To: ALL MEMBERS OF THE JOINT AUDIT COMMITTEE

i.   David Daw, Jude Ferguson (Chair), Zoe Rice, Martin Speller
ii.   Chief Constable ("CC"), CFO for CC and Relevant Officers
iii.   The Police & Crime Commissioner ("PCC")
iv.   The CFO and CEO for the PCC
v.   External and Internal Auditors

Dear Member

NOTICE OF MEETING

You are invited to a meeting of the **Joint Audit Committee** to be held via Teams (link included in the meeting invite) at **11:00** on **27th January 2021**.

The agenda for the meeting is set out overleaf.

Yours sincerely

Alaina Davies
Office of the Police and Crime Commissioner

Police and Crime Commissioner for Avon & Somerset
Police Headquarters, Valley Road, Portishead, Bristol BS20 8JJ
Website: www.avonandsomerset-pcc.gov.uk   Tel: 01278 646188   email: pcc@avonandsomerset.pnn.police.uk

INFORMATION ABOUT THIS MEETING

(i) Car Parking Provision

   N/A – Virtual meeting

(ii) Wheelchair Access

   N/A – Virtual meeting

(iii) Emergency Evacuation Procedure

   N/A – Virtual meeting

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

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

   Telephone: 01278 646188
   Email: JAC@avonandsomerset.pnn.police.uk

(v) REPORT NUMBERS CORRESPOND TO AGENDA NUMBER

<u>**AGENDA**</u>

27th January 2021, 11:00 – 14:00
To be held via Teams (link included in the meeting invite)

1. **Apologies for Absence**

2. **Emergency Evacuation Procedure**
N/A – Virtual meeting

3. **Declarations of Gifts/Offers of Hospitality**
To remind Members of the need to record any personal interests or any
prejudicial interest relating to the agenda and disclose any relevant receipt of
offering of gifts or hospitality

4. **Public Access**

(maximum time allocated for this item is 30 minutes)

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

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

5. **Previous Minutes of the Joint Audit Committee (Report 5):**
  a) **Meeting held on 23rd September 2020**
  b) **Meeting held on 27th November 2020**

6. **Office of the Police and Crime Commissioner Strategic Risk Register**
(Report 6)

7. **Business from the Chair (Report 7):**
  a) Police and Crime Board (Verbal Update)
  b) Update on IOPC Investigations (Verbal Update)

8. **Internal Audit (Report 8):**
  a) Personal Issue of Assets Follow Up
  b) Key Financial Controls
  c) OPCC Partnership Arrangements
  d) Community Safety Partnerships – Benchmarking Report
  e) Digital Strategy
  f) Overtime Follow Up
  g) Refreshing the Strategic Framework Follow Up
  h) Quarterly Update

9. **External Audit (Report 9):**
  a) Audit Progress Report and Sector Update
  b) Joint Annual Audit Letter

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

Part 2
Items for consideration without the press and public present

11.   **Exempt Minutes of the Joint Audit Committee Meeting held on 23rd September 2020 (Report 11)**

12.   **Constabulary Strategic Risk Register (Report 12)**

MINUTES OF THE JOINT AUDIT COMMITTEE MEETING HELD ON WEDNESDAY 23RD SEPTEMBER 2020 AT 11:00. MEETING HELD VIA TEAMS.

Members in Attendance
Jude Ferguson (Chair)
David Daw
Martin Speller
Zoe Rice

Officers of the Constabulary in Attendance
Nick Adams, Constabulary CFO
Dan Wood, Chief Officer – People and Organisational Development
Kate Britton, Data Protection Officer (part of the meeting)
Ellena Talbot, Director of Legal Services (part of the meeting)
Sarah Omell, Head of Improvement
Simon Wilstead, Head of the Professional Standards Department (part of the meeting)
Dennis Bray, Delivery Manager – Safety (part of the meeting)
Nick Ridout, Governance Officer

Officers of the Office of the Police and Crime Commissioner (OPCC)
Paul Butler, OPCC Interim CFO
Ben Valentine, OPCC Strategic Planning and Performance Officer
Alaina Davies, OPCC Resources Officer

Also in Attendance
Sue Mountstevens, Police and Crime Commissioner
Gail Turner-Radcliffe, Grant Thornton
Iain Murray, Grant Thornton
Laura Wicks, SWAP
Juber Rahman, SWAP
David Hill, SWAP

24. **Apologies for Absence**

Andy Marsh, Chief Constable
Sarah Crew, Deputy Chief Constable
Karen Michael-Cox, Director of Transformation and Improvement

25. **Emergency Evacuation Procedure**

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

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

None.

27. Public Access

There were no requests for public access

28. Minutes of the Joint Audit Committee Meeting held on 8th July 2020 (Report 5)

RESOLVED THAT the minutes of the meeting held on 8th July 2020 were confirmed as a correct record and will be signed by the Chair when physically possible.

Action update:

Minute 42a	The Constabulary and Internal Auditors will soon agree a date to carry out a further audit on Workforce Planning.
Minute 43	The External Auditors will work with the OPCC on arrangements for running a South West Joint Audit Committee (JAC) event. There has not been any progress on this since the last meeting of the JAC but the event will now need to be virtual.
Minute 6a	Internal and external audit work continues flexing and changing as necessary and reviewing plans as required.
Minute 6g	Review of personal issue of assets was due to be included in item 8b – Records Retention. It was felt that this did not fit into the scope of this audit and as such a separate follow up report has been completed. **Action Closed**
Minute 16c(i)	The Constabulary looked at comparing data breaches with other forces. **Action Closed**
Minute 16c(ii)	The wording in the Data Protection – Incident Reporting report has been amended in relation to sample tested for completion of breach form. The wording reflects the discussion at the last JAC meeting and confirms that legislation is being followed. **Action Closed**
Minute 16c(iii)	A formal action has been added to the Data Protection – Incident Reporting report regarding mandatory training, which includes a target level of completion and target date. **Action Closed**
Minute 16d	The wording, in the Head of Internal Audit Annual Opinion, around overall client satisfaction has been

amended to reflect the ongoing satisfactory relationship between SWAP and the Constabulary. **Action Closed**

Minute 16e   SWAP talked about the change in audit opinion categorisation as part of the Internal Audit section of the agenda. **Action Closed**

Minute 17c   The requested changes to the JAC Terms of Reference and admin notes have been made. It was requested that acronyms be moved from the end of the document to the top and that reference to the Audit Commission be replaced with Public Sector Audit Appointments (PSAA). **Action Closed**

29.   Office of the Police and Crime Commissioner (OPCC) Strategic Risk Register (Report 6)

The OPCC Management Board now meets bi-monthly and are due to meet next week, after which relevant changes will be made to the OPCC Strategic Risk Register. It was agreed that the updated version will be circulated to JAC Members following the OPCC Management Board or submitted to the extra meeting of the JAC to be held in November 2020 (which is to discuss the Accounts). It was also noted that the Constabulary have just had their Strategic Management Meeting and will be updating their Strategic Risk Register so this should also be shared with JAC Members.

Strategic Risk (SR) 1 – Governance Failure
The OPCC has responded directly to the Home Office regarding the review of the role of Police and Crime Commissioners and also through the Association of Police and Crime Commissioners (APCC) – there is no suggestion of decreasing the remit of the PCC role. Potentially the role of PCCs could be expanded as a result of the review which will create both opportunity and risk for the OPCC to manage.

Members queried whether it is planned for any changes to be implemented before the next PCC election in 2021 but this has not been suggested to date. The South West PCCs have convened to discuss the potential expansion of the role – governance of fire and coterminosity of boundaries, the Criminal Justice System and moving into devolved Mayor roles have been discussed and most want a greater role. A white paper is due in the Autumn regarding devolution and it was noted that generally PCCs welcome this move, where there is coterminosity, as this will be advantageous for data sharing and budgets. Members asked what the implications are regarding independent PCCs – if it is decided to move to first past the post then this would make it very hard for independent candidates to be elected but it was noted that this change would not happen in time for the next PCC election.

SR2 – Failure to deliver the Police and Crime Plan
Constabulary demand has returned to normal levels, although it was noted that demand was slightly higher than normal for August. With the increased

expectation on the force in relation Covid-19 restrictions the capacity for 'normal' policing has reduced. An additional £60m nationally was announced this week to support enforcement of Covid-19 restrictions but the issue is going to be officer numbers. The prolonged period of pressure on officers and staff was discussed. There needs to be a clear message of support for the government regarding Covid-19 restrictions but it was noted that there may need to be discussions around what the Constabulary don't do as a result due to capacity. Members queried whether Covid-19 Marshalls could help – they come under Local Authorities and have no enforcement powers but can help with persuading and cleaning street furniture, although they are mainly seen in city centres.

SR3 – Financial incapacity or ineffectiveness
Remodelling of the Medium Term Financial Plan (MTFP) was discussed at the last Police and Crime Board (PCB). There are a wide range of possibilities and a number of different options were discussed. There are a number of uncertainties such as the level of grant funding, council tax collection rates etc. Work on the MTFP has begun and a strategy is in place for developing this. An appropriate potential savings plan will be put together which does not derail the benefits of Uplift, delivering service improvement and investments already made.

SR4 – Failure to engage with the public and other stakeholders
It was proposed that a proactive new role within the OPCC Communications Team be created with an engagement focus. This has been put on hold in order to mitigate the risk within the Contacts Team who have an increased volume of work. Although it was noted that the Contacts Team are also engaging with the public who write into the OPCC.

Members asked what the impact of putting this role on hold is. The proposed role was intended to support the work of the new Deputy PCC (DPCC) and help drive forward engagement, particularly in harder to reach communities. The OPCC has had to respond to the overwhelming number of contacts into the OPCC by putting extra resource into the Contacts Team to mitigate the risk of not being able to respond within the 20 day response time.

Engagement has had to change in order to reach as many people as possible e.g. Facebook Lives with the PCC and Chief Constable. It was noted that the DPCC has been visiting rural teams, Yeovil and Bristol. The PCC is also scheduled to do some visits in Bristol focusing on drugs issues. Following the announcement by the Prime Minister yesterday plans to begin returning to face to face engagement may need to be postponed.

SR5 – Lack of public confidence in or awareness of the OPCC
The local public confidence survey results have been the highest they have been in four years over the last two quarters and where just above 80% in the last quarter. Members asked if there is a sense of what has driven this positive increase. It is possible that the increased visibility of officers policing Covid-19 restrictions (using the 4 Es - Engage, Explain, Encourage and if

necessary Enforce) while normal demand was low has had an effect as it is evident from previous surveys that people value police visibility.

This year HMICFRS included a recommendation in a report (Roads Policing: Not Optional – An Inspections of Roads Policing in England and Wales) that the Home Office mandate reference to roads policing in Police and Crime Plans. This raises concerns about undermining the role of the PCCs. The PCC reported that the government have not indicated an intention of doing this.

SR6 – Lack of capacity/capability within the OPCC
Two new Senior Commissioning and Policy Officers have been appointed. These new roles will have a specific focus on Criminal Justice and Reducing Reoffending which are important areas of work.

The risks associated with a second wave of Covid-19 are recognised. The OPCC could see increased levels of sickness and the need for staff to self-isolate as a result of test and trace.

SR7 – Failure to deliver commissioned services
The ISVA service provider has reported an increase in longer term and more complex cases as a result of delays in the Criminal Justice system. Additional funding has been provided by the MoJ but there is still a challenge.

SR8 – Failure to deliver effective and efficient collaborations with other forces and SR9 – Failure to deliver effective and efficient collaborations or outcomes with other partners
The question was raised about using collaboration to ease the capacity issues discussed earlier. Members were assured that the Chief Constable has weekly meetings with the other South West Chief Constable. The mutual aid option is still available but all forces are facing similar pressures. Mutual aid is likely to be required after 31st December to support potential issues in areas where there are Ports. It was also noted that existing collaborations such as the Regional Organised Crime Unit (ROCU) are also dealing with very important work so there is no suggestion of diverting them from that.

RESOLVED THAT the OPCC and Constabulary Risk registers should be circulated to JAC Members once updated following both Management meetings and they should be submitted to the extra meeting of the JAC in November 2020.

30. **Business from the Chair:**

a) **Police and Crime Board Update**

Members have received the minutes form the July and August Police and Crime Board (PCB) meetings. The OPCC CFO gave a summary update of some of the discussions at the September PCB:
- Acknowledged the outstanding work of officers and staff against a backdrop of the pandemic. The balance between policing of Covid-19

restrictions and public demonstrations was discussed – it was noted that 150 raves were tagged in August with the Constabulary attending 89 of these which accounts for 537 policing hours.

- Performance – timeliness of Victim contact which worsened with the increase in demand. Discussions around improvements are ongoing.
- Assurance Reports focused on Domestic Abuse (DA) – 12% increase in DA was reported since the restrictions began to lift. It was noted that there is going to be a focus on training regarding the use of Domestic Violence Protection Notices (DVPNs).
- Demand Management paper – good work in this area is ongoing. It was noted that HMICFRS have recognised the Constabulary has a good understanding of its demand.
- Medium Term Financial Plan (MTFP) – this was a major focus of the meeting. The Constabulary are aiming to have a multi-year savings plan by Christmas.

b) Update on Independent Office of Police Complaints (IOPC) Investigations

It was reported that there are 9 current ongoing IOPC investigations (6 precursor incidents which relate to death or serious injury, 2 complaints and 1 conduct investigation). The newest of these case is from June 2020 and the oldest is March 2019. The JAC Chair talked about the positive improvement in timeliness as at one time the oldest case would have been several years old which impacted negatively on all those involved.

The IOPC have worked together with the Constabulary to continue with cases despite different restrictions. It was noted that the next National IOPC thematic will focus on the use of police powers in the BAME communities.

The Constabulary recently ran a proactive and preventative campaign around abuse of powers for sexual purposes.

c) Joint Audit Committee (JAC) Annual Report

It was agreed that the wording under the Development section should be amended to reflect what is written in the Annual Governance Statement with regard to the new JAC Members and the one that continued following the appointment process in 2019.

Members would like an assurance map regarding the inspection regime and programme, preferably in the form of a pictorial representation to give an overview which puts the work of the JAC in the context of the rest of the work. In terms of HMICFRS the PCC has a legal duty to respond to reports and as such reports and the PCC responses are published on the PCC's website. The Constabulary have been doing a lot of work on planning and scheduling and can provide a map of assurance activity against key performance questions – it was also agreed that a pre-meet should be scheduled to focus on this. It was agreed that it would be helpful for JAC Members to see the Force Management Statement (FMS).

A workshop should be scheduled before or after the March 2021 JAC meeting to start discussion the 2020/21 Annual Joint Audit Committee report and go through CIPFA recommended questions.

RESOLVED THAT
  i.   The wording under the Development section should reflect what is written in the Annual Governance Statement;
  ii. Provide the map of assurance activity to JAC Members and schedule a pre-meet to focus on this;
  iii. Circulate the FMS to JAC Members; and
  iv. A workshop should be scheduled before or after the March 2020/21 JAC Meeting to discuss the 2020/21 Annual Joint Audit Committee report and go through CIPFA recommended questions.

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

   a) **Health and Safety Management of Frontline Staff and Officers**

The level of risk awareness is now noted on the report with associated commentary on the first page along with the audit objective.

It was noted that a Reasonable level of assurance was provided for Health and Safety Management of Frontline Staff and Officers with four priority three recommendations. These recommendations relate to best practice and strengthening processes.

An increasing area of focus is on injury to staff/officers through assault on duty. It was noted that the force has been innovative in this area by developing the 7 point promise which demonstrates its commitment to staff and officers. 62% of the health and safety incidents reported related to assault but Members queried what the other 38% relates to – Members were assured that there is no other significant theme within the 38% and it relates to everything else (slips, falls, etc). The increase in assaults began in 2015 with the introduction of the 7 point promise which was well received and encouraged reporting. Members were informed that of the 900 assaults reported over half do not relate to physical injury but the same level of support is provided.

The roll out of Chronicle (learning management system) is underway and will mitigate the risk of information being held in different places.

There are a good number of policies and procedures in place and approved escalation process to report Health and Safety concerns – a recommendation for strengthening has been made.

Risk highlighted in relation to archiving out of date risk assessments. 34 were found to have passed their review dates. It is recognised that the steps the Constabulary have had to take to ensure the workplace is Covid-19 secure will have impacted on timeliness. It was found that six risk assessments

related to premises no longer owned by the force and were therefore not needed. The Constabulary recognise the admin issues around record management and are confident they will be able to mitigate the risks with the agreed actions.

It was noted that the RAG rating for leadership and culture is green reflecting the commitment to ensuring a safe working environment. The diversity and inclusion RAG rating in amber to reflect the improvement that could be considered in relation to reporting diversity information in relation to health and safety incidents.

It was noted that the training rates in relation to Personal Safety Training are likely to be incorrect and the roll out of Chronicle is key to addressing this – the risk assessment would have been looked at differently if the Constabulary had not taken the steps they have to roll out Chronicle.

Internal auditors found that not all of the force's key policy makers had completed the health and safety training modules under its health and safety delivery strategy. The Director of People and Organisational Development assured Members that the Chief Officer Group would undertake this training swiftly.

The Constabulary recognise the issues raised. Chronicle will give an overarching view of the position with regard to training and skills – this is a multi-phase roll out which should be complete by January 2021. Officer safety training has been prioritised in the roll out of Chronicle. The Director of People and Organisational Development also highlight the work the Constabulary have done on listening to staff and officers recently regarding health and safety and wellbeing.

The Delivery Manager for Safety reported that they have been busy working with SPOCs on risk assessment work in relation to Covid-19 and ensuring the workplace is safe e.g. hand sanitiser and signage. They have also been checking and testing behaviours in the workplace and were necessary challenging behaviours. There have also be many enquiries asking for advice on holding internal meetings.

The Delivery Manager for Safety and his member of staff were thanked for their hard work in managing the responses to this audit at the same time as the pressures in relation to Covid-19 health and safety work. The internal auditors also thanked the Constabulary and commented that this has been one of the best audits for clear and helpful information being provided.

b)   Records Retention

The scope of the Records Retention audit focused on the Management of Police Information (MoPI) compliance. A key factor in the findings is that the Constabulary are unable to undertake scheduled reviews (auto grader) at present due to technical issues in Niche – 27 other forces are experiencing the

same issue. It is recommend the Constabulary concentrate on strengthening other areas of compliance.

The auditor assessment is high and opinion is limited but they are satisfied with management awareness of the risk. This has been added to the Constabulary Strategic Risk Register. Five recommendation have been made.

The RAG rating in relation to leadership and culture is green but is amber in relation to learning. This reflects the potential to raise the profile of MoPI and comply where it is possible to do so.

The Constabulary are expecting a completion rate of 80% by the end of the year in relation to the e-learning. The Records Retention Team have delivered some training to the Chief Officer Group and are going to be identifying any areas of business that would also benefit from MoPI training.

It has been agreed that the Records Retention Team will move across to the Legal Services department to sit with the FoI and Subject Access teams. This will take place once the new Delivery Manager post has been recruited so that they can manage the performance of the team. The Constabulary recognise the need to undertake proactive activity immediately. This audit was welcomed as a deep dive to identify gaps was needed.

It was noted that the parameters are often changing with regard to MoPI which makes it hard to keep up with. It is hoped that there will be more stability in 2021.

It was requested that the personal issue of assets be included in this audit but it did not fit the scope. Members were informed that a separate follow up report on the personal issue of assets has been completed and can be circulated to Members. Of the 9 recommendations it was reported that 7 have been completed and 2 are in progress.

RESOLVED THAT the follow up report on the personal issue of assets should be circulated to JAC Members and included on the agenda for the next JAC meeting.

c) Quarterly Report

The JAC Members had a presentation from SWAP at their pre-meet. It was noted that communication between the Constabulary and SWAP is good. SWAP are looking to deliver audits that are scoped early, data driven, use agile working and are delivered quicker but with good quality. SWAP will be looking to submit one page reports where the audit opinion is reasonable or substantial – JAC Members will still receive the full reports at the time they are finalised in order to have plenty of time to comment in advance of the associated JAC Meeting.

The internal auditor reported that the 2019/20 follow up work has commenced. The Business Continuity report is underway with the field work to test

recommendations – at the time of the audit there were only 6 business continuity plans for 27 business areas but the only outstanding one now is IT.

32. Summary of Recommendations

There are 108 open HMICFRS recommendations with 62 in progress and 46 complete. Members were informed that there is a new Force HMICFRS Lead and the Constabulary now report progress on a regular basis which is working well.

HMICFRS activity is picking up again looking at vulnerability through the Covid-19 period and with a Rape and Serious Sexual Offences (RASSO) inspection scheduled for October 2020 – possible this might be postponed or entirely remote following the Prime Minister's announcement yesterday. There will be a thematic which is focused on public order, specifically protest.

There are 34 recommendations for 21 case reviews. 15 are ongoing Domestic Homicide Reviews (DHRs) and the rest relate to adult and child reviews.

Part 2

Items for consideration without the press and public present

33. Exempt Minutes of the Joint Audit Committee Meeting held on 8th July 2020 (Report 10)

SEE EXEMPT MINUTES

34. Constabulary Strategic Risk Register (Report 11)

SEE EXEMPT MINUTES

The meeting concluded at 13:25

CHAIR

ACTION SHEET

MINUTE NUMBER	ACTION NEEDED	RESPONSIBLE MEMBER/ OFFICER	DATE DUE
Minute 42a **Internal Audit: Workforce Plan** **16th January 2020**	The Constabulary and Internal Auditors will agree the best time to carry out a further audit on Workforce Planning	Director of People and Organisational Development	Delayed now due to Covid-19 disruption.
Minute 43 **External Audit Update** **16th January 2020**	The External Auditors should work with the OPCC on the arrangements for running a South West JAC event.	Grant Thornton/ OPCC	TBA
Minute 6a **Internal Audit Plan 2020/1 and Internal Audit Charter** **19th March 2020**	Internal and external audit work would continue as best it can and flex and change as necessary, reviewing plans as required	SWAP / Grant Thornton	Ongoing
Minute 29 **OPCC Strategic Risk Register** **23rd September 2020**	The OPCC and Constabulary Risk registers should be circulated to JAC Members once updated following both Management meetings and they should be submitted to the extra meeting of the JAC in November 2020.	OPCC Strategic Planning and Performance Officer/ Constabulary Head of Improvement	November 2020 (TBA)
Minute 30c(i) – JAC Annual Report **23rd September 2020**	The wording under the Development section should reflect what is written in the Annual Governance Statement.	OPCC Strategic Planning and Performance Officer.	Immediate
Minute 30c(ii) – JAC Annual Report **23rd September 2020**	Provide the map of assurance activity to JAC Members and schedule a pre-meet to focus on this	Constabulary Head of Improvement/ OPCC	Immediate
Minute 30c(iii) – JAC Annual Report	Circulate the FMS to JAC Members	Constabulary Head of Improvement	Immediate

23rd September 2020			
Minute 30c (iv) – JAC Annual Report **23rd September 2020**	A workshop should be scheduled before or after the March 2020/21 JAC Meeting to discuss the 2020/21 Annual Joint Audit Committee report and go through CIPFA recommended questions.	OPCC Strategic Planning and Performance Officer	TBA
Minute 31b – Records Retention **23rd September 2020**	The follow up report on the personal issue of assets should be circulated to JAC Members and included on the agenda for the next JAC meeting.	SWAP	Immediate

POLICE AND CRIME COMMISSIONER FOR AVON AND SOMERSET **5b**

MINUTES OF THE EXTRA JOINT AUDIT COMMITTEE MEETING HELD ON FRIDAY 27TH NOVEMBER 2020 AT 15:30. MEETING HELD VIA TEAMS.

Members in Attendance
Jude Ferguson (Chair)
Martin Speller
Zoe Rice
David Daw

Officers of the Constabulary in Attendance
Nick Adams, Constabulary CFO
Andy Marsh, Chief Constable
Simon Thomas, Constabulary
Claire Hargreaves, Constabulary

Officers of the Office of the Police and Crime Commissioner (OPCC)
Paul Butler, OPCC Interim CFO
Vicky Ellis, PA to CEO and CFO

Also in Attendance
Sue Mountstevens, Police and Crime Commissioner
Gail Turner-Radcliffe, Grant Thornton
Iain Murray, Grant Thornton

35.   Apologies for Absence

None.

36.   Emergency Evacuation Procedure

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

37.   Declarations of Interest / Gifts / Offers of Hospitality

None.

38.   Public Access

There were no requests for public access

39.   External Audit: Joint Audit Findings

The External Auditor presented the Joint Audit Findings report. The impact of Covid-19   in the accounts on assets and buildings valuations was discussed – disclosed in accounts and also the impact in share of pension valuation

relating to the properties valuation. Explained Emphasis of Matter statements. Actuaries taken slightly different views on impact of Covid.

It was acknowledged that this has been a challenging and very unusual year. Thank you to finance team for getting through the difficult circumstances through the year. The PCC and the CC thanked the finance team for all their work preparing the accounts and responding to the auditors.

Members were assured that the OCC CFO would be addressing the Action 4 at Appendix A in relation to IT.

Members queried the action being taken to address Action 2 at Appendix A around Journals. The OCC CFO advised that the technical IT correction to prevent it happening is very costly for something not of significant risk – looking for other ways to mitigate the risk and prevent from happening.

The Chair highlighted the importance of the internal and external auditors working well together.

Members proposed a summary sheet to assist the public in reading the accounts. The Redmond Review was discussed and recommendation to introduce simplified financial statements and an illustrative example is available – expectation this will be mandated but in the meantime will look to provide for next year.

RESOLVED THAT the Constabulary agreed to progress with actions recommended in management response.

40. **Statement of Accounts**

The Chair thanked everyone for the hard work on producing the Statement of Accounts.

RESOLVED THAT the Joint Audit Committee recommend that the PCC and the Chief Constable formally approve and sign the accounts.

Meeting ended 16:04

MEETING: **Joint Audit Committee**	DATE: **27th January 2021**	AGENDA NO: **6**
DEPARTMENT: **OPCC**	AUTHOR: **Ben Valentine**	
NAME OF PAPER: **OPCC Summary of Strategic Risk Management**	PURPOSE: **Information and Discussion**	**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 Office of the Police and Crime Commissioner (OPCC) Strategic Risk Register (SRR), and other points related to the management of risk, in the period of time since the last JAC meeting held on 23rd September 2020.

2.   POINTS OF NOTE

Since the last JAC meeting the SRR has been reviewed at the September and November OPCC Management Boards.

SR1 – Governance Failure
It has been assessed that this risk is less likely to materialise and therefore the mitigated risk score has reduced from 16 to 12. This risk increased at the end of 2019 with resignation of the long-standing CEO and appointment of interim joint CFO. Although the CEO and CFO are still interim they will remain in post until the new PCC is elected and there have been no significant governance failings over the last year even during these transitional arrangements.

It should be noted the findings from the Home Office review of PCCs have not yet been published.

Official messages are that the PCC elections will continue to take place in May 2021. The internal Election Board has been 'stood up' again to ensure good governance of the processes related to interactions with PCC candidates.

SR2 – Failure to deliver the Police and Crime Plan
It has been assessed that this risk is less likely to materialise and therefore the mitigated risk score has reduced from 20 to 16. This recognises that there are still areas of performance that need improvement but that there has been no significant loss of performance since the start of the pandemic and the force have continued to successfully police COVID-19 restrictions and deliver business as usual.

SR3 – Financial incapability or ineffectiveness
It has been assessed that this risk is more likely to materialise and therefore the mitigated risk score has increased from 12 to 20. This is now the greatest strategic risk in the assessment of the PCC/OPCC. This risk has increased due to the current funding situation and the continued future uncertainty. The key points are as follows:
- Continued single year settlement for 2021/22.
- Increased Home Office grant being ring-fenced to cover the cost of the additional officers recruited through Op Uplift.
- There is no additional general grant increase outside of this and it has been projected this grant would not cover the true cost of the Uplift in Avon and Somerset.
- The government have allowed, and are assuming, PCCs will raise additional funding through increasing the precept by £15 for a band D home in 2021/22. It is not yet known if the PCC will ask for this full increase or if it will be supported by the Police and Crime Panel.
- Future uncertainty caused by a Comprehensive Spending Review in summer 2021.
- Anticipated austerity across the term of the Medium Term Financial Plan.

SR4 – Failure to engage with the public and other stakeholders
There has been no change to the scores associated with this risk.

An area of engagement which is always important, but even more significant at this current time, is in relation to the precept increase. As well as the usual telephone survey there is also an online survey asking the public what level of precept increase they would support. In addition to this a hard copy of this survey is being posted to a randomised sample across Avon and Somerset to try and increase the volume of feedback but also the representativeness of feedback.

This method of postal survey is also a trial for this type of public engagement and feedback which the office is planning to learn from and improve upon for future engagements; for example gathering views to inform the new Police and Crime Plan.

SR5 – Lack of public confidence in or awareness of OPCC
There has been no change to the scores associated with this risk.

The upcoming PCC elections present a mixed picture as to how they affect this risk. The campaigning by candidates will almost certainly increase awareness of the role of the PCC. However some of the campaign messaging of the current candidates has been critical of the current PCC and Chief Constable and this could undermine confidence in the role.

SR6 – Lack of capacity/capability within the OPCC
It has been assessed that this risk is less likely to materialise and therefore the mitigated risk score has reduced from 20 to 16. Although there still remains the risk to capacity and productivity caused by COVID-19 and homeworking this risk has reduced, since last reported, for the following reasons:
- Two additional Senior Commissioning and Policy Officers started in quarter three; one leading on Criminal Justice and one for reducing re-offending (the reducing re-offending Senior Responsible Officer left in September).
- The Senior Commissioning and Policy Officer that had been on maternity leave since December 2019 returned to work at the start of 2021.
- A temporary Contacts and Conduct Officer started in post at the beginning of 2021.
- There are currently recruitment processes running for a Commissioning and Policy Support Officer as well as a temporary Business and Performance Analyst.

SR7 – Failure to deliver commissioned services
There has been no change to the scores associated with this risk.

The increase in staffing in the office, particularly the Commissioning and Partnerships team, of course helps to ensure the successful delivery of commissioned services. There was also a second round of COVID-19 'relief' funding which the office successfully bid for to support victims of domestic abuse and sexual offences.

SR8 – Failure to deliver effective and efficient collaborations with other forces
There has been no change to the scores associated with this risk and no significant updates.

SR9 – Failure to deliver effective and efficient collaborations or outcomes with other partners
There has been no change to the scores associated with this risk.

There are a number of factors that are important to consider here. With a new PCC there will be risk and opportunity to partnership working. It will be important for the OPCC to shape and improve this work using both the recommendations from the SWAP audit and also considering how the current benefits from COVID-19 ways of working can be maintained.

As mentioned in the financial risk the austerity across the medium term will impact partners and this can shape how organisations work together. Reduced funded can cause organisations to withdraw from partnership working and become more insular.

Office of the Police and Crime Commissioner for Avon and Somerset

Strategic Risk Register

January 2021

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

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

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

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

Impact	
5 Extreme	• Fatality of any individual • Financial impact greater than £1/2 m • Vote of no confidence from Local Authorities - failed • National media attention • Government/ HO intervention • Total disruption to service • Exceptional/long term reputational damage
4 High	• Serious life-threatening injury of any individual • Financial impact greater than £1/4 m • Vote of no confidence from Local Authorities - failed • Regional media attention • Adverse comment by Minister / auditor • Major service disruption/reputational damage
3 Moderate	• Serious non-life-threatening injury of any individual • Financial impact greater than £100k • Criticism from the Police and Crime Panel • Local media attention • Significant service disruption • Significant reputational damage
2 Low	• Minor injury of any individual • Financial impact up to around £100k • Multiple thematic complaints • Some service disruption • Some negative consequences relating to reputation
1 Negligible	• Slight injury of any individual • Low level financial loss • Isolated complaints • Minor service disruption • Minor/contained negative consequences

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

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

RISK			ASSESSMENT		
Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Governance Failure	SR1	CEO	4	4	16
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			3	4	**12**
			Mitigated Risk change:		↓

Cause	Impact
● Home Office review of PCCs (launched in 2020) could result in changes to the roles and responsibilities (including direction to extend portfolio to Fire & Rescue Services). Taking on any new responsibilities means there are more likely to be governance failures whilst the team learn. ● Failure to deliver OPCC statutory requirements: - Police & Crime Plan and priorities - Policing Precept budget - Community safety, victims services and other partnership outcomes effectively (SR9) - Hold the Chief Constable to account - Address conduct or performance of Chief Constable - Oversight of complaints against Chief Constable - Custody Visiting Scheme ● Ineffective scrutiny and oversight of services and outcomes delivered by the Constabulary including delivery of the Strategic Policing Requirement ● Failure to ensure adequate transparency of the OPCC and/or the Constabulary ● Failure to ensure effective risk management 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	● 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
● OPCC Management Board (OMB) - allows greater oversight of performance, risks and issues and provides a formal decision making mechanism for non-Constabulary business. ● Interim CEO and CFO will remain in post until, at least, the new PCC takes office. ● Police and Crime Board (PCB) ● PCC and Chief Constable 1:1s ● OPCC attend Constabulary Management Board and other strategic meetings (open invitation from the CC). ● Audit Committee, audit, annual governance statement ● Police and Crime Panel meetings ● COG attendance at weekly OPCC SLT ● Force Management Statements ● Police and Crime Plan Annual Report ● Victim Services appointed and managed by the OPCC Commissioning Team ● Scheme of governance and Governance Boards ● Scrutiny of complaints through the Independent Residents Panel ● SLT lead and increased dedicated capacity to deal with complaints and conduct and appeals ● Transparency Checklist ● Constabulary governance redesigned through 2020; this will allow greater oversight of risk and assurance by the OPCC. ● Working with Joint DPO to ensure good information governance and compliance with GDPR and DPA 2018.	June 2021 March 2021	PCC/CEO PCC/CEO CEO PCC CEO CFO PCC CEO SPPO SPPO Head of C&P CFO Volunteer Manager Head of C&C Office Manager SPPO Office Manager/ SPPO	● OMB established Feb 2020 and will be a bi-monthly meeting. ● 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. ● New constabulary governance framework including new PQF in transition phase. New risk management process not yet agreed.

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to deliver the Police and Crime Plan	SR2	CEO	5	4	20
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	4	**16**
				Mitigated Risk change:	↓

Cause	Impact
● COVID-19: - Criminal justice system (CJS) failures – reduced capacity of the courts and corresponding backlogs/delays in criminal justice outcomes - Failure to protect vulnerable people, particularly victims of domestic abuse and child victims of abuse - Significant recession likely to increase crime and disorder further. - Reduced resources in the short term possible because of the risk of increased self-isolation or illness. ● Underpinning the delivery risk of all of this is the financial uncertainty and the increased public expectation from the additional funding that policing has received both through central government grant and local taxpayers' increase in precept funding. ● Positive Outcomes - not seeing the improvements hoped for - particularly of Op Remedy crimes. ● Lack of capacity/capability within the Constabulary (see Constabulary SRR commentary) ● Lack of representation in the Constabulary workforce ● Disproportionate outcomes for minority groups such as BAME people ● National rape crisis reduces confidence in the entire criminal justice system ● Lack of control/influence over other criminal justice agencies ● Government may want a more centralised/national approach to policing – the key outcomes measures scrutinised may differ from the local approach and split the focus of policing. ● Increased numbers of officers will result in more people going through the criminal justice system – unknown if other agencies will be funded to deal with the increased volume – particularly a concern in terms of prisons and probation. ● ORI08 – Lighthouse failing to meet SLAs about victim contact ● ORI14 – Lack of response trained drivers ● ORI15 – Increased demand on Patrol officers	● 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
● Police and Crime Board (PCB) discusses performance, assurance and risk ● PCC and Chief Constable 1:1s ● OPCC attend Constabulary Management Board and other strategic meetings (open invitation from the CC). ● 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 and PQF allows better oversight of delivery against the plan ● Oversight of all strategic constabulary data through Qlik ● Panel Meetings ● Contacts analysis ● Forum analysis	June 2021 April 2021	CEO PCC CEO CFO SPPO SPPO SPPO SPPO CEO Head of Comms Head of Comms	● 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. This includes regular sessions on Op Uplift and the Futures Programme. ● 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 ● PCC Framework now live. Will need to review in light of national outcomes being agreed and Constabulary PQF (this will not be fully live until Apr 2021).

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Financial incapability or ineffectiveness	SR3	CFO	5	5	25
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			5	4	20
			Mitigated Risk change:		↑

Cause	Impact
● Single year settlement for 2021/22 with additional central funding for Op Uplift only; significant precept increase needed to balance budgets for the next two years. ● COVID-19: - Costs of responding to COVID-19 pandemic (e.g. PPE, supporting home working). - Potential increased costs of delivering plans (e.g. estates projects, IT projects). - Loss of income as a consequence of COVID-19 pandemic (e.g. Airport policing, events policing, speed enforcement). - Broader impact of COVID-19 (and Brexit) on the economy and likely austerity. - Expectation of impact to council tax base as more households are entitled to discounts, and new house building slows down. Reductions in council tax funding therefore likely in short-term, with uncertainty as to how long it will take to recover from this. - Longer-term costs and losses of income (e.g. Airport reductions on more permanent basis). - Risks around pension funds due to wider economic impact. ● Op Uplift – central funding effectively ring-fenced to deliver the additional officers. In ASC this does not cover full costs. ● Required precept increase may not be supported by Police and Crime Panel. ● Capital budget not fully funded from 2023/24 – borrowing already at prudent levels and diminishing potential for capital receipts. ● Pay awards may be agreed nationally but not funded through central grants (every 1% pay rise is approx. £2.2 million). ● Increasing pension costs for officers and staff schemes. ● National work will require local funding with no control over decision making e.g. ESMCP, NPAS, national IT. ● Uncertainty of local costs in high value areas: IT and replacement of SAP. ● Comprehensive Spending Review due summer 2021 ● Failure to agree, fund or deliver a balanced and sustainable budget.	● As officer numbers are protected it may mean using officers in roles currently undertaken by civilians if other savings do not materialise. ● Failure to set a sustainable revenue budget or capital plan across the medium term. ● The need for further savings after 10 years of austerity presents further challenges. ● Failure to meet heightened expectations of stakeholders ● Loss of public confidence (SR5) ● Unable to fund adequate or minimum service ● Unable to fund delivery of PCC priorities (SR2) ● Unable to afford change ● Revenue budget underspends may undermine support from PCP for sustainable increases to the precept. ● Failure to ensure value for money.

MITIGATION			
Controls	Review date	Owner	Commentary / Controls updates
● 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		CFO CFO CFO CFO CFO CFO	● At maximum 6.6% precept increase allows for additional growth in officers but would still require savings required for 2023/24 onwards. A 5% increase would not allow for the additional growth in officers without additional savings ● MTFP has been modelled on 5% and 6.6% with a number of options for additional growth. ● For the current financial year the underspend has been used to 'accelerate' a number of Constabulary plans, used on reducing re-offending work and remainder will be put into reserves to manage future risk (particularly relevant because of COVID-19).

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to engage with the public and other stakeholders	SR4	CEO	4	3	12
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			3	3	9
			Mitigated Risk change:		←→

Cause	Impact
● 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	● Reputational damage to both the OPCC and Constabulary ● Loss of legitimacy in both the OPCC and Constabulary ● Lack of public confidence in or awareness of OPCC (SR5) ● Partnership relationships damaged ● Failure to understand people's priorities and issues re policing and crime and which could be biased by only hearing those individuals already proactive/engaged. ● Police and Crime Plan and delivery not aligned to public concerns and priorities (SR10 & SR2)

MITIGATION			
Controls	Review date	Owner	Commentary / Controls updates
● 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 ● Calendar of regular media appearances / communications activities which will also link to national days or weeks where relevant ● 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 ● Revise stakeholder mapping and management	 March 2021	Head of Comms CEO Head of Comms Head of Comms Head of Comms Head of Comms Head of Comms PCC PCC Head of Comms Head of Comms	● Increased digital ways of working e.g. Facebook Lives ● Improved strategic engagement approach to target PCC priorities. ● PCC is developing a communications strategy which will involve closer joint working on tactical communications plans under particular workstreams. The approach includes working together from planning stage to ensure roles and responsibilities for delivery are set out from the start of a piece of work and make it clear what role each organisation plays. ● New PCC website launched Sept 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. ● Process delayed due to COVID-19; targeting readiness for new PCC.

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Lack of public confidence in or awareness of OPCC	SR5	CEO	4	3	12
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			3	3	9
			Mitigated Risk change:		←→

Cause	Impact
● Increasing the precept by the maximum allowed for 2021/22 could undermine confidence in the short term and if policing does not meet increased expectations could damage confidence in the medium term. ● Policing failures/adverse incidents (even at an operational level) can impact on the perception of the OPCC also - inequality/disproportionality and public order policing particularly relevant at this time ● 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) ● Public expectation of the role of the PCC may not be matched by available funding or powers of the PCC ● Precept funding fails to deliver expected outcomes (e.g. Op Remedy or PSIs) ● Failure of the Constabulary to deliver Op Uplift (Force Futures) or if delivered failure to improve outcomes would likely impact confidence in the OPCC due to public expectations ● Court backlogs and national rape crisis reduces confidence in the entire criminal justice system ● Government may want a more centralised/national approach to policing which may undermine the legitimacy of the role of PCCs	● Loss of legitimacy in the OPCC ● Failure to demonstrate value for money ● Could undermine the working relationship between the Constabulary and OPCC ● Police and Crime Panel failure to support precept increases ● Low voter turnout in PCC elections ● Loss of political support for the need for PCCs

MITIGATION			
Controls	Review date	Owner	Commentary / Controls updates
● Gold Groups manage critical issues of public confidence. ● Engagement activity recorded against SR4 is the primary direct mitigation against this risk. ● Fulfilling statutory duties (SR1) and delivery of the Police and Crime Plan (SR2) are critical to ensuring confidence in the PCC.		CEO / Head of Comms CEO / Head of Comms PCC / CEO	● The OPCC has a standing invite to all Gold Groups

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Lack of capacity/capability within the OPCC	SR6	Office Manager	5	4	20
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	4	**16**
			Mitigated Risk change:		↓

Cause	Impact
● COVID-19 lockdown has a detrimental effect on the current ways of working on all members of the team but there are certain team members which have a significantly reduced capacity for work (primarily linked to child care issues). The continued risk posed by the virus and potential need to self-isolate. ● 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. ● ASC OPCC has a relatively small budget (bottom quartile) compared to other OPCCs. ● Demand too high for current resource levels. ● Findings from the Home Office Review of PCCs could create additional workstreams and demand and there could be lack of experience in dealing with new areas of business.	● 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
● Resource planning is part of OMB and informal SLT ● Regular team meetings to share knowledge and resolve issues ● PDR process and regular supervisory sessions ● Annual staff survey which forms the basis of a delivery plan ● Training and development budget maintained ● Skills matrix maintained ● Salary levels set at a reasonable market rate and in line with other OPCCs ● Values and teamwork embedded and recruited to improving retention	January 2021 May 2021	CEO Office Manager Office Manager Office Manager CFO Office Manager CEO/CFO Head of Comms	● Annual survey conducted at the end of 2020 with analysis in Jan 21. ● Need to refresh the matrix and better embed its use in the process of assigning new work ● OPCC purpose, mission, vision and values relaunched at Aug 20 team meeting.

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to deliver commissioned services	SR7	Head of C&P	4	4	16
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			2	4	8
			Mitigated Risk change:		←→

Cause	Impact
● Backlogs in in Lighthouse (the primary commissioned service) ● Control Room Triage failing to deliver as expected ● Lack of robust performance framework around commissioned services ● Risk of reduced quality in the move from face-to-face to remote contact with victims particularly	● 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
● 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. ● C&P office working closely with Constabulary on improving and evaluating CRT ● Scan and apply for additional funding as available.		Head of C&P Head of C&P Head of C&P C&P Officer Head of C&P	● A number of additional roles have been and will be recruited in the C&P Team. ● As at the end of 2020 Lighthouse had filled all the vacancies, including 'over-established' posts; backlogs are reducing. ● Need to further improve the governance and decision making over commissioned services utilising the new performance framework. ● Additional funding for DA and SV services awarded; as well as micro grants.

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to deliver effective and efficient collaborations with other forces	SR8	CEO	4	3	12
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	3	12
			Mitigated Risk change:		←→

Cause	Impact
● '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	● 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
● 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	March 2021	SPPO CFO CFO	● Given the reduced strategic oversight of the Collaboration Boards need to increase scrutiny within OPCC. New Constabulary IPQR will include aspects of collaboration performance in Key Performance Questions. Full framework due to be live from Apr 21. ● Remaining collaborations are largely mandated: - Regional Organised Crime Unit - Counter Terrorism Police - Forensics - Special Branch - NPAS - Tri Force Firearms Training - Major Crime Investigations

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to deliver effective and efficient collaborations or outcomes with other partners	SR9	CEO	4	4	16
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			3	3	9
			Mitigated Risk change:		←→

Cause	Impact
● 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 ● Lack of meaningful 'live' information sharing ● Macro-economic factors could have a detrimental effect on partners, particularly Local Authorities. This financial position could cause partners to withdraw or reduce levels of service to partnerships	● 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
● Representation on LCJB, CSPs, Children's Trusts, Health and Wellbeing Boards ● Meetings (outside of Boards) with LA chairs/CEOs; CSP Chairs ● Criminal Justice Transformation ● Resolve Programme (reducing re-offending) now operating at force and regional level ● Violence Reduction Units ● Safer Streets Funding ● Collaborate with Fire Authorities ● Information sharing recognised by the VRU and reducing reoffending strategic groups as a key challenge - working with DSIC to try identify a solution	February 2021 April 2021	CEO CEO Senior C&P Officer Senior C&P Officer Senior C&P Officer C&P Team CEO Respective Strategic Groups	● CJ work now led by a Senior C&P Officer in the OPCC ● Reducing re-offending work now led by a Senior C&P Officer in the OPCC and a Regional SRO ● HO confirmed A&S funding for 2021/22. Planning to maintain the current model with the same level of devolved funding. ● HO confirmed 2021/22 funding will be available. OPCC will lead bids and attending launch at end of Jan.

8a

Avon and Somerset Police
Personal Issue of Assets Follow Up

Final Report

Issue Date: 17th September 2020

Working in Partnership to Deliver Audit Excellence

Executive Summary

Follow Up Audit Objective	Progress Summary of Recommendations				
To provide assurance that agreed actions to mitigate against risk exposure identified within the 2019/20 Partial opinion Personal Issue of Assets audit have been implemented.	**Risk Category**	**Complete**	**In Progress**	**Not Started**	**Total**
	Priority 1	-	-	-	-
	Priority 2	6	2	-	8
	Priority 3	1	-	-	1
	Total	7	-	-	9

Original Audit Objective

To provide assurance that the Constabulary's internal controls in relation to the issue, management and disposal of personal assets to police officers and staff such as mobile phones, laptops and other equipment are operating effectively.

Scope

This audit sought to 'Follow Up' on the implementation of recommendations made as part of the Personal Issue of Assets audit at Avon & Somerset Police, which was finalised in February 2020. Audit testing was performed in relation to the priority 2 recommendations with evidence obtained to support implementation of recommendations. Follow-up of the priority 3 recommendations is based on self- assessment by the responsible manager. Audit testing was conducted remotely with updates and evidence provided by those assigned the responsibility for implementing the recommendations raised in the original audit.

Conclusion

The majority of recommendations raised as part of the Personal Issue of Assets audit have now been implemented. Internal controls in relation to procurement, allocation / assignment and disposal of personal assets which include laptops, mobiles phones and Body Warn Video Cameras (BVWC) have been improved following our original audit. Two recommendations remain outstanding with revised dates for implementation set for the end of the financial year (2020/21). These include changes to how the Force manages its leavers processes in order to ensure that assets are returned by individuals before they leave the organisation and an increase in data protection e-learning training completion rates across the Force.

In addition to our 'follow up' of recommendations, we also reviewed the capabilities of the Force to wipe lost, stolen and/or damages personal assets. These controls were confirmed to be in place by the Senior Technical Officer. However, no independent testing was performed to verify the existence of these controls or their effectiveness. We were generally satisfied with the controls confirmed to be in place by the Senior Technical Officer to mitigate the risks posed by lost, stolen and/or damaged assets. These controls have been detailed within Section 2.1 below for management consideration.

Findings and Outcomes

1.	To provide assurance that the Constabulary's internal controls in relation to the issue, management and disposal of personal assets to police officers and staff such as mobile phones, laptops and other equipment are operating effectively.

1.1a	Finding and Action

Issue	Recommendation	Priority 2
Essential information in relation to personal assets is not being captured within Assyst, including the details of users who have been allocated devices.	We recommend that the Director of Information Technology assesses whether the gaps in records within Assyst should be fully investigated and resolved and liaises with the Chief Finance Officer to ascertain the potential impact on the Constabulary and Group accounts.	

Agreed Action (Original Target Implementation Date: 31/01/2020)

Agreed. Assets and users will be identified and a reconciliation performed.

Summary of Progress / Follow Up Action Required		Complete

The gaps within Assyst records highlighted in the original report have been investigated. Out of around 650 missing asset records highlighted in the original audit, the Senior Technical Support Officer confirmed just 10 assets remain unaccounted for (three laptops and seven BWVCs). These may be found during site visits / audits. Various records (held on spreadsheets) were reviewed as part of our testing to confirm assets with missing information had been resolved. To help maintain accurate record keeping within Assyst going forward, weekly extracts are taken from laptop logon logs and matched to the specific asset. Any blank user fields are populated, and any existing ones are updated with the latest current user logon details with Assyst. The Force can now identify who used the asset last. The Senior Technical Support Officer confirmed that plans to use robotics to automate this process are currently underway with the SAP and Database Administrator Teams. In addition, the Force is exploring similar processes for mobile phones and BWVC (discussed below within Section 1.1c below).

1.1b	Finding and Action

Issue	Recommendation	Priority 2
Essential information in relation to personal assets is not being captured within Assyst, including the details of users who have been allocated devices.	We recommend that the Director of Information Technology updates Assyst to ensure that the following fields are made mandatory: ■ Username ■ Serial Number ■ Movement ■ Purchase Order	

Agreed Action (Original Target Implementation Date: 31/01/2020)	
Agreed. Assyst will be updated to include mandatory fields.	
Summary of Progress / Follow Up Action Required	**Complete**
Design restrictions within Assyst will not allow the Force to set some fields as mandatory. To help mitigate the risk of information in relation to assets not being inputted into Assyst prior to the device being allocated, the Force has implemented a two-stage allocation process. Engineers are required to complete an Installation Document which includes key details relating to devices and their assignment. This is then passed to the Asset Team who will update the record within Assyst. Any discrepancies, errors or omissions noted can be raised with the relevant Engineer. Installation Documents are retained for audit purposes.	

1.1c	Finding and Action	
Issue	Recommendation	**Priority 2**
Essential information in relation to personal assets is not being captured within Assyst, including the details of users who have been allocated devices.	We recommend that the Director of Information Technology, together with relevant stakeholders, review the weaknesses of Assyst as outlined within this report in order to ascertain the Constabulary's appetite to continue using Assyst as their asset management tool. This should include an assessment of the potential benefits of other, asset management solutions available on the market.	

Agreed Action (Original Target Implementation Date: 29/02/2020)	
Agreed. We will investigate a more dynamic solution to manage assets in the long term and a proposal will be drafted for review by the Directorate Leadership Team.	
Summary of Progress / Follow Up Action Required	**Complete**
The Force has explored more dynamic solutions to help manage its assets and therefore we consider this recommendation completed. It was confirmed by the Senior Technical Support Officer that it would not be cost effective to pursue the implementation of the ITAM module discussed in the original audit. This module would automatically populate information when a registered device and user accesses the Force system allowing more dynamic / real-time management of assets. However, using similar processes to the weekly logon log extractions for laptops detailed within 1.1a above, information relating to the user and asset can be extracted for mobile phones and BWVCs. This can then be used to update the asset record in Assyst. This is currently being tested and is planned live in Q3 of 2020.	

1.2a	Finding and Action	
Issue	Recommendation	**Priority 2**
The process to ensure the return of old or faulty devices is not fully embedded.	We recommend that the Director of Information Technology implements a formal procedure which ensures all staff issued with a new replacement device return their old devices in a timely manner, considering whether it would be appropriate to request return prior to new devices being issued.	

Agreed Action (Original Target Implementation Date: 31/01/2020)	
Agreed. The procedure for the return of old or faulty devices will be updated / amended. The process will be embedded to ensure all relevant parties are in agreement and aware of their duties.	
Summary of Progress / Follow Up Action Required	**Complete**
Damaged assets should be reported via the Service Desk and an Assyst call logged with the End User Support (EUS). Once the call has been processed, the asset is marked as 'faulty' within Assyst and the description of the fault is added to the notes filed along with the Assyst call reference for audit purposes. The device will remain assigned to the asset user. If EUS have not had the asset back within four weeks, they will chase the individual for the outstanding asset.	

1.3a	Finding and Action	
Issue	**Recommendation**	**Priority 2**
Leaver information is not retained within Assyst.	We recommend that the Director of Information Technology investigates whether it is possible to retain information relating to someone that has left the organisation within Assyst. If possible, periodic dip sampling of leavers should occur to ensure that devices issued to them have been returned	

Agreed Action (Original Target Implementation Date: 30/01/2020)		
Agreed. We will Investigate whether it is possible to retain information relating to someone that has left the organisation within Assyst (subject to compliance with retention schedules). If possible, periodic dip sampling of leavers should occur to ensure that devices issued to them have been returned.		
Summary of Progress / Follow Up Action Required		**In Progress**
Leaver information can be retained with Assyst. Anyone who has left the organisation will be assigned the suffix 'OLD' against their User ID within Assyst. A new leavers process is currently being developed to help manage circumstances where the leaver has already left without returning any allocated assets. The proposal is for HR to notify all stakeholders ahead of the user leaving, requests will then be sent to the leavers line manager requesting the collection and return of any assigned asset(s). This is planned to be implemented by Q4 2020/21.		
Revised Implementation Date	31/03/2021	Revised Responsible Officer	Senior Technical Support Officer

1.4a	Finding and Action	
Issue	**Recommendation**	**Priority 2**
Lack of retention of documentation surrounding disposal or sale of assets and deletion of data.	We recommend that the Director of Information Technology ensures signatures and data deletion certificates are obtained for any personal assets disposed of or sold. On receipt of the data deletion certificates from the contractor, the Director of Information Technology should also ensure a reconciliation is performed between the certificates provided and the assets recorded as disposed or sold to confirm all are accounted for. All records to support disposal and sale should be retained and accessible.	

SWAP
INTERNAL AUDIT SERVICES
Assuring – Improving – Protecting

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Agreed Action (Original Target Implementation Date: 30/01/2020)	
Agreed. We will ensure signatures and data deletion certificates are obtained for any personal assets disposed of or sold. A reconciliation will be performed between the certificates provided and the assets recorded as disposed or sold to ensure all are accounted for.	
Summary of Progress / Follow Up Action Required	**Complete**
The disposal contractor (VFM) is required to provide a Bill of Lading which details all sold and disposed assets. Sold, disposed, or discontinued assets are then reconciled within Assyst accordingly.	

1.4b	Finding and Action	
Issue	Recommendation	**Priority 2**
Lack of retention of documentation surrounding disposal or sale of assets and deletion of data.	We recommend that the Director of Information Technology ensures a formal procedure for the disposal of BWVC is implemented.	
Agreed Action (Original Target Implementation Date: 30/01/2020)		
Agreed. A process is already embedded.		
Summary of Progress / Follow Up Action Required		**Complete**
All BWVC will be returned to the Force's supplier (Reveal) for disposal. Any information retained on the device will be returned to the Force securely. This includes both damaged and discontinued BWVCs.		

1.5a	Finding and Action	
Issue	Recommendation	**Priority 2**
E-learning training which covers information relating to key principles of data protection relevant to information security and the appropriate use of personal assets may not be completed to a satisfactory level by police officers and staff.	We recommend that the Director of Information Technology, together with the Learning Department ensures that all police staff and officers complete the data protection e-learning training. In addition to this, a process should be implemented to ensure completion rates are monitored and managed going forward. This should include performance reporting to a strategic board (e.g. the Constabulary Management Board).	
Agreed Action (Original Target Implementation Date: Ongoing)		
Agreed. An email from the Data Protection Officer to Senior Leaders was sent on the 3rd January 2020 and this was also noted in the Forcewide "good to know" on the 9th January 2020. This will be reported at the next Strategic Information Management Board meeting on 11th February 2020.		
Summary of Progress / Follow Up Action Required		**In Progress**
Further work is required in relation to this area. This was highlighted in SWAP's Data Protection – Incident Reporting report issued June 2020. An additional recommendation has been raised and agreed as part of that audit to improve e-learning completion rates across the Force. A completion rate of around 80% has been set by the Data Protection Officer and currently planned to be reached by the end of the calendar year.		

Revised Implementation Date	31/12/2020	Revised Responsible Officer	Data Protection Officer

1.6a	Finding and Action

Issue	Recommendation	Priority 3
No independent checks are undertaken to ensure personal devices requested were correctly delivered and accurately recorded within Assyst.	We recommend that the Director of Information Technology considers introducing an independent check on all new devices delivered and recorded within Assyst back to supporting documentation. This should be performed by a party independent of the current procure to pay process in order to ensure devices requested were correctly delivered and recorded within Assyst. This could be undertaken by cross checking PO numbers allocated against devices within Assyst back to supporting purchasing documentation.	

Agreed Action (Original Target Implementation Date: 31/01/2020)
Agreed. A cross check of PO numbers allocated against devices within Assyst back to supporting purchasing documentation will be performed.

Summary of Progress / Follow Up Action Required	Complete
The Senior Technical Support Officer has confirmed that PO numbers are now sent to the Asset Manager for the Business Support. These are then entered into Assyst. Asset Purchase Forms now have mandatory fields which require a PO number to be provided. These are completed by the requisition before any asset tags are assigned and then passed to the Asset Team for processing into Assyst. A monthly dip sampling of assets is carried out by the Asset Manager and any errors corrected as and when identified.	

2	Additional information requested regarding remote deletion of lost, stolen and damaged assets

2.1	Finding

The Force's capabilities to mitigate the risks posed by lost, stolen and damaged assets were reviewed as part of this audit. The below was confirmed to be in place by the Senior Technical Support Officer:

Lost, stolen or misplaced assets procedure:
- Any lost, stolen or misplaced assets must be reported to the Service Desk.
- Lost, stolen or misplaced assets will be recorded within Assyst which will notify the Corporate Information Management (CIM) and EUS Teams.
- Mobile phones and laptop accounts should then be subsequently disabled. Mobile phones are disabled locally by the EUS Team and externally with assistance from O2 (the network provider). Domain information on laptops is wiped by the EUS Team.
- All personal issue assets are encrypted. Laptops are encrypted with an industry standard encryption system (Bitlocker). Footage from a BWVC is retained on an SD memory card which is encrypted. This footage cannot be viewed without an application stored on Avon and Somerset computers and the BWVC must be connected to that software. No data is stored on a BWVC itself nor does it have internal memory to be able to store information internally.

- Sensitive data should be stored within respective applications / systems only. For example, a laptop's local drive should not contain any sensitive data. Laptops should only be used to access data held of systems and applications. Only users with the requisite permissions / privileges can write and remove data in locations.

Damaged asset procedure:

- Damaged assets are also logged via the Service Desk and passed to an appropriate individual / Team to resolve.
- If the asset is damaged beyond repair, the hard drive should be sent for destruction either with the device or separately. Hard drives of damaged laptops are wiped by the Force's service provider (VFM). VFM should supply the Force with data destruction certification for all destruction processed.
- Other data storage devices such as loose hard drives, USBs, SD cards, mobile phones etc. are currently shredded and/or granulated by contractor's Perry's Recycling with a Force member of staff present during the destruction.
- BWVC are returned to the supplier (Reveal) where they are decrypted, and any footage is returned to the Force via an encrypted DVD and a password sent separately to decrypt the information.

Authors and Distribution

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

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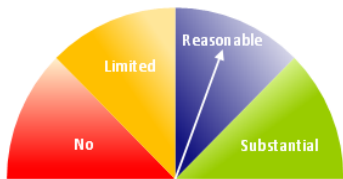
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Audit Objective	To provide assurance that the Force has effective key control frameworks in place for accounts payable, aged debt management and general ledger functions.
Link to SRR	Strategic Risk 4: Failure to effectively plan and manage financial resources.

Assurance Opinion

There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Number of Actions

Priority	Number
Priority 1	0
Priority 2	0
Priority 3	3
Total	3

Audit Assessment of Agreed Themes

Theme	RAG	Reason for RAG Rating
Leadership & Culture		This rating is reflective of management's commitment to implementing recommendations raised as part of our Accounts Payable last year.
Learning		There are some learning points and improvements to internal controls which could be made.
Diversity & Inclusion	N/A	We have been unable to provide a specific opinion on diversity and inclusion.

Risks Reviewed

Accounts Payable: Fraudulent, inaccurate, unauthorised and/or late payments are made.

Aged Debt Management: The Force fails to promptly pursue and receive payment for its debts.

Main Accounting: Entries into the general ledger are incorrect and/or not authorised.

Assessment

Risk	Rating
Accounts Payable	Medium
Aged Debt Management	Medium
Main Accounting	Low

Key Findings

Items held within some suspense and control accounts require review. Balances held within some of these accounts could potentially be cleared or reallocated. In addition, the Force could also improve resilience by formalising procedures for reviewing / reconciling their accounts.

A review of a sample of outstanding debts has highlighted some inconsistencies with agreed debt recovery processes.

The Force has implemented the majority of recommendations raised within our Accounts Payable audit last year. One recommendation to review the validity of all VAT numbers for active suppliers is still in progress and planned to be completed by the end of this calendar year.

Segregation of duties between requisition to pay processes was found to be operating effectively for a sample of payments reviewed. Evidence to support the creation and amendment of creditor data was found for a sample of new suppliers and changes to existing suppliers. Debtor performance was found to be reviewed and scrutinised on a regular basis. A sample of journals reviewed was found to be supported by appropriate evidence and authorised correctly.

Audit Scope

The audit sought to consider the following for each area:

Accounts Payable: Policies and procedures for the related area; segregation of duties in payment processes; creation and amendment to creditor data; supplier reconciliations; exception reporting and a follow up of previously agreed recommendations.

Accounts Receivable: Policies and procedures for the related area; review of sundry debtor and debt recovery; and performance reporting.

Main Accounting: Policies and procedures for the related area; suspense, control and bank account reconciliation; journal authorisation; and access to the main account system.

Summary

Actions have been agreed and detailed within the action plan attached as Appendix 1 to help improve the overall control framework for the areas reviewed, together with a summary of key findings for management consideration.

Full details of our audit testing are available upon request. Our audit assurance framework and definitions can be found at https://www.swapaudit.co.uk/audit-framework-and-definitions

Appendix 1	Findings & Action Plan

1. Main Accounting

Finding	Action	Responsible Officer
1.1. A sample of the Force's suspense and control accounts was reviewed. One account selected for review (99016) which is used as a holding account for miscellaneous items that are awaiting confirmation of correct posting location was found to contain a balance of around £43k for items relating to monies seized under the Misuse of Drugs Act and other legislative schemes. As the origin of these items are known, these should be held within a separate account.	The Head of Finance has agreed to create a separate account specifically for money seized under the Misuse of Drugs Act and relocate any existing related items from 99016 to this new account.	Head of Finance
		Timescale
	Priority **3** *SWAP Ref: 44595*	31/12/2020
1.2. Balances held within control accounts 94124 and 98509 may need to be reviewed by management. Control account 94124 relates to monies deducted from employees' salaries which is then used to pay for retirement gifts for colleagues. The account holds a balance of around £374 with the last deduction made in 2018. As such, it does not appear to be active. This account could therefore be cleared with the balance used for the specific purpose it was originally deducted or returned to the owner. 98509 includes (but is not limited to) potentially returnable money seized under various legislative structures such as the Proceeds of Crime Act. Whilst we accept that some of the money cannot be cleared until, for example, a criminal conviction has occurred or a case is closed, there are some items within the account that are over 5yrs old with the oldest item dating back to 2004. As such, these could potentially be cleared from the account.	The Head of Finance, in liaison with the Admin Hub has agreed to: • Resolve the balance within 94124; and • Review historic items held within 98509. Appropriate procedures will be followed where any items are to be cleared or moved from the account.	**Responsible Officer** Head of Finance, in liaison with the Admin Hub **Timescale**
	Priority **3** *SWAP Ref: 44597*	31/03/2021
1.3. As part of our audit, we reviewed a sample of control, suspense and bank account reconciliations performed. Procedures to perform each reconciliation for all accounts were requested from Finance. We found that procedures were present for some reconciliations and not for others. All reconciliations tend to follow a similar process to one another. However, it is our opinion that these should be documented for all accounts to help provide resilience in the process.	The Head of Finance has agreed to ensure that a procedure to perform reconciliations is drafted and approved for all control, suspense and bank accounts.	**Responsible Officer** Head of Finance **Timescale**
	Priority **3** *SWAP Ref: 44596*	31/03/2021

2.	**Debt Management**

Finding

2.1. The Force's 'Procedure for Debt Management' outlines its recovery processes for aged debt. These processes have been summarised as followed:

- SAP will generate automatic reminders which are sent out by post to customers. There are different levels / severity of reminders that are generated by SAP depending on the age of the debt. SAP will automatically determine the most appropriate reminder to issue by interrogating the data it holds in relation to a debt.
- The generating of these reminders is triggered manually through human input in SAP and reminders must also be posted manually by someone.
- Debts will be chased outside of these reminders by individuals through a number of different methods (e.g. phone calls, emails etc.). The 'Procedure for Debt Management' outlines the requirement of retaining a 'Debt Recovery Action Log' for all debts that are chased to record the contact made with the customer.
- If a customer is uncontactable or progress is not made after 90 days of a debt becoming due, then this should be passed onto Legal Services to resolve.

A sample of 25 debts that were of age where recovery action should have been instigated was reviewed to ensure that recovery action had been taken in accordance with agreed processes. The findings from this review have been summarised below:

1) Covid-19 has impacted on SAP generated reminders being sent out to customers due to the manual human input required to initiate this process and mail out the reminders. Due to home working arrangements, these reminders have not been generated and/or sent out as frequently as usual (reminders are usually sent out once per week). As such, recovery of debts may have been impacted as a result of this. Assurances were provided by the Corporate Business Partner Financial Accounting that these will begin again more frequently from October 2020. In addition, the Corporate Business Partner Financial Accounting is currently in the early stages of commencing a project to look into electric invoicing and reminders. However, this is still in its infancy and there are not formalised plans as of yet. As discussed above, debts should also be chased outside of these automatic reminders.
2) Debt Recovery Logs which are a requirement under the 'Procedure for Debt Management' were found not be have been completed for all debts. For example, for lower value amounts and historically for alarms these have not been completed. In addition, as the purpose of these is to evidence debt chasing in the event that legal action is required against a customer to recover payment, the Force does not tend to complete these where the debt relates to another Police Force or government agency as they would not pursue legal action against these entities.
3) Regional Organised Crime Unit (ROCU) related debts which are included as part of the Force's aged debt position are not chase by the Force. These debts are recovered directly by ROCU. The Force will provide a report of outstanding debts to ROCU leads but cannot chase payment directly with the customer. As a result, the Force has limited influence over these types of debts and scope to encourage payment of these which may impact on its overall debt position.
4) Other less formal methods of debt chasing could not be evidenced (e.g. phone calls). In addition, emails to support that debt chasing had occurred were found to have been deleted in some cases. Therefore, reliance has been placed on confirmations by officers responsible for debt chasing that these debts have been chased.
5) Debts that have reached a stage where they should be passed onto Legal Services were found not to have been in some instances. These debts related to other Forces or government agencies or for smaller sums of money (below £100). The Force will not seek legal action against these entities nor would it be financially viable for the Force to pursue legal action for smaller amounts of money.

No formal recommendation will be raised in relation to the above findings as the rationale for all points raised is considered to be reasonable. However, management are recommended to review the findings and determine whether the application of the Force's 'Procedure for Debt Management' is appropriate and satisfactory.

2.2. The audit sought to consider any Key Performance Indicators around debtor performance in place. We were informed by the Head of Finance that SAP does not have the capabilities to provide detailed performance management reports (e.g. percentage of debts paid within 30 days etc.). This currently requires manual analysis across various reports and is not being performed due to limited capacity to run this regularly. Finance currently produce and review sundry debtor reports on a monthly basis which detail the Force's debt position. We were satisfied that these sundry debtor reports were being reviewed and scrutinised on a regular basis and action taken in areas deemed unsatisfactory by management. As a result of the inherent limitations of SAP to produce more dynamic reports, no formal recommendation will be raised around this.

3. Accounts Payable
Finding
3.1. Data analytics was used to identify potential duplicate suppliers in the Force's supplier database. This analysis was also conducted as part of our Accounts Payable audit last year and a recommendation raised to cleanse the Force's supplier database based on the findings from that review. There are around 5000 suppliers currently in the Force's database. This is down from around 10,000 last year partly in response to our recommendation. On the basis of our analysis last year, the number of records that may have been duplicated (100% match on name) has reduced from more than 350 last year to fewer than 50. There are also potentially valid reasons for duplicate records to exist so even this figure may be overstated. Therefore, it was agreed on the basis of progress since last year that our analysis from this year would be provided for information in case useful to Accounts Payable in their ongoing work but that no further substantive testing would be undertaken or recommendations raised.
3.2. During last year's audit, we found that supplier statement reconciliations were not being carried out, although there was a general consensus that they should be with less certainty over where responsibility should sit. During this financial year, reconciliations have been carried out for a number of statements received in each month (other than August where a lack of sufficient capacity was identified). For the months leading up to September, responsibility sat within Accounts Payable (AP). Evidence to support the balances from these months had not been retained nor had authorisation been denoted within the reconciliations. In addition, we found that May and June statements had all been reconciled on the same date (July 2nd). However, following identification of a lack of capacity within AP, from September these reconciliations have been undertaken – and will continue to be undertaken - by the Financial Accounting team. On review, we found all September reconciliations were satisfactory with evidence to support the balances and authorisation of these. As result, no formal recommendation will be raised around the issues identified with older supplier statement reconciliations.
3.3. We have agreed to provide an update in relation to the progress made towards the implementation of recommendations raised within our Accounts Payable audit last year. A total of six recommendations were raised as part of that review. Five are now complete with one recommendation to review the validity of all VAT numbers for active suppliers still in progress but due to be completed by the end of 2020.   We had also agreed to provide an update in relation to the progress made towards the implementation of any recommendations raised by External Audit in relation to both Main Accounting and Accounts Payable as part of their 2019/20 report. However, due to resourcing issues with the Force's external audit provider and Covid-19, this report has been delayed until the end of November 2020. As such, these have not been reviewed as part of this work but will be captured by our follow up processes as part next year's internal audit plan.

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Avon and Somerset OPCC
Partnership Arrangements

Final Report

Issue Date: 11th January 2021
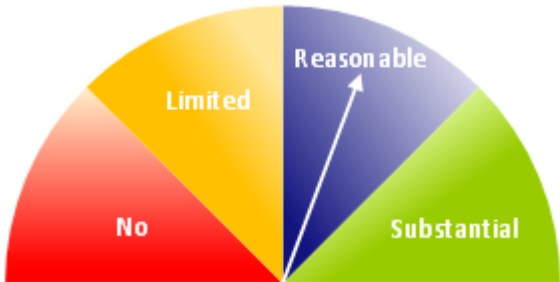
Executive Summary

Corporate Risk Assessment	Recommendation Summary		
Audit Risk	Inherent Risk Assessment	Manager's Initial Assessment	Auditor's Assessment
Community Safety Partnerships between the OPCC and other organisations are not effectively managed resulting in a potential failure to achieve intended financial and operational benefits and objectives, including those within the Police and Crime Plan.	**High**	**Medium**	**Medium**

Link to Strategic Risk Register

PCC Strategic Risk Register SR2 failure to deliver the Police and Crime Plan, SR7 failure to deliver commissioned services and SR9 failure to deliver effective and efficient collaborations or outcomes with partners.

Risk Commentary	Risk Management Awareness
The OPCC has recognised the need to work together effectively with other police forces and key partners to provide better services to local people and the risks of not doing so effectively.	**Satisfactory**

Audit Opinion / Recommendation Summary

Reasonable

There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Priority	Number
Priority 1	0
Priority 2	2
Priority 3	0
Total	2

Audit Conclusion

Effectiveness of Control Framework

Partnership and collaborative working with local authorities, police forces and other organisations is one of four strategic priorities of the PCC under the Police and Crime Plan 2019-2022. Therefore, its importance is strongly embedded in the practice of the OPCC. The audit sought to review the activities of Community Safety Partnerships (CSPs) and how their work specifically helps support the delivery of this priority. Whilst we were generally satisfied with the contractual and financial

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management of CSPs and the work commissioned through the Police and Crime Grant to help reduce crime and disorder, further work is required to improve the OPCC's outcomes framework in relation to how it assesses the effectiveness of CSPs and the services it commissions through them against its own priorities.

Design of Control Framework

A strategic priority of the PCC, set out in the Police and Crime Plan 2019-2020, is to '*work together effectively with other police forces and key partners to provide better services to local people*' (Priority 4). One of the ways in which the PCC seeks to achieve this objective is through the commissioning of services through CSPs. Each financial year, the PCC allocates a sum of money from the Police and Crime Grant (the 'Grant') to all five CSPs in the Avon and Somerset area. The total amount allocated under the Grant in 2019/20 was over £739k. The funds are used to support various community safety projects and initiatives intended to help reduce crime, disorder, substance abuse and reoffending in the local area.

The OPCC has in place a Commissioning and Grants Strategy (the 'Strategy') which sets out its approach to commission services and outcomes for the communities of Avon and Somerset including those under the Grant. The Strategy is underpinned by the principles set out within the Police and Crime Plan. Each financial year, CSPs are required to complete a submission outlining what they intend to use the funding allocated under the Grant for and how the projects and initiatives to be funded will meet local priorities and needs. Once agreed, a grant agreement should be signed between the PCC and CSP setting out the terms and conditions of the funding. As a standard term in the grant agreement, all recipients of the Grant are required to provide the OPCC with a six monthly and year end performance report setting out how it has used the funds.

Community Safety Partnerships should have a board or committee in place responsible for governance, oversight and scrutiny of the partnership with an agreed Terms of Reference that sets out its purpose, scope of work and its roles and responsibilities. These Terms of References for each of the five Community Safety Partnerships within Avon and Somerset were requested from the OPCC as part of our audit. However, these could not be provided. As the PCC is not the lead organisation for these partnerships or considered under statute to be a 'responsible authority' (discussed within the Background section below), a copy of these Terms of References have not been retained within the OPCC. The PCC only has duty to co-operate with CSPs and assurances were provided by the Head of Commissioning and Partnerships that a representative for the PCC will be present at each meeting to provide input and scrutiny where required. However, we were unable to confirm this attendance as the minutes from these meetings are not retained by the OPCC or held publicly on the CSPs websites. Given that the PCC are not the lead authority for CSPs and only have a statutory duty to co-operate, no formal recommendation will be raised around retaining these Terms of References or minutes for transparency.

The OPCC does not maintain a central record of relationships it is involved in with other organisations. It is our opinion that one should be compiled to improve governance, oversight and scrutiny of these partnerships and collaborations and support the outcomes framework for partnerships and collaborations generally.

Application of Control Framework

As discussed above, all CSPs are required to provide the OPCC with a six monthly and year end performance report setting out how it has used the funds allocated under the Grant. These performance reports have been submitted by all five CSPs in the Avon and Somerset area for the funding period reviewed (FY 2019/20) as per the requirements of the grant agreements in place. Each of these performance reports contained sufficient detail of how the money had been used; the services and outcomes delivered in period; and a narrative of activities undertaken. However, these were found not to be used as a mechanism to assess the effectiveness of commissioned services through CSPs specifically against its own priorities but more as a tool for contract and financial management. The PCC's annual report for 2019/20 which highlights the progress made in delivering the priorities under their Police and Crime Plan in the preceding year was found to only provide a high

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Unrestricted

level reference to services commissioned under the Police and Crime Grant. No assessment of how the work of CSPs collectively help support the delivery of the PCC's strategic priorities specifically was found in the annual report or any other documentation. The work and benefits of other key partnerships and collaborations that the PCC is involved with was found to be detailed more thoroughly in the same annual report (e.g. the Regional Organised Crime Unit). Therefore, the OPCC could benefit from an improved outcomes framework for the work of CSPs specifically detailing how their work helps in delivering the strategic priorities of the PCC.

Background

Community Safety Partnerships (CSPs) are made up of representatives from the police, Local Authorities, fire and rescue authorities, health and probation services (the 'responsible authorities') and were set up under the Crime and Disorder Act 1998. The responsible authorities work together to protect their local communities from crime and to help people feel safer. CSPs must formulate and implement a strategy for:

- The reduction of crime and disorder in the area (including anti-social and other behaviour adversely affecting the local environment.
- Combatting the misuse of drugs, alcohol and other substances in the area.
- The reduction of re-offending in the area.

PCC's are not considered a responsible authority under the act but have a mutual duty with CSPs to cooperate to reduce crime and disorder and reoffending. PCC's and CSPs must take account of one another's priorities. PCCs are held to account by Police and Crime panels (formed primarily of elected councillors), while Overview and Scrutiny Committees for community safety scrutinise the work of the CSP as a whole (and are unique in that they can call in representatives from the other responsible authorities on CSPs to be held to account). Within Avon and Somerset, there are a total of five CSPs. These are:

1) Bristol (Keeping Bristol Safe Partnership)
2) Bath (Bath and North East Somerset by the Community Safety Partnership)
3) Somerset (Safer Somerset Partnership)
4) North Somerset (North Somerset Safer and Stronger Communities Service)
5) South Gloucestershire (Safer & Stronger Communities Strategic Partnership)

Scope

The audit sought to consider the following:
- Whether partnership and collaborative working is part of the PCC's Police and Crime Plan and supporting delivery plans.
- The OPCC's Grants and Commissioning Strategy which outlines the overarching principles of provision and allocation of funding.
- The OPCC's register of relationships which documents its partnership and collaborative relationships.
- Formal agreements are in place for all five Community Safety Partnerships (CSPs) within the Avon and Somerset area.
- Outcomes reporting for all CSPs in the Avon and Somerset area which should include how the OPCC monitors the effectiveness of these arrangements.

In addition to the above, we are also in the process of conducting a benchmarking review across all of our Police Partners to help identify areas of good practice in relation to CSPs. The findings from this will be reported separately to management later in the Financial Year.

Audit Assessment of Agreed Themes

Theme	RAG Rating	Reason for RAG Rating
Leadership & Culture		Partnership and collaborative working is embedded within the practice of the OPCC as demonstrated by the clear commitment to its importance detailed within the Police and Crime Plan. CSPs are considered to be a key component in helping deliver the strategic priorities of the PCC.
Learning		Some improvements to the OPCC's outcomes framework for CSPs and partnerships and collaborations generally have been identified in our audit. This will require some learning to implement which has impacted the RAG rating we have been able to provide in this area.
Diversity and Inclusion		Some services commissioned through the Police and Crime Grant through CSPs will have a positive impact on diversity and inclusion in local communities.

Findings and Outcomes

1. **Community Safety Partnerships between the OPCC and other organisations are not effectively managed resulting in a potential failure to achieve intended financial and operational benefits and objectives, including those within the Police and Crime Plan.**	**Medium**

1.1	Finding and Action

Issue

The OPCC does not currently assess the effectiveness of the work undertaken by CSPs specifically against its own priorities.

Findings

One of the strategic priorities of the PCC, set out in the Police and Crime Plan, is to '*work together effectively with other police forces and key partners to provide better services to local people*' (Priority 4). One of the ways in which the PCC seeks to achieve this objective is through the commissioning of services through Community Safety Partnerships by utilising the Police and Crime Grant (the 'Grant'). Commissioned services under the Grant are required to sign an agreement with the PCC and provide a six monthly and a year-end performance report detailing how the money has been used; the services and outcomes delivered in the funding period; and a narrative of activities as appropriate. Whilst we were satisfied that these grant agreements were in place for all five CSPs and that performance reporting was taking place in line with required timescales for services commissioned in 2019-20, these were found to act primarily as a mechanism for contract and financial management rather than as a tool to assess the effectiveness of the services and their outputs in helping to deliver the PCC's priorities.

The PCC produces an annual report which highlights the progress made in delivering the priorities under their Police and Crime Plan. The annual report produced for 2019-20 which covers the progress made in delivering the priorities in the preceding year was reviewed as part of this audit. We found that the report, under the relevant priority (Priority 4), only provides a high-level lists of services that the PCC has commissioned under the Grant. Work specifically undertaken by these

services are not detailed in the report and no assessment is made in the report (or other publications) on how this work has helped the PCC in achieving its priorities. Given that the activities of CSPs and partnership and collaborative working generally is central to the work of the OPCC, it may be beneficial for a more tangible and meaningful assessment to be made of the outcomes of these commissioned services specifically.

Action		Priority Score	2
The Head of Commissioning and Partnerships has agreed to review the approach taken in the OPCC's Annual Report regarding its reporting against the Police and Crime Grant and seek to bring this in line with other services. In addition, prior to the upcoming PCC election, the Head of Commissioning and Partnerships will also review the OPCC's approach in working with Community Safety Partnerships and the Police and Crime Grant to help inform the work of the next PCC. *SWAP Ref. 44618*			
Responsible Officer	Head of Commissioning and Partnerships	Timescale	30/06/2021

1.2	Finding and Action		
Issue			
No central record of relationships between the PCC and the partners and collaborations it is involved with exists.			
Findings			
A record of relationships between the PCC and the partnerships and collaborations it is involved with was requested for review. However, we were informed that no such record exists. The PCC references the work and benefits of a number of key partnerships and collaborations within its annual report (e.g. the Regional Organised Crime Unit) to help evidence progress made towards its strategic priorities. However, it is not clear whether any partnerships or collaborations have been missed which may help further support delivery of its priorities. A centrally maintained record may help improve the governance, oversight and scrutiny controls in relation to these relationships and support the outcomes framework of partnerships and collaborations generally to help deliver the PCC's strategic priorities.			
Action		Priority Score	2
The Head of Commissioning and Partnerships has agreed to review the OPCC's current approach to partnership working ahead of the upcoming PCC election. As part of this review, the OPCC will develop a light touch partnership register to help inform the work of the next PCC. *SWAP Ref. 44617*			
Responsible Officer	Head of Commissioning and Partnerships	Timescale	30/06/2021

SWAP
Unrestricted INTERNAL AUDIT SERVICES
Assuring – Improving – Protecting

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 Auditing Standards.

Audit Framework and Definitions

Assurance Definitions

No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Corporate Risk Assessment Definitions

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

Categorisation of Recommendations

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

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

Risk Management Awareness

Satisfactory	Clear links to the Organisation's risk management processes exist.
Improvement Needed	Risk management awareness could be improved to ensure appropriate action is taken and embedded.

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.

If you require the report in an alternative format, please contact SWAP Head Office.

8d

Community Safety Partnerships
Benchmarking Report

Issue Date: 13th January 2021

Working in Partnership to Deliver Audit Excellence

Executive Summary

Overview

This report follows a request made by one of our Police Partners for SWAP to undertake a cross-partner comparison of Community Safety Partnerships (CSPs). A total of five Offices of the Police and Crime Commissioners (OPCCs) in the South West region engaged with this exercise. The five OPCCs were asked to provide responses to questions relating to the following areas:

- Funding allocations made to CSPs and specifically the services, initiatives and projects funding through them over the last three financial years;
- Performance management frameworks in place to monitor how PCC allocated funding through CSPs is being used;
- Governance arrangements in place for CSPs; and
- Key priorities being funded.

We also sought to provide information relating to co-funding of services commissioned through CSPs by other organisations. However, this information could not be obtained from the OPCCs themselves and required direct engagement with CSPs which was beyond the scope of this work and our authority.

The total value of funding allocations was found to understandably vary between PCCs. When funding allocations made to CSPs in FY 2019/20 were compared against each OPCC's commissioning budgets for the same year, funding allocations made to CSPs were found to range between 15% and 49% of the total commissioning budgets in place. The priority areas being funded were found to generally be consistent with one another. Key areas of funding included domestic and sexual abuse, substance misuse and anti-social behaviour. Performance management mechanisms for services commissioned through CSPs were also found to be similar between the participating OPCCs. The majority of OPCCs required CSPs to provide six monthly and annual performance / outcomes reports setting out how they have used the funds. The funding arrangements at two participating OPCCs (Dorset and Wiltshire) were found to differ from the other OPCCs who participated in the exercise. Both Dorset and Wiltshire do not directly provide funding to CSPs but will jointly commission services with organisations who are members of CSPs to help deliver the priorities of their respective Police and Crime Plans.

At the time of performing this exercise, some arrangements specific or related to CSP activities were found to be under review across various OPCCs. This included future funding allocations, governance reviews and the evaluation of the outcomes framework in place to help manage performance of commissioned services.

It is important to note that this report presents the findings from our comparison exercise only for use by our Partner OPCCs. We are not providing assurance regarding the mechanisms confirmed to be in place nor are we providing an opinion regarding these. It is likely that there is further information applicable to each question posed, however we have sought to identify the key headlines rather than an exhaustive record to capture and analyse here.

The findings of this report have been provided below and we hope that this provides a helpful summary for information.

SWAP Police Partner Comparison of Community Safety Partnerships – Summary of Findings

Question 1.	What is the PCC's total spend on CSP activity / initiatives / services over the last three financial years and have CSP contributions made by the PCC increased, decreased or stayed the same over the same period?

Findings

The chart below provides the funding allocated to CSPs in 2019/20 by each OPCC compared against their total commissioning budgets.

Legend:
- ■ Funding Allocated to CSPs in 2019/20
- ■ Total Commissioning Budget in 2019/20
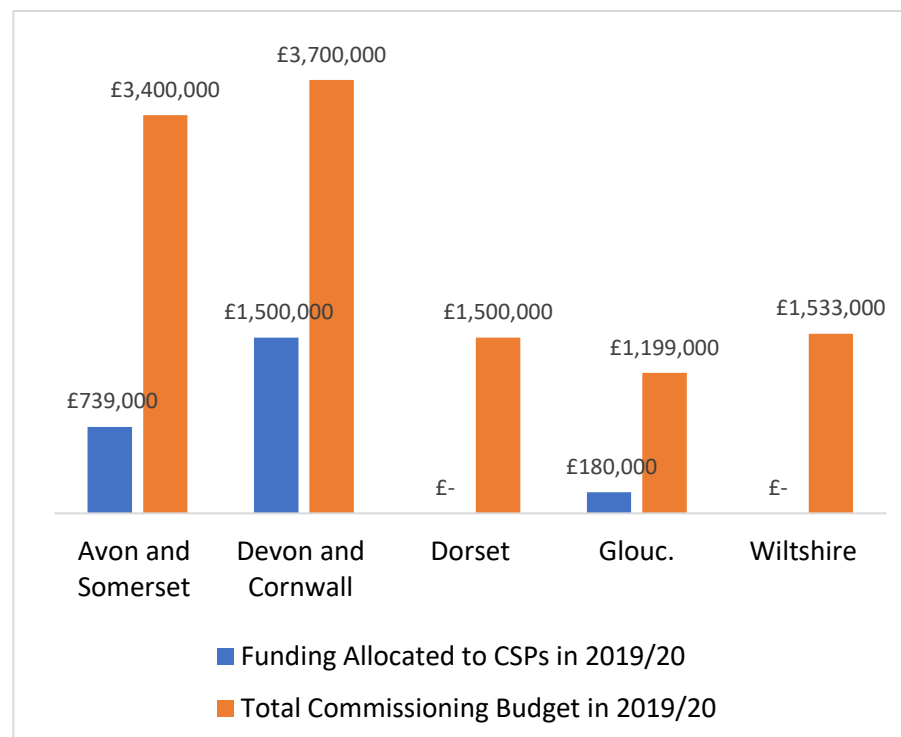
Percentage of funding allocated to CSPs in 2019/20 compared to the total commissioning budget for the OPCC in 2019/20

- Avon and Somerset (21%);
- Devon and Cornwall (40%);
- Gloucestershire (15%); and
- Dorset and Wiltshire – The OPCCs for Dorset and Wiltshire do not delegate funding to CSPs directly. They will jointly commission services with the responsible authorities who are members of the CSPs (e.g. a local authority) but do not allocate funding to them directly. These joint commissioned services will help deliver the respective Police and Crime Plans for Dorset and Wiltshire.

Analysis of CSP Funding Allocations Over Time

Avon and Somerset - Funding allocations have remained the same over the last three financial years.

Devon and Cornwall - The amount allocated has remained the same since 2016. Commissioning within the OPCC is currently being restructured and CSP funding will be review as part of this work.

Gloucestershire - Funding allocations have remained the same over the last three financial years.

Question 2.	What outcomes reporting is undertaken in relation to CSPs?

Findings

Information in relation to outcomes reporting was provided by four out of five OPCCs we engaged with as part of this exercise. The three OPCCs who fund CSPs directly require CSPs to make an application for funding at the beginning of each financial year. As part of the application, CSPs are generally required to outline what they intend to use the funding for and how the projects and initiatives to be funded align with local priorities and needs. Once the application is approved, a grant agreement (or equivalent) should be signed between the PCC and CSP setting out the terms and conditions of the funding. These agreements detail the

performance management measures / outcomes reporting requirements which were found to be similar across the four OPCCs. However, frequency of reported differed between some OPCCs, which are outlined in the table below:

OPCC	Frequency of Performance / Outcomes Reporting		Notes
	Six Monthly	Annually	
Avon and Somerset	✓	✓	Both six monthly and yearly performance reports are required from CSPs. In the past, outcomes reporting occurred each quarter however, this was changed to allow CSPs to focus on project delivery.
Devon & Cornwall	✓	✓	Both six monthly and yearly performance reports are required from Tier 1 (Unitary / County Council level) CSPs and annual reporting requirements for smaller Tier 2 (District Council Level) CSPs.
Gloucestershire		✓	Previously, CSPs were asked to provide quarterly reports however, this was changed to annual reporting to help remove some of the burden on them.
Wiltshire	N/A – See Notes		Currently, the OPCC is working with CSPs to develop an outcomes framework that will support the partnership in understanding multi agency demand; to monitor impact of interventions; track progress; and to draw a clear link between interventions and their intended outcomes.

Question 3.	What are the governance arrangements around CSPs? Is CSP performance subject to review by a board, committee etc? If so, who attends these meetings and how often are they held?

Avon and Somerset

Community Safety Partnerships should have a strategic board or committee in place responsible for governance, oversight and scrutiny of the partnership with an agreed Terms of Reference that sets out its purpose, scope of work and its roles and responsibilities. These meet each quarter and a representative for the PCC will be present at each meeting to provide input and scrutiny where required.

Devon & Cornwall

Members / representatives of the OPCC will attend the strategic boards for each of the four CSPs in the area at least twice a year. The PCC will also meet with the CSP chairs twice a year. Additional meetings between the OPCC's Commissioning Manager and CSP Managers / officers are also held throughout the year.

Dorset

CSPs in the area have slightly different structures but essentially consist of a Strategic Board which is supported by Partnership Coordinating Groups operating at a more operational / tactical level. In terms of their governance, an Overview and Scrutiny Committee is in place to make key decisions such as agreeing and monitoring the annual Community Safety Plan.

Gloucestershire

A strategic board is in place for each of the six CSPs in the area who meet quarterly. The OPCC has a representative who attends each of these meetings to provide oversight of the funding allocated and review how it is being managed.

Wiltshire
At the time of this exercise, the governance arrangements for CSPs in the area were under review and therefore could not be confirmed.

Question 4. What key priority areas covered by CSPs are being funded? (e.g. the key initiatives / services money is being spent on).
Findings

Key projects, initiatives and services being funded through CSPs by the OPCCs who participated in this exercise were found to be consistent when compared. These areas of funding have been detailed below. It should be noted that this is **not** an exhaustive list of areas where funding is being used and are based only on the responses / information provided by the respective OPCC. Therefore, some areas below may be understated / not a full reflection of the areas funded.

Priority Area	Avon and Somerset	Devon & Cornwall	Dorset	Gloucestershire	Wiltshire*
Domestic abuse	✓	✓	✓	✓	✓
Sexual abuse	✓	✓	✓	✓	
Homicide		✓			
Alcohol abuse		✓	✓		✓
Substance misuse	✓	✓	✓	✓	✓
Youth crime prevention	✓		✓		✓
Reoffending	✓	✓		✓	
Road accidents				✓	
Anti-social behavior	✓	✓	✓	✓	
Early intervention					✓
Hate crime			✓	✓	
Criminal Damage				✓	
Early intervention		✓			
Mental health	✓	✓			✓
Victim support services	✓				

*Dorset and Wiltshire do not provide funding to CSPs directly. These OPCCs jointly commission services with members of the CSPs to help deliver the priorities of their respective Police and Crime Plans. The key areas being funded through these joint commissioning arrangements have therefore been listed for consideration.

Audit Objective	To provide assurance that the approach taken by management to deliver the Digital Strategy aligns with the organisation's digital ambition and expectations.
Link to SRR	Strategic Risk 7: Failure to deliver the objectives within the Digital Strategy.

Assurance Opinion

There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Number of Actions / Audit Assessment of Agreed Themes

Priority	Number	Theme	RAG	Reason for RAG Rating
Priority 1	0	Leadership & Culture		This rating reflects our assessment from the Strategic Framework audit in March 2020 and by the ongoing work to streamline governance across the Force.
Priority 2	0	Learning		We are satisfied that the Force has actively sought and learnt from feedback on their digital solutions.
Priority 3	2	Diversity & Inclusion	N/A	We have not provided a specific opinion on diversity and inclusion, as this did not form part of the audit scope.
Total	2			

Risks Reviewed / Assessment

Risks Reviewed	Assessment
The Digital Strategy fails to achieve the Force's digital ambitions and objectives, leading to inefficiency and a lack of financial and wider organisational resilience.	Medium

Risk Management Awareness	Satisfactory

Key Findings

Some findings made during this audit relating to governance, management of digital risk, and the prioritisation of digital project delivery are reflected in existing plans by the Force to review and improve how they implement their Digital Strategy. Our overall opinion has also been informed by related findings made in the "Refreshing the Strategic Framework" audit, reported upon by SWAP in March 2020. It is noted that we have not deemed it necessary to make recommendations against findings from this audit where the associated risks are mitigated by existing action plans. We have provided a summary of any such findings in *Appendix 1* for consideration.

Clarity is required over the role and responsibilities of those involved in delivering the Digital Strategy to ensure that the organisational structure of the Force aligns with their strategic intentions and digital ambition. Governance arrangements should also be reviewed, to ensure there is adequate oversight of the strategy's delivery going forward.

The Force does not currently cost the time that pay-rolled staff spend on digital projects, which prevents them from knowing the full cost of delivering the Digital Strategy.

We concluded that there is a clear synergy between the National Policing Digital Strategy and the Force's Digital Strategy, and that it has been communicated effectively. Activities under the guise of the Digital Strategy are linked towards each of its objectives, and the Strategy's Future Statement reflects a clear vision of what it aims to achieve. It is recognised by management that there is room for improvement in relation to how digital work steams to deliver this vision are prioritised.

Audit Scope

The audit sought to consider the following controls:

1. The Digital Strategy is clearly linked to the wider National Policing Digital Strategy. It is also aligned with the corporate priorities and objectives of the Force and their regional requirements, reflecting a clear vision of what the Strategy aims to achieve.

2. Delivery of the Digital Strategy is dynamic, risk-based, and appropriately governed, and is supported by a well-informed, achievable Delivery Plan.

3. The Digital Strategy has been adequately communicated among staff and other stakeholders, to ensure a clear understanding and buy-in across the Force.

Actions to help improve the overall control framework for the areas reviewed are detailed within Appendix 1, together with a summary of other findings for management consideration.

Unrestricted

Full details of our audit testing are available upon request. Our audit assurance framework and definitions can be found at https://www.swapaudit.co.uk/audit-framework-and-definitions

Appendix 1	Findings & Action Plan

Finding	Action	Responsible Officer
At present the Force's governance and accountability structures do not provide sufficient clarity around the delivery of the ambitions and intentions set out in the forces Digital Strategy. We recognise the stated ambition of the force (as set out in the Information Technology Business Case approved in June 2020) is to develop its traditional IT Directorate from its more traditional structure into one which encompasses a broader "IT and Digital" approach. We equally acknowledge that the force is reviewing its governance structures in line with the recommendations we have previously made when conducting our "refreshing the strategic framework" audit work during 2020. We believe that there remains an opportunity for the force to better ensure that the roles and responsibilities of those delivering the strategy are aligned with the force's strategic intentions and digital ambitions going forward.	We recommend that the Chief Officer – Finance, Resources, and Innovation reviews, clarifies and better defines the responsibilities of those who deliver the Digital Strategy, and how this delivery is governed by the Force's Chief Officer team, to provide the objectivity and accountability required for ensuring the Force's wider strategic objectives are met through the implementation of the Digital Strategy. **Management response**: Agreed. We recognise that we need to achieve greater clarity through our governance structures over the roles and responsibilities here. Our in-flight governance review work will provide the opportunity to realise improved clarity.	**Chief Officer – Finance, Resources, and Innovation**
	Priority **3** *SWAP Ref: 44644*	**Timescale** 30th June 2020
Funding for the Digital Strategy is managed through the Medium-Term Financial Plan (MTFP) process and the annual budget setting for capital projects, forecast over 5 years. However, we understand that staff resource costs involved in the initiation of digital change fall under the IT Directorate (PM, SMEs) budget and the Transformation and Improvement line budgets (for PMs and Business Analysts); rather than being captured as part of the Digital Strategy's financial activity. Discussions were held with the Chief Officer for Finance, Resources and Innovation and the Director of IT, who agreed that whilst there is a broad oversight of capital spending against the Digital Strategy captured by the MTFP processes and items such as software or consultancy costs at project-level; there is currently no granular detail/costing captured for the resource cost of all pay-rolled staff's time spent against digital strategy work. Capturing all elements of expenditure against the delivery of the Strategy would provide the Force and PCC with an end-to-end view of the true cost of delivering the Force's digital ambitions, which in turn should inform the overall sense of value added by delivery of the Digital Strategy, and the achievement of the corporate objectives.	We recommend that the Force plans to capture the time spent by their pay-rolled staff on implementing the Digital Strategy in addition to software and consultancy digital project costs (for example), to provide a fuller view of the cost of delivering the Strategy, which in turn should inform the overall sense of 'return on investment' value added during its implementation. **Management response**: We agree with the recommendation and will ensure that all digital business cases contain more granular estimates of resources required and that project managers broadly capture resources utilised. We will explore the use of existing and new tools to facilitate the easy capture of time committed and actually spent. We will report metrics to our new digital board. We are initiating the first steps this month (capturing and reporting) and will review tools during the first half of 21/22.	**Responsible Officer** Director of IT
	Priority **3** *SWAP Ref: 44643*	**Timescale** 30th Sept 2020

Finding

Governance

SWAP conducted a Refreshing the Strategic Framework audit, reported upon in March 2020, which made recommendations around governance of the four corporate strategies. The findings from this Digital Strategy audit reflect previously identified issues which are yet to be fully addressed by management.

Management actions agreed that a governance review will be used as an opportunity to further rationalise meeting structures and arrange Force governance more intuitively, as well as refresh of documentation and templates (including terms of reference). Management also agreed to consider how the governance secretariat and portfolio office within the Transformation and Improvement team (T&I), and the staff office within the Chief Officer Group (COG), work together to ensure that meeting structures remain manageable and fit for purpose, and will better communicate across the organisation around meeting and governance arrangements so there is common understanding and consistency.

During this Digital Strategy audit, we were informed that the governance structures continue to be under substantive review, and that new evaluation, reporting, and approval processes are under development which should address some of the conflicts identified during both the Strategic Framework and Digital Strategy audits. We understand that this revision of governance will extend to include digital programme and project boards, which will be initiated as active programmes and projects progress and will be stood down when those activities are successfully concluded into 'Business as Usual'. These efforts, along with the implementation of our first recommendation made above, should bring a suitably targeted level of management and governance to the Digital Strategy, allowing more agility in decision making than the current structures allow.

Risk Management

During the Refreshing the Strategic Framework audit recommendations were also made around the Force's management of strategic risk, which have again been reflected in our findings for this audit. Management agreed to review their risk processes as set out in their original Blueprint for improving strategic governance, to ensure a more intuitive approach to risk management that is better understood and embedded in their Single Delivery Plan (SDP) and governance arrangements.

Risks to the delivery of the Digital Strategy are captured within the Corporate Risk Register, entry SR7. Although we were informed that previous iterations of the document recorded a mitigating action plan with assigned responsibilities and timeframes, this is not the case for the current risk register entry as of October 2020. As such, there is not a clear trail of accountability and actions taken, as to how the risks identified within are being managed. We also found that digital risks are being captured at project level and are monitored through directorate management meetings where delivery of projects is discussed; however, there is no documented overarching link to how the wider Digital Strategy risks are being managed as the force have not previously assigned someone to the task of aligning the Force's corporate risk with their project risk management approach.

The Director of IT informed us that the IT Directorate intend to recruit a Governance and Risk Support Officer to meet identified gaps in their strategic risk management controls, to include coverage of Digital Strategy risk. Their intended responsibilities were shared with us during the audit. Based on the information received, we are satisfied that the plans to recruit this officer and review the strategic governance arrangements should address existing weaknesses with the monitoring and management of Digital Strategy risk.

Prioritisation of Digital Delivery

There is a complex environment of national, regional, and local police activity and priority in the digital space for Avon and Somerset Police. The current SDP allows for mapping an activity against up to three strategy objectives, this includes those in the Infrastructure, People, and Service strategies as well as Digital. There is an awareness that the current toolset which includes the SDP and the Qlik visualiser has some limitations around interdependency mapping and the Transformation and Improvement team are actively leading the development of a project management tool, Verto, to improve on this aspect of Digital Strategy management, delivery and monitoring going forward. This will be used by the IT Directorate as a solution alongside other existing tools such as the O365 Productivity Suite, MS Project and MS Roadmap.

We understand that the Verto project management solution will be configured to link and demonstrate project and objective connections and accountability mapping more effectively than the current tools. We also understand that a risk-based HEAT map will be created to show visually the associations between digital objectives and activities going forward, and this will assist in the prioritisation of digital workflows. It is anticipated that the revision to governance structures and embedding corporate sponsors for projects and activities into the SDP will also enhance accountability.

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Avon and Somerset Police
Overtime Follow Up

Final Report

Issue Date: 8th January 2021

Executive Summary

Follow Up Audit Objective	Progress Summary of Recommendations				
To provide assurance that agreed actions to mitigate against risk exposure identified within the 2019/20 Partial opinion Overtime audit have been implemented.	**Risk Category**	**Complete**	**In Progress**	**Not Started**	**Total**
	Priority 1	-	-	-	-
	Priority 2	1	1	-	**2**
	Priority 3	1	-	-	**1**
	Total	**2**	**1**	**-**	**3**

Original Audit Objective

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

Scope

This audit sought to 'Follow Up' on the implementation of recommendations made as part of the Overtime audit at Avon & Somerset Police, which was finalised in January 2020. Audit testing was performed in relation to the priority 2 recommendations and supporting evidence obtained where possible to demonstrate the implementation these recommendations. Follow-up of the priority 3 recommendations is based on self- assessment by the responsible manager. Audit testing was conducted remotely with updates and evidence provided by those assigned the responsibility for implementing the recommendations raised in the original audit.

Audit Conclusion

A total of three recommendations were raised and agreed as part of our original audit. Since the completion of our original audit in January 2020, two of these recommendations have now been implemented. Our original audit highlighted potential concerns with high levels of overtime (by hours worked as well as financial amounts received) being claimed by a number of police officers and staff. These claims have been investigated by HR and found to have been made due to operational requirements. Overtime has been particularly high within the Investigations and Response Departments due to vacancies, which is being addressed through a number of recruitment initiatives outlined subsequently within this report. HR and the Chief Constable have both highlighted the importance of ensuring health and wellbeing of those working long hours. The Head of HR Operations has confirmed that the Force has seen a year-on-year increase of around 30% of annual leave being taken which provides some assurance that police officers and staff are taking breaks from work.

Currently, an action - jointly held by the Head of HR Operations and Head of Finance - to help reduce historic unclaimed pre-authorised overtime is still in progress. The action was originally agreed to be completed in June 2020. However, this has been delayed due to the Covid-19 pandemic. This is now planned to be completed in May 2021.

Findings and Outcomes

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

1.1a	Finding and Action

Issue	Recommendation	Priority 2
Our review has highlighted a number of individuals who have worked a significant amount of overtime over a six-month period. Whilst the findings may not directly result in the risk of inaccurate, unauthorised or fraudulent overtime claims being made, individual circumstances which have led to high overtime claims should be reviewed.	We recommend that the Head of HR Operations analyses the circumstances behind individuals who have received significant amount of overtime payments and reviews whether any measures could be put in place specifically for these individuals to reduce their overtime going forward. Similarly, consideration of particular departments/operational teams where there are significant overtime claims will help inform organisational workforce planning.	

Agreed Action (Original Target Implementation Date: 31/05/2020)

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

Summary of Progress / Follow Up Action Required	Complete

We have been informed by the Head of HR Operations that they have investigated with line managers the reasons for high overtime claims detailed within our original report. These were found to have been for operational reasons. Overtime has been particularly high within the Investigations and Response Departments due to vacancies. This is being addressed by the recruitment of staff investigators to support the work of police officers. In addition, the Force is currently in the process of recruiting its first cohort of apprentices through the Degree Holder Entry Programme (DHEP). These apprentices will be going straight into investigations. Operation Uplift will also result in more police officers within these two departments. This recruitment activity should therefore help reduce overtime.

HR has discussed with line managers the need to ensure health and wellbeing of those working long / many hours. This message has also been communicated from the top through various blog articles written by the Chief Constable which are published on Pocketbook. These blogs have been reviewed as part of this follow up work. The Head of HR Operations has confirmed that the Force has seen a year-on-year increase of around 30% of annual leave being taken which provides some assurance that police officers and staff are taking breaks from work.

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1.1b	Finding and Action

Issue	Recommendation	Priority 3
Our review has highlighted a number of individuals who have worked a significant amount of overtime over a six-month period. Whilst the findings may not directly result in the risk of inaccurate, unauthorised or fraudulent overtime claims being made, individual circumstances which have led to high overtime claims should be reviewed.	We recommend that the Head of HR Operations identifies any individuals at risk of being negatively impacted as a result of the number of overtime hours that they work. Measures should then be put in place to help safeguard the health and wellbeing of these identified individuals.	

Agreed Action (Original Target Implementation Date: 31/05/2020)

The Head of HR will ensure that any individuals at risk of being negatively impacted as a result of the number of overtime hours that they work are identified through HR are payroll processes. The HR team will dip sample some cases to test the health and wellbeing measures put in place and to identify any supportive, developmental or corrective action required. The Department Head and their SLT through their teams will be responsible for ensuring appropriate measures are in place to help safeguard the health and wellbeing of individuals.

Summary of Progress / Follow Up Action Required	Complete

The Head of HR Operations has confirmed that line managers have been informed of the potentially negative impact long hours can have on individuals as part of the discussions detailed in the above progress update.

1.2a	Finding and Action

Issue	Recommendation	Priority 2
A number of historic overtime claims have been submitted by individuals for payment this financial year.	We recommend that the Head of HR Operations and Chief Finance Officer establish the feasibility of implementing a 'cut-off' timeframe for overtime claims after which these would not be paid. Active promotion of prompt claims should also be implemented.	

Agreed Action (Original Target Implementation Date: 30/06/2020)

The Head of HR Operations and Chief Finance Officer will establish the feasibility of implementing a 'cut-off' timeframe for overtime claims after which these would not be paid. Active promotion of prompt claims will also be implemented.

Summary of Progress / Follow Up Action Required	In Progress

The Head of HR Operations has confirmed that they are working with the Head of Finance to implement a reduction in the amount of historic unclaimed pre-authorised overtime claims with a planned completion date of March 2021. Covid-19 has impacted of the progress of this work against the originally agreed target date.

Revised Implementation Date	31/03/2021	Revised Responsible Officer	Head of HR Operations and Head of Finance

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Avon and Somerset Police
Refreshing of the Strategic Framework Follow Up

Final Report

Issue Date: 8th of January 2021

Executive Summary

Follow Up Audit Objective	Progress Summary of Recommendations				
To provide assurance that agreed actions to mitigate against risk exposure identified within the 2019/20 Partial opinion Refreshing of the Strategic Framework audit have been implemented.	**Risk Category**	**Complete**	**In Progress**	**Not Started**	**Total**
	Priority 1	-	-	-	**0**
	Priority 2	2	1	-	**3**
	Priority 3	5	-	-	**5**
	Total	**7**	**1**	**0**	**8**

Original Audit Objective

To provide assurance on the Force's current position in developing and implementing its refreshed strategic framework, including the embeddedness of diversity and inclusion therein.

Scope

This audit sought to 'Follow Up' on the implementation of recommendations made as part of the Refreshing of the Strategic Framework audit at Avon & Somerset Police, which was finalised in March 2020. Audit testing was performed in relation to the priority 2 recommendations and supporting evidence obtained to demonstrate the implementation these recommendations. Follow-up of the priority 3 recommendations is based on self- assessment by the responsible manager. Audit testing was conducted remotely with updates and evidence provided by those assigned the responsibility for implementing the recommendations raised in the original audit.

Audit Conclusion

Since our original audit was completed March 2019, significant work has been undertaken to implement the recommendations raised as part of the review. We are therefore pleased to report the majority of recommendations raised within our original audit have now been implemented.

Currently, an action for the Head of Transformation to oversee the completion of the governance and portfolio structure review in order to map out the value of the current meetings taking place and makes changes to this as required is still in progress. The review is planned to be completed by March 2021. It should also be noted that some recommendations raised in our original report have now been superseded due to developments in the areas reviewed following the completion of our audit. For example, the Force is no longer going to deploy the use of Microsoft Planner for its Single Delivery Plan (SDP). Instead, it will continue to use the Excel and Qlik solution interface reviewed as part of our original audit. Other technologies may be considered as part of future work in this area. Detailed updates in relation to each recommendation raised in our original review have been provided hereafter.

Findings and Outcomes

1.	The Constabulary does not achieve the objectives set, fails to realise the benefits from and/or fails to embed diversity and inclusion within its revised strategic framework, leading to potential inefficiencies, weakened governance, non-delivery of Force Strategies, Single Delivery Plan, lack of value for money and lack of progress of the Force's agenda around diversity and inclusion.

1.1a   Finding and Action

Issue	Recommendation	Priority 2
The use of WeKan to provide the technical solution for the Single Delivery Plan has not worked as intended, meaning this element of the Strategic Framework has not currently been delivered.	We recommend that the Head of Transformation, together with the Portfolio Office, work with the IT Department responsible for the deployment of Microsoft Planner (following the roll-out of Office 365) to undertake thorough testing of the programme prior to any data transfer to ensure this works as intended and delivers the required benefits.	

Agreed Action (Original Target Implementation Date: 31/08/2020)

The Force is ensuring that deployment of O365 is prioritised for T&I directorate, so that the use of MS Planner for the SDP can be established as soon as possible – ensuring the configuration / business rules / testing plan are robust enough to make the launch successful and allow the system delivers the intended benefits.

Summary of Progress / Follow Up Action Required	Complete

The Force is no longer looking to use MS planner to manage the SDP. As such, the original audit recommendation has been superseded. The SDP has been successfully built and launched using Excel and the Qlik interface. The Portfolio Management Office (PMO) is looking to explore VERTO to manage the SDP in 2021/22.

1.1b   Finding and Action

Issue	Recommendation	Priority 3
The use of WeKan to provide the technical solution for the Single Delivery Plan has not worked as intended, meaning this element of the Strategic Framework has not currently been delivered.	We recommend that the Portfolio Office within the Transformation Department look to review the level of detail in the SDP to ensure that the proposed level of granularity is required, in order to potentially reduce the amount of data held which could cause system/access problems. Furthermore, the Portfolio Office should ensure that there is consistency around the use of the system and level of detail required.	

Agreed Action (Original Target Implementation Date: 30/04/2020)

Portfolio Office to develop and maintain a clear set of business rules around use of the SDP to ensure its ongoing reliability, and relevance and consistency of content.

Summary of Progress / Follow Up Action Required	Complete

The Delivery Manager - Portfolio confirmed that the move from WeKan to an Excel and Qlik solution has resulted in a more stable interface which is able to handle large datasets. The level of detail and consistency across the plan has also been addressed with tighter quality control during production of the SDP in Excel and Qlik.

1.2a	Finding and Action

Issue	Recommendation	Priority 2
The revised governance framework has not yet been streamlined, with a lack of control/scrutiny around the establishment of new meetings and incomplete Terms of Reference.	We recommend that the Head of Transformation oversees to completion the review of the governance structure as planned, which will map out the value of the current meetings taking place and makes changes to this as required.	

Agreed Action (Original Target Implementation Date: 30/06/2020)

The governance review will be used as an opportunity to further rationalise meeting structures and arrange Force governance more intuitively, as well as refresh documentation and templates (including terms of reference) and clarify business rules (e.g. commissioning of change, delegated authorities).

Summary of Progress / Follow Up Action Required	In Progress

The Head of Transformation confirmed that the governance review is still underway and should be completed by March 2021 with the implementation of the four new Committees covering Demand & Capacity, People, Confidence & Legitimacy and Finance & Resources. Each Committee has an agreed Terms of Reference (ToR) in place which defines its purpose and structure. The PMO will provide central support for these Committees.

Revised Implementation Date	31/03/2021	Revised Responsible Officer	Portfolio Office Manager

1.2b	Finding and Action

Issue	Recommendation	Priority 3
The revised governance framework has not yet been streamlined, with a lack of control/scrutiny around the establishment of new meetings and incomplete Terms of Reference.	We recommend that the Portfolio Office / Governance Secretariat with the Transformation and Improvement Directorate take on a gatekeeping role in relation to governance meetings, ensuring that Terms of Reference for all meetings are complete and accurate, whilst maintaining a scrutiny role for new meetings established in ensuring that these support the requirements and objectives of the Strategic Framework. This should drive forward a cultural change around meetings.	

Agreed Action (Original Target Implementation Date: 31/07/2020)

We will consider how the governance secretariat and portfolio office within T&I, and the staff office within COG, can work together to ensure that meeting structures remain manageable and fit for purpose, and better communicate across the organisation around meeting and governance arrangements so there is common understanding and consistency.

SWAP
INTERNAL AUDIT SERVICES
Assuring – Improving – Protecting

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 Auditing Standards.

Summary of Progress / Follow Up Action Required	Complete

The Head of Transformation confirmed that the recommendation is in place and that the PMO function exists to provide consistency and standards around formal governance meetings. The PMO is developing a Governance Handbook to provide organisational level guidance and explanation for new ways of working.

1.3a	Finding and Action

Issue	Recommendation	Priority 2
Obligations and processes around risk management between and at the operational and strategic levels are not currently clear and are potentially over-complicated.	We recommend that the Head of Transformation and Head of Improvement ensure that the review of the risk management approach gives consideration to the following areas: • The cohesion between the Directorate-level management of risk and the SRR as it currently stands to ensure that there are no gaps in oversight of risk; • The proposed wording of the new risks in the SRR and whether this could be aligned to best practice; • Seeking to reduce complication in the management of risk through the SDP to ensure that this is accessible throughout the organisation to drive the culture of risk management; • How it will be ensured that Directors, Deputy Directors and Chief Superintendents are made aware of the requirements of them in managing risk, both now and going forwards.	

Agreed Action (Original Target Implementation Date: 30/04/2020)

We will review our risk processes as set out in the Blueprint and ensure a more intuitive approach that is better understood and embedded in our new Single Delivery Plan and governance arrangements.

Summary of Progress / Follow Up Action Required	Complete

The Force has given consideration to the actions outlined within the recommendation. The SRR was revised earlier this year and is subject to quarterly review. The Head of Transformation confirmed that the risk scoring of items on the SDP proposed previously was never fully adopted as it was acknowledged that the approach was too complex and not fit for purpose. Instead, a prioritisation matrix was considered to be a more appropriate solution. However, this has not yet been implemented because the Force will be rationalising the SDP as part of our strategic planning cycle later this year, and as part of this will consider prioritisation approaches for the rationalised plans that will replace it. This is a continuous improvement activity as part of our ongoing improvements to our strategic planning approach.

In regards to improved cohesion in oversight, Directorates currently have Risk Issue Dependency Decision Logs which are managed by an appointed Improvement Consultant. These capture the following four key areas:
1. Risk - Threat to the successful outcome which has not so far occurred, but which has been assessed for its likelihood and its Impact, and actions to mitigate the risk have been identified.

2. Issue - Threat to the successful outcome that is currently occurring.
3. Dependencies - All dependencies (internally and externally) which could impact the operational capability of a dept or directorate.
4. Decisions - Any decisions that are made as a consequence of an identified Risk/Issue, Dependency or Lesson.

There are also local risk registers held in the Information Management groups that are linked to the overall Strategic Risk Register and the SDP.

As part of implementing new risk management arrangements, roles and responsibilities in relation to risk should be agreed and embedded across the organisation. The new governance arrangements should also provide an opportunity to clarify risk management responsibilities within the Terms of Reference for all new Boards and Committees. A Task & Finish Group is developing a proposal for the new Corporate Risk Management Process that will complement new governance arrangements and maximise opportunities for systems management of corporate risk using VERTO.

1.3b	Finding and Action	
Issue	Recommendation	Priority 3
Obligations and processes around risk management between and at the operational and strategic levels are not currently clear and are potentially over-complicated.	We recommend that the Head of Transformation and Head of Improvement ensure that the Terms of Reference for the CMB is updated to reflect the amended obligations of reviewing the Strategic Risk Register.	
Agreed Action (Original Target Implementation Date: 30/06/2020)		
As part of the governance review, we will ensure that the terms of reference for existing meetings that will continue to exist (e.g. CMB and SLM) are reviewed so they are up to date and aligned with any new governance meetings.		
Summary of Progress / Follow Up Action Required		Complete
The Head of Transformation has confirmed that the terms of reference for CMB is up to date and will be subject to a review / refresh after the new governance arrangements are agreed in quarter 4.		

1.4a	Finding and Action	
Issue	Recommendation	Priority 3
Handover plans not fully formalised for Business as Usual.	We recommend that the Head of Transformation develops a formal handover plan for the closure of the project which translates into Business as Usual for the Force and that this outlines key roles and responsibilities going forward.	
Agreed Action (Original Target Implementation Date: 31/08/2020)		
The closure report for the SF Project to include a full handover plan outlining key roles and responsibilities going forward.		

Summary of Progress / Follow Up Action Required	Complete

The Head of Transformation has confirmed that project has closed and is now in BAU. The Force's focus now is on delivering the governance review, and Transformation and Improvement will work to continuously improve the Force's Strategic Framework (including making use of new technology such as MS Planner and exploring other risk / portfolio management tools) as work moves forward.

1.5a	Finding and Action

Issue	Recommendation	Priority 3
Benefits from the Strategic Framework are not SMART and may not be tangible.	We recommend that the Head of Transformation considers whether it would assist the delivery of the Strategic Framework to add more tangibility/quantifiable metrics to the expected benefits of the Strategic Framework, to support the PIR in gauging the success of the project.	

Agreed Action (Original Target Implementation Date: 31/08/2020)

Agreed – as above.

Summary of Progress / Follow Up Action Required	Complete

The Head of Transformation confirmed that the project is now closed and that this recommendation has been superseded by activity to develop KPIs and a balanced scorecard for Transformation and Improvement. This forms part of the Directorate delivery plan within the SDP.

SWAP
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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 Auditing Standards.

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

Report of Internal Audit Activity- January 2021

Internal Audit ▪ Risk ▪ Special Investigations ▪ Consultancy

Executive Summary

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

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

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

We have sought to make our Committee Papers more concise and as such, we will formally report on our performance once a year. To support this, we have included a reminder of our assurance opinions and risk assessment in Appendix B, to avoid duplication in each report presented. Our assurance opinions have been amended to align to CIPFA assurance opinions, which has changed Partial Opinions to be Limited Opinions.

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

Audit Opinion and Summary of Significant Risks

Progress of 2020/21 Internal Audit Plan

Work is underway to complete the 2020/21 audit plan and copies of the following reports that have been finalised since our last update in September 2020 are submitted with this Quarterly Update:

- Key Financial Controls;
- Partnership Arrangements;
- Digital Strategy;
- Community Safety Partnerships – SWAP Police Partner Benchmarking Report;
- Personal Issue of Assets Follow Up;
- Overtime Follow Up; and
- Refreshing of the Strategic Framework Follow Up.

In order to avoid 'backloading' of the 2020/21 plan and seek to provide timely delivery, we commenced scoping all audits for the year in Quarter 1. Further detail is provided on the stage of each audit in Appendix A and is summarised in the table below:

Performance Measure	Performance
Delivery of Annual Audit Plan	
Completed	57%
Work at Draft Report Stage	0%
Fieldwork In Progress	43%
Fieldwork Ready to Start	0%
Scoped – ToE issued	0%
Scoped – ToE pending	0%
To be Scoped	0%
Not Yet Started	0%

Audit Opinion:

Based on the audit engagements completed to date, we are currently in a position to offer a **Reasonable** audit opinion. However, this may be subject to change depending on the outcomes of the work still to be completed on the 2020/21 audit plan. Further information in relation to the assurance opinions provided so far this year have been detailed within Appendix A below.

Significant Risks:

We have identified the following significant risk within the Records Retention audit, where we scored the Auditor's Assessment as High:

"Information assets may not remain necessary for policing and/or business purposes, may be inadequate, inaccurate or out of date. This could lead to compromised safety to public protection and a breach in data protection legislation which may result financial harm, reputational damage and/or consequences for data subjects."

We did however provide a satisfactory opinion regarding the Force's Risk Management Awareness, as the Force's Strategic Risk Register demonstrates that the Force is aware of risks in the area audited and these are monitored at the highest level.

Follow up of Recommendations:

We have a scheduled allocation of days in the 2020/21 plan for follow up of recommendations raised during the 2019/20 audit work. We have commenced this work and have completed four out of the seven follow up reviews scheduled this financial year. An update in relation to three of these completed reviews (Personal Issue of Assets, Overtime and Refreshing of the Strategic Framework 2019/20) will be provided at this meeting.

Regional Audit Work

As reported previously, we sought to make a start on the agreed piece of work regarding Environmental Action. At the Regional CFOs meeting at the end of July 2020, we were informed that this review was no longer proceeding as this was being covered elsewhere. We have not yet received a replacement for this review. Work has commenced in relation to the agreed Regional Vetting review.

Link to FMS	Audit Area	Period	Audit Days	Audit Cost (£)	Status	Opinion	No of Recs	1 = Major		3 = Minor
								1	**2**	**3**
IT & Information Management	Data Protection – Incident Reporting	Q1	10	3040	Completed	Reasonable	2		1	1
Force Functions	Workforce Plan Follow Up	Q1	7	2128	Completed	N/A	-	-	-	-
IT & Information Management	Records/Data Retention	Q2	15	4560	Completed	Limited	5	-	3	2
Force Wellbeing	Health and Safety Management of Front-Line Staff and Officers	Q2	15	4560	Completed	Reasonable	4	-	-	4
OPCC Specific Activity	Partnership Arrangements	Q3	10	3040	Completed	Reasonable	2	-	2	-
IT & Information Management	Digital Strategy	Q3	15	4560	Completed	Reasonable	2	-	-	2
Finance	Payments to Staff – Absence Management	Q3	10	3040	Fieldwork In Progress	-	-	-	-	-
Finance	Key Financial Controls to include Accounts Payable, General Ledger & Aged Debt Management	Q3	20	6080	Completed	Reasonable	3	-	-	3
Force Functions	Recruitment & Vetting Processes	Q4	15	4560	Fieldwork In Progress	-	-	-	-	-
Force Functions	Performance Management	Q4	15	4560	Fieldwork In Progress	-	-	-	-	-
Force Functions	Police Officer and Police Staff Training	Q4	15	4560	Fieldwork In Progress	-	-	-	-	-
Governance, Fraud & Risk Mgt.	Contribution to Regional Police Audits	Q1-4	5	1520	Fieldwork In Progress	-	-	-	-	-
Governance, Fraud & Risk Mgt	Follow Up (4/7 Reviews Completed)	Q1-4	8	2432	Fieldwork In Progress	N/A	-	-	-	-

Assurance Definitions

No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Corporate Risk Assessment Definitions

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

Categorisation of Recommendations

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

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

SWAP INTERNAL AUDIT SERVICES
Assuring – Improving – Protecting

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.

Audit Progress Report and Sector Update

Avon and Somerset Police and Crime Commissioner and Chief Constable
Year ending 31 March 2021

January 2021

Contents and Introduction

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

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

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

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

Contents

Progress at January 2021

2019/20

We issued an unqualified audit opinion on the Police and Crime Commissioner & Group and Chief Constable's financial statements on 30 November 2020.

We included an emphasis of matter within our audit opinion which referred to the disclosures that management had made regarding the material uncertainties for the valuations of property, plant and equipment and pension fund pooled property funds. Our audit opinion was not modified as a result of this emphasis.

2020/21

We will now begin to look to the 2020/21 financial year and begin our planning processes for the audits.

Our formal work will begin later in the year and in the meantime we will:

- continue to have regular discussions with management to inform our risk assessment for the 2020/21 financial and value for money audits;
- review papers and latest financial and operational performance reports; and
- consider any reports from regulators

We expect to issue our joint audit plan summarising our approach to key risks on the audits in March 2021.

Value for Money

On 1 April 2020, the National Audit Office introduced a new Code of Audit Practice which comes into effect from audit year 2020/21. The Code introduced a revised approach to the audit of Value for Money (VFM).

There are three main changes arising from the NAO's new approach:

- A new set of key criteria, covering financial sustainability, governance and improvements in economy, efficiency and effectiveness;
- More extensive reporting, with a requirement on the auditor to produce a commentary on arrangements across all of the key criteria, rather than the current 'reporting by exception' approach; and
- The replacement of the binary (qualified / unqualified) approach to VFM conclusions, with far more sophisticated judgements on performance, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Further detail on the NAO's revised approach to VFM work can be found here: https://www.nao.org.uk/code-audit-practice/wp-content/uploads/sites/29/2019/12/AGN-03-Auditors-Work-on-Value-for-Money-Arrangements.pdf

Due to the change in approach, we will discuss with management the impact of this additional work on our audit fees.

The new Code of Audit Practice issued by the NAO can be found here: https://www.nao.org.uk/code-audit-practice/wp-content/uploads/sites/29/2020/01/Code_of_audit_practice_2020.pdf

Other areas

Meetings

We met with Finance Officers in January 2021 as part of audit planning for 2020/21. We continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective.

Audit Deliverables

2019/20 Deliverables	Planned Date	Status
Annual Audit Letter This letter communicates the key issues arising from our work.	December 2020	January 2021 – on agenda

2020/21 Deliverables	Planned Date	Status
Accounts Audit Plan We are required to issue a detailed accounts audit plan to the Joint Audit Committee setting out our proposed approach in order to give an opinion on the 2020-21 financial statements.	March 2021	Not due yet
Interim Audit Findings We will report to you the findings from our interim audit within our Progress Report.	tbc	Not due yet
Audit Findings (ISA260) Report The Audit Findings Report will be reported to the Joint Audit Committee.	tbc	Not due yet
Auditor's Annual Report The key output from local audit work on arrangements to secure VFM is an annual commentary on arrangements, which will be published as part of the Auditor's Annual Report (AAR). A draft of the AAR will be taken to the Joint Audit Committee. The final version of the AAR will be published at the same time as the Auditors Report.	tbc	Not due yet
Auditors Report This is the opinion on your financial statements and annual governance statement.	tbc	Not due yet

Joint Audit Committee Progress Report and Sector Update for Avon and Somerset Police and Crime Commissioner and Chief Constable | Year ending 31 March 2021

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

HMICFRS

Failing police collaborations cost forces money, time and effort

Collaboration between police forces when done well can save money, reduce bureaucracy and improve efficiency and effectiveness. However, too many police collaborations are failing, or not giving the results they should.

A recent report looks specifically at how forces collaborate in order to provide better, more efficient services to the public. *The Hard Yards: Police to Police Collaboration* is based on findings from HMICFRS's Integrated PEEL Assessments (IPA) inspections for 2018/19.

Inspectors found that:

• too many collaborations do not have a clear purpose or objective that is understood by all involved;

• some forces are not tracking the benefits of collaboration and fail to think beyond financial savings;

• complicated and bureaucratic decision-making undermines the effectiveness of many collaborations; and

• some forces are failing to put people with the right skills in their collaborations and are not effectively sharing learning

The report can be accessed here.

Home Office

100,000 apply to join police in first year of recruitment drive

More than 100,000 people have applied to become police officers one year into the Government's recruitment drive.

Provisional data from forces across England and Wales shows they have received almost 101,000 applications between October and August, as part of plans to sign up 20,000 additional officers over the next three years.

Home Secretary Priti Patel said: 'This year we have seen people come together in the face of adversity to serve their communities in response to the pandemic. It is clear the national emergency has inspired people across the country to become part of our brave, selfless police family.'

The full article can be accessed here.

Home Secretary appoints former Chief Constable to support police recruitment

A former Chief Constable with more than 30 years' experience in front-line policing has been appointed by Home Secretary Priti Patel to challenge and support the Home Office as it recruits 20,000 extra officers, tackles violent crime and restores public confidence in the criminal justice system.

Michael Fuller, who has been appointed as a non-executive director of the Home Office, is also keen to help the department increase diversity in the police and to implement the recommendations of the Wendy Williams Lessons Learned Review following Windrush.

He is one of five new non-executive directors who will work closely with ministers and officials to support the delivery of the department's commitments.

The full article can be accessed here.

Home Office

Other News

A force for change: Policing after the pandemic

In July, the Chancellor introduced the first Comprehensive Spending Review since 2015. He did so amid the most challenging fiscal period in the post-war era.

Taking steps to cut crime was originally at the centre of the Government's priorities. The pledged increase of 20,000 officers and a new National Policing Board with an outcomes framework has signalled a genuine shift in approach to law and order. The original spending review planned to invest to drive down today's crime and future proof the response to tomorrow's challenges.

The investment in policing is more important than ever as the service helps the public navigate the pandemic and the significant impact that the deep economic shock is having on communities.

The full article can be accessed here.

Grant Thornton Publications

Events after the reporting period

If the widespread impact of COVID-19 began during the entity's reporting period, the impact will be reflected in its financial statements for that period. However, to the extent that the widespread impact of COVID-19 occurred during the entity's 'subsequent events period' (i.e. the period between the end of the reporting period and the date when the financial statements are authorised for issue), management must determine how material developments after the year-end should be reflected in the entity's financial statements for the period under audit or review.

In accordance with IAS 10 'Events after the Reporting Period', entities are required to distinguish between subsequent events that are adjusting (i.e. those that provide further evidence of conditions that existed at the reporting date) and non-adjusting (i.e. those that are indicative of conditions that arose after the reporting date). Entities are required to update the carrying amounts of any assets or liabilities recognised in their financial statements to reflect any adjusting events that occur during the subsequent events period.

More information and the full report can be found here.

In-depth insight into the impact of COVID-19 on financial reporting in the local government sector

Public Sector entities across the country are now working in an environment that is completely different to the one they were in just months ago. The effect of COVID-19 will not be limited to the 2019/20 and 2020/21 financial years. This has several ramifications that local authorities will need to carefully consider in preparing and finalising their 2019/20 narrative report, financial statements and annual governance statement.

Our report indicates the key challenges for financial reporting, including the regulatory impact, with elements also impacting on accounting in Police bodies.

More information and the full report can be found here.

Guide for Audit and Risk Committees on Financial Reporting and Management during COVID-19 – National Audit Office

In June the National Audit Office (NAO) published a guide that "aims to help audit and risk committee members discharge their responsibilities and to examine the impacts on their organisations of the COVID-19 outbreak. It is part of a programme of work undertaken by the NAO to support Parliament in its scrutiny of the UK government's response to COVID-19."

The NAO report notes "Audit and risk committees are integral to the scrutiny and challenge process. They advise boards and accounting officers on matters of financial accountability, assurance and governance, and can support organisations, providing expert challenge, helping organisations focus on what is important, and how best to manage risk.

Each organisation will have existing risk management processes in place, but risk appetite may have changed as a result of COVID-19, for the organisation to operate effectively and respond in a timely manner. This may result in a weakening of controls in some areas, increasing the likelihood of other risks occurring. Organisations will need to consider how long this change in risk appetite is sustainable for."

The NAO comment "This guide aims to help audit and risk committee members discharge their responsibilities in several different areas, and to examine the impacts on their organisations of the COVID-19 outbreak, including on:
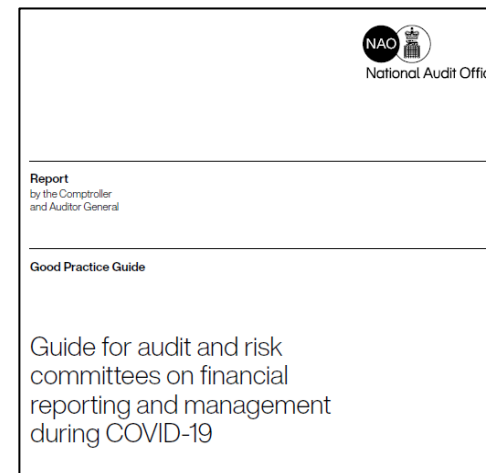
• annual reports;

• financial reporting;

• the control environment; and

• regularity of expenditure.

In each section of the guide we have set out some questions to help audit and risk committee members to understand and challenge activities. Each section can be used on its own, although we would recommend that audit and risk committee members consider the whole guide, as the questions in other sections may be interrelated. Each individual section has the questions at the end, but for ease of use all the questions are included in Appendix One.

The guide may also be used as organisations and audit and risk committees consider reporting in the 2020-21 period."

The full report can be obtained from the NAO website:

https://www.nao.org.uk/report/guidance-for-audit-and-risk-committees-on-financial-reporting-and-management-during-covid-19/

Future Procurement and Market Supply Options Review – Public Sector Audit Appointments

Public Sector Audit Appointments (PSAA) has commissioned an independent review of the sustainability of the local government audit market. The review was undertaken by an independent consultancy, Touchstone Renard.

PSAA note that the report "draws on the views of audit firms active in the local authority market as well as others that are not. In doing so it identifies a number of distinctive challenges in the current local audit market. In particular it highlights the unprecedented scrutiny and significant regulatory pressure on the auditing profession; the challenges of a demanding timetable which expects publication of audited accounts by 31 July each year; and the impact of austerity on local public bodies and its effect on both the complexity of the issues auditors face and the capacity of local finance teams".

Key findings in the report include:

- A lack of experienced local authority auditors as the main threat to the future sustainability of the market.

- It will be difficult to bring the non-approved firms into the market.

- Of the nine approved firms, only five have current contracts with PSAA.

- Almost all of the approved firms have reservations about remaining in the market.

- Firms perceive that that their risks have increased since bids were submitted for the current contracts.

- The timing of local audits is problematic.

Key issues for the next procurement round include:

- Number of lots and lot sizes.

- Lot composition.

- Length of contracts.

- Price: quality ratio.

The report notes that "PSAA will need to balance the views of the firms with wider considerations including the needs of audited bodies and the requirement to appoint an auditor to every individual body opting in to its collective scheme".

The full report can be obtained from the PSAA website:

https://www.psaa.co.uk/wp-content/uploads/2020/03/PSAA-Future-Procurement-and-Market-Supply-Options-Review.pdf

The Redmond Review

The Independent Review into the Oversight of Local Audit and the Transparency of Local Authority Financial Reporting – "The Redmond Review" was published on 8 September.

The review has examined the effectiveness of local audit and its ability to demonstrate accountability for audit performance to the public. It also considered whether the current means of reporting the Authority's annual accounts enables the public to understand this financial information and receive the appropriate assurance that the finances of the authority are sound.

The Review received 156 responses to the Calls for Views and carried out more than 100 interviews. The Review notes "A regular occurrence in the responses to the calls for views suggests that the current fee structure does not enable auditors to fulfil the role in an entirely satisfactory way. To address this concern an increase in fees must be a consideration. With 40% of audits failing to meet the required deadline for report in 2018/19, this signals a serious weakness in the ability of auditors to comply with their contractual obligations. The current deadline should be reviewed. A revised date of 30 September gathered considerable support amongst respondents who expressed concern about this current problem. This only in part addresses the quality problem. The underlying feature of the existing framework is the absence of a body to coordinate all stages of the audit process."

Key recommendations in the report include:

- A new regulator - the Office of Local Audit and Regulation (OLAR) to replace the Financial Reporting Council's (FRC) role and that of Public Sector Auditor Appointments (PSAA)

- Scope to revise fees - the current fee structure for local audit be revised to ensure that adequate resources are deployed to meet the full extent of local audit requirements

- Move back to a September deadline for Local Authorities - the deadline for publishing audited local authority accounts be revisited with a view to extending it to 30 September from 31 July each year

- Accounts simplification - CIPFA/LASAAC be required to review the statutory accounts to determine whether there is scope to simplify the presentation of local authority accounts.

The OLAR would manage, oversee and regulate local audit with the following key responsibilities:

- procurement of local audit contracts;

- producing annual reports summarising the state of local audit;

- management of local audit contracts;

- monitoring and review of local audit performance;

- determining the code of local audit practice; and

- regulating the local audit sector.

The current roles and responsibilities relating to local audit discharged by the Public Sector Audit Appointments (PSAA); Institute of Chartered Accountants in England and Wales (ICAEW); FRC; and The Comptroller and Auditor General (C&AG) to be transferred to the OLAR.

How you can respond to the Review

One of the recommendations was for local authorities to implement:

The governance arrangements within local authorities be reviewed by local councils with the purpose of:

- an annual report being submitted to Full Council by the external auditor;

- consideration being given to the appointment of at least one independent member, suitably qualified, to the Audit Committee; and

- formalising the facility for the CEO, Monitoring Officer and Chief Financial Officer (CFO) to meet with the Key Audit Partner at least annually.

Whilst Redmond requires legislation, in practice the second and third bullets are things which authorities could start doing now.

The full report can be obtained from the gov.uk website:

https://www.gov.uk/government/publications/local-authority-financial-reporting-and-external-audit-independent-review

Home Office

Police to receive more than £15 billion to fight crime and recruit more officers

Policing will receive up to £15.8 billion to support safer communities and cut crime.

The 2021 to 2022 funding package will include over £400 million to recruit 20,000 extra officers by 2023, building on the success of the first year of the recruitment campaign – which has already delivered almost 6,000 additional police officers.

Alongside getting more officers out on the street, the funding settlement will enable policing to tackle serious violence and increase the number of specialist officers tackling terrorism and serious organised crime, including child sexual abuse and drug trafficking.

The 2021 to 2022 funding package means an increase of up to £636 million on last year, should police and crime commissioners (PCCs) take full advantage of police precept flexibility.

The government also recognises that, during the coronavirus pandemic, huge demands have been made of the police.

That is why it has provided additional support throughout, including £30 million of surge funding to help forces step up COVID-19 enforcement activities in 2020 to 2021, and why it reimbursed all additional personal protective equipment (PPE) purchased between March and July.

The full article can be accessed here.

New NAO Code of Audit Practice for 2020

The NAO issued a new Code of Audit Practice which came into force on 1 April 2020 and applies to audits of 2020-21. The key change is an extension to the framework for VfM work. The NAO has prepared Auditor Guidance Note (AGN 03), which sets out detailed guidance on what VfM work needs to be performed. Public consultation on this ended 2 September.

The new approach to VfM re-focuses the work of local auditors to:

- promote more timely reporting of significant issues to local bodies;
- provide more meaningful and more accessible annual reporting on VfM arrangements issues in key areas;
- provide a sharper focus on reporting in the key areas of financial sustainability, governance, and improving economy, efficiency and effectiveness; and
- provide clearer recommendations to help local bodies improve their arrangements.

Under the previous Code, auditors had only to undertake work on VFM where there was a potential significant risk and reporting was by exception. Whereas against the new Code, auditors are required to undertake work to provide a commentary against three criteria set by the NAO – governance; financial sustainability and improving economy, efficiency and effectiveness.

A new Auditor's Annual Report presented at the same time as the audit opinion is the forum for reporting the outcome of the auditor's work on Value for Money. It is required to contain:

- Commentary on arrangements
- Recommendations
- Progress in implementing recommendations
- Use of additional powers
- Opinion on the financial statements

The 'Commentary on arrangements' will include a summary under each of the three specified reporting criteria and compared to how the results of VfM work were reported in previous years, the commentary will allow auditors to better reflect local context and also to draw attention to emerging or developing issues which may not represent significant weaknesses, but which may nevertheless require attention from the body itself. The commentary will not simply be a description of the arrangements in place, but an evaluation of those arrangements.

Recommendations: Where an auditor concludes there is a significant weakness in a body's arrangements, they report this to the body and support it with a recommendation for improvement.

Progress in implementing recommendations: Where an auditor has reported significant weaknesses in arrangements in the previous year, the auditor should follow up recommendations issued previously and include their view as to whether the recommendations have been implemented satisfactorily

Use of additional powers: Where an auditor uses additional powers, such as making statutory recommendations or issuing a public interest report, this needs to be reported in the auditor's annual report.

Opinion on the financial statements: The auditor's annual report also needs to summarise the results of the auditor's work on the financial statements. This is not a replacement for the AFR, or a verbatim repeat of it – it is simply a summary of what the opinion audit found

The new approach is more complex, more involved and will subsequently increase the cost of audit. We will be discussing this with senior managers shortly.

To review the new Code and AGN03 click here

National Audit Office latest reports

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Overview of the UK government's response to the COVID-19 pandemic

This report provides a summary of the UK government's response to COVID-19 to date. Significant outbreaks of disease are among the greatest risks faced by any society, threatening lives and causing significant disruption to public services and the economy. The scale and nature of the current COVID-19 pandemic and government's response is unprecedented in recent history. This report is the first of a programme of work to be undertaken by the National Audit Office (NAO) to support Parliament in its scrutiny of the UK government's response to COVID-19. The report covers the main actions taken by the UK government in England, as well as the funding provided to support responses in the devolved administrations of Northern Ireland, Scotland and Wales. It does not cover the individual responses in the devolved administrations, or the separate responses implemented by local authorities. The report covers the government's response up to 4 May 2020.

Click here to read more

Revised auditing standard: Auditing Accounting Estimates and Related Disclosures

In the period December 2018 to January 2020 the Financial Reporting Council issued a number of updated International Auditing Standards (ISAs (UK)) which are effective for audits of financial statements for periods beginning on or after 15 December 2019. ISA (UK) 540 (revised): *Auditing Accounting Estimates and Related Disclosures* includes significant enhancements in respect of the audit risk assessment process for accounting estimates.

Introduction

Under ISA (UK) 540 (Revised December 2018) auditors are required to understand and assess an entity's internal controls over accounting estimates, including:

- The nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates;

- How management identifies the need for and applies specialised skills or knowledge related to accounting estimates;

- How the entity's risk management process identifies and addresses risks relating to accounting estimates;

- The entity's information system as it relates to accounting estimates;

- The entity's control activities in relation to accounting estimates; and

- How management reviews the outcomes of previous accounting estimates.

As part of this process auditors also need to obtain an understanding of the role of those charged with governance, which is particularly important where the estimates have high estimation uncertainty, or require significant judgement.

Specifically do those charged with governance:

- Understand the characteristics of the methods and models used to make the accounting estimates and the risks related to them;

- Oversee management's process for making accounting estimates, including the use of models, and the monitoring activities undertaken by management; and

- Evaluate how management made the accounting estimates?

Additional information that will be required for our March 2021 audits

To ensure our compliance with this revised auditing standard, we will be requesting further information from management and those charged with governance during our audit for the year ended 31 March 2021 in all areas summarised above for all material accounting estimates that are included in the financial statements.

Based on our knowledge of the entity we have identified the following material accounting estimates for which this is likely to apply:

- Valuations of land and buildings, council dwellings and investment properties

- Depreciation

- Year end provisions and accruals,

- Credit loss and impairment allowances

- Valuation of defined benefit net pension fund liabilities

- Fair value estimates

- Valuation of level 2 and level 3 investments

Estimation uncertainty

Under ISA (UK) 540 (Revised December 2018) we are required to consider the following:

- How management understands the degree of estimation uncertainty related to each accounting estimate; and

- How management address this estimation uncertainty when selecting their point estimate.

For example, how management identified and considered alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the point estimate used.

The revised standard includes increased emphasis on the importance of the financial statement disclosures. Under ISA (UK) 540 (Revised December 2018), auditors are required to assess whether both the accounting estimates themselves and the related disclosures are reasonable.

Where there is a material uncertainty, that is where there is a significant risk of a material change to the estimated carrying value of an asset or liability within the next year, there needs to be additional disclosures. Note that not all material estimates will have a material uncertainty and it is also possible that an estimate that is not material could have a risk of material uncertainty.

- Where there is material estimation uncertainty, we would expect the financial statement disclosures to disclose:

- What the assumptions and uncertainties are;

- How sensitive the assets and liabilities are to those assumptions, and why;

- The expected resolution of the uncertainty and the range of reasonably possible outcomes for the next financial year; and

- An explanation of any changes made to past assumptions if the uncertainly is unresolved.

How can you help

As part of our planning risk assessment procedures we routinely make a number of enquiries of management and those charged with governance, which include general enquiries, fraud risk assessment questions, going concern considerations etc. Responses to these enquires are completed by management and confirmed by those charged with governance. For our 2020/21 audit we will be making additional enquires on your accounting estimates in a similar way (which will cover the areas highlighted above). We would appreciate a prompt response to these enquires in due course.

Further information

Further details on the requirements of ISA (UK) 540 (Revised December 2018) can be found in the auditing standard on the Financial Reporting Council's website:

https://www.frc.org.uk/getattachment/0fa69c03-49ec-49ae-a8c9-cc7a2b65382a/ISA-(UK)-540_Revised-December-2018_final.pdf

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

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

Year ended 31 March 2020

January 2021

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Executive Summary

Purpose

Our 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 2020.

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 Independent Audit Committee as those charged with governance in our Audit Findings Report on 27 November 2020.

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 an opinion on the group and PCC and the Chief Constable's financial statements (section two)
- assess the PCC's and Chief Constable's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

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

Our work

Materiality	We determined materiality for the audit of the group, PCC and Chief Constable's financial statements to be £7.448m, which is **2%** of the Chief Constable's gross cost of services.
Financial Statements opinion	We gave an unqualified opinion on the group, PCC and Chief Constable's financial statements on 30 November 2020. We included two emphasis of matter paragraphs in our report in respect of the uncertainty over valuations of the Police and Crime Commissioner's land and buildings and the Police and Crime Commissioner and Chief Constable's share of the property assets in the LGPS pension fund given the Coronavirus pandemic. This does not affect our opinion that the statements give a true and fair view of the group, PCC and Chief Constable's financial position and its income and expenditure for the year.
Whole of Government Accounts (WGA)	We were not required to complete work on the group's consolidation return following guidance issued by the NAO as they were below the audit thresholds. We confirmed this in our Assurance Statement to the NAO.
Use of statutory powers	We did not identify any matters which required us to exercise our additional statutory powers.

Executive Summary

Value for Money arrangements	We were satisfied that the PCC and Chief Constable put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources. We reflected this in our audit report to the PCC and Chief Constable on 30 November 2020.
Certificate	We certified that we have completed the audit of the financial statements of group, PCC and Chief Constable in accordance with the requirements of the Code of Audit Practice on 30 November 2020.

Working with the PCC and Chief Constable

Restrictions for non-essential travel caused by the COVID-19 pandemic meant both group/PCC's and Chief Constable's staff and audit staff have faced audit challenges amid new remote access working arrangements i.e. remote accessing financial systems, video calling, physical verification of assets and completeness and accuracy of information produced by the entity.

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

Grant Thornton UK LLP
January 2021

Audit of the Financial Statements

Our audit approach

Materiality

In our audit of the group, 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's financial statements to be £7.448m, which is **2%** of the Chief Constable's gross cost of services. 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 £25k.

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

The scope of our audit

Our audit involves 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 Statement of Accounts to check it is consistent with our understanding of the group, PCC and Chief Constable and with the financial statements included in the Statement of Accounts on which we gave our opinion.

We carry out our audit 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 opinion.

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.

Significant findings – audit risks

Risks identified in our Audit Plan	Relates to	Commentary
1 **COVID– 19**	**Group, PCC and the Chief Constable**	We:
		• worked with management to understand the implications the response to the COVID-19 pandemic had on the organisation's ability to prepare the financial statements and update financial forecasts and assessed the implications for our materiality calculations. No changes were made to materiality levels previously reported. The draft financial statements were provided on 19 June 2020;
		• liaised with other audit suppliers, regulators and government departments to co-ordinate practical cross-sector responses to issues as and when they arose. Examples include the material uncertainty disclosed by the PCC's property valuation expert/ PCC/group's actuary;
		• evaluated the adequacy of the disclosures in the financial statements that arose in light of the COVID-19 pandemic;
		• evaluated whether sufficient audit evidence could be obtained through remote technology;
		• evaluated whether sufficient audit evidence could be obtained to corroborate significant management estimates such as assets and pension fund net liability valuations ;
		• evaluated management's assumptions that underpin the revised financial forecasts and the impact on management's going concern assessment;
		• discussed with management the implications for our audit report where we have been unable to obtain sufficient audit evidence.
		Our audit report for the PCC and group will include an Emphasis of Matter paragraph, highlighting the material uncertainty disclosed by management in respect of land and building and pension fund property valuations as a result of the COVID-19 pandemic.
		The audit report for the Chief Constable will include an Emphasis of Matter paragraph highlighting the material uncertainty disclosed by management in relation to the valuation of pension fund property assets as a result of the COVID-19 pandemic.
2 **The revenue cycle includes fraudulent transactions (rebutted)**	**Group, PCC and the Chief Constable**	Having considered the risk factors set out in ISA240 and the nature of the revenue streams of the PCC and the Chief Constable, we have determined that the risk of fraud arising from revenue recognition can be rebutted,. There are no changes to our assessment reported in the audit plan.
		Our audit work has not identified any issues in respect of revenue recognition.

Significant findings – audit risks

	Risks identified in our Audit Plan	Relates to	Commentary
3	Management override of controls	Group, PCC and the Chief Constable	**Auditor commentary** We have • gained an understanding of the accounting estimates and judgements applied and decisions made by management and considered their reasonableness; • obtained a full listing of journal entries and identified and subsequently tested any unusual journal entries for appropriateness; and • evaluated the rationale for any changes in accounting policies and any significant unusual transactions or estimates. Our audit work identified issues in regard to journal controls. We identified that there is a risk that descriptions of the journals can be amended after they have been posted to the ledger. This issue was brought to management's attention in the prior year. We therefore recommend that sufficient controls are implemented and monitored regularly. There is currently a risk that an inappropriate or erroneous journal could be processed and impact on the financial statements.
4	Valuation of land and buildings	Group & PCC	**Auditor commentary** We: • reviewed management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work; • considered the competence, expertise and objectivity of any management experts used; • engaged our own valuer to assess the instructions and final valuation reports of the group's valuer; • challenged the key assumptions where appropriate; • reviewed and challenged the information used by the valuer to ensure it was robust and consistent with our understanding; • tested revaluations made during the year to ensure they are input correctly into the asset register; and • evaluated the assumptions made by management for any assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value. In line with RICS guidance, the valuer disclosed a material uncertainty in the valuation of the PCC's land and buildings at 31 March 2020 as a result of the COVID-19 pandemic. The financial statements have been updated to reflect the material uncertainty within note 4. We will highlight this disclosure within an "emphasis of matter" paragraph in our opinion. This is not a modification or qualification of the opinion and is consistent with other audited bodies where the valuer has highlighted a material valuation uncertainty. Our work did not identify any other issues to bring to your attention.

Significant findings – audit risks

Risks identified in our Audit Plan	Relates to	Commentary
5 **Valuation of pension fund net liability**	**Group, PCC and the Chief Constable**	**Auditor commentary** We: • identified the controls put in place by management to ensure that the pension fund liability is not materially misstated. We also assessed whether these controls were implemented as expected and whether they are sufficient to mitigate the risk of material misstatement; • evaluated the competence, expertise and objectivity of the actuary who carried out your pension fund valuations and gained an understanding of the basis on which the valuations were carried out; • undertook procedures to confirm the reasonableness of the actuarial assumptions made; • checked the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial reports; and • gained assurances over the data provided to the actuary to ensure it was robust and consistent with our understanding. An emphasis of matter paragraph will be included within our audit report to draw attention to the material uncertainty disclosed in relation to the material uncertainty disclosed in respect of the valuation of the LGPS pension fund property assets. Our work has not identified any other material issues in relation to this risk.
6 **International Financial Reporting Standard (IFRS) 16 Leases – (issued but not adopted)**	**Group**	As confirmed in our Audit Plan update the implementation of IFRS 16 has been delayed for the public sector until 2020/21.

Audit of the Financial Statements

Audit opinion

We gave an unqualified opinion on the group, PCC and Chief Constable's financial statements on 30 November 2020.

Preparation of the financial statements

We were presented with draft financial statements in accordance with the extended national deadline alongside a good set of working papers to support them. During the audit, the finance team responded promptly and efficiently to the majority of our queries, however delays were encountered around providing the audit team with a mapped trial balance and payroll reconciliation and recommendations around these were included in the Audit Findings Report.

Restrictions for non-essential travel has meant both the PCC's and Chief Constable's staff and our audit staff have had to adapt to remote working arrangements. Both teams have had to be flexible in approaches to sharing information. We agreed to use video calling to watch your finance team run the required reports to gain assurance over completeness and accuracy of information produced by you. We have made more use of conference calls and emails to resolve audit queries. Inevitably in these circumstances resolving audit queries has taken a little longer than face to face discussion. Regular meetings were held with the finance teams to highlight key outstanding issues and findings to date. We have used a query log to track and resolve outstanding items; ensuring that the process was as smooth as possible.

Issues arising from the audit of the financial statements

We reported the key issues from our audits to the Joint Audit Committee on 27 November September 2020.

Annual Governance Statement and Narrative Report

We are also required to review the Annual Governance Statements and Narrative Reports.

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

Whole of Government Accounts (WGA)

We carried out work in line with instructions provided by the NAO . We issued an assurance statement which confirmed the group was below the audit threshold.

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 on 30 November 2020.

Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice, following the guidance issued by the NAO in April 2020 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 risks we identified and the work we performed are set out overleaf.

Overall Value for Money conclusion

We are satisfied that in all significant respects the PCC and Chief Constable put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2020.

Key findings

We set out below our key findings against the significant risks we identified through our initial risk assessment and further risks identified through our ongoing review of documents.

Significant risk	Findings	Conclusion
Medium Term Financial Planning The latest police finance settlement announced in January 2020 provides PCC's with the option to raise additional monies through an increase in the policing precept and includes an increase to the police grant that Avon and Somerset receive. Whilst this was largely better than expected by the sector, financial challenges still remain in the medium term due to increasing and more complex demand and other cost pressures such as increases to police pension contributions. The PCC and Chief Constable need to continue to plan prudently for the future to ensure that they can continue to set balanced budgets in line with their statutory responsibilities. In considering this risk, we: - Reviewed the outturn revenue position and considered the impact on our responsibilities, including the balance between recurrent and non-recurrent steps taken in delivering outturn; - Considered the arrangements for monitoring and managing the delivery of budget and savings plans for 2019/20; - Reviewed the arrangements for developing and agreeing the 2020/21 budgets and updated Medium Term Financial Plan, 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.	**2019/20 Outturn** The 2019/20 revenue outturn position was a break-even position after a planned contribution to capital reserves, but before other year-end adjustments, was £5.1m underspend. Included within the year end position is an underspend of £11.2m in employee costs. The majority of this underspend, £8m, is due to the fact that whilst recruitment has taken place throughout the year, the majority of new officers started in March and the financial impact will not be fully seen until 2020/21. Approximately £5m of the underspend was due to the assumptions included in planning for officer salary. High levels of officer recruitment and the profile of officers within the spinal points has become less weighted towards the top of the scale. Recurring savings of £5.2m have been included in the MTFP from 2020/21 onwards. The majority of the remaining underspends so not result from recurring areas and are largely due to underspends in officers pay, PSCO's and police vacancies and additional grant income. **Budget monitoring** Throughout the year revenue monitoring reports are taken to the Police and Crime Panel to allow the PCC to scrutinise budget performance. The reports set out performance against budget in sufficient detail and provide information on significant variances to allow the reader to understand the reasons for them. **Medium Term Financial Planning** The latest Medium Term Financial Plan (MTFP) was agreed in February 2020 and covers the period from 2020/21 to 2024/25.	Recommendation: The group should consider whether the level of savings proposed in the MTFP are achievable and have the detailed business cases fully developed such that the savings can be identified and realised. Management response: The last published MTFP in February 2020 is in the process of being updated, with material changes to the outlook expected as a consequence of COVID-19 and the wider impact this has had on public finances. We have now fully delivered all historic saving, and despite the financial uncertainty surrounding us we have already identified and substantially agreed over £7m of savings and adjustments for 21/22 with the implementation of many of these already achieved or being progressed. We remain unsure whether these alone will be sufficient to balance our 21/22 budget and remain in discussion as to what further options might be available to us to balance the budget in the short-term. We recognise that further savings will be needed over the medium term, and will progress our plans here so that we will be able to engage the new PCC following the May 2021 elections on the detail of these plans, thereby enabling us to commence implementation sufficiently in advance of the 22/23 financial year.

Key findings

We set out below our key findings against the significant risks we identified through our initial risk assessment and further risks identified through our ongoing review of documents.

Significant risk	Findings	Conclusion
	The MTFP identifies a £6.5m budget deficit by the end of 2024/25. The MTFP also includes £41.880 of savings to be delivered. The savings for 2019/20 were not fully achieved, however the MTFP shows high level of savings needed to balance in future years. The group should therefore consider whether the level of savings proposed in the MTFP are achievable and have the detailed business cases fully developed such that the savings can be identified and realised.	

Constabulary recruitment plans

Officer recruitment is on an upwards trajectory which has coincided with the introduction of the Police Constable Degree Apprenticeship (PCDA) which is being delivered in partnership with UWE.

Officer headcount for 31 March 2021 is 3,000 and the forecasts indicate that this will be achieved.

The recruitment currently in progress was built into the MTFP and is monitored by the finance team and HR to ensure that all targets are achieved.

Impact of COVID-19

Shortly before the year end a worldwide pandemic was declared due to the spread of the COVID-19 virus. This resulted in a nationwide lockdown declared by the government which has lasted, in various forms, up to the point of the financial statements audit.

The situation has been closely monitored by the force and reported to the Police and Crime Panel.

The finance team set up separate codes on the ledger with the intention that this will allow the COVID-19 costs to be easily identified and monitored as the pandemic continues.

Key findings

We set out below our key findings against the significant risks we identified through our initial risk assessment and further risks identified through our ongoing review of documents.

Significant risk	Findings	Conclusion
	Impact of COVID-19 continued Staffing costs have remained relatively consistent as officers were continuing with their police duties when back office staff were successfully redeployed to work from home with the need for overtime decreasing as crime levels decreased during this time. Additional costs relate to equipment expense for remote working and increased cleaning costs for buildings and equipment/fleet cars. The Government have not formally agreed any police funding. However on the 6 May 2020 a request for information was received from the Home Office. The closure of the building sector has led to some delays in capital build projects with a 3 month delay the standard. This will result in some capital slippage but this will be positive for cash flow. Buildings marked for renovation or closure have also been repurposed during this time to ensure staff are correctly social distanced and spread out across the force's sites. To date the Government has allowed costs to be recovered using the Uplift grant. This will mitigate some risk. There is likely to be some shortfall, however the reserves in place are expected to be able to mitigate this without a significant impact on the PCC's financial sustainability. There are concerns around future funding of the service with uncertainty on levels of both local and central income. The Government are frequently providing more guidance on support available, with all PCCs across the country in the same position this will be managed during 2020/21.	

A. Reports issued and fees

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

Reports issued

Report	Date issued
Audit Plan	March 2020
Audit Findings Report	November 2020
Annual Audit Letter	January 2021

Audit fees	Proposed fees
Police and Crime Commissioner scale fee	£27,992
Chief Constable scale fee	£14,438
Additional proposed audit fee at planning stage	£8,500
Total proposed audit fees (excluding VAT) at planning	**£50,930**
Further additional fees proposed at completion	£7,640
Total proposed audit fees (excluding VAT) on completion	**£58,570**

Audit fee variation

As outlined in our audit plan, the 2019-20 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 table on the following page.

Fee variations are subject to PSAA approval.

A. Reports issued and fees

Area	Reason	Fee proposed
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 audits. Accordingly, we have increased the level of scope and coverage in respect of IAS 19 this year to reflect this.	1,750
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.	2,500
PPE	As above, increased the volume and scope of our audit work to ensure an adequate level of audit scrutiny and challenge over the assumptions that underpin PPE valuations	1,750
Increased Challenge and depth of work	The Financial Reporting Council has highlighted that the quality of work by audit firms needs to improve across audits. Inevitably, we have needed to increase the managerial oversight to manage this risk. In addition, the audit team exercised even greater challenge of management in areas that are complex, significant or highly judgmental.	2,500
Impact of COVID-19	Over the past six months the current COVID 19 pandemic has had a significant impact on all of our lives, both at work and at home, and the recent announcements show that this is now likely to continue for some time to come. Our focus as a firm has been to protect our people while continuing to progress our audits so that we are able to deliver as many as possible to the 30 November timetable. The impact of COVID 19 on the audit of financial statements is multifaceted. These impacts include: • Revisiting planning - we have needed to revisit our planning and refresh risk assessments, materiality and testing levels. This has, in many cases, driven additional areas of audit work. • Management's assumptions and estimates - there is increased uncertainty over many estimates including property, pension and other investment valuations. Many of these valuations are impacted by the reduction in economic activity and we are required to understand and challenge the assumptions applied by management. • Financial resilience assessment – we are required to consider the financial resilience of audited bodies. Our experience to date indicates that COVID 19 has impacted on the financial resilience of all local government bodies, some critically. This has increased the amount of work that we need to undertake on going concern and value for money (financial sustainability). • Remote working – the most significant impact in terms of delivery is the move to remote working (both our teams and yours). We, as other auditors, are experiencing considerable delays as a result of remote working, including the delays in receiving accounts, quality of working papers, and delays in responses. These are understandable and arise from the availability of the relevant information and/or the availability of relevant staff (due to shielding, being diverted to other essential functions, or other additional COVID related demands). In many instances the delays are caused by our inability to sit with an officer to discuss a query or working paper. Gaining an understanding via Teams or phone is more time-consuming.	7,640
Total		16,140

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