



Enquiries to: #JAC

Telephone: (01278) 646188

E-mail: JAC@avonandsomerset.pnn.police.uk

Date : 17th September 2019

To: ALL MEMBERS OF THE JOINT AUDIT COMMITTEE

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

Dear Member

NOTICE OF MEETING

You are invited to a meeting of the **Joint Audit Committee** to be held at **11:00** on **25th September 2019** in the **Avon Room, Police Headquarters, Portishead**. Due to the timing of this meeting lunch will be provided.

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

The agenda for the meeting is set out overleaf.

Yours sincerely

Alaina Davies
Office of the Police and Crime Commissioner

INFORMATION ABOUT THIS MEETING

(i) Car Parking Provision

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

(ii) Wheelchair Access

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

(iii) Emergency Evacuation Procedure

The attention of Members, Officers and the public is drawn to the emergency evacuation procedure for the **Avon Room**: Follow the Green Fire Exit Signs to the **Visitor Car Park Assembly Point**.

(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: 01278 646188

Email: JAC@avonandsomerset.pnn.police.uk

(vi) REPORT NUMBERS CORRESPOND TO AGENDA NUMBER

AGENDA

25th September 2019, 11:00

Avon Room, Police Headquarters, Portishead

1. Apologies for Absence

2. Emergency Evacuation Procedure

The Chair will draw attention to the emergency evacuation procedure for the **Avon Room**: Follow the Green Fire Exit Signs to the **North Car Park Assembly Point**.

3. Declarations of Gifts/Offers of Hospitality

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

4. Public Access

(maximum time allocated for this item is 30 minutes)

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

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

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

6. Business from the Chair (Report 6):

- a) **Police and Crime Board (Verbal Update)**
- b) **Update on IOPC Investigations (Verbal Update)**
- c) **Constabulary Recruitment Update (Verbal Update)**

7. Internal Audit (Report 7):

- a) **Workforce Plan (Verbal Update)**
- b) **Quarterly Update**

8. External Audit (Report 8):

- a) **Annual Audit Letter**
- b) **Progress Report**

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

10. Constabulary Strategic Risk Register (Report 10)

11. Summary of Recommendations (Verbal Update)

Part 2

Items for consideration without the press and public present

No Exempt Items

MINUTES OF THE JOINT AUDIT COMMITTEE MEETING HELD ON THURSDAY 10TH JULY 2019 AT 11:00 IN THE CONFERENCE ROOM, POLICE HQ, VALLEY ROAD, PORTISHEAD

Members in Attendance

Jude Ferguson (Chair)
Sue Warman
Katherine Crallan

Officers of the Constabulary in Attendance

Sarah Crew, Deputy Chief Constable
Nick Adams, OCC CFO

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

Mark Simmonds, OPCC CFO
Alaina Davies, OPCC Resources Officer

Also in Attendance

Jackson Murray, Grant Thornton
Iain Murray, Grant Thornton
Laura Wicks, SWAP
Rupert Bamberger, SWAP
Sue Mountstevens, Police and Crime Commissioner

12. Apologies for Absence

Andy Marsh, Chief Constable
David Daw, Joint Audit Committee Member

13. Emergency Evacuation Procedure

The emergency evacuation procedure for the Conference room was noted.

14. Declarations of Interest / Gifts / Offers of Hospitality

None.

15. Public Access

There were no requests for public access

16. Minutes of the Joint Audit Committee Meeting held on 21st March 2019 (Report 5)

RESOLVED THAT the minutes of the meeting held on 21st March 2019 were confirmed as a correct record and signed by the Chair.

The OPCC CFO informed members that the Scheme of Governance has now been refreshed and will be published soon.

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Action update:

- Minute 32a** Joint Audit Committee members were given a presentation at their pre-meeting on the new Strategic Framework. **Action Closed**
- Minute 32b** Members asked that the new Internal Auditors include Health and Safety as part of the follow up work in the internal audit plan for 2019/20.
- Minute 49** The Joint Audit Committee have fed themes they would like updates on into the Joint Audit Plan for the coming year. **Action Closed**
- Minute 6b** The Joint Audit Committee members have been sent the published final version of the revised Police and Crime Plan. The designed version is yet to come and will be sent to members when available.
- Minute 9** A summary report was not included with the OPCC Strategic Risk Register as the OPCC Strategic Planning and Performance officer has left. Once the new person is in post they will be tasked with this.
- Minute 10** Arrows will be included in future on the Constabulary Strategic Risk Register to signify the direction of travel.
- Minute 7b** Expenses across the wider organisation has been included in the Internal Audit Plan for this year. **Action Closed**
- Minute 7c** Effectiveness of Organisational Learning has been included in the Internal Audit Plan for this year. **Action Closed**

17. Business from the Chair

a) Police and Crime Board

The OPCC CFO gave a brief update on the discussions at the Police and Crime Board (PCB) over the past 3 months. The PCB continues to scrutinise performance and has looked at the following assurance reports:

- Mental Health
- Road Safety
- Protect the Most Vulnerable from Harm
- Prevention and Enforcement

The 2018/19 Revenue and Capital Performance report was discussed at the May PCB. The roll out of mobile technology is now complete and

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members were assured that the Constabulary is aligned to the national work in relation to technology.

Estates updates have been given – two of the biggest projects in the plan are Yeovil and Kenneth Steele House. The Yeovil option should be finalised within the next month and the work on Kenneth Steele House has begun.

The new Neighbourhood Policing model is going well, although the Constabulary are working with partners to manage demand in South Bristol.

Chief Officers consistently raise concerns regarding the impact of the political uncertainty and Brexit on policing – this makes it difficult to plan long term for finances and officer numbers as well as delaying things the force need to liaise with the Home Office and Ministry of Justice on.

The early signs regarding the impact of Operation Remedy are good. The return of Tri-Force Firearms Officers has been successful. Still working on the four-force forensic collaboration.

The Criminal Justice Transformation project has been difficult and further thought is being given to the resources around this. There has been positive progress in relation to the Reducing Reoffending project.

The number of police officers currently stands at 2670 and the target for the end of the financial year is 2751. The Police Constable Degree Apprenticeship is up and running and a planned intake of 90 officers in quarter 4 should help meet the target number of officers by the end of the financial year.

The Joint Audit Committee discussed the funding formula which is not fit for purpose and has not been formally applied since 2013. This sees Avon and Somerset underfunded per head of population. The Committee felt that it is positive that there is so much discussion nationally around policing resources at the moment. The Medium Term Financial Plan is built on prudent assumptions but the challenge this year will be recruiting the number of officers requested by the PCC.

b) Update on IOPC Investigations

There are currently 10 open independent IOPC investigations with the oldest being referred in June 2018 – most of the open cases have been referred in 2019 and most are mandatory referrals. The number of cases is smaller than it has previously been and appropriate cases are being referred to the IOPC. There is now a good escalation process where there are concerns that cases are not being progressed in a timely manner.

Members queried the ICO referral. Avon and Somerset made a self-referral to the ICO regarding subject access requests and members were assured that this is in line with what others are doing.

c) Joint Audit Committee Annual Report

Members reviewed and approved the Joint Audit Committee Annual report for publication subject to the small amendments to wording requested at the meeting.

The OPCC CFO confirmed that the Internal Auditors (SWAP) do act as the Head of Internal Audit as suggested in the report – this is because Avon and Somerset Police don't have a Head of Internal Audit within the force due to the costs associated with this.

RESOLVED THAT the Joint Audit Committee Annual Report be published once the agreed amendments have been made.

d) Annual Review of Joint Audit Committee Terms of Reference

The Annual Review of the Joint Audit Committee Terms of Reference is delayed due current recruitment plans for three new Joint Audit Committee members as the current members are due to come to the end of their terms. Members were assured that there have been no changes to legislation which would affect the current Terms of Reference and there have been no suggestions that anything needs to change. Members are comfortable with the content of the current Terms of Reference and the role of the Avon and Somerset Police Joint Audit Committee.

The OPCC CFO will circulate the recruitment information to members for their information as soon as it is ready – recruitment is planned for September/October 2019 with a view to new members receiving training in January 2020 and attending their first Joint Audit Committee meeting in March 2020.

The Terms of Reference does not state if the new member who was appointed for one year can apply for one of the three positions in September/October – this will be addressed by the OPCC CFO.

RESOLVED THAT the OPCC CFO will address, in the Terms of Reference, that the new Joint Audit Committee member can apply for one of the three Joint Audit Committee member positions in the Autumn recruitment round.

18. Internal Audit Reports:

a) Introduction to SWAP (Report 7a)

An introduction presentation was given by the new Internal Auditors (SWAP). They are a public sector owned not for profit organisation which started in 2005 and now has 24 public sector partners. SWAP now deliver internal audit services for all police forces across the South West.

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The Internal Auditors offered to look at the Joint Audit Committee Terms of Reference and compare it to other Joint Audit Committees across the South West.

Free training is offered to Joint Audit Committee members once a year in October time but it was noted that some bespoke training would be required for new members in January 2020.

The level of risk ratings were discussed and members confirmed that due to the risk based approach now taken to audits they do expect that some audits risk ratings will be medium to high.

The OCC CFO asked if the audit reports will make the distinction between design and control of applications – there will not be a specific distinction but it will be clear in the narrative and identified in the management actions.

b) Draft Internal Audit Plan (Report 7b)

Following meeting with the Joint Audit Committee, as well as relevant officers of the Constabulary and OPCC, this internal audit plan was produced. The following themes were identified for consideration in the audit reports for the year:

- Leadership & Culture
- Learning
- Diversity & Inclusion

Information is included on the level of coverage of the areas set out in the Force Management Statement so that decisions can be made as to other forms of assurance in these areas.

It was agreed that the overtime payments audit (which will include expenses) should be prioritised and Health and Safety should be included in the follow up work.

Members were assured by the Internal Auditors that the plan can be delivered within the timescale but that the Internal Audit section of the Joint Audit Committee is likely to be lengthier at future meetings this year due to the late start of the internal audit work. Delivering the Internal Audit Plan will also depend on working with the OPCC and Constabulary and speed of management responses.

The Internal Auditors confirmed that they have reviewed reports from the previous Internal Auditors and worked with the OPCC and OCC CFOs to ensure continuity.

RESOLVED THAT the Internal Audit Plan was agreed.

19. External Audit Update

a) Joint Audit Findings

The report is a summary of the work completed to date and the work which is still ongoing. The External Auditors confirmed they are on track for completion by the end of July 2019 – still currently in the public inspection period.

The main outstanding issue is in relation to the accounting implications of the McCloud/Sergeant judgement and Guaranteed Minimum Pension – the position is set out in the report. This is a national issue and the actuary's report on the policing side is still awaited. It is expected that the numbers on the policing side will be materially affected and the accounts will need to be adjusted, but the numbers in relation to the Local Government Pension Scheme will not be material. It was noted that the Avon and Somerset Police actuary (Barnett Woodhouse) have been amongst the most prudent with regard to this risk. This will impact the income statement and as such the commentary around this will need to be carefully considered.

The Value for Money work has been concluded with no issues to report. No significant issues have been identified in respect of the valuation of land and buildings. Avon and Somerset Police are in a strong place due to prudent financial planning. Reserves have been set aside as well as capital receipts to fund the Capital Plan – the Constabulary are working on refreshing the plan. The recruitment challenge was highlighted again.

The External Auditors are satisfied with the going concern assumption but with increasing scrutiny of this the CFOs may need to think about providing a specific narrative each year on this.

The External Auditors will issue an updated report once their work is complete.

The Constabulary confirmed they are working on recommendations. This has been a challenging year for the Finance Department to produce the Annual Accounts due to depleted numbers affecting the capacity and capability in the team – following recruitment the team is now being stabilised.

The Joint Audit Committee thanked the External Auditors for this report.

b) 2019/20 Audit Fee Letter

The audit fee for 2019/20 was noted and is at the expected level included in the budget.

20. Annual Accounts and Governance Statement: Joint Audit Committee Questions and Answers

Members clarified the questions for publication.

Members sought clarity on the funding of the new Police Constable Degree Apprenticeship (PCDA). The PCDA is mostly funded by the apprenticeship levy which the force have been paying into for the last 2 years and are now drawing down on. This will need topping up in the future, particularly with the recruitment level planned. Certain aspects of the training are also still delivered in-house

The Chair of the Joint Audit Committee thanked members for a good set of diverse questions and members thanked the OPCC and OCC CFOs and the Finance Team for their work on preparing the Annual Accounts and responding to the questions posed by members.

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

It was noted that the requested summary covering report for the Office of the Police and Crime Commissioner (OPCC) Strategic Risk Register had not been provided as the OPCC Strategic Planning and Performance Officer has left. A replacement has been recruited and that person will take this action forward when they take up their post.

SR2 (Police and Crime Plan) has a downward direction of travel. The Police and Crime Plan priorities 1 and 2 are critical to deliver, with priorities 3 and 4 being enabling priorities. The new performance assurance framework and the Constabulary's new strategic framework will be critical.

SR3 (Financial Incapability and VFM) is static. The challenge this year is to recruit to the increased establishment level for police officers which has been budgeted for. The one off serious violence money was discussed - £1.1m for Violence Reduction Units and £1.6m of surge money.

SR8 (Collaboration – other forces) and SR9 (Collaboration – other partners) were discussed. No new regional police collaborations and moving more towards national collaboration. We continue to work closely with local authority partners. It is thought that there will be national debate going forward on the sustainability of running 43 forces. The OPCC CFO highlighted the national programmes that Avon and Somerset are actively engaged in and explained the position regarding Single Online Home – a decision has been made not to join at this point whilst waiting for it to offer the same service as Avon and Somerset can offer (joining now would diminish the service offered to the public in this area). The PCC supports this Constabulary decision. The Forensics collaboration was discussed and the issues in this area – forensics work is evolving and now includes a focus on cyber, with the digital footprint being insightful but this comes with privacy issues which need to be considered. Need to feed the national collaboration work into the collaboration risk.

RESOLVED THAT national collaboration needs to be fed into the collaboration risk.

22. Constabulary Strategic Risk Register (Report 11)

SRR1 (Loss of legitimacy and public confidence) - the crime recording compliance audit is ongoing.

SRR2 (Workforce risk) – the staff survey results have been shared with Senior Leadership Teams in the first instance. Results are showing a positive trajectory.

SRR3 (Lack of capacity and/or capability to deliver and effective policing service) – focus on demand reduction but seeing an increase in demand which is seasonal. The force's ability to review and respond to this increase in demand is improved with the better understanding of demand.

SRR4 (Failure to deliver effective regional or other collaboration outcomes) – results of the Safeguarding Wood Review were discussed. The force had been in favour of a single Safeguarding Board but more local arrangements have been recommended. There is concern that five Boards will be very resource intensive for the police and an increase in funding will be requested. This is a transitional year and the force will not make any investment decisions until the end of the year when improvements and changes will need to be evidenced.

SSR5 (Lack of financial resources) – focus on delivery of Operation Remedy and Serious Violence work and evaluating the impact of this to evidence what can be done with increased funding. Interim results of Op Remedy are positive.

SRR6 (Data quality risk) – seeing improvements. Have a temporary Data Quality Team in place to deal with legacy issues but the size of this challenge was highlighted. Investment in technology will help with future issues designing out some of the data quality errors with mobile apps – if the main interface does the work for users then improvements should be seen.

The only risk which has changed since the last meeting of the Joint Audit Committee is SRR8 (GDPR and Data Protection Act risk) which has increased as a result of the volume of requests (subject access requests, Fol and legal). The force has self-referred to the ICO. A business case will be coming forward to look at resourcing, structure and technology to tackle but this area of business which will require investment. Early communication with the ICO has been positive. It is hoped that this increase in risk rating is temporary.

23. Summary of Recommendations (Verbal Update)

It was reported that there are 31 open HMIC recommendations, with 19 awaiting review due to a backlog. There are 42 open internal audit recommendations.

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The recent HMIC inspection was positive and went well. There was positive informal feedback regarding their experience as well as the staff and officers they met. The debrief was positive highlighting the good understanding the force have of vulnerability generally, understanding of demand, good culture which is engaging and inclusive. It was highlighted that improvements need to be made in terms of internal scrutiny of stop and search and use of force, strategic threat assessment and ethical standards. The formal report is not expected for four months. The HMIC are doing their re-visit today in relation to specialist operations

24. Exempt Minutes of the Joint Audit Committee Meeting held 21st March 2019 (Report 13)

Exempt minutes of the Joint Audit Committee meeting held on 21st March 2019 were confirmed and signed by the Chair as a correct record.

The meeting concluded at 13:30

CHAIR

ACTION SHEET

MINUTE NUMBER	ACTION NEEDED	RESPONSIBLE MEMBER/ OFFICER	DATE DUE
Minute 6b Police and Crime Board 21st March 2019	Send the final version of the revised Police and Crime .Plan to the Joint Audit Committee Members.	OPCC Strategic Planning and Performance Officer	Immediate
Minute 9 OPCC Strategic Risk Register 21st March 2019	Include a summary report with the OPCC Strategic Risk Register in future (similar to the one provided by the Constabulary for their risk register)	OPCC Strategic Planning and Performance Officer	25 th September 2019
Minute 10 Constabulary Strategic Risk Register 21st March 2019	Include the arrows (as has previously been included) to signify the direction of travel.	Constabulary Head of Improvement	25 th September 2019
Minute 17c Business from the Chair: Joint Audit Committee Annual Report 10th July 2019	Joint Audit Committee Annual Report be published once the agreed amendments have been made.	OPCC CFO	Immediate
Minute 17d Business from the Chair: Annual Review of the Joint Audit Committee Terms of Reference 10th July 2019	OPCC CFO will address, in the Terms of Reference, that the new Joint Audit Committee member can apply for one of the three Joint Audit Committee member positions in the Autumn recruitment round.	OPCC CFO	25 th September 2019
Minute 21 Office of the Police and Crime Commissioner Strategic Risk	National collaboration needs to be fed into the collaboration risk.	OPCC CFO/ OPCC Strategic Planning and Performance Officer	25 th September 2019

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Register 10th July 2019			
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Item 7b

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

Report of Internal Audit Activity- September 2019

Internal Audit ■ Risk ■ Special Investigations ■ Consultancy

Executive Summary

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

As part of our plan progress reports, we will look to provide an ongoing opinion to support the end of year annual opinion. This will be developed in our next progress report to Committee, once we begin to finalise audit work.

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



Audit Opinion and Summary of Significant Risks

Progress of the 2019/20 Internal Audit Plan

At the time of reporting, given the late commencement of the 2019/20 Audit Plan, reasonable progress was being made as outlined in Appendix A.

We will provide a verbal update on the Workforce Plan audit at the meeting, where we will update Members on the current status of the audit and key findings with subsequent outline recommendations.

We have also booked scoping meetings for all of the audits scheduled for Quarter 3 and will be in a position to start these at the beginning of October.

Significant Risks:

As we are yet to finalise the first audit in the plan for 19/20, we have not yet identified any significant risks to bring to the Committee's attention.

Follow up of Recommendations:

We understand that an update on internal audit recommendations will be presented to the JAC by the Head of Improvement.

As Members will note, a five-day allowance has been built into the 2019/20 Audit Plan to 'Follow Up' internal audit recommendations. An approach to this has not been agreed as yet and we would welcome Members' thoughts on how best to proceed.

The Chief Finance Officers have suggested the following approach initially:

- SWAP will seek to ensure recommendations raised under the following audits *not* followed up by the previous auditors were implemented as part of our audit work this year:
 - GDPR Governance (8.18/19);
 - Strategic Framework (10.18/19);
 - Key Financial Controls (11.18/19); and
 - Chief Constable & PCC Expenses (12.18/19).

Executive Summary

We therefore propose that the recommendations raised in the subsequent audits utilise the initial Follow Up day allowance:

- IT Projects – Benefits Realisation (7.18/19); and
- Change Commissioning Transformation (9.18/19).

A Follow Up of the Health and Safety audit previously undertaken was requested for coverage at the last Committee meeting, however, upon investigation, it appears that this was completed by the previous auditors. We would welcome clarification around the Committee's requirements concerning this proposed review. Depending on the outcome, it would be useful to establish the position of SWAP in following up recommendations, including whether these continue to be monitored internally after completion of our Follow Up work.

Internal Audit Plan Progress 2019/20

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

As part of our regular audit plan progress reports, we will report on SWAP performance specific to Avon & Somerset Constabulary and OPCC.



SWAP Performance

SWAP now provides the Internal Audit service for 24 Partners. SWAP performance is subject to regular monitoring and review by both the Board of Directors and the Owners Meetings. The respective outturn performance results for Avon & Somerset Constabulary and OPCC for the 2019/20 year (as at 16 September 2019) are as follows:

Performance Measure	Performance
<u>Delivery of Annual Audit Plan</u>	
Completed	0%
Work at Report Stage	8%
Fieldwork	0%
Scoping	42%
Not Yet Started	50%
<u>Quality of Audit Work</u>	
Overall Client Satisfaction <i>(did our audit work meet or exceed expectations, when looking at our Communication, Auditor Professionalism and Competence, and Value to the Organisation)</i>	<i>*Feedback yet to be sought</i>
Percentage of SWAP staff qualified or working towards a qualification	100%
<u>Outcomes from Audit Work</u>	
Percentage of Priority 1 & 2 recommendations identified by SWAP, that remain outstanding past their implementation date	<i>*TBC</i>
Value to the Organisation <i>(client view of whether our audit work met or exceeded expectations, in terms of value to their area)</i>	<i>*Feedback yet to be sought</i>



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

Internal Audit Plan Progress 2019/20

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



Approved Changes to the Audit Plan

The Internal Audit Plan for 2019/20 is reported under **Appendix A** and is subject to change to meet the requirements and emerging risks of the Constabulary and OPCC.

No changes to the agreed Plan have been made to date.

We have recently received confirmation of the areas of focus for the regional work to be undertaken with other South-West Police Partners. The specific scopes remain to be confirmed but will include the following areas:

- Forensics Performance and Tasking;
- Review and recommend a standard approach to obtaining assurance for the AGS; and
- Regional benchmarking on fleet as part of the A&S fleet management review.

The required budget input for each of the five Forces has been agreed at five days for the year. This has already been included in the 19/20 programme of work.



Added Value

As part of the added value SWAP provides, we have included at Appendix B the comparative exercise we recently completed of SWAP Police Partner Audit Committees Terms of Reference (ToR), which we hope proves useful to Members when reviewing the JAC's ToR and should satisfy queries raised at the last meeting regarding Member tenure.

Internal Audit Plan Progress 2019/20

Appendix A

Link to FMS	Audit Area	Period	Audit Days	Status	Opinion	No of Recs	1 =	↔	3 =
							Major		Minor
							Recommendation		
							1	2	3
Force Functions	Workforce Plan	Q2	15	Fieldwork Complete	TBC	-	-	-	-
IT & Information Management	IT Cyber Security	Q3	15	Scoping	-	-	-	-	-
Finance	Payroll & Expenses	Q3	15	Scoping	-	-	-	-	-
Finance	Key Financial Controls	Q3	15	Scoping	-	-	-	-	-
Finance	Personal Issue of Assets	Q3	15	Scoping	-	-	-	-	-
Governance, Fraud and Risk Management	Refreshing Strategic Framework	Q4	15	Not Yet Started	-	-	-	-	-
Force Functions	Fleet Management	Q4	15	Not Yet Started	-	-	-	-	-
IT & Information Management	IT Business Continuity	Q4	15	Not Yet Started	-	-	-	-	-
Finance	Overtime Payments	Q4	15	Not Yet Started	-	-	-	-	-
IT & Information Management	Data Quality	Q4	15	Not Yet Started	-	-	-	-	-
Governance, Fraud and Risk Management	Contribution to Regional Police Audit Work	Throughout Year	5	Scoping	-	-	-	-	-
Governance, Fraud and Risk Management	Follow Up	Throughout Year	5	Not Yet Started	-	-	-	-	-



SWAP Police Audit Committees Terms of Reference Comparison



Executive Summary

Objective

To provide a comparison between the Terms of Reference (ToR) of each of SWAP's Police Audit Committees and the Core Functions set out in CIPFA's Audit Committees Practical Guidance for Local Authorities and Police 2018 Edition (hereafter 'the practical guidance').

Scope

As part of the added value service SWAP provides and following a question raised in a recent Committee, SWAP have compiled the benchmarking in the following report to provide information to the Chief Finance Officers and Audit Committee Chairs regarding the components of each Partner's Terms of Reference. This also has the benefit of enabling SWAP to better understand the roles and responsibilities documented for each Committee. We have sought to provide a comparative analysis between Partners but also considered the practical guidance referenced above. To facilitate this, we:

- Reviewed the practical guidance with particular regard to the Core Functions of an Audit Committee as set out in Chapter 4;
- Identified and indexed the specific actions and other criteria set out in the practical guidance;
- Reviewed the most recently available ToR (and Standing Orders/Operating Principles where applicable) for each of our four Partner Police Audit Committees;
- Provided a Red/Amber/Green (RAG) assessment against each specific action/criterion as to whether we felt this had not been included, reasonably implied or explicitly addressed respectively by each ToR.

Note: It is important to remember that the guidance is not exhaustive, nor should a 'non-inclusion' for section(s) of the practical guidance be deemed a compulsory inclusion. This exercise did not consider actual activity of each Committee and it may be that whilst not explicitly documented, each Committee may feel they exercise a function marked as not included. In any event, it is important that Terms of Reference are regularly reviewed to ensure that they actual reflect roles and responsibilities of the Committee.

Conclusion

The Financial Management Code of Practice for the Police Forces of England and Wales issued by the Home Office states that *the Audit Committee should establish formal terms of reference, covering its core functions, which should be formally adopted and reviewed on an annual basis. Best practice principles should be considered in determining the activities of the Audit Committee.*

It should be noted that there is no requirement to include all facets of each Core Function within the ToR and indeed the example ToR, as provided within the practical guidance itself and adopted as a starting point for at least one of the Committees considered, does not express all of the recommended specific actions.

It is also acknowledged that the activity of each Audit Committee is not restricted to those functions set out in its ToR and it does not follow from non-inclusion of any specific actions that these are not undertaken in practice. However, we felt that this 'dashboard' approach might help to identify any areas which may have been overlooked as core functions of the Committee in the hope that could inform future practice.

As such, Committee Chairs may wish to review the assessments under each Core Function as listed below, satisfy themselves that any noted non-inclusions are intended/being covered in reality and consider whether further reference might usefully be made in future revisions of the ToR. Whilst annual self-assessment of effectiveness is not required by the practical guidance, each Committee considered has committed to this within their ToR and the framework below may serve as an additional tool to support this in future.

Findings and Outcomes

Practical Guidance (on Membership)

- Police audit committees should comprise between three and five members who are independent of the PCC and the force.
- Independent members' appointments should be for a fixed term and be formally approved by the PCC and the chief constable. Provision should be made for early termination and extension to avoid lack of clarity in the future.
- The primary considerations when considering audit committee membership should be maximising the committee's knowledge base and skills, being able to demonstrate objectivity and independence, and having a membership that will work together.
- Regular briefings and training are essential to keep members up to date in their role. Members will become more effective with experience so it is helpful to have some continuity of membership on the committee.

Findings

Partner	Membership	Quorum	Tenure	Training
Strategic Alliance	Six	Four	Initial terms of three or five years (for continuity purposes) up to a maximum tenure of 10 years	Responsibility of Section 151 Officers – to include an induction with annual review of need
Avon & Somerset	Up to five	Three	A maximum of two terms of three years each	Induction plus annual appraisal
Gloucestershire	Three	Two	Terms of four years up to a maximum tenure of 12 years	Responsibility of Section 151 Officer – to include an induction with annual review of need
Wiltshire	Up to five (possibility for more during transition)	Three	An initial term of three years with an option of another three year term (although exemptions may apply for continuity)	As required

Core Function	Be satisfied that the authority’s assurance statements, including the annual governance statement, properly reflect the risk environment and any actions required to improve it, and demonstrate how governance supports the achievement of the authority’s objectives.
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Practical Guidance

- 1.1. review the local code of governance and any changes to the arrangements in the year;
- 1.2. ensure that the AGS is underpinned by a framework of assurance;
- 1.3. over the course of the year, receive reports and assurances over the application of the governance arrangements in practice;
- 1.4. monitor implementation of action plans or recommendations to improve governance arrangements;
- 1.5. consider how the organisation applies governance principles in practice during the committee’s review of other agenda items.

Findings

	1.1.	1.2.	1.3.	1.4.	1.5.
Strategic Alliance					
Avon & Somerset					
Gloucestershire					
Wiltshire					

Core Function	<p>In relation to the authority’s internal audit functions:</p> <ul style="list-style-type: none"> – oversee its independence, objectivity, performance and professionalism; – support the effectiveness of the internal audit process; – promote the effective use of internal audit within the assurance framework.
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Practical Guidance

- 2.1. oversee its independence, objectivity, performance and professionalism**
- 2.1.1. review or approve the internal audit charter, the risk-based internal audit plan and the internal audit budget and resource plan;
 - 2.1.2. receive confirmation of the organisational independence of the internal audit activity;
 - 2.1.3. consider the appointment and removal of the head of internal audit or the award of a contract for internal audit services;
 - 2.1.4. make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations;
 - 2.1.5. approve and periodically review any safeguards put in place to limit impairments to independence and objectivity where the head of internal audit has been asked to undertake any additional roles/responsibilities outside of internal auditing;
 - 2.1.6. receive the annual report, including: the annual opinion on the overall adequacy and effectiveness of governance, risk management and control; a summary of the work on which internal audit has based the opinion; a statement on conformance with the PSIAS and the LGAN the results of the quality assurance and improvement programme, including specific detail as required in the PSIAS;
 - 2.1.7. discuss with the head of internal audit the form of the external assessment of internal audit and the qualifications and independence of the assessor.

2.1.8. The head of internal audit or chief internal auditor (referred to in the PSIAS and the LGAN as ‘chief audit executive’) must have free and unfettered access to the chair of the audit committee;

2.1.9. the chair of the audit committee may serve as sponsor for the external assessment, which forms part of the quality assurance and improvement programme (QAIP) at least once every five years.

2.2. support the effectiveness of the internal audit process

2.2.1. receiving updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work;

2.2.2. receiving communications from the head of internal audit on the internal audit activity’s performance relative to its plan and other matters;

2.2.3. giving approval to internal audit for any significant additional consulting services not already included in the audit plan, prior to internal audit accepting an engagement;

2.2.4. receiving reports on instances where the internal audit function does not conform to the PSIAS or LGAN and considering whether the non-conformance is sufficiently significant that it must be included in the AGS;

2.2.5. overseeing the relationship of internal audit with other assurance providers and with external audit and any inspectorates;

2.2.6. receiving regular reports on the results of the QAIP, including the external assessment.

2.3. promote the effective use of internal audit within the assurance framework

2.3.1. the audit committee should seek confirmation from internal audit that the audit plan takes into account the requirement to produce an annual internal audit opinion that can be used to inform the AGS;

2.3.2. approving (but not directing) the risk-based plan, considering the use made of other sources of assurance;

2.3.3. receiving reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority;

2.3.4. when considering the AGS, taking into account internal audit’s opinion on the overall adequacy and effectiveness of the authority’s framework of governance, risk management and control;

2.3.5. Audit committee members should keep up to date with changes affecting the professional practices and expectations of internal auditors so that they can provide the necessary support.

Findings

	2.1.1	2.1.2	2.1.3	2.1.4	2.1.5	2.1.6	2.1.7	2.1.8	2.1.9	2.2.1	2.2.2	2.2.3	2.2.4	2.2.5	2.2.6	2.3.1	2.3.2	2.3.3	2.3.4	2.3.5
Strategic Alliance	Green	Green	Red	Yellow	Green	Green	Yellow	Red	Red	Green	Green	Yellow	Green	Green	Green	Green	Green	Red	Green	Red
Avon & Somerset	Yellow	Red	Green	Red	Yellow	Yellow	Red	Green	Red	Green	Yellow	Green	Green	Green	Red	Green	Green	Red	Green	Red
Gloucestershire	Green	Red	Green	Green	Red	Yellow	Red	Red	Red	Green	Green	Green	Red	Green	Red	Red	Green	Yellow	Red	Red
Wiltshire	Yellow	Red	Red	Red	Red	Yellow	Red	Green	Red	Green	Green	Red	Yellow	Red	Yellow	Yellow	Green	Green	Green	Red

Core Function	Consider the effectiveness of the authority's risk management arrangements and the control environment, reviewing the risk profile of the organisation and assurances that action is being taken on risk-related issues, including partnerships and collaborations with other organisations.
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Practical Guidance

- 3.1. assurance over the governance of risk, including leadership, integration of risk management into wider governance arrangements and the top level ownership and accountability for risks.**
- 3.1.1. overseeing the authority's risk management policy and strategy and their implementation in practice;
 - 3.1.2. overseeing the integration of risk management into the governance and decision making processes of the organisation;
 - 3.1.3. ensuring that the AGS is an adequate reflection of the risk environment.
- 3.2. keeping up to date with the risk profile and the effectiveness of risk management actions.**
- 3.2.1. reviewing arrangements to co-ordinate and lead risk management;
 - 3.2.2. reviewing the risk profile and keeping up to date with significant areas of strategic risks and major operational or major project risks and seeking assurance that these risks are managed effectively and owned appropriately;
 - 3.2.3. seeking assurance that strategies and policies are supported by adequate risk assessments and that risks are being actively managed and monitored;
 - 3.2.4. following up risks identified by auditors and inspectors to ensure they are integrated into the risk management process.
- 3.3. monitoring the effectiveness of risk management arrangements and supporting the development and embedding of good practice in risk management.**
- 3.3.1. overseeing any evaluation or assessment such as a risk maturity assessment or risk benchmarking;
 - 3.3.2. reviewing evaluation or assurance reports on risk management and monitoring progress on improvement plans;
 - 3.3.3. monitoring action plans and development work in the field of risk management practice.
- 3.4. to understand what assurance is available to support the AGS and to enable the committee to meet its terms of reference.**
- 3.5. to consider the assurance available on whether the partnership or collaboration arrangements are satisfactorily established and are operating effectively.**

Findings

	3.1.1	3.1.2	3.1.3	3.2.1	3.2.2	3.2.3	3.2.4	3.3.1	3.3.2	3.3.3	3.4	3.5
Strategic Alliance												
Avon & Somerset												
Gloucestershire												
Wiltshire												

Core Function	Monitor the effectiveness of the control environment, including arrangements for ensuring value for money, supporting standards and ethics and for managing the authority's exposure to the risks of fraud and corruption.
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Practical Guidance

4.1. The role of the audit committee is most likely to focus on whether the authority's overall approach to VfM is in line with governance objectives and to receive assurances on this to underpin the AGS.

4.2.1. be satisfied that there are adequate arrangements to demonstrate the integrity of all its actions and has mechanisms in place that encourage and enforce a strong commitment to ethical values and legal compliance at all levels;

4.2.2. consider how effectively the Seven Principles of Public Life are supported;

4.2.3. review the effectiveness of the whistleblowing arrangements.

4.3.1. reviewing the counter fraud strategy and considering whether it meets recommended practices;

4.3.2. championing good counter fraud and anti-corruption practice to the wider organisation;

4.3.3. reviewing the fraud risk profile and estimate of fraud losses or potential harm to the organisation and its local community;

4.3.4. reviewing the annual counter fraud plan of activity and resources, seeking assurance that it is in line with the strategy and fraud risk profile;

4.3.5. monitoring the performance of the counter fraud function;

4.3.6. overseeing any major areas of fraud identified and monitoring action plans to address control weaknesses.

Practical Guidance

	4.1	4.2.1	4.2.2	4.2.3	4.3.1	4.3.2	4.3.3	4.3.4	4.3.5	4.3.6
Strategic Alliance										
Avon & Somerset										
Gloucestershire										
Wiltshire										

Core Function	Monitor the effectiveness of the control environment, including arrangements for ensuring value for money, supporting standards and ethics and for managing the authority's exposure to the risks of fraud and corruption.
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Practical Guidance

5.1. providing assurance that the external auditor team maintains independence following its appointment:

5.1.1. The audit committee should seek information from the external auditor on its policies and processes for maintaining independence and monitoring compliance;

5.1.2. It should satisfy itself that no issues with compliance with the ethical standard have been raised by the contract monitoring undertaken by PSAA or the auditor panel or from audit quality reviews by the FRC;

5.1.3. With regard to non-audit services, audit committees should monitor the approval of non-audit work and, in England, take into account the oversight of either PSAA or the auditor panel as appropriate;

5.2. receiving and considering the work of external audit:

5.2.1. The committee should receive the planned work programme to support the opinion and receive reports following the completion of external audit work;

5.2.2. Where external audit make recommendations, the audit committee should discuss the action to be taken with the appropriate managers and monitor the agreed action plan;

5.2.3. The committee should contribute to the authority’s response to the annual audit letter.

5.3. supporting the quality and effectiveness of the external audit process:

5.3.1. understanding and commenting on external audit plans, assessment of risks and proposed areas of focus, and deployment of audit effort in response to identified risks;

5.3.2. considering the effectiveness of the external audit process, including: whether the external auditor has a good understanding of the authority; how the external auditor has responded to areas of audit risk; actions taken to safeguard independence and objectivity; feedback from key people such as the responsible financial officer and the head of internal audit;

5.3.3. reporting to the PCC or the chief constable as appropriate on the results of its considerations;

5.3.4. In monitoring the quality of the external audit provision, the audit committee should be briefed on any relevant issues around quality that emerge from the regulation of external audit, for example, the quality reports from PSAA and the FRC;

5.3.5. There should be an opportunity for the audit committee to meet privately and separately with the external auditor, independent of the presence of those officers with whom the auditor must retain a working relationship.

5.4. Inspection Reports:

5.4.1 The audit committee should have access to inspection reports as a source of assurance and compare the findings with any relevant internal audit and external audit reports;

5.4.2. monitoring to ensure that a consistent approach is adopted and that the various agencies have one recognisable point of entry into the authority.

5.5. Audit committees may undertake a review of the statements and satisfy themselves that appropriate steps have been taken to meet statutory and recommended professional practices.

Findings

	5.1.1	5.1.2	5.1.3	5.2.1	5.2.2	5.2.3	5.3.1	5.3.2	5.3.3	5.3.4	5.3.5	5.4.1	5.4.2	5.5
Strategic Alliance	Green	Green	Green	Green	Red	Yellow	Green	Yellow	Yellow	Green	Red	Red	Yellow	Green
Avon & Somerset	Yellow	Yellow	Yellow	Green	Green	Yellow	Green	Green	Green	Yellow	Green	Yellow	Green	Green
Gloucestershire	Yellow	Yellow	Yellow	Green	Green	Yellow	Green	Green	Red	Green	Red	Green	Red	Green
Wiltshire	Red	Red	Yellow	Green	Yellow	Yellow	Green	Yellow	Green	Red	Green	Red	Red	Green

Authors and Distribution

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



This report was produced and issued by:

Rupert Bamberger	Assistant Director
Laura Wicks	Principal Auditor
Edward Nichols	Senior Auditor



This report has been distributed to the following individuals:

Chief Finance Officers
Head of Alliance Audit, Insurance and Strategic Risk Management, Dorset Police and Devon & Cornwall Police
Head of Governance and Compliance, Gloucestershire Constabulary

The Joint Annual Audit Letter for Avon and Somerset Police and Crime Commissioner and Chief Constable

Year ended 31 March 2019



Contents



Your key Grant Thornton
team members are:

Iain Murray

Director

T: 0207 728 3328

E: Iain.G.Murray@uk.gt.com

Jackson Murray

Senior Manager

T: 0117 305 7859

E: Jackson.Murray@uk.gt.com

Alex Thomson

Associate

T: 0117 305 7632

E: Alex.R.Thomson@uk.gt.com

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Executive Summary

Purpose

Our Joint Annual Audit Letter (Letter) summarises the key findings arising from the work that we have carried out at the Police and Crime Commissioner for Avon and Somerset (the PCC) and the Chief Constable for Avon and Somerset (the Chief Constable) for the year ended 31 March 2019.

This Letter is intended to provide a commentary on the results of our work to the PCC, Chief Constable and external stakeholders, and to highlight issues that we wish to draw to the attention of the public. In preparing this Letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'. We reported the detailed findings from our audit work to the Joint Audit Committee in our Joint Audit Findings Report on 10 July 2019.

Our work

Respective responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give opinions on the group and PCC and the Chief Constable financial statements (section two)
- assessed the PCC's and Chief Constable's arrangements for securing economy, efficiency and effectiveness in their use of resources (the value for money conclusions) (section three).

In our audits of the group, PCC and the Chief Constable financial statements, we comply with International Standards on Auditing (UK) (ISAs) and other guidance issued by the NAO.

Materiality	We determined materiality for the audit of the group, PCC and Chief Constable's financial statements to be £7,438,000, which is approximately 2% of the Chief Constable's gross revenue expenditure.
Financial Statements opinion	We gave unqualified opinions on the group and PCC and Chief Constable's financial statements on 31 July 2019.
Whole of Government Accounts (WGA)	We completed our review of the WGA return in line with the National Audit Office's guidance which required us to complete full procedures. We submitted our Assurance Statement and the reviewed Data Collection Tool to the NAO 12 September 2019.
Use of statutory powers	We did not identify any matters which required us to exercise our additional statutory powers.
Value for Money arrangements	We were satisfied that the PCC and Chief Constable each put in place proper arrangements to ensure economy, efficiency and effectiveness in their use of resources. We reflected this in our audit reports to the PCC and Chief Constable on 31 July 2019.
Certificate	We certified that we have completed the audits of the financial statements of the Police and Crime Commissioner for Avon and Somerset and the Chief Constable for Avon and Somerset in accordance with the requirements of the Code of Audit Practice.

Executive Summary

Working with the PCC and Chief Constable

During the year we have delivered a number of successful outcomes with you including:

- An efficient audit – we delivered an efficient audit with you in July, reporting to the Joint Audit Committee on 10 July 2019 and signing the audit opinions on 31 July 2019.
- Sharing our insight – we provided regular audit committee updates covering best practice.
- Providing training – we provided your finance team with free training on financial accounts and annual reporting issues in advance of the year end to ensure that they were aware of latest accounting developments.

We would like to record our appreciation for the assistance and co-operation provided to us during our audits by the PCC and Chief Constable's staff.

Audit of the Financial Statements

Our audit approach

Materiality

In our audit of the group and PCC and Chief Constable's financial statements, we use the concept of materiality to determine the nature, timing and extent of our work, and in evaluating the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for the audit of the group, PCC and Chief Constable financial statements to be £7,438,000, which is approximately 2% of the Chief Constable's gross revenue expenditure. We used this benchmark as, in our view, users of the financial statements are most interested in where the organisations have spent their revenue and budget allocations in the year.

We also set a lower level of specific materiality for senior officer remuneration of £25,000.

We set a lower threshold of £372,000, above which we reported errors to the Joint Audit Committee in our Joint Audit Findings Report.

The scope of our audit

Our audits involve obtaining sufficient evidence about the amounts and disclosures in the financial statements to give reasonable assurance that they are free from material misstatement, whether caused by fraud or error. This includes assessing whether:

- the accounting policies are appropriate, have been consistently applied and adequately disclosed;
- the significant accounting estimates made by management are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the remainder of the financial statements and the narrative report, the joint annual governance statement and the summary accounts published alongside the financial statements to check they are consistent with our understanding of the PCC and Chief Constable and with the financial statements on which we gave our opinions.

We carry out our audits in accordance with ISAs (UK) and the NAO Code of Audit Practice. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach was based on a thorough understanding of the PCC and Chief Constable's business and is risk based.

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

Audit of the Financial Statements

Significant Audit Risks

These are the significant risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risk identified in our Joint Audit Plan	Relevant to PCC or Chief Constable?	Findings and conclusions
<p>Valuation of net defined benefit pension liability</p> <p>The group's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of the group's pension fund net liability as a significant risk.</p>	<p>Group and Chief Constable</p>	<p>We:</p> <ul style="list-style-type: none"> • updated our understanding of the processes and controls put in place by management; • evaluated the instructions issued by management to their actuary and the scope of the actuary's work; • assessed the competence, capabilities and objectivity of the actuary who carried out the pension fund valuation; • assessed the accuracy and completeness of the information provided to the actuary; • tested the consistency of the financial statements disclosures to the valuation report from the actuary; • undertook procedures to confirm the reasonableness of the actuarial assumptions by reviewing the report of the consulting actuary (as an auditor's expert) and performing any additional procedures suggested within the report; and • obtained assurances from the auditor of Somerset Pension Fund as to the controls surrounding the validity and accuracy of membership data, contributions data and benefits data sent to the actuary by the pension fund. <p>The draft financial statements were updated to reflect the additional liability on the Police Pension Schemes for Avon and Somerset in respect of the McCloud / Sargeant ruling, which increased the year end net pension liability by £182.8m. This increase was also reflected as an additional charge through the Comprehensive Income and Expenditure Statement. An adjustment for the impact of this ruling on the Local Government Pension Scheme liability was not made on the grounds of materiality.</p>

Audit of the Financial Statements

Risk identified in our Joint Audit Plan	Relevant to PCC or Chief Constable?	Findings and conclusions
<p>Valuation of land and buildings</p> <p>The PCC (and group) revalue land and buildings on an annual basis, either via full valuations or on a desktop basis. In 2018/19, to ensure the carrying value in the PCC and group financial statements is not materially different from the current value at the financial statements date, the PCC has requested a desktop valuation from the valuation expert. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions.</p> <p>We therefore identified valuation of land and buildings as a significant risk.</p>	<p>Group and PCC</p>	<p>We:</p> <ul style="list-style-type: none"> • updated our understanding of the processes and controls put in place by management; • evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work; • evaluated the competence, capabilities and objectivity of the valuation expert; • discussed with the valuer the basis on which the valuation was carried out to ensure that the requirements of the CIPFA Code were met; • challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding; and • tested a sample of revaluations made during the year to see if they had been input correctly into the PCC (and group's) asset register. <p>Our audit work did not identify any significant issues in respect of the valuation of land and buildings.</p>
<p>Management over-ride of controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk.</p>	<p>Group, PCC and Chief Constable</p>	<p>We:</p> <ul style="list-style-type: none"> • evaluated the design effectiveness of management controls over journals; • analysed the journals listing and determined the criteria for selecting high risk unusual journals; • tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration; • gained an understanding of the accounting estimates and critical judgements applied by management and considered their reasonableness with regard to corroborative evidence; and • evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions. <p>We made a recommendation in relation to journals which management accepted.</p>

Audit of the Financial Statements

Audit opinion

We gave unqualified opinions on the group and PCC and the Chief Constable's financial statements on 31 July 2019.

Preparation of the financial statements

We were presented with draft financial statements in accordance with the national deadline alongside a good set of working papers to support them. The finance team responded promptly and efficiently to our queries during the course of the audit.

Issues arising from the audit of the financial statements

We reported the key issues from our audits to the Joint Audit Committee on 10 July 2019.

Our audits identified a recommendation for management in respect of journals which accepted by management and related to the system allowing journal descriptions to be altered subsequent to the journal being posted to the system.

Annual Governance Statement and Narrative Report

We are required to review the Annual Governance Statements and Narrative Reports. The PCC and Chief Constable published the documents on their websites in line with the national deadlines.

The documents were prepared in line with the CIPFA Code and relevant supporting guidance. We confirmed that the documents were consistent with the financial statements prepared by the group and PCC and Chief Constable and with our knowledge of the entities.

Whole of Government Accounts (WGA)

We carried out work on the Council's Data Collection Tool in line with instructions provided by the NAO. We issued our Assurance Statement following completion of the full audit procedures on 12 September 2019.

Certificate of closure of the audit

We certified that we have completed the audits of the financial statements of the Police and Crime Commissioner for Avon and Somerset and the Chief Constable for Avon and Somerset in accordance with the requirements of the Code of Audit Practice.

Value for Money conclusion

Background

We carried out our reviews in accordance with the NAO Code of Audit Practice, following the guidance issued by the NAO in November 2017 which specified the 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.

Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the risks where we concentrated our work.

The risk we identified and the work we performed are set out overleaf.

Overall Value for Money conclusions

We are satisfied that in all significant respects both the PCC and the Chief Constable each put in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources for the year ending 31 March 2019.

Value for Money conclusion

Risk identified in our Joint Audit Plan	Findings and conclusions
<p>Medium Term Financial Planning</p> <p>In considering this risk we:</p> <ul style="list-style-type: none"> • reviewed the outturn revenue position; • considered the arrangements for monitoring and managing the delivery of the budget and savings plans for 2018/19; • reviewed the arrangements for developing and agreeing the 2019/20 budgets and updated Medium Term Financial Plan (MTFP), including the identification of savings plans, and considered the level of risk within these plans; and • reviewed the Constabulary's plans for recruitment to ensure that these are aligned to the future financial plans. 	<p><u>2018/19 outturn</u></p> <p>The 2018/19 revenue outturn position was an underspend of £11.4m; this was prior to agreeing carry forwards, provisions and reserve movements. The year end surplus was primarily as a result of the Constabulary running under establishment for much of the year.</p> <p>In-year transfers to reserves will assist the change programme to deliver the expected benefits and can be used to pump prime future transformation projects, and also provide additional support for future capital developments to ensure that this remains fit for purpose.</p> <p>The capital outturn was £11.7m, representing 47.6% of the plan. The underspend on projects that have already begun has been carried forward into 2018/19 (£4m), with the remaining underspend of £8.8m released at the end of the year. The Constabulary recognise that capital plans included some optimism bias, and are working to ensure that future capital plans represent a more realistic profile of capital spend. An updated capital plan is to be completed in time for the 2019/20 quarter two budget reporting.</p> <p><u>Budget monitoring</u></p> <p>Throughout the year revenue monitoring reports are taken to the Police and Crime Board on a quarterly basis to allow the PCC to scrutinise budget performance. An example of how these were used to pro-actively manage the revenue budget is the adjustment of the Corporate Information management budget to release savings early in Q1 of the financial year.</p> <p><u>Medium Term Financial Planning</u></p> <p>The MTFP covers the period from 2019/20 to 2023/24 and reflects the increased precept for 2019/20. The MTFP identifies balanced budgets in 2019/20 and 2020/21 following planned savings of £5.1m. A cumulative £6.1m revenue budget deficit is forecast by 31 March 2024 which is a significant improvement compared to previous years.</p> <p>The better than anticipated settlement has allowed the Constabulary to commit to increasing officer numbers and the PCC has also committed to investments in priority areas of knife crime, burglary and drugs. The longer term funding picture remains unclear for all public service providers, including the police. There is further uncertainty for police bodies from the potential reform of the police funding formula which means that planning for the medium and long term remains challenging. Despite this, the MTFP has been produced using assumptions that appear reasonable based upon the information available at it's time of production.</p> <p>The MTFP assumes that the funding received to cover the increased pensions costs in 2018/19 will not be recurrent. This is a more conservative approach than some other Forces who have assumed that it will remain in payment throughout their MTFP's. Avon and Somerset received £2.8m of pensions funding in 2018/19 and therefore if this were to continue to be paid in future years there would be a significant benefit to the MTFP. The Home Office have since confirmed that the pensions grant will be rolled into base funding for the purposes of the one year Spending Review announced on 4th September and the next iteration of the MTFP will be adjusted to reflect this.</p>

Value for Money conclusion

Risk identified in our Joint Audit Plan	Findings and conclusions
<p>Medium Term Financial Planning</p> <p>In considering this risk we:</p> <ul style="list-style-type: none"> reviewed the outturn revenue position; considered the arrangements for monitoring and managing the delivery of the budget and savings plans for 2018/19; reviewed the arrangements for developing and agreeing the 2019/20 budgets and updated Medium Term Financial Plan (MTFP), including the identification of savings plans, and considered the level of risk within these plans; and reviewed the Constabulary's plans for recruitment to ensure that these are aligned to the future financial plans. 	<p>The biggest area of expenditure for the Constabulary remains its employees, and it has assumed annual pay increases of 2%. This assumption was in line with the other Forces in the South West and around the country, although recent announcements on public sector pay mean that actual pay increases will be greater than those budgeted. This will need to be considered in the next iteration of the MTFP. Discussions will take place at the Police and Crime Board in October 2019 around pay modelling over the MTFP. Pay budgets have been uplifted by 2.5% from September 2019 and this is likely to be the minimum uplift used in future years in the next iteration of the MTFP.</p> <p>The base budget in 2018/19 included £1.5m of revenue funding for capital, and the MTFP assumes that by 2023/24 the recurring base budget will include £5m of such funding. In 2019/20, the increased precept has allowed an additional one-off contribution of £4m. This evidences prudent medium term financial planning, with capital funding for the sector having seen significant reductions over recent years. The additional revenue funding included in the MTFP will allow Avon and Somerset to continue to invest in capital and technology to maintain the efficiencies through its estate and equipment, and ensure that officers and staff are properly equipped to undertake their role.</p> <p><u>Reserves</u></p> <p>At 31 March 2019 the PCC held total revenue and capital usable reserves of £38.7m. Useable reserves are forecast to reduce over the medium term to £18.7m by 31 March 2024. A General Fund balance of £10m is expected to be maintained throughout, reflecting 3.5% of the 2018/19 budget.</p> <p><u>Capital plan</u></p> <p>The 5 year Capital Plan to 2023/24 identifies a balanced position to 2022/23, with a deficit of £11.8m in 2023/24. As with the revenue budget, the level of assumptions that have to be made in later years of the plan make it difficult to accurately reflect costs and funding in the later years of the plan. As noted previously, an updated Capital Plan will be presented with the Q2 2019/20 revenue monitoring.</p> <p><u>Recruitment plans</u></p> <p>Officer numbers are now close to establishment after a period of being lower than budgeted. The Constabulary's intake of 30 recruits in May 2019 will be the first to go through the apprenticeship programme and the ambition is to increase the apprentice numbers to a level that will allow the full draw down of funding from the Apprenticeship Levy contributions. The Constabulary are also taking on 10 recruits from the Police Now initiative along with a further 10 detectives from their National Detective Programme. The Constabulary are also looking at e-recruitment solutions to streamline recruitment processes to allow staff to be recruited faster.</p> <p>The challenge for the Constabulary is to ensure that the new recruits are of sufficiently high quality, especially given that all other local Forces are all running their own recruitment programmes. Recent announcements by the Prime Minister in respect of an additional 20,000 officers nationally over the next three years will also need to be considered and planned carefully at a local level.</p>

A. Reports issued and fees

We confirm below our final reports issued and fees charged for the audit and confirm there were no fees for the provision of non audit services.

Reports issued

Report	Date issued
Audit Plan	March 2019
Audit Findings Report	July 2019
Annual Audit Letter	September 2019

Fees

	Planned fees £	Actual fees £	2017/18 fees £
Statutory audit:			
Police and Crime Commissioner	27,992	31,242	36,353
Chief Constable	14,438	17,688	18,750
Total fees	42,430	48,930	55,103

Audit fee variation

As outlined in our audit plan, the 2018-19 scale fee published by PSAA of £42,430 assumes that the scope of the audit does not significantly change. There are a number of areas where the scope of the audit has changed, which has led to additional work. These are set out in the following table.

Area	Reason	Fee proposed
Assessing the impact of the McCloud ruling	The Government's transitional arrangements for pensions were ruled discriminatory by the Court of Appeal last December. The Supreme Court refused the Government's application for permission to appeal this ruling. As part of our audit we have reviewed the revised actuarial assessment of the impact on the financial statements along with any audit reporting requirements.	1,500
Pensions – IAS 19	The Financial Reporting Council has highlighted that the quality of work by audit firms in respect of IAS 19 needs to improve across local government audits. Accordingly, we have increased the level of scope and coverage in respect of IAS 19 this year to reflect this.	1,500
PPE Valuation – work of experts	As above, the Financial Reporting Council has highlighted that auditors need to improve the quality of work on PPE valuations across the sector. We have increased the volume and scope of our audit work to reflect this.	1,500
Whole of Government Accounts	In 2018/19, we were required to complete full Whole of Government Accounts procedures as the group's return exceeded the £500m threshold for a review that is set by the National Audit Office. We were therefore required to complete the full audit procedures that are mandated by the NAO. In the previous year, these procedures were not required.	2,000
Total		6,500

Fee variations are subject to PSAA approval.



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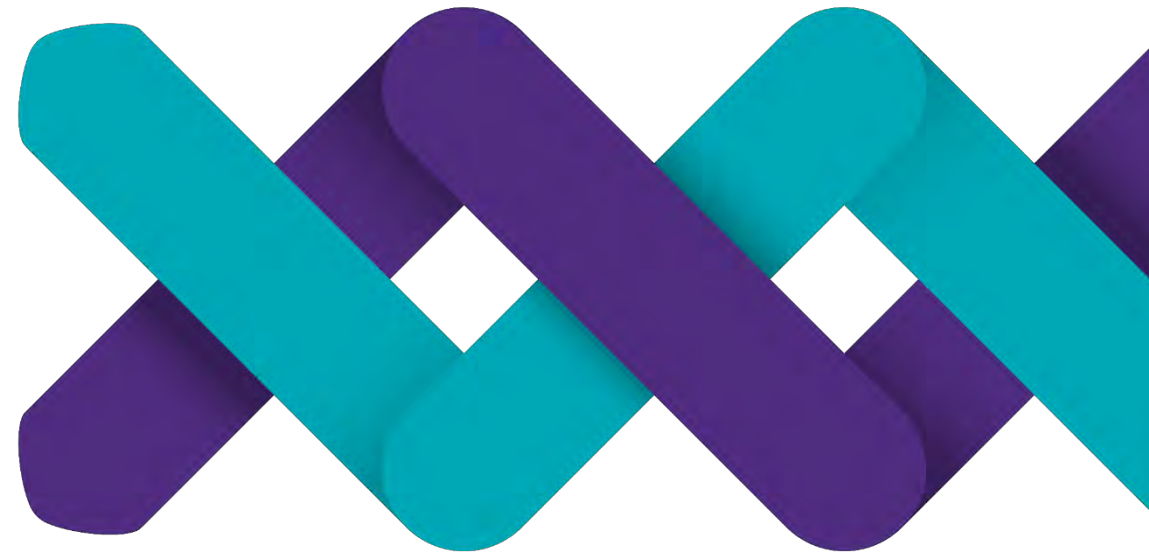
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Audit Progress Report and Sector Update

Avon and Somerset Police and Crime Commissioner and Chief Constable
Year ending 31 March 2019

September 2019



Contents and Introduction



Iain Murray

Engagement Lead

T 0207 184 4301
M 07880 456190
E Iain.G.Murray@uk.gt.com



Jackson Murray

Engagement Manager

T 0117 305 7859
M 07825 028920
E Jackson.Murray@uk.gt.com

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

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

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

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

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Progress at September 2019

2018/19

Our audit of the 2018/19 financial statements is now complete. Our Joint Audit Findings Report was discussed with the Joint Audit Committee on 10 July 2019 and we issued our audit opinions on 31 July 2019. We issued our audit certificates on 16 September 2019 following completion of our procedures on the Whole of Government Accounts return.

Overall we issued:

- unqualified opinions on the group and PCC and Chief Constable financial statements; and
- unqualified value for money conclusions for both the PCC and Chief Constable.

We made a number of recommendations to management within our audit findings report which we will follow up as part of our 2019/20 audit planning.

We have issued all our deliverables for 2018/19 (see page 5) and therefore have concluded our work on the 2018/19 financial year. Our Joint Annual Audit Letter is included as a separate agenda item, and this summarises the findings of our audit work in 2018/19.

2019/20

We have begun our planning processes for the 2019/20 financial year audits.

Our formal work and audit visits will begin later in the year and we will discuss the timing of these visits with management. In the meantime we will;

- continue to hold regular discussions with management to inform our risk assessment for the 2019/20 financial statements and value for money audits;
- review minutes and papers from key meetings; and
- continue to review relevant sector updates to ensure that we capture any emerging issues and consider these as part of audit plans.

Other areas

Meetings

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

Audit Deliverables

2018/19 Deliverables	Planned Date	Status
Fee Letters Confirming audit fees for 2018/19 audits.	April 2018	Complete
Accounts Joint Audit Plan We are required to issue a detailed accounts joint audit plan to the Joint Audit Committee setting out our proposed approach in order to give an opinion on the Group, Police and Crime Commissioner and Chief Constable 2018/19 financial statements.	January 2019	Complete
Interim Audit Findings We will report to you the findings from our interim audit within our Progress Report.	March 2019	Complete
Joint Audit Findings Report The Joint Audit Findings Report will be reported to the July 2019 Joint Audit Committee.	July 2019	Complete
Auditors Reports This is the opinion on the financial statements, annual governance statements and value for money conclusions.	July 2019	Complete
Joint Annual Audit Letter This letter communicates the key issues arising from our audit work.	September 2019	Complete – on agenda

Sector Update

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

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

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

- [Grant Thornton Publications](#)
- [Insights from sector specialists](#)
- [Accounting and regulatory updates](#)

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

[Public Sector](#)

[Police](#)

HMICFRS



State of Policing: The Annual Assessment of Policing in England and Wales 2018

HMICFRS have released their report to the Secretary of State under section 54(4A) of the Police Act 1996, containing the assessment of the efficiency and effectiveness of policing in England and Wales based on the inspections carried out between April 2018 and May 2019. This is the fourth complete PEEL assessment of police forces in England and Wales, and is informed by the findings from the first batch of the 2018/19 assessments, and from the 2017 assessments for the remaining 29 forces.

The report is in three parts, with an overview containing Her Majesty's Chief Inspector of Constabulary's assessment of the state of policing in England and Wales applicable to the police service as a whole, part two containing an overview of the findings from all the inspections conducted in year and part three setting out the full list of inspections and other work.

In his annual assessment of policing in England and Wales, Sir Thomas Winsor said most police forces were performing well, and praised the police for their integrity and bravery. He also called on leaders in police forces and institutions to make bold and long-term decisions to improve policing, however, and said there was continued controversy about the 43-force structure of policing in England and Wales, with a need for the police service to function as part of a single law enforcement system.

Other areas highlighted for reform included:

- consideration of new mandatory standards to prevent inefficiency and ineffectiveness in policing;
- enactment of proposed legislation to strengthen the role of the Forensic Science Regulator;
- multi-year financial settlements for the most efficient police forces, to provide them with certainty, stability and predictability; and
- longer-term investment in technology, such as body-worn video, fully-functional hand-held mobile devices, facial recognition and artificial intelligence.

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

HMICFRS police inspection programme 2019/20

The Inspection Programme has been released which sets out HMICFRS's police inspection programme and resources for the year ahead.

It covers the areas will be inspected in 2019/20 and provides further details about:

- PEEL assessments;
- national thematic inspections;
- commissions from the Home Secretary and local policing bodies;
- inspections of national agencies and non-Home Office forces;
- counter-terrorism and security related inspections; and
- joint inspections with other inspectorates.

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

Home Office

Policing front line review

The findings from the first Front Line Review have been published by the Home Office. The Review was designed to seek feedback and learn what the front line really think about the job they do and what can improve.

Officers and staff from all 43 forces in England and Wales proactively engaged in the Review, with workshops run independently by The Office for National Statistics which involved members of the front line, including police officers, special constables, staff, police community support officers (PCSOs) and volunteers, seeking insights about their experience of:

- wellbeing
- leadership
- professional development
- change and innovation

This included their views on access to and availability of services. The review has identified opportunities to ensure the policing workforce receive the right level of support and development they need to deliver the best for the public.

The review identified the following recommendations and immediate actions that the Home Office and policing partners will take in response to the Review.

1. The Front Line Innovation Project: creation of a space for the front line to directly influence innovation and improvement.
2. Ensuring the operational system achieves the right balance between meeting demands and supporting the individual: A Ministerial challenge to Chiefs to consider essential time for core activities within working patterns that positively impact on frontline wellbeing and support.
3. Management of External Demand: A Ministerial commitment to provide good practice guidance to enable policing to manage more effectively cases that should not involve the police; commencing with better guidance on 'safe and well checks'.

4. Management of Internal Demand: A Ministerial challenge to Chiefs to identify and address unnecessary internally generated demand within their forces and with national support to tackle systemic issues from the Home Office and other partners.
5. HMICFRS activity on Police Wellbeing: HMICFRS has committed to review the way that it inspects the extent to which wellbeing is embedded within day to day policing.
6. Providing a National Evaluation Mechanism for Wellbeing Provision: A Ministerial commitment to provide the front line with a direct means to evaluate national and local progress on wellbeing working with police staff associations.

A number of separate reports have been issued which set out the findings and recommendations from the Review. These can be accessed by clicking the image below.



Home Office

Police recruitment

As he entered Downing Street at the end of July 2019, the new Prime Minister announced that the recruitment of 20,000 new police officers will start in September with the launch of a national campaign, led by the Home Office. The Prime Minister has said he wants recruitment completed over the next three years.

To support this aim, a new national policing board has created, with the first meeting held 31 July 2019. Chaired by the Home Secretary and bringing together key police leaders, it will hold the police to account for meeting the recruitment target and will aim to drive a national response to issues. At the first meeting of the board, the Prime Minister confirmed a target of recruiting 6,000 officers in the first year.

Police recruitment

The Home Secretary has announced that the Stop and Search pilot has been extended to all 43 Forces in the UK. Designed to make it simpler for all forces in England and Wales to use Section 60 of the Criminal Justice and Public Order Act, which empowers officers to stop and search anyone in a designated area without needing reasonable grounds for suspicion if serious violence is anticipated, the rollout will see the Home Secretary lift all conditions in the voluntary Best Use of Stop and Search Scheme over the use of Section 60.

Funding for Violence Reduction Units announced

Eighteen PCCs have been awarded £35 million to set up specialist teams to tackle violent crime in their area. The Violence Reduction Units will bring together different organisations, including the police, local government, health, community leaders and other key partners to tackle violent crime by understanding its root causes. The new units will be responsible for identifying what is driving violent crime in the area and coming up with a co-ordinated response.

The funding is being awarded after PCCs in the 18 areas worst affected by serious violence secured their provisional allocation through successful bids. Each unit will be tasked with delivering both short and long-term strategies to tackle violent crime, involving police, healthcare workers, community leaders and others.

Details of the funding awarded, including the other monies awarded as part of the original surge allocation made in April 2019 and the additional surge allocation in May 2019 can be found by [clicking here](#).

MHCLG – Independent probe into local government audit

In July, the then Communities secretary, James Brokenshire, announced the government is to examine local authority financial reporting and auditing.

At the CIPFA conference he told delegates the independent review will be headed up by Sir Tony Redmond, a former CIPFA president.

The government was “working towards improving its approach to local government oversight and support”, Brokenshire promised.

“A robust local audit system is absolutely pivotal to work on oversight, not just because it reinforces confidence in financial reporting but because it reinforces service delivery and, ultimately, our faith in local democracy,” he said.

“There are potentially far-reaching consequences when audits aren’t carried out properly and fail to detect significant problems.”

The review will look at the quality of local authority audits and whether they are highlighting when an organisation is in financial trouble early enough.

It will also look at whether the public has lost faith in auditors and whether the current audit arrangements for councils are still “fit for purpose”.

On the appointment of Redmond, CIPFA chief executive Rob Whiteman said: “Tony Redmond is uniquely placed to lead this vital review, which will be critical for determining future regulatory requirements.

“Local audit is crucial in providing assurance and accountability to the public, while helping to prevent financial and governance failure.”

He added: “This work will allow us to identify what is needed to make local audit as robust as possible, and how the audit function can meet the assurance needs, both now and in the future, of the sector as a whole.”

In the question and answer session following his speech, Brokenshire said he was not looking to bring back the Audit Commission, which appointed auditors to local bodies and was abolished in 2015. MHCLG note that auditing of local authorities was then taken over by the private, voluntary and not-for-profit sectors.

He explained he was “open minded”, but believed the Audit Commission was “of its time”.

Local authorities in England are responsible for 22% of total UK public sector expenditure so their accounts “must be of the highest level of transparency and quality”, the Ministry of Housing, Local Government and Communities said. The review will also look at how local authorities publish their annual accounts and if the financial reporting system is robust enough.

Redmond, who has also been a local authority treasurer and chief executive, is expected to report to the communities secretary with his initial recommendations in December 2019, with a final report published in March 2020. Redmond has also worked as a local government boundary commissioner and held the post of local government ombudsman.



National Audit Office – Code of Audit Practice

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

Local auditors must comply with the Code of Audit Practice.

Consultation – New Code of Audit Practice from 2020

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

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

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

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

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

Stage 2 of the consultation involves consulting on the draft text of the new Code. To support stage 2, the NAO has published a consultation document, which highlights the key changes to each chapter of the draft Code. The most significant changes are in relation to the Value for Money arrangements. Rather than require auditors to focus on delivering an overall, binary, conclusion about whether or not proper arrangements were in place during the previous financial year, the draft Code requires auditors to issue a commentary on each of the criteria. This will allow auditors to tailor their commentaries to local circumstances. The Code proposes three specific criteria:

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

The consultation document and a copy of the draft Code can be found on the NAO website. The consultation is open until 22 November 2019. The new Code will apply from audits of local bodies' 2020-21 financial statements onwards.

Link to NAO webpage for the Code consultation:

<https://www.nao.org.uk/code-audit-practice/code-of-audit-practice-consultation/>

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



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MEETING: Joint Audit Committee	DATE: 25th September 2019	AGENDA NO: 9
DEPARTMENT: OPCC	AUTHOR: Ben Valentine	
NAME OF PAPER: OPCC Summary of Strategic Risk Management	PURPOSE: Information	OPEN SESSION

1. PURPOSE OF REPORT AND BACKGROUND

This report provides members of the Joint Audit Committee (JAC) with an overview of any significant changes to the OPCC Strategic Risk Register (SRR), and other points related to the management of risk, in the period of time since the last JAC meeting held on 10th July 2019.

2. POINTS OF NOTE

Changes to the register

The presentation of the SRR has changed in an effort to make it easier to read, understand and bring some degree of consistency between the OPCC and Constabulary.

The SRR now more clearly identifies the causes and impacts of the risks and aims to bring greater clarity and visibility over associated controls.

In the cause and impact fields you will note a number of entries with reference numbers after them e.g. (SR1). The reason for this is to better demonstrate the interdependencies of the various strategic risks and the cause and effect relationships between them.

In the cause box you will also note a number of points that begin with a reference number such as "177". These are unique reference numbers on the OPCC issue register. Again this is to ensure better linkage between current issues and how they contribute to the strategic risk.

New, amalgamated and amended risks

SR1 Governance Failure – there was previously a separate risk of “failure to meet OPCC statutory requirements”. That risk has been combined with this risk to recognise that meeting statutory requirements is actually a key facet of good governance and so created duplication in being recorded separately.

SR5 Lack of public confidence in or awareness of OPCC – this is a new risk which has been recorded to recognise the importance of public confidence in this office as distinct from the public confidence in the Constabulary. Although accepting the two are linked.

SR7 Failure to deliver commissioned services – this risk previously mentioned partnerships as well, this was found to be an overlap with SR9 failure to deliver effective and efficient collaborations or outcomes with other partners. This risk now focusses on the OPCC’s commissioned services only.

SR10 Failure to set an effective Police and Crime Plan – this has been separated from SR2 Failure to deliver the Police and Crime Plan. This recognised that the risk of failing to set the plan is transient compared to the perpetual risk of failing to deliver the plan. It was felt this will enable more sophisticated assessment of each risk separately. The OPCC has recognised and recorded this risk now although it’s proximity is eight months away: after the next PCC elections.

Please note there has also been some more subtle changes to some of the wording and numbering order of the risks.

Scoring

The only risk score that has changed is SR3 Financial incapability or ineffectiveness. The probability scores have each reduced by a point making the mitigated risk score now 8. This recognises the Governments pledge to fund an additional 20000 officers nationally and the announcements in the Government’s Budget.

3. RECOMMENDATIONS

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

RISK			ASSESSMENT		
Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Governance Failure	SR1	John Smith	4	4	16
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			3	4	12
			Mitigated Risk change:		
Cause		Impact			
<ul style="list-style-type: none"> ● Failure to deliver OPCC statutory requirements: <ul style="list-style-type: none"> - Failure to set Police & Crime Plan and priorities (SR10) - Failure to set Policing Precept budget - Failure to deliver community safety, victims services and other partnership outcomes effectively (SR9) - Ineffective Custody Visiting Scheme - Failure to hold the Chief Constable to account - Failure to address conduct or performance of Chief Constable - Ineffective oversight of complaints against Chief Constable ● Ineffective scrutiny and oversight of services and outcomes delivered by the Constabulary including delivery of the Strategic Policing Requirement ● Ineffective arrangements for complaints and serious cases ● Failure to ensure adequate transparency of the OPCC and/or the Constabulary ● Failure to ensure effective systems and controls are in place to manage risk and support the delivery of service ● Failure to ensure Chief Constable sets appropriate culture, ethics and values ● Lack of control/influence over other Criminal Justice agencies ● I77 – Lack of assurance about Constabulary readiness to implement pre-recorded cross examination of vulnerable victims 		<ul style="list-style-type: none"> ● Failure to deliver the Police & Crime Plan (SR2) ● Financial loss (SR3) ● Damaged reputation and reduced public confidence (SR5) ● Damaged relationship with Constabulary, commissioned services or partners ● Government criticism or penalties ● Panel criticism ● Sub standard performance results and poor inspection outcomes ● Force not efficient/effective ● Risks not managed ● Failure to improve the delivery of the broader Criminal Justice Service 			

MITIGATION			
Controls	Review date	Owner	Commentary / Controls updates
<ul style="list-style-type: none"> ● Police and Crime Board (PCB) ● PCC Chief Constable 1:1s ● Representation at Constabulary Management Board ● Audit Committee, audit, annual governance statement ● Scrutiny of complaints – Independent Residents Panel ● Service Delivery assurance OPCC visits ● Police and Crime Panel meetings ● DCC attendance at OPCC SLT ● Force Management Statements ● Police and Crime Plan Annual Report ● OPCC commissioning team ● Scheme of governance and Governance Boards ● Annual Assurance Statement ● Victims service established by OPCC/OCC ● Transparency Checklist ● OPCC Business Plan and Delivery Plan ● OPCC SLT review delivery of OPCC functions at SLT meetings. ● Working with Joint DPO to ensure good information governance and compliance with GDPR and DPA 2018. ● The Constabulary Strategic Framework has revised the Mission Vision and Values and delivery and governance arrangements (which will allow greater oversight of risk and assurance by the OPCC) 		<p>John Smith PCC</p> <p>John Smith Mark Simmonds Kathryn Palmer Ben Valentine PCC</p> <p>John Smith</p> <p>Ben Valentine Marc Hole John Smith Mark Simmonds Marc Hole John Smith John Smith John Smith Kate Watson</p> <p>Ben Valentine</p>	<ul style="list-style-type: none"> ● PCB is monthly following CMB and continues to be the principal joint decision making forum and provides the PCC formal oversight of the Constabulary ● The internal audit report on governance concluded that the PCC and CC have an adequate and effective framework for risk management, governance and internal control. ● CoPaCC transparency award received ● OPCC Plans developed with work streams that detail activity covering all statutory requirements and OPCC team appointed owners to statutory duties ● Strategic Framework risk/assurance element delayed in implementation primarily due to Single Delivery Plan which does not yet offer the oversight expected <ul style="list-style-type: none"> ● Constabulary Mission Vision Values continues to be embedded but not all elements of the Strategic Framework are fully developed and since being live there has been a governance failing in relation to Lighthouse

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to deliver the Police and Crime Plan	SR2	John Smith	5	4	20
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	4	16
			Mitigated Risk change:		
Cause		Impact			
<ul style="list-style-type: none"> • Vacancies and backlogs in in Lighthouse • Response timeliness • Positive Outcomes • Uncertainty of delivery following Neighbourhoods review - yet to see improvements • Lack of capacity/capability within the Constabulary (see Constabulary SRR3 commentary) - Investigations vacancies critical • Lack of representation in the Constabulary workforce • National rape crisis reduces confidence in the entire Criminal Justice System • Lack of control/influence over other Criminal Justice agencies • I5 – Referrals of vulnerable victims to Lighthouse are too low • I28 – Poor compliance with VCOP • I84 – Increasing threats with knowledge gaps in intel • I106 – No intervention in place to use for Hate Crime conditional cautions • I111 – Constabulary changing governance and assurance arrangements • I114 – Increases in knife crime • I115 – Court reform: centralisation of admin staff 		<ul style="list-style-type: none"> • Loss of legitimacy in the OPCC and Constabulary • Loss of public confidence/trust in the OPCC (SR4) and Constabulary • Failure to keep people safe • Failure to protect and support vulnerable people • Failure to bring offenders to justice • People will feel unsafe • Police and Crime Panel criticism and/or fail to agree precept increase 			

MITIGATION			
Controls	Review date	Owner	Commentary / Controls updates
<ul style="list-style-type: none"> ● PCC/Chief Constable meetings ● Police and Crime Board (PCB) discusses performance, assurance and risk ● Representation at Constabulary CMB ● Audits and Inspections (HMICFRS & SWAP) overseen by Joint Audit Committee ● Internal assurance mechanisms are in place to evaluate delivery of the Plan's objectives ● Service Delivery Assurance visits led by OPCC check and test for areas to improve ● Joint performance framework allows better oversight of delivery against the plan ● Oversight of all strategic constabulary data through Qlik ● Panel Meetings ● Contacts analysis ● Forum analysis ● Scrutiny of complaints and conduct 		PCC John Smith John Smith Mark Simmonds Ben Valentine Ben Valentine Ben Valentine John Smith Niamh Byrne Niamh Byrne Sally Fox	<ul style="list-style-type: none"> ● OPCC attendance at CMB and the PCB which follows this continues to work well in terms of assurance and open dialogue about areas of concern where the plan may not be delivered. ● The Strategic Threat Assessment and Strategic Intelligence Requirements documents raise concerns around the Constabulary's ability to deliver against the Plan, but HMICFRS inspections indicate good progress. ● Due to lack of capacity SDAs are conducted infrequently ● Framework approved at Sept PCB - to be finalised by Oct PCB

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Financial incapability or ineffectiveness	SR3	Mark Simmonds	3	5	15
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			2	4	8
			Mitigated Risk change:		
Cause		Impact			
<ul style="list-style-type: none"> ● Failure to agree a balanced Constabulary budget with the Chief Constable ● Failure to fund the budget: running an unsustainable budget deficit running out of funds / unable to borrow as required / failure to set precept as required ● Failure to deliver the budget: 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. ● Failure to ensure value for money in OPCC and across the delegated budgets to the Chief Constable. ● Lack of funding to deliver significant community safety and crime reduction ● Police Funding formula review for 2020 ● Capital budget not funded without further borrowing in 4 years ● Pay awards for officers 0.5% higher than budgeted - Unison pushing for staff pay to be matched. The 'end of austerity' could increase pay rises further (every 1% pay rise is approx £2.2 million). ● Op Uplift will require significant budget re-profiling - uncertainty as to local division of funds and unknown whether this will be fully funded centrally i.e. taking into account all the enabling costs of the new officers and need to increase senior ranks. This is made more uncertain by the volatile state of politics and a Government which may change before the year is over. ● Brexit could cause an economic crisis which may lead to an emergency budget and current planned spending increases dampened 		<ul style="list-style-type: none"> ● Run out of money - require intervention (Governmental) ● Loss of public confidence (SR5) ● Unable to fund adequate or minimum service ● Unable to fund delivery of PCC priorities (SR2) ● Unable to afford change ● Inefficiency in use of police funds wastes money and harms reputation 			

MITIGATION			
Controls	Review date	Owner	Commentary / Controls updates
<ul style="list-style-type: none"> • Medium and long term financial planning • Regular oversight of revenue & capital budget • Maintain adequate risk-assessed reserves • Subject to external and internal audit both overseen by the Joint Audit Committee • Treasury Management strategy in place outcomes reviewed by CFOs and Finance meeting • HMICFRS efficiency inspection regime 		Mark Simmonds Mark Simmonds Mark Simmonds Mark Simmonds Mark Simmonds Mark Simmonds	<ul style="list-style-type: none"> • Outturn for 18/19 is £6m core underspend used to fund provisions and capital. New savings agreed mostly from Enabling Services - in process of being delivered. • MTFP - Revenue budget for 3 years is funded. Cost pressure from pay and pension funding means £5m annual savings needed by March 2024 to balance the MTFP and additional savings are required to generate investment funds if funding after 2019/20 does not improve in the CSR. • Capital plan being reviewed - funding risk as capital receipts reduce as less assets to sell. £15m borrowing facility agreed to fund longer term assets over next 4 years. • Reserves stable but will be consumed - forecast useable non ring fenced reserves to be £12 million by 2022 (4% of net PCC annual budget). • Precept agreed £24 rise per annum for band D in 2019-20, then revert to 1.99% capped increase. • Assuming the additional funding for police is delivered as planned in the short term this will create an underspend position and the debate of whether to put the money into reserves or what to spend it on. This process is underway for the current financial year.

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to engage with the public and other stakeholders	SR4	John Smith	4	3	12
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			3	3	9
			Mitigated Risk change:		
Cause		Impact			
<ul style="list-style-type: none"> • Limited resources to support this within the OPCC • Engagement methods do not always reach a wide audience or different communities or groups • Lack of awareness or willingness to engage from the public 		<ul style="list-style-type: none"> • Reputational damage to both the OPCC and Constabulary • Loss of legitimacy in both the OPCC and Constabulary • Lack of public confidence in or awareness of OPCC (SR5) • Partnership relationships damaged • Failure to understand people's priorities and issues re policing and crime and which could be biased by only hearing those individuals already proactive/engaged. • Police and Crime plan and actual delivery not aligned to public concerns and priorities (SR10 & SR2) 			

MITIGATION			
Controls	Review date	Owner	Commentary / Controls updates
<ul style="list-style-type: none"> ● OCC/OPCC Corp Comms joint meetings ● Attendance at Gold Groups as required ● Oversight of Operation Remedy Communications Plan through ongoing meeting structure ● Creation of an overarching strategic approach to communications going forward to work in a more focused and smarter way that enhances business objectives and strategic priorities ● Review of communications approach and channels as part of creating a new strategy ● Creation of tactical communications plans for particular workstreams (including public engagement/events) with ownership and delivery allocated to one person who is accountable ● Redesign website and review and goal focused social media communications plan ● Meetings with local community group leaders ● Increase community engagement at forums, community days and events etc ● Joint working on communications plans for the Five Big Ideas being implemented by the Constabulary including three tier approach to cultural sensitivity training, workforce mobilisation, creation of a new cultural intelligence hub to enhance the representative workforce programme, engagement and support of communications activity in relation to Commission of Racial Equality (CORE) in Bristol 		<p>Niamh Byrne John Smith Niamh Byrne</p> <p>Niamh Byrne</p> <p>Niamh Byrne</p> <p>Niamh Byrne</p> <p>Niamh Byrne</p> <p>PCC PCC</p> <p>Niamh Byrne</p>	<ul style="list-style-type: none"> ● PCC is developing a communications strategy which will involve closer joint working on tactical communications plans under particular workstreams. The approach includes working together from planning stage to ensure roles and responsibilities for delivery are set out from the start of a piece of work and make it clear what role each organisation plays. ● Current website under review by Head of Comms and will present findings to SLT. Aim to be re-designed by April 2020. Social media plan to be written and being delivered in Q3 2019/20. ● Part of the new communications strategy is to take a different approach to drop-ins by making them a part of community events that are already taking place as opposed to independent ones set up by our office for Sue that haven't seen the level of engagement desired. We will be working to include more opportunities in our diverse communities.

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Lack of public confidence in or awareness of OPCC	SR5	John Smith	4	3	12
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			3	3	9
			Mitigated Risk change:		
Cause		Impact			
<ul style="list-style-type: none"> ● Failure to engage with the public and other stakeholders (SR4) ● Failure to discharge statutory duties (SR1) ● Failure to deliver the Police and Crime Plan (SR2) ● Failure to set an effective Police and Crime Plan (SR10) ● Policing failures/adverse incidents (even at an operational level) can impact on the perception of the OPCC also ● Public expectation of the role of the PCC may not be matched by available funding or powers of the PCC ● Op Remedy fails to deliver expected outcomes ● Increased funding for police increases public expectations - failure to meet these expectations would lead to loss of confidence ● National rape crisis reduces confidence in the entire Criminal Justice System 		<ul style="list-style-type: none"> ● Loss of legitimacy in the OPCC ● Failure to demonstrate value for money ● Could undermine the working relationship between the Constabulary and OPCC ● Low voter turnout in PCC elections ● Loss of political support for the need for PCCs 			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none"> ● Gold Groups manage critical issues of public confidence ● Embed new strategy/ways of working within OPCC ● Establishing a calendar of regular media appearances / communications activities which will also link to national days or weeks where relevant. ● Creating, owning and delivering tactical communications plans for all relevant workstreams e.g. Op Remedy, Resolve, Strategic Priorities ● Redesign website ● Creating election microsite 		John Smith Niamh Byrne Niamh Byrne Niamh Byrne Niamh Byrne Niamh Byrne	<ul style="list-style-type: none"> ● The OPCC has a standing invite to all Gold Groups ● The new strategy will look holistically at internal and external communications with input from the whole organisation to enhance and support business objectives enabling smarter and more effective working ● Delivery of this strategy will be monitored through KPIs, within individual tactical plans for each workstream, on a regular basis with SLT and other key members of staff ● Previous microsite being used as the foundation for this - being reviewed and likely to be live by next Election Board in Oct. Once live will be a developing site as new questions asked. 		

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Lack of capacity/capability within the OPCC	SR6	Kate Watson	4	4	16
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			3	4	12
			Mitigated Risk change:		
Cause		Impact			
<ul style="list-style-type: none"> • Small size of the organisation and varied specialisms also makes building resilience challenging • A number of single points of failure within the OPCC (can cause risk to materialise temporarily during periods of prolonged absence. • Insufficient sharing of knowledge or work among the team reduces resilience • Change in legislated duties of the PCC requiring additional resource/expertise • There has been a period of staff turnover, although vacancies have been filled there are many 'new in service'. • Vacancy and new starter in the Commissioning & Partnerships Team • ASC OPCC has a relatively small budget (bottom quartile) compared to other OPCCs • Demand too high for current resource levels • PCC elections May 2020 - new priorities of PCC term may require rapid learning/development of staff in new areas • PCC elections May 2020 - a new PCC may have different ways of working or different values that may cause staff to leave 		<ul style="list-style-type: none"> • Increased likelihood of materialisation of all other strategic risks through delivery failure • Delivery of work is late or not to standards of quality desired 			

MITIGATION			
Controls	Review date	Owner	Commentary / Controls updates
<ul style="list-style-type: none"> • Resource planning - SLT have a monthly People & Positions meeting to help mitigate this risk • PDR process and regular supervisory sessions • Regular team meetings to share knowledge and resolve issues • Delivery plan highlight reporting helps ensure gaps and closed • Annual staff survey which forms the basis of a delivery plan • Training and development budget maintained • Skills matrix maintained • Salary levels set at a reasonable market rate and in line with other OPCCs • Values and teamwork embedded and recruited to improving retention 		John Smith Kate Watson Kate Watson All Kate Watson Mark Simmonds Kate Watson John Smith/Mark Simmonds John Smith/Mark Simmonds	<ul style="list-style-type: none"> • PDR process to be moved online and bring more independent assessment these • Need to refresh the matrix and better embed its use in the process of assigning new work • OPCC values undergoing review and will be a subject of the Oct 2019 team day.

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to deliver commissioned services	SR7	Marc Hole	4	4	16
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			2	4	8
			Mitigated Risk change:		
Cause		Impact			
<ul style="list-style-type: none"> • Vacancies and backlogs in in Lighthouse (the primary commissioned service) • I5 – Referrals of vulnerable victims to Lighthouse are too low • I42 – There is a gap in support provision for standard and medium risk DA victims in BANES • I81 – SARC FME provision (G4S) in the short and long term I108 – Lack of therapeutic support provision for victims/survivors of sexual violence • End of Home Office VAWG Transformation Fund risks continuity of provision after March 2020 • Control Room Triage failing to deliver as expected • Staff changes within the OPCC Commissioning & Partnerships Team 		<ul style="list-style-type: none"> • Failure to support victims particularly vulnerable victims - PCP Priority 1 (SR2) • Loss of public confidence in or awareness of OPCC (SR5) • Relationship with Constabulary and partners • Reduction or withdrawal of victims grant from Government • Failure to devolve further funding/commissioning 			

MITIGATION			
Controls	Review date	Owner	Commentary / Controls updates
<ul style="list-style-type: none"> • Maintain a sufficiently resourced and prioritised commissioning team within the OPCC. • Lighthouse victims service jointly established with the Constabulary with regular review meetings. • Victim Services Provider forum and AWP Partnership Board are regular joint strategic meetings with commissioned services. • Performance Framework includes commissioned services MoJ data to bring greater visibility and accountability of services. • Co-commission, with the Constabulary, new approach to Out of Court Disposals and interventions. 		Marc Hole	<ul style="list-style-type: none"> • Senior Commissioning Officer will be on maternity leave from December 2019 however a new Commissioning Officer will be in post before the end of 2019 and an additional Support Officer post has been agreed to be recruited. The temporary loss of the senior role is also being managed through the pipeline of work from the SLT into the team.
		Marc Hole	<ul style="list-style-type: none"> • Recommendations for short-term improvements in Lighthouse were agreed at Sept PCB – this will continue to report back to PCB every month and as the situation progresses the medium-long term solutions will be decided upon.
		Marc Hole	<ul style="list-style-type: none"> • Need to further improve the governance and decision making over commissioned services utilising the new performance framework.
		Charlotte Pritchard	<ul style="list-style-type: none"> • ASCEND pilot went live Nov 2018 - interim evaluation in June 19 with final evaluation in Q1 2020/21. Pathway and approach for hate crime still to be finalised and signed off.

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to deliver effective and efficient collaborations with other forces	SR8	John Smith	4	4	16
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	4	16
			Mitigated Risk change:		
Cause		Impact			
<ul style="list-style-type: none"> 'Political' barriers to collaboration Reduced appetite for regional collaborations due to past failings Failure to agree effective models for collaboration Increased funding for police means the imperative to collaborate is not so pressing Ineffective governance and scrutiny over existing collaborations - lack of accountability Ineffective governance and ownership of regional projects and programmes Tension between local forces and collaborations in terms of competing interests and lack of uniformity of people and processes Lack of direct influence/control in order to make changes i.e. everything must be done by (multi-force) committee 		<ul style="list-style-type: none"> Governance failure as a duty of the PCC (SR1) Failure to deliver value for money Failure to deliver specific services provided by existing collaborations Inefficient compared to other regions/areas Criticism from HMICFRS Government scrutiny/intervention Lack of resilience otherwise provided by a collaboration Forced to accept others terms from future alliances or mergers 			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none"> Strategic Collaboration Governance Regional commissioning and programme boards and policy officer SWAP appointed as Internal Auditor (from April 2019) - working in partnership with other regional forces 		PCC Mark Simmonds Mark Simmonds	<ul style="list-style-type: none"> Given the reduced strategic oversight of the Collaboration Boards need to increase scrutiny within OPCC Remaining collaborations are largely mandated: <ul style="list-style-type: none"> - Regional Organised Crime Unit - Counter Terrorism Police - Forensics - Special Branch - NPAS - Tri Force Firearms Training - Major Crime Investigations 		

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to deliver effective and efficient collaborations or outcomes with other partners	SR9	John Smith	4	4	16
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			3	3	9
			Mitigated Risk change:		
Cause		Impact			
<ul style="list-style-type: none"> Partner funding remains under pressure with financial settlements not keeping pace with inflation and demand. This increases the risk of demand and funding requests moving to the ASC and OPCC Failure to put in place effective governance and ownership of partnership working Differing priorities and leadership of agencies Lack of accountability I113 – No common safeguarding approach between LAs in the A&S area 		<ul style="list-style-type: none"> Governance failure as a duty of the PCC (SR1) Failure to deliver the Police and Crime Plan (SR2) - particularly Priority 4 Failure to deliver a whole systems approach to crime and continue the 'revolving door' of offending and victimisation Failure to deliver value for money 			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none"> Representation on LCJB, CSPs, Children's Trusts, Health and Wellbeing Boards Meetings (outside of Boards) with LA chairs/CEOs; CSP Chairs CJ Transformation Programme Resolve Programme (local and regional) Violence Reduction Units Collaborate with Fire Authorities 		John Smith John Smith Michael Flay Zoe Short Alice Jones John Smith	<ul style="list-style-type: none"> CJ Transformation Programme will finish in 2019 with the expectation of remaining work being progressed with each agency as BAU Local Resolve Programme extended to Q2 2020/21 – Regional SRO being recruited in Q3 2019/20 Grant awarded by HO Q2 2019/20 – each LA establishing a local VRU with a central Strategic Governance Group chaired by the PCC. 		

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