8.0%</b></p>
Zoe Rice	<p><b>Annual governance statement</b></p> <p><i>"Op Remedy has resulted in a 10% reduction in recorded dwelling burglary against the previous 12 months; and significant improvement in positive outcomes".</i></p> <p>Please explain what 'positive outcomes' mean.</p>	p. 16 - OCC	<p>The Home Office sets the crime recording framework, in which there are 22 defined outcomes for all recorded crime. Of these there are 8 outcomes, incorporating both sanctioned detections as well as restorative and reparative outcomes, which are nationally recognised as providing a positive outcome to that crime. In addition outcome 22 (suspect sent on a diversionary programme/intervention) is recognised by A&amp;S as a positive outcome for the purposes of our local reporting.</p> <p>The measure of positive outcomes is therefore made up from the number of specific crime outcomes which are recognised as being positive as a percentage of crimes recorded during the year.</p>
Zoe Rice	<p><i>"The Constabulary has adopted the national Oscar Kilo wellbeing framework and have conducted a comprehensive self-assessment against its standards which has identified further areas for improvement that we are working on."</i></p> <p>Please can you say more about the areas for improvement identified? Will work in this area</p>	p. 17 - OCC	<p>The improvement areas have included :-</p> <ul style="list-style-type: none"> <li>Establishing a dedicated online mental health wellbeing platform of tools, support and learning;</li> <li>Establishing a focussed learning provision to upskill and raise awareness and understanding around MH support (e.g. introduction of mental health first aiders)</li> </ul>



Question From	Question	OCC or OPCC	Answer
	be changing because of Covid-19. E.g. Post-traumatic Stress Disorder expected to increase		<ul style="list-style-type: none"> <li>Enhancing our insight and evidence base on a more scientific basis to support strategy development, establish measures of success and the ability to monitor wellbeing more effectively.</li> </ul> <p>Our COVID-19 response has not necessarily changed our response, but it has provided more impetus and incentive to accelerate some of our work here. Examples of specific activity which we have undertaken during COVID-19 lockdown include:-</p> <ul style="list-style-type: none"> <li>Clarifying our guidance and support for wellbeing matters and publicising and signposting to this more clearly through our intranet</li> <li>Conducting a number of workplace health and safety risk assessments</li> <li>Developing our sickness reporting to report more clearly by gender, ethnicity and disability so as to provide more effective monitoring of patterns and trends here.</li> </ul>
Zoe Rice	<p><i>"Delivered cultural intelligence training to managers across the Constabulary, with plans to now extend this through a 'train the trainer' initiative as part of our leadership development work."</i></p> <p>What is known about the effectiveness of this training? Have all managers attended? Please say who this training will be extended to.</p>	p. 20 - OCC	<p>To date this training has been provided to most managers of Chief Inspector and staff equivalent. The training has been very positively received by those who have undertaken it, with many commenting on how useful it has been in changing mind-sets and perceptions. The intention is to role this out to all staff with management responsibilities which we will do through the development of in-house capability established through a 'train the trainer' initiative.</p>
Zoe Rice	<i>"Since 2018 we have seen a 23% increase in officers and staff identifying as BAME, a 34% increase in those identifying as having a</i>	p. 21 - OCC	<p>Yes we have seen gradual increases in the % of our police officer workforce that are female. In 2018 31.7% of our police officers were female. This has increased to 33.9% by the end of March 2020.</p>

Question From	Question	OCC or OPCC	Answer
	<p><i>disability, and a 24% increase in those identified as LGBT”</i></p> <p>Any increase for women?</p> <p><i>BAME, LGBT</i> – please use full version also. Should it be LGBTQ?</p>		Agreed - will amend to reflect LGBTQ.
Zoe Rice	Is there any change to significant risks as a result of Black Lives Matters movement/wider situation e.g. public confidence in police, community unrest etc. (and that this is in the context of the Covid-19).	p. 23 - OCC	Yes - the loss of legitimacy/public confidence reflects this risk.
Zoe Rice	<p>Exit packages</p> <p>16 redundancies for the year. In the context of the drive to increase officer numbers, what parts of the business were the redundancies in?</p>	p. 39 - OCC	<p>The redundancies came from 7 different areas in the organisation, including:-</p> <ul style="list-style-type: none"> <li>• Regional collaborations - reflecting changes made to our Major Crime Investigation Team, Forensic team and our regional programme team;</li> <li>• Admin Hub (following the changes introduced in the formation of our administrative services);</li> <li>• Legal Services</li> <li>• Transport Services</li> <li>• Transformation</li> </ul>
Zoe Rice	<i>“Disproportionality – this directly relates to objective 4.6 of the Police and Crime Plan – the Lammy Review was an independent review of the treatment of, and outcomes for, Black, Asian and Minority Ethnic individuals in the criminal justice</i>	p. 19 - OPCC	<p>The independent chair was appointed April 2019 on a 2 year fixed term contract.</p> <p>The work in this area is monitored through the PCB and is subject of reporting into the Police and Crime Panel as well.</p>

Question From	Question	OCC or OPCC	Answer
	<p><i>service. The OPCC have appointed an independent Chair to lead the multi-agency Lammy Review Group to drive improvements and reduce disproportionality in this area”.</i></p> <p>When was the Independent Chair appointed? Is work in this area monitored through the Police &amp; Crime Board?</p>		
Zoe Rice	“CoPaCC” Please explain the abbreviation.	p. 21 - OPCC	'Comparing Police and Crime Commissioners ' - sharing best practice.
Zoe Rice	Lammy Review Group. What level of funding/resource was allocated to this work in 19/20. And what has been allocated for 20/21 and future years?	p.19 - OPCC	The independent chair was appointed in April 2019, and funding has been set aside to support this appointment for 2 years. Recently we have agreed to provide additional support into the chair through our Transformation and Improvement resources.
David Daw	4.1 Revenue Expenditure: Is there a reason that all areas have underspent except central cost and miscellaneous which overspent by £6m?	p.6 - OCC p.6 - OPCC	See answer provided above.
David Daw	5.4 Approach to Future Funding and Challenges: This caveat with respect to COVID 19 impacts on future funding is very important. I just wonder whether it is therefore reasonable to still use all the preceding assumptions. Whilst we can't yet know the full impact COVID will have on planning assumptions it is equally clear that some of those disclosed are very unlikely to be realistic (e.g. council tax funding).	p.8 - OCC p.9 - OPCC	Yes - we recognise that COVID-19 has the potential to significantly alter many of our forward planning assumptions. The disclosures in the accounts reflect our last published MTFP, with the caveats that as we move forward into a new budgeting cycle we will need to revise and prepare a range of potential scenarios to better inform our forward planning. At this stage it is only possible for us to speculate as to scale of the financial challenges and it would premature for us to do so until we receive clearer understanding of the impacts on local council tax collection and the response of the Government which will become

Question From	Question	OCC or OPCC	Answer
			clearer through the Spending Review being progressed over the summer.
David Daw	Annual Governance Statement: General observation: A few of my observations are all on the same theme. In a number of areas the statement describes a process or framework but doesn't indicate the outcome i.e. is it working. It may be these outcomes are disclosed elsewhere in which case a sign post to where a reader might find those outcomes would be helpful. Otherwise should we not be clearer on the outcomes of these various processes and where necessary be reporting the actions needed to improve.		Noted - this is helpful feedback for us to take forward as continue to review and refine our AGS. With the introduction of a new PCC CFO, and building on the proposed improvements within the Constabulary governance framework, we will look to build upon this feedback and focus future AGS to provide greater focus on outcomes.
David Daw	Specifics: Describes the changes in the complaints process but not about the impact. Should we say more about the record on complaints as a result - is it good enough, are we happy, trends?	p.14 - OPCC	The new changes were introduced with effect from 01/02/20, . Since these changes were introduced there has been an increase in the overall volume of complaints, however this will have been significantly impacted by the enforcement during COVID-19 lockdown and therefore further work will be needed to better understand the trend data here. We will take this forward and consider this for inclusion in our 20/21 AGS.
David Daw	Scrutiny of Police Powers: Again could we not say something about the outcome of this process or at least point to where people can find this?	p. 16 - OPCC	Agreed - we will amend to provide link to the appropriate webpage (see below) where the reports detailing the outcome from the work of this panel are published.  <a href="https://www.avonandsomerset-pcc.gov.uk/Openness/Scrutiny/Scrutiny-of-the-use-of-Police-Powers.aspx">https://www.avonandsomerset-pcc.gov.uk/Openness/Scrutiny/Scrutiny-of-the-use-of-Police-Powers.aspx</a>

Question From	Question	OCC or OPCC	Answer
David Daw	Third para refers to ensuring these meetings can continue through COVID. Given by the time the accounts are published these meetings will have been operating in a COVID environment for several months can we not make such a statement now?	p. 16 - OPCC	<p>Agreed - the uncertainty of whether we could continue to support or not reflects the time that the AGS was written.</p> <p>We will update to reflect that all independent volunteer panels have successfully continued to be run as virtual meetings during the COVID-19 lockdown, and that the feedback from these has been so positive we are now considering how we might continue to provide a virtual option in future where appropriate.</p>
David Daw	Defining outcomes in terms of sustainable economic, social and environmental benefits: Should we not indicate how well we are doing against these priorities? Or is this reported elsewhere?	p.17 - OPCC	<p>Agreed - as above developing our reporting in this area will be something we will look to take forward, and more clearly build into the presentation of our AGS in future years. We have developed some measures of performance in this area, particularly in relation to our environmental performance, however the production of this information remains labour intensive and therefore we need to align our ability to report on this into the timescales for production of our accounts. Environmental management is the subject of a regional audit to be undertaken by our internal auditors during 2020/21, and therefore there will be further opportunity for JAC members to better understand our work here through this.</p>
David Daw	Developing the entity's capacity, including the capability of its leadership and the individuals within it: Last paragraph refers to the new role of Deputy PCC. The statement is fine but given it is a new role which may well not exist by this time next year should we not briefly describe the responsibilities of this role?	p.19 - OPCC	<p>Agreed - we will amend as follows:-</p> <p><i>"In May 2020 the PCC appointed a Deputy PCC to support her during the extension to her term of office. The Deputy PCC will assist the PCC in all aspects of her work, in particular helping to manage the increased workload resulting from the current COVID-19 global pandemic."</i></p>
David Daw	Internal audit: I don't really like the "teething challenges" statement. Could we say something	p.21 - OPCC	Agreed as above - we will reword as per Jude Ferguson recommendation

Question From	Question	OCC or OPCC	Answer
	like “The appointment of a new internal auditor required a period of transition as both organisations learned how to work effectively together.”?		
David Daw	Final paragraph “We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements.” I’m not clear what “matters” this refers to – is it the risks in the section above? Might be clearer to set out any specific actions to be taken including those from earlier in the report e.g. any action necessary to ensure the public panels noted in section 2.2 continue to be effective	p.25 - OPCC	Noted - the matters in question here are specifically those specific risks identified in the table above. We will amend the wording to make this point clearer.