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Date: 14th March 2017

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

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

**Dear Member** 

#### **NOTICE OF MEETING**

You are invited to a meeting of the **Joint Audit Committee** to be held at **14:00** on **22<sup>nd</sup> March 2017** in the **Main Conference Room, Police Headquarters, Portishead.** 

Joint Audit Committee Members are invited to attend a pre-meeting at 13:00 in the Main Conference Room.

The agenda for the meeting is set out overleaf.

Yours sincerely

Alaina Davies
Office of the Police and Crime Commissioner

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

#### INFORMATION ABOUT THIS MEETING

(i) Car Parking Provision

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

(ii) Wheelchair Access

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

(iii) Emergency Evacuation Procedure

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

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

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

**Telephone:** 01275 814677 **Facsimile:** 01275 816388

**Email:** JAC@avonandsomerset.pnn.police.uk

(vi) REPORT NUMBERS CORRESPOND TO AGENDA NUMBER

#### **AGENDA**

22<sup>nd</sup> March 2017, 14:00 Conference Room, Police Headquarters, Portishead

#### 1. Apologies for Absence

#### 2. Emergency Evacuation Procedure

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

#### 3. Declarations of Gifts/Offers of Hospitality

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

#### 4. Public Access

(maximum time allocated for this item is 30 minutes)

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

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

### Minutes of the Joint Audit Committee Meeting held on 2<sup>nd</sup> December 2016 (Report 5)

- 6. Business from the Chair (Report 6):
  - a) JAC ToR including JAC Chair term
  - b) Police and Crime Board (Verbal Update)
  - c) Update on IPCC Investigations (Verbal Update)
- 7. Internal Audit (Report 7):
  - a) Internal Audit Plan
  - b) Follow Up
  - c) Payroll
  - d) Progress Report
  - e) Crime Data
- 8. External Audit (Report 8):
  - (a) Audit Committee Update
  - (b) Joint Audit Plan
- 9. Office of the Police and Crime Commissioner Strategic Risk Register (Report 9)
- 10. Constabulary Strategic Risk Register (Report 10)

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Items for consideration without the press and public present

- 11. Exempt minutes of the Joint Audit Committee Meeting held 2<sup>nd</sup> December 2016 (Report 11)
- 12. Summary of HMIC and Internal Audit Recommendations (Report 12)

#### POLICE AND CRIME COMMISSIONER FOR AVON AND SOMERSET

MINUTES OF THE JOINT AUDIT COMMITTEE MEETING HELD ON FRIDAY 2<sup>ND</sup> DECEMBER 2016 AT 11:00 IN THE AVON ROOM, POLICE HQ, VALLEY ROAD, PORTISHEAD

#### **Members in Attendance**

Katherine Crallan Jude Ferguson (Chair) Shazia Riaz Sue Warman

#### Officers of the Constabulary in Attendance

Julian Kern, OCC CFO
Dan Wood, Head of Strategic Service Improvement

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

Mark Simmonds, OPCC CFO Karin Takel, Strategic Planning and Performance Officer Alaina Davies, Resources Officer

#### Also in Attendance

Iain Murray, Grant Thornton Megan Gibson, Grant Thornton Mark Jones, RSM Vickie Gould, RSM

#### 42. Apologies for Absence

Sue Mountstevens, Police and Crime Commissioner Andy Marsh, Chief Constable Gareth Morgan, Deputy Chief Constable Nick Adams, Head of Finance and Business Services Sean Price, Head of Performance and Process Improvement

#### 43. Emergency Evacuation Procedure

The emergency evacuation procedure for the Avon room was noted.

#### 44. Declarations of Interest / Gifts / Offers of Hospitality

None.

#### 45. Public Access

There were no requests for public access

# 46. Minutes of the Joint Audit Committee Meeting held on 9<sup>th</sup> September 2016 (Report 5)

**RESOLVED THAT** the minutes of the meeting held on 9<sup>th</sup> September 2016 were confirmed as a correct record and signed by the Chair.

Action update:

Minute 20e The Joint Audit Committee dates for 2016/17 have been

reviewed to fit in with the trial of the new timescales for

producing the Statement of Accounts. Action closed

Minute 31(i) A presentation on national crime recording will be given at

the Joint Audit Committee pre-meet on 22<sup>nd</sup> March 2017.

**Action Closed** 

Minute 31(ii) A presentation was given at the pre-meeting on the new

Police and Crime Plan. Action Closed

Minute 31 See action update Minute 20e. Action closed

Minute 32a The Joint Audit Committee wrote to MP's raising concerns

regarding the length of time IPCC investigations can take. One MP has referred this issue onto the Chief Executive of the IPCC and one has referred the issue to ministers. The Joint Audit Committee is still trying to engage with MP

Liam Fox regarding these concerns. Action closed

Minute 32b The agreed reporting template will be used going forward.

Action closed

Minute 33a(i) The OPCC CFO has the governance papers for the South

West Collaboration Board and will also provide Joint Audit Committee Members with a summary sheet of all collaborations Avon and Somerset Police are involved in.

Action closed

Minute 33a(ii) The Tri-Force Collaboration workshops requested by Joint

Audit Committee Members at the last meeting will not be required following Avon and Somerset's decision to withdraw from the Tri-Force Collaboration programme.

Action closed

Minute 33b The scoping of internal audits, the timings and those

involved in the audits are being looked at for improvements to the process at a workshop following this

Joint Audit Committee Meeting. Action closed

Minute 33c Update to be provided in March 2017 to the Joint Audit

Committee on issues within the Investigations Department identified by the HMIC after the update to the Wellbeing

Board in December 2016. Action ongoing

Minute 38

Restricted has been removed from the top of the OPCC Strategic Risk Register. Action closed

#### 47. Business from the Chair

#### a) Update on IPCC Investigations (Verbal Update)

An update on IPCC investigation was given as follows:

- 5 not active
- 2 with the CPS (one has been with the CPS for a year)
- 3 with commissioners (ongoing conversation with the IPCC regarding timescales for these as once the IPCC has completed an investigation they are then with the commissioners for 12 weeks)
- 4 others have been ongoing for some time

There have been six new matters referred since the last Joint Audit Committee meeting due to a change in process following Home Office guidance saying that all sensitive and serious injury cases should be referred for independent investigation, however no definition was provided. Examples were given of cases of injury where there were no matters of conduct but the IPCC are investigating e.g. an intruder broke a leg whilst running away from the police and resisting arrest. The Head of PSD and Deputy Chief Constable will be meeting with the IPCC Commissioner next week to discuss this issue. The IPCC have suggested workload is the cause of their timeliness issues but are now increasing their workload by taking on these types of cases.

Timeliness of IPCC investigations is a national concern. It was highlighted to Members that the policing budget was top-sliced to increase funding to the IPCC.

#### b) Police and Crime Board Update (Report 6b)

The minutes of the first Police and Crime Board in September 2016 were included in the Joint Audit Committee papers to give an update to Members on the discussions and decisions. The Police and Crime Board is the PCC's new decision making, governance and scrutiny meeting which replaces the previous structure of meetings. Joint Audit Committee Members discussed and agreed that receiving the minutes of the Police and Crime Board is helpful to give a feel for how the Board works and this provides the most effective update for them rather than a summary report.

Members were assured that the work on the Performance Dashboard, which will accompany the Performance against the Policing Plan report to the Police and Crime Board, is almost complete. This will be published following Police and Crime Board meeting going forward which Joint Audit Committee Members can view online to provide context to their work. The positive impact of Qlik Sense was discussed and this tool has been described as best practice.

#### c) Collaboration Update (Verbal Update)

Members asked about the impact on delivering required savings from enabling services following Avon and Somerset's decision to withdraw from the Tri-Force Enabling Services Collaboration Programme. Members were assured of the rational and business reasons behind the decision and the commitment from Avon and Somerset to secure a programme with suitable scope, savings return, costs and delivery timescale.

The focus for Avon and Somerset is now the end of contract work with Southwest One and securing good enabling services at reduced costs. Members were assured Avon and Somerset remains positive about collaboration with other forces and open to opportunities for this.

Members were assured that the PCC is liaising with the Bristol Mayor and Local Authority Leaders regarding devolution and feels well sighted.

**RESOLVED** that an update on the ERP solution options should be given at the next meeting of the Joint Audit Committee.

#### 48. Internal Audit Reports:

#### a) Progress Report (Report 7a)

The internal fieldwork has been completed for the Legal Claims audit but the internal auditors reported that they struggled to get information out of other forces for benchmarking purposes. This audit report will be presented at the next meeting of the Joint Audit Committee in March 2017.

Workforce Development – Phase Two has been deferred until 2017/18 to allow for changes within the organisation to embed and internal auditors will instead carry out a policy compliance audit which is currently being scoped.

The scope of the Data Quality audit has been changed and the audit report will be reported to the March meeting of the Joint Audit Committee. The Payroll audit work will be carried out in the first week of January 2017 and Action Tracking will be reported to the next meeting of the Joint Audit Committee in March 2017. The OCC CFO will discuss the scope of the Police Pensions audit with internal auditors and this can be reported either in quarter four of 2016/17 or in quarter one of 2017/18. 10 audit days were allocated to Collaboration and so these days can now be allocated for another audit. Members will discuss issues raised under this item at the workshop following the Joint Audit Committee.

#### b) Financial Controls (Report 7b)

This internal audit looked at General Ledger, SAP access, Purchase to Pay and Journals. The IDEA tool was used to drill down on information.

Members were assured that no major weaknesses in relation to control and compliance were picked up. These audit findings will be useful in informing Constabulary conversations regarding the ERP solution.

#### 49. External Audit Reports:

#### a) Update

The final accounts visit will take place in May/June 2017 for the Final accounts to be presented to the Joint Audit Committee in July 2017 in order to trial the new timescales for producing the statement of accounts – the External Auditors stated that it will be positive to run through this process a year early in order to address any issues and refine the process for the following year.

#### Other emerging:

Members discussed Brexit and the effect this will have on a range of issues. Counter Terrorism (CT) was discussed and the uplift in armed officers by 2018. Members were assured that the PCC and the Chief Constable regularly receive briefings on CT. Members queried the funding and were informed that CT is funded separately but the policing budget is top-sliced to pay for this. The South West CTS hub is in Avon and Somerset which means there is some additional funding but this does not cover the cost of buildings and recruitment and as such this is an issue that must be raised with the region. Members were also informed that the PCC is tracking Hate Crime incidents following Brexit.

The Police and Crime Bill was discussed and the collaboration of emergency services.

#### b) Annual Audit Letter

The annual audit letter is included for information and it was confirmed that there have been no significant changes to the content since the audit finding report 2015-16 discussed at the September Joint Audit Committee meeting.

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

Strategic Risk 5 (Failure to Commission Adequate Services) and 8 (Failure to meet OPCC Statutory Requirements) have been split – there is still a low risk regarding meeting statutory duties but an increased risk relating to the revised commissioning budget for 2017/18.

Strategic Risk 3 (Financial Incapability & VFM) update was given. The Chief Constable has updated the PCC on Priority Based Resourcing (PBR) work so far and the potential savings. This work will also address areas of the Operating Model which have not been working as well as planned. The new funding formula represents a potential risk to police main grant funding. There will be a public consultation on this after draft proposals are announced at the end of February 2017 with the new formula in place for April 2018. Members were reminded that the HMIC VFM Profiles highlights that Avon and Somerset

Police is under-funded per head of population. The OCC and OPCC CFO are also keen for the precept cap to be on value rather than percentage.

Strategic Risk 2 (Police and Crime Plan) has been increased as the previous plan was not delivered and potential changes as a result of the PBR may affect the delivery of the new plan. However, it was noted that the Back to Basics programme of work on performance improvement has been positive and the Constabulary are reviewing this weekly and looking at ways to sustain the momentum around this.

**RESOLVED** that an update will be provided on the PBR and Enabling Services.

51. Constabulary Strategic Risk Register (Report 10)

The Constabulary Management Board reviewed the Strategic Risk register on 24<sup>th</sup> November and agreed that some of the risk owners should review mitigation of the risks and the scoring of the risks.

Members queried the staff to officer ratio – this is roughly 50/50 as PCSO's are counted as staff and some roles which were previously officer roles have become staff roles e.g. investigators. The Constabulary should consider how to clearly communicate this to the public. The PBR should have a positive impact on the ratio of officers policing in the frontline. Enabling Services changes will come later than the PBR and so this will present a timing difference which needs to be communicated clearly.

52. Exempt Minutes of the Joint Audit Committee Meeting held 9<sup>th</sup> September 2015 (Report 11)

**RESOLUTION IN EXEMPT MINUTES** 

53. Summary of HMIC and Internal Audit Recommendations (Report 12)

**RESOLUTION IN EXEMPT MINUTES** 

54. Internal Audit Plan Update (Verbal Update)

**RESOLUTION IN EXPEMPT MINUTES** 

55. Joint Audit Committee Update to the Police and Crime Board (Discussion)

**RESOLUTION IN EXEMPT MINUTES** 

The meeting concluded at 12:30

**CHAIR** 

### **ACTION SHEET**

MINUTE NUMBER	ACTION NEEDED	RESPONSIBLE MEMBER/ OFFICER	DATE DUE
Minute 33c Internal Audit Report: HR Staff & Wellbeing 09/09/16	Update be provided to the Joint Audit Committee on issues within the Investigations Department identified by the HMIC after the update to the Wellbeing Board in December 2016.	Constabulary	March 2017
Minute 47c  Business from the Chair: Collaboration Update  02/12/2016	An update on the ERP solution options should be given at the next meeting of the Joint Audit Committee.	OCC CFO	March 2017
Minute 50  Office of the Police and Crime Commissioner Strategic Risk Register  02/12/2016	An update will be provided on the PBR and Enabling Services.	OCC CFO	March 2017

MEETING: Joint Audit Committee	DATE: 22 <sup>nd</sup> March 2017	6a
DEPARTMENT: OPCC	<b>AUTHOR:</b> Mark Simmonds & Kate Watson	COG Sponsor: N/A
NAME OF PAPER: JAC Terms of Reference Review		

The Joint Audit Committee (JAC) Chair, Jude Ferguson, proposed a review of the Terms of Reference. The JAC members were asked to review the TOR and make recommendations for any proposed changes. The members were asked to consider in particular:

- JAC Chair term
- · Rotation of existing membership

The Police & Crime Commissioner (PCC) and Chief Constable (CC) were also consulted. Both the PCC and the CC support changing the JAC TOR so that the JAC Chair has up to 2 terms of 4 years each to allow continuity and mange recruitment and training needs effectively.

The review was conducted in January and February 2017.

The recommendations:

Terms of Reference	Current wording	Considerations	Recommendation
Membership 2.3 Chair	The Chair of the JAC will be jointly recruited by the PCC and the Chief Constable and will serve for one term in this role as Chair with each term being a maximum of 4 years as agreed from time to time with the PCC and the Chief Constable.	<ul> <li>4 years;</li> <li>Make the term co-terminous with the members ie a maximum of two terms – term being defined as 4 years;</li> </ul>	Make the term a maximum of 2 terms each of 4 years
2.4 Members terms	All JAC Members will serve for a maximum of 2 terms, with each term being a maximum of 3 years. To ensure continuity, where possible, members shall	appointment process in the period leading up to the expiry of the current terms in May 2019;	maximum of 2 terms, with each term being a maximum of 3 years.

	be rotated on and off the JAC in turn rather than as a group, therefore the term of membership for the JAC will be determined on recruitment of the member.		processes; No mention is made about mechanism for rotating existing members off the JAC and how deselection will be managed and in what timescale; How do the PCC and CC feel about 3 new members in May2019 Agree a common understanding of this process and reflect in the TOR.		rotate membership and to run just one appointment process in the Winter of 2018 prior to the expiry of the current terms in May 2019;
2.5 Deputy Chair	The JAC may appoint a Deputy Chair who would be selected by a vote by members of the JAC. A Deputy would serve for one term only in this role. The Deputy Chair if appointed will act as Chair at meetings in the absence of the Chair. If the Chair can no longer continue in this role, the Deputy Chair if appointed will act as the Chair until the formal appointment of a new Chair. The Deputy Chair if appointed will not automatically become the new Chair, although may apply for the post of Chair as part of the recruitment and replacement process run by the PCC and Chief Constable.	•	The term for a deputy is one term but the length of term is not specified; Suggest this be 3 or 4 years in line with the Chair; Should we have a Deputy?	•	Deputy only to be appointed as required to cover a period of absence of the Chair for whatever reason. This may be for one meeting or longer depending on the absence of the Chair.  Deputy would be nominated as acting Chair from amongst the existing JAC members.
6.4 Quoracy	A minimum of three members of the JAC must be present for the meeting to be deemed quorate, one of whom must be the Chair. In the absence of the Chair an acting Deputy Chair will be agreed from amongst the other Members for the period of the Chair's absence.		Delete the words "one of whom must be the Chair" now that there are only 4 members including the Chair; Need 3 members present to be a quorate and if the Chair was absent the meeting could still go ahead, with one of the 3 present being nominated Acting Chair for the meeting only.	•	Delete the words "one of whom must be the Chair" now that there are only 4 members including the Chair;

The OPCC also conducted a review of JAC TOR as published on PCC websites. All are either very similar to the Avon & Somerset TOR or more basic. Member terms are similar to ours, 2 terms of 4 years (one OPCC have terms of 5 years).

As many of the policies were very similar to A&S they state that Chairs will serve one term. Dyfed Powys appoint a Chair annually and they can be re-appointed but not serve more than 2 consecutive years.

Several policies state that TOR are annually reviewed and changes are agreed in consultation with or approved by the PCC and the CC.

#### Recommendations

It is recommended that the changes to the Terms of Reference, as detailed above, are approved by the JAC members and the Police & Crime Commissioner and the Chief Constable.

Propose to the Police & Crime Commissioner and the Chief Constable that the recommendations are accepted and adopted with immediate effect.

#### **Action**

The Terms of reference will be revised and circulated to all members and published on the PCC website.

# POLICE & CRIME COMMISSIONER FOR AVON & SOMERSET AVON & SOMERSET CONSTABULARY

Updated Internal Audit Strategy 2015/16 - 2017/18

Presented at the audit committee meeting of:

#### 22 March 2017

This report is solely for the use of the persons to whom it is addressed. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.



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# 1 INTRODUCTION

Our approach to developing your internal audit plan is based on analysing your corporate objectives, risk profile and assurance framework as well as other, factors affecting the OPCC and Constabulary in the year ahead, including changes within the sector.

In May 2016 the PCC Sue Mountstevens was re-elected. A new Police and Crime Plan has been developed.

#### Vision:

*'To make the communities of Avon* and Somerset be safe and feel safe'

#### Mission:

'The Communities of Avon and Somerset will have the highest levels of confidence in our delivery of policing services' PCC Priorities 2016 - 2020:

- 1. Protect the most vulnerable from harm
- 2. Strengthen and improve your local policing teams
- 3. Ensure Avon and Somerset Constabulary has the right people, right equipment and the right culture.
- 4. Work together effectively with other forces and partner agencies to provide better services to local people.

# 2 DEVELOPING THE INTERNAL AUDIT STRATEGY

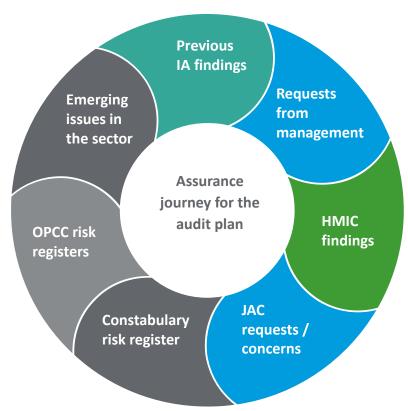
We use your objectives as the starting point in the development of your internal audit plan.

#### 2.1 Risk management processes

We have evaluated your risk management processes and consider that we can place reliance on your risk registers to inform the internal audit strategy. We have used various sources of information (see Figure A below) and discussed priorities for internal audit coverage with the following people:

- Constabulary Head of Performance
- Constabulary Inspection and Audit Coordinator
- OPCC Strategic Planning and Performance Officer
- Constabulary Chief Finance Officer and Director of Resources
- OPCC Chief Finance Officer
- The Joint Audit Committee members (22 March 2017)

Based on our understanding of the organisation, the information provided to us by the stakeholders above, and the regulatory requirements, we have developed an annual internal plan for the coming year and updated the high level strategic plan (see appendix A and B for full details).



## 2.2 Emerging risks in the sector

Emerging sector risks that have been discussed but are not included as specific audits in the plan at this point are listed below:

- Savings assurance included within IT and collaboration audits
- Grants issued by the PCC
- Delivery of the Police and Crime Plan PCC priorities linked to individual audit areas
- Tasers and/or uniform (stores management / distribution)
- Procurement / contracts / waivers (although this could form some part of the Financial Controls scope)
- Security (access to buildings)
- Police and Fire collaboration

### 2.3 How the plan links to strategic risks and PCC Priorities

Each of the reviews that we propose to undertake is detailed in the internal audit plan and strategy within appendices A and B. In the table below we bring to your attention particular key audit areas and discuss the rationale for their inclusion or exclusion within the strategy.

Area	Reason for inclusion or exclusion in the audit plan/strategy	Link to strategic risk	Link to PCC Priority
Leadership Programme	Culture and staff wellbeing were a key theme across a number of audits in 2016/17, and were found to be an area of weakness. The new Chief Constable introduced a Leadership Programme, and this audit will look at the roll out, evaluation and impact of the programme.	OPCC SR1 – Governance failure  Constabulary SSR11 – inability to attract, recruit and retain talented and effective workforce	PCC Priority 3
Volunteers	The PCC acknowledges that people in communities can play a role in ensuring their area is safer. To ensure this continued to happen, there must be effective engagement to attract valued volunteers. This audit will look to provide assurance whether the OPCC and Constabulary is evaluating and using volunteers in the best way to match their skill sets, supporting and retaining these volunteers.	OPCC SR4 – Failure to engage with the public  Constabulary SSR9 – Loss of legitimacy and public confidence	PCC Priority 2 PCC Priority 3

Area	Reason for inclusion or exclusion in the audit plan/strategy	Link to strategic risk	Link to PCC Priority
Data Quality	Data issues around the Niche crime recording software were highlighted during audits in 2016/17 as well as by HMIC. This review will look at the Data Quality Strategy, ownership of data across the force, and the potential impact on specific areas (such as burglary) of poor data quality.	OPCC SR1 – Governance failure  Constabulary SSR1 – Crime and incident recording compliance levels are inadequate	PCC Priority 1 PCC Priority 2 PCC Priority 3
Performance Management - IPR	The Constabulary has not had formal appraisal software for the past 12 months. A new IPR (individual performance record) system introduced in September 2016, and this audit will look to test compliance with and use of the new system. Given that resources continue to be cut and efficiencies made, the Constabulary needs to ensure its employees' performance is being monitored.	OPCC SR2 – Setting and delivery of the Police and Crime Plan  Constabulary SSR6 – Workforce productivity declines	PCC Priority 3
Prevention and Community Engagement	Where the Constabulary faces challenges in meeting demand as well as expectations of the public, a strategy of prevention and public engagement must be on the agenda. Some good prevention initiatives are being introduced, as with Fire Authorities, and this will be reviewed and benchmarked to ensure enough is being done in this area.	OPCC SR4 – Failure to engage with the public	PCC Priority 1 PCC Priority 2
Training	Findings from 2016/17 audits highlighted concerns around training needs analysis and linking the Constabulary Learning and Development (CLaD) team with other demand management processes, to ensure current workforce is being upskilled to meet current and emerging demand. We will look at progress / improvements made in this area.	OPCC SR1 – Governance failure  Constabulary SSR3 – Lack of organisational capacity / capability to react to existing or emerging operational and/or organisational threats	PCC Priority 1 PCC Priority 2 PCC Priority 3

Area	Reason for inclusion or exclusion in the audit plan/strategy	Link to strategic risk	Link to PCC Priority
ROCU / Collaboration	The Regional Organised Crime Unit includes resources from five police forces including Avon and Somerset.	OPCC SR1 – Governance failure	PCC Priority 4
	Currently there is little oversight / assurance for the Joint Audit Committee and OPCC of what Avon and Somerset is contributing, the benefits being realised and the	Constabulary SSR5 – Withdrawal of partner from existing or proposed collaboration	
	performance of the unit. This piece of work will look at where assurances are being provided and how this information could better flow to the OPCC and JAC.	Constabulary SSR12 – Expected benefits of change are not met	

It is important that individual audit scopes are adequately focused and owned, to ensure that assurance needs are met and audits do not duplicated with other work taking place across the OPCC and Constabulary.

All audit scopes will be subject to both OPCC and Constabulary review and sign off by the specific area leads before any audit fieldwork is undertaken.

# Working with other assurance providers

The audit committee is reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not, seek to cover all risks and processes within the organisation.

We will however continue to work closely with other assurance providers, such as external audit, and considering the coverage and outcomes of HMIC inspections to ensure that duplication is minimised and a suitable breadth of assurance obtained.

# 3 YOUR INTERNAL AUDIT SERVICE

Your internal audit service is provided by RSM Risk Assurance Services LLP. The team will be led by Mark Jones, supported by Vickie Gould as your client manager.

#### 3.1 Conformance with internal auditing standards

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

Under PSIAS, internal audit services are required to have an external quality assessment every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in 2016 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF) published by the Global Institute of Internal Auditors (IIA) on which PSIAS is based.

The external review concluded that "there is a robust approach to the annual and assignment planning processes and the documentation reviewed was thorough in both terms of reports provided to audit committee and the supporting working papers." RSM was found to have an excellent level of conformance with the IIA's professional standards.

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

#### 3.2 Conflicts of interest

We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under internal auditing standards.

# 4 AUDIT COMMITTEE REQUIREMENTS

In approving the internal audit strategy, the committee is asked to consider the following:

- Is the audit committee satisfied that sufficient assurances are being received within our annual plan (as set out at appendix A) to monitor the organisation's risk profile effectively?
- Does the strategy for internal audit (as set out at appendix B) cover the organisation's key risks as they are recognised by the audit committee?
- Are the areas selected for coverage this coming year appropriate?
- Is the audit committee content that the standards within the charter in appendix C are appropriate to monitor the performance of internal audit?

It may be necessary to update our plan in year, should your risk profile change and different risks emerge that could benefit from internal audit input. We will ensure that management and the audit committee approve such any amendments to this plan.

# APPENDIX A: INTERNAL AUDIT PLAN 2017/18

Audit Objective of the review D		Days	Proposed timing	Proposed Audit Committee
Quarter one				
Programme  The Constabulary has rolled out a Leadership training programme which was mandated for a certain seniority of staff / officers. This review will look at feedback gathered and an evaluation of the training and how this effects future course development. We will speak to staff who attended the training to establish how / if employees have implemented the learning and how the impact of the programme will be measured going forward. All leadership, workforce and cultural audits will include aspects of benchmarking.		8 days	May 2017	July 2017
101	This review will look to give assurance as to whether the Constabulary is hitting and monitoring its key call / performance targets, what plans are in place to predict and manage high volume periods (e.g. summer).  There is an OPCC-lead service delivery assurance review taking place on 101, so the audit scope will need to make sure there is no duplication across these two reviews.	6 days	May 2017	July 2017
Volunteers	A HR review of how the OPCC and Constabulary are engaging with volunteers, assurance that they are effectively recruited, used in line with skill set, developed and retained.	6 days	June 2017	July 2017
Quarter two				
Data Quality	To consider the mechanisms in place for monitoring the quality of Constabulary data. Coverage to include the overall data strategy, ownership and accountability for data. Also considering the impact that data quality has on business areas (e.g. burglary).	10 days	July 2017	September 2017

Audit	Objective of the review	Days	Proposed timing	Proposed Audit Committee
Performance Management - IPR	The Constabulary has introduced a new IPR (individual performance record) and appraisal process. This review will look at how the system and process is being used / adopted across the Constabulary since its roll out. This will include speaking to staff to establish if the system is easy to use and aiding effective performance management.	8 days	September 2017	December 2017
Equalities / Representative Workforce	To look at key equality indicators and compare these with other Police forces, looking to draw out good practices	6 days	July 2017	September 2017
Follow Up (Part 1)	To check and test the Constabulary's trackers to provide assurance on a six monthly basis on action taken to implement and address management actions previously agreed by management to meet the findings of internal audit in 2016/17 and any outstanding actions from previous years.	7 days	July 2017	September 2017
Quarter three				
Prevention and Community Engagement	To review / establish whether the OPCC and Constabulary has a Prevention Strategy which aims to ensure prevention messages are effectively communicated to the general public around ways they can prevent the risk of crime. This will also focus on prevention initiates including links with other partners.		October 2017	December 2017
	To review benchmarking information on what other OPCCs and Constabulary's are doing in this area.			

Audit	Objective of the review	Days	Proposed timing	Proposed Audit Committee
IT Audit	To focus on the benefits realisation / change management in the following areas:  Body worn cameras – outcomes,	15 days	October 2017	December 2017
	use and achievements  Predictive technology  Qlik utilisation  Mobile working – airwaves and devices  Digital evidence			
Staff Culture and Wellbeing	This review will focus on the mental health aspect of wellbeing, and what support is available to staff to identify and manage mental health concerns in the workplace.	8 days	October 2017	December 2017
	This could also look at the implementation of the Wellbeing Strategy and how this is being applied.			
Financial Controls	Annual audit to provide assurance on the operation of internal controls within the financial processes operated by the Constabulary.	15 days	November 2017	December 2017
	Focus could be around preparedness for bringing transactional processes back in house, ensuring efficiencies do not compromise controls.			
Quarter four				
Training	To follow up on key findings from the 2016/17 Workforce Planning review, which highlighted weaknesses in the triangulation of demand, current skills and training needs. To review the proactive approach to developing training plans and undertaking training needs assessments to upskill staff to meet demand, as well as ensuring training availability for personal staff development.	8 days	January 2018	March 2018

Audit	Objective of the review	Days	Proposed timing	Proposed Audit Committee
Workforce Planning	An outcome based review of the highlighted and approved reinvestment in staff in specific areas of high demand such as cyber and CSE.	10 days	January 2018	March 2018
	To establish what mechanisms are place to monitor whether actions taken have resulted in the Constabulary meeting demand, delivering quality investigations.			
	To also consider succession planning and retention activities taking place by comparing year on year FTEs.			
Strategic Policing Requirements	SPR is covered as part of the HMIC PEEL inspection regime. There are six areas of SPR, however one area that has not recently been subject to review is 'threats to public order'. This review will focus on the governance and risk management arrangements for this area:	10 days	February 2018	July 2018
	<ul><li>Understanding and managing risks</li><li>Strategy</li><li>Capabilities</li><li>Monitoring performance</li></ul>			
	(serious and organised crime; cyber security; threats to public order or safety; civil emergencies; child sexual abuse; terrorism)			
Payments to Staff	Annual audit to provide assurance on the Constabulary's control framework and compliance in this area of high expense.	8 days	January 2018	March 2018
	To include an aspect of overtime.			

Audit	Objective of the review	Days	Proposed timing	Proposed Audit Committee
Follow Up (Part 2)	To check and test the Constabulary's trackers to provide assurance on a six monthly basis on action taken to implement and address management actions previously agreed by management to meet the findings of internal audit in 2016/17 and any outstanding actions from previous years.	7 days	January 2018	March 2018

Other internal audit activity					
ROCU / Collaboration	An audit of the ROCU is required under Home Office funding requirements.  The audit could focus on: financial systems and controls; risk management; performance reporting systems and controls; and other issues agreed by stakeholders.  This would be undertaken in collaboration with other forces within the ROCU. Timing of this review will hinge around approval form all forces involved.		August 2017	Operation Board meeting in the autumn (TBC)	
Management	<ul> <li>This will include:</li> <li>Annual planning</li> <li>Preparation for, and attendance at, Audit Committee</li> <li>Regular liaison and progress updates</li> <li>Liaison with external audit and other assurance providers</li> <li>Preparation of the annual opinion</li> </ul>	20 days	Ongoing	N/A	

# APPENDIX B: INTERNAL AUDIT STRATEGY 2015/16 – 2017/18

Proposed area for coverage	Associated risk / audit objective	2015/16 Actual	2016/17 Actual	2017/18 Proposed
Anti-Social Behaviour	Failure to deliver performance improvement	<b>≠</b>		
Safeguarding	Failure to meet the needs of victims Failure to ensure partnership commitment and funding	<b>√</b>		
Vulnerability	Failure to respond to HMIC PEEL inspection findings which assessed the Constabulary as requiring improvement, in terms of its effectiveness opinion on vulnerability.		✓	
Victims – Code of Compliance	Failure to meet the needs of victims	<b>≠</b>		
Integrated Offender Management	Failure to ensure partnership commitment and funding			✓-
Project Atlas	Failure to govern and ensure the Constabulary scope, defines, manage and deliver major projects on time, quality and budget. Ensure projects are affordable, sustainable and practical.	<b>√</b>		
Rostering – Project Aurora	Failure to govern and scrutinise Constabulary to manage and plan capacity and demand	✓		
Overtime and Time Recording	Failure to govern and scrutinise Constabulary to manage and plan capacity and demand			✓
Management of Police Information (Data Quality)	Failure to adequately manage and maintain data		✓	✓
Culture / Wellbeing	Budget cuts and force restructuring have adverse impact in staff morale and the delivery of policing services	<b>√</b>	✓	√
Strategic Policing Requirements	A deep dive into one SPR focusing on:  Understanding and managing risks  Strategy  Capabilities  Monitoring performance			√
Change Programme	Failure to effectively realise the benefits of the Change portfolio	√ (part of Project Atlas review)	<b>√</b>	√ (part of IT review)

Proposed area for coverage	Associated risk / audit objective	2015/16 Actual	2016/17 Actual	2017/18 Proposed
Leadership	Police staff and officers are not lead by a culture of compliance.			√
Commissioning	Failure to ensure agreeable contractual arrangements Failure to ensure partnership commitment and funding	✓		4
Prevention and Community Engagement	Local communities are not engaged with and educated in understanding demands and capacity of local policing teams.			✓
Delivery of the Police & Crime Plan	Failure to ensure governance of the Police & Crime Plan Insufficient funds or resources to govern and deliver the Police and Crime Plan			<b>≠</b>
101	Review of the arrangements in place to manage capacity in periods of high demand for 101 calls.			✓
Complaints	Failure to adequately service the public, especially in the face of competing budget demands			₩
Legal Claims	Benchmark the Constabulary in terms of rate and cost of claims, timely processing and lessons learnt.		✓	
Estates	Our review in 2013/14 highlighted the need for improved processes and systems, and we will look to provide assurance that these are now in place and working effectively.	<b>√</b>		
Collaboration	Failure to effectively engage partners communities and stakeholders	✓	✓	<b>√</b>
Ethics Committee	Failure to ensure the Constabulary and OPCC is open, transparent and accountable			4
Equalities	Avon and Somerset do not have equalities adequately represented across its workforce.			✓
Volunteers	The use of, development and engagement with volunteers across both the OPCC and Constabulary.			✓
Proceeds of Crime	Issues have arisen nationally concerning the confiscation and storage of criminal assets. Issues have arisen nationally concerning the confiscation and storage of criminal assets	<b>√</b>		
Procurement	Change Portfolio fails to achieve successful and timely implementation of projects and programmes and / or fails to deliver the anticipated business benefits	4		4

Proposed area for coverage	Associated risk / audit objective	2015/16 Actual	2016/17 Actual	2017/18 Proposed
Fleet Management	Unable to match reductions in fleet numbers to the new operating model and new ways of working			₩
Performance Management	Potential for performance to worsen as the cuts build and we undergo significant change			✓
Workforce Development	Review of how the Constabulary is monitoring and matching demand to resource, both strategically and tactically.		<b>√</b>	✓
Training	Training provisions are not adequate to upskill staff to meet changing demands on workforce.			✓
IT Audit	Assurance over key IT controls such as Data Protection and IT Security.	✓	✓	✓
Key Financial Controls	Annual audit to provide assurance over the operation of internal controls within the financial processes operated by the Constabulary	<b>√</b>	<b>√</b>	✓
Payroll	To test and provide assurance on the Constabulary's procedural compliance in this area of high expense	<b>√</b>	<b>√</b>	✓
Risk Management	Review of risk management processes to ensure that these remain appropriate to identify and manage strategic and significant operational risk, throughout the organisation	<b>√</b>		₩
Follow up	To meet internal auditing standards, and to provide assurance on action taken to address recommendations previously agreed by management.	<b>√</b>	<b>√</b>	✓
Management	This will include: Annual planning Preparation for, and attendance at, Audit Committee Administration of our actions tracking database – 4Action Regular liaison and progress updates Liaison with external audit and other assurance providers Preparation of the annual opinion	<b>√</b>	<b>√</b>	<b>√</b>

# APPENDIX C: INTERNAL AUDIT CHARTER

#### Need for the charter

This charter establishes the purpose, authority and responsibilities for the internal audit service for The Police and Crime Commissioner for Avon and Somerset. The establishment of a charter is a requirement of the Public Sector Internal Audit Standards (PSIAS) and approval of the charter is the responsibility of the audit committee.

The internal audit service is provided by RSM Risk Assurance Services LLP ("RSM").

We plan and perform our internal audit work with a view to reviewing and evaluating the risk management, control and governance arrangements that the organisation has in place, focusing in particular on how these arrangements help you to achieve its objectives. An overview of our client care standards are included at Appendix D of the internal audit strategy plan for 2015/16 – 2017/18.

The PSIAS encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) as follows:

- Core Principles for the Professional Practice of Internal Auditing
- Definition of internal auditing
- · Code of Ethics: and
- The Standards

#### Mission of internal audit

As set out in the PSIAS, the mission articulates what internal audit aspires to accomplish within an organisation. Its place in the IPPF is deliberate, demonstrating how practitioners should leverage the entire framework to facilitate their ability to achieve the mission.

"To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight".

# Independence and ethics

To provide for the independence of internal audit, its personnel report directly to the Partner, Mark Jones (acting as your head of internal audit). The independence of RSM is assured by the internal audit service reporting to the chief executive, with further reporting lines to the OPCC and Constabulary Chief Finance Officers.

The head of internal audit has unrestricted access to the chair of the joint audit committee to whom all significant concerns relating to the adequacy and effectiveness of risk management activities, internal control and governance are reported.

Conflicts of interest may arise where RSM provides services other than internal audit to Avon and Somerset Police. Steps will be taken to avoid or manage transparently and openly such conflicts of interest so that there is no real or perceived threat or impairment to independence in providing the internal audit service. If a potential conflict arises through the provision of other services, disclosure will be reported to the audit committee. The nature of the disclosure will depend upon the potential impairment and it is important that our role does not appear to be compromised in reporting the matter to the audit committee. Equally we do not want the organisation to be deprived of wider RSM expertise and will therefore raise awareness without compromising our independence.

#### Responsibilities

In providing your outsourced internal audit service, RSM has a responsibility to:

- Develop a flexible and risk based internal audit strategy with more detailed annual audit plans. The plan will be submitted to the audit committee for review and approval each year before work commences on delivery of that plan.
- Implement the internal audit plan as approved, including any additional tasks requested by management and the audit committee.
- Ensure the internal audit team consists of professional audit staff with sufficient knowledge, skills, and experience.
- Establish a quality assurance and improvement program to ensure the quality and effective operation of internal audit activities.
- Perform advisory activities where appropriate, beyond internal audit's assurance services, to assist management in meeting its objectives.
- Bring a systematic disciplined approach to evaluate and report on the effectiveness of risk management, internal control and governance processes.
- Highlight control weaknesses and required associated improvements together with corrective action recommended to management based on an acceptable and practicable timeframe.
- Undertake follow up reviews to ensure management has implemented agreed internal control improvements within specified and agreed timeframes.
- Report regularly to the audit committee to demonstrate the performance of the internal audit service.

# Authority

The internal audit team is authorised to:

- Have unrestricted access to all functions, records, property and personnel which it considers necessary to fulfil its function.
- Have full and free access to the audit committee.
- Allocate resources, set timeframes, define review areas, develop scopes of work and apply techniques to accomplish the overall internal audit objectives.
- Obtain the required assistance from personnel within the organisation where audits will be performed, including other specialised services from within or outside the organisation.

The head of internal audit and internal audit staff are not authorised to:

- Perform any operational duties associated with the organisation.
- Initiate or approve accounting transactions on behalf of the organisation.
- Direct the activities of any employee not employed by RSM unless specifically seconded to internal audit.

### Reporting

An assignment report will be issued following each internal audit assignment. The report will be issued in draft for comment by management, and then issued as a final report to management for inclusion in the joint audit committee papers. The final report will contain an action plan agreed with management to address any weaknesses identified by internal audit.

The internal audit service will issue progress reports to the joint audit committee and management summarising outcomes of audit activities, including follow up reviews.

As your internal audit provider, the assignment opinions that RSM provides the organisation during the year are part of the framework of assurances that assist the board in taking decisions and managing its risks.

As the provider of the internal audit service we are required to provide an annual opinion on the adequacy and effectiveness of the organisation's governance, risk management and control arrangements. In giving our opinion it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the board is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes. The annual opinion will be provided to the organisation by RSM Risk Assurance Services LLP at the financial year end. The results of internal audit reviews, and the annual opinion, should be used by management and the Board to inform the organisation's annual governance statement.

#### **Data protection**

Internal audit files need to include sufficient, reliable, relevant and useful evidence in order to support our findings and conclusions. Personal data is not shared with unauthorised persons unless there is a valid and lawful requirement to do so. We are authorised as providers of internal audit services to our clients (through the firm's terms of business and our engagement letter) to have access to all necessary documentation from our clients needed to carry out our duties.

#### Fraud

The audit committee recognises that management is responsible for controls to reasonably prevent and detect fraud. Furthermore, the audit committee recognises that internal audit is not responsible for identifying fraud; however internal audit will be aware of the risk of fraud when planning and undertaking any assignments.

# Approval of the internal audit charter

By approving this document, the internal audit strategy, the audit committee is also approving the internal audit charter.

# APPENDIX D: OUR CLIENT CARE STANDARDS

- Discussions with senior staff at the client take place to confirm the scope six weeks before the agreed audit start date
- Key information such as: the draft assignment planning sheet are issued by RSM to the key auditee four weeks before the agreed start date
- The lead auditor to contact the client to confirm logistical arrangements two weeks before the agreed start date.
- Fieldwork takes place on agreed dates with key issues flagged up immediately.
- A debrief meeting will be held with audit sponsor at the end of fieldwork or within a reasonable time frame.
- Two weeks after a debrief meeting a draft report will be issued by RSM to the agreed distribution list.
- Management responses to the draft report should be submitted to RSM.
- Within three days of receipt of client responses the final report will be issued by RSM to the assignment sponsor and any other agreed recipients of the report.

# FOR FURTHER INFORMATION CONTACT

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

Follow Up Part 2

**FINAL** 

Internal Audit Follow Up Report: 8.16/17

13 March 2017

This report is solely for the use of the persons to whom it is addressed. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.



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	Debrief held Draft report issued	22 February 2017 24 February 2017	Internal audit team	Mark Jones – Head of Internal Audit Victoria Gould - Client Manager Cian Spaine - Lead Auditor	
R	desponses received	13 March 2017	Client sponsor	Julian Kern - Constabulary Director of Resources Mark Simmonds - OPCC CFO Jane Walmsley - Inspection and Audit Coordinator	
F	inal report issued	13 March 2017	Distribution	Julian Kern - Constabulary Director of Resources	

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

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

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

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

Mark Simmonds - OPCC CFO

Coordinator

Jane Walmsley - Inspection and Audit

## 1 EXECUTIVE SUMMARY

### 1.1 Introduction

As part of the approved internal audit plan for 2016/17 we have undertaken a review to follow up progress made by the OPCC and Constabulary to implement previously agreed management actions. The audits considered as part of this follow up review were:

- Estates (4.15/16)
- Collaboration (5.15/16)
- Financial Controls (6.15/16)
- Safeguarding (9.15/16)
- Follow Up Part 2 (10.15/16)
- Project Atlas (Niche) Project Management Review (11.15.16)
- Culture (12.15.16)
- Vulnerability (1.16.17)
- Workforce Development (2.16.17)
- Benefits of Change Portfolio (4.16.17)
- HR Staff Wellbeing and Productivity (5.16.17)

The 30 management actions considered in this review comprised of four 'high', 19 'Medium' and seven 'advisory'. The focus of this review was to provide assurance that all actions previously made have been adequately implemented. For actions categorised as 'low' we have accepted management's assurance regarding their implementation.

#### 1.2 Conclusion

Taking account of the issues identified in the remainder of the report and in line with our definitions set out in Appendix A, in our opinion the OPCC and Constabulary has demonstrated **reasonable** progress in implementing agreed management actions.

Of the 30 actions followed up 53% of actions have been implemented or superseded. This means that 47% have not been implemented.

However eight of these actions (27%) relate to more recent reports from earlier in 2016/17.

The main areas where actions have not been implemented are:

- Estates (4.15/16);
- Financial Controls (6.15/16);
- Vulnerability (1.16.17);
- Workforce Development (2.16.17); and
- HR Staff Wellbeing and Productivity (5.16.17).

For the 10 outstanding actions that are still on the Force's action tracker we have not reiterated these in our action plan. In four cases where we could not confirm full implementation of actions but the Force has recorded these as complete on its action tracker we have reiterated these.

We have made new management actions where appropriate; these are detailed in section 2 of this report.

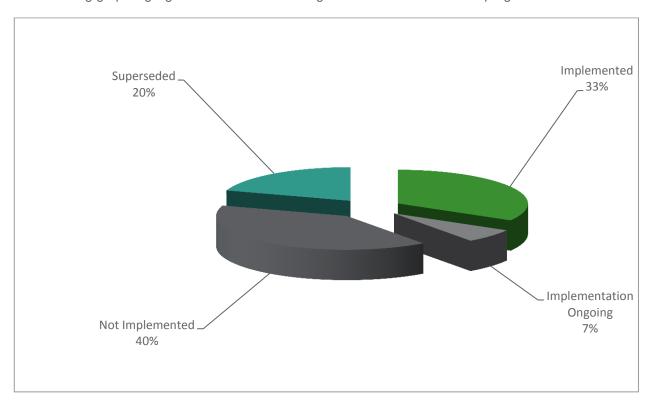
## 1.3 Action tracking

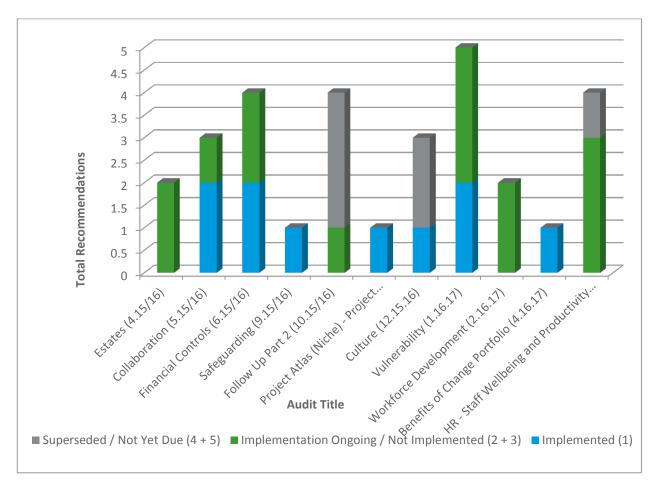
Action tracking enhances an organisation's risk management and governance processes. It provides management with a method to record the implementation status of actions made by assurance providers, whilst allowing the Audit Committee to monitor actions taken by management.

Action tracking is undertaken by Avon and Somerset Constabulary's Performance and Process Improvement Unit, and management are required to provide timely updates on the progress of action implementation. This is done in line with HMIC recommendations. We have identified four instances (13%) where the implementation status of action reported by management to PPIU staff differs from our own audit findings.

In light of these findings, our opinion is that the audit committee cannot always place full reliance on management responses.

The following graph highlights the number and categories of actions issues and progress made to date:





# 1.4 Progress on actions

Implementation		Status of man	agement actions				
status by review							
Estates (4.15/16)	2	-	-	2	-	-	
Collaboration (5.15/16)	3	2	1	-	-	-	2
Financial Controls (6.15/16)	4	2	-	2	-	-	2
Safeguarding (9.15/16)	1	1	-	-	-	-	1
Follow Up Part 2 (10.15/16)	4	-	-	1	3	-	3
Project Atlas (Niche) - Project Management Review (11.15.16)	1	1	-	-	-	-	1

Culture (12.15.16)	3	1	-	-	2	-	3
Vulnerability (1.16.17)	5	2	1	2	-	-	2
Workforce Development (2.16.17)	2	-	-	2	-	-	-
Benefits of Change Portfolio (4.16.17)	1	1	-	-	-	-	1
HR - Staff Wellbeing and Productivity (5.16.17)	4	-	-	3	1	-	1
Implementation status by	Number of actions	Status of man	agement actions				
management action priority	agreed	Implemented (1)	Implementation ongoing (2)	Not implemented (3)	Superseded (4)	Not yet due (5)	Confirmed as completed or no longer necessary (1)+(4)
	agreed		ongoing	implemented			completed or no longer necessary
action priority		(1)	ongoing (2)	implemented (3)			completed or no longer necessary (1)+(4)
action priority  High	4	2	ongoing (2)	implemented (3)	-		completed or no longer necessary (1)+(4)
Action priority  High  Medium	4 19	2 6	ongoing (2)  - 1	implemented (3)  2  9	- 3	- -	completed or no longer necessary (1)+(4) 2

# 2 FINDINGS AND MANAGEMENT ACTIONS

This report has been prepared by exception. Therefore, we have included only those actions graded as 2 and 3. Each action followed up has been categorised in line with the following:

Status	<b>Detail</b>
1	The entire action has been fully implemented.
2	The action has been partly though not yet fully implemented.
3	The action has not been implemented.
4	The action has been superseded and is no longer applicable.
5	The action is not yet due.

ASS	ASSIGNMENT TITLE: Estates (4.15/16)													
Ref	Management action	Original date	Original priority	Status reported to audit committee	Audit finding	Current status	Updated management action	Priority issued	Revised date	Owner responsible				
1.1	Overarching policies will be established to support estates processes.	30 Sept 2015	Medium	3	This action has not been reported as implemented yet.	3	N/a	Medium	31 August 2017	Dave Harley, Head of Estates				
					We have therefore not followed it up as part of this audit. Due to the possible exit strategy of SW One this action has stalled. The policies would all need updating following this so they will be written once the situation is clearer.									
					A revised implementation date of August 2017 has been reported for this action.									

1.2	Terrier Input Forms will
	be proof checked and
	reconciled to existing
	property data by another
	member of the Estates
	team to ensure details
	are accurately input to
	the master property
	portfolio spreadsheet.

30 Sept

2015

Medium 1

Management informed us
that Terrier Input Forms are
created by the Asset
Manager, and proof checked
by the Property
Administrator.

Due to delays in receiving responses we were unable to test this during the audit.

3

Due to the age of this action and the uncertainty around the full system implementation which is somewhat outside of the Constabulary's control, we have superseded this action and agreed a new managed action that the Head of Estates will attend the July JAC meeting to provide an update to members.

The Head of Estates Medium will provide an update to the July 2017 Joint Audit Committee on the Estates management actions and progress with the full implementation of Atrium.

David Harley -Head of Estates

31 July

2017

ASS	SSIGNMENT TITLE: Collaboration (5.15/16)											
Ref	Management action	Original date	Original priority	Status reported to audit committee	Audit finding	Current status	Updated management action	Priority issued	Revised date	Owner responsible		
2.3	The PCC will consider disclosing further information via the PCC website on collaboration and the associated benefits and savings as part of the open and honest approach of the PCC.	31 March 2016	Advisory	1	The South West Collaboration are developing an internal online communication platform to provide general information regarding the SW Police Collaboration Programme to relevant staff in the region. At the time of the audit (February 2017) this was still in development and a		The PCC will consider disclosing further information via the PCC website on collaboration and the associated benefits and savings as part of the open and honest approach of the	Advisory	31 May 2017	T/Chief Superintenden t Eastwood (Devon & Cornwall)		

definitive completion date could not be given, however completion was expected within several months.

We are not satisfied that this action has been implemented as the online platform has not yet been fully completed.

PCC.

ASS	IGNMENT TITLE: Financia	l Controls	(6.15/16)							
Ref	Management action	Original date	Original priority	Status reported to audit committee	Audit finding	Current status	Updated management action	Priority issued	Revised date	Owner responsible
3.1	The Constabulary will work with SW One to establish the work required to implement a periodic process to review, analyse and interrogate an audit trail report of activity undertaken by the SAP BASIS users to rule out that any conflict risks have materialised.	31 March 2016	Medium	3	This action has not been reported as implemented yet.  We have therefore not followed it up as part of this audit. No recent update was available on the audit tracker.  We will follow this action up once it has been recorded as implemented.	3	N/a	Medium	31 May 2017	Head of Finance and Business Services
3.2	The Financial Services and HR teams are already working together to reconcile establishment data and consider a new consistent approach to recording and therefore effectively monitoring	31 March 2016	Medium	3	This action has not been reported as implemented yet.  We have therefore not followed it up as part of this audit. No recent update was available on the audit tracker.	3	N/a	Medium	31 May 2017	Southwest One Financial Services Manager, Southwest One Principal Accountant, Southwest

performance against this.

Further detail will be added to the HR establishment pack spreadsheet to allow users to filter on areas and sub-areas, thereby strengthening accuracy of analysis in budget monitoring. We will follow this action up once it has been recorded as implemented.

One
Organisation
Management
and
Management
Information
Manager

ASS	GNMENT TITLE: Follow U	Jp Part 2 (1	0.15/16)							
Ref	Management action	Original date	Original priority	Status reported to audit committee	Audit finding	Current status	Updated management action	Priority issued	Revised date	Owner responsible
5.1	CYBER CRIME (13.14/15):  Further staff training and reminders should be provided to improve the initial recording of incidents as cyber-crime.	31 October 2015	Advisory	3	This action has not been reported as implemented yet.  We have therefore not followed it up as part of this audit.  A revised implementation date of 31 March 2017 has been reported for this action.  However we were provided with update information from the Head of CLaD who informed us that progress had been made in this area, such as:  • A specific team being developed to oversee and delivery on cybercrime training;	3	N/a	Advisory	31 May 2017	Investigative Training Manager

- Training from the College of Policing being delivered to 12 Officers; and
- Eight cyber-crime courses were delivered in 2016 with the same to be delivered in 2017.

ASS	ASSIGNMENT TITLE: Vulnerability (1.16.17)											
Ref	Management action	Original date	Original priority	Status reported to audit committee	Audit finding	Current status	Updated management action	Priority issued	Revised date	Owner responsible		
6.2	The Niche Management Group will consider how a more powerful and clear message can be communicated to officers to ensure more accurate and complete input into Niche.  Training materials will be reviewed with CLaD and consideration of communicating statistics on poor compliance and poor data quality with officers on Niche training will be given.  Further Niche update training has been provided and the Constabulary will continue to monitor if this has had the desired effect in addressing these audit findings.		High	3	This action has not been reported as implemented yet.  We have therefore not followed it up as part of this audit.  The latest update on the audit tracker stated that CLaD delivered the NICHE upskills course to over 1,500 members of staff in the autumn of 2016, concentrating on low data quality areas. In January 2017 through to April 2017 CLaD are running Niche upgrade courses to over 2000 members of staff, again focusing on low data quality day-to-day areas. We will follow this action up once it has been recorded as implemented.	3	N/a	High	31 March 2017	Mike Carter		

Performance management information from Niche is actively reviewed by the IT trainers and repeated failures are dealt with by "floor walkers" from the unit.

A specific training plan in the form of a case study is due to be rolled out across over 2.000 front line staff between September and December 2016 which deals with the top ten Niche related problems.

The Constabulary will look into the availability of 2016 resources to undertake peer reviews / audits of data relating to missing persons.

> This can link into the Level 2 assurances in the Constabulary's assurance framework.

This action has not been reported as implemented vet.

We have therefore not followed it up as part of this audit.

The latest update on the action tracker states that peer reviews would be completed following the completion of the Misper dossier, toolkit and Policy.

We will follow this action up once it has been recorded as implemented.

3 N/a High

31 March Sean Price 2017

The Constabulary will Medium 6.4 30 Sept investigate why PPNs are 2016 not being consistently

30 Sept

High

3

We were informed that the peer audit of no further action (NFA) crimes ceased 2

The Constabulary will investigate why PPNs are not being Medium

Andy Bennett, 31 May 2017 Head of

Criminal

completed.

The Constabulary will undertake monthly peer reviews / audits of compliance with completion of PPNs for domestic abuse cases.

However, it should also be noted that:

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

at the point where the 12 week plan was introduced, as there was a requirement for far more intrusive supervisory scrutiny on all crimes.

Previous to this the NFAs were assessed in terms of:

- Was the risk assessment present?
- Was it completed fully or an adequate professional judgement statement?
- Did the crime log of enquiries fully document the investigation?
- Was it clear from this whether a crime had or had not been committed?
- What the rational was for the NFA?

These were completed for six months at 10 crimes per Bristol, Somerset and North East.

Lighthouse asses the quality of DASH and those that fail or where the professional judgement does not properly rationale the decision not to risk assess, they are passed to the DA Lead who send a chaser to the officer.

consistently completed.

The Constabulary will undertake monthly peer reviews / audits of compliance with completion of PPNs for domestic abuse cases.

However, it should also be noted that:

- the DASH completion rate has increased over recent months;
- lighthouse dipsamples the quality of PPNs, and provides feedback to officers on poor ones, and a monthly dipsample by LPA officers is due to be reinvigorated; and

he newly-available DA Toolkit has been introduced to address both of these issues. Justice

Finally, quarterly "deep dives" are completed into six cases of DA and looked at from the first point of the phone call to the end of the prosecution or NFA, including where possible a follow up conversation with the victim to capture their feedback.

The Force has conducted four in the last 12 months and is in the process of commissioning a fifth and finalising a meeting with the charity SafeLives who provide a detailed learning report, which is incorporated into the Force DA Action Plan.

These actions will take time to embed and realise improvements in performance.

We will undertake full testing of this action as part of the 2017/18 Follow Up to identify whether performance has improved.

ASS	ASSIGNMENT TITLE: Workforce Development (2.16.17)												
Ref	Management action	Original date	Original priority		Audit finding	Current status	Updated management action	Priority issued	Revised date	Owner responsible			
9.1	HR and CLaD will work with the PPIU to develop	30 Nov	Medium	3	This action has not been reported as implemented	3	N/a	Medium	31 May	Head of PPIU			

a 'workforce demand' report of performance indicators and forecasts to show the current and forecasted demands on the Constabulary's workforce. This report will be

2016

vet.

2017

presented and discussed

at meetings regarding recruitment (i.e. Chief Officer Days, Force Resource, and Departmental Resourcing), and used in the development of training plans.

This will strengthen decisions relating to:

- Recruitment activity (short-term demand changes);
- Succession planning (longer-term demand changes); and
- Training and development courses offered.

In line with the review of the course plan, the training courses directory will be updated.

> This will be further informed by reviewing information on 2015

30 Nov 2016

Medium 3

This action has not been reported as implemented yet.

We have therefore not followed it up as part of this audit.

We have therefore not followed it up as part of this audit.

The latest update on the audit tracker stated that CLaD are now represented on the Force Resource and Recruitment Panel. The purpose of this meeting is to review recruiting processes, particularly in high recruitment areas of Student officers, PCSO's, Transferees, Communications, Intelligence Directorate and Investigations to ensure the ability to deliver training and ensure classrooms and other training resources are available.

We will follow this action up once it has been recorded as implemented.

N/a

3

Medium

31 May Learning and 2017 Development Manager

Police and Crime Commissioner for Avon and Somerset / Follow Up Part 2 8.16/17 | 14

training activities.

The updated directory will be made available to all staff and officers, and line managers will be encouraged to sign post staff to relevant and required courses. The latest update on the audit tracker states that the CLaD training department is subject to a restructure which will look specifically at how the department is managed across its service delivery. At present the CLaD department has smaller silos whereas it should be looking at how to make best use of resources across the entire department and spread workloads, particularly in highest demand.

With this in mind the unit will have managers who drive the business in relation to service delivery and the ability to generate income from the skills and knowledge on offer. Key to this having an up to date training directory and plan. This will begin to take shape in early 2017.

Due to the Tri-Force project ending and PBR requirements, the CLaD restructure has not been completed, although weekly meetings are being held by the management team to progress this. The Course directory remains a priority for the unit.

We will follow this action up once it has been recorded

### as implemented.

ASSI	ASSIGNMENT TITLE: HR - Staff Wellbeing and Productivity (5.16.17)											
Ref	Management action	Original date	Original priority	Status reported to audit committee	Audit finding	Current status	Updated management action	Priority issued	Revised date	Owner responsible		
11.2	Team Leaders across the Constabulary will develop Local Action Plans to address concerns raised in the Staff Survey. This will be monitored by the HR Manager aligned to each department.  Not all departments have finalised location action plans at this stage.  However, two examples of agreed action plans are included.		Medium	3	This action has not been reported as implemented yet. We have therefore not followed it up as part of this audit.  The latest update on the action tracker stated that not all departments have finalised location action plans at this stage.  We will follow this action up once it has been recorded as implemented.	3	N/a	Medium	31 May 2017	Head of HR		
11.3	HR will review and monitor data available through management information tools (Qlik Sense and HMIC benchmarking) relating to productivity and wellbeing, allowing poor performance or threats to wellbeing to be proactively identified and addressed in a timely and regular manner.  NB: Qlik Sense is not yet approved for use in ASC. HR use SAP data to	31 March 2017	Medium	3	This action has not been reported as implemented yet.  We have therefore not followed it up as part of this audit. The latest update stated that Qlik Sense is not yet approved for use in the Constabulary.  We will follow this action up once it has been recorded as implemented.	3	N/a	Medium	31 May 2017	Head of HR		

produce monthly scorecard and quarterly dashboard, both of which include sickness data.

11.4 HR and Senior Management are taking steps to address the issues within the Investigations Department as noted in the HMIC PEEL Assessment, such as cross-Constabulary transfers and demand management initiatives.

> We will continue to monitor this via the Wellbeing Board, considering key statistics on staffing, workload and success rates within Investigations.

> We will also consider the use of a Wellbeing Champion in this Department as a pilot to establish a link between Investigations and HR.

Medium 30 Nov 2016

We found that the issues in 3 Investigations have been filtered through different routes including the Resource and Deployment Task and Finishing Group, **Demand Management** Group, and recruitment and training to ensure an organisational approach was taken.

The first Wellbeing board took place on 6 October 2016. A number of potential wellbeing initiatives were discussed and agreed to progress which would support the whole organisation, not just Investigations Department.

This included discussion on measures which would be used for assurance. We confirmed this through review of the minutes of the meeting.

However we are not satisfied that this action has been implemented as we were not provided with any evidence that the steps taken have addresses the issues relating to excessive

HR and Senior Management are taking steps to address the issues within the Investigations Department as noted in the HMIC PEEL Assessment, such as cross-Constabulary transfers and demand management initiatives.

Medium

2017

We will continue to monitor this via the Wellbeing Board, considering key statistics on staffing, workload and success rates within Investigations.

We will also consider the use of a Wellbeing Champion in this Department as a pilot to establish a link between Investigations and HR.

Head of HR 31 May (supported by Investigations SLT)

workloads, poor supervision and lack of training. We are therefore reiterating this action.

We will follow this action up again in more detail as part of the 2017/18 Follow Up.

# APPENDIX A: DEFINITIONS FOR PROGRESS MADE

The following opinions are given on the progress made in implementing actions. This opinion relates solely to the implementation of those actions followed up and does not reflect an opinion on the entire control environment

Progress in implementing actions	Overall number of actions fully implemented	Consideration of high actions	Consideration of medium actions	Consideration of low actions
Good	75 per cent	None outstanding	None outstanding	All low actions outstanding are in the process of being implemented
Reasonable	51 – 75 per cent	None outstanding	75 per cent of medium actions made are in the process of being implemented	75 per cent of low actions made are in the process of being implemented
Little	30 – 50 per cent	All high actions outstanding are in the process of being implemented	50 per cent of medium actions made are in the process of being implemented	50 per cent of low actions made are in the process of being implemented
Poor	< 30 per cent	Unsatisfactory progress has been made to implement high actions	Unsatisfactory progress has been made to implement medium actions	Unsatisfactory progress has been made to implement low actions

## APPENDIX B: SCOPE

### Scope of the review

The internal audit assignment has been scoped to provide assurance on how Police and Crime Commissioner for Avon and Somerset manages the following objective:

#### Objective of the area under review

To follow up previously agreed internal audit actions.

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

#### Areas for consideration:

The audits considered as part of the follow up review are:

- Estates (4.15/16);
- Collaboration (5.15/16);
- Financial Controls (6.15/16);
- Safeguarding (9.15/16)
- Follow Up Part 2 (10.15/16);
- Project Atlas (Niche) Project Management Review (11.15/16);
- Culture (12.15/16);
- Vulnerability (1.16/17);
- Workforce Development (2.16/17);
- Benefits of Change Portfolio (4.16/17); and
- HR Staff Wellbeing and Productivity (5.16/17).

We will undertake discussions and testing to ensure that actions have been sufficiently implemented and accurately reported to the Audit Committee.

#### Limitations to the scope of the audit assignment:

- This follow up covers areas relating to actions made in the above audits and does not review the whole control framework of the areas listed above; we are therefore not providing assurance on the entire risk and control framework.
- We have not reviewed the implementation of 'low' level actions.

•	Testing was undertaken on a sample basis to confirm the effectiveness of actions taken to address these management actions.
•	Where testing was undertaken, our samples were selected over the period since actions were recorded as implemented or controls enhanced.

# APPENDIX C: ACTIONS COMPLETED

From the testing conducted during this review we have found the following actions to have been fully implemented and are now closed:

Assignment title	Management actions
Collaboration (5.15/16)	Management will work to establish a clear suite of both quantitative and qualitative data reports for collaboration Steering Groups to receive going forward, so that a full assessment of collaboration performance against the objectives included within the business case can be made. These should include value for money, benefits realisation measures and efficiency savings.
Collaboration (5.15/16)	The Constabulary will work to improve the Highlight Reports received by the Regional Programme Board by including detailed financial performance of each collaboration against its financial performance targets identified in the approved business case and approved budgets. The requirement for each Force within the collaboration to identify savings is a primary factor behind the collaboration and therefore the achievement of these savings should be closely monitored. Where financial savings are not the primary factor behind the collaboration the Highlights Report should report on the benefits realised.
Financial Controls (6.15/16)	Management will ensure that a detailed Debt Management Procedure is produced and made available to staff via the Intranet. This will be accompanied by training for staff who are likely to be involved in the debt management process.
Financial Controls (6.15/16)	As part of the review to update the Debt Management Policy, the Retained Finance and Financial Services teams will consider the current process for debt management and the recording of evidence as to the recovery actions taken to date.
Safeguarding (9.15/16)	The SCUs will continue to monitor the provision of strategy discussion minutes by the local authorities until minutes are consistently provided and uploaded on to Niche for strategy discussions so that there is an accurate record of the discussion that both parties agree on recorded in Niche.
Vulnerability (1.16.17)	The Constabulary will explore what other forces are doing in terms of missing person logs in Niche to share best practice, and whether other similar issues are found elsewhere and how other forces are dealing with the lack of mandatory fields in Niche. The Missing Persons Lead will gain authorisation to liaise with other forces on this matter.

Vulnerability (1.16.17)	Due to the new Allocation Policy rolled out in June 2016, Lighthouse are implementing a Niche workaround known as the 'safe search'. This searches all logs in Niche by crime type, and drops all relevant crime types into a newly set up Lighthouse intray for review by Lighthouse officers. The pilot for this is running in June 2016 with full implementation planned for July 2016.
Benefits of Change Portfolio (4.16.17)	The Constabulary will ensure that Post Implementation Reviews are completed as planned for the Redbridge House programme / project to ensure that the initial objectives are being met.
Culture (12.15.16)	Management will review the feedback on why officers and staff do not utilise the support and wellbeing services, and feed this into the newly developed Wellbeing Strategy. Managers will be educated on what is available and how we can best signpost staff to the relevant services.
Project Atlas (Niche) - Project Management Review (11.15.16)	The Project Atlas review was a very specific audit that analysed the implementation of Niche and resulted in 24 actions. Project Atlas no longer exists, however learning has been applied following our audit report.

## FOR FURTHER INFORMATION CONTACT

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

**Payments to Staff** 

**FINAL** 

**Internal Audit Report: 7.16/17** 

#### 10 March 2017

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**Debrief held** 25 January 2017 Internal audit team

Additional information

provided:

30 January 2017

**Draft report issued** 17 February 2017

Responses received 8 March 2017

Final report issued 10 March 2017 Client sponsor Cathy Dodsworth - Constabulary Head of HR

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## 1 EXECUTIVE SUMMARY

### 1.1 Background

Avon and Somerset Constabulary uses the SAP system for all of its finance and back office functions. This covers a number of services such as payroll, procurement and HR that are delivered by Southwest One as part of a shared service partnership arrangement. The payroll service operates from County Hall in Taunton and Avon and Somerset Constabulary HQ in Portishead, and is run by the HR Administration and Payroll (HRAP) team within Southwest One.

Somerset County Council and Taunton Dean Borough Council left the Southwest One shared service arrangement in November 2016, and Avon and Somerset Constabulary's contract expires in June 2018. The changes led to a restructuring of the HRAP team and more responsibility being taken over by the team in Portishead ahead of the service coming back in house in 2018.

The monthly net payroll payments for October, November and December 2016 were:

- October £10,334,507;
- November £10,274,208; and
- December £10,173,771.

The specific payroll processes tested as part of this audit were starters, leavers, overpayments, changes to payroll data and bank details, payroll exception reports, BACS submission reports and expenses.

#### 1.2 Conclusion

The payroll function was found to be well managed overall, however we have identified that changes to bank details are not all validated back to source documentation, and this is a key area for fraud and requires robust detective controls to be in place. We also found the leaver process and salary overpayments were being well managed.

Furthermore we found that a full review of the process notes used by the HRAP team as a guide for day to day processes, is due to be completed; however this has not been done at the time of our audit. Our testing also found that in all five cases, the process notes saved on the shared drive by HRAP were not the most up to date versions. We also found that outdated versions of the process notes are being used by the HRAP team. Given the changes and restructures, guidance documents become an important directive control.

### Internal audit opinion:

Taking account of the issues identified, the OPCC and Joint Audit Committee can take **reasonable assurance** that the controls upon which the organisation relies to manage this area are suitably designed and consistently. Action is needed to strengthen the control framework to ensure this area is effectively managed.



### 1.3 Key findings

The key findings from this review are as follows:

- the expenses policy does not provide staff with guidance on the value of fuel receipts required to be submitted with claims, or when the deadline for processing in the current month is;
- procedure notes used by the HRAP team for key processes such as processing starters, leavers and changes to payroll data require a full review to only include sections relevant to the Constabulary given the changes at Southwest One;
- · we found that outdated versions of procedure notes are being used by the HRAP team; and
- we found that changes to bank details that are not done by staff members themselves via the online selfservices, are not all validated back to source documentation to validate the change to the original request.

### 1.4 Additional information to support our conclusion

The following table highlights the number and categories of management actions made. The action plan at section two details the specific actions agreed with management to implement.

Area		Control		Non		Agreed actions			
		n not tive*		oliance ontrols*	Low	Medium	High		
Policies, procedures and IT	0	(4)	2	(4)	1	1	0		
Starters, Leavers, Changes	0	(5)	0	(5)	0	0	0		
Expenses	0	(1)	0	(1)	0	0	0		
Exception reporting	1	(2)	1	(2)	0	1	0		
Payments and authorisation		(1)	0	(1)	0	0	0		
Total					1	2	0		

<sup>\*</sup> Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

## 1.5 Progress made with previous audit findings

Date of previous audit	Low	Medium	High
Number of actions agreed during previous audit	-	2	-
Number of actions implemented / superseded	-	2	-
Actions not yet fully implemented:	-	-	-

The actions from the 2015/16 Payroll audit report were followed up as part of our Follow Up Part 1 2016/17 audit. The Constabulary has demonstrated good progress in implementing the agreed actions which related to overpayments and expenses receipts, which we confirmed at the time had been implemented, and we found now further weaknesses in these areas this year.

# 2 DETAILED FINDINGS

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

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

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
Area	: Policies, procedures and IT							
1.1	The HR, Admin and Payroll (HRAP) team have developed a number of operational process notes and checklists to provide guidance to staff on key tasks.  The process notes and checklists available include the following:	Yes	No	We selected a sample of five process notes and found that two of our sample were reviewed under one overarching process note. The Police Officer Resignation process, and Police Officer Leaver process notes were both reviewed as part of the review of the PA40 Leaver process note.	Low	Following Taunton Dean Borough Council and Somerset County Council leaving Southwest One, as planned, a full review of all HRAP process notes will be completed to ensure the only reflect process relevant to Avon and Somerset	31 July 2017	Karen Hagley, HR Admin and Payroll Services Manager
	the following:			Our testing found that:		Constabulary.		
	New Hire Process;			three process notes were up to		As part of this review a reconciliation will be		
	<ul> <li>Police Staff Resignation Process;</li> </ul>			date; and  one process note that expired in		completed between the most up to date versions of the process notes as recorded on		

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	<ul> <li>Police Staff Redundancy Process;</li> <li>Police Officer Resignation Process;</li> <li>Police Staff Leaver Checklist; and</li> <li>Police Officer Leaver Checklist.</li> <li>The Business Controls team maintain a spreadsheet of when each process note was last reviewed and approved, and when this is due to happen next.</li> <li>Process notes are reviewed on a rolling basis throughout the year by the relevant manager.</li> </ul>			October 2016 had not been reviewed and approved. This was due to the recent changes in the South West One team, with TDBC, and SCC leaving the partnership in December 2016. A full review of all process notes is therefore to be completed to remove sections that relate to TDBC, and SCC to ensure they only remain relevant to Avon and Somerset Constabulary.  Our testing also found that in all five cases, the process notes saved on the shared drive by HRAP, were not the most up to date versions.  There is therefore a risk that the versions of process notes in use are not the most up to date versions that have been reviewed and approved by managers.  Furthermore, we found that some process notes may overlap, such as the Police Officer Leaver process and the Police Officer Resignation process. There is a risk therefore a risk that the incorrect process note is used.		the records maintained by the Business Control team, and the ones saved on the shared drive by HRAP.  A full review of all process notes saved on the HRAP shared drive will be undertaken to ensure no outdated documents are used, and that no process notes duplicate.		
1.2	Each position has specific roles given to it depending on what the role is. When a staff member is awarded a	Yes	No	No evidence of the 2016 HRAP SAP access rights audit could be provided as evidence of the review and approval had not been kept. We	Medium	As planned, the annual check of the access roles to the HR and Payroll functions of SAP will be completed to ensure	31 May 2017	Karen Hagley, HR Admin and Payroll Service

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	position, they are allocated the pre-made position in SAP and any roles that are attached to it.  Access rights to SAP are controlled in this way.  Each position is given three basic access roles, such as access to the employee self service page, along with any additional roles that position requires.  To add a role to a position, a Role Maintenance Form is completed. This must then be authorised by the Head of Finance and Business Services or the Head of HR Service.  An annual audit of SAP roles is undertaken by the Business Controls team. Managers are sent the access rights of all members of their teams.  Managers review these and confirm whether they remain appropriate or not.  The last review of the HRAP access rights was undertaken in March 2016. The 2017 audit had started at the time of the			could therefore not test this.  The SAP access rights within the HRAP team are currently being reviewed for 2017. We found that HRAP are in the process of collating a list of all position, their attached roles, and their functions.  This is intended to be used to set up a standard set of roles for each type of position (eg HR, Payroll, Finance), to facilitate the set up and review of future positions.		only appropriate staff members have access.		Manager

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	audit.							
1.3	SAP is an integrated system so the entire system is backed up simultaneously, not just the HR and payroll sections.  A full back up is conducted on a weekly basis, with daily delta backups completed on a daily basis overnight.  The delta backups are smaller daily backups that store all changes made to the system during the previous 24 hours.  In case of system failure, a full back up would be used in conjunction with the delta backups to recreate most up to date version of the system.  Backups are tested annually by IT team.  The process for backing up the system is also tested monthly.  Backups are stored with the server, with a copy stored offsite as well.	Yes	Yes	We did not complete testing on the backups, merely that a process is in place to regularly back up the payroll system, that these backups are tested and that they are stored separately from the original servers.  Through discussions with the HRAP Services Manager we confirmed that the backups were last tested for a full system reboot in October 2016.  The HRAP Services Manager also confirmed that copies of the backups are stored away from the servers. We are satisfied that these processes are in place.		None.		
1.4	An Expenses, Allowances and Travel procedure guidance	Yes	Yes	Through review of the Expenses, Allowances and Travel procedural		None.		

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	document is in place that sets out the procedures for claiming expenses and allowances including travel.			guidance along with the SAP user guidance we confirmed that it is comprehensive, up to date and applied in practice.				
	The procedural guidance document includes the following:							
	1 Taxable and Non-Taxable Travel;							
	Overnight and Hardship Allowance;							
	3 Essential User Allowance;							
	4 Food and Accommodation Expenses;							
	5 Chief Constable; and							
	6 Chief Officer Group.							
	It is the managers' responsibility to review expenses and approve them for reasonableness. Mileage claims for non-essential users must be supported by the required receipts as well as a log book of the journeys undertaken.							
	The procedural guidance was last updated in February 2016 and is valid until September							

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	2017.							
	There is also a SAP guidance document which includes details on submitting expenses such as deadlines, receipt requirements and how to use this module of SAP. This guidance is available to all staff via the intranet. It was last updated in August 2013, however the way SAP processes expenses has not changed in this time.							
Area	Starters, Leavers, Changes				•			
2.1	When a Police Officer or member of staff commences employment with the Constabulary, an Appointment Form is completed by the Recruitment Team and given to HR.	Yes	Yes	We selected a sample of 20 starters from a system generated report of starters which had commenced employment between 1 April and 30 November 2016.  Our testing confirmed that:		None.		
	HR check the form has been appropriately authorised and input it to SAP. One HR team			all had an Appointment Form completed and retained on file;				
	member will sign and date the form to show input of the information and a second			<ul> <li>all start dates on the forms agreed to SAP;</li> </ul>				
	team member will check, sign and date the form to document that the input			<ul> <li>all forms had been authorised and dated;</li> </ul>				
	information is correct.			<ul> <li>all were signed and dated on input to SAP by one staff member, and signed and dated as checked by</li> </ul>				

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				another member of the HRAP team; and				
				all were input on to the payroll system in a timely manner and subsequently paid in the first month following their start date. We noted that in 18 cases the secondary check was done after the start date. In four of these cases the secondary check was completed after the first payment. However none of these cases resulted in an overpayment.				
				We are therefore satisfied that new starters are being processed in a correct and timely manner. Whilst secondary checks are not always completed prior to the first payment, we are satisfied that inputting is being done correctly and that the secondary check is in place as more of a final check.				
2.2	When an Officer or member of staff leaves the Force their manager completes a Personnel Change Request (PCR) in the Employee Self Service (ESS) section of SAP. Once this has been completed		Yes	We selected a sample of 20 leavers which had ceased employment and been removed from the HR system between 1 April and 30 November 2016.  Our testing of 20 cases found the		None.		
	it automatically appears in the designated HRAP Team Member's task inbox in SAP.			<ul><li>following:</li><li>18 had a PCR form completed. The remaining two did not have a</li></ul>				

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	It is then actioned by the HRAP Team and appears in the task inbox of a second member of the HRAP Team for them to check before finalisation.			PCR completed. One moved from two part-time posts to one full-time post and was therefore not a leaver. This was dealt with using the changes process. The final case was a dismissal. In this case the staff member had been changed to a leaver by payroll before a PCR could be completed by the manager;				
				we confirmed that all cases were input on to SAP by one staff member and checked by a secondary staff member. We noted that in nine cases the final check was completed after the staff member's leaving date, and in four cases this check was completed after the final payment date; and				
				in all cases the staff member was removed from the payroll system prior the last payment and therefore paid the correct amount.				
				We are satisfied that timely processing of leavers is resulting is reduced risk of salary overpayments. No overpayments were identified in our sample testing.				
2.3	The Constabulary has in place 'Principles to apply in the recovery of Salary	Yes	Yes	We selected a sample of 15 overpayments and found the		None.		

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	Overpayments' for staff members dealing with overpayments to follow.  Due to the nature of overpayments, each case is unique, and once a response is received from the staff member in question, this case is managed on a case by case basis.  When an overpayment is identified, the HRAP team calculate the net overpayment and complete an "overpayment of salary" form and send this to Finance. The Finance team raise an invoice against this staff member and send the invoice to HRAP.  HRAP send the employee the invoice along with a letter explaining the overpayment. If the overpayment was made to a current employee, a payment plan is agreed. If the overpayment was made to a leaving employee then a reminder letter is sent after 28 and 42 days.  A debtors spreadsheet which includes staff overpayments is		(yes/iio)	<ul> <li>for nine overpayments a repayment plan was in place or the overpayment had already been recovered;</li> <li>three overpayments were still being followed up with the staff member. The first invoices for these were only sent in December 2016;</li> <li>two overpayments had been referred to the Constabulary's Legal Services team; and</li> <li>one overpayments selected was going back several years, however the person in question had left the country and the Constabulary were waiting for them to return and start claiming their pension to be able to try and claim some of the overpayment upon their return.</li> <li>Through review of the cases in question with the HRAP team member in charge of overpayments, we are satisfied that regular recovery attempts are made and that there is regular communication between HRAP and Finance.</li> </ul>				
	and 42 days.  A debtors spreadsheet which			attempts are made and that there is regular communication between				

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	comment section of this spreadsheet.							
2.4	Certain changes to a Police Officer or member of staff's role / terms and conditions of employment within the Constabulary are approved by the Vacancy Review Panel made up of the Head of HR or senior member of the Corporate HR team, Head of Finance or senior member of the Finance team, and representatives from Corporate HR and Organisational Management.  A Change Request Form is completed by the retained HR team following each bi-weekly Vacancy Review Panel meeting to approve a change and this is then sent to HRAP for the necessary amendments to be made within SAP.	Yes	Yes	We selected a sample of 20 changes to payroll data from a system generated report of changes made from 1 April to 30 November 2016. We found that 16 of these changes were automatic pay increases. We were informed that this is an automatic process following approval by the Secretary of State and instruction is given by Retained HR for the Southwest One Control Team to update SAP following this announcement, we verified this back to source documentation and guidance.  We therefore selected a further five changes resulting in a sample of nine changes (that were not automatic pay increases) and found the following:  in six cases a Change Request form had been completed to authorise the change. All were signed and dated when they were inputted and checked by HRAP;  two changes were restructure changes completed for which no Change Request form was completed as these were part of a larger restructuring. We obtained		None.		

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				the spreadsheets containing the list of restructure changes to confirm the two cases were restructure changes; and				
				<ul> <li>one was a new starter, not a change. We confirmed that this appointment had been approved by Recruitment and HRAP as with the other starters in 2.1 above. We are satisfied that changes are being processed accurately.</li> </ul>				
				We are therefore satisfied that significant changes to payroll data are supported by adequate evidence, explanation or approval.				
2.5	Changes to an employee's bank details can be made directly by the individual in SAP via the Employee Self Service (ESS) module.  Alternatively a request can be sent to HRAP for processing via email, using a standard bank details form or on receipt of a letter from the individuals bank.	Yes	Yes	We selected a sample of 20 bank changes between 1 April and 20 November 2016 and found that 13 were changes of new starters' bank details. We therefore selected a further 10 changes to bank details (three of which were again new starters), leaving us with a sample of 14.  Our testing found the following:		None.		
	All changes processed by HRAP are checked by a second member of HRAP to confirm the details entered are correct.			<ul> <li>10 changes were made by the employee themselves directly on ESS; and</li> <li>four changes were made by HRAP following receipt of a BACS</li> </ul>				

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				Switch Guarantee Notification from the banks. We confirmed that a notification was received from the bank and that the change was actioned by one HRAP staff member and checked by another.  We are satisfied that all bank changes not made by the staff members themselves have supporting documentation.				
A ====	Fyrance							
	Expenses							
3.1	Expense claims are made directly in to the SAP system. Once the claim has been submitted by a member of staff it must be electronically authorised by their manager before being processed by the Expense Team at Southwest One. Receipts are sent directly to the Expenses Team in a pre-addressed envelope which has the claimant's personnel number and the trip number written on it. The Expenses team check the receipts against the claims.  A fuel receipt for 10p per mile must be provided to cover mileage claims. If the receipt sent in does not cover the full amount of miles, the Expenses team check the	Yes	Yes	<ul> <li>We selected a sample of 20 expenses and found that in all cases:</li> <li>they were signed, or electronically submitted by the claimant;</li> <li>they were authorised by the manager in a timely manner;</li> <li>the correct amount was paid; and</li> <li>receipts are available to support the claim.</li> <li>We are satisfied that expense claims are being approved and processed correctly, and supporting receipts are being provided.</li> </ul>		None.		

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	previous month's claim to check whether the excess mileage is covered by some unused fuel receipt from the previous month.							
	Claims will be supported by valid receipts for food and must be authorised by the line manager. Tri-Force Officers do not have their managers set-up on the SAP system so expenses are claimed using a paper form. The claimant and manager both sign the form and send this in to the Expenses team along with the receipts. One member of the Expenses Team checks the claim and enters it manually into the SAP system, and another member then does a secondary check.  Line managers will be expected to check the reasons and amounts for claims, and challenge any which they do not consider to be reasonable.							
Area	Exception reporting							
4.1	Each month the payroll is run by the Control team in Southwest One. As part of this process, output reports are reviewed to identify any	Yes	Yes	We reviewed the Exceptions, Net Pay Comparison and Net pay over 4.5k reports for October, November and December 2016 and found that		None.		

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	unusual items or errors. The following reports are run:  Exception report to show differences in gross pay from the previous month to allow investigations to be undertaken where differences are identified;  Negative Net Pay;  Net Pay comparison;  Net Pay;  Overtime;  SSP/SSP offset;  Temporary Variations;  Bank line and Bacs rejects;  Various wage types;  NI refunds;  P45 taxable pay;  Zero pension contributions;  NI type;  Unison (zero contribution or refund); and			<ul> <li>for all three months a payroll checklist had been completed which confirmed by signature from a member of the Payroll Team that all transactions and exceptions had been checked as correct ready for the payment report;</li> <li>all reports reviewed had been signed and dated to confirm it had been checked by Payroll and were free from error; and</li> <li>exception reports that are run adequately allow for the identification of fraud or error.</li> <li>We are satisfied that payroll reports are being run and reviewed prior to the final payroll payment.</li> </ul>				

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	Admin team report.							
	These reports are printed and manually checked by the Payroll team at Southwest One and corrections are then made by the Control team. All reports are run again and checked for a second time by the Payroll team. This process is repeated as necessary until all corrections are complete.  The payroll is then run and payslips released.							
4.2	Along with the monthly reports outlined in paragraph 4.1 above, the control team also run a monthly Bank Details Audit report that lists all the bank changes that have not been completed on ESS directly by the staff member themselves.  These are then compared to the bank details of the staff members who actually enacted the change on SAP to provide assurance that staff	No	No	We reviewed the three Bank Details Audit reports for October, November and December 2016 and confirmed that none of the bank details matched.  We are therefore satisfied that these reports are being run and bank details are being compared to confirm nobody is fraudulently changing other staff member's details to their own.	Medium	As part of the monthly exception reports that are run, the HRAP team will run a report of all changes to bank details during the month and validate these back to the original request documentation.	31 May 2017	Karen Hagley, HR Admin and Payroll Services Manager
	members who can change bank details within SAP are not changing them to their own bank details.			by using a secondary bank account.  For example the bank details of a shift worker could be changed in a month where they did not work and				

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				not expecting to be paid.				
				Fraudulent payments could then be made, and the bank details reversed to the correct details once the staff member is expecting a payment.				
				This is a high risk area of fraud, and controls could be improved by better exception reporting.				
Area	Payments and authorisation			,				
5.1	Each month the BACS submission reports are run by the Southwest One Control team for Avon and Somerset Police (ASP). The Control team run these reports but BACS payments are processed by ASP Retained Finance.  The front sheet to these reports is signed as run by the Control Team, checked by HRAP and authorised by HRAP. A copy of the signed front sheet is sent via email to the ASP Finance team, authorised by the retained Finance team at Police HQ via email and returned to the Control team.	Yes	Yes	We reviewed the BACS submission reports for October, November and December 2016 for both Salaries and Pensions and found that:  • all had originated from the Control Team;  • all had been checked by one HRAP team member;  • all had been authorised by a separate HRAP team member;  • all had been submitted by a member of Retained Finance on the authorised signatories list.; and  • all had been processed in a timely manner.		None.		
	The Control Team have an authorised signatories list that			We are therefore satisfied that BACS submission reports are being				

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority Action for management	Implementation date	Responsible owner
	shows which staff members can check or authorise the BACS payments.			completed and authorised on a monthly basis and show clear segregation of duties.			

## APPENDIX A: SCOPE

## Scope of the review

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

#### Objectives of the area under review

Staff are paid the correct amount at the correct time, with accurate pay costs being recorded in the Constabulary's accounts.

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

#### Areas for consideration:

Policies, procedures and IT:

- Payroll expectations and responsibilities set out in SFIs
- Guidance to staff on day to day payroll processes
- Access to payroll information and data backup arrangements

#### Starters, Leavers and Changes:

- Forms and notifications are submitted and processed in a timely manner
- Forms are authorised and actioned in line with delegated authority
- Changes to bank details are monitored on a monthly basis

#### Expenses:

- Compliance with central expense policy, including provision of supporting receipts
- Authorisation and payment of expenses

#### Exception reporting:

• Monthly exception reports are run, reviewed, investigated and signed off to highlight any anomalies or errors

#### Payment and authorisation:

- · Proposed payment reports are run, reviewed and signed off by appropriately authorised individuals
- Segregation of duties is in place for the sign off and payment of monthly pay and expenses payments

## Limitations to the scope of the audit assignment:

Our work was limited to the areas discussed above.

- We have not recalculated payroll deductions or payments.
- We have not commented on the appropriateness of salaries unless unusually large.
- Testing was undertaken on a sample basis only.

# APPENDIX B: FURTHER INFORMATION

#### Documentation reviewed during the audit:

Process notes testing spreadsheet

Process notes sample

Expenses Policy

Payroll testing spreadsheet

Starters sample evidence

Leavers sample evidence

Principles for payroll to follow for overpayments

Changes sample evidence

Overpayments sample evidence

Exception reports testing spreadsheet

Monthly SAP payroll exception reports checklist

December 2016 Exception reports sample

Payroll Payment runs testing spreadsheet

Payment runs authorised signatories list

October 2016 payment run

## **Benchmarking**

We have included some comparative data to benchmark the number of management actions agreed, as shown in the table below. In the past year, we have undertaken a number of audits of a similar nature in the sector.

Level of assurance	Percentage of reviews	Results of the audit
Green (substantial assurance)	72.7%	
Amber (reasonable assurance)	18.2%	X
Amber (partial assurance)	9.1%	
Red (no assurance)	-	

Management actions	Average number in similar audits	Number in this audit
High	0.1	-
Medium	0.9	2
Low	2.0	1
Total	3.0	3

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

## **Internal Audit Progress Report**

**Joint Audit Committee** 

22 March 2017

This report is solely for the use of the persons to whom it is addressed. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no Responsibility or liability in respect of this report to any other party.

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

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

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

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

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

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

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

## 1 INTRODUCTION

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

We have issued two final reports since the last Joint Audit Committee meeting, with two further audits being at draft audit stage.

Assignments		Opinion issued		Actions agreed		
			Н	M	L	
Payments to Staff (7.16/17)	FINAL	No assurance Partial assurance Substantial assurance +	0	2	1	
Follow Up (8.16/17)	FINAL	Reasonable progress	0	4	0	
Legal Claims (9.16/17)	Draft report issued 2 March 2017	Advisory	0	2	0	
Crime Data (10.16/17)	Draft report issued 7 March 2017	No assurance Reasonable assurance saturance +	2	7	0	

## 1.1 Impact of findings to date

To date we have issued two partial assurance opinions, including one high rated management action. These findings could impact our annual audit opinion, however as we have already undertaken follow up testing on these we are more assured that action in being taken to address the weaknesses identified. These relate to the Vulnerability (1.16/17) and HR - Staff Wellbeing and Productivity (5.16/17) reports.

The Crime Data report will however impact on our annual opinion given that we could not provide assurance over crime outcome recording.

# 2 LOOKING AHEAD

Assignment area	Timing per approved IA plan 2015/16	Status
Collaboration / ROCU	Q2 September 2016	Crossover from 16/17 to 17/18 audit plan. Waiting for confirmation from ROCU ACC Dave Lewis that all forces have agreed to go ahead with the audit.
Policies Review	Additional	Fieldwork is complete having undertaken interviews with a cross section of Officers and staff and reviewed data from Niche on how policies are applied in practice. To be reported to July 2017 JAC.
Police Pensions	As required	Constabulary to confirm if this is still required.

The draft 2017/18 audit plan is presented for discussion and approval at this meeting. Once approved, scoping meetings for Q1 audit will be booked.

# 3 OTHER MATTERS

## 3.1 Changes to the audit plan

No further changes have been made to the audit plan since the last Joint Audit Committee meeting.

## 3.2 News briefing

Our latest Emergency Sector news briefing from March 2017 is attached for information.

We have also appended our briefings on Gender Pay Gap Reporting and RSM conform with IIA standards.

# APPENDIX A: INTERNAL AUDIT ASSIGNMENTS COMPLETED TO DATE

Reports previously seen by the Joint Audit Committee and included for information purposes only:

Assignments	Status	Opinion issued	Actions agreed		
			Н	M	L
Vulnerability (1.16/17)	Completed	Partial Assurance	1	2	0
Workforce Development (2.16/17)	Completed	Advisory	0	2	1
Follow Up of Previous Internal Audit Recommendations (3.16/17)	Completed	Reasonable progress	0	1	0
Benefits of Change Portfolio (4.16/17)	Completed	Substantial assurance	0	1	0
HR – Staff Wellbeing and Productivity (5.16/17)	Completed	Partial assurance	0	4	0
Financial Controls (6.16/17)	Completed	Substantial assurance	0	1	3

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# **EMERGENCY SERVICES SECTOR UPDATE**

March 2017



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## INTRODUCTION

Welcome to RSM's latest emergency services sector briefing which provides a useful source of insight into recent developments and publications affecting the sector.

It has been a busy first quarter of 2017. The Policing and Crime Act 2017 is now in place introducing a number of measures including giving police and crime commissioners the option of taking on responsibility for the governance of local fire and rescue services and placing a duty for emergency services to explore collaboration opportunities.

In addition to providing a deeper look at the Act, in this briefing we; examine the latest PEEL reports for leadership, legitimacy and effectiveness; explore the Public Accounts Committee report on the Emergency Services Network which features some strong recommendations for government regarding testing and implementation; and we take a look at the Thomas review finally published by the government 20 months after its commencement and which includes a host of recommendations for conditions of service for fire and rescue staff in England.

Furthermore we look at a recent speech by Minister of State for Policing and the Fire Service, Brandon Lewis, who announced a whole host of new initiatives for the fire sector.

We hope you find this update a useful source of insight. As ever, if you have any queries, or have any suggestions for topics for future editions, please contact either myself, or your usual RSM contact and we will be delighted to help.

#### **Daniel Harris**

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#### POLICE AND FIRE

#### **Policing and Crime Act 2017**

On the 31 January 2017 the Policing and Crime Bill received Royal Assent. Home Secretary, Amber Rudd, hailed the legislation calling it:

ANOTHER MAJOR MILESTONE
IN OUR FAR-REACHING POLICE
REFORMS OVER THE YEARS. THE
MEASURES IN THE ACT GIVE GREATER
PROTECTIONS FOR THE VULNERABLE,
ENSURE THE POLICE HAVE THE
NECESSARY POWERS TO KEEP OUR
COMMUNITIES SAFE, AND OVERHAUL
THE POLICE COMPLAINTS AND
DISCIPLINARY SYSTEMS TO INCREASE
ACCOUNTABILITY AND IMPROVE
POLICE INTEGRITY.

In the far reaching legislation there is now a duty on police, fire and ambulance services to work together should collaboration improve effectiveness or efficiency. We have seen inter-service collaboration occur frequently in recent years as services seek to achieve greater economies of scale and improved efficiency. Yet, collaboration across the full breadth of the emergency services sector is something which has yet to be fully explored, as understandably focus has been on the quicker wins. What will be an interesting challenge over the coming months and years is how collaboration between forces or fire services might be impacted where there is already joint working between for example police forces, but also regional forces collaboration and further integration and where collaboration is pursued with fire and potentially ambulance services. One certainty is the need to ensure that all collaborations are fully understood, monitored and that police and crime commissioners, chief constables, chief fire officers, senior officers and audit committees are sighted on the range. reliability and timeliness of assurances.

#### Questions for Audit Committee's considerations

 Have you fully considered your organisation's response to the other requirements of the act (ie aspects that do not cover collaboration)? Aside from the duty for services to explore collaboration there are numerous other measures in the act including:

- a reform to pre-charge bail to stop people remaining on bail for long periods without no independent judicial scrutiny;
- enabling chief officers to confer a wider range of powers on police and volunteers, whilst at the same time specifying a core list of powers reserved solely for warranted police officers;
- stopping under 18's in a mental health crisis from being detained in police stations;
- a reform of the disciplinary and complaints commission;
- ensuring 17 year olds detained in police custody are considered as children for all purposes;
- issuing statutory guidance to ensure that processes in place for the assessment of suitability for firearms certificates are applied correctly and consistently; and
- new powers for the Home Secretary to specify police rank in regulations, which will give chief constables the flexibility to remove certain ranks.

#### **Collaboration review**

As the Policing and Crime Act places a requirement for collaboration between police, fire and ambulance services to be explored, it is interesting to look at some of the collaboration that already occurs intently within the emergency services. The Emergency Services Collaboration Working Group (ESCWG) has published a report detailing what forms of collaboration have occurred and the resultant benefits of such activity on the various services in 2016. The report looks at collaboration case studies in areas such as: shared estates and assets; joint control rooms; and information sharing. The ESCWG provides some useful insight at a time when the emergency services sector is beginning to think more deeply about new forms of collaboration or enhancing collaborative initiatives already in place.

#### **Questions for Audit Committee's considerations**

 Have you considered the outcomes reported from the ESCWG and considered if your organisation could benefit from similar initiatives?



#### **Emergency Services Network**

The Public Accounts Committee (PAC) has published the report of its inquiry into the upgrading of emergency services communications in the form of the Emergency Services Network (ESN). Whilst praising the ambition of the ESN programme, the PAC remarks that the current target date for ESN delivery will be missed, stating that the ESN will require more testing in order for end users to have assurance it works, with the current timeframe in place for testing not being adequate to meet this need. Recommendations by the PAC include: requesting the Home Office budget for an extended timeframe in implementing the ESN; arranging for an extension of the contract of the current system 'Airwave'; and asking the Home Office to schedule adequate testing of the system in a pressured environment.

#### **Questions for Audit Committee's considerations**

 Does this issue feature on your risk registers and are you confident that your audit committee has received assurance that internal project teams have been established to implement this project?

#### **Gender pay gap reporting**

The Equality Act (Specific Duties and Public Authorities) Regulations 2017 are planned to be effective from 31 March 2017 and will apply to English public authority employers with 250 or more employees. Employers are required to publish annually a report on:

- overall gender pay gap figures calculated using both the mean and median average hourly pay between genders;
- the numbers of male and female employees in each of four pay bands (quartiles), based on the employer's overall pay range; and
- for a 12 month period, both the difference between male and female's mean and median bonus pay and the proportion of relevant male and female employees who received a bonus.

An explanatory narrative, although not required, is strongly encouraged as is a statement of the actions planned to narrow the gaps.

A snapshot of employees' pay for public authority employers must be taken on 31 March 2017 and on 31 March in each following year. Dry runs of data should be prepared now to ensure that any gaps are identified prior to the snapshot date/reporting period closing.

RSM has experts in payroll, HR consultancy and legal employment advice to support you in meeting both the requirements and the business opportunities of gender pay gap reporting.



#### **POLICE**

#### Leadership, legitimacy and effectiveness

HM Inspectorate of Constabulary (HMIC) has published the second leadership and legitimacy reports of its annual review into police effectiveness, efficiency and legitimacy (PEEL).

The leadership report focuses on HMIC inspections based on three principle questions: how well the police understand leadership; how well the police develops leadership; and how well the police displays leadership. Overall, HMIC believes there to be good levels of leadership across all forces; a continuing trend from the 2015 report. However there were areas for improvement cited, with HMIC noting that:

- leadership development for the wider police force and police staff remains inconsistent;
- 'few forces' demonstrate an understanding as to the skills make up of their leadership teams;
- many forces have weak individual performance review processes; and
- very few forces have the 'systematic processes' to identify and address poor leadership.

The legitimacy report identifies very similar ranking results to last year's report, with no forces rated as inadequate and five rated as requiring improvement. Overall, HMIC is satisfied with how forces have clarified their accepted standards and behaviour, but concerns were raised over the reactive rather than proactive approach to cases of alleged corruption. One of the key focal points within the report relates to a recommendation made by HMIC in the area of the national vetting policy, as the inspectorate has identified instances where some forces were not in compliance with the policy. HMIC states that within six months 'all forces not already complying with current national vetting policy should have started to implement a sufficient plan to do so', and within two years all police workforces should have received at a minimum the lowest level of vetting clearance for their role.

Most recently HMIC has also published the outcomes of its effectiveness reviews, focusing on areas including: the effectiveness of police crime prevention; effectiveness of investigations; and the specialist capabilities of police forces.

HMIC identified three main areas of concern: that some forces' attempts at supressing demand are putting people at risk; in some cases police officers do not carry out their main activities of crime prevention, keeping people safe and catching criminals; and capabilities that are needed now and in the future, such as skilled investigators and neighbourhood policing, are 'insufficient, or being eroded.'

The majority of forces were deemed as 'good' overall, with clear improvement in 14 forces in the category of 'protecting vulnerable people.' However 'crime prevention' declined in 11 forces as opposed to only three forces who improved in this area. Other key points from the report include:

- HMIC continues to have concerns over the supervision given in criminal investigations;
- HMIC was 'pleased to see' forces are no longer allocating crimes simply based on their type;
- there is concern that police forces are not keeping up with developments in technology and they are not exploiting opportunities for digital investigative processes;
- the College of Policing will develop and issue national guidance setting out the requirements for neighbourhood policing by the end of this year; and
- the National Police Chief's Council working with the College of Policing should establish and put in effect a national action plan to address the shortfalls in numbers of detectives and qualified investigators.



#### Questions for Audit Committee's consideration

- How are you getting assurance that the actions raised by HMIC are being implemented within your organisation to improve these areas?
- How do the actions required fit into your existing appraisal/performance management arrangements?
- What ongoing assurance do you receive that your Force continues to comply with the vetting policy?

#### Crime figures released

The Office for National Statistics (ONS) has published the September 2016 year end results of the crime survey for England and Wales and police recorded crime. Following a consistent theme, there were 6.2 million incidents of crime, showing no statistically significant change to the previous year. For the first time questions regarding fraud and computer misuse were included, with the data revealing there were 3.6 million fraud and 2 million computer misuse offences, and the ONS has confirmed that next year's survey will enable effective comparison to these figures. For fraud referred to the police, the ONS remarked on the 1.9 million cases of fraud on UK issued bank cards, which equates to a 39 per cent increase on the previous year.

In close ties to these official statistics, the ONS has also published its first release based upon the developed 'crime severity score' which weights types of crime by their: impact on society in terms of relative harm; and the police resource required to investigate and deal with such crime. Overall, the crime severity score for England and Wales has seen an increase over the past few years after nearly a decade of decline, though the ONS points out this is likely due to increased volume and quality of crime reporting data. It will be interesting to see how the crime severity score fluctuates in the future, particularly as the ONS already identifies some forces where volume of crime is decreasing but severity is increasing.

#### **Police vision**

The National Police Chiefs' Council (NPCC) and the Association of Police and Crime Commissioners have unveiled their vision for policing through to 2025 with a particular emphasis on better use of technology, integration with other crime preventing agencies and on value for money, whilst still providing the highest quality service to the general public.

There are five main priorities for reform in the vision:

- local policing that integrates more closely with teams in areas like education, health and community projects in order to ensure early intervention;
- specialist capabilities to deal with complex threats will be delivered through a network connected 'locally, nationally and beyond';
- officers will be trained and equipped to respond to the increase in criminal activity on the internet, with the sharing of evidence becoming entirely digital, with enhanced functionality for members of the public to report crime online;
- the College of Policing will place greater emphasis on making policing more community representative, where there will be 'a better balance between personal accountability and a bureaucratic fear of making mistakes'; and
- a consolidation of business support functions with other emergency services and local authorities, this of course being a key component of the Policing and Crime Act 2017.

#### Questions for Audit Committee's considerations

- · How do these five priorities fit with your police and crime plan and local delivery plan?
- How do you engage more effectively with other sectors which also face significant financial pressures eg local government and health sectors?

#### Licence to practice

Speaking at the College of Policing annual conference in November the Home Secretary, Amber Rudd, announced government intentions to introduce a licence to practice in cases involving child sexual abuse. In the context of a speech about vulnerability, Ms Rudd stated 'if your child was sick you wouldn't expect them to see a doctor with no experience in children's medicine and its right we apply the same logic here.' The College of Policing confirmed that through consultation at local and national level a 'licence to practice' approach would be trialled with the possibility of reducing the burden of officers who lack the necessary skills to handle complex vulnerability cases.

#### Forensic science 'at risk'

The Forensic Science Regulator has warned that forensic science is 'at risk' with major implications on the criminal justice system. Gillian Tully stated that some forces were not committed to acceptable standards, with a 'significant risk' of possible DNA contamination. One major risk identified in the regulator's annual report was in relation to the commissioning of forensic medical examiners, with the report stating that procurement and recruitment practices meant that examiners were being brought in with unspecified levels of training and qualifications.

#### Questions for Audit Committee's considerations

 How are you getting assurance that your arrangements are in line with best practice, that you vet examiners before engagement and that your force is meeting the requirements?

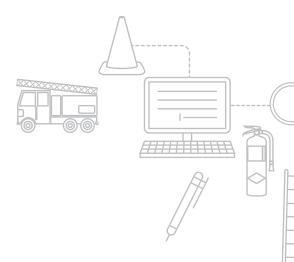
#### **National strategy for police custody**

The NPCC has unveiled a national strategy for police custody designed to fill the gap in terms of a national provision in this highly scrutinised area. The strategy itself is based on six principles: that detention is safe and used only when necessary; ensure that custody supports an investigation and adds value to the criminal justice system; that the system is non-discriminatory and transparent; that custody practitioners are trained to a national minimum standard and are accountable; that ethical standards are upheld in custody practice with best practice learned from and implemented; and that engagement with partners is effective and efficient.

#### **Investigatory Powers Act**

Many more powers are now available to the security services as a result of the Investigatory Powers Act. Primarily the Act does three things:

- brings together all of the powers already accessible to law enforcement and other security agencies to obtain communications and data about communications;
- overhauls the oversight of these powers, including the introduction of a double-lock for interception warrants that requires judiciary approval, all of these being overseen by the Investigatory Powers Commission; and
- includes a provision for the retention of internet connection records, with the aim to 'restore capabilities that have been lost as a result of changes in the way people communicate.'



#### **FIRF**

#### Reform - new inspectorate regime

Brandon Lewis' speech at an event hosted by the think–tank Reform attracted attention as he announced a number of new initiatives for the sector. The Minister of State for Policing and the Fire Service confirmed that April 2017 will see the creation of a "National Fire Chiefs' Council", a new body that will aim to transform the 'operational voice of the service'. Mr Lewis announced the creation of a new inspectorate for the fire service to be modelled on HM Inspectorate of Constabulary, with a similar focus on efficiency and effectiveness. Some of the key items this new inspectorate will assess include:

- the effectiveness of each service in preventing and responding to incidents;
- value for money of the service;
- understanding of current demand and future risk; and
- the leadership, training, diversity, values and culture of each service.

#### Questions for Audit Committee's considerations

- Have you considered how you would be prepared for an inspectorate regime?
- Do you understand the culture of your organisation and when was this area last independently assessed?
- What measures and tools do you have in place to measure and benchmark value for money against other services?

Other announcements by Mr Lewis included the creation of a new website for the fire service modelled on www.police.uk, which will store information and resources regarding the fire service including statistical data regarding finances and remuneration at a local level.

#### **Procurement**

Procurement also featured heavily in Mr Lewis' speech. In response to last year's publishing of fire procurement data the Minister stated:

I'M PLEASED FROM WHAT I
HAVE SEEN OVER THE PAST
FEW MONTHS THAT THE
SECTOR HAS STARTED TO
RESPOND TO THESE FINDINGS
AND TO MAKE CHANGES TO
PROCUREMENT PRACTICES
AS A RESULT - THROUGH
THE CHIEF FIRE OFFICERS'
ASSOCIATION'S NEW
COMMERCIAL STRATEGY.

Despite this, Mr Lewis called on every service to assess their procurement strategy with a challenge to the whole sector to quantify what savings can be made.

# Independent review of conditions of service for staff

After a considerable delay of nearly two years the review by Adrian Thomas into the conditions of service of fire and rescue staff in England was published by the government in November 2016. The review, suggested in Sir Ken Knight's 'Facing the future' report, was deemed to be necessary in seeking to gain a deeper understanding into barriers to change. In his review, Mr Thomas sets out the initial priorities that he believes fire and rescue authorities should focus on, which are:

- 'much re-building to be done around culture and trust', with concerns raised about bullying and harassment, with Mr Thomas suggesting an annual engagement survey focused on culture, equality and trust;
- enhancing the retained duty system, with a call to government to legislate to extend employment protection for retained duty fire fighters to that of the same standard as military reservists;
- discontinuing the conditions of service gold book and 'slimming down the grey book' with a view to possibly replacing it with a contract of employment at local level; and
- removal of the list of role maps and the pre-determined systems from the grey book.

The review was not accepted in some corners, with the Fire Brigades Union suggesting that the recommendations were 'ill-informed' and 'contradictory'. However the Minister of State for Policing and the Fire Service, Brandon Lewis, acknowledged the report as including 'some things in here for Govt, [but the] majority for fire service to take on board as part of reform and development.'



#### National Operational Guidance Programme

The National Operational Guidance
Programme has consulted on the
industry context guidance outlining
the hazards and control measures
for the places and situations in
which operations can take place.
The National Operational Guidance
programme board will make available
the consultation analysis report to
interested parties in due course while
the finalised guidance is scheduled to
be published in July 2017.

#### **Response times**

The Home Office has published the fire incident response times for April 2015 to March 2016, for incidents in England. Overall primary fire response time had increased by 3 seconds, continuing the gradual trend of increased response over the past 20 years, however there were slight decreases for certain types of fires. Despite the marginal increases in response times, the Home Office points out that the number of casualties, fatalities and extent of fire damage has been on a long-term downward trend in this period.

#### SOURCES OF FURTHER INFORMATION

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**'Upgrading emergency service communications'** – House of Commons Committee of Public Accounts https://www.publications.parliament.uk/pa/cm201617/cmselect/cmpubacc/770/770.pdf

**'Gender pay gap reporting'-** Advisory, Conciliation and Arbitration Service (Acas) and the Government Equalities Office http://www.acas.org.uk/index.aspx?articleid=5768

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'Annual Report: November 2015 — November 2016' — Dr Gillian Tully, Forensic Science Regulator https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/581653/FSR\_Annual\_Report\_v1.0.pdf

'National Strategy for Police Custody' — National Police Chiefs' Council

http://www.npcc.police.uk/documents/NPCC%20 Custody%20Strategy.pdf

**'Investigatory Powers Act'** – Home Office https://www.gov.uk/government/collections/investigatory-powers-bill

**'Fire Minister's speech to Reform'** – Home Office https://www.gov.uk/government/speeches/fireministers-speech-to-reform

'Independent review of conditions of service for fire and rescue staff in England' — Adrian Thomas https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/562972/Thomas\_Review\_-\_for\_publication\_in\_97-2003\_format.pdf

**'Home office publishes the Thomas review'** – Fire Brigades Union https://www.fbu.org.uk/circular/2016hoc0556ad/home-office-publishes-thomas-review

**Thomas review comment** – Brandon Lewis https://twitter.com/BrandonLewis/status/794143659767820288

'Industry Guidance Consultation' — National Operational Guidance Programme http://www.ukfrs.com/Pages/updates-catalogue.aspx?guidanceid=216

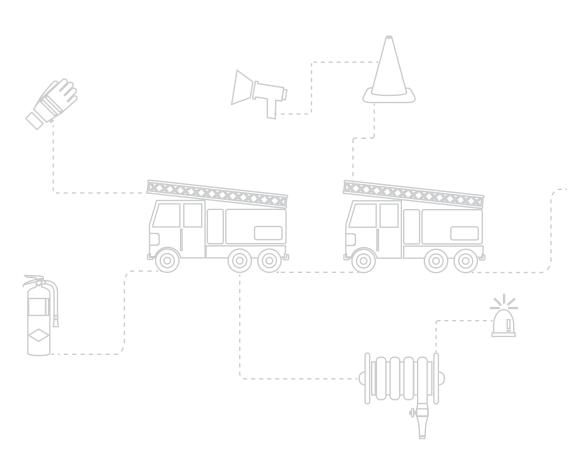
'Fire Incident Response Times: April 2015 to March 2016, England' — Home Office

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#### FOR FURTHER INFORMATION PLEASE CONTACT

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New regulations planned to be effective by 6 April 2017 will require employers with 250 or more relevant employees in an individual entity on a snapshot date each year to publish within 12 months details of their employees' gender pay and bonus differentials.

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 will apply to private and voluntary sector organisations. The Equality Act (Specific Duties and Public Authorities) Regulations 2017 are planned to be effective from 31 March 2017 and will apply to English public authority employers. The public sector reporting model is very similar to the private sector one.

#### What is the gender pay gap in the UK workforce?

Men's average pay is greater than that for women. The Office for National Statistics says that over the last 20 years the median gender pay gap has narrowed from 27.5 per cent to 9.4 per cent for full-time employees.

#### What are employers affected required to do?

To publish annually for employees in scope a report on:

- overall gender pay gap figures calculated using both the mean and median average hourly pay between genders;
- the numbers of male and female employees in each of four pay bands (quartiles), based on the employer's overall pay range; and
- for a 12 month period, both the difference between male and female's mean and median bonus pay and the proportion of relevant male and female employees who received a bonus.

An explanatory narrative, although not required, is strongly encouraged as is a statement of the actions planned to narrow the gaps.

#### The annual cycle of gender pay gap reporting





#### What are the timescales?

A snapshot of employees' pay for private and voluntary sector organisations must be taken on 5 April 2017 and on 5 April in each subsequent year and for public sector bodies on 31 March 2017 and on 31 March in each following year.

The first gender pay private and voluntary sector reports must be published both on the employer's own website and uploaded to a government website no later than 4 April 2018, to include hourly pay rates at 5 April 2017 and bonus payments between 6 April 2016 and 5 April 2017. The data must remain on the employer's website for three years.

Dry runs of data should be prepared now to ensure that any gaps are identified prior to the snapshot date/reporting period closing.

#### How can RSM help?

RSM has experts in payroll, HR consultancy and legal employment advice to support you in meeting both the requirements and the business opportunities of gender pay gap reporting.

#### Our services include:

We can analyse your data to determine relevance and to identify and assist in resolving any areas of uncertainty. This can include:

- status and relevance of employees including those working overseas;
- consideration of whether and what data is readily available; and
- analysis of the reportable elements of remuneration packages.

#### Calculations and narrative

RSM will work with you to collate your data on the required snapshot date to:

- prepare and process all reportable calculations;
- provide the calculations to you in a template statement which can be approved and published;
- guide on the voluntary narrative to support your results and to demonstrate accuracy of data; and
- make initial recommendations on publication dates and ensure that you receive an annual reminder.

#### Consultancy

RSM can review and analyse your results to create supporting action plans which may include:

- a review of current pay practices and audit of bonus schemes across your organisation;
- identification of skills shortages recruitment process review;
- facilitation of analysis discussion identifying areas of risk and exposure; and
- formulation of communications plan and benchmarking data (industry/geographic/function) to provide context.

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### RSM'S CONFORMANCE WITH THE IIA STANDARDS

RSM Risk Assurance Services LLP recently underwent an External Quality Assessment (EQA) in line with the Global Institute of Internal Auditors (IIA) International Professional Practice Framework (IPPF). In complying with the standards, internal audit services are required to have an external quality assessment every five years. The Risk Assurance Services LLP commissioned an external independent review of our internal audit services in 2016 to provide assurance on whether our approach meets the requirements of the IPPF. Our external independent review was conducted by the Chartered Institute of Internal Auditors (CIIA).

Conformance to the IIA's standards is measured in the following five areas: purpose; people; performance; planning; and process. As part of the EQA, our internal audit working practices were assessed against 57 fundamental principles. Upon completion of the assessment, we are pleased to confirm, that the CIIA concluded that RSM Risk Assurance Services conforms to all of the 57 fundamental principles.

The review process involved interviewing RSM partners, directors and managers as well as a sample of our clients, to who we thank for their time and insights. In addition, a sample of internal audit reports issued to audit committees and supporting working papers were examined.

RSM operates a strict regime of controls and protocols to ensure the services provided to our clients conform to the IIA's IPPF. Our recent review examined those controls and protocols in place.

### **Demonstrating our results**

The outcomes of the review are based upon our internal audit approach and our internal processes. As part of the review we clearly demonstrated:

- an internal audit methodology that is in place, adhered to and is supported through the use of working papers, which are reviewed appropriately;
- an internal audit manual that is at the forefront of our approach and is relevant and timely to include the changes to the standards that came into effect on 1 January 2017;
- quality client engagement during the formation of internal audit strategies;
- a value adding internal audit service, with timely reporting and useful insights to our clients, as demonstrated through our continual positive client feedback; and
- a continued focus on quality assurance and improvement.



Some of the excellent processes and qualities observed during our recent review include:

- an investment in our people through supporting their professional development. We support our people at all stages of their careers, providing mandatory training as well as further internal and external training opportunities, and we provide over 40 days of professional training for our trainees. We invest in our people to ensure they continue to have the skills to provide up to date and relevant services to our clients;
- a pool of subject specialists to support our clients' internal audit strategies, facilitated by a team of suitably qualified and experienced internal auditors; and
- excellent tools to enable the capture and robust reporting of all evidence by using bespoke in-house auditing software.

#### **Outcomes of the review**

RSM was found to have an excellent level of conformance with the IIA's professional standards, including the Public Sector Internal Audit Standards (PSIAS).

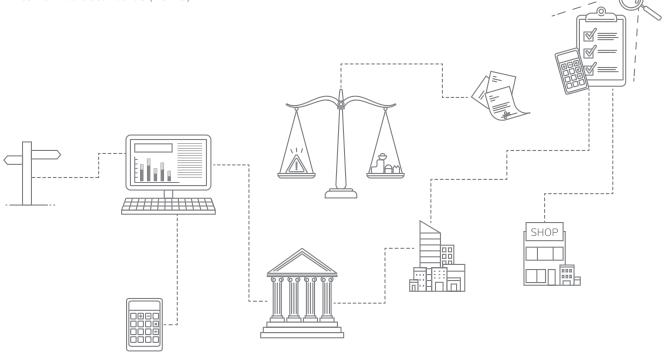
### The review confirmed:

'There is a robust approach to the annual and assignment planning processes and the documentation reviewed was thorough in both terms of reports provided to audit committee and the supporting working papers.' — CIIA

#### What does this mean for our clients?

- Your internal audit service is provided by one of a very small number of accountancy firms that have sought and achieved accreditation to the IIA standards.
- You can be assured that the service provided by RSM fully meets the internationally recognised standards for internal audit.
- Our internal audit service and the work that we do for you is designed and delivered in a way that provides an effective internal audit service.

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### **AVON AND SOMERSET CONSTABULARY**

**Crime Data** 

**FINAL** 

Internal audit report: 10.16/17

16 March 2017

RSM

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Draft report issued	7 March 2017	team	Victoria Gould, Client Manager Cian Spaine, Internal Auditor
Responses received	16 March 2017		Clair Spains, internal Addition
Final report issued	16 March 2017	Client sponsor	Mark Simmonds, OPCC Chief Finance Officer Julian Kern, Constabulary CFO and Director of

1 Executive summary......

Jane Walmsley - Inspection and Audit Coordinator

Distribution Mark Simmonds, OPCC Chief Finance Officer

Julian Kern, Constabulary CFO and Director of

Su Polley, Force Crime and Incident Registrar

Resources

Resources

Su Polley, Force Crime and Incident Registrar Jane Walmsley - Inspection and Audit Coordinator

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### **EXECUTIVE SUMMARY**

### 1.1 Background

An audit of Crime Data was undertaken as part of the 2016/17 internal audit plan, with a focus on Crime Outcomes.

HMIC undertook a crime data integrity review in 2016, with the formal report published in February 2017, grading the Constabulary as 'requires improvement' despite improvements having been noted from the previous inspection in 2014.

HMIC did not consider the recording of crime outcomes as part of its review, and this is a specific area of importance and concern for the Chief Constable and FCIR (Force Crime and Incident Registrar), to be assured that ethically the Constabulary are concluding on the correct outcome of each crime recorded.

Section H of the Home Office Counting Rules set out the 'Recorded Crime Outcomes'. The FCIR has developed an internal Avon and Somerset outcomes guidance document, based on the counting rules, as well as other national guidance such as the Ministry of Justice and Crown Prosecution Service.

There are 21 outcomes that can be allocated to a recorded crime, and as part of this audit we have sample tested 10 occurrences for each outcome (or the whole population if this was less than 10), for the three month period from 17 November 2016 to 17 January 2017. Compliance testing was undertaken against the Recorded Crime Outcomes guidance document.

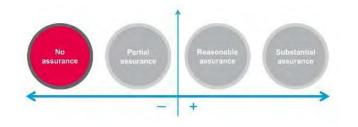
### 1.2 Conclusion

Overall, we found poor levels of compliance with the Recorded Crime Outcomes guidance, with some of our sample requiring the outcome to be amended or the crime to be removed altogether. This has the potential to impact on the Constabulary's crime statistics and whether the individual (offender or victim) was treated correctly or ethically.

### Overall opinion:

Taking account of the issues identified, the OPCC and Joint Audit Committee cannot take assurance that the controls upon which the organisation relies to manage this area are consistently applied.

Urgent action is needed to educate officers and staff and improve the compliance culture to better manage this area.



### 1.3 Key Findings

Due to the volume of testing undertaken as part of this review, we have only provided the detailed findings to the FCIR team. Our findings are summarised below:

- Throughout our testing we found instances where the grounds to support the decision to charge was recorded on the crime report, however in many cases this did not directly refer to the Full Code Test. Non-compliance was found in outcomes 1a, 1b, 2, 3, 5, 11, 12 and 17.
- When looking at evidence for charging decisions, we found cases where the MG3 (CPS Charging Decision) or MG6 (Police Charging Decision) was not attached to the occurrence, and different forms / evidence were used instead, with some cases having no evidence attached.
- In the majority of cases our testing found the only evidence that an offender had been made aware of the implications of a charge was a 'Yes' to this question on the crime report, and no further information or evidence in the free text in Niche.
- Similarly we found that the only evidence that the victim had been updated was a 'Yes' to this question on the crime report, and no further detail to confirm this in the free text. We found similar issues for outcomes 1b, 3, 4, 5, 6, 8, 10, 12, 14, 16, 18, 20 and 21. The only outcomes where we found that the victims were updated in all cases were outcomes 2, 7, 9, 11, 13, 15 and 17.
- In multiple cases the offender link had not been correctly changed to the allocated outcome. Non-compliance was found in outcomes 1b, 6, 7, 10, 11, 12, 13, 15, 16, 17, 20, and 21.
- We found instances of non-compliance with linking the victim to the occurrence, in some case the victim had been incorrectly linked as the 'loser' instead of the 'victim'. This was found in outcomes 1b, 4, 14, 16, and 20.
- We found one instance where the offence charged was not the same as the offence recorded, and the reasons for this were not recorded on the crime report. Through review of the Niche occurrence we could not confirm what offence had been charged, only that the original offence had not been charged due to a lack of evidence.
- We found instances from outcomes 2, 9 and 14 where the offender's date of birth was not recorded in Niche.
- We found instances where the only evidence that the offender admitted the offence was where a 'Yes' was recorded on the crime report; and in some cases the offender did not admit the offence and this was recorded on the crime report. If the offender does not admit the offence then a caution cannot be issued and therefore the outcome was incorrect.
- Similarly, we found instances where there was no caution pro-forma attached as evidence of the offender signing and therefore accepting the caution. This was also the case for outcomes such as PND where the offender did not accept the PND; therefore the wrong crime outcome was applied.
- For outcomes 2 and 3 the collar number, name and rank of the officer authorising the caution must be recorded onto the crime report, however we identified that the crime report template only asks for the name of the inspector / supervisor authorising the caution. If the crime report template specified that the rank and collar number are also to be provided then compliance would improve.
- We found one youth conditional caution where the offender had not admitted the offence. A caution can therefore not be given and the incorrect crime outcome has been applied.

- In outcome 3 we found instances where the gravity matrix scores and subsequent mitigations were not recorded on the crime report.
- With outcome 4 (TIC) we found instances where all occurrences were not adequately linked.
- Where additional evidence to support an offender's admission was required, this was not always attached to Niche as required.
- For outcome 5 (offender died) there was only evidence of death attached to one of the cases. Also, in four cases a historic allegation was made, but the investigation was not continued any further as the suspect was discovered to be deceased. As the investigation did not go further, no evidence was obtained to confirm that the suspect committed the offence so the full code test was not met. The investigations did not advance far enough to confirm that the suspect would have been charged were they still alive and therefore the outcome should not have been used to dispose of the occurrence.
- We could not see evidence that, where required, the IAU (Incident Assessment Unit) as the independent DDM (designated decision maker) had been involved in the decision.
- For outcome 8 (Community Resolution) many of the non-compliance findings relate to the lack of further detail / free text around the offender accepting responsibility and agreeing to participate, and the victim being informed, updated and agreeing to participate. This is all confirmed via a 'Yes' in the crime report, with no further notes on Niche.
- For outcomes 9 and 10 (Not in public interest) we found cases where the crime report stated that the evidential stage had been met, however we disagreed with this. This was because the occurrences involved neighbourhood disputes, domestic disputes, or fighting between friends where there was either not enough evidence or the victim did not want to make a formal complaint. These outcomes are therefore not a suitable disposal for these occurrences. This flags potential training requirements.
- Outcome 11 (Offender below age of criminal responsibility) we found the incorrect outcome had been used in 70% of the cases tested.
- Testing of outcome 12 (Suspect too ill) found that this outcome has been incorrectly used for 50% of the cases reviewed.
- Outcome 13 (Victim / witness dead or too ill to give evidence) had been used incorrectly for 3/7 cases as the victim or witness was indeed not dead or too ill. It is unsure as to why this outcome was used and this will be referred back to the Officer to amend.
- Only 3/10 crimes reviewed under outcome 15 (Evidential difficulties) actually had evidential difficulties, the remaining seven were incorrect.
- For outcome 17 (Time limit expired), two of the crime types did not have a time limit, therefore the outcome was incorrectly used for these two.
- Outcome 20 (Other agency dealing) was used incorrectly for 60% as there was no other agency dealing, or the other agency did not meet the criteria. We also found that when it had been referred no reference number was provided or logged on Niche. Also, one crime was a safeguarding issue and should not have been crimed, therefore this will need to be amended and the victims involved informed.

### 1.4 Additional information to support our conclusion

The following table highlights the number of controls reviewed against each outcome (in brackets), and the number of instances of non-compliance with those controls identified in each outcome. As many of these instances of noncompliance are repeated across the 21 outcomes, an action plan including two 'high' and six 'medium' management actions has been agreed to address these findings, and is detailed in section two.

Outcome		Non npliance controls*
1a. Offender charged	4	(11)
1b. Offender summons / postal requisition	7	(11)
2. Youth caution	8	(18)
Youth conditional caution		
3. Adult caution	6	(18)
Adult conditional caution		
4. TIC	9	(12)
5. Offender died	7	(12)
6. PND	7	(15)
7. Cannabis or Khat warning	3	(15)
8. Community resolution	7	(12)
9. Not in public interest – CPS decision	7	(10)
10. Not in public interest – Police decision	8	(11)
11. Offender below age of criminal responsibility	5	(11)
12. Suspect too ill	6	(9)

	53%	100%
Total	124	235
21. Further investigation is not in the public interest – Police decision	5	(11)
20. Other agency dealing	8	(9)
18. Investigation complete – no suspect identified	1	(6)
17. Time limit expired	5	(9)
16. Victim declines to prosecute – suspect identified	5	(8)
15. Evidential difficulties – named suspect identified	6	(10)
14. Named suspect not identified – victim declines or is unable to support police action to identify suspect	5	(8)
13. Victim or key witness dead or too ill to give evidence	5	(9)

### 2 ACTION PLAN

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

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

Ref	Findings summary	Priority	Actions for management	Implementation date	Responsible owner
2.1	Officer Counting Rules.		a) All instances identified as having the incorrect outcome recorded will be passed back to the individual Sergeants and	July 2017	FCIR
	Incorrectly recorded outcomes.		Officers to correct. This should have a learning impact as it will		
	Incorrectly recorded crimes.		allow officers to identify the mistakes made for future recording.		
	These findings have the potential to impact the Constabulary's crime				
statistics and could impact on whether individuals are cautioned / charged correctly and ethically.	High	b) Those instances identified as being incorrectly crimed, will be passed back to the individual Officers who will be required to contact the offenders and victims to inform them of the change.	July 2017	FCIR	
		Medium	c) The Constabulary will implement a specialist Outcomes team who will report directly to the FCIR. The team will be Dedicated Decision Makers in terms of the application of Outcomes of crimes.	July 2017	FCIR

2.2	Outcome 9 and 10 (amongst others identified in key findings section above) were found to be incorrectly used for a high percentage of the cases reviewed. We found cases where the crime report stated that the evidential stage had been met, however we disagreed with this.  We have identified these outcomes as requiring further training with officers to ensure the correct application.	Medium	Outcomes with high levels of non-compliance, or high levels of incorrect use of outcomes recorded, will be subject to further deep dive audits by the FCIR Team. This will include larger samples of crime data. The results will be reported to COG, and the new Business Improvement Consultants will be required to feed these findings back to individuals and teams for learning purposes.	Ongoing, to be fully completed by March 2018	FCIR
2.3	Outcome 20 was found to be an area with high levels of non-compliance, with the outcome being incorrectly used in 60% of the cases reviewed.	Medium	a) Training with the Constabulary SCUs (Safeguarding Coordination Units) has been undertaken, and it is anticipated that improved compliance will start to be realised.	Complete	FCIR
		Medium	b) Further bespoke 'outcomes' training will be developed, aimed at Sergeants filing crimes. Attendance will be monitored to ensure key lessons are being escalated down to all teams from the sessions via the Sergeants attending.	December 2017	FCIR

2.4	Non-compliance in the following areas:  - confirmation logged that the suspect / offender has been informed of the impact;  - confirmation logged that	Medium	a) The FCIR team will prepare a communication plan to share the key findings, themes and learning from this audit report. It will be uploaded to Pocketbook and staff and officers will be signposted to it.	July 2017	FCIR
	the victim has been updated / informed;  - date of birth of offender being logged in Niche;  - offender link being accurately recorded; and  - correct evidence / documents being uploaded to support decisions.	Medium	b) Crime report template forms will be reworded to ensure that it is clear that saying 'Yes' to an action is not enough, and that further notes are required to confirm how / when communication with victims, suspects and offenders occurred.  The appropriate templates will also be updated to reflect other key findings in this audit, such as:  - reminding officers that only the CPS can authorise conditional cautions;  - name, rank and collar number of inspector authorising cautions;  - reminding officers that a caution can only be given if an offender admits the offence	September 2017	FCIR
		Medium	c) The FCIR will look into implementing a control that crimes are not filed until the victim has been informed and that this is clearly logged on Niche.	September 2017	FCIR

### APPENDIX A: SCOPE

### Scope of the review

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

### Objectives of the area under review

To review the accuracy of recording crime outcomes.

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

#### Areas for consideration:

We will select a sample of 10 crimes from each of the 21 crime outcomes for the two month period leading up to our audit fieldwork start date (23 January 2017).

We will test these recorded crimes against the Constabulary's own detailed guidance, which is taken from the Home Office Counting Rules as well as other national guidance such as Ministry of Justice and Crown Prosecution Service, and test compliance with the key steps / requirements and final concluded crime outcome.

We will have read only access to Niche and PNC (via Police Staff in the FCIR Team) to undertake this review.

During our audit fieldwork we will look for other key themes / good practice / areas for improvement and comment on these accordingly.

### Limitations to the scope of the audit assignment:

- We are not crime data experts but did use the Home Office Counting Rules and FCIR own guidance documents to undertake the compliance testing.
- We did not undertake a complete review of the quality of data recorded in Niche as testing will be undertaken on a sample basis only.
- We have not duplicated or replicated the HMIC approach or testing, our compliance testing is on crime outcomes only.
- Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

### FOR FURTHER INFORMATION CONTACT

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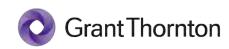
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Joint Audit Committee Update for the Avon and Somerset Police and Crime Commissioner and Chief Constable

Progress Report and Update - year ending 31 March 2017

10 March 2017

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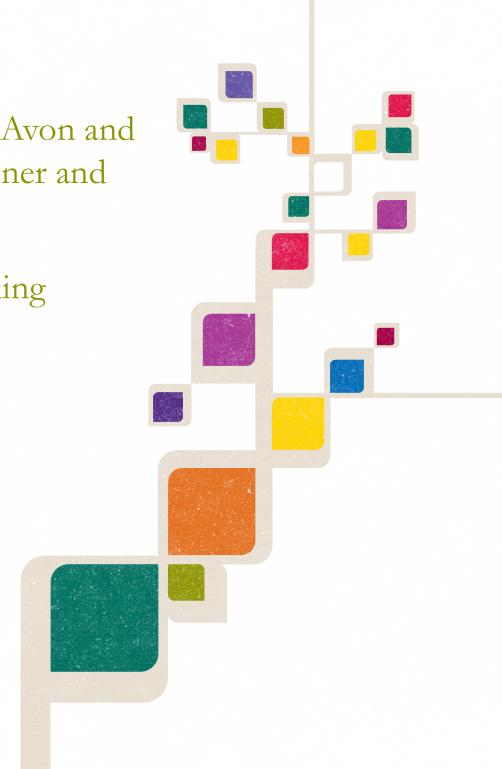
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### Introduction

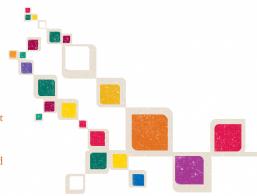
This paper provides the Joint Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

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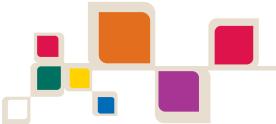
- Hot topics for employers (February 2017);
   <a href="http://www.grantthornton.co.uk/en/insights/fd-intelligence-hot-topics-for-employers-feb-2017/">http://www.grantthornton.co.uk/en/insights/fd-intelligence-hot-topics-for-employers-feb-2017/</a>
- Fraud risk, 'adequate procedures', and local authorities (December 2016); http://www.grantthornton.co.uk/en/insights/fraud-risk-adequate-procedures-and-local-authorities/
- Brexit: local government = transitioning successfully (December 2016)
   http://www.grantthornton.co.uk/en/insights/brexit-local-government-transitioning-successfully/

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# Progress to date



2016/17 work	Planned Date	Complete?	Comments
Fee Letter			
We are required to issue a 'Planned fee letter' for 2016/17 to both the Police and Crime Commissioner (PCC) and the Chief Constable.	July 2016	Yes	The 2016/17 fee letters were presented to the July 2016 Joint Audit Committee.
Accounts Audit Plan			
We are required to issue a detailed accounts joint audit plan covering the audit for the PCC and the Chief Constable, setting out our proposed approach in order to give an opinion on the PCC's group financial statements, including the statements of the Chief Constables in 2016/17.	March 2017	Yes	Our joint audit plan is included as a separate item on the agenda.
Interim accounts audit			
Our interim fieldwork visits covers work on both the PCC's and the Chief Constable's arrangements, including:	w/c 6 March 2017	Yes	<ul><li>We:</li><li>engaged with the finance team to streamline and improve the audit</li></ul>
updating our review of the control environments			approach for 2016/17 where possible  Discussed any technical issues early
<ul><li>updating our understanding of financial systems</li><li>review of Internal Audit reports on core financial systems</li></ul>			Undertook as much early substantive testing as possible
<ul><li>early work on emerging accounting issues</li><li>early substantive testing</li><li>proposed Value for Money conclusion work.</li></ul>			Further details are provided in the joint audit plan being presented today
Final accounts audit			
Covering the PCC's group financial statements, including the statements of the Chief Constable, we will:	May to June 2017	Not yet commenced	We will undertake work on your draft financial statements to provide opinions by the statutory deadline, which for the 2016/17 financial year is 30 September 2017.
• audit the 2016/17 financial statements			As part of the transition to the earlier closedown and audit cycle from
issue opinions on the 2016/17 financial statements			2017/18 which will require approval of the final audited financial statements by 31 July, we plan to complete our 2016/17 audit work and report our findings to the Joint Audit Committee meeting to be held on 14 July 2017. We plan to issue our opinions in the w/c 17 July 2017, thereby meeting the advanced reporting requirements a year early.

# Progress to date

2016/17 work	Planned Date	Complete?	Comments
Value for Money (VfM) conclusion			
The Code requires us to consider whether the PCC and the Chief Constable have each put in place proper arrangements for securing economy, efficiency and effectiveness in their use of resources. These are known as the Value for Money (VfM) conclusions. We issue separate	December 2016 to July 2017	In progress	We have completed our initial risk assessment, details of which are provided in the joint audit plan also included on the agenda for this meeting.  Our work on the VfM Conclusion will include attending meeting with key senior officers and key document reviews
conclusions for the PCC and for the Chief Constable.  The National Audit Office (NAO) issued its guidance for			as appropriate.
auditors on value for money work for 2016/17 in November 2016. It identifies one single criterion for auditors to evaluate:			
In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.			
This is supported by three sub-criteria as set out below:			
<ul><li>Informed decision making</li><li>Sustainable resource deployment</li><li>Working with partners and other third parties</li></ul>			
Annual Audit Letter			
We will summarise all the work completed as part of our 2016/17 audit which will be issued after the opinion.	December 2017	Not yet commenced	
Other activities We provide a range of workshops, along with network events for members and publications to support the PCC, Chief Constable and key officers.	Ongoing through the year	Ongoing through the year	We ran a local workshop covering changes to accounting standards, the CIPFA Code of Practice and emerging issues and future developments, to support officers involved in the preparation of the Financial Statements. Officers were invited to the workshop held on 1 March 2017.

# Police Sector Accounting and other issues



# The Policing and Crime Act 2017



A key bill in the police reform agenda achieved Royal Assent on 31 January 2017. The Policing and Crime Act 2017 will enhance the democratic accountability of police forces and fire and rescue services, improve the efficiency and effectiveness of emergency services through closer collaboration, and build public confidence in policing. The act includes provisions which will:

- reform pre-charge bail to put a stop to people remaining on bail for lengthy periods with no independent judicial scrutiny of its continued necessity
- better enable chief officers to make the most efficient and effective use of their workforce by giving them the flexibility to confer a wider range of powers on police staff and volunteers (whilst for the first time specifying a core list of powers that may only be exercised by warranted police officers) and conferring a power on the Home Secretary to specify police ranks in regulations, thereby affording the flexibility to introduce a flatter rank structure
- place a new duty on police, fire and rescue and emergency ambulance services to collaborate where it is in the interests of their efficiency or effectiveness and enable police and crime commissioners (PCCs) to take on responsibility for the governance of fire and rescue services, where a local case is made
- improve the response to those in mental health crisis including stopping those under 18 from being detained in a police station and restricting such detention for adults by reforming police powers under sections 135 and 136 of the Mental Health Act 1983
- reform the police disciplinary and complaints systems to ensure that the public have confidence in their ability to hold the police to account, and that police officers will uphold the highest standards of integrity
- · increase in the maximum sentence for stalking involving fear of violence from five to ten years' imprisonment
- amend the Police and Criminal Evidence Act 1984 (PACE), including to ensure that 17-year-olds who are detained in police custody are treated as children for all purposes, and to facilitate the increased use of video link technology
- amend the firearms acts to better protect the public by closing loopholes that can be exploited by criminals and terrorists, and by issuing statutory guidance to ensure that the robust processes we have in place for assessing suitability to hold a firearms certificate are applied consistently
- confer pardons, subject to conditions, for individuals living or deceased who were convicted of now abolished gay sex offences
- improve protection for victims of forced marriage and give them more confidence to come forward by providing them with lifelong anonymity.

Further details can be found at <a href="https://www.gov.uk/government/collections/policing-and-crime-bill">https://www.gov.uk/government/collections/policing-and-crime-bill</a>



# The Home Affairs Committee launched an inquiry into policing for the future: changing demands and new challenges.

Advances in technology have led to the emergence of new forms of crime, and have enabled other crimes to move online, changing their nature and impact on victims and communities. Technological change has also generated new opportunities for the police, at a time of increasing focus on efficiency and innovation. Against this backdrop, there remains a complex relationship between public expectations of the police and the operational realities of modern-day policing. Police forces collectively have seen funding reductions of about 19% since 2010/11, accompanied by a significant reduction in the size of the police workforce. Many crimes are under-reported to the police and require proactive engagement with certain communities, and a large proportion of police time is devoted to non-criminal activity, such as mental health crisis work.

This inquiry explores the challenges of modern policing, and examines whether police forces in England and Wales are sufficiently equipped and resourced to keep the public safe and to respond effectively to evolving demands and changing patterns of crime.

At the launch of the enquiry, the Chair of the Home Affairs Select Committee, Yvette Cooper MP said:

"Police forces are facing multiple new and emerging challenges in their quest to protect the public from harm, including the growth of online crime and the pressures generated by non-crime demands, such as mental health crisis work. Ongoing funding reductions mean there is continuing demand for new efficiency measures, and technological change provides new opportunities for innovation.

Against this backdrop, the Home Affairs Committee is launching a major inquiry into 'Policing for the Future', to examine whether the police have appropriate capabilities to deal with modern challenges to public safety, changing patterns of crime, and new ways of engaging with the public whom they serve. We are seeking written and oral evidence on the reforms which might be required to ensure that our police are fit for purpose, cost effective and open to innovation and technological change."

- Written evidence (deadline for submission was 16 February 2017) was invited on the issues set out below:
- Reforms which may be necessary to ensure the police service has the ongoing capacity and capability to fulfil its primary task of ensuring public safety, in the face of new and evolving threats and challenges.
- Current and future crime trends and their implications for policing in England and Wales, including emerging or growing categories of crime (such as online crime and child sexual abuse) and under-reported types of crime.
- The extent to which the police are sufficiently equipped to deal with these changing patterns of crime and other operational demands, such as mental health crisis work, and where gaps in capacity and capability are likely to lie.
- The relationship between public expectations of the police, including desired visibility and perceived priorities, and the operational realities of policing within the current financial context.
- Police funding levels, efficiency and cost-effectiveness, including the role of Police & Crime Commissioners (PCCs) in driving innovation and reform.
- The role of digital technology in policing, including take-up, risks and barriers to use.
- International best practice examples of innovation in policing, and the extent to which they could be replicated in England and Wales.

Further details can be found at <a href="https://www.parliament.uk/business/committees-a-z/commons-select/home-affairs-committee/news-parliament-2015/170111-new-inquiry-policing-future/">https://www.parliament.uk/business/committees/committees/committees-a-z/commons-select/home-affairs-committee/news-parliament-2015/170111-new-inquiry-policing-future/</a>



# Telling the story – Changes in 2016/17 CIPFA Code

CIPFA has been working on the 'Telling the Story' project, which aims to streamline the financial statements and improve accessibility to the user. This has resulted in changes to CIPFA's 2016/17 Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

The main changes affect the presentation of the Comprehensive Income and Expenditure Statement ('CIES'), the Movement in Reserves Statement ('MIRS') and segmental reporting disclosures. A new Expenditure and Funding Analysis has been introduced.

### The key changes are:

- the cost of services in the CIES is to be reported on basis of the local authority's organisational structure rather than the Service Reporting Code of Practice (SERCOP) headings
- an 'Expenditure & Funding Analysis' note to the financial statements provides a reconciliation between the way local authorities are funded and the accounting measures of financial performance in the CIES
- the changes will remove some of the complexities of the current segmental note
- other changes to streamline the current MIRS providing options to report Total Comprehensive Income and Expenditure (previously shown as Surplus and Deficit on the Provision of Services and Other Comprehensive Income and Expenditure lines) and removal of earmarked reserves columns.

### Other amendments have been made to the Code:

- changes to reporting by pension funds in relation to the format and fair value disclosure requirements to reflect changes to the Pensions SORP
- other amendments and clarifications to reflect changes in the accounting standards.

# Delivering Good Governance

In April 2016, CIPFA and SOLACE published 'Delivering Good Governance in Local Government: Framework (2016)' and this applies to annual governance statements prepared for the 2016/17 financial year. Guidance notes for Policing bodies in England and Wales were also published to assist PCCs and chief constables in reviewing and testing their governance arrangements against the principles for good governance. They help interpret the principles and terminology contained in the Framework in a way that is appropriate for the constitutional and statutory arrangements established within the police service. The guidance notes were drawn up in conjunction with the professional officer organisations in policing. Members of the Association of Policing and Crime Chief Executives (APACE), the Police and Crime Commissioners Treasurers' Society (PACCTS), and the National Police Chiefs' Council (NPCC).

The key focus of the framework is on sustainability – economic, social and environmental – and the need to focus on the longer term and the impact actions may have on future generations.

### Policing bodies should be:

- reviewing existing governance arrangements against the principles set out in the Framework
- · developing and maintaining an up-to-date local code of governance, including arrangements for ensuring on-going effectiveness
- reporting publicly on compliance with their own code on an annual basis and on how they have monitored the effectiveness of their governance arrangements in the year and on planned changes.

The framework applies to all parts of local government and its partnerships and should be applied using the spirit and ethos of the Framework rather than just rules and procedures.



# Grant Thornton Publications



# Integrated Reporting

### Looking beyond the report

The move away from reporting based on historic financial information is beginning to gain momentum and Integrated Reporting is now mandatory in some countries.

In the UK, CIPFA proposed in their consultation document that the narrative report from 2017/18 reflects elements of the International Integrated Reporting Council's framework whilst the Treasury is encouraging public sector organisations to adopt Integrated Reporting.

Integrated reporting: Looking beyond the report was produced by our global Integrated Reporting team, based in the UK, New Zealand and South Africa, to help organisations obtain the benefits of Integrated Reporting.

The International Integrated Reporting Council (IIRC) describes Integrated Reporting as "enhancing the way organisations think, plan and report the story of their business."

At Grant Thornton, we fully agree with this and, in our view, the key word is 'enhancing' because a lot of the elements to support effective Integrated Reporting are likely to be in place already.

But anyone focusing purely on the production of the report itself will not reap the full benefits that effective Integrated Reporting can offer.

Instead, think of Integrated Reporting as demonstrating "integrated thinking" across your entire organisation, with the actual report being an essential element of it.

Our methodology is based on six modules which are designed to be independent of each other.

- **1. Secure support** effective Integrated Reporting needs leadership from the top.
- **2. Identify stakeholders** who are they and how can you engage with them?
- **3. Identify the capitals for your organisation** what resources do you use to create value?
- 4. What do you have and what do you need? do you have the data you need and is it accurate?
- 5. Set limits and create boundaries make sure your report is focussed.
- **6. Review and improve** Integrated Reporting is a continuous learning process.

Our approach to Integrated Reporting is deliberately simple; experience has shown us that this works best. Things are often only complicated because people made them that way.

Our experienced, independent teams can help you keep focused throughout the entire Integrated Reporting process and can support you, no matter what stage you are at. Please speak to your Engagement Lead if you would like to discuss this further.

### **Grant Thornton publications**

### **Challenge question:**

 Have you thought about how the principles of Integrated Reporting can help your organisation become more focussed?



# Apprentice Levy - are you prepared?

### What is the levy?

The UK has been struggling on productivity, now estimated to be 20% behind the G7 average. Developing apprenticeships is set to play a key part in tackling this and bridging the skills gap.

Announced by government in July 2015, the levy is to encourage employers to offer apprenticeships in meeting their skill, workforce and training needs, developing talent internally. The levy is designed to give more control to employers, through direct access to training funds and creation of apprenticeships through the Trailblazer process.

### What is the levy?

From April 2017, the way the government funds apprenticeships in England is changing. Some employers will be required to pay a new apprenticeship levy, and there will be changes to the funding for apprenticeship training for all employers.

All employers will receive an allowance of £15,000 to offset against payment of the levy. This effectively means that the levy will only be payable on paybill in excess of £3 million per year.

The levy will be payable through Pay As You Earn (PAYE) and will be payable alongside income tax and National Insurance.

Each employer will receive one allowance to offset against their levy payment. There will be a connected persons rule, similar the Employment Allowance connected persons rule, so employers who operate multiple payrolls will only be able to claim one allowance. Employers in England are also able to get 'more out than they put in', through an additional government top-up of 10% to their levy contribution.

When employers want to spend above their total levy amount, government will fund 90% of the cost for training and assessment within the funding bands.

The existing funding model will continue until the levy comes into effect May 2017. The levy will apply to employers across all sectors.

Paybill will be calculated based on total employee earnings subject to Class1 National Insurance Contributions. It will not include other payments such as benefits in kind. It will apply to total employee earnings in respect of all employees.

### What will the levy mean in practice

Employer of 250 employees, each with a gross salary of £20,000:

Paybill: 250 x £20,000 = £5,000,000

Levy sum: 0.5% x = £25,000

Allowance: £25,000 - £15,000 = £10,000 annual levy

### How can I spend my levy funds?

The funding can only be used to fund training and assessment under approved apprenticeship schemes. It cannot be used on other costs associated with apprentices, including wages and remuneration, or training spend for the wider-team.

Through the Digital Apprenticeship Service (DAS), set up by government, employers will have access to their funding in the form of digital vouchers to spend on training.

Training can be designed to suit the needs of your organisation and the requirements of the individual in that role, in addition to specified training for that apprenticeship. Training providers must all be registered with the Skills Funding Agency (SFA).

### **Grant Thornton update**

### What do I need to start thinking about now?

- How much is the levy going to cost and have we budgeted for it?
- How do we ensure compliance with the new system?
- Which parts of my current spend on training are applicable to apprenticeships?
- Are there opportunities to mitigate additional cost presented by the levy?
- How is training in my organisation structured?
- How do we develop and align to our workforce development strategy

# Off-payroll working in the public sector "IR 35 rules"

The Chancellor's Autumn Statement 2016 speech delivered a number of changes that will impact the UK business environment and raise considerations for you as an employer.

In particular, the Chancellor announced that the measures that were proposed in Budget 2016 that could affect services supplied through personal service companies (PSCs) to the public sector will be implemented.

At present, the so-called IR35 rules require the worker to decide whether PAYE and NIC are due on the payments made by a PSC following an engagement with a public sector body. The onus will be moved to the payer from April 2017. This might be the public sector body itself, but is more likely to be an intermediary, or, if there is a supply chain, to the party closest to the PSC.

The public sector body (or the party closest to the PSC) will need to account for the tax and NIC and include details in their RTI submission.

The existing IR35 rules will continue outside of public sector engagements.

HMRC Digital Tool – will aid with determining whether or not the intermediary rules apply to ensure of "consistency, certainty and simplicity"

When the proposals were originally made, the public sector was defined as those bodies that are subject to the Freedom of Information rules. It is not known at present whether this will be the final definition. Establishing what bodies are caught is likely to be difficult however the public sector is defined.

A further change will be that the 5% tax free allowance that is given to PSCs will be removed for those providing services to the public sector.

### Impact

- Increased costs
- Responsibility moved to the engager
- Increased risks for the engager
- Consider current arrangements in place

### Areas / risks to consider

- Interim and / or temporary staff engaged through an intermediary or PSC
- Where using agencies ensure they're UK based and operating PAYE
- Update on-boarding / procurement systems, processes and controls
- Additional take on checks and staff training / communications
- Review of existing PSC contractor population before April 2017
- Consider moving long term engagements onto payroll

# Salary Sacrifice Arrangements - Autumn Statement

The Chancellor's Autumn Statement 2016 speech delivered a number of changes that will impact the UK business environment and raise considerations for you as an employer.

In particular, the proposals from earlier this year to limit the tax and NIC advantages from salary sacrifice arrangements in conjunction with benefits will be implemented from April 2017.

Although we await the details, it appears that there is a partial concession to calls made by Grant Thornton UK and others to exempt the provision of cars from the new rules (to protect the car industry). Therefore, the changes will apply to all benefits other than pensions (including advice), childcare, Cycle to Work schemes and ultra-low emission cars.

Arrangements in place before April 2017 for cars, accommodation and school fees will be protected until April 2021, with others being protected until April 2018.

These changes will be implemented from April 2017.

As you can see, there is a limited opportunity to continue with salary sacrifice arrangements and a need also to consider the choice between keeping such arrangements in place – which may still be beneficial – or withdrawing from them.

### What should you be thinking about?

- Review the benefits you offer particularly if you have a flex renewal coming up
- Consider your overall Reward and Benefit strategy
- Consider your Employee communications



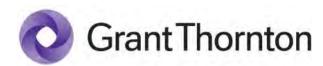
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# Joint Audit Plan for Avon and Somerset Police and Crime Commissioner and Chief Constable for Avon and Somerset

### Year ended 31 March 2017

10 March 2017

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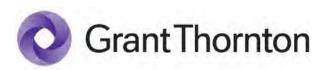
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10 March 2017

Dear Sue and Andy

### Joint Audit Plan for Avon and Somerset Police and Crime Commissioner and Chief Constable for the year ending 31 March 2017

This Joint Audit Plan sets out for the benefit of those charged with governance (the Police and Crime Commissioner (PCC) for the Office of the PCC (OPCC), and the Chief Constable for Avon and Somerset ) an overview of the planned scope and timing of the audit, as required by International Standard on Auditing (UK & Ireland) 260. This document is to help you understand the consequences of our work, discuss issues of risk and the concept of materiality with us, and identify any areas where you may request us to undertake additional procedures. It also helps us gain a better understanding of the OPCC, Avon and Somerset Constabulary and your environment. The contents of this Joint Audit Plan have been discussed with management.

We are required to perform our audit in line with the Local Audit and Accountability Act 2014 and in accordance with the Code of Practice issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General in April 2015. Our responsibilities under the Code are to:

- give an opinion on the financial statements of the Chief Constable, the PCC and the Group
- satisfy ourselves the PCC and the Chief Constable have each made proper arrangements for securing economy, efficiency and effectiveness in their use of resources.

As auditors we are responsible for performing the audit, in accordance with International Standards on Auditing (UK & Ireland), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements which give a true and fair view.

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 the OPCC or Avon and Somerset Constabulary or all weaknesses in your internal controls. This report has been prepared solely for your benefit. 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.

We look forward to working with you during the course of the audit.

Yours sincerely

Iain Murray

Engagement Lead

Chartered Accountants

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## Understanding your business and key developments

### **Developments**

#### Blue light collaboration

Provisions are in place to enable the transfer of Fire and Rescue and Police and Crime Commissioner functions to the elected mayor of a combined authority area.

The West of England combined authority was created in February 2017, with the first mayoral election due to take place in May 2017. Currently, there are no indications that the functions of the PCC will be transferred to the elected mayor.

The Policing and Crime Bill comes into effect in April 2017. This will enable Police and Crime Commissioners to take on the functions of Fire and Rescue Authorities, and create a single employer for Police and Fire personnel. The areas covered by Avon and Somerset Police and the respective Fire Authorities of Avon and Devon and Somerset are not co-terminus, which may present a challenge to any such plans.

### **Transformation funding**

The transformation fund is designed to continue to reform and shape policing for the future by investing in new capabilities to respond to changing crimes and threats.

On 30 November 2016, the Home Secretary awarded over £26m to 28 successful bids for transformation projects. Avon and Somerset are the lead authority for two successful bids with Wiltshire Police and Gloucestershire Constabulary, totalling £877k in 2016/17.

#### **Police and Crime Plan**

Each PCC is required to have created a new Police and Crime Plan, to cover the four years 2017 to 2021, by 31 March 2017.

The new Plan has been issued in Avon and Somerset, following consultation with nearly 2,000 members of the public. The Plan identifies the PCC's four priorities for the next four years.

### Key challenges

#### **Police Funding Formula**

At the beginning of 2016, the implementation of the revised police funding formula in England and Wales was delayed. These revisions are still expected to be implemented, perhaps as soon as the 2018/19 financial year.

The revisions represent an unknown factor with regard to future financial planning, and may represent a significant reduction in annual funding. Funding in the Medium Term Financial Plan is therefore subject to assumptions that could have a significant impact on financial plans.

#### **Enabling services**

Avon and Somerset's
South West One contract
will not be renewed when it
comes to an end in June
2018. Options are being
explored on future
provisions and
collaborations.

Management will need to ensure that there are appropriate transition arrangements in place to exit the contract and transition to new provisions.

#### **HMIC PEEL assessments**

In the 2016 HMIC PEEL assessments, Avon and Somerset Constabulary were graded as 'Good' in relation to the Efficiency, Effectiveness and Legitimacy assessments. This represents an improvement on the 2015 assessments, where the Constabulary was rated as 'Requires Improvement' for the Effectiveness element.

### Financial reporting changes

#### **CIPFA Code of Practice 2016/17 (the Code)**

Changes to the Code in 2016/17 reflect aims of the 'Telling the Story' project, to streamline the financial statements to be more in line with internal organisational reporting and improve accessibility to the reader of the financial statements.

The changes affect the presentation of the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statements, segmental reporting disclosures and a new Expenditure and Funding Analysis note has been introduced. The Code also requires these amendments to be reflected in the 2015/16 comparatives by way of a prior period adjustment. We are discussing the changes with officers to ensure that the financial statements accurately reflect the changes.

#### Earlier closedown

The Accounts and Audit Regulations 2015 require authorities to bring forward the approval and audit of their financial statements to 31 July by the 2017/2018 financial year. For 2016/17, the statutory deadline remains as 30 September.

We plan to run our audit of the PCC and Chief Constable to the advanced timetable in 2016/17, one year ahead of the mandated deadline. Our 2016/17 final accounts audit visit is scheduled for June 2017, and we plan to present our Joint Audit Findings Report to the Joint Audit Committee on 14 July 2017. We plan to issue our opinions in w/c 17 July 2017.

### Our response

- We aim to complete all our substantive audit work on your financial statements by 16 June 2017. We plan to issue our audit opinions and VFM conclusions w/c 17 July 2017.
- We will review both the PCC's and the Chief Constable's progress in managing their responsibilities and how they are working with partners, as part of our work in reaching our VfM conclusions.
- We will consider the outcome of HMIC's overall assessment of Avon and Somerset Constabulary's performance as part of our VfM work.
- We will keep you informed of changes to the financial reporting requirements for 2016/17 through on-going discussions and invitations to our technical update workshops. As part of our opinion on your financial statements, we will consider whether your financial statements accurately reflect the financial reporting changes in the 2016/17 Code.

## Materiality

In performing our audit, we apply the concept of materiality, following the requirements of International Standard on Auditing (UK & Ireland) (ISA) 320: Materiality in planning and performing an audit. The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law. An item does not necessarily have to be large to be considered to have a material effect on the financial statements. An item may be considered to be material by nature, for example, when greater precision is required (e.g. senior manager salaries and allowances).

We determine planning materiality (materiality for the statements as a whole determined at the planning stage of the audit) in order to estimate the tolerable level of misstatement in the financial statements, assist in establishing the scope of our audit engagement and audit tests, calculate sample sizes and assist in evaluating the effect of known and likely misstatements in the financial statements.

We have determined planning materiality based on professional judgment in the context of our knowledge of the PCC and the Chief Constable. In line with previous years, we have calculated materiality for the statements as a whole as a proportion of the smaller of gross revenue expenditure of the Police and Crime Commissioner and gross revenue expenditure of the Chief Constable. For the purposes of planning the audit we have determined overall materiality to be  $\pounds$ 7,201k (being 2% of the gross revenue expenditure of the Chief Constable for Avon and Somerset). In the previous year, we determined materiality to be  $\pounds$ 7,370k (being 2% of gross revenue expenditure). Our assessment of materiality is kept under review throughout the audit process and will advise you if we revise this during the audit.

Under ISA 450, auditors also set an amount below which misstatements would be clearly trivial and would not need to be accumulated or reported to those charged with governance because we would not expect that the accumulation of such amounts would have a material effect on the financial statements. 'Trivial' matters are clearly inconsequential, whether taken individually or in aggregate and whether judged by any criteria of size, nature or circumstances. We have defined the amount below which misstatements would be clearly trivial to be £360k.

ISA 320 also requires auditors to determine separate, lower, materiality levels if there are 'particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users'. We have not identified any items where separate materiality levels are appropriate.

Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered. (ISA (UK and Ireland) 320)

### Significant risks identified

An audit is focused on risks. Significant risks are defined by ISAs (UK and Ireland) as risks that, in the judgment of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Significant risk	Relevant to PCC, Chief Constable or both?	Description	Audit procedures
The revenue cycle includes fraudulent transactions	Both	Under ISA (UK and Ireland) 240 there is a presumed risk that revenue streams may be misstated due to the improper recognition of revenue.	<ul> <li>Having considered the risk factors set out in ISA240 and the nature of the revenue streams, we have determined that the presumed risk of fraud arising from revenue recognition can be rebutted for both the PCC and Chief Constable because:</li> <li>there is little incentive to manipulate revenue recognition</li> <li>for the PCC, opportunities to manipulate revenue recognition are very limited as revenue is principally grant allocations from central and local government</li> <li>for the Chief Constable, opportunities to manipulate revenue recognition are very limited as revenue is received entirely from the PCC, as an inter-group transfer of resources, with no cash transactions</li> <li>the culture and ethical frameworks of local government bodies, including Avon and Somerset PCC and Chief Constable, mean that all forms of fraud are seen as unacceptable</li> </ul>
Management over-ride of controls	Both	Under ISA (UK and Ireland) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.	<ul> <li>Review of accounting estimates, judgments and decisions made by management</li> <li>Review of journal entry process and selection of unusual journal entries for testing back to supporting documentation</li> <li>Review of unusual significant transactions</li> </ul>

"Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, due to either size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty." (ISA (UK and Ireland) 315). In making the review of unusual significant transactions "the auditor shall treat identified significant related party transactions outside the entity's normal course of business as giving rise to significant risks." (ISA (UK and Ireland) 550)

### Other risks identified

Reasonably possible risks (RPRs) are, in the auditor's judgment, other risk areas which the auditor has identified as an area where the likelihood of material misstatement cannot be reduced to remote, without the need for gaining an understanding of the associated control environment, along with the performance of an appropriate level of substantive work. The risk of misstatement for an RPR or other risk is lower than that for a significant risk, and they are not considered to be areas that are highly judgmental, or unusual in relation to the day to day activities of the business.

Reasonably possible risks	Relevant to PCC, Chief Constable or both?	Description of risk	Audit procedures
Operating expenses	Both	Creditors related to core activities are understated or not recorded in the correct period	<ul> <li>Document our understanding of the controls operating in the operating expenditure system</li> <li>Perform a walkthrough to confirm that the controls identified are in operation</li> <li>Obtain an understanding of the accruals process</li> <li>Test for unrecorded liabilities, including a review of payments made after the year end to ensure that expenditure has been recorded within the correct accounting year</li> </ul>
Employee remuneration	Both	Employee remuneration and benefit obligations and expenses are understated	<ul> <li>Document our understanding of the controls operating in the payroll system</li> <li>Perform a walkthrough to confirm that the controls identified are in operation</li> <li>Undertake an analysis of trends and relationships to identify any anomalous areas for further investigation</li> <li>Reconciliation of the payroll system to the general ledger and financial statements</li> <li>Substantive testing on a sample of staff and officer payroll payments, ensuring that payments are made in accordance with the individual's contract of employment</li> </ul>
Police Pensions Benefits Payable	Chief Constable	Benefits improperly computed and / or claims liability understated	<ul> <li>Document our understanding of the controls operating in the pension benefit payments system</li> <li>Perform a walkthrough to confirm that the controls identified are in operation</li> <li>Undertake analytical procedures to confirm that balances are in line with expectations</li> <li>Test a sample of new pension benefits coming into payment to confirm their eligibility, and agree amounts to underlying evidence</li> <li>Test a sample of commutation payments to underlying evidence to confirm their correct calculation and payment</li> </ul>

"In respect of some risks, the auditor may judge that it is not possible or practicable to obtain sufficient appropriate audit evidence only from substantive procedures. Such risks may relate to the inaccurate or incomplete recording of routine and significant classes of transactions or account balances, the characteristics of which often permit highly automated processing with little or no manual intervention. In such cases, the entity's controls over such risks are relevant to the audit and the auditor shall obtain an understanding of them."

(ISA (UK and Ireland) 315)

# Other risks identified (continued)

Other risks	Relevant to PCC, Chief Constable or both?	Description	Audit procedures
Valuation of Property, Plant and Equipment (PPE)	PCC	A full valuation of the PCC's land and buildings was performed as at 1 April 2016. For the year ended 31 March 2017 a full desk top review will be undertaken by the valuer with assets adjusted based upon this review.  PPE valuations represent a significant accounting estimate in the financial statements	<ul> <li>Review management's processes and assumptions for the calculation of the estimate</li> <li>Use of an auditor's expert to assess the reasonableness of assumptions used by management's expert</li> <li>Review the competence, expertise and objectivity of any management experts used</li> <li>Review the instructions issued to valuation experts and the scope of their work</li> <li>Where appropriate, discuss with valuer the basis on which the desk top exercise is carried out and challenge the key assumptions</li> <li>Sample testing of individual revaluation movements to ensure adjustments have been accounted for correctly</li> </ul>
Valuation of pension fund net liability	Chief Constable	Actuarial amounts are not determined properly	<ul> <li>Document our understanding of management's processes and controls related to the IAS 19 valuation of the LGPS and Police Pension Schemes</li> <li>Review the competence, expertise and objectivity of the actuary who carried out your pension fund valuation</li> <li>Gain an understanding of the basis on which the valuation is carried out and obtain assurances over any significant assumptions, where appropriate</li> <li>Gain assurances over the data provided to the actuary to ensure it is robust and consistent with our understanding</li> </ul>

### Other risks identified (continued)

#### **Going concern**

As auditors, we are required to "obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern" (ISA (UK and Ireland) 570). We will review the management's assessment of the going concern assumption and the disclosures in the financial statements.

#### Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in the previous sections but will include:

- Cash and cash equivalents
- Trade and other receivables
- Borrowings and other liabilities, including PFI (long and short term)
- Useable and unusable reserves
- Movement in Reserves Statement and associated notes
- Statement of cash flows and associated notes
- · Auditors Remuneration note

- Taxation and non-specific grants
- Officers' remuneration note
- Leases note
- Related party transactions note
- Capital expenditure and capital financing note
- Financial instruments note
- Joint operations
- Police Pension Fund Account and related notes

## Group audit scope and risk assessment

In accordance with ISA (UK and Ireland) 600, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

Component	Significant?	Level of response required under ISA 600	Planned audit approach
Police and Crime Commissioner (parent)	Yes	Comprehensive	Full scope UK statutory audit performed by Grant Thornton UK LLP
Chief Constable (subsidiary)	Yes	Comprehensive	Full scope UK statutory audit performed by Grant Thornton UK LLP

#### Audit scope

Comprehensive – the component is of such significance to the group as a whole that an audit of the components financial statements is required

Targeted – the component is significant to the Group, audit evidence will be obtained by performing targeted audit procedures rather than a full audit

Analytical – the component is not significant to the Group and audit risks can be addressed sufficiently by applying analytical procedures at the Group level

### Value for Money

#### **Background**

The Code requires us to consider whether the Police and Crime Commissioner and the Chief Constable have each put in place proper arrangements for securing economy, efficiency and effectiveness in their use of resources. These are known as the Value for Money (VfM) conclusions. We issue separate conclusions for the Police and Crime Commissioner and for the Chief Constable.

The National Audit Office (NAO) issued its guidance for auditors on value for money work for 2016/17 in November 2016. The guidance states that for local government bodies, auditors are required to give a conclusion on whether the Police and Crime Commissioner and Chief Constable have each put proper arrangements in place.

The NAO guidance identifies one single criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

This is supported by three sub-criteria as set out to the right:

Sub-criteria	Detail
Informed decision making	<ul> <li>Acting in the public interest, through demonstrating and applying the principles and values of sound governance</li> <li>Understanding and using appropriate cost and performance information (including, where relevant, information from regulatory/monitoring bodies) to support informed decision making and performance management</li> <li>Reliable and timely financial reporting that supports the delivery of strategic priorities</li> <li>Managing risks effectively and maintaining a sound system of internal control</li> </ul>
Sustainable resource deployment	<ul> <li>Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions</li> <li>Managing and utilising assets effectively to support the delivery of strategic priorities</li> <li>Planning, organising and developing the workforce effectively to deliver strategic priorities.</li> </ul>
Working with partners and other third parties	<ul> <li>Working with third parties effectively to deliver strategic priorities</li> <li>Commissioning services effectively to support the delivery of strategic priorities</li> <li>Procuring supplies and services effectively to support the delivery of strategic priorities.</li> </ul>

## Value for Money (continued)

#### **Risk assessment**

We completed an initial risk assessment based on the NAO's auditor's guidance note (AGN03). In our initial risk assessment, we considered:

- our cumulative knowledge of both the PCC and Chief Constable and their organisations, including work performed in previous years in respect of the VfM conclusions and the opinions on the financial statements.
- the findings of other inspectorates and review agencies, including HMIC.
- any illustrative significant risks identified and communicated by the NAO in its Supporting Information.
- any other evidence which we consider necessary to conclude on your arrangements.

We have identified significant risks which we are required to communicate to you. These are set out overleaf.

#### Reporting

The results of our VfM audit work and the key messages arising will be reported in our Joint Audit Findings Report and in the Annual Audit Letter.

We will include our conclusion in our auditor's report on your financial statements which we will report to the Joint Audit Committee meeting on 14 July 2017.

# Value for Money (continued)

We set out below the significant risks we have identified as a result of our initial risk assessment and the work we propose to address these risks.

Significant risk	Link to sub-criteria	Work proposed to address
Financial Strategy and position Avon and Somerset Police have been required to deliver substantial savings since 2010/11, and forecast significant savings requirements going forward. The latest Medium Term Financial Position (MTFP) identifies a budget deficit of £20.6m by 2021/22. Current savings plans total £15.5m by 2021/22, resulting in an additional £5.2m of required additional savings.	Informed decision making Sustainable resource deployment	<ul> <li>Review of the MTFP, including the assumptions that underpin the plan</li> <li>Review savings delivery and progress on developing savings required in future years, including savings identified from enabling services and Priority Based Resourcing</li> </ul>
Regional Governance Avon and Somerset Police are partners in a number of regional collaborations with local Forces, including Tri-Force. A strong governance framework and resultant assurances are key to ensuring that key collaborations deliver the benefits that they are designed to.	Informed decision making Working with Partners	<ul> <li>Understand the Tri-Force governance framework</li> <li>Understand how assurance is gained by Avon and Somerset Police over the collaboration</li> </ul>

### Other audit responsibilities

In addition to our responsibilities under the Code of Practice in relation to your financial statements and arrangements for economy, efficiency and effectiveness we have a number of other audit responsibilities, as follows:

- We will undertake work to satisfy ourselves that the disclosures made in the PCC's and Chief Constable's Annual Governance Statements are in line with CIPFA/SOLACE guidance and consistent with our knowledge of the OPCC and the Avon and Somerset Constabulary.
- We will read your Narrative Statement and check that it is consistent with the financial statements on which we give an opinion and that the disclosures included in it are in line with the requirements of the CIPFA Code of Practice.
- We will carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO instructions to auditors.
- We consider our other duties under the Act and the Code, as and when required, including:
  - We will give electors the opportunity to raise questions about your financial statements and consider and decide upon any objections received in relation to the financial statements;
  - issue of a report in the public interest; and
  - making a written recommendation to the PCC and the Chief Constable, copied to the Secretary of State
- We certify completion of our audit.

## Results of interim audit work

The findings of our interim audit work, and the impact of our findings on the accounts audit approach, are summarised in the table below:

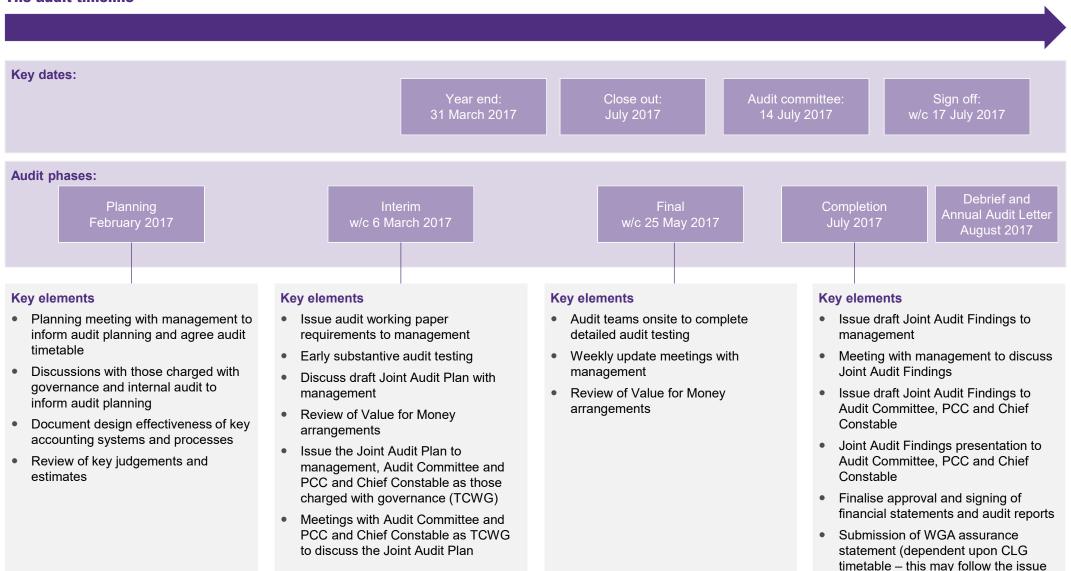
	Work performed	Conclusion
Internal audit	We have completed a high level review of internal audit's overall arrangements. Our work has not identified any issues which we wish to bring to your attention.	Overall, we have concluded that the internal audit service provides an independent and satisfactory service to the Police and Crime Commissioner and the Chief Constable and that internal audit work contributes to an effective internal control environment.
Entity level controls	We have obtained an understanding of the overall control environment relevant to the preparation of the financial statements including:	Our work has identified no material weaknesses which are likely to adversely impact on the Police and Crime Commissioner's or the Chief Constable's financial statements
	Communication and enforcement of integrity and ethical values	
	Commitment to competence	
	<ul> <li>Participation by those charged with governance</li> </ul>	
	<ul> <li>Management's philosophy and operating style</li> </ul>	
	Organisational structure	
	Assignment of authority and responsibility	
	Human resource policies and practices	
Walkthrough testing	At the date we issued our plan, our interim audit was still being undertaken, including our walkthrough testing. This is scheduled to be completed by 10 March 2017, and we will provide a verbal update on the results of this to the committee.	We will report the findings of this work verbally to the Joint Audit Committee on 22 March 2017.

# Results of interim audit work(continued)

	Work being performed
Journal entry controls	We are reviewing the Police and Crime Commissioner's and the Chief Constable's journal entry policies and procedures as part of determining our journal entry testing strategy. This will identify whether there are any material weaknesses which are likely to adversely impact on the Police and Crime Commissioner's or the Chief Constable's control environment or financial statements.
	Also, we are undertaking detailed testing on journal transactions recorded for the first ten months of the financial year, by extracting 'unusual' entries for further review.
Early substantive testing	We plan to undertake early substantive testing in the following areas:
	Opening Balances
	Employee Remuneration
	Substantive testing of a sample of payroll expenditure transactions to period 10
	Payroll costs trend analysis to period 10 to highlight significant variances against expectations.
	Operating Expenses
	Substantive testing of a sample of non-payroll expenditure transactions to period 10
	Update our understanding of the accruals process
	Grant Income
	Agreement of significant grants to third party notifications
	Review of compliance with grant conditions where applicable
	Confirmation of receipt of grant instalments to period 10
	Other Income
	Substantive testing of a sample of income transactions to period 10
	Property, Plant and Equipment
	Substantive testing of a sample of additions
	Confirmation of ownership of material assets
	Confirmation of existence of material assets
	We will report the findings of this work verbally to the Joint Audit Committee on 22 March 2017.

### The audit cycle

#### The audit timeline



of the audit opinion)

### Audit Fees

#### **Fees**

	£
Police and Crime Commissioner audit	36,353
Chief Constable audit	18,750
Total audit fees (excluding VAT)	55,103

#### Our fee assumptions include:

- Supporting schedules to all figures in the accounts are supplied by the agreed dates and in accordance with the agreed upon information request list
- The scope of the audit, and the Police and Crime Commissioner and Chief Constable and their activities, have not changed significantly
- The Police and Crime Commissioner and the Chief Constable will make available management and accounting staff to help us locate information and to provide explanations
- The accounts presented for audit are materially accurate, supporting working papers and evidence agree to the accounts, and all audit queries are resolved promptly.

#### **Fees for other services**

We can confirm that there are no other fees payable or receivable in relation to other services at the time of issuing our audit plan. Any changes will be reported in our Joint Audit Findings Report and Annual Audit Letter.

#### What is included within our fees

- A reliable and risk-focused audit appropriate for your business
- Feed back on your systems and processes, and identifying potential risks, opportunities and savings
- Invitations to events hosted by Grant Thornton in your sector, as well as the wider finance community
- Regular sector updates
- Ad-hoc telephone calls and queries
- Technical briefings and updates
- Regular contact to discuss strategy and other important areas
- A review of accounting policies for appropriateness and consistency
- Annual technical updates for members of your finance team, they were invited to the update held on 1 March 2017.

### Independence and non-audit services

Ethical Standards and ISA (UK and Ireland) 260 require us to give you timely disclosure of matters relating to our independence.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and we confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.

### Communication of audit matters with those charged with governance

International Standard on Auditing (UK and Ireland) (ISA) 260, as well as other ISAs (UK and Ireland) prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table opposite.

This document, The Joint Audit Plan, outlines our audit strategy and plan to deliver the audit, while The Joint Audit Findings will be issued prior to approval of the financial statements and will present key issues and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via a report to the Police and Crime Commissioner and the Chief Constable.

#### **Respective responsibilities**

As auditor we are responsible for performing the audit in accordance with ISAs (UK and Ireland), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

This plan has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by Public Sector Audit Appointments Limited (<a href="http://www.psaa.co.uk/appointing-auditors/terms-of-appointment/">http://www.psaa.co.uk/appointing-auditors/terms-of-appointment/</a>)

We have been appointed as the Police and Crime Commissioner's and Chief Constable's independent external auditors by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England at the time of our appointment. As external auditors, we have a broad remit covering finance and governance matters.

Our annual work programme is set in accordance with the Code of Audit Practice ('the Code') issued by the NAO and includes nationally prescribed and locally determined work (<a href="https://www.nao.org.uk/code-audit-practice/about-code/">https://www.nao.org.uk/code-audit-practice/about-code/</a>). Our work considers the Force's key risks when reaching our conclusions under the Code.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

It is the responsibility of the Police and Crime Commissioner and the Chief Constable to ensure that proper arrangements are in place for the conduct of their business, and that public money is safeguarded and properly accounted for. We have considered how the Police and Crime Commissioner and the Chief Constable are fulfilling these responsibilities.

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	✓	
Overview of the planned scope and timing of the audit. Form, timing and expected general content of communications	✓	
Views about the qualitative aspects of the entity's accounting and financial reporting practices, significant matters and issues arising during the audit and written representations that have been sought		✓
Confirmation of independence and objectivity	✓	✓
A statement that we have complied with relevant ethical requirements regarding independence, relationships and other matters which might be thought to bear on independence.	✓	<b>√</b>
Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged.		
Details of safeguards applied to threats to independence		
Material weaknesses in internal control identified during the audit		✓
Identification or suspicion of fraud involving management and/or others which results in material misstatement of the financial statements		✓
Non compliance with laws and regulations		✓
Expected modifications to the auditor's report, or emphasis of matter		✓
Uncorrected misstatements		✓
Significant matters arising in connection with related parties		✓
Significant matters in relation to going concern	✓	✓
Matters in relation to the group audit, including: Scope of work on components, involvement of group auditors in component audits, concerns over quality of component auditors' work, limitations of scope on the group audit, fraud or suspected fraud	<b>✓</b>	<b>√</b>



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	RISK		MITIGATION OF RISK		ASSESSMENT		
Risk / Objective	Description	Impact	Controls and Assurances	Unmiti Probability	gated / Curre	nt Risk Risk Score	Commentary and Review date
	Ineffective governance, scrutiny, oversight of services and outcomes delivered by the Constabulary. Ineffective arrangements for complaints and serious cases.	- Reduced Public confidence	Risk owner: PCC / OPCC CEO and CFO	4	4	16	PCC and Chief Executive reviewed governance arrangements and a revised governance structure has been adopted with agreement from the Constabulary.  These include a monthly PCC Board, formalising
SR1  Governance failure	Failure to ensure adequate transparency of the OPCC and/or the Constabulary. Failure to ensure effective systems and controls are in place to manage risk and support the delivery of service. Fraud.  Failure to hold Chief Constable to account. Failure to address conduct or performance of Chief Constable. Failure to address complaints against the Chief Constable. Failure to ensure Chief Constable sets appropriate culture, ethics and values.	- Relationship with Constabulary not optimal - Government criticism, penalties - Sub standard performance results and poor inspection outcomes - Force not efficient /effective risks not managed financial loss - reputational risk	PCC Police and Crime Board PCC Chief Constable 1:1s Representation at Constabulary CIB, CCB and Force COG Qlik sense application Audit Committee, audit, annual governance statement	4	4	16	These include a monthly PCC Board, formalising scrutiny, key decisions and performance tracking. This has replaced PCC-COG Board.  Governance arrangements will be reviewed in March 2017.  Significant changes have been made in both organisations (Constabulary and OPCC) in relation to governance arrangements, and there will shortly be a period of structural change within the Constabulary. There is not yet sufficient evidence obtained to indicate that this risk is adequately controlled - this will be evaluated more fully in March when the effectiveness of mitigation can be determined better. (Therefore the risk has been increased since November rating).
SR2	Failure to sufficiently assess needs and failure to agree an appropriate Police and Crime Plan with the Chief Constable.		Risk owner: PCC / OPCC CEO	5	4	20	A new Police and Crime Plan has been developed collaboratively. Delivery plans are being developed to underpin the strategy.  However, the Constabulary have been unsuccessful in
Police and Crime plan: Setting the plan, delivery of the plan	Failure to deliver the Police & Crime Plan.	- PCC priorities not agreed, set or delivered - Public confidence eroded	Police and Crime Board  Representation at Constabulary CIB	4	4	16	delivering the previous Police and Crime Plan. The Constabulary has initiated (with effect from 17 Octobe a 'back to basics' programme aimed at driving performance improvements. The priority-based budgeting review (PBR) exercise will result in a reduction in people and more change which could threaten delivery of the plan.

RISK			MITIGATION OF RISK		ASSESSMENT			
Risk / Objective	Description	Impact	Controls and Assurances	Unmiti	gated / Curre		Commentary and	
THORY COJOCHYC	·	pact		Probability	Impact	Risk Score	Review date	
SR3 Financial Incapability & VFM	Failure to agree and deliver a balanced Constabulary budget with the Chief Constable.  Running an unsustainable budget deficit running out of funds.	- Run out of money - require intervention	Risk owner: PCC / CFO	4	5	20	Deficit £8m for next year 17/18 not yet resolved - however plans to resolve have been identified and agreed.      £18.4 m savings needed by March 2020 including £5m	
	Unable to meet financial obligations as they fall due, reserves insufficient to cover deficits. Unable to manage or control budgets. Savings not delivered in sufficient time, sequence or scope. Borrowing and /or Government intervention required.  Failure to set precept. Failure to ensure value for money in OPCC and across the delegated budgets to the Chief Constable.	Govt. intervention     Reputation / public confidence lost     unable to fund adequate or minimum service unable to fund delivery of PCC priorities     unable to afford change.     inefficiency in use of police	Medium and long term financial planning Regular oversight of revenue & capital budget Maintain adequate risk-assessed reserves Audit Committee / Internal Audit Treasury Management strategy in place outcomes reviewed by CFOs and Finance			16	reinvestment  • PBR has £5m savings objective agreed  • PBR design approved - reliance on delivery. Enabling services plan is to be agreed and needs to deliver £9.5m savings.	
				4	4	<b>4</b> >	Funding formula for 18/19 will be consulted on - presents both opportunity and threat to future government funding.  Precept rise agreed 1.99% for 2017-18 and assumed at 1.99% increase for the following 2 years.	
			Risk owner: PCC / OPCC CEO/Head of Comms	4	3	12	Viewing figures for PCC-CC video live chats have reached just under 5000.  There was a good response to the consultation on priorities for the Police and Crime Plan (1915	
SR4 Failure to Engage with the public	Failure to effectively engage with local people, communities and stakeholders.  Failure to understand people's priorities and issues re policing and crime.  Not taking account of local people's views, only "loud voices" and single issue voices heard.	Reputation / public confidence     Relationship with partners     Police and Crime plan and actual delivery not aligned to	Meetings with LA chairs/ CEOs; CSP Chairs; local community group leaders PCC Forums, out and about days, attendance at summer events, meeting community groups  Web site, twitter & social media  Representation on CSPs, Children's Trusts, LCJB, Health and Wellbeing Boards  OCC/OPCC Comms meetings	2	3	6 <b>★</b>	responses).  Opportunities exist to increase community engagement at forums, events etc. Opportunity to increase engagement with people from diverse communities presented by the establishment of the SOP panel.  PCC awareness increased since Police Authority, contacts to OPCC materially increased, approx. 4 times higher number of website visitors per month than when operating as a Police Authority.  PCC and COG have developed a joint comms plan (proactive and reactive) to ensure closer working and resource allocation.	

RISK		MITIGATION OF RISK				ASSESSMENT	
Risk / Objective	Description	Impact	ct Controls and Assurances		gated / Curre	ent Risk	Commentary and
Nisk / Objective	Description	impact	Controls and Assurances	Probability	Impact	Risk Score	Review date
	Failure to:			4	3	12	
SR5	Deliver community safety, victims services and other partnership outcomes effectively.	- Delivery failure - Reputation / public confidence - Relationship with	Risk owner: Head of C&P  OPCC Business and Delivery Plan  OPCC commissioning team  Governance Boards, scheme of governance			12	Commissioning budget review taking place to balance the 2017/18 budget and prioritise in line with the Police and Crime Plan  Risk to service delivery where significant funding
Failure to commission adequate services	Constabulary and partners - Government penalties - Poor assessment results	Governance Boards, scheme of governance Victims service established by OPCC/OCC, with regular review meetings OPCC Risk Register OPCC Issue Register	3	4	<b>*</b>	reductions have been made  Consultation on RJ service delivery structure currently taking place which could result in significant changes to the service model	
				4	4	16	
	Failure to:					16	Strategic Collaboration programme on enabling services has been stopped, though existing collaborations will continue and ASC and OPCC remain open to future collaboration arrangements.

	RISK		MITIGATION OF RISK	ASSESSMENT			ASSESSMENT
Risk / Objective	Description	Impact	Controls and Assurances	Unmiti Probability	gated / Curre	nt Risk Risk Score	Commentary and Review date
SR6  Collaboration  Failure to deliver effective and efficient regional and other collaborative outcomes	Develop and implement effective regional strategy to make the region more efficient and effective Develop and deliver collaboration plans with Wiltshire and Gloucestershire Constabularies to increase efficiency and effectiveness Failure to put in place effective governance and ownership of regional projects and programmes Collaborate with Fire Authorities.	- Inefficient compared to other regions/areas	Risk owner: PCC / OPCC CEO/ OPCC CFO OPCC Business Plan Regional commissioning and programme boards Strategic Collaboration Governance	4	4	<b>*</b>	OPCC CSE work underway with Wilts OPCC.  CJ transformational work with CJ partners has commenced.  ERP decision will most likely involve collaboration.  Regional progress made on Major Crime, ROCU, Forensics, STORM, CT, ESMCP.  Dialogue with local partners regarding commissioned services working together, e.g. drug & alcohol, victims etc. is ongoing.  Dialogue with Fire and Local authority partners underway focused on co-location and call centres.
				4	4	16	
and capability	Risk that:  i) People in post do not have sufficient knowledge or skills to perform roles to standards of quality and/or to meet deadlines; ii) there is insufficient transfer of knowledge that would provide cover/resilience; iii) there is insufficient capacity in workloads to perform role to standards of quality and/or to meet deadlines.	- Increased likelihood of materialisation of risks through delivery failure (governance, scrutiny, commissioning of services, engagement with public); - damaged relationship with public, constabulary and/or partners.	Risk owner: PCC / OPCC HR Manager (supported by SLT)  OPCC Business Plan PDR process and regular supervisory sessions SLT, Delivery plan meetings and Team meetings (to share knowledge, resolve issues) OPCC HR policies Resource planning	3	4	12	There is appetite to undertake new work, but no further capacity - to do this would require additional resource or prioritisation of deliverables with a view to slowing/stopping some. Resilience has yet to be built as although there are workstream teams, responsibilities for areas of knowledge still rest with individuals.