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**Date :** 8th March 2022

**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 **16<sup>th</sup> March 2022** – **please note that there will be a lunch break between 12:30 and 13:00.**

The agenda for the meeting is set out overleaf.

Yours sincerely

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

## INFORMATION ABOUT THIS MEETING

- (i) Car Parking Provision

N/A – Virtual meeting

- (ii) Wheelchair Access

N/A – Virtual meeting

- (iii) Emergency Evacuation Procedure

N/A – Virtual meeting

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

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- (v) REPORT NUMBERS CORRESPOND TO AGENDA NUMBER

## **AGENDA**

**16<sup>th</sup> March 2022, 11:00 – 14:00**

**Lunch Break 12:30 – 13:00**

**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/Offer 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)

Any member of the public wanting to attend a JAC meeting must submit a written application and secure written agreement of the JAC Chair. Statements and/or intentions to attend must be received no later than 12.00 noon on the working day prior to the meeting and should be emailed to

[JAC@avonandsomerset.pnn.police.uk](mailto:JAC@avonandsomerset.pnn.police.uk)

The JAC Chair reserves the right to refuse or suspend access if there is any security risk to the public or a member of the public's behaviour is disruptive in any manner. A member of the public may only address the meeting, for a maximum of five minutes, where a statement has been previously provided to the JAC Chair and prior sanction has been granted.

- 5. Minutes of the Joint Audit Committee Meeting held 15<sup>th</sup> December 2021 (Report 5)**
- 6. Office of the Police and Crime Commissioner Strategic Risk Register (Report 6)**
- 7. Constabulary Strategic Risk Register (Report 7)**
- 8. Appointment of External Auditors (Report 9)**
- 9. Business from the Chair (Report 9):**
  - a) Police and Crime Board (Verbal Update)**
  - b) Update on IOPC Investigations (Verbal Update)**
  - c) Final Joint Audit Committee Annual Report**
- 10. Internal Audit (Report 10):**
  - a) 2022/23 Proposed Internal Audit Plan**
  - b) Quarterly Update**
  - c) Criminal Justice – File Quality **paper to follow****
  - d) Clinical Governance within Custody **paper to follow****
  - e) Victim Support Services**
  - f) Risk Management**

- g) Record Retention Follow Up**
- h) Payments to Staff – Absence Management Follow Up**

- 11. External Audit (Report 11):**
  - a) Progress Report**
  - b) Informing Risk Assessments**

## **Part 2**

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

- 12. Exempt Minutes of the Joint Audit Committee Meeting held on 15<sup>th</sup> December 2021 (Report 12)**
- 13. Regional Baseline Assessment of Fraud (Report 13)**

**MINUTES OF THE JOINT AUDIT COMMITTEE (JAC) MEETING HELD ON WEDNESDAY 15<sup>TH</sup> DECEMBER 2021 AT 11:00. MEETING HELD VIA TEAMS.**

**Members in Attendance**

Jude Ferguson (Chair)  
David Daw (part of the meeting)  
Zoe Rice  
Martin Speller

**Officers of the Constabulary in Attendance**

Sarah Crew, Chief Constable  
Nikki Watson, Temporary Deputy Chief Constable  
Nick Adams, Constabulary CFO  
Dan Wood, Chief Officer – People and Organisational Development (part of the meeting)  
James Davis, Delivery Manager – Portfolio (part of the meeting)  
Claire McFadden, Deputy Head of Performance and Assurance (part of the meeting)  
Claire Hargreaves, Head of Finance (part of the meeting)  
Hannah Watts, Head of Business Services (part of the meeting)  
Sarika Morrison, Head of Organisational Development (part of the meeting)  
Nick Ridout, Governance Secretariat Officer (part of the meeting)

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

Sally Fox, OPCC Interim CEO  
Paul Butler, OPCC Interim CFO  
Ben Valentine, OPCC Strategic Planning and Performance Officer  
Alaina Davies, OPCC Resources Officer

**Also in Attendance**

Mark Shelford, Police and Crime Commissioner  
Jackson Murray, Grant Thornton  
Gail Turner-Radcliff, Grant Thornton  
Laura Wicks, SWAP  
Juber Rahman, SWAP  
Cllr Jonathan Hucker, Police & Crime Panel Member (observing)

**38. Apologies for Absence**

Michael Flay, Governance Manager

**39. Emergency Evacuation Procedure**

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

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

None.

**41. Public Access**

There were no requests for public access received before the 12.00 noon deadline the working day prior to the meeting.

**42. Minutes of the Joint Audit Committee Meeting held on 20<sup>th</sup> October 2021 (Report 5)**

**RESOLVED THAT** the minutes of the meeting held on 20<sup>th</sup> October 2021 were confirmed as a correct record and will be signed by the Chair when physically possible:

Action update:

<b>Minute 48e</b>	Ongoing action to arrange a demonstration for JAC Members on Qlik to help with understanding how technology supports the work of the police.
<b>Minute 8b</b>	Payments to Staff – Absence Management should be included in a follow up report as requested by Members at the April 2021 Joint Audit Committee. It was agreed that the 5 remaining Internal Audit Contingency days can be used to support this.
<b>Minute 8e</b>	The follow up report on Police Officer and Staff Training was presented at item 11f. <b>Action closed</b>
<b>Minute 19(ii)</b>	Ongoing action for the Constabulary CFO should discuss with the Finance Team mocking up a summary version of the Annual Accounts.
<b>Minute 24(i)</b>	The Audit Progress Update reports was presented at item 12. <b>Action closed</b>
<b>Minute 32b(i)</b>	The final version of the Joint Audit Findings report was presented at item 7a. <b>Action closed</b>
<b>Minute 32b(ii)</b>	Ongoing action for the Constabulary to update Members on the recommendation around IT user access.
<b>Minute 33</b>	JAC Members gave feedback to the OPCC on the draft Police and Crime Plan. <b>Action Closed</b>
<b>Minute 35c</b>	The final version of the JAC Annual Report has been delayed.

**Minute 36c**

The report title around use of force was amended to make clear that the scope of the audit was to assess the effectiveness of the governance arrangements only.

**Action closed**

**43. Annual Accounts and Governance Statement (Report 6)**

Joint Audit Committee Members, between meetings, recommended that the PCC and the Chief Constable formally approve and sign the accounts. The final versions and external audit opinion have been published.

**44. External Audit (Report 7):**

**a) Updated Joint Audit Findings Report**

The final version of the Joint Audit Findings reports was included in the papers with the original version as an addendum to compare the changes.

**b) Auditors Annual Report**

This is the first time the Auditors Annual Report has been presented to the JAC. In the past Value for Money was presented in the Joint Audit Finding Report but the new method of reporting this is through the Auditors Annual Report. This is a draft version to allow JAC Members to comment and the final version will be agreed with the CFOs, PCC and Chief Constable before being issued shortly. The final version of this must be reported within 3 months of the signed audit opinion being issued.

The focus of the report is looking back on 2020/21 but does reflect conversations around changes that have already been made or are imminent. No significant weaknesses were identified and only some of the lowest level recommendations were made, these are around best practise and not fundamental weaknesses. The outstanding areas at the time of writing the report are complete and no issues were identified.

Once the final version of the Auditors Annual Report is issued it will be published but it was noted that the Audit Certificate cannot be issued, and the audit formally closed, until whole of government accounts have been agreed – this will be the case for all of local government nationally.

The Constabulary highlighted that the end of the 2021/22 financial year is only just over 3 months away and queried the timing of the interim audit and learning the lessons in preparation for the 2021/22 audit. Planning work has begun and the Joint Audit Plan will be submitted to the Joint Audit Committee at the meeting on 16<sup>th</sup> March 2022, there will then be a progress update at the JAC meeting on 19<sup>th</sup> July 2022, with the Joint Audit Findings report being submitted to the JAC meeting on 1<sup>st</sup> September 2022.

The External Auditors will share timings and expectations for the testing in March to try and avoid slippage later in the year.

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

##### SR1 – Governance failure

A Deputy Chief of Staff has been appointed (a temporary post for 2022) to support the new Chief of Staff and provide continuity of advice and leadership to the OPCC – the successful candidate has been carrying out the role of temporary OPCC CEO.

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

The former DCC and Temporary Chief Constable has been appointed as the permanent Chief Constable. There has been strong engagement with the Chief Constable on the Plan. The final version of the Police and Crime Plan has been to the Police and Crime Panel and will be published shortly. Members were assured that feedback from the consultation was discussed and appropriate amendments made.

##### SR3 – Financial incapability or ineffectiveness

It is recognised that delivery of the Police and Crime Plan pivots on the financial picture. It is positive that a 3 year settlement was announced but it is not yet known how this breaks down locally. There is still much uncertainty with the precept level agreement not yet due and the pay award level not yet known – even 1% increase in the pay award has a significant impact. Members were informed that the Constabulary are assuming a 2.5% pay award for the next 2 years and 2% after that in the MTFP planning – this is the general assumption nationally. Members asked what the feedback on the precept survey had been – this has only been open 12 days but there has already been over 700 responses.

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

This risk has increased in reflection of the scale of the ambition of the organisation versus the small size of the OPCC Communications Team, which consists of 3 FTE posts and one of these is currently vacant with plans to begin the recruitment process in the New Year. Members stressed the importance of having a simplified and accessible version of the Police and Crime Plan – the team are working on this. It was noted that a shorter version of the plan has already been drafted for internal purposes to ensure the Constabulary have a quick reference on the key points.

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

This risk has also increased for reasons listed above. It was noted that a question has been included in the precept survey regarding confidence in the police and PCC – this should enable the OPCC to make a more informed judgement on the risk.

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

In addition to the OPCC Communications Team capacity issues highlighted above it was also noted that there are 2 people due to go on maternity leave in 2022 and another 2 returning from maternity leave. Internal applicants for



these roles may create the need to backfill posts and as such an ongoing cycle of recruitment. The focus is on making sure the best people are appointed to the roles. This represents a lot of change for a small organisation. The PCC gave a very brief update on the status of the DPCC appointment process.

SR7 – Failure to deliver commissioned services

This risk has reduced. The review of the Lighthouse Safeguarding Unit (LSU) continues and the OPCC is happy with the progress being made.

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

The candidate appointed to the new post of Regional Policy Officer will start in the New Year. This role will focus on regional forces working together collaboratively, it will study best practice and develop relationships. Finding out, at an early stage, what funding opportunities are on the horizon will be important to ensure plenty of time to put bids forward. The South West is already recognised nationally for working well together.

**46. Constabulary Strategic Risk Register (Report 9)**

There has been a short gap between JAC meetings but good progress has been made since the update given at the October JAC meeting. The Corporate Risk Management progress was discussed – this is a bottom up build. Directorate registers have been created by the Portfolio Management Office (PMO) and issued in a number of areas with more being finalised. Corporate Risk Management procedural guidance has been issued and internal communications includes reference to a form that can be completed to flag new risks to the PMO.

Risks are being mapped back to the Police and Crime Plan and Verto will be updated to reflect the priorities in the new plan in the coming weeks.

Detailed activity reports can be viewed in Verto for each risk. The PMO are looking to further mature the understanding of risk and provide consistency of approach. A visual representation of corporate risk (heat map) will be available for March 2022.

Members asked that a short summary of the risk be included on the Corporate Risk Register reported to JAC and a short summary of the mitigating activity. Consider the audience and include enough detail to give context – perhaps consider providing the full detail where risks are red.

**RESOLVED THAT** a summary of the risk be included on the Corporate Risk Register reported to JAC and a short summary of the mitigating activity.

**47. Business from the Chair (Report 10):**

**a) Police and Crime Board (PCB) Update**

Members have received the minutes of the Police and Crime Board meetings held on the 13<sup>th</sup> October 2021 and 3<sup>rd</sup> November 2021. The OPCC CFO gave a summary of the discussions at the Police and Crime Board on 1<sup>st</sup> December 2021:

- Challenges as a result of the Attorney General/Director General (AG/DG) guidance were highlighted by the Chief Constable in her update. Much work is being undertaken to mitigate the impact on resources and uplift benefits. National conversations are ongoing.
- Integrated Performance and Quality Report (IPQR) – Stop and Search update, Avon and Somerset is 3<sup>rd</sup> nationally for find rate but conscious of disproportionality, work continues. Crime Data Integrity (CDI) audit conducted based on what the HMICFRS would inspect.
- Assurance report themes were Firearms Licensing and Modern Slavery and Human Trafficking. It was noted that Avon and Somerset is an outlier in not having a specific team.
- Strategic Policing Requirement (SPR) – no changes in ratings since this was last reported.
- People and Organisational Development Update – discussed the national pattern emerging of new police officer recruits dropping out due to shift work and level of violence an officer is exposed to, talked about perception of the role and being clear what is involved. Avon and Somerset reacted quickly to maintain the recruitment trajectory.
- Medium Term Financial Plan (MTFP) – have the ability to raise the precept by £10 over 3 years, which places the onus on precept increase rather than the main grant. Expect clarity through December on some of the assumptions. In the current provisional planning there will be a deficit from year 3 and also a £5m capital deficit in 2025/26.

Members asked about the underspend picture to date. There is always an underspend challenge when increasing staffing as there is lag. Underspend is expected but it is a challenge to firm up the estimate at this stage – forecast underspend at quarter 2 was £4.4m. The Constabulary CFO talked about the overachievement of income adding to this picture which relates to the volume of officers supplied for COP26 and G7. It is hoped that the underspend will be within tolerable levels and therefore won't undermine the messaging around the precept discussions.

- Enterprise Resource Planning (ERP) – the PCB approved the outline business case so that work can move forward.

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

There are 16 live investigations with the oldest of these dating back to December 2019, 4 investigations date back to 2020 with the remaining amount being from 2021. 2 investigations are due to move to conclusion shortly. 1 investigation has come back from the IOPC as reflective practise – the Constabulary have asked that the IOPC are more timely in returning reflective practise investigations.

#### **48. Internal Audit Reports (Report 11):**

##### **a) Quarterly Update**

Based on work to date the Internal Auditors report that they would be able to provide a reasonable assurance opinion. Of the 3 formally agreed follow up reports 2 are on the agenda for this meeting and 1 is in progress. It was noted that Payments to Staff is not listed as a formal follow up report but as included in the action update the remaining contingency days will be used to support this.

The Criminal Justice report was due to this meeting but this is delayed until the March 2022 JAC meeting as extra days have been added to reflect a deeper scope than originally planned.

Regional work update:

- Fraud Baseline – draft is with regional Heads of Professional Standards Departments (PSD) before being circulated to regional Directors of Finance.
- Digital Forensics – will be complete before the end of December 2021.
- Pension Administration – started but there have been delays in obtaining information.

##### **b) Assurance Mapping – Position Statement Quarter 3**

South West Audit Partnership (SWAP) have been providing advisory support to the Constabulary in progressing the assurance mapping work and it is now at a stage where they can step back. The Constabulary gave a presentation on the progress. Work anchors around the Integrated Performance and Quality Framework (IPQF). Each key performance question helps demonstrate how the Police and Crime Plan, national outcomes and corporate risk are being met. The proposed process is being presented to the Constabulary Management Board (CMB) for approval in January 2022. The proposal includes:

- Scoping meeting – setting of the judgement criteria, methodology, who should be involved and agree the template and what good looks like.
- Panel to review evidence and suggest gaps for further evidence gathering before grading.
- Agree when questions are accessed and graded again.

The Constabulary would eventually like an interactive dashboard on Qlik and to create a standardised grading approach. The first scoping meetings are planned so that grading can be presented to February CMB.

Discussed agreeing the frequency of reporting to JAC and the format that should take so that Members can be assured of progress – what the learning is, where the organisation is doing well and where the risks lie. Members requested a copy of the presentation once it has been discussed at CMB.

**RESOLVED THAT**

- i. The frequency of reporting and the format reporting should take to JAC is to be agreed; and
- ii. A copy of the presentation should be forwarded to JAC members once it has been discussed at CMB.

### **c) Key Financial Controls**

Members sought assurance that this audit and the work carried out by the external auditors does not overlap. There may be areas of overlap and it was agreed that the internal auditors would liaise with the external auditors and provide the Internal Audit draft plan for comment. It was noted that the internal auditors are looking at 2021/22 while the external auditors are looking at 2020/21. The external auditors highlighted that they are unable to place direct reliance on internal audit work.

Members asked if analytics is run across the purchase ledger. This can be picked up in the audit planning conversations which will be commencing shortly. The Constabulary had an organisation do some work earlier this year looking at 2 years worth of Accounts Payable data and it was noted that very little was found – this will be kept in mind as the Constabulary move forward with the new ERP process. Duplicate suppliers has been looked at and lots of work was done to cleanse the system of duplicates.

Members asked that the wording be clear in internal audit reports and highlights the difference in what is being measured compared to the external audit work.

**RESOLVED THAT** wording should be clear in internal audit reports and highlight the difference in what is being measured compared to external audit.

### **d) Environmental Sustainability**

The original scope of the audit was to focus on the new Sustainability Plan but this has been delayed and as such the scope was revised to focus on the learning from the previous plan. A reasonable audit opinion was given and 2 actions raised as detailed in the report.

Liaison with UWE in developing the plan was discussed and the link to national groups. The committee was assured that the Constabulary have a good relationship with Fire and Rescue, who are more advanced in their strategy, to share learning.

It was also noted that environmental work is a focus in the new Police and Crime Plan so this will add to the transparency of how progress is monitored and reported going forward. The governance and reporting structure going forward was highlighted. Sharing successes and challenges with the public was discussed.

Members asked for the data on the Key Performance Indicators (KPIs) and how they were achieved against the previous plan.

**RESOLVED THAT** JAC Members should receive the data on the KPIs and how they were achieved against the previous plan.

**e) Performance Management Follow Up**

There are 4 actions in progress. 2 of these actions relate to complaints handling, which was discussed at the last meeting of the JAC, 1 relates to training completion dates and 1 relates to improving the IPR system and compliance.

Lots of work is going into improving the IPR system and making it easy to use. The system has been refreshed, guides have been updated and there are clear links to promotion/progression and the Leadership Academy – meaningful conversation are key and all of this work is support by senior leaders. Members raised concerns about the cultural change that is needed in addition to all of the practical changes the Constabulary are making – this issue is not unique to the Constabulary and a great deal of work is being done to affect cultural change as well.

The PCC asked if additional subjects can be added into PCDA training – adjustments to training have been made but training must meet the standards of the National Framework and any changes to that would need to be discussed at a national level.

Members asked how all the systems mentioned work together – Qlik is as visualisation tool that draws information from the databases. Discussed if there should be a table which shows which data source the user should consult depending on which question they are looking to answer.

**f) Police Officer and Staff Training Follow Up**

There were 2 actions raised and 1 is complete with the other in progress. This report covers many of the same areas as discussed above.

**g) Criminal Justice – File Quality (Verbal Update)**

An update was discussed as part of the SWAP quarterly update.

**49. Audit Progress Update (Report 12)**

This was reviewed at the last Finance and Assets Committee and they will follow up on any outstanding actions at the next committee meeting. Members asked for a summary to be provided on areas of concern in future where recommendation are overdue.

**RESOLVED THAT** a summary should be included in future where there are areas of concern and recommendations are overdue.

**Part 2**

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

**50. Exempt Minutes of the Joint Audit Committee Meeting held on 20<sup>th</sup> October 2021 (Report 13)**

**51. Regional Internal Audit Work: Vetting (Report 14)**

**SEE EXEMPT MINUTES**

The meeting concluded at 14:14

**CHAIR**

**ACTION SHEET**

<b>MINUTE NUMBER</b>	<b>ACTION NEEDED</b>	<b>RESPONSIBLE MEMBER/ OFFICER</b>	<b>DATE DUE</b>
<b>Minute 43</b> <b>External Audit Update</b> <b>16<sup>th</sup> January 2020</b>	The External Auditors should work with the OPCC on the arrangements for running a South West JAC event.	Grant Thornton/ OPCC	TBA
<b>Minute 48e</b> <b>Refreshing of the Strategic Framework Follow Up</b> <b>27<sup>th</sup> January 2021</b>	<p>Arrange for JAC Members to have access to parts of Qlik if possible.</p> <p>14<sup>th</sup> July 2021 Update – as this is not a possibility Members would like a demonstration on Qlik to help them understand how the technology supports the work of the police.</p>	OPCC CFO	Update 16 <sup>th</sup> March 2022 JAC
<b>Minute 8b</b> <b>Payments to Staff – Absence Management</b> <b>22<sup>nd</sup> April 2021</b>	Plan for Payments to Staff – Absence Management should be included in the Follow Up report.	SWAP	16 <sup>th</sup> March 2022 JAC
<b>Minute 19 (ii)</b> <b>Annual Accounts and Governance Statement</b> <b>14<sup>th</sup> July 2021</b>	The Constabulary CFO discuss with the Finance Team mocking up a summary version of the Annual Accounts.	Constabulary CFO	Update 16 <sup>th</sup> March 2022 JAC
<b>Minute 32b(ii)</b> <b>Joint Audit Findings</b> <b>20<sup>th</sup> October 2021</b>	The Constabulary should update Members on the recommendation around IT user access.	OCC CFO	Update 16 <sup>th</sup> March 2022
<b>Minute 32c(i)</b> <b>Informing Audit Assessment 2020/21</b> <b>20<sup>th</sup> October 2021</b>	The external auditors will present their planning to the JAC for avoiding delays with the audit which have been experienced this year and the lessons learned as part of the Audit Plan 2021/22.	Grant Thornton	16 <sup>th</sup> March 2022
<b>Minute 35c</b>	The JAC will discuss any amendments that need to be	JAC Members and OPCC CFO/	Delayed until 16 <sup>th</sup>

<b>Business from the Chair: Draft JAC Annual Report</b>  <b>20<sup>th</sup> October 2021</b>	made to the JAC Annual Report and a final version should be presented to the JAC on 15 <sup>th</sup> December 2021.	Strategic Planning and Performance Officer	March 2022 JAC
<b>Minute 36e</b>  <b>Internal Audit: Complaints Handling</b>  <b>20<sup>th</sup> October 2021</b>	The internal audit plan for the year should be looked at to identify where equality and inclusion is particularly relevant and be more specific around what is needed.	JAC Members/ OPCC CFO/ SWAP	Update at 16 <sup>th</sup> March 2022 JAC
<b>Minute 46</b>  <b>Constabulary Strategic Risk Register</b>  <b>15<sup>th</sup> December 2021</b>	A summary of the risk be included on the Corporate Risk Register reported to JAC and a short summary of the mitigating activity.	Governance Manager	16 <sup>th</sup> March 2022
<b>Minute 48b (i)</b>  <b>Internal Audit Reports: Assurance Mapping – Position Statement Quarter 3</b>  <b>15<sup>th</sup> December 2021</b>	The frequency of reporting and the format reporting should take to JAC is to be agreed.	Deputy Head of Performance and Assurance to liaise with the OPCC CFO	Update 16 <sup>th</sup> March 2022
<b>Minute 48b (ii)</b>  <b>Internal Audit Reports: Assurance Mapping – Position Statement Quarter 3</b>  <b>15<sup>th</sup> December 2021</b>	A copy of the presentation should be forwarded to JAC members once it has been discussed at CMB.	Deputy Head of Performance and Assurance to forward to the OPCC CFO	January 2022
<b>Minute 48d</b>  <b>Internal Audit Reports: Environmental Sustainability</b>	JAC Members should receive the data on the KPIs and how they were achieved against the previous plan.	Head of Business Services	Immediate



<b>15<sup>th</sup> December 2021</b>			
<b>Minute 49</b>  <b>Audit Progress Update</b>  <b>15<sup>th</sup> December 2021</b>	A summary should be included in future where there are areas of concern and recommendations are overdue.	Supt Ben Moseley	16 <sup>th</sup> March 2022

MEETING: <b>Joint Audit Committee</b>	DATE: <b>16<sup>th</sup> March 2022</b>	AGENDA NO: <b>6a</b>
NAME OF PAPER: <b>OPCC Strategic Risk Management Update</b>	AUTHOR: <b>Ben Valentine</b>	PURPOSE: <b>Information and Discussion</b>

## 1. PURPOSE OF REPORT AND BACKGROUND

This report provides members of the Joint Audit Committee (JAC) with an overview of any significant changes to the Office of the Police and Crime Commissioner (OPCC) Strategic Risk Register (SRR), and other points related to the management of risk, in the period of time since the last JAC meeting held on 15<sup>th</sup> December 2021.

## 2. POINTS OF NOTE

### SR1 – Governance Failure

Although the scoring has not yet changed it is agreed the risk is starting to decrease. Particularly with senior appointments and those people growing in experience.

The [PCC Review Part 2 findings were announced in a written ministerial statement](#) on 7<sup>th</sup> March 2022. At the time of writing the OPCC have not yet had time to consider the implications of this and further guidance will be issued by the Association of PCCs. A couple of significant points include:

- a new reciprocal duty for PCCs and Regional Probation Directors to consult each other when developing priorities. A further duty to allow and encourage collaboration; and
- providing PCCs with a wider functional power of competence.

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

The Avon and Somerset Police and Crime Plan has been published and further work is underway to create a more accessible digital version and promote this to the public. The Constabulary have undertaken an initial assessment of performance against the new plan.

### SR3 – Financial incapability or ineffectiveness

The mitigated risk has reduced from 16 to 12. This reduced risk is primarily brought about by the three year funding settlement, with smaller deficits than previously predicted across the MTFP. This reduced risk also reflects being able to set the maximum precept increase for 2022/23.

Uncertainty still remains caused by the unknown level of staff pay rises and macro-economic factors. Current world events could drive this risk back up.

Savings plans are being developed in consultation with the OPCC through the Strategic Planning Meeting.

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

The Comms & Engagement team remain under-resourced to support the work of the PCC (and soon DPCC). Two short term secondment opportunities have been created although the likelihood of filling these is uncertain.

More work is needed to better engage a representative group of people from the communities, including young people.

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

In the precept survey (run December 21 to January 22) there was a question specifically asking about confidence in the PCC. Only 34.5% of respondents agreed they had confidence in the PCC. We are not aware of a national benchmark for this.

There is a lot of public attention on disproportionality (equality), male violence against women and girls as well as environmental sustainability. Failure to sufficiently improve outcomes in these high profile themes is likely to undermine confidence in the PCC.

The increased engagement of the PCC is positive however this does generate increased contact and expectation from the public which the OPCC is not fully resourced to deal with.

Misconduct hearings for police officers may be delayed or Legally Qualified Chairs may be risk averse due to potential personal liability in relation to sanctions. Proper handling of misconduct matters and suitably disciplining police officers has a lot of public attention and accountability clearly links to the role of the PCC.

SR6 – Lack of capacity, capability or poor wellbeing within the OPCC

This risk has been expanded to reflect the importance of wellbeing.

- Chief of Staff (and Deputy) both started in January 2022. The Deputy was formerly the interim CEO in 2021.
- The DPCC confirmation hearing is 17<sup>th</sup> March.
- CFO selection day is 25<sup>th</sup> March.
- HR support officer has now left and the OPCC were unsuccessful in attracting a new secondment.

The primary mitigation is the Chief of Staff Review including new ways of working and development of a business plan. A pulse survey is currently being run in the OPCC to inform these views.

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

Op Scorpion – the South West Regional collaboration to tackle drugs – is continuing to be develop well.

NPAS, which A&S OPCC are the regional lead for, is particularly challenging.

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

Development of local police and crime plans (community safety plans) is progressing well with all areas engaged in the process. Drafting of the plans is being done by the CSP lead and Constabulary neighbourhood officer.

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

**Strategic Risk Register**

**March 2022**

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

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

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

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

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

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

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

RISK			ASSESSMENT		
Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Governance Failure	SR1	Chief of Staff	5	4	20
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	4	16
			Mitigated Risk change:		↔
Cause		Impact			
<ul style="list-style-type: none"><li>• Loss of experience across the OPCC</li><li>• OPCC failure to engage on the design element of the '3 Ds' ways of working</li><li>• New duties and expectations of PCCs arising from the national review. Taking on any new responsibilities means there are more likely to be governance failures whilst the team learn.</li><li>• Additional national direction through the Beating Crime Plan</li><li>• Information governance failure</li><li>• Ineffective scrutiny and oversight of services and outcomes delivered by the Constabulary including delivery of the Strategic Policing Requirement</li><li>• Ineffective scrutiny and oversight of the OPCC Equality Duty</li><li>• Failure to ensure adequate transparency of the OPCC and/or the Constabulary</li><li>• Failure to ensure effective risk management and support the delivery of service</li><li>• Failure to ensure Chief Constable sets appropriate culture, ethics and values</li><li>• Lack of control/influence over other Criminal Justice agencies</li><li>• Lack of governance over initiation of collaborations</li><li>• OPCC policies and procedures overdue for review</li></ul>		<ul style="list-style-type: none"><li>• Lack of oversight and scrutiny of the Constabulary</li><li>• Failure to deliver the Police &amp; Crime Plan (SR2)</li><li>• Financial loss (SR3)</li><li>• Damaged reputation and reduced public confidence (SR5)</li><li>• Failure to deliver OPCC statutory requirements</li><li>• The Constabulary and/or OPCC will be inefficient/ineffective</li><li>• Failure to deliver the Beating Crime Plan</li><li>• Damaged relationship with Constabulary, commissioned services or partners</li><li>• Government criticism or penalties</li><li>• Panel criticism</li><li>• Sub-standard performance results and poor inspection outcomes</li><li>• Risks not managed</li><li>• Failure to improve the delivery of the broader Criminal Justice Service</li></ul>			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none"><li>• Permanent Chief of Staff, CFO and DPCC being recruited</li><li>• Deputy CoS being appointed to ensure continuity</li><li>• CoS will lead a review of the OPCC which will act as a check and test of governance.</li><li>• OPCC Management Board (OMB) - allows greater oversight of performance, risks and issues and provides a formal decision making mechanism for non-Constabulary business.</li><li>• Scheme of governance and Governance Boards</li><li>• OPCC self assessment of compliance with their Equality Duty</li><li>• Police and Crime Board (PCB)</li><li>• PCC and Chief Constable 1:1s</li><li>• OPCC attend Constabulary Management Board and other strategic meetings (open invitation from the CC).</li><li>• Joint Audit Committee, External Audit, Internal Audit and annual governance statement</li><li>• Police and Crime Panel meetings</li><li>• COG attendance at weekly OPCC SLT</li><li>• Compliance with statutory reporting requirements</li><li>• Victim Services appointed and managed by the OPCC Commissioning Team</li><li>• Scrutiny of complaints through the Independent Residents Panel</li><li>• Transparency Checklist</li><li>• Constabulary governance redesigned through 2021; this will allow greater oversight of risk and assurance by the OPCC.</li><li>• OPCC Information Governance Group meets 6 weekly to ensure compliance with GDPR and DPA 2018.</li></ul>	Mar 2022	PCC/Office Manager	<ul style="list-style-type: none"><li>• Chief of Staff started Jan 22; DPCC confirmation hearing 17 March; CFO selection day 25 March.</li><li>• Deputy CoS started Jan 22</li><li>• Initial findings being discussed at OPCC away day on 23 March.</li><li>• OMB established Feb 2020 and will be a bi-monthly meeting. Highlight reporting needs to be refreshed/reinvigorated to reflect new P&amp;C Plan.</li><li>• Joint governance arrangements will be reviewed for new PCC and CC.</li><li>• Initial assessment discussed with CoS; will form part of new Business Plan.</li><li>• PCB is monthly following CMB and continues to be the principal joint decision making forum and provides the PCC formal oversight of the Constabulary.</li><li>• Formalised OPCC attendance at Strategic Planning Meeting (from Jan 22).</li><li>• 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.</li><li>• Amended Specified Information Order - quarterly performance report published and complaints overview on PCC website.</li><li>• CoPaCC transparency award received for many years (not running 2022).</li><li>• New constabulary governance framework implemented but not all KPQs assessed and risk management process not fully embedded.</li></ul>		
	Mar 2022	CoS			
	May 2022	CoS			
		SPPO			
	Mar 2022	CFO			
	Apr 2022	Head of C&E			
		CoS			
		PCC			
		CoS			
		CFO			
	PCC				
	CoS				
	CoS				
	Head of C&P				
	Volunteer Manager				
	Office Manager				
	SPPO				
		Head of C&C			

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to deliver the Police and Crime Plan	SR2	Chief of Staff	5	4	20
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	4	16
			Mitigated Risk change:		↔
Cause		Impact			
<ul style="list-style-type: none"><li>• New plan is broad and ambitious</li><li>• Underpinning the delivery risk of all of this is the financial uncertainty and the increased public expectation from the additional funding that policing has received both through central government grant and local taxpayers' increase in precept funding</li><li>• Lack of oversight and scrutiny of the Constabulary</li><li>• Internal police culture and leadership at an operational level</li><li>• Workforce not representative of the communities of A&amp;S; insufficient progress has been made</li><li>• Disproportionate outcomes for minority groups, particularly ethnic minority groups and Black people</li><li>• Prevention is hard to measure/evidence and needs more than the police to deliver</li><li>• National rape crisis reduces confidence in the entire criminal justice system</li><li>• Positive Outcomes - not seeing the improvements hoped for</li><li>• Police response to 'neighbourhood crimes' does not meet public expectations</li><li>• Lack of capacity/capability within the Constabulary - significant vacancies in CID and inexperienced workforce in Patrol</li><li>• Court backlogs means justice is not being delivered effectively or efficiently</li><li>• Lack of control/influence over partnership agencies e.g. CJS</li><li>• More officers will result in more people going through an already overstretched criminal justice system</li><li>• Constabulary staff survey results show a decline in 2021</li></ul>		<ul style="list-style-type: none"><li>• Loss of legitimacy in the OPCC and Constabulary</li><li>• Loss of public confidence/trust in the OPCC (SR4) and Constabulary</li><li>• Failure to keep people safe</li><li>• Failure to protect and support vulnerable people</li><li>• Failure to bring offenders to justice</li><li>• People will feel unsafe</li><li>• Police and Crime Panel criticism and/or fail to agree precept increase</li></ul>			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none"><li>• Police and Crime Plan 2021-25 development</li><li>• Governance and scrutiny arrangements will be reviewed during 2021</li></ul>	Apr 2022	CoS	<ul style="list-style-type: none"><li>• Final version published Jan 22; digital platform being developed.</li><li>• Joint governance framework review started in Feb 22 but there is an inter-dependency on OPCC review.</li><li>• Meetings have taken place with all Community Safety Partnership (CSP) areas and development of local plans is underway; aiming for summer 2022.</li><li>• OPCC attendance at CMB and the PCB which follows this continues to work well in terms of assurance and open dialogue about areas of concern where the plan may not be delivered. OPCC renewed attendance at SPM.</li><li>• Improved visibility of performance and risk through the Constabulary Integrated Performance &amp; Quality Report.</li><li>• Performance reporting of new plan being developed for public facing reporting and PCB.</li></ul>		
	Mar 2022	CFO			
<ul style="list-style-type: none"><li>• Local plans will be developed to further engage partners</li><li>• Police and Crime Board (PCB) discusses performance, assurance and risk</li><li>• PCC and Chief Constable 1:1s</li><li>• OPCC attend Constabulary Management Board and other strategic meetings (open invitation from the CC).</li><li>• Audits and Inspections (HMICFRS &amp; SWAP) overseen by Joint Audit Committee</li><li>• Internal assurance mechanisms are in place to evaluate delivery of the Plan's objectives</li><li>• Oversight of all strategic constabulary data through Qlik</li><li>• Panel Meetings</li><li>• Contacts analysis</li></ul>	Mar 2022	Head of C&P			
		CoS			
		PCC			
		CoS			
		CFO			
		CFO			
		SPPO			
CoS					
Head of C&C					

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Financial incapability or ineffectiveness	SR3	CFO	3	5	15
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			3	4	12
			Mitigated Risk change:		↓
Cause		Impact			
<ul style="list-style-type: none"><li>● Pay awards may exceed central government projections and effectively be unfunded.</li><li>● Inflationary increases - inflation in 2022 significantly higher than expected.</li><li>● 3 year settlement from 2022/23 with additional central funding for Op Uplift only.</li><li>● Unable to achieve maximum precept increase from 2023/24 onwards.</li><li>● Time required for the new PCC to establish budget and estates strategies</li><li>● Austerity and uncertainty caused by COVID-19 and Brexit: both for policing and the wider economy</li><li>● Risks around pension funds due to wider economic impact.</li><li>● Increasing pension costs for officers and staff schemes; although this will probably be funded.</li><li>● Capital budget not fully funded in 2025/26 – borrowing already at prudent levels and diminishing potential for capital receipts.</li><li>● National work will require local funding with no control over decision making e.g. ESMCP, NPAS, national IT.</li><li>● Uncertainty of local costs in high value areas: IT and replacement of SAP.</li></ul>		<ul style="list-style-type: none"><li>● As officer numbers are protected it may mean using officers in roles currently undertaken by civilians if other savings do not materialise.</li><li>● Failure to set a sustainable revenue budget or capital plan across the medium term.</li><li>● The need for further savings after 10 years of austerity presents further challenges.</li><li>● Failure to meet heightened expectations of stakeholders</li><li>● Loss of public confidence (SR5)</li><li>● Unable to fund adequate or minimum service</li><li>● Unable to fund delivery of PCC priorities (SR2)</li><li>● Unable to afford change</li><li>● Revenue budget underspends may undermine support from PCP for sustainable increases to the precept.</li><li>● Failure to ensure value for money.</li></ul>			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none"><li>● Joint work on savings plans being progressed through SPM in 2022.</li><li>● Medium and long term financial planning.</li><li>● Regular oversight of revenue &amp; capital budget.</li><li>● Maintain adequate risk-assessed reserves.</li><li>● Subject to external and internal audit both overseen by the Joint Audit Committee.</li><li>● Treasury Management strategy in place outcomes reviewed by CFOs.</li><li>● HMICFRS inspection regime.</li></ul>		CFO CFO CFO CFO CFO CFO CFO	<ul style="list-style-type: none"><li>● MTFP deficit after planned savings:<ul style="list-style-type: none"><li>- 22/23 £0</li><li>- 23/24 £2.2 million</li><li>- 24/25 £1.7 million</li><li>- 25/26 £5.6 million</li><li>- 26/27 £8.2 million</li></ul></li></ul>		



Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to engage with the public and other stakeholders	SR4	Chief of Staff	4	4	16
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	4	16
			Mitigated Risk change:		↔
Cause		Impact			
<ul style="list-style-type: none"><li>Limited resources within the OPCC to support meaningful and proactive engagement; staffing reduced by 1/3 from Q3 21/22</li><li>Engagement methods do not always reach a wide audience or different communities or groups; failure to engage with young people.</li><li>Lack of awareness from the public</li><li>Statutory responsibilities to engage with the Chief Constable, Police and Crime Panel, the public and victims prior to publishing a new Police and Crime Plan</li></ul>		<ul style="list-style-type: none"><li>Reputational damage to both the OPCC and Constabulary</li><li>Loss of legitimacy in both the OPCC and Constabulary</li><li>Lack of public confidence in or awareness of OPCC (SR5)</li><li>Partnership relationships damaged</li><li>Failure to understand people's priorities and issues re policing and crime and which could be biased by only hearing those individuals already proactive/engaged.</li><li>Police and Crime Plan and delivery not aligned to public concerns and priorities (SR10 &amp; SR2)</li></ul>			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none"><li>PCC engagement two days a week.</li><li>Comms &amp; Engagement resources to increase in 2022.</li><li>Creation of an overarching strategic approach to communications to work in a more focused way on strategic priorities and objectives.</li><li>Creation of tactical communications plans for particular workstreams (including public engagement/events) with ownership and delivery allocated to one person who is accountable.</li><li>OCC/OPCC Corp Comms joint meetings.</li><li>Calendar of regular media appearances / communications activities which will also link to national days or weeks where relevant.</li><li>Oversight of Operation Remedy Communications Plan through ongoing meeting structure.</li><li>Joint working with the Constabulary on EDI portfolio.</li><li>Revised stakeholder mapping and management.</li><li>New contact management system.</li></ul>	May 2022 Apr 2022	Head of C&E Head of C&E Head of C&E  Head of C&E Head of C&E  Head of C&E Head of C&E Head of C&C	<ul style="list-style-type: none"><li>Two vacancies being offered on a short term secondment opportunity only.</li><li>Strategy has been developed for new PCC with overarching theme focusing on vulnerable and under-represented communities to build trust and confidence.</li></ul> <ul style="list-style-type: none"><li>Further delays due to capacity.</li><li>New system scoped to replace IKEN.</li></ul>		

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Lack of public confidence in or awareness of OPCC	SR5	Chief of Staff	4	4	16
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	4	16
			Mitigated Risk change:		↔
Cause		Impact			
<ul style="list-style-type: none"><li>● Risk that the new PCC fails to deliver on manifesto pledges and/or new P&amp;C Plan.</li><li>● A lot of negative media attention about the problems in policing - public confidence in the police is falling and this is inextricably linked to confidence in the PCC.</li><li>● Failure to deliver outcomes in terms of disproportionality (ethnicity), VAWG or 'green agenda'.</li><li>● Governance failure likely to damage confidence in PCC (SR1).</li><li>● The increased visibility of performance presents both an opportunity and risk to confidence depending on that performance.</li><li>● Limited resources within the OPCC to support meaningful and proactive engagement; staffing reduced by 1/3 from Q3 21/22.</li><li>● PCC engagement will increase contacts and raise expectations which the OPCC are not resourced to deliver.</li><li>● Policing failures/adverse incidents (even at an operational level e.g. policing of protests/riots) can impact on the perception of the OPCC also.</li><li>● Failure to engage with the diverse public (especially young people) and other stakeholders (SR4).</li><li>● Failure to deliver the Police and Crime Plan (SR2).</li><li>● Public expectation of the PCC role may not be matched by available funding or powers of the PCC.</li><li>● Failure of the Constabulary to deliver Op Uplift or failure to improve outcomes.</li><li>● Court backlogs and national rape crisis reduces confidence in the entire criminal justice system.</li><li>● Misconduct hearings for police officers may be delayed or LQCs may be risk averse due to potential personal liability in relation to sanctions.</li></ul>		<ul style="list-style-type: none"><li>● Loss of legitimacy in the OPCC</li><li>● Failure to demonstrate value for money</li><li>● Could undermine the working relationship between the Constabulary and OPCC</li><li>● Police and Crime Panel failure to support precept increases</li><li>● Low voter turnout in PCC elections</li><li>● Loss of political support for the need for PCCs</li></ul>			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none"><li>● Police and Crime Plan 2021-25 raises profile of work of OPCC.</li><li>● Improve data capture about confidence in the PCC.</li> <li>● Engagement activity recorded against SR4 is the primary direct mitigation against this risk.</li><li>● Discharging good governance (SR1) and delivery of the Police and Crime Plan (SR2) are critical to ensuring confidence in the PCC.</li><li>● Gold Groups manage critical issues of public confidence.</li></ul>	Apr 2022 Apr 2022	CoS SPPO  Head of C&E PCC / CoS  Head of C&E	<ul style="list-style-type: none"><li>● Final version published Jan 22; digital platform being developed.</li><li>● Only 34.5% (precept) survey respondents had confidence in the PCC.</li><li>● Question added to public survey from Q4 21/22. Questions will be added to Constabulary workforce survey from 2022.</li> <li>● The OPCC has a standing invite to all Gold Groups.</li></ul>		

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Lack of capacity, capability or poor wellbeing within the OPCC	SR6	Office Manager	5	4	20
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	4	16
			Mitigated Risk change:		↔
Cause		Impact			
<ul style="list-style-type: none"><li>Office is not currently resourced/structured to be able to fully realise the new PCC's ambitions</li><li>Additional engagement by PCC increasing demand on OPCC</li><li>Demand too high for current resource levels - no clear direction on demand reduction</li><li>Loss of skills and experience including senior roles and four maternity leaves and cover in 21/22</li><li>Removal of COVID-19 restrictions will mean a move to a new way of working which has not been designed yet; mixed views across the OPCC about these changes</li><li>Small size of the organisation and varied specialisms also makes building resilience challenging</li><li>A number of single points of failure within the OPCC (can cause risk to materialise temporarily during periods of prolonged absence)</li></ul>		<ul style="list-style-type: none"><li>Increased likelihood of materialisation of all other strategic risks through delivery failure</li><li>Delivery of work is late or not to standards of quality desired</li></ul>			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none"><li>Permanent Chief of Staff, CFO and DPCC being recruited.</li><li>Deputy CoS being appointed to ensure continuity.</li><li>Office will be subject of review by new Chief of Staff in Q4 21/22.</li><li>Resource planning is part of OMB and informal SLT - all vacancies are being filled.</li><li>Regular team meetings to share knowledge and resolve issues.</li><li>PDR process and regular supervisory sessions.</li><li>Annual staff survey which forms the basis of a delivery plan.</li><li>Training and development budget maintained.</li><li>Skills matrix maintained.</li><li>Salary levels set at a reasonable market rate and in line with other OPCCs.</li><li>Values and teamwork embedded and recruited to improving retention.</li></ul>	Mar 2022	PCC/Office Manager	<ul style="list-style-type: none"><li>Chief of Staff started Jan 22; DPCC confirmation hearing 17 March; CFO selection day 25 March.</li><li>Deputy CoS started Jan 22.</li><li>Initial findings being discussed at OPCC away day on 23 March.</li><li>Business Plan being created as part of the review which will provide strategic direction of resources and will be used to manage demand.</li></ul>		
	Mar 2022	CoS CoS Office Manager Office Manager Office Manager CoS CFO Office Manager CoS/CFO Head of C&E	<ul style="list-style-type: none"><li>No annual survey in 2021. Pulse survey run in March 22 which will inform new ways of working.</li><li>Need to refresh the matrix and better embed its use in the process of assigning new work.</li></ul>		

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to deliver commissioned services	SR7	Head of C&P	4	3	12
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			3	3	9
			Mitigated Risk change:		↓
Cause		Impact			
<ul style="list-style-type: none"><li>● Backlogs in Lighthouse (the primary commissioned service)</li><li>● Lack of robust performance framework around commissioned services</li><li>● Additional demand on victim support services; particularly DA and SV</li><li>● Significant additional reporting requirements for compliance purposes</li><li>● Services without sustainable funding and cliff-edge arrangements</li></ul>		<ul style="list-style-type: none"><li>● Failure to support victims particularly vulnerable victims - PCP Priority 1 (SR2)</li><li>● Loss of public confidence in or awareness of OPCC (SR5)</li><li>● Relationship with Constabulary and partners</li><li>● Reduction or withdrawal of victims grant from Government</li><li>● Failure to devolve further funding/commissioning</li></ul>			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none"><li>● Commissioning review being undertaken following PCC direction.</li><li>● Lighthouse victims' service jointly established with the Constabulary: service under joint review.</li><li>● Maintain a sufficiently resourced and prioritised commissioning team within the OPCC.</li><li>● Victim Services Provider forum and AWP Partnership Board are regular joint strategic meetings with commissioned services.</li><li>● Scan and apply for additional funding as available.</li></ul>	May 2022 June 2022	Head of C&P	<ul style="list-style-type: none"><li>● Review complete with Red recommendations agreed; A&amp;G to follow</li><li>● Interim position reported to Dec PCB with plans to complete by summer 22.</li><li>● C&amp;P team at full establishment but with two further maternity cover roles to recruit.</li></ul>		
		Head of C&P			
		Head of C&P	<ul style="list-style-type: none"><li>● Additional funding for DA and SV services awarded; as well as micro grants.</li></ul>		

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to deliver effective and efficient collaborations with other forces	SR8	Chief of Staff	4	3	12
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	3	12
			Mitigated Risk change:		↔
Cause		Impact			
<ul style="list-style-type: none"><li>● Ineffective governance and scrutiny over existing collaborations</li><li>● Failure to agree effective models for collaboration</li><li>● Increased funding for police means the imperative to collaborate is not so pressing</li><li>● Ineffective governance and ownership of regional projects and programmes</li><li>● Tension between local forces and collaborations in terms of competing interests and lack of uniformity of people and processes</li><li>● Lack of direct influence/control in order to make changes i.e. everything must be done by (multi-force) committee</li><li>● NPAS, which A&amp;S OPCC are the regional lead for, is particularly challenging</li></ul>		<ul style="list-style-type: none"><li>● Governance failure as a duty of the PCC (SR1)</li><li>● Failure to deliver value for money</li><li>● Failure to deliver specific services provided by existing collaborations</li><li>● Inefficient compared to other regions/areas</li><li>● Criticism from HMICFRS</li><li>● Government scrutiny/intervention</li><li>● Lack of resilience otherwise provided by a collaboration</li><li>● Forced to accept others terms from future alliances or mergers</li></ul>			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none"><li>● South West Regional PCCs are politically aligned and have agreed to collaborate.</li><li>● Strategic Collaboration Governance</li><li>● Regional commissioning and programme boards and policy officer</li><li>● SWAP appointed as Internal Auditor (from April 2019) - working in partnership with other regional forces</li><li>● Regional ACC is in place (in line with HMICFRS recommendations)</li></ul>		CoS CoS CFO CFO	<ul style="list-style-type: none"><li>● SW Regional Policy and Research Officer appointed to start in 2022. Drugs will be the first focus of collaboration through Op Scorpion.</li></ul>		

Risk	URN	Owner	Unmitigated Probability	Unmitigated Impact	Unmitigated Risk
Failure to deliver effective and efficient collaborations or outcomes with other partners	SR9	Chief of Staff	4	4	16
			Mitigated Probability	Mitigated Impact	Mitigated Risk
			4	3	12
			Mitigated Risk change:		↔
Cause		Impact			
<ul style="list-style-type: none"><li>● Lack of control/influence over other criminal justice agencies</li><li>● Home Office review of PCCs is resulting in changes to the roles and responsibilities (including direction to extend portfolio to Fire &amp; Rescue Services); increased expectations.</li><li>● Partner funding remains under pressure with financial settlements not keeping pace with inflation and demand. This increases the risk of demand and funding requests moving to the ASC and OPCC</li><li>● Macro-economic factors could have a detrimental effect on partners, particularly Local Authorities. This financial position could cause partners to withdraw or reduce levels of service to partnerships</li><li>● Failure to put in place effective governance and ownership of partnership working</li><li>● Differing priorities and leadership of agencies</li><li>● Lack of meaningful 'live' information sharing</li></ul>		<ul style="list-style-type: none"><li>● Governance failure as a duty of the PCC (SR1)</li><li>● Failure to deliver the Police and Crime Plan (SR2)</li><li>● Failure to deliver a whole systems approach to crime and continue the 'revolving door' of offending and victimisation</li><li>● Failure to deliver value for money</li></ul>			
MITIGATION					
Controls	Review date	Owner	Commentary / Controls updates		
<ul style="list-style-type: none"><li>● Development of local police and crime plans for each CSP area.</li><li>● PCC will chair LCJB and OPCC continue to be represented at CSPs, Children's Trusts, Health and Wellbeing Boards.</li><li>● Meetings (outside of Boards) with LA chairs/CoSs; CSP Chairs.</li><li>● Criminal Justice Transformation.</li><li>● Resolve Programme (reducing re-offending) now operating at force and regional level.</li><li>● Violence Reduction Units.</li><li>● PCC applying to sit on Fire Authorities.</li></ul>	Mar 2022	Head of C&P CoS  CoS Senior C&P Officer Senior C&P Officer Senior C&P Officer CoS	<ul style="list-style-type: none"><li>● Meetings have taken place with all Community Safety Partnership (CSP) areas and development of local plans is underway; aiming for summer 2022.</li><li>● CJ work led by a Senior C&amp;P Officer in the OPCC.</li><li>● RR work led by a Senior C&amp;P Officer in the OPCC and a Regional SRO.</li><li>● HO confirmed A&amp;S funding for 3 years.</li><li>● PCC accepted onto D&amp;SFRS; need to attend AFRS Authority meeting to progress.</li><li>● PCC Chairs multi-agency Data Accelerator Group.</li></ul>		
<ul style="list-style-type: none"><li>● Information sharing relevant to all partnership working; particularly CJ, reducing reoffending and VRUs.</li></ul>	May 2022	Respective Strategic Groups			



MEETING NAME	DATE	AGENDA NO
Joint Audit Committee	16 <sup>th</sup> March 2022	Item 7
DIRECTORATE / DEPARTMENT	AUTHOR	COG SPONSOR
Portfolio Management Office	Michael Flay, Governance and Risk Manager	DCC Watson
NAME OF PAPER	PURPOSE OF THE PAPER	SESSION
Constabulary Corporate Risk Register Report	Information	Open

## 1. PURPOSE OF REPORT

This report provides the Joint Audit Committee (JAC) members with a summary of Avon and Somerset Constabulary (ASC) Corporate Risk Register.

## 2. METHODOLOGY

This style of reporting is the first iteration of our new corporate risk register, therefore I will use this section to provide an explanation of how we have presented the content of this report.

The Chief Officer Group have identified 6 areas of corporate risk, each of which is informed by a top down perspective on the risk from the COG members and a bottom up, quarterly analysis of our organisational risk registers.

On the 15<sup>th</sup> February 2022, the Risk Management Advisory Group, made up of Chief Officer Group members, myself and PMO Manager, convened to review the composition of the risk register, finalise the inputs and agree on the risk values for each corporate risk.

## 3. KEY INFORMATION

The six corporate risks are summarised as follows, and you'll find the page number for the individual records for each risk below (in brackets);

- **Corporate Risk 1: Governance** – The application of effective and well-understood governance arrangements and internal controls (pages 3 to 5)
- **Corporate Risk 2: Financial** – Our ability to deliver a sustainably balanced budget (pages 6 to 8)
- **Corporate Risk 3: Service Delivery** – Failure to meet expectations of improved performance and service delivery (pages 9 and 10)
- **Corporate Risk 4: People** – Growing, developing and then maintaining the workforce and leadership culture, capacity and capability we need. (pages 11 to 15)
- **Corporate Risk 5: Digital & Data** – Legitimate, appropriate and effective use and control of our data and digital assets (pages 16 and 17)
- **Corporate Risk 6: Infrastructure and Assets** - Maintaining, investing in and optimising our infrastructure and assets (pages 18 and 19)

### Quarterly analysis of our organisational risk registers

The constabulary has (as of 15<sup>th</sup> February 2022), a total of 113 risks captured across our organisational risk register.

Each risk has an individual risk activity report containing several data fields, which affords the opportunities for us to look at our risk management activities through various lenses through our reporting tool. See example in Figure 1.

Since the last JAC meeting, we have established the meeting of the Risk Management Advisory Group, which will meet quarterly a few weeks prior to each JAC meeting. Its purpose is to review and refresh the Corporate Risk Register using, in part, the quarterly analysis of our organisational risk registers.

Through the analysis undertaken, we have produced a 'heat map' of organisational risk, showing the overall number of risks based on their mitigated assessment of likelihood and impact of materialising. See *Figure 2 below (left)*.

Across the 113 risks in our organisational risk register, they breakdown into the following risk types:

- **Governance** (14)
- **Financial** (7)
- **Service Delivery** (46)
- **People** (19)
- **Digital and Data** (19)
- **Infrastructure and Assets** (8)

AVON & SOMERSET CONSTABULARY RISK - ACTIVITY REPORT 17/02/2022			
<b>Risk - URN and Description</b>			
Risk URN	PR000046		
Risk Title	Test / Example only		
Risk Description	If .....caused by ..... it will result in .....		
<b>Risk - General Information</b>			
Date Risk Added to Register	15/02/2022	Next Risk Review Date	28/06/2022
Risk Source	Investigations (CID)	Governance Level	Investigations (CID) DLM
Risk Type	Governance	Risk Level	Directorate / Department Risk
Risk Treatment	Treat	Risk Owner	Michael Play
Risk Appetite Score		Risk Status	On track
Risk Status Rationale	Test / Example only		
<b>Risk - Strategic Links</b>			
Strategic Objective Link	Service 1		
Police & Crime Plan Link	PCP Objective 1		
Police & Crime Plan Area of Focus	1.1 - Vulnerable children & adults		
<b>Risk - Mitigations</b>			
Unmitigated Risk Assessment	12		
Unmitigated Risk Assessment Rationale	Test / Example only		
Mitigated Risk Assessment	6		
Mitigating Activity	Test / Example only		
<b>Risk - Updates</b>			
Risk Update Date	17/02/2022		
Risk Update Description	Test / Example only		

Figure 1: An example of 'mock' risk activity report

We continue to work with senior leaders across Investigations (CID), Response and Neighbourhood and Partnership Directorates, with several meetings scheduled over the next few weeks to identify and capture risk which will naturally lead to an overall higher number of organisational risks, and inherently higher valued risk given the risk likely to exist and emerge in these areas of the organisation, e.g. Investigations (CID).

Finally, in figure 3 below (right), I have used the heat map again to visualise the corporate risks, which are detailed in the forthcoming pages of this report.

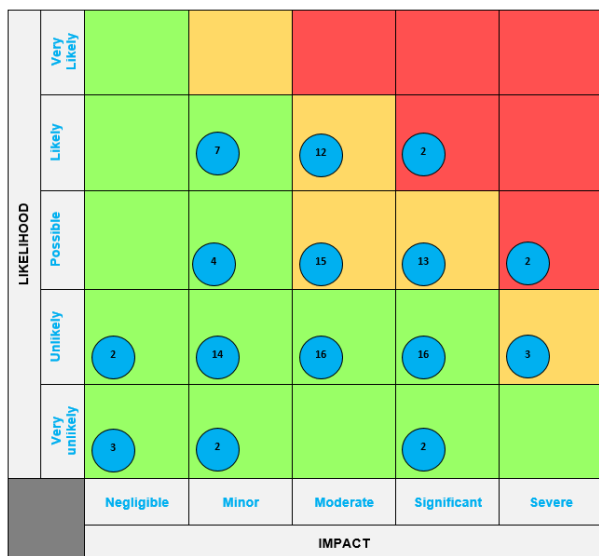


Figure 2: Heat Map of Organisational Risk Register - as of 15th February 2022

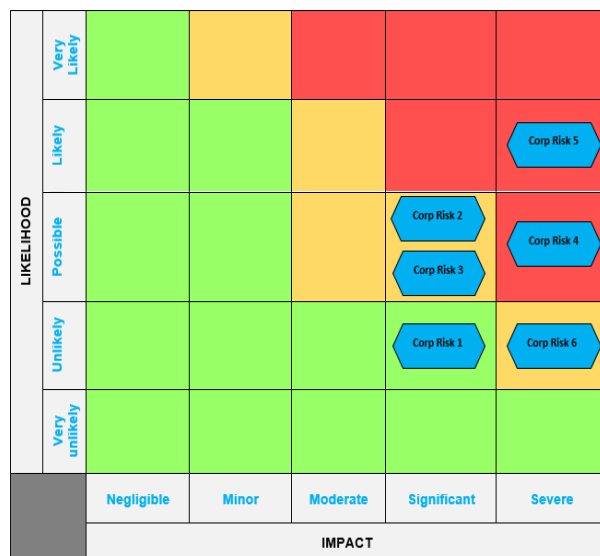


Figure 3: Heat Map of Corporate Risk Register - as of 15th February 2022

#### 4. RECOMMENDATIONS

We acknowledge the findings of the recent SWAP audit and the areas for improvement it has presented us with for consideration. Our new risk management approach is embedding into our governance processes and it will take time to mature it to the level of our aspirations, but we feel confident we are on the right path.





## Corporate Risk 1 - Governance

March 2022

### Corporate Risk - overview information

Corporate Risk URN	PR000740	Current Mitigated Score	8
Corporate Risk Title	<b>The application of effective and well-understood governance arrangements and internal controls</b>	Date of Risk Review	15/02/2022
Corporate Risk Owner(s)	Sarah Crew, Nikki Watson, Nick Adams, Dan Wood, Jon Reilly, Will White		
Corporate Risk Description	<p>We are very clear on our vision to provide outstanding policing. Within a professional environment as large and complex as Policing, effective and well-understood governance arrangements are critical to keeping us on track. A robust governance framework will help us ensure we are fulfilling our mission to Serve, Protect and Respect Avon and Somerset's communities. Furthermore, it will enable the delivery of our vision for outstanding policing. The starting point for good governance is having absolute clarity on the rules within which we choose to (and indeed must) operate to ensure consistent, transparent, evidence-based and ethical decision making.</p> <p>Within the organisational risk registers, we have 14 governance risks, which account for 15.8% of the total risk register.</p>		

### Corporate Risk initial assessment - unmitigated risk

Unmitigated Assessment	10
Rationale	<p>The constabulary adheres to the CIPFA*: Delivering Good Governance in Local Government (2016) framework, which sets the standard for local authority governance in the UK. Furthermore, the publication of the International Framework: Good Governance in the Public Sector (CIPFA/IFAC**, 2014), contains seven principles for good governance applicable to local government, which the constabulary has adopted and built its own governance framework around. The principal statutory framework within which the corporations sole (ASC and OPCC) operate includes the following:</p> <ul style="list-style-type: none"> <li>• Police Reform and Social Responsibility Act 2011</li> <li>• Policing Protocol Order 2011</li> <li>• Financial Management Code of Practice (Home Office, 2013)</li> <li>• Strategic Policing Requirement (Home Office, 2015)</li> </ul> <p>Without a framework in place to adhere and comply with the requirements outlined in these frameworks, we would be vulnerable to scrutiny from several sources, and exposed to reputation damages undermining confidence in policing.</p> <p>* - CIPFA: Chartered Institute of Public Finance and Accountancy / ** - IFAC: International Federation of Accountants</p>



## Mitigated Assessment

8

## Rationale

A joint scheme of governance is established between the Constabulary and Office on the PCC, as required under statutory frameworks noted above. The primary purpose of the Scheme of Governance is to:

- Set out the respective roles of the PCC and Chief Constable;
- Set out the common understanding and agreed ways in which certain functions will be governed and managed to enable proper and effective management of the Constabulary
- Set out the delegations by the PCC and the CC to give effect to that common understanding
- Incorporate Financial Regulations and Standing Orders relating to contracts.

The constabulary has implemented a new governance framework (February 2021) which has been detailed in our Governance Framework Handbook, available on our Intranet pages. Our framework aligns to the seven CIPFA principles of good governance, and as part of the CIPFA framework compliance, an annual governance statement is written each year to accompany the annual statements of accounts.

Each meeting in our governance framework has a defined Terms of Reference (ToR), which are monitored regularly and updated, formal annual reviews as part of our internal controls. The ToR for each meeting specific the level of responsibility and scrutiny monitoring service delivery and business functions. Further internal controls are referenced in the Governance Handbook, such as Risk Management, Change Commissioning, Performance Management and Assurance Management.

An annual governance statement, which is prepared for inclusion in the statement of accounts, provides an annual checkpoint for an internal self-assessment of our governance, risk management and internal controls. This document is made available to the public.

The OPCC is currently reviewing the terms of reference for the Police and Crime Board, to ensure it effectiveness as a forum to hold the Chief Constable and their senior team to account for the performance of the Constabulary.

External consultancy Leapwise have been commissioned (in January 2022) to help us to review and improve our governance structure and strategic meetings. The goal of the governance review is to make our decision-making even more effective, ensure we have truly productive meetings, and to develop how we work together. Leapwise is a consultancy that specialises in strategy and organisation development and has done very similar work with success in other forces.

## Earlier assessments

Mitigated risk score Q4 2021/22

8

Mitigated risk score Q1 2022/23

Mitigated risk score Q2 2022/23

Mitigated risk score Q3 2022/23

## Corporate Risk - audit trail of risk management

Date of update	PMO notes
16/02/2022	<p>This risk was reviewed at the Risk Management Advisory Group on 15th February by members of Chief Officer Group. The content the risk record was agreed and an assessment of the risk score was made. As reported above, our unmitigated assessment of this risk is 10, and based on the internal controls and mitigating activities, we assess the mitigated score to be 8.</p> <p>Our rationale for the risk being reduced is that we believe that we have implemented the processes, structures and guidance to support the discharge of effective governance across the organisation. The restructuring of the organisation enabling services in 2021 created the Portfolio Management Office, whose remit is to provide enterprise level support across our corporate change projects, governance, risk management and strategic planning cycle.</p> <p>Our new governance framework has bedded down into the organisation over the last 12 months and the focus is now shifting to optimising our leadership and culture to make our decision-making even more effective, through the work with Leapwise.</p> <p>Our next review of this risk is scheduled for the next meeting of the Risk Management Advisory Group on 28th June 2022. At this time, we will have received conclusions from Leapwise in their assessment of our governance arrangements.</p>



## Corporate Risk 2 - Finance

March 2022

### Corporate Risk - overview information

Corporate Risk URN	PR000735	Current Mitigated Score	12
Corporate Risk Title	<b>Ability to deliver a sustainably balanced budget</b>	Date of Risk Review	15/02/2022
Corporate Risk Owner(s)	Sarah Crew, Nikki Watson, Nick Adams, Dan Wood, Jon Reilly, Will White		
Corporate Risk Description	<p>Our ability to deliver quality policing services and value for money for residents of Avon and Somerset is dependant of our ability to put the Constabulary on a sustainable financial footing allowing us to invest in the needs of the present without compromising the ability to meet the challenges of the medium to longer term.</p> <p>Prudent financial management and sustainable investment enable the organisation to work towards delivery of its strategic objectives and also those set out in the Police and Crime Plan.</p> <p>Within the organisational risk registers, we have 7 finance risks, which account for 7.9% of the total risk register.</p>		

### Corporate Risk initial assessment - unmitigated risk

Unmitigated Assessment	15
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## Rationale

- The Government has provided a confirmed grant funding settlement for 22/23, and indicative figures for 23/24 and 24/25 to support improved medium term financial planning;
- The Government has confirmed PCC's will have flexibility of up to £10 increases in the precept in each of the next 3 years;
- The Home Office has continued to acknowledge the need for a review of the formula used to distribute grant funding, and has commissioned work to formally review this. It remains uncertain as to the outcome of the review, but it is expected that there will be transitional arrangements to a new funding formula;
- We recognise a number of cost uncertainties in the short and medium term, including:-
  - Pay increases expected annually - current working assumption current working assumption of the MTFP (as of January 2022) of **3.5%** increase in 2022/23, **2.5%** in 2023/24 and **2%** in 2024/25, in line with NPCC position;
  - Incremental pay increases driven by an inexperienced workforce becoming more experience over time will increase the average cost of an officer in the long term.
  - LGPS valuation likely to result in increased employer contribution costs with effect from April 2023.
  - Police pension valuation (impacted by McCloud remedy) likely to result in increased employer contribution costs with effect from April 2024.
  - Inflationary cost increases rising significantly in the short term particularly driven by areas such as utilities and fuel, as a result of increases in the wholesale markets for these commodities.
- Capital projects driven by mixture of local and national factors:-
  - ESMCP national programme to replace airwave radio will drive significant local investment in medium term.
  - ERP replacement requiring local investment in key corporate systems
  - Estates projects informed by local estates strategy
  - Large amount of personal issue IT assets requiring replacement on regular cycle. Delivering carbon reduction across both estate and fleet likely to require significant investment.
- Reserve levels sustainable over medium term and will be informed by annual risk assessment completed by PCC CFO.
- On current projections additional savings of £8.5 million will need to be realised by 2025/26 to balance the budget, with further savings needed to support reinvestment – after a decade of austerity and cuts to budget of nearly £90m, scope for continued savings will require some difficult choices, particularly as we will be limited to achieving savings from less than half of our budgets due to ring-fencing.

## Corporate Risk latest assessment - mitigated risk

### Mitigated Assessment

12

## Rationale

MTFP assumptions benchmarked against other forces where possible to ensure appropriateness.

Savings and efficiency planning being developed, with aim to establish areas for savings by end of 2022 several years in advance of the need for savings to realise a balanced budget. The PCC and the Police and Crime Panel have supported an increase in council tax precept of £10, the maximum possible, for 2022/23 financial year.

A new change commission process was launched in September 2021, which make clear the levels of decision making in line with the financial thresholds defined by the organisation for types of change. These were communicated through senior leaders by the PMO and also referenced in detail in section 3.7 of the Constabulary Governance Handbook. Our PMO has now introduced a process for the bi-annual presentation of Final Business Cases at Strategic Planning Meeting – in September and March, thereby enabling these to be reviewed and prioritise alongside one another

### Earlier assessments

Mitigated risk score Q4 2021/22	12
Mitigated risk score Q1 2022/23	
Mitigated risk score Q2 2022/23	
Mitigated risk score Q3 2022/23	

### Corporate Risk - audit trail of risk management

Date of update	PMO notes
16/02/2022	<p>This risk was reviewed at the Risk Management Advisory Group on 15th February by members of Chief Officer Group. The content the risk record was agreed and an assessment of the risk score was made. As reported above, our unmitigated assessment of this risk is <b>15</b>, and based on the internal controls and mitigating activities, we assess the mitigated score to be <b>12</b>.</p> <p>Our next review of this risk is scheduled for the next meeting of the Risk Management Advisory Group on 28th June 2022.</p>



## Corporate Risk 3 - Service Delivery

March 2022

### Corporate Risk - overview information

Corporate Risk URN	PR000736	Current Mitigated Score	12
Corporate Risk Title	<b>Failure to meet expectations of improved performance and service delivery</b>	Date of Risk Review	15/02/2022
Corporate Risk Owner(s)	Sarah Crew, Nikki Watson, Jon Reilly, Will White, Dan Wood, Nick Adams		
Corporate Risk Description	<p>When we consider the expectations of policing from the public and current government, we recognise they expect improvements to be seen on the back of investment in policing following years of austerity. When we consider that over the last 5 years precept (council tax contribution) has increased 35%, with the backdrop of the 'additional' 20,000 new police officers pledged by the government and the media attention and public opinion of policing in the last 18 months, scrutiny of what we do has never been as fierce.</p> <p>The Beating Crime Plan sets out the government's approach to cutting crime: cutting homicide, serious violence and neighbourhood crime; exposing and ending hidden harms; and building capability and capacity to deal with fraud and on-line crime. Our performance against key metrics of the plan in ASC is measured and provided to the OPCC.</p> <p>Within the organisational risk registers, we have 46 service delivery risks, which account for 40.7% of the total risk register.</p>		

### Corporate Risk initial assessment - unmitigated risk

Unmitigated Assessment	20
Rationale	<p>Our priorities are set out through various national frameworks and local priorities, which mean we continue to have a large number of expectations placed on us. At present these numerous plans remain complimentary of each other, but in light of organisational growing pains, detailed in Corporate Risk 4, it may become necessary to prioritise and focus on specific areas of improvement.</p> <p>We recognise the overlap here with the Corporate Risk 4, as this is a manifestation of the challenge of delivering expected performance.</p>

### Corporate Risk latest assessment - mitigated risk

**Mitigated Assessment**

12

**Rationale**

The Constabulary has developed its Performance Control Strategy, reported through the Integrated Performance and Quality Report (IPQR) which informs the Management Board (CMB) monthly of our performance. The framework is linked to key national (Beating Crime Plan outcomes, PEEL assessment) and local priorities (Police and Crime Plan priorities, our 16 key performance question self diagnostics). Each report features detailed data analysis of our performance priorities with specific 'in-focus' spotlights each month on some of our thematic performance areas.

A further suite of measures to assess our performance against the key areas (see last below) of the beating crime plan, and these are regularly reported to the Police and Crime Commissioners office. The most recent data (Jan '22) shows that ASC has stable trend / outlook over most areas of the plan outcomes, with a moderate increase in both CPS pre-charge RASSO referrals and police charges.

**Priority Areas of Beating Crime Plan:**

- Reduce Murder and Other Homicide
- Reduce Serious Violence
- Tackle Drugs Supply and County Lines
- Reduce Neighbourhood Crime
- Tackling Cyber Crime
- Improve Victim Satisfaction, with a Particular Focus on Domestic Abuse Victims
- Better Criminal Justice Outcomes for Rape Cases

**Earlier assessments**

Mitigated risk score Q4 2021/22

12

Mitigated risk score Q1 2022/23

Mitigated risk score Q2 2022/23

Mitigated risk score Q3 2022/23

**Corporate Risk - audit trail of risk management****Date of update**

23/02/2022

**PMO notes**

This risk was reviewed at the Risk Management Advisory Group on 15th February by members of Chief Officer Group. The content the risk record was agreed and an assessment of the risk score was made. As reported above, our unmitigated assessment of this risk is **20**, and based on the internal controls and mitigating activities, we assess the mitigated score to be **12**.

Our next review of this risk is scheduled for the next meeting of the Risk Management Advisory Group on 28th June 2022.



## Corporate Risk 4 - People

March 2022

### Corporate Risk - overview information

Corporate Risk URN	PR000737	Current Mitigated Score	15
Corporate Risk Title	<b>Growing, developing and then maintaining the workforce and leadership culture, capacity and capability we need.</b>	Date of Risk Review	15/02/2022
Corporate Risk Owner(s)	Sarah Crew, Nikki Watson, Nick Adams, Dan Wood, Jon Reilly, Will White		
Corporate Risk Description	<p>If we fail to, properly and at sufficient pace, institutionalise inclusion by embedding the right leadership and culture throughout the organisation while effectively managing unprecedented workforce growth, development and change, trust and confidence of the public, our partners and colleagues will drop, performance will falter and our legitimacy to protect and serve will be eroded.</p> <p>Within the organisational risk registers, we have 22 people risks, which account for 22.6% of the total risk register.</p>		

### Corporate Risk initial assessment - unmitigated risk

Unmitigated Assessment	20
	<p>There are 3 headline areas where our risks assessment is focused, these are:</p> <p><b>Unprecedented growth and a changing workforce composition:</b></p> <ul style="list-style-type: none"> <li>We are in a period of unprecedented growth and are expected to deliver 456 officers against a 2019 baseline by March 2023, resulting in a target headcount of 3,291. To achieve the target and balance natural attrition we estimate nearly 1,300 new officers into policing in the 48 months between April 2019 and March 2023. Given the scale and pace of change this represents, we expected to see and are experiencing 'growing pains' and an implementation dip before we see the full positive potential of uplift investment in policing realised. Our risks and challenges related to this include:</li> <li>The huge logistical exercise of attracting, vetting, conducting medicals, inducting and on-boarding, training, tutoring, posting and supporting the huge numbers of new and inexperienced officers places record demands on our enabling services such as Recruitment and HR, Training and Tutors, Vetting, Occupational Health and others and entails significant collaboration and coordination between operational and enabling services and our HEI partner to deliver the numbers on time and effectively.</li> <li>The level of abstraction of PCDA and DHEP officers while undertaking their studies alongside performing their police officer roles. Recruiting to target officer numbers does not immediately translate to a fully deployable officers on the front line and as a result our response timeliness rates are impacted. A more experienced, deployable workforce will happen, but it will take time to</li> </ul>



## Rationale

achieve.

- The growth in officer numbers does not immediately translate to the growth in specialist areas we want to grow. This is true across all specialist areas, and is particularly the case as we build our investigative capacity and capability. We have plans in place to realise this specialist growth, but again they will take time to fully realise. As a result our overall positive outcome rate remains too low at 12%, reflecting the continued efforts we need to make in improving investigative standards as we build capability.
- The changes introduced this year through the Attorney General guidelines for disclosure and the Director General guidelines for charging have created additional pressures on front line officers and staff. Un-addressed this has the potential to significantly impact on officer and staff capacity, undermining the benefits of officer Uplift. We are working with other forces to highlight these concerns and seek pragmatic solutions.

### **Attraction and retention in an increasingly challenging marketplace:**

- We are seeing locally and nationally increases against the projected leaver rates for police officers
- A number of roles have become 'harder to fill' as the pay rates in the market have risen quite rapidly and a lot in some areas, particularly where there are shortages for in-demand technical skills
- Many have talked about the impact of the pandemic on 'the great resignation' linked to employees re-evaluating what they want from their work and work/life balance
- Public sector pay has been relatively stagnant for some time with it be argued that police officers especially have fallen behind compared to cost of living increases and pay in other roles that are less complex, risky and demanding
- The attractiveness of policing as an 'employer' has taken a hit alongside wider trust and confidence following the widely publicised incidents of serious misconduct and concerns about sub-cultures in policing. This has a suppressive effect on our ability to recruit, especially from under-represented communities in whom there is already a trust deficit, and it also potentially dents morale and the ability to retain.

### **Institutionalising inclusion, investing in leadership and culture:**

- Serious questions have arisen about policing culture and leadership against the backdrop of declining public confidence in wake of a series of misconduct cases nationally and stubborn inequalities in the police workforce and service delivery
- Increase in volume and seriousness misconduct referrals/reporting and misconduct cases locally
- Stubborn disparities in workforce experience and service delivery adversely affecting under-represented communities especially and adding to a trust and confidence deficit; understandable concerns about the relative glacial pace of change in some areas/aspects of our work
- Growing levels of consciousness, internal and external activism, on the issues and impacts associated with inequality and discrimination, diversity and inclusion deficits
- Concerns from some that there is too much negative focus on the "<1%" and that this will dent morale of the majority
- A lack of understanding and acceptance in some quarters that there are deep systemic and institutional roots that also need confronting in a systemic way
- High levels of scrutiny and media attention to these issues
- Some reluctance and challenges in engaging all parts of the workforce in learning the knowledge and competencies we expect them to have in order to be able to promote an inclusive culture
- Impacts of wellbeing and procedural justice on behaviour
- Questions about the effectiveness and rigour of our recruitment/selection processes in identifying, predicting and addressing those who do not demonstrate the right values and behaviours joining policing
- Questions about the capacity of our internal professional standards, counter corruption, complaints and grievance management capabilities to meet need and demand
- Questions about the maturity and extent of our ability to use our data effectively to identify patterns or early warning signals to enable targeted and tailored intervention

**Unprecedented growth and a changing workforce composition:**

- A tightly managed uplift programme with high-levels of collaborative and coordinated action across operations and enabling services which has so far met the targets largely thanks to good governance, forward planning, disciplined delivery controls, and pump-primed capacity increased to key delivery functions; careful tracking and monitoring of the data; lots of local, regional and national reporting and scrutiny
- An agreed clear uplift design for where the new resources will go within our operating model to achieve the benefits we are aiming for; a workforce planned approach to sequencing the on-boarding and posting of those resources in a controlled and considered way as the numbers and capabilities are realised
- Introduction of a wider range of entry routes and mechanisms
- Influencing national and local curriculum delivery to balance abstraction against the need to get the investment in learning right for now and the future
- Targeted focus on addressing the shortfall in detectives/investigations capability with a multi-faceted strategy
- Concerted efforts to minimise growing pains and implementation dip with a strategic approach alongside investments in leadership and culture development
- Focused programme of work to release productive capacity and minimise bureaucracy so that more time can be focused on what matters most
- Proactively continuing to work on internal engagement, narrative and communication through staff survey to avoid hazard fixation and to build hope, optimising and future focus

**Attraction and retention in an increasingly challenging marketplace**

- We are focused on a range of actions and activity to better understand what is driving attrition and retention and we have established a multi-pronged retention strategy.
- We are exploring interventions to address market pay challenges including market pay supplements and we are also considering where alternative means of meeting our resourcing requirements needs to be used, for example commercial arrangements with suppliers.
- Through our leadership and culture work and the action on the People Survey we are working to create an environment in which people want to stay and are positive about working with us. The People Survey shows agreement with 'I am happy at work' remaining high at 70% and high levels of people saying that they would recommend working for here to others.
- We have wherever possible introduced through the post pandemic resetting work measures to enable staff to benefit from hybrid/blended working which we know many value as it supports flexibility.
- We are working on the culture, trust and confidence issues as above and continue to present the many positive aspects of our organisation through our employer brand and through proactive positive communications.
- We continue to invest in a proactive outreach capability to shape and influence sentiment towards us as an employer and to support and encourage people to work for us, especially those from underrepresented communities.
- We're providing leadership to make clear the kind of behaviours and standards we expect and to promote a culture of Institutional Inclusion.
- We've gained a raft of industry awards for our work that set us out as a progressive, modern, and highly regarded employer within our sector and beyond.

**Institutionalising inclusion, investing in leadership and culture:**

- We are in the process of strengthening independent confidential reporting systems

- We're accelerating a piece of work to enable us to exploit our data to provide early warnings and insight into patterns of behaviour to enable targeted preventative intervention
- We're investing further in our counter corruption capacity and capability
- We are going to make some considered investments to expand our internal communications and engagement capacity and capability so that we can influence and inform cultural change, including courageous conversations (which have started in earnest) and move the passive and disengaged
- We have used recognised industry standards and independent assessment to drive systemic improvement (e.g. NES, Workforce Equality Index Top 100 Employer, Disability Confident Leader, ENEI, CIPD People Awards); we continue to strive for further improvement achieve these to enhance our inclusive practices. We've drawn learning from our Recruit for Difference Pilot and we're tackling alignment through our selection processes.
- We have built a range of mechanisms for listening to employee engagement and measuring inclusion sentiment including our award winning People Survey and our response to it.
- We have invested in multi-layered training for leaders and practitioners to build confidence and capability, influence and inform including Inclusive Policing with Confidence in Partnership with local providers and Cultural Intelligence Training. We're investing in equipping leaders with tools, language and guidance to role model and lead for inclusion effectively.
- We engage in a number of positive action and developmental schemes designed to support progression of those from underrepresented backgrounds including Stepping Up.
- We are working systematically on the findings of the Desmond Browne report into disparities and have a rigorous governance and project discipline to oversee this. We have senior governance oversight of diversity and inclusion activity and results through both the Confidence and Legitimacy Committee and the People Committee.
- In total we have 1901 officers and staff booked to attend Leadership Courses in the next 3 months through the Leadership Academy.
- 60.4% agreement with Learning and Development theme in People Survey, representing a 5.9% increase on 2020 at a time when other themes saw reductions on last year; 11.2% increase agreement in 'there are opportunities for me to develop my career' since 2019;
- Leadership academy offers clear pathways or leadership journeys to support development and progress
- Segmented development options from first line to senior leaders aligned to a national framework; substantial investment in leadership development for the whole workforce.
- Our outreach work is building relationships and breaking down barriers to joining policing but also helping to influence and develop our culture through constructive challenge and engagement.
- We have an active programme of engagement and strong communication and consultation channels with our staff associations and staff networks.

#### Earlier assessments

Mitigated risk score Q4 2021/22

Mitigated risk score Q1 2022/23

Mitigated risk score Q2 2022/23

Mitigated risk score Q3 2022/23

15

## Corporate Risk - audit trail of risk management

### Date of update

16/02/2022

### PMO notes

This risk was reviewed at the Risk Management Advisory Group on 15th February by members of Chief Officer Group. The content the risk record was agreed and an assessment of the risk score was made. As reported above, our unmitigated assessment of this risk is **20**, and based on the internal controls and mitigating activities, we assess the mitigated score to be **15**.

Our next review of this risk is scheduled for the next meeting of the Risk Management Advisory Group on 28th June 2022.



## Corporate Risk 5 - Digital and Data

March 2022

### Corporate Risk - overview information

Corporate Risk URN	PR000739	Current Mitigated Score	20
Corporate Risk Title	<b>Legitimate, appropriate and effective use and control of our data and digital assets</b>	Date of Risk Review	15/02/2022
Corporate Risk Owner(s)	Sarah Crew, Nikki Watson, Nick Adams, Dan Wood, Jon Reilly, Will White		
Corporate Risk Description	<p>Data is a critical asset for the constabulary and significant investment has been made to facilitate operational use of data. However, as data volumes continue to grow, enhanced enterprise-wide control will be necessary to unlock the true potential of data as an organisational asset.</p> <p>Within the organisational risk registers, we have 22 Data and Digital risks, which account for 25% of the total risk register.</p>		

### Corporate Risk initial assessment - unmitigated risk

Unmitigated Assessment	20
Rationale	<p>There is a complex data architecture with a lack of interoperability between systems and data. We hold data in multiple systems and across personal files and hard drives, which compromise the ability to build a single view of the data to inform making, planning and activity.</p> <p>MOPI and CPIA compliance are a key focus for the constabulary and we recognised that both statutory/legislative compliance and Crime Data Integrity require improvement.</p> <p>Data literacy is improving, however it should remain a focus in order to keep pace with the organisational appetite to be more data driven.</p> <p>There has been strong investment in future technologies such as advanced analytics, robotics and automation. However, the aforementioned foundational issues may pose challenges to the success of innovative techniques.</p>

### Corporate Risk latest assessment - mitigated risk

Mitigated Assessment	20
Rationale	<p>The Data Strategy and Roadmap was presented to our Strategic Planning Meeting (SPM) in January 2022, having been developed following extensive engagement with key stakeholders and a commercial partner (Agilysis). The aim of the Data Strategy is "to understand and safely unlock the power of data across the Constabulary and our partners to best support outstanding policing, whilst building staff, partner and public trust and confidence in its use". There are four key investment areas identified in the strategy and roadmap, those are:</p> <ul style="list-style-type: none"> <li>• Modern data platform</li> <li>• Data entry solution</li> <li>• Data quality and review retention and deletion solution</li> <li>• Information governance and data governance demand and capacity review</li> </ul> <p>While the data strategy and roadmap represent a step in the right direction, we are yet to agree how we will deliver on the direction set in these documents and consequently we cannot at this stage rely on these to reduce the risk. As we develop our delivery plans more clearly we would expect this risk to begin to reduce.</p>
Earlier assessments	
Mitigated risk score Q4 2021/22	20
Mitigated risk score Q1 2022/23	
Mitigated risk score Q2 2022/23	
Mitigated risk score Q3 2022/23	

### Corporate Risk - audit trail of risk management

Date of update	PMO notes
16/02/2022	<p>This risk was reviewed at the Risk Management Advisory Group on 15th February by members of Chief Officer Group. The content the risk record was agreed and an assessment of the risk score was made. As reported above, our unmitigated assessment of this risk is <b>20</b>, and based on the internal controls and mitigating activities, we assess the mitigated score to be <b>20</b>.</p> <p>We recognise the inherent risk, however, as yet no decisions have been made on the investment needed and business cases are being developed to scope the level of investment options available to us. As reflected in the mitigating assessment, as we develop our delivery plans more clearly we would expect this risk to begin to reduce.</p> <p>Our next review of this risk is scheduled for the next meeting of the Risk Management Advisory Group on 28th June 2022.</p>



## Corporate Risk 6 - Infrastructure and Assets

March 2022

### Corporate Risk - overview information

Corporate Risk URN	PR000738	Current Mitigated Score	10
Corporate Risk Title	<b>Maintaining, investing in and optimising our infrastructure and assets</b>	Date of Risk Review	15/02/2022
Corporate Risk Owner(s)	Sarah Crew, Nikki Watson, Nick Adams, Dan Wood, Jon Reilly, Will White		
Corporate Risk Description	<p>Our infrastructure should help us to be at the forefront of best practice, and enable the organisation to be modern, innovative and future-proof. We must ensure that our infrastructure, assets and services are developed sustainably, in a way that is mindful of our financial, political, social and environmental landscape and, in a way that offers value for money.</p> <p>For the clarity, this risk focuses on infrastructure, which includes our physical assets (buildings, fleet) and facilities, as well as the specialist services that provide and maintain those assets. It also encompasses a range of professional services that support our operational directorates. We recognise the IT infrastructure is also a critical enabler of our success and the risks associated with IT infrastructure are reflected on Corporate Risk 5 - Digital and Data.</p> <p>Within the organisational risk registers, we have 8 infrastructure and assets risk, which account for 7.1% of the total risk register.</p>		

### Corporate Risk initial assessment - unmitigated risk

Unmitigated Assessment	15
Rationale	<p>Officers, staff and volunteers need to be able to count on having the working environment, tools, equipment and information available to them do their jobs effectively. We must ensure that our estate is maintained to support delivery of services and that the public have access to us when needed. In the post pandemic world and move to blended working arrangements for our workforce, the estate requirements will need to be reviewed to ensure they support the model of working.</p> <p>Our estate requires managing to ensure it is optimised and that maximum value is being utilised from each asset. The energy consumption and carbon footprint of our estate requires careful management and investment in electric charging infrastructure for electric vehicles, which form part of the fleet of the future. We also need to take into consideration our corporate social responsibility for sustainable practices.</p>

### Corporate Risk latest assessment - mitigated risk

**Mitigated Assessment**

10

**Rationale**

We have commissioned a site by site review of our estate to build an evidence base from which inform the development of an Estate Management Plan to support our understanding of the requirements for each site, which will inform investment decisions in the future. A similar exercise has also been conducted across our fleet assets.

Our infrastructure strategy includes a statement on our commitment to sustainability and our environmental sustainability plan. This complements our strategic objectives and describes the steps we will take to reduce our environmental impact. It is supported by a range of objectives reflected in our other corporate strategies that reflect the breadth of our sustainability ambitions.

**Earlier assessments****Mitigated risk score Q4 2021/22**

10

**Mitigated risk score Q1 2022/23****Mitigated risk score Q2 2022/23****Mitigated risk score Q3 2022/23****Corporate Risk - audit trail of risk management****Date of update**

23/02/2022

**PMO notes**

This risk was reviewed at the Risk Management Advisory Group on 15th February by members of Chief Officer Group. The content the risk record was agreed and an assessment of the risk score was made. As reported above, our unmitigated assessment of this risk is **15**, and based on the internal controls and mitigating activities, we assess the mitigated score to be **10**.

Our rationale for the risk being reduced is we recently refreshed court infrastructure strategy, and the sustainability plan within it. We have also strengthened our governance of our delivery by establishing to boards that sit under the Finance and Asset Committee, these being Fleet Asset Management Board and Estate Asset Management Board, which led by senior leaders are overseeing service delivery and change projects.

Our next review of this risk is scheduled for the next meeting of the Risk Management Advisory Group on 28th June 2022.



<b>MEETINGS:</b> Joint Audit Committee	<b>DATE:</b> 16 <sup>th</sup> March 2022	<b>AGENDA NO:</b> 8
<b>DEPARTMENT:</b> PCC's Office - Finance	<b>AUTHORS:</b> Paul Butler – PCC CFO Nick Adams – CC CFO	
<b>NAME OF PAPER:</b> Appointment of external auditors		

## SUMMARY

The current auditor appointment arrangements cover the period up to and including the audit of the 2022/23 accounts. All PCC's in the region opted into the 'appointing person' national auditor appointment arrangements established by Public Sector Audit Appointments (PSAA) for the period covering the accounts for 2018/19 to 2022/23 and have the same auditor (Grant Thornton).

Auditing and the appointment of Auditors of public bodies is controlled by legislation (The Local Audit and Accountability Act 2014) and associated regulation. The PCCs have the final decision whether to opt-in to this process, although as an audited body the Chief Constables need to agree and return a confirmation of whether to opt in or not.

PSAA is now undertaking a procurement for the next appointing period, covering audits for 2023/24 to 2027/28. All bodies covered by this appointment process have the option to arrange their own procurement – they do not need to use the PSAA - and make the appointment themselves or in conjunction with other bodies. If however they wish to use the scheme administered by PSAA they need to have notified the PSAA by 11<sup>th</sup> March 2022.

Both the PCC CFO and the CC CFO have considered the merits of the options available to us. We have discussed this with the Chair of the JAC as well as with regional counterparts. **Following these considerations we have concluded that the best course of action open to us is to opt into the PSAA appointment process.** This decision has been approved by the PCC with the support of the CC, and was confirmed to PSAA before the deadline.

## BACKGROUND

The public sector audit market has proven to be very challenging in recent years. This has coincided with the current PSAA appointment period, and has resulted in a broad view across public sector audited bodies that the current auditor arrangements have not, generally, worked well.

There have been significant delays in completing audits across local government (and policing). While this has been impacted by factors such as the global pandemic, and changes to audit requirements, it is clear also that audit firms have at times struggled to resource these audits.

Costs have escalated as audit firms, with the support of the PSAA, have sought additional payments for changes in audit requirement. At times these changes to cost have been material in value to the original agreed audit scale fees set by PSAA. However, despite this PSAA have not sought to renegotiate the existing contracts nor provided much visible challenge to the overall approach of the audit firms.

The market itself is limited at present. The Institute for Chartered Accountants in England and Wales (ICAEW) is responsible for the licensing, registering and monitoring of auditors who wish to carry out audits of local public bodies. In doing so audit firms must have met eligibility criteria established by the Financial Reporting Council (FRC). At present there are just 10 audit firms registered to perform audits of public bodies, of which 7<sup>1</sup> have a national profile and reach.

<sup>1</sup> BDO LLP; Deloitte LLP; E&Y LLP; Grant Thornton UK LLP; KPMG LLP; Mazars LLP; PWC LLP.

## **OPTION 1 – PSAA**

The PSAA issued a draft prospectus in mid-2021 which provided an introduction to the PSAA national scheme and invited views and comments from local bodies and other interested parties in relation to the aims of the scheme and how it needs to develop going forward. This process helped the PSAA to shape some of the important features of the scheme ahead of issuing formal invitations to opt-in to all eligible bodies.

The PSAA have made changes to the way that the tenders for the next round of appointments will be evaluated. This includes focussing more on quality and timeliness and less on cost. This is welcomed.

Separately work is being done to encourage new entrants to the Audit market. However, it is unknown whether this will lead to significant new entrants in time for this round of audit appointments. We are encouraged to see a recent new entrant onto the register (Bishop Fleming – based in Exeter), but at this stage it is not possible to determine whether there will be more as part of this process.

PSAA will seek to encourage market sustainability in its procurement. Firms will be able to bid for a variety of differently sized contracts so that they can match their available resources and risk appetite to the contract for which they bid. They will be required to meet appropriate quality standards and to reflect realistic market prices in their tenders, informed by the scale fees and the supporting information provided about each audit. Where regulatory changes are in train which affect the amount of audit work suppliers must undertake, firms will be informed as to which developments should be priced into their bids.

The PSAA option presents certain advantages:-

- A transparent and independent auditor appointment via a third party;
- The best opportunity to secure the appointment of a qualified, registered auditor;
- Collective efficiency savings for the sector by undertaking one major procurement as opposed to a multiplicity of smaller procurements;
- A value for money offer based on minimising PSAA costs and distribution of any surpluses to scheme members;
- Concerted efforts to work with other stakeholders to develop a more sustainable local audit market.

## **OPTION 2 – LOCAL APPOINTMENT PROCESS**

As stated above, legislation does offer an alternative. Recognising the challenges experienced in previous years we have explored this option further in conjunction with regional colleagues.

Pursuing this option would require us to establish an independent auditor panel to make a stand-alone appointment. This could be constituted as a joint auditor panel in event that multiple entities wanted to act in unison in the appointment process. Members of the panel would need to be wholly or as a majority independent appointees. The existence of independent joint audit committee members would mean that they would need to fulfil this role in addition to existing JAC duties.

The procurement and subsequent contract management would be more resource-intensive, and without the bulk buying power of the sector-led procurement would likely result in a more costly service. It may also be more difficult to manage quality and independence requirements through a local appointment process. The PCC, CC and the auditor panel would need to maintain ongoing oversight of the contract. Local contract management cannot, however, influence the scope or delivery of an audit.

Recognising the limitations of the market, we undertook some soft market testing to understand the appetite to responding to a direct procurement approach in collaboration with other regional forces. While the response received was encouraging, we recognised the limited market and the vast majority of these firms are likely to bid for PSAA work and unlikely therefore to have spare

capacity to bid for and resource our work. As PSAA puts it “...a local procurement would be drawing from the same limited supply of auditor resources as PSAA’s national procurement”.

We also recognise the uncertainty of pursuing this path. While we would have until December 2022 to complete an appointment process, there remains a very real risk that we will not be able to secure a successful appointment, and will not have the comfort of being able to fall back onto the PSAA arrangements. This would be a significant financial governance risk that we would not want to countenance at this stage.

## **DECISION TAKEN**

For the reasons outlined above the PCC CFO and CC CFO recommended to the PCC and CC that we opt into the PSAA sector led option for the appointment of external auditors to police bodies for five financial years from 1 April 2023. This was approved and has been confirmed to PSAA within the deadline.

## **Procurement strategy**

### **Aim and objectives**

Aim: to secure the delivery of an audit service of the required quality for every opted-in body at a realistic market price to support the drive towards a long term competitive and more sustainable market for local public audit services.

Objectives are to maximise value for local public bodies by:

- securing the delivery of independent audit services of the required quality;
- awarding long term contracts to a sufficient number of firms to enable the deployment of an appropriately qualified auditing team to every participating body;
- encouraging existing suppliers to remain active participants in local audit and creating opportunities for new suppliers to enter the market;
- encouraging audit suppliers to submit prices which are realistic in the context of the current market;
- enabling auditor appointments which facilitate the efficient use of audit resources;
- supporting and contributing to the efforts of audited bodies and auditors to improve the timeliness of audit opinion delivery; and
- establishing arrangements that are able to evolve in response to changes to the local audit framework.

### **Responding to the opted-in bodies' views: Contract management**

- Milestone-based payment mechanism linked to audit delivery
- Quarterly contract management meetings to review supplier performance to identify and agree any changes or improvements to the Services that may then be pursued in line with the Review Procedure
- Review Procedure to enable and manage change to the method statements provided as part of tender response (*the how, not the what*), for example to align with changes in industry good practice or audit requirements
- Rectification Plan Process in the event of a Notifiable Default
- Annual Quality Review Process
- FRC/ARGA/QAD reviews and reports as professional quality
- Satisfaction survey with opted-in bodies
- Compliance with Terms of Appointment incl. any complaints
- Reports published on our website and shared with our Advisory Panel

### **Responding to the market's views**

- Tender evaluation quality/price ratio of 80:20
- Acknowledged firms may have geographical areas which are least attractive
- Increased lots –greater choice and more flexibility to match capacity / risk appetite
- Contract extension by mutual agreement (rather our sole discretion)
- Three months to produce tender response

- Provide detailed information on what is included in the scale fee of every audit
- Fee variation rates determined by a tenderer's bid rate against our published rate card
- Annual application of inflation throughout the contract term, at the CPI 12-month rate most recently published before each April
- Published a risk allocation matrix, designed to support consideration of the key contract risk areas to inform bidding
- Encouraging new entrants: will accept tenders from firms currently proceeding through the registration process, but must be accredited by 13 Sept to get a contract
- Parallel procurement to establish a DPS –reduced risk of supplier “lock out”

### **The national auditor appointment scheme**

PSAA is specified as the ‘appointing person’ for principal local government under the provisions of the Act and the Local Audit (Appointing Person) Regulations 2015. PSAA let five-year audit services contracts in 2017 for the first appointing period, covering audits of the accounts from 2018/19 to 2022/23. It is now undertaking the work needed to invite eligible bodies to opt in for the next appointing period, from the 2023/24 audit onwards, and to complete a procurement for audit services. PSAA is a not-for-profit organisation whose costs are around 4% of the scheme with any surplus distributed back to scheme members.

In summary the national opt-in scheme provides the following:

- the appointment of a suitably qualified audit firm to conduct audits for each of the five financial years commencing 1 April 2023;
- appointing the same auditor to other opted-in bodies that are involved in formal collaboration or joint working initiatives to the extent this is possible with other constraints;
- managing the procurement process to ensure both quality and price criteria are satisfied. PSAA has sought views from the sector to help inform its detailed procurement strategy;
- ensuring suitable independence of the auditors from the bodies they audit and managing any potential conflicts as they arise during the appointment period;
- minimising the scheme management costs and returning any surpluses to scheme members;
- consulting with authorities on auditor appointments, giving the Council/Authority the opportunity to influence which auditor is appointed;
- consulting with authorities on the scale of audit fees and ensuring these reflect scale, complexity, and audit risk; and
- ongoing contract and performance management of the contracts once these have been let.

## **ANNUAL REPORT 1 APRIL 2020 – 31 MARCH 2021**

### **AVON AND SOMERSET JOINT AUDIT COMMITTEE**

#### **INTRODUCTION**

The principles of good governance as set out by the Chartered Institute of Public Finance and Accountancy (CIPFA), and the Financial Management Code of Practice for the Police Service of England and Wales, mandate the need for a Joint Audit Committee (JAC) as an independent body to serve and oversee the Police and Crime Commissioner (PCC) and the Chief Constable (CC).

The purpose of the JAC is to provide independent oversight and advice on governance and risk management. This will help ensure public trust and assure confidence in the governance of the PCC and CC. The JAC also helps the PCC discharge their statutory duties in holding the force to account, managing risk and in approving annual accounts and audit opinions.

This is the annual report of the independent JAC for the PCC and CC of Avon and Somerset.

CIPFA suggests that the annual report is a helpful way to hold the committee to account and sets out a number of aspects that should be considered:

- whether the committee has fulfilled its agreed terms of reference
- whether the committee has adopted recommended practice
- whether the development needs of committee members have been assessed and whether committee members are accessing briefing and training opportunities
- whether the committee has assessed its own effectiveness or been the subject of a review and the conclusions and actions from that review
- what impact the committee has on the improvement of governance, risk and control within the authority.

This annual report will be structured around these five criteria.

#### **HAS THE COMMITTEE FULFILLED ITS AGREED TERMS OF REFERENCE**

In accordance with the terms of reference the JAC has met four times in the financial year on the following dates:

8<sup>th</sup> July 2020

23<sup>rd</sup> September 2020

27<sup>th</sup> November 2020

27<sup>th</sup> January 2021

It should be noted that the November meeting was an exceptional meeting for the purpose of reviewing the External Audit Annual Report. The meeting that would have taken place in March 2021 was deferred to 22<sup>nd</sup> April 2021 due to attendance issues.

In accordance with the terms of reference all meetings were quorate; January had three members in attendance but the other meetings had all four members present. The meetings were also attended by relevant parties from the Office of the PCC, the Constabulary, Internal Audit and External Audit. Papers and minutes have been published.

Despite the challenges of living and working through the COVID-19 pandemic the JAC continued discharge its functions successfully including a move to video calls for meetings.

## **Commissioned Internal Audit 2020/21**

### Audits

During the year under review, South West Audit partnership (SWAP) completed ten substantive audits in accordance with the 2020/21 plan with the following opinions.

- High Limited – 3
- Low Reasonable – 1
- Mid-Reasonable – 4
- High Reasonable – 2

There were 15 Priority 2 recommendations and 12 Priority 3 recommendations that resulted from these ten audits.

An internal audit plan for 2021/22 was agreed at the April 2021 meeting of the JAC.

### Annual report of the Internal Auditor

SWAP – acting as the joint head of Internal Audit – have given an annual opinion of reasonable assurance on the overall adequacy and effectiveness of the PCC's and CC's frameworks of governance, risk management and internal control.

At first look it may seem contradictory that the annual opinion is one of reasonable assurance where the majority of audits completed in that year came back as partial assurance. It has been discussed, and accepted by the JAC, that the legitimate reason for this is that both organisations have a sound understanding of their risks and many of these audits have been intentionally targeted where there are recognised control weaknesses.

The report also highlights the coverage of the year's audits and that most of the activity relates to enabling functions rather than operational policing. As an audit committee we are comfortable with this approach because operational policing is subject of statutory inspection by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) and assurance can be gained from this.

Part of the remit of the JAC is to ensure value for money. One element of this is the JAC's appointment of the Internal Auditor and ensuring they are working effectively. At the start of their tenure SWAP set out how they measure their performance and this is reported on in their annual report. There are three areas of performance: completion of audit plan, quality of audit work and value. The audit plan was almost

entirely complete except for one aspect of regional work so that element of performance was good. Quality and value were both 100% compliant.

## **External Audit**

Grant Thornton continued as external auditor appointed through the Public Sector Audit Appointments process.

### 2019/20 annual accounts

The external auditor issued unqualified audit reports for the 2019/20 PCC and OCC accounts and their detailed reports and audit letter are published on the PCC's website. In addition, no issues arose from their assessment of the PCC's and Chief Constable's arrangements to secure value for money.

### 2020/21 annual accounts

The external auditor has given the following opinion on the financial statements:

- give a true and fair view of the financial position of the group and of the Police and Crime Commissioner as at 31 March 2021 and of the group's expenditure and income and the Police and Crime Commissioner's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

There were no other significant concerns raised.

## **HAS THE COMMITTEE ADOPTED RECOMMENDED PRACTICE**

The committee has used the CIPFA good practice framework to review itself as part of the Annual Report process (Appendix 1).

## **HAVE THE DEVELOPMENT NEEDS OF COMMITTEE MEMBERS HAVE BEEN ASSESSED AND WHETHER COMMITTEE MEMBERS ARE ACCESSING BRIEFING AND TRAINING OPPORTUNITIES**

Over the last year the JAC had briefings and training on the following topics:

- CIPFA Update for Police Audit Committee Members
- COVID-19: Avon & Somerset Police response and recovery
- SWAP: New Internal Audit Approach
- Avon & Somerset Police: Force Futures
- Avon & Somerset Police: Transformation and Improvement including governance and performance
- Members receive regular digital briefings from SWAP

New members also attended a Police and Crime Board to observe how the most senior strategic governance board operates.



## **HAS THE COMMITTEE ASSESSED ITS OWN EFFECTIVENESS OR BEEN THE SUBJECT OF A REVIEW AND THE CONCLUSIONS AND ACTIONS FROM THAT REVIEW**

The Committee has assessed its own effectiveness against the consideration of effective police audit committees. The Chair also undertakes a detailed 360 which collects feedback from both the offices of the PCC and CC. This is used as part of continuous audit and improvement.

## **WHAT IMPACT HAS THE COMMITTEE HAD ON THE IMPROVEMENT OF GOVERNANCE, RISK AND CONTROL WITHIN THE AUTHORITY**

The most significant areas where the JAC adds value is in the oversight of the external audit, commissioned internal audit and the scrutiny of the organisations' Strategic Risk Registers.

**JUDE FERGUSON**

**CHAIR AVON AND SOMERSET JOINT AUDIT COMMITTEE**

Contact Officers: Paul Butler, PCC CFO

**Appendix 1 – Self-assessment of good practice  
(CIPFA – Audit Committees Practical Guidance for Local Authorities and Police 2018  
Edition)**

This assessment reflects how the JAC sits within the broader structure of governance within Avon and Somerset; it does not reflect the effectiveness of the committee or the performance.

<b>Audit Committee Purpose and Governance</b>	<b>Yes</b>	<b>Partly</b>	<b>No</b>
1. Do the organisations have a dedicated audit committee?	✓		
2. Does the audit committee report directly to full council? (Applicable to local government only).	-	-	-
3. Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?	✓		
4. Is the role and purpose of the audit committee understood and accepted across the organisations?	✓		
5. Does the audit committee provide support to both organisations in meeting the requirements of good governance?		✓	
6. Are the arrangements to hold the committee to account for its performance operating satisfactorily?		✓	
<b>Functions of the Committee</b>	<b>Yes</b>	<b>Partly</b>	<b>No</b>
7. Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?		✓	
• Good Governance	✓		
• Assurance Framework, including partnership and collaboration arrangements		✓	
• Internal Audit	✓		
• External Audit	✓		
• Financial Reporting	✓		
• Risk Management	✓		
• Value for Money (VfM) or Best Value		✓	
• Counter-fraud and corruption	✓		
• Supporting the ethical framework		✓	
8. Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?	✓		
9. Has the audit committee considered the wider areas identified in CIPFA's Position Statement and whether it would be appropriate for the committee to undertake them?			✓
10. Where coverage of core areas has been found to be limited, are plans in place to address this?			✓
11. Has the committee maintained its advisory role by not taking on any decision-making powers that are not in line with its core purpose?	✓		

<b>Membership and Support</b>	<b>Yes</b>	<b>Partly</b>	<b>No</b>
12. Has an effective audit committee structure and composition of the committee been selected? This should include: <ul style="list-style-type: none"> <li>• separation from the executive</li> <li>• an appropriate mix of knowledge and skills among the membership</li> <li>• a size of committee that is not unwieldy</li> <li>• consideration has been given to the inclusion of at least one independent member (where it is not already a mandatory requirement)</li> </ul>	✓		
13. Have independent members appointed to the committee been recruited in an open and transparent way and approved by the PCC and Chief Constable as appropriate for the organisation.	✓		
14. Does the chair of the committee have appropriate knowledge and skills?	✓		
15. Are arrangements in place to support the committee with briefings and training?	✓		
16. Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?		✓	
17. Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief financial officer (CFO)?	✓		
18. Is adequate secretariat and administrative support to the committee provided?	✓		
<b>Effectiveness of the Committee</b>	<b>Yes</b>	<b>Partly</b>	<b>No</b>
19. Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?		✓	
20. Are meetings effective with a good level of discussion and engagement from all members?	✓		
21. Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with responsible officers?		✓	
22. Does the committee make recommendations for the improvement of governance, risk and control and are these acted on?		✓	
23. Has the committee evaluated whether and how it is adding value to the organisation?		✓	
24. Does the committee have an action plan to improve any areas of weakness?		✓	
25. Does the committee publish an annual report to account for its performance and explain its work?	✓		



Report 10a

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

Proposed 2022-23 Internal Audit Plan  
and Internal Audit Charter

# The Internal Audit Plan: Summary

The internal audit plan represents a summary of the proposed audit coverage that the internal audit team will deliver throughout the 2022/23 financial year.

Delivery of an internal audit programme of work that provides sufficient and appropriate coverage, will enable us to provide a well-informed and comprehensive year-end annual internal audit opinion.



## Introduction and Objective of the Internal Audit Plan

Internal audit provides an independent and objective opinion on the Force's and OPCC's risk management, governance, and control environment by evaluating its effectiveness.

Prior to the start of each financial year, SWAP, in conjunction with senior management, put together a proposed plan of audit work. The objective of our planning process and subsequent plan is to put us in a position to provide a well-informed and comprehensive annual audit opinion, based on sufficient and appropriate coverage of key business objectives, associated risks, and risk management processes.

The outcomes of each of the audits in our planned programme of work, will provide senior management and Members with assurance that the current risks faced by the Force and OPCC in these areas are adequately controlled and managed.

It should be noted that internal audit is only one source of assurance, and the outcomes of internal audit reviews should be considered alongside other sources, as part of the 'three lines of defence' assurance model. Key findings from our internal audit work should also be considered in conjunction with completion of the Annual Governance Statement for the Force and OPCC.

**It is the responsibility of the Force's and OPCC's respective leadership teams and the Joint Audit Committee (JAC), to determine that the audit coverage contained within the proposed audit plan is sufficient and appropriate in providing independent assurance against the key risks faced by the organisation.**

When reviewing the proposed internal audit plan (as set out in Appendix 1), key questions to consider include:

- Are the areas selected for coverage this coming year appropriate?
- Does the internal audit plan cover the organisation's key risks as they are recognised by the senior leadership teams of the Force and OPCC and the JAC?
- Is sufficient assurance being received within our annual plan to monitor the organisation's risk profile effectively?

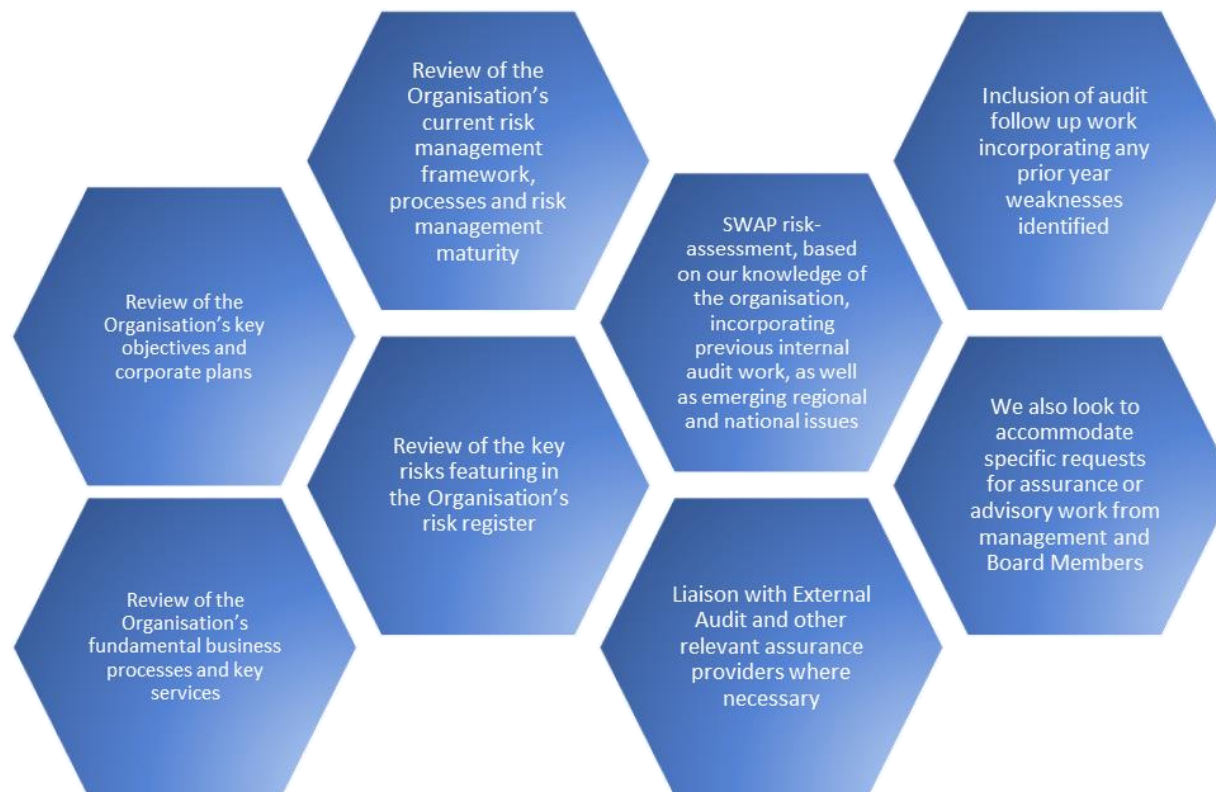
## The Internal Audit Plan: Approach

To develop an appropriate risk-based audit plan, SWAP have consulted with senior management, as well as reviewing key documentation, in order to obtain an understanding of the organisation's strategies, key business objectives, associated risks, and risk management processes.



### Approach to Internal Audit Planning 2022/23

The factors considered in putting together the 2022/23 internal audit plan have been set out below:



We will regularly re-visit and adjust our programme of audit work to ensure that it matches the changing risk profile of the organisation's operations, systems and controls. We have included an allocation for 'Contingency' as part of the 2022/23 audit plan, in order that we can remain flexible to respond to new and emerging risks as and when they are identified. We will continue to include our opinions on the Agreed Themes of: Leadership & Culture, Learning and Diversity & Inclusion, together with Risk Management Awareness as per previous years.



# The Internal Audit Plan: Risk Assessment

A documented risk assessment prior to developing an internal audit plan, ensures that sufficient and appropriate areas are identified for consideration.

As above, it is the responsibility of the leadership teams for the Force and OPCC and the JAC to ensure that, following our risk assessment, the proposed plan contains sufficient and appropriate coverage.



## Internal Audit Annual Risk Assessment

Our 2022/23 internal audit programme of work is based on a documented risk assessment, which SWAP will re-visit regularly, but at least annually. The input of senior management as well as review of the risk registers for the Force and OPCC will be considered in this process.

Below we have set out a summary of the outcomes of the risk assessment for the Force and OPCC:



## The Internal Audit Plan: Coverage

We have set out how the proposed 22/23 plan presented in Appendix 1 provides coverage of the key components set out in the Force Management Statement (FMS), against which we have aligned our audit universe.

Internal audit is only one source of assurance; therefore, where we are not covering particular areas, assurance should be sought from other sources where possible, such as HMICFRS, in order to ensure sufficient and appropriate assurances are received.

We have set out the coverage against the FMS areas where audits in the 22/23 Plan have been proposed as a proportion of total time available. For 2022/23, the internal audit plan does not afford coverage to the following areas and alternative assurance sources should be sought:

- Wellbeing
- Prevention & Deterrence
- Managing Offenders
- Managing Serious and Organised Crime
- Managing Offenders
- Major Events
- OPCC Specific Activity



### Internal Audit Coverage in 2022/23

Following our SWAP risk assessment, we have set out below the extent to which the proposed plan presented in Appendix 1 provides coverage of the key corporate objectives and risks for the Force and OPCC, as well as our core areas of recommended audit coverage:



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

It is important to note that the plan should remain flexible and respond to the changing risk landscape, therefore, we should also maintain a Reserve List of audit areas, over and above the audit budget as outlined in Appendix 1. This will allow us to amend the plan as and when it is correct to do so to address high risk emerging areas.



SWAP Internal Audit Services is a public sector, not-for-profit partnership, owned by the public sector partners that it serves. The SWAP Partnership now includes 25 public sector partners, crossing eight Counties, but also providing services throughout the UK.

As a company, SWAP has adopted the following values, which we ask our clients to assess us against following every piece of work that we do:

- Candid
- Relevant
- Inclusive
- Innovative
- Dedicated



## Your Internal Audit Service

### Audit Resources

The 2022/23 internal audit programme of work will be equivalent to 180 days. The current internal audit resources available represent a sufficient and appropriate mix of seniority and skill to be effectively deployed to deliver the planned work. The key contacts in respect of your internal audit service for Avon and Somerset Police and OPCC are:

**David Hill, Chief Executive - [david.hill@swapaudit.co.uk](mailto:david.hill@swapaudit.co.uk), 020 8142 5030**

**Juber Rahman, Senior Auditor – [juber.rahman@swapaudit.co.uk](mailto:juber.rahman@swapaudit.co.uk), 020 8142 5030**

### External Quality Assurance

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors (IPPF).

Every three years, SWAP is subject to an External Quality Assessment of Internal Audit Activity. The last of these was carried out in February 2020 which confirmed general conformance with the IPPF.

### Conflicts of Interest

We are not aware of any conflicts of interest within Avon and Somerset Police and OPCC that would present an impairment to our independence or objectivity. Furthermore, we are satisfied that we will conform with our IIA Code of Ethics in relation to Integrity, Objectivity, Confidentiality, & Competency.

### Consultancy Engagements

As part of our internal audit service, we may accept proposed consultancy engagements, based on the engagement's potential to improve management of risk, add value and improve the organisation's operations. Consultancy work that is accepted, will contribute to our annual opinion and will be included in our plan of work.

### Approach to Fraud

Internal audit may assess the adequacy of the arrangements to prevent and detect irregularities, fraud and corruption. We have dedicated counter fraud resource available to undertake specific investigations if required. However, the primary responsibility for preventing and detecting corruption, fraud and irregularities rests with management who should institute adequate systems of internal control, including clear objectives, segregation of duties and proper authorisation procedures.

Over and above our internal audit service delivery, SWAP will look to add value throughout the year wherever possible. This will include:

- Pieces of regional audit work with coverage directed by the Regional Directors of Finance
- Regional Police Bulletins twice per year detailing areas of risk identified within audit work
- Benchmarking and sharing of best-practice between our public-sector Partners
- Regular newsletters and bulletins containing emerging issues and significant risks identified across the SWAP partnership
- Communication of fraud alerts received both regionally and nationally
- Annual Member training sessions

## Our Reporting

A summary of internal audit activity will be reported quarterly to senior management and the Joint Audit Committee. This reporting will include any significant risk and control issues (including fraud risks), governance issues and other matters that require the attention of senior management and/or the Audit Committee. We will also report any response from management to a risk we have highlighted that, in our view, may be unacceptable to the organisation.

## Internal Audit Performance:

As part of our regular reporting to senior management and the JAC, we will report on internal audit performance. The following performance targets will be used to measure the performance of our audit activity:

Performance Measure	Performance Target
<b><u>Delivery of Annual Internal Audit Plan</u></b> Completed at year end	>90%
<b><u>Quality of Audit Work</u></b> Overall Client Satisfaction <i>(did our audit work meet or exceed expectations, when looking at our Communication, Auditor Professionalism and Competence, and Value to the Organisation)</i>	>95%
<b><u>Outcomes from Audit Work</u></b> Value to the Organisation <i>(client view of whether our audit work met or exceeded expectations, in terms of value to their area)</i>	>95%

*It should be noted that the audit titles and high-level scopes included below are only indicative at this stage for planning our resources. At the start of each audit, an initial discussion will be held to agree the specific terms of reference for the piece of work, which includes the objective and scope for the review.*

Audit Title	Context – why are we reviewing this and with what focus	PCC/Force	Proposed No. Audit Days Required	Proposed Quarter
<b>Firearms Licensing</b>	<p>Following the tragic incident in Plymouth during the summer of 2021, additional scrutiny has been applied to the UK's award of firearms licensing. As a result, the UK's laws on gun ownership will be tightened further to protect the public, with additional safety checks introduced for those applying for a licence. The change means that no one will be given a firearms licence unless the police have reviewed information from a registered doctor setting out whether or not the applicant has any relevant medical history – including mental health, neurological conditions or substance abuse.</p> <p>Guidance has been published by the Home Office which sets a clear framework for police to follow when considering applications. For the first time, police will be legally required to have regard to the guidance, to help improve standards and consistency across forces in the UK. An internal piece of assurance work has also been done, but independent assurance would also be helpful to verify the position.</p> <p>In this audit we are looking to provide assurance on the Force's controls in place in awarding firearms licences, both in terms of compliance with the new legislation and internal controls. We will also be suggesting that part of the regional allocation of audit time is put towards review of resourcing levels and comparison of processes to establish whether there are any efficiencies/capacity which could be shared across the SW region.</p> <p>The review will consider the following areas:</p> <ul style="list-style-type: none"> <li>• Policies and procedures in place governing firearms licensing, including how these have been updated in light of the above;</li> <li>• Processes for reviewing licence applications, including application of the new statutory requirements;</li> <li>• Approval processes when awarding licenses;</li> <li>• Sample testing of applications to verify correct application of requirements and controls;</li> <li>• Training provided to firearms licensing officers; and</li> </ul>	Force	15	Q2

	<ul style="list-style-type: none"> <li>Performance monitoring.</li> </ul> <p><u>Links to Risk Registers:</u></p> <p><b>Corporate Risk Register; Risk 3</b> - Service Delivery - <i>Failure to meet expectations of improved performance and service delivery</i></p> <p><b>Organisational Risk Register; URN(s): PR000836</b> -Criminal Justice (Firearms licencing) - <i>Increased demand and service delivery; PR000837</i> - Criminal Justice (Firearms licencing) - <i>Fee increase for firearms licenses; and PR000838</i> - Criminal Justice (Firearms licencing) - <i>Recording of firearms licenses on PNC &amp; NICHE</i></p>			
<b>Assurance Mapping</b>	<p>Assurance is an objective examination of evidence for the purpose of providing an independent assessment on governance, risk management and control processes for the organisation. An assurance map is a structured means of identifying and mapping the main sources and types of assurance in an organisation across the four lines of defence. An assurance map should show the following:</p> <ul style="list-style-type: none"> <li>Key elements over which assurance is required.</li> <li>The 'four lines of defence' (e.g., who provides what and where).</li> <li>Any gaps where no assurance is provided.</li> </ul> <p>The benefits of an assurance map include:</p> <ul style="list-style-type: none"> <li>Providing a clear picture of all assurance processes.</li> <li>Better understanding of the risks and completeness of assurance.</li> <li>Identify major gaps in assurance.</li> <li>Improve quality of assurance.</li> <li>Better targeted resources.</li> <li>Improved governance and assurance reporting to the organisation.</li> </ul> <p>We commenced this work as part of the 2021/22 Internal Audit Plan by supporting the Force in developing its assurance map. As a result of the work completed, we would look to complete an audit of the established assurance map later in 2022/23. This would provide assurance on the effectiveness of the assurance map and the underlying assurance sources, highlighting any gaps as required.</p>	Both	12	Q4

	<p><u>Links to Risk Registers:</u></p> <p><b>Corporate Risk Register; Risk 1</b> - Governance - <i>The application of effective and well-understood governance arrangements and internal controls.</i></p>			
<b>Representative Workforce</b>	<p>The service the police provides to the community is critically reliant on the quality of its people. Into the 21st century, policing needs to be delivered by a professional workforce equipped with the skills and capabilities needed to tackle new and emerging crime types and maintain our relationship with the communities we serve. By 2025 policing will be a profession with a more representative workforce that will align the right skills, powers and experience to meet challenging demands. To achieve these aims, effective leadership and management is critical.</p> <p>Positive Action is the name given to measures under the Equality Act 2010 that promote equality of opportunity. Structures in our society mean that not everybody starts from the same position and there may be barriers that prevent people achieving their potential. The Equality Act empowers us to remove these barriers when they are in connection to a protected characteristic, so that we can work together towards achieving true equality. Positive action is about levelling the playing field.</p> <p>The Force is very active in the areas of diversity and inclusion and in maximising the opportunities presented by the use of Positive Action, although pace of change is slower than is liked. For this piece of work, we would look to consider the following, with a view to assessing whether there is anything key which has been missed or not fully maximised, especially in light of Uplift, which itself presents a massive opportunity:</p> <ul style="list-style-type: none"> <li>• The policies, procedures, strategies in place directing the Force and OPCC in terms of positive action in recruitment and retention;</li> <li>• Review of activity, such as the development of the employer brand and community outreach work, to promote recruitment and retention of (potential) employees with a protected characteristic;</li> <li>• How the culture is being built internally to enable a supportive and representative culture, including the work of Internal Comms and internal advocacy, including the link between HR and the wider organisation;</li> <li>• Mechanisms for monitoring and managing performance against initiatives put in place surrounding positive action initiatives; and</li> </ul>	Both	15	Q1

	<ul style="list-style-type: none"> <li>Reviewing performance/outcomes against other Forces.</li> </ul> <p>Furthermore, we would look at the work done by three national forces who are seen to have gone further than the others to see if there is wider learning that could be shared back to the Force which may help provide areas for consideration in broadening the approach currently taken.</p> <p><u>Links to Risk Registers:</u></p> <p><b>Corporate Risk Register; Risk 4</b> - People - <i>Growing, developing and then maintaining the workforce and leadership culture, capacity and capability we need.</i></p> <p><b>Organisational Risk Register; URN(s): PR000406</b> - People &amp; Organisational Development - <i>Workforce Representation, Inclusion and Diversity</i></p>			
<b>Detective Numbers</b>	<p>The management of number of accredited detectives is a key area of concern for the Force. A plan has been put in place to address this through looking to build the skill set of existing detectives and to attract and recruit officers into investigations, in order to be able to deliver at pace. Succession planning for the future is an area of concern and we have been asked to look at this area later in the year Q4 to establish if the objectives set out in the plan are being achieved.</p> <p>The audit will look to review the following:</p> <ul style="list-style-type: none"> <li>Plan(s) put in place to recruit to and retain officers in investigations;</li> <li>Projections of demand which outline staffing/officer requirements for investigations;</li> <li>Objectives set to achieve required numbers;</li> <li>Activity undertaken internally and externally to achieve these objectives; and</li> <li>Monitoring of performance/outputs.</li> </ul> <p><u>Links to Risk Registers:</u></p> <p><b>Corporate Risk Register; Risk 3</b> - Service Delivery - <i>Failure to meet expectations of improved performance and service delivery</i></p> <p><b>Corporate Risk Register; Risk 4</b> - People - <i>Growing, developing and then maintaining the workforce and leadership culture, capacity and capability we need.</i></p>	Force	15	Q4

	<b>Organisational Risk Register;</b> URN(s): <b>PR000684</b> - Investigations (CID) - <i>Growth plans, attrition and accreditation challenges</i>			
<b>Key Financial Controls – Accounts Payable and Budgetary Control</b>	<p>The PCC, Chief Constable and all employees have a duty to abide by the highest standards of probity (i.e. honesty, integrity and transparency) in dealing with financial issues. This is facilitated through the design and application of financial systems and processes, which apply effective controls.</p> <p>In this annual audit, we are intending to focus on testing a small number of controls in regards to the Purchase to Pay (P2P) cycle, in particular focussing on: segregation of duties, authorisation of Purchase Orders and non-Purchase Orders, payment to suppliers and changes to supplier details (including the creation of new suppliers. This year, we will include conduct a review of the accounts payable processes applicable to the Fleet function, specifically focussing on the approval of orders through the Tranman system and the segregation of duties in operation for orders, prior to the interface into the SAP finance system. We will also review the budget management processes in place</p> <p>This is important for the following reasons:</p> <ul style="list-style-type: none"> <li>• Ensure the effectiveness of the P2P cycle in paying suppliers accurately and on time in a way which minimises error and risk of fraud.</li> <li>• Ensure sufficient and satisfactory interaction between the fleet and financial systems to ensure accurate transmission of information required.</li> <li>• Ensuring satisfactory control framework in place around control of budgets, from the approval of the overarching budget and the build process, to regular management and review of financial performance against budgets set.</li> </ul> <p><u>Links to Risk Registers:</u></p> <p><b>Corporate Risk Register; Risk 2</b> - Finance - <i>Ability to deliver a sustainably balanced budget</i></p> <p><b>Organisational Risk Register;</b> URN(s): <b>PR000457</b> - Finance &amp; Business Services - <i>BACS software failure</i>; <b>PR000458</b> - Finance &amp; Business Services - <i>SAP system outage</i>; and <b>PR000459</b> - Finance &amp; Business Services - <i>Financial control framework</i></p>	Both	18	Q2-3
<b>Reasonable Adjustments Process</b>	Equality law recognises that achieving equality for people who are disabled may mean changing the way that employment is structured. This could be removing physical	Force	15	Q2

	<p>barriers or providing extra support for a disabled worker or job applicant. This is the duty to make reasonable adjustments.</p> <p>As an employer, the Force has a duty to take steps to remove, reduce or prevent the obstacles faced by a disabled worker or job applicant, where it's reasonable to do so. The employer only has to make adjustments where they are aware – or should reasonably be aware – that someone has a disability. It has been noted from staff surveys that disabled colleagues are generally unhappier than other colleagues whilst working at the Force.</p> <p>As a legal requirement, it is important that the Force is able to provide Reasonable Adjustments as needed, especially in light of the homeworking required by the pandemic.</p> <p>We would look to provide assurance over the effectiveness and ownership over throughout the process, including the cohesion across departments such as HR and IT in providing effective and timely resolutions to requests. In particular, we would be viewing this from the angle that the Force is looking to 'do the right thing' and ensuring individuals can be the best they can be at work as opposed to 'ticking boxes', and balancing risk management/bureaucracy against doing what is right. We would cover the following:</p> <ul style="list-style-type: none"> <li>• Policies, procedures and agreed process for claiming/requiring reasonable adjustments;</li> <li>• Changes made to the above as a result of the requirement for homeworking;</li> <li>• Review of a sample of reasonable adjustments requested over a time period to be agreed to establish how effectively and timely a decision was reached and support provided;</li> <li>• Appeals process if support has been declined;</li> <li>• Escalation process;</li> <li>• Complaints received regarding how reasonable adjustments were managed by an individual;</li> <li>• How managers and leaders are empowered to respond promptly and act quickly in this space and assessing if processes are as responsive as it needs to be;</li> <li>• Staff survey results/feedback regarding the process; and</li> </ul>			
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	<ul style="list-style-type: none"> <li>Monitoring of any performance metrics in this area, including governance arrangements.</li> </ul> <p><u>Links to Risk Registers:</u></p> <p><b>Corporate Risk Register; Risk 4 - People - Growing, developing and then maintaining the workforce and leadership culture, capacity and capability we need.</b></p>			
<b>Management of Evidential Property</b>	<p>An area of potentially high risk that SWAP has not recently audited. This audit would review the systems and processes in place at the Force to ensure compliance with requirements for the management of evidential property, such as those under the Police and Criminal Evidence Act 1984 (PACE).</p> <p>PACE Code B sets out the following regarding retention of evidential property:  <i>Unless a copy of image would suffice, anything seized ...may be retained only for as long as is necessary. It may be retained, among other purposes:</i></p> <p><i>(i) for use as evidence at a trial for an offence;</i>  <i>(ii) to facilitate the use in any investigation or proceedings of anything to which it is inextricably linked (see Note 7H);</i>  <i>(iii) for forensic examination or other investigation in connection with an offence;</i>  <i>(iv) in order to establish its lawful owner when there are reasonable grounds for believing it has been stolen or obtained by the commission of an offence.</i></p> <p>We would review the processes and system controls in place in NICHE that supports the Force in managing evidential property, including the following:</p> <ul style="list-style-type: none"> <li>Arrangements for secure storage locally for property likely to be used as evidence in criminal proceedings;</li> <li>Process for booking in property including timely and secure collection/transport from local stores/stations;</li> <li>Appropriate controls regarding check-in/out of evidential property;</li> <li>Suitable storage for high-risk and/or valuable items;</li> <li>Disposals of evidential property not returned.</li> </ul> <p><u>Links to Risk Registers:</u></p> <p><b>Corporate Risk Register; Risk 3 - Service Delivery - Failure to meet expectations of improved performance and service delivery</b></p>	Force	15	Q1

	<b>Organisational Risk Register;</b> URN(s): <b>PR000468</b> - <i>Finance &amp; Business Services - Demand on drug admin team</i>			
<b>Policy and Procedure Management</b>	<p>A key component of effective governance is the management of policies and procedures. At the time of writing, the Constabulary has a number of risks on its risk register pertaining to this area. Authorised Professional Practice (APP) provides overarching guidance on a particular operational area and these drive local policies and procedures. We would consider processes covering local Force policies and procedures, including those related to HR.</p> <p>We would also consider the framework for managing policies and procedures within the OPCC, where these are different.</p> <p>This is important in ensuring that the OPCC and Constabulary:</p> <ul style="list-style-type: none"> <li>• Has a suite of documentation to guide employees in operational and HR procedural matters;</li> <li>• Provide an effective framework of directive controls; and</li> <li>• Guidance reflects current legislation and/or best practice.</li> </ul> <p>In this audit we are looking to test the following:</p> <ul style="list-style-type: none"> <li>• Overarching record of policies and procedures in place at the Constabulary and OPCC;</li> <li>• Agreed templates are in place for consistency;</li> <li>• Review a sample of policies and cross section of procedural guidance ensuring that these are concise, relevant and accessible (also from an inclusivity perspective) for the intended audience, including the readability in times of crisis;</li> <li>• Mechanisms for flagging review and a prioritisation system/risk assessment;</li> <li>• Understanding how the Force and OPCC records compliance and review by staff of the policies and procedures;</li> <li>• Horizon scanning processes for required updates (legislation and best practice); and</li> <li>• Governance and approval mechanisms for policies and procedures.</li> </ul>	Both	13	Q3

	<p><u>Links to Risk Registers:</u></p> <p><b>Corporate Risk Register; Risk 1</b> - Governance - <i>The application of effective and well-understood governance arrangements and internal controls.</i></p> <p><b>Organisational Risk Register;</b> URN(s): <b>PR000468</b> - Finance &amp; Business Services - <i>Demand on drug admin team.</i></p>			
<b>IT Service Desk</b>	<p>The IT Service Desk has long been an integral support function in providing support to users experiencing difficulty with their devices, providing 24/7 wraparound support. The inability to receive timely technological support enables the Force to keep people safe and for productivity to be maintained, particularly whilst users are working remotely and are likely to continue to be so in some capacity. This also extends to the members of the Service Desk themselves and consideration as to how they can continue to respond to urgent matters/outages etc. when working remotely. IT Capacity is a risk on the IT Risk Register.</p> <p>The ICT Audit Team met with the Director of IT to discuss the focus of the proposed area for audit and the following was agreed:</p> <ul style="list-style-type: none"> <li>• Establish via a walkthrough with the client the incident management process end to end, to identify the relevant supporting policies and procedures and management information generated.</li> <li>• Identify IT system in use to record &amp; manage incidents, how it supports current working practices &amp; procedures and the team(s) responsible for managing incidents.</li> <li>• Agree with the client data to extract from previous quarters (length of period to be determined) for data analysis purposes.</li> <li>• Identify any instances of non-compliance (via our data analysis) with established client procedures.</li> <li>• Confirm that there are controls in place to ensure sufficient capacity to support efficient incident management processes and to ensure effective communication between those resolving the incident and the user.</li> <li>• Confirm that there controls in place regarding closing of incidents and transitioning incidents into knowledge management and establish the adequacy of management information generated to support efficient and effective incident resolution.</li> </ul>	Force	15	Q1

	<p><u>Links to Risk Registers:</u></p> <p><b>Corporate Risk Register; Risk 3</b> - Service Delivery - <i>Failure to meet expectations of improved performance and service delivery</i></p> <p><b>Corporate Risk Register; Risk 6</b> – Infrastructure and Assets - <i>Maintaining, investing in and optimising our infrastructure and assets</i></p> <p><b>Organisational Risk Register; URN(s): PR000432</b> - IT Directorate - <i>Capability and Capacity</i></p>			
<b>Risk Management Follow Up</b>	An agreed light-touch review to provide an assurance opinion following on from the Risk Management review of 2021/22.	Force	7	Q3
	<b>TOTAL Audit Days in the delivery of above proposed Audits</b>	<b>140 days</b>		
<b>Contingency</b>	Allocation of audit time to be utilised on an area required	Both	5	
<b>Contribution to regional work</b>	As agreed across all South West Police Forces, 5 days have been allocated to take forward audits of common interest, enabling benchmarking of approach and position across the region as a whole. The scope of these reviews are to be determined by the Directors of Finance from each of the South West Police Forces. This has been increased to 10 days as requested.	Both	10	
<b>Follow up of Limited assurance reviews</b>	Allocation of time to allow for follow up of recommendations made in Limited opinion reviews in 2021/22 not subject to separate consideration.	Both	5	
<b>Planning, reporting &amp; advice</b>	Agreed attendance at quarterly audit committees, undertaking audit planning and any corporate advice.	Both	20	
	<b>TOTAL Audit Days in the delivery of above proposed Internal Audit Plan for 2022/23</b>	<b>180 Days</b>		
	<b>TOTAL Audit Agreed Days in the delivery of the Avon and Somerset Internal Audit Plan for 2022/23</b>	<b>180 Days</b>		
	<b>Difference</b>	<b>0 Days</b>		

## Backlog of Audits / Potential Areas for Inclusion as part of Future Internal Audit Plans

Estates – Compliance with Statutory Obligations, such as Gas Safety, Electrical Compliance Testing, Legionella and Asbestos  
 Fire Safety Management  
 Management of tuition and mentoring of new recruits in Response  
 Homeworking  
 Business Continuity – Compliance with Civil Contingencies Act  
 Chief Officer and OPCC Expenses  
 Recovery of Special Policing Services Costs  
 Ammunition and Armoury Management  
 H&S of Front-Line Officers and Staff - TRiM  
 Leasehold Management  
 POCA Seizure Processes  
 Fuel Cards

**Purpose**

The purpose of this Charter is to set out the nature, role, responsibility, status and authority of internal auditing within Avon & Somerset Police and Office of the Police and Crime Commissioner (OPCC), and to outline the scope of internal audit work.

**Approval**

This Charter is presented for approval by the Joint Audit Committee (JAC) on 16 March 2022 and is reviewed each year to confirm it remains accurate and up to date. It was last reviewed by the Joint Audit Committee (JAC) on 22 April 2021.

**Provision of Internal Audit Services**

The internal audit service is provided by the SWAP Internal Audit Services (SWAP). This charter should be read in conjunction with the Service Agreement, which forms part of the legal agreement between the SWAP partners.

The budget for the provision of the internal audit service is determined by Avon & Somerset Police and Office of the Police and Crime Commissioner (OPCC), in conjunction with the Members Meeting. The general financial provisions are laid down in the legal agreement, including the level of financial contribution by the organisation, and may only be amended by unanimous agreement of the Members Meeting. The budget is based on an audit needs assessment that was carried out when determining the organisation's level of contribution to SWAP. This is reviewed each year by the S151 Officer in consultation with the Chief Executive of SWAP.

**Role of Internal Audit**

The Accounts and Audit (England) Regulations 2015, state that: *"A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the public sector internal auditing standards or guidance."*

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the Organisation's operations. It helps Avon & Somerset Police and Office of the Police and Crime Commissioner (OPCC), accomplish their objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

**Responsibilities of Management, Joint Audit Committee (JAC) and Internal Audit****Management<sup>1</sup>**

Management is responsible for ensuring SWAP has:

- the support of management and the organisation;
- direct access and freedom to report to senior management, the Section 151 Officer, the Chief Executive of the OPCC and the JAC; and
- Notification of suspected or detected fraud, corruption or impropriety.

Management is responsible for maintaining internal controls, including proper accounting records and other management information suitable for running the Organisation. Management is also responsible for the appropriate and effective management of risk.

**JOINT AUDIT COMMITTEE (JAC)<sup>2</sup>**

The JAC is responsible for approving the scope of internal audit work, receiving communications from the SWAP Assistant Director on the progress of work undertaken, reviewing the independence, objectivity, performance, professionalism and effectiveness of the Internal Audit function, and obtaining reassurance from the SWAP Assistant Director as to whether there are any limitations on scope or resources.

<sup>1</sup> In this instance Management refers to the Senior Management Team and Statutory Officers.

<sup>2</sup> In this instance Joint Audit Committee (JAC) relates to "The Board" referred to in the PSIAS.

### Internal Audit

The SWAP Assistant Director, as Head of Internal Audit, is responsible for determining the scope, except where specified by statute, of internal audit work and for recommending the action to be taken on the outcome of, or findings from, their work.

Internal audit is responsible for operating under the policies established by management in line with best practice.

Internal audit is responsible for conducting its work in accordance with the mandatory elements of the Code of Ethics and Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. SWAP has been independently assessed and found to be in Conformance with the Standards.

Internal audit is not responsible for any of the activities which it audits. SWAP staff will not assume responsibility for the design, installation, operation or control of any procedures. SWAP staff who have previously worked for the organisation will not be asked to review any aspects of their previous department's work until one year has passed since they left that area.

### Relationship with the External Auditors/Other Regulatory Bodies

Internal Audit will co-ordinate its work with others wherever this is beneficial to the organisation.

### Status of Internal Audit in the Organisation

The Chief Executive of SWAP is responsible to the SWAP Board of Directors and the Members Meeting. Appointment or removal of the Chief Executive of SWAP is the sole responsibility of the Members Meeting.

The Chief Executive for SWAP and Assistant Director also report to the Section 151 Officer, and reports to the Audit Committee as set out below.

The Assistant Director will be the first and primary point of contact for the organisation for all matters relating to the JAC, including the provision of periodic reports, as per company policy. The Assistant Director is also responsible for the design, development and delivery of audit plans, subject to the agreement of Avon & Somerset Police and OPCC.

### Scope and authority of Internal Audit work

There are no restrictions placed upon the scope of internal audit's work. SWAP staff engaged on internal audit work are entitled to receive and have access to whatever information or explanations they consider necessary to fulfil their responsibilities to senior management. In this regard, internal audit may have access to any records, personnel or physical property of the organisation.

Internal audit work will normally include, but is not restricted to:

- reviewing the reliability and integrity of financial and operating information used for operational and strategic decision making, and the means used to identify, measure, classify and report such information;
- evaluating and appraising the risks associated with areas under review and make proposals for improving the management and communication of risks;
- appraise the effectiveness and reliability of the enterprise risk management framework and recommend improvements where necessary;
- assist management and Members to identify risks and controls with regard to the objectives of the organisation and its services;

- reviewing the systems established by management to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and reports, and determining whether the organisation is in compliance;
- reviewing the means of safeguarding assets and, as appropriate, verifying the existence of assets;
- appraising the economy, efficiency and effectiveness with which resources are employed;
- reviewing operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned, with performance and accountabilities established.
- reviewing the operations of the organisation in support of their anti-fraud and corruption policy, ethical expectations and corporate values, investigating where necessary.
- at the specific request of management, internal audit may provide consultancy services (including fraud investigation services) provided:
  - the internal auditor's independence is not compromised
  - the internal audit service has the necessary skills to carry out the assignment, or can obtain such skills without undue cost or delay
  - the scope of the consultancy assignment is clearly defined and management have made proper provision for resources the work.
  - management understand that the work being undertaken is not internal audit work.

### Planning and Reporting

SWAP will submit to the JAC for approval, an annual internal audit plan, setting out the recommended scope of their work in the period.

The annual plan will be developed with reference to the risks the organisation will be facing in the forthcoming year, whilst providing a balance of current and on-going risks, reviewed on a cyclical basis. The plan will be reviewed on a quarterly basis to ensure it remains adequately resourced, current and addresses new and emerging risks.

SWAP will carry out the work as agreed, report the outcome and findings, and will make recommendations on the action to be taken as a result to the appropriate manager and Chief Finance Officer. SWAP will report at least two times a year to the JAC or as agreed. SWAP will also report a summary of their findings, including any persistent and outstanding issues, to the JAC on a regular basis.

Internal audit reports will normally be by means of a brief presentation to the relevant manager accompanied by a detailed report in writing. The detailed report will be copied to the relevant line management, who will already have been made fully aware of the detail and whose co-operation in preparing the summary report will have been sought. The detailed report will also be copied to the Section 151 Officer and to other relevant line management.

The Assistant Director will submit an annual report to the JAC providing an overall opinion of the status of risk and internal control within Avon & Somerset Police and OPCC, based on the internal audit work conducted during the previous year.

In addition to the reporting lines outlined above, the Chief Executive of SWAP and Assistant Directors have the unreserved right to report directly to the Chair of the Audit Committee, the OPCC's Chief Executive Officer or the External Audit Manager.





**AVON &  
SOMERSET**  
POLICE & CRIME  
COMMISSIONER



**SWAP**

INTERNAL AUDIT SERVICES

Helping Organisations to Succeed

Report 10b

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

## Report of Internal Audit Activity- March 2022

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.

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 the 2021/22 Internal Audit Plan

Work is underway to complete the 2021/22 audit plan and copies of the following reports which have been finalised since our last update in December 2021 are submitted with this Quarterly Update:

- Victim Support Services;
- Risk Management;
- Records Retention Follow Up;
- Payments to Staff – Absence Management Follow Up; and
- Regional Forces Baseline Assessment of Fraud

At the time of writing, two audits (Criminal Justice and Clinical Governance within Custody) are at Draft Report Stage and will be shared with the Committee once finalised. Completion of these has been delayed as a result of issues during the fieldwork such as capacity, sickness and annual leave. We anticipate that both audits will be completed by the time of this meeting. Further detail is provided on the stage of each audit in Appendix A and is summarised in the table below:

Performance Measure	Performance
<u>Delivery of Annual Audit Plan</u>	
Completed	77%
Work at Draft Report Stage	16%
Fieldwork In Progress	7%
Fieldwork Ready to Start	0%
Scoping	0%
Not Yet Started	0%

#### Audit Opinion:

We are able to provide **Reasonable** assurance based on work completed to date.

#### Significant Risks:

We have not identified any significant risks in our work since the previous update to this Committee.

## Executive Summary

### **Follow Ups:**


We have completed all four Follow Up pieces of work for the year. Two of which are incorporated within our suite of papers for this meeting. A benchmarking exercise which was included within the scope of the Payments to Staff – Absence Management Follow Up audit is ongoing and will be reported to management and JAC Members separately later this calendar year.

### **Regional Audit Work**

As reported previously, the audit of Pensions Administration has commenced but we are struggling to obtain some of the information required from the pension providers. This has been raised with the Directors of Finance to help progress. The audit of Data Forensics is currently at Draft Report Stage and should be finalised by the next meeting of the JAC in July 2022.

# Internal Audit Plan Progress 2021/22

# Appendix A


Link(s) to FMS	Audit Area	Period	Audit Days	Status	Opinion	No of Recs	1 = Major		3 = Minor
							Recommendations		
							1	2	3
Force Functions, Major Events, Wellbeing	Organisational Learning from Covid-19	Q1	15	Completed	Reasonable	3	-	1	2
Knowledge Management & ICT	Remote Working – Cyber / Data Security	Q1	12	Completed	Limited	4	-	3	1
Governance, Fraud & Risk Mgt.	Assurance Mapping	Q1-4	10	Completed	N/A - Advice	-	-	-	-
Managing Offenders, Protecting Vulnerable People	Use of Force	Q2	12	Completed	Reasonable	3	-	2	1
Force-wide Functions, Responding to the Public	Complaints Handling	Q2	12	Completed	Limited	7	-	6	1
Force-wide Functions, Knowledge Management & ICT	Criminal Justice	Q3	12	Draft	-	-	-	-	-
Force-wide Functions, Finance	Environmental Sustainability	Q3	15	Completed	Reasonable	2	-	2	-
Finance	Key Financial Controls: Accounts Payable, General Ledger & Fixed Assets	Q3	20	Completed	Reasonable	5	-	1	4
Force-wide Functions, Managing Offenders, Protecting Vulnerable People	Clinical Governance within Custody	Q4	10	Draft	-	-	-	-	-
Force-wide Functions, Protecting Vulnerable People	Victim Support Services	Q4	10	Completed	Limited	6	-	3	3
Governance, Fraud & Risk Mgt.	Risk Management	Q4	12	Completed	N/A - Advice	4	-	3	1
Collaborations	Contribution to Regional Police Audits	Q1-4	5	In Progress	-	-	-	-	-
Governance, Fraud & Risk Mgt.	Follow Up	Q1-4	10	Completed	N/A	-	-	-	-

**Audit Objective**

To provide assurance that the Force is providing victims of crime with appropriate support to help them cope, recover and be protected from re-victimisation.

**Link to SRR**

SSR9: Failure to deliver the sufficient progress towards the Police and Crime Plan priorities and ambition.

Assurance Opinion	Number of Actions		Audit Assessment of Agreed Themes		Risk Reviewed	Assessment
	Priority	Number	Theme		Poor victim care could lead to dissatisfaction and a loss of confidence in the criminal justice system and policing which may result in reputational damage and legal challenge.	Medium
	Priority 1	0	Leadership & Culture			
	Priority 2	3	Learning			
	Priority 3	3	Diversity & Inclusion		Risk Management Awareness	Satisfactory
	Total	6	Please see Appendix 1 for more details.			

**Key Findings**

	The Victims Code states that enhanced victims include ' <i>persistently targeted victims</i> ' but we did not note any reporting of repeat victims of crime. This could form an integral part of any performance monitoring framework agreed and be used to identify trends, gaps in victim support services provision and flag particular individuals of concern.
	Performance monitoring, specific to the Lighthouse Safeguarding Unit (LSU), currently exists as a series of QlikSense applications offering a wide array of performance information used by the Team. In order to meet the requirements of the Victims Services Strategy, and respond to any future inspection regimes, this information could be distilled into a key monthly key performance indicator report and a suitable committee/board/group determined for future review and scrutiny.
	The Head of Victim Care, Safeguarding & Vulnerability has commissioned a review of all surveys conducted, to analyse current methods used and recommend best practice going forward. At the time of concluding our review, 'terms of reference' for the review were being produced to determine the work to be completed. We support this full assessment of the optimal survey methods for all victims, the services they are referred on to and individual circumstances that prevent may valuable feedback from being received.

**Audit Scope**

- The audit considered the following in relation to ASC's LS Unit:
- The Force's aims and objectives in place to provide the best possible service to victims of crime and the mechanisms to monitor the achievement of these.
  - The Force's approach to delivering support to victims of crime and whether it is clear, consistent, and timely.
  - Internal mechanisms in place to provide assurance over the Force's compliance with the Code of Practice for Victims of Crime. This included a review of timeliness of actions taken throughout the process; how the Force keeps victims engaged; how it manages repeat victims; and how the Force assess quality of service and whether the outcome for the victim is satisfactory.
  - Mechanisms in place for victims to provide feedback on the service they have received
  - The governance, oversight and scrutiny arrangements in place surrounding victim support.

**Summary**

The recent Ministry of Justice consultation on 'Delivering Justice for Victims' (closed 3 February 2022) is the next step towards a 'Victims' Law' that will build on the principles within the Victims' Code. A key element of the consultation is to establish the optimal methods of performance managing the services available to victims and potentially increasing the scrutiny powers of the Police & Crime Commissioners, whilst strengthening all inspection regimes. The Constabulary and OPCC are therefore rightly focussing on current arrangements and their adequacy in delivering satisfactory services to victims of crime. We have been able to give a high limited opinion in relation to this area and have suggested six actions to be taken forward. Each action agreed will contribute to strengthening the services offered to victims, ensuring performance monitoring is integral and robust and key trends/issues are identified.



## Appendix 1

## Findings &amp; Action Plan

**1.1 Finding: Victim Services Strategy**

The Force Service Strategy states: "We will monitor our progress towards delivery of our objectives using a range of measures and indicators... They will form the basis of our organisational performance and assurance framework."

- Assurance obtained from internal and external audit and inspection activity.
- Comparator benchmarking that allows us to compare ourselves with others, and seek out best practice.
- Qualitative measures derived from internal and external engagement activity. This will tell us how our people, partners and the public are feeling about the organisation and the services we provide.
- Quantitative measures derived from our operational systems – including our crime management, command and control, intelligence and investigation systems.

We did not note any formal mechanism for review or follow-up of the Victim Services Strategy 2020-25 (the Strategy), however, we accepted that elements of the delivery measures outlined above are incorporated in other reviews and monitoring. A mid-term 2022 review of the strategy and progress with delivery of its aims and objectives may be worthwhile and timely in response to national consultations and other service reviews underway.

**1.1 Recommendation**

We recommend that the Head of Victim Care, Safeguarding & Vulnerability performs an interim review of the Victim Services Strategy 2020-25 to ensure aims and objectives are being delivered.

**Agreed Action**

Agreed – the review will be completed in parallel with the current internal LSU review underway.

<b>Priorit</b>	<b>3</b>	<b>SWAP Ref.</b>	46703
<b>Responsible Officer</b>	Head of Victim Care, Safeguarding and Vulnerability		
<b>Timescale</b>	31 July 2022		

**1.2 Finding: Working Practices**

The Regional Manager (North-East LSU) stated that "Yes we have 2 key documents, a 'pre-charge' guide which relates to our Niche work, the initial contact with victims, offering of support and making safeguarding referrals. This is guidance for all Victim and Witness Care Officers and Safeguarding Officers. Secondly there is a post charge guide focussing on the Victim and Witness Care Officers (VWCO) work on managing court cases and supporting victims and witnesses through the court process. Both are available in our pocketbook team rooms. The pre charge guide is currently being revised and rewritten. Previously each hub had their own copy which we found 'diverged' with updates on local processes and we were concerned hubs were deviating so we are bringing up to date and centralising."

The Lighthouse Safeguarding Unit (LSU) would benefit from continuing to unify internal standard operating procedures wherever possible, whilst maintaining regional differences as required for specific local authority arrangements. It was not always clear how the current guidance related to wider performance expectations and other Force areas of responsibility. The inclusion of flowcharts or similar to visualise the integration of the Victim's Code of Practice/national guidelines/OPCC service level agreement requirements into the LSU's own working practices would deliver clarity of expectations, timeframes and responsibilities.

**1.2 Recommendation**

We recommend that the Head of Victim Care, Safeguarding & Vulnerability continues to update internal working practices and clarifies how national guidance is implemented locally with associated performance expectations.

**Agreed Action**

Agreed – process mapping forms part of the LSU review and will inform this update.

<b>Priorit</b>	<b>3</b>	<b>SWAP Ref.</b>	46704
<b>Responsible Officer</b>	Head of Victim Care, Safeguarding & Vulnerability		
<b>Timescale</b>	31 July 2022		

## 1.3 Finding: Performance Monitoring

The Head of Victim Care, Safeguarding & Vulnerability (HVC) provided both an Improvement Plan and a series of Spotlight reports (Chief Officer Group request). The HVC also stated that assurance reporting had been requested to Police & Crime Board (PCB) on a monthly basis from prior to her appointment (March-21) through to December 2021. As a result of capacity issues and delays in making initial contact with victims (up to 30 days and not the 2 days required), text notifications were introduced, and this had rapidly and significantly reduced delays and therefore performance reporting was ceased.

The above reports were initiated to provide assurance around backlogs and the LSU's issues with demand management. Demand data is also being reviewed as part of the current internal review being conducted between the LSU, the OPCC and the Constabulary. This is due to be concluded towards the end of the 2021/22 financial year.

All reports were for a specific timeframe/period of concern, however, so the LSU might wish to consider distilling the various information sources available via the QlikSense applications into one monthly performance monitoring report. This will enable ongoing monitoring of key performance indicators/areas and flag trends of concern at the earliest opportunity to facilitate prompt resolution. Benchmarking could also be explored via the regional forum contacts.

## 1.3 Recommendation

We recommend that the Head of Victim Care, Safeguarding & Vulnerability develops a performance monitoring framework that summarises QlikSense information for key performance areas and victim experience. A suitable audience/committee should be determined for regular review and challenge.

### Agreed Action

Agreed – The Victims Governance Group will meet quarterly (chaired by ACC John Riley and myself) and will be the audience for KPI dashboard/narrative.

Priorit	2	SWAP Ref.	46725
Responsible Officer	Head of Victim Care, Safeguarding and Vulnerability		
Timescale	31 July 2022		

## 1.4 Finding: Victim Engagement

Victims' case contact expectations, outlined within the Victims' Code, are for contact to be made at day 5 and every 28 days thereafter by the Officer In the Case (OIC) and that the individual will be referred to a support service within 48 hours.

Victims respond in different ways to being contacted regarding their case and the support available, and engagement may be improved if control is given to the individual to access the support they need, on their own terms, via an electronic platform that is available 24/7.

The HVC would support an improved technological offering where victims can engage with all aspects of their experience, but this is yet to be initiated or funding secured. This is unlikely to be nationally led due to the distinct differences in local arrangements nationwide.

The LSU is 'commissioned' to contact the victim pre and post charge and the assumption is that this is a phone call but this is not always successful or possible for all individuals. Other options would be beneficial to explore as well as the current text/phone calls/letter options.

## 1.4 Recommendation

We recommend that the Head of Victim Care, Safeguarding & Vulnerability appraises the feasibility of an electronic platform for victim engagement where case-specific support/information is available to individuals 24/7, in parallel to exploring all communication methods.

### Agreed Action

Agreed – the 'request for support' has been submitted but is being reviewed alongside the potential for Ministry of Justice funding to support a national approach; to run in parallel.

Priorit	3	SWAP Ref.	46726
Responsible Officer	Head of Victim Care, Safeguarding and Vulnerability		
Timescale	31 August 2022		

## 1.5 Finding: Repeat Victims of Crime

The HVC stated that *"There isn't any specific reporting or analysis for repeat victims of crime, from a strategic perspective. However, when supporting victims of crime within the LSU, all Victim & Witness Care Officers undertake research which indicates whether victims can be classed as repeat. If this is identified, this information is taken into account when assessing risk, and may determine whether additional support is required. In addition, wherever possible repeat victims will be allocated to the original Victim & Witness Care Officer, which enables the development of rapport, and ensures that all VWCO's are aware of previous context – and avoids the victim having to re-tell their story, potentially re-traumatising them."*

The Victims Code states that enhanced victims include *'persistently targeted victims: A victim that has been targeted repeatedly as a direct victim of crime over a period of time; particularly if they have been deliberately targeted; or they are a victim of a sustained campaign of harassment or stalking.'*

## 1.5 Recommendation

We recommend that the Head of Victim Care, Safeguarding & Vulnerability includes reporting of repeat victims of crime as part of any performance monitoring agreed.

### Agreed Action

Repeat victim rates and analysis will form part of the performance monitoring framework, outlined in Action 1.3, and will be reported on at the Victim's Governance Group.

Priority	2	SWAP Ref.	46727
Responsible Officer	Head of Victim Care, Safeguarding and Vulnerability		
Timescale	31 July 2022		

## 1.6 Finding: Feedback Mechanisms

The HVC stated: *"Our Data Insight Officers screen around 1000 ASB, Burglary, Racial Hate and Violent crimes every month. This information is then forwarded to a market research company who telephone a random sample and ask the victims questions about their experience and how supported they felt. The responses are then sent back to use an uploaded into a Qlik app. We also collate victim feedback from within the Lighthouse Safeguarding Unit, via a survey sent out to all victims who have been supported through the CJ system. Again, this feedback is fed into Qlik and will be available to view during your time spent in force in January 2022."*

*I have commissioned a piece of work, which will start Q1 2022, which will specifically review all current feedback mechanisms in use for all victims of crime across A&S, review effectiveness, learning from national best practice elsewhere, and recommend whether we need to make changes to our existing processes. A key part of this work will be to ensure that we can measure how we improve performance based on victim feedback."*

Due to the imminent review of feedback mechanisms, we have not explored the content of surveys in detail but support the intention to improve performance as a result of lessons learnt and to widen the number of recipients of a survey beyond a sample and those completing the full criminal justice process.

## 1.6 Recommendation

We recommend that the Head of Victim Care, Safeguarding & Vulnerability ensures that outcomes from the feedback review include a focus on informing improved performance and extending surveys to a wider spectrum of victims.

### Agreed Action

Agreed – terms of reference now agreed but the mechanism for learning to be determined post review.

Priority	2	SWAP Ref.	46737
Responsible Officer	Head of Victim Care, Safeguarding and Vulnerability		
Timescale	31 August 2022		

## Audit Assessment of Agreed Themes

Theme	RAG Rating	Rationale
Leadership & Culture		Ownership of identifying areas of improvement and self-assessment was evident throughout all levels of management interviewed.
Learning		Feedback information available has yet to be proactively used to inform working practices and influence service design.
Diversity & Inclusion		Diversity and inclusion are fundamental to the principles of victim services provision with all victims being central to the service provided.



**Audit Objective**

To provide assurance that the Force has a planned and systematic approach to the identification, evaluation, and management of risks.

**Link to SRR**

ASC Corporate Risk 1 – Governance: The application of effective and well-understood governance arrangements and internal controls.

Review type	Number of Actions		Audit Assessment of Agreed Themes	
	Priority	Number	Theme	
	Priority 1	0	Leadership & Culture	
	Priority 2	3	Learning	
	Priority 3	1	Diversity & Inclusion	
	Total	4	Please see Appendix 1 for more details.	

Advisory

Risk Reviewed	Assessment
The Force does not adequately identify, evaluate and/or manage risk, resulting in an adverse event occurring which negatively impacts the Forces' ability to achieve strategic objectives.	Medium
Risk Management Awareness	Satisfactory

**Key Findings**

	<p>Key elements of risk management have not yet been implemented within the organisation.</p> <ul style="list-style-type: none"> <li>Decisions on how to deal with risk are being made, however, the Force has not identified their risk appetite at a strategic level or operational level.</li> <li>Heads of Directorates confirmed they had not received risk management training. Although guidance is provided in the risk management procedure, there is a need to upskill knowledge of effective risk management across the senior leadership team.</li> </ul> <p>No formal action plan is in place to implement these elements of risk management; therefore, we have raised a recommendation for a roadmap to be created with rough timescales for implementation.</p>
	<p>Responsibilities were not always consistent for the most senior individuals in the organisation when comparing their job profiles to the risk management procedure. For example, the job profile for the Deputy Chief Constable (DCC) - the most senior risk officer for the Force - does not include their risk management responsibilities.</p>
	<p>Weaknesses in the governance framework and culture, regarding risk management, were identified. For example, assurance reports were found to be presented to the Constabulary Management Board that overtly reference risks to the Force. The content was accepted without challenge on whether the risks are captured in the risk register or the Board seeking to explore if the Force have sufficient controls in place. No actions were set for the Governance &amp; Risk Manager to follow up and the meeting record shows no direction given from the Board other than endorsing the content of the report. In essence, acknowledging the risk but not checking if the Force has a response in place to mitigate against it.</p>
	<p>Risk is not currently being reported into the organisation's committees where medium and high risks are discussed. The Governance &amp; Risk Manager is currently quality assuring all risk registers to ensure risk is being captured and understood by the respective directorate heads. We have been informed that risk will be reported into all committees from March 2022.</p>

**Audit Scope**

We considered the following areas as part of the audit:

- The Risk Management Policy/ Strategy and supporting procedures, including risk escalation and transparency.
- The training, CPD, support, and awareness in place to undertake risk management activities at all levels of the Force.
- The governance and oversight of corporate risk registers/assurance statements and their associated processes, including deep dives.
- The effectiveness of the arrangements in place for business area level risk registers.
- Processes in place for risk horizon scanning, and risk escalation.
- Risk evaluation and assessment processes in place.

Interviews with three Heads of Directorates took place to understand the risk management processes at an operational level, how risks are captured, and how this is appropriately reported, including at strategic level.

**Summary**

Actions have been raised to help improve the overall control framework for the areas reviewed, together with a summary of key findings for management consideration in Appendix 1 below. Given the work in progress, a follow up to this review has been proposed for next financial year.

## Appendix 1

## Findings & Action Plan

### 1.1 Finding: Risk Management Roadmap

The Governance and Risk Manager (GRM) recognises the Force is in the early stages of their risk management journey and that there are milestones which need to be reached to embed risk management within the culture of the organisation, raising its risk management maturity. Many of the findings from this review are known to the GRM and Portfolio Management Office (PMO). During interviews with Directorate Heads, it was evident that key stakeholders were knowledgeable of risk based on their experience but had not received any formal risk management training. It is essential that senior members of staff are comfortable discussing risk, understand effective risk management and can apply this to their role and decision-making. This will strengthen the governance of the organisation at the top and will naturally be filtered down the organisation. The PMO is an enterprise level resource and supports senior leaders of the organisation across several work streams, risk management being one of those. The GRM is a qualified risk management practitioner and other PMO staff have experience or relevant qualifications, too. The absence of formal training for all key stakeholders is offset by having the subject matter expertise within the PMO and GRM to draw upon. In addition, guidance is available to within the Risk Management Procedure for management to refer to.

In order for key stakeholders to be confident in decision making surrounding risk, the risk appetite needs to be defined to help inform decision making. A review of the corporate risk register and directorate risk registers revealed that no risk appetite has been set. A walkthrough of the Force's Risk Management system (VERTO) revealed that decisions can be made regarding risk, whether to treat, tolerate, transfer or terminate. A risk appetite should inform decision making regarding risk. The Force should initially define the risk appetite at a strategic level before defining risk appetite at a granular level.

We discussed if there was a formal plan in place to implement controls or reach goals regarding risk management, however, the GRM confirmed that no formal document was in place for this. Therefore, we have raised a recommendation for these to be defined and a plan to be developed.

### 1.1a Recommendation

We recommend that the Governance & Risk Manager develops a roadmap to include the different risk management milestones they intend to reach and a target date in order to achieve this, to help define the organisation's path in developing their risk management maturity.

#### Agreed Action

A roadmap of milestones dates for delivery of the risk management framework was presented to the CMB in May 2021. The Governance and Risk Manager accepts the recommendation and recognises the need to refresh the timeline for delivery given that there has been some slippage in meeting these dates, in part due to the volume of work associated with maturing the force approach to risk management.

Priority	2	SWAP Ref.	46794
Responsible Officer	Governance & Risk Manager		
Timescale	30 <sup>th</sup> June 2022		

### 1.2 Finding: Risk Management Responsibilities

Job profiles of chief officers and staff were compared against the risk management procedure to ensure that the content within was accurate and consistent. We found that the job profile for the Deputy Chief Constable (DCC) was not consistent with the responsibilities set out in the risk management procedure. The DCC is the most senior officer responsible for risk management in the organisation, however, the job profile does not contain any wording directly related to risk management within the organisation but rather a sentence stating that they will *"Develop guidance and provide strategic direction on identifying and managing threat, risk and harm within the policing area and in the Force's policing responses in order to protect the public and develop operational strategies"*.

### 1.2a Recommendation

We recommend that the Deputy Chief Constable discusses how Chief Officer responsibilities for risk management are best reflected in the role profiles they hold.

#### Agreed Action

The Constabulary will review the content of role profile descriptions for the identified roles to ensure that risk management responsibilities are appropriately reflected.

Priority	2	SWAP Ref.	46796
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Additionally, we also found that the risk management procedure defines the role of the Chief Officer for Finance, Resources and Innovation as the Head of Internal Audit. However, this wording is not consistent within the job profile where it states that the Chief Officer for Finance, Resources and Innovation will “support the Authority’s work on all finance audit & other related issues”. We discussed this with the GRM, who accepted that the term was incorrectly applied when the procedure was written, and that it would be corrected as part of the next update of the procedural guidance.

It is important that the responsibilities outlined in the job profiles should match those seen in the Force Risk Management procedure. This should be achieved by using consistent wording between the two. Therefore, a primary recommendation has been raised for the DCC to discuss with the Chief Officer Group how their responsibilities should be best represented in their role profiles. A secondary recommendation has been raised for the GRM to ensure the responsibilities are consistently reflected within the risk management procedure.

Responsible Officer		Deputy Chief Constable (DCC)	
Timescale		30 <sup>th</sup> June 2022	
1.2b	Recommendation		
We recommend that the Governance & Risk Manager reflects the changes agreed above within the Risk Management procedure so that the responsibilities of Chief Officers are consistent in both documents.			
Agreed Action			
On completion of recommendation 1.2a, the Governance & Risk Manager will make the required updates to the procedural guidance.			
Priority	3	SWAP Ref.	46830
Responsible Officer		Governance & Risk Manager	
Timescale		30 <sup>th</sup> June 2022	

## 1.3 Finding: Governance

The Force has commissioned Leapwise, a consultancy service that specialises in strategy and organisation development, to review and improve the Force’s governance structure and strategic meetings. The observations made here should be considered alongside their findings.

We looked at how recent events have affected policing and how the force managed and captured risk within the corporate and directorate risk registers. During our testing, we were advised of instances where new risks are being reported through reports provided to governance meetings but there is no evidence of leadership then reflecting on the content of these reports and considering what risk management action is required and ensuring the interconnections with the role of the GRM, and the PMO. There is a danger that without discussions about risk being part and parcel of governance meetings that the responsibility falls into the margins and upon a single point of failure for the GRM, and PMO colleagues, to keep track and take retrospective actions.

To embed this way of working into the organisation, senior officers and staff should routinely ask themselves, from the output of discussions on risk, whether the force has or should formally capture risk(s) that are being identified and utilise the expertise of the PMO to support this work. We would expect to see reference to these matters captured in the meeting minutes / actions or decisions log.

## 1.3a Recommendation

We recommend that the chairs of the Constabulary Management Board and other Committees, ensure that risks discussed are captured in meeting minutes or via action/decision logs.

### Agreed Action

The Constabulary will implement the recommendation, while also considering the findings of the Leapwise review, to ensure make progress in strengthening our governance leadership and internal controls.

<b>Priority</b>	<b>2</b>	<b>SWAP Ref.</b>	46798
<b>Responsible Officer</b>	Governance & Risk Manager / Chief Officer Group		
<b>Timescale</b>	30 <sup>th</sup> September 2022		

## 1.4 Finding: Risk Reporting

The GRM confirmed that risk was not currently being reported into committees as this is because of the rollout of the new risk management framework. The GRM has been meeting with Heads of Directorate to understand the risks which affect their areas of the organisation. There were many cases where risk had been duplicated across multiple directorates which were, as a result, duplicated in risk registers. The quality assurance process of streamlining and understanding the risks in each area of the business has ensured that the reporting of risk is now clearer. The GRM confirmed that they will be reporting risk into the committees and adding risk as an agenda item from March 2022.



## Audit Assessment of Agreed Themes

Theme	RAG	Rationale
Leadership & Culture	Yellow	<p>The review has identified that a strong governance framework is in place which is supported by the Risk Management procedures, Governance Handbook and inclusion of risk management discussions within committee Terms of References. However, the findings discussed in 1.3 and 1.4 of this report raises issues regarding the leadership and culture in this area.</p> <p>Additionally, we identified that professional risk management training has not been provided to key stakeholders which would help with embedding effective risk management into the organisation's culture.</p>
Learning	Yellow	<p>The RAG rating we have been able to provide reflects the current position of the organisation in their risk management journey and the actions raised as part of this review. A follow up of this review has been proposed for the next financial year to ensure actions raised in this review have been taken into consideration.</p>
Diversity & Inclusion	Green	<p>Strategic and directorate risks registers, along with People Committee Board presentations, evidenced the management of risks in relation to strengthening workforce planning and ensuring all demographic groups are fairly represented.</p>


**Follow Up Audit Objective**

To provide assurance that the agreed actions to mitigate against the risk exposure identified within the 2020/21 Limited opinion audit of Records Retention have been implemented.

**Follow Up Progress Summary**

Priority	Complete	In Progress	Not Started	Summary
Priority 1	0	0	0	0
Priority 2	3	0	0	3
Priority 3	2	0	0	2
Total	5	0	0	5

**Follow Up Assessment**

The original audit of Records Retention was completed in September 2020 and received a Limited assurance opinion. The original objective of the audit was to provide assurance over the Force's controls to manage the review, retention and disposal of police information it holds.

This audit sought to 'Follow Up' on the implementation of recommendations made as part of the original audit. Audit testing was performed in relation to the priority 2 recommendations and supporting evidence obtained where possible to demonstrate the implementation these recommendations.

**Key Findings**


The Records Review Team (RRT) have implemented new scheduled and triggered reviews processes following the completion of the original audit. Since January 2021, RRT have completed just over 1100 reviews related to the Management of Police Information (MoPI) which include reviews within high-risk areas such as Vetting and Disclosure and Barring to ensure correct information is being recorded. These review processes help mitigate the risk of not having an operational autograder solution in place. Without a working autograder (which is a product that needs to be developed by Niche to assist with MoPI reviews), the Force is unable to fully understand the number of MoPI reviews that are actually required. These are likely to be in the hundreds of thousands. In the absence of an autograder, RRT are also working with Business Objects and IT to develop a temporary solution by utilising a QlikSense dashboard to help identify legacy information which requires review (e.g. records that have had no new information added to them in the last six years). This is currently being designed and developed and likely to be in place by Summer 2022. We are however satisfied that the Force have implemented processes to help mitigate the risk of retaining information for longer periods than necessary and/or inaccurate information and have plans in place to further improve compliance over this area.



MoPI training has been provided to a number of teams across the Force including Crime Data Integrity, Vetting and Professional Standards / the Counter Corruption Unit. The RRT have also developed MoPI guidance which is available to all officers and staff on Pocketbook to help improve communicate the importance of MoPI and to help improve compliance.



The Force Retention Schedule was published in December 2020. This outlines the periods of retention for information retained by the Force and will help direct compliance with MoPI as well as legislative frameworks such as the General Data Protection Regulations and Data Protection Act.

**Conclusion**

All five recommendations raised as part of our original audit are considered to be complete. The originally agreed actions together with our follow up assessment have been detailed at Appendix 1 below.

## Appendix 1

## Agreed Actions & Follow Up Assessment

### 1.1a Recommendation

We recommend the Force's Senior Information Risk Officer together with the Data Protection Officer and Records Review Manager, in the absence of the Autograder solution and ability to conduct scheduled reviews, investigates areas where the Force can increase activity (e.g. Vetting) in relation to exception and triggered reviews to help ensure / improve compliance with this area of MoPI.

Agreed Action	Follow Up Assessment	Complete
The RRT Manager to provide a paper to the SIRO and DPO following a review of the RRT processes. This paper will outline best practice from the Information Management APP of when to conduct Triggered and Exceptional MoPI reviews and how the Constabulary currently complies with the APP. Any noncompliance will be highlighted alongside recommendations to increase the number of reviews completed. A consideration on this will be to link in with departments who use the data to determine an outcome e.g. vetting / DBS etc. As the potential impact to the rights and freedoms of individuals in higher in these circumstances if the data is used.	<p>Following the completion of the original audit, RRT have implemented new review processes and have completed just over 1100 reviews since January 2021 within high-risk areas including, Vetting, Disclosure and Barring and Data Protection to ensure correct information is being recorded. These reviews are monitored and tracked on a monthly basis by the RRT and help mitigate the risk of not having an operational autograder solution in place.</p> <p>Without a working autograder that must be developed by Niche, the Force cannot fully understand the number of MoPI reviews that are actually required. These are likely to be in the hundreds of thousands. In the absence of an autograder, RRT are also working with Business Objects and IT to develop a QlikSense dashboard to help identify legacy information which requires review (e.g. records that have had no new information added to them in the last six years). This is currently being designed and developed and likely to be in place by Summer 2022</p> <p>A new Data Strategy is currently also being developed which should help improve compliance with records management across the Force. This is likely to be in place by Spring 2022. We are therefore satisfied that the Force have implemented processes to help mitigate the risk of retaining information for longer periods than necessary and/or inaccurate information and have plans in place to further improve compliance over this area. As such, this recommendation is considered to be complete.</p>	
<b>Priority</b> 2 <b>Timescale</b> 31/01/2021 <b>SWAP Ref:</b> 44109		

### 1.1b Recommendation

We recommend that the Force's Senior Information Risk Officer introduces a process whereby police information held for six or more years is reviewed by the Records Review Team (RRT) prior to any decision being taken / shared with other organisations / individuals (e.g. Disclosure and Barring Service) regarding a data subject. This process should be actively publicised across the Force and incorporated in any training delivered by the Records Review Team. Any additional triggered or exception reviews should continue to be recorded by the Records Review Team.

Agreed Action	Follow Up Assessment	Complete
The RRT Manager to provide a paper to the SIRO and DPO following a review of the RRT processes. This paper will outline best practice from the Information Management APP of when to conduct Triggered and Exceptional MoPI reviews and how the Constabulary currently complies with the APP. Any noncompliance will be highlighted alongside recommendations to increase the number of reviews completed. A consideration on this will be to link in with departments who use the data	As detailed above, the Force have implemented new scheduled and triggered review processes and, in the absence of a working autograder, are working on creating a QlikSense dashboard to help identify legacy information which is planned to be in place by Summer 2022. We are therefore satisfied that the Force have implemented processes to help mitigate the highlighted risk and have plans in place to further strengthen compliance over this area.	



to determine an outcome e.g. vetting / DBS etc. As the potential impact to the rights and freedoms of individuals is higher in these circumstances if the data is used.

**Priority** 2 **Timescale** 31/01/2021 **SWAP Ref:** 44207

### 1.2a Recommendation

We recommend that the Records Review Manager, together with the Data Protection Officer, identifies high risk areas of the business which could benefit from MoPI training and rolls this out accordingly.

#### Agreed Action

The RRT manager will assess the need to provide training to a wider audience including Operational staff. Utilising the IG team room to provide accessible training to all and relevant comms. It may also be useful to provide information on this page of any legacy systems used and how to correctly interpret any data that was back record converted onto Niche. This will ensure that the content and context of this data is adequately assessed.

#### Follow Up Assessment

Training has been provided to a number of teams including Crime Data Integrity, Vetting and Professional Standards / the Counter Corruption Unit. The RRT have also developed MoPI guidance which is available to all officers and staff on Pocketbook.

Complete

**Priority** 2 **Timescale** 31/12/2020 **SWAP Ref:** 44208

### 1.3a Recommendation

We recommend that the Records Review Manager ensures the Force Retention Schedule is implemented by the end of the calendar year, ensuring that the contents have been fully reviewed for accuracy with Information Asset Owners and the National Retention schedule. Formulate a programme of work to ensure adequate controls to support and enforce the requirements as set out within the document are adhered to.

#### Agreed Action

Please refer to Agreed Action in 1.3b below.

#### Follow Up Assessment

The Force Retention Schedule was first published in December 2020 and was recently revised in August 2021.

Complete

**Priority** 3 **Timescale** 31/12/2020 **SWAP Ref:** 44209

### 1.3b Recommendation

We recommend that the Records Review Manager updates the Force's Review, Retention and Disposal Policy to reflect current procedures and legislation. This should be communicated across the organisation appropriately.

#### Agreed Action

The RRT Manager will ensure that a full review of the retention schedule is completed taking into consideration legislation, best practices and the NPCC National retention schedule. They will also make contact with Information Asset Owners in force to ensure that any timescales recorded are correct for the relevant business area taking into consideration the public inquiries.

#### Follow Up Assessment

The Force's Review, Retention and Disposal Policy from 2016 is a legacy document which has now been superseded by the Retention Schedule and the Record of Data Processing Activities (ROPA) which were both implemented in 2020.

Complete

**Priority** 3 **Timescale** 31/12/2020 **SWAP Ref:** 44210



### Follow Up Audit Objective

To provide assurance that the agreed actions to mitigate against the risk exposure identified within the 2020/21 Reasonable opinion audit of Payments to Staff – Absence Management have been implemented.

### Follow Up Progress Summary

Priority	Complete	In Progress	Not Started	Summary
Priority 1	0	0	0	0
Priority 2	1	1	0	2
Priority 3	0	0	0	0
Total	1	1	0	2

### Follow Up Assessment

The original audit of Payments to Staff – Absence Management was completed in February 2021 and received a Reasonable assurance opinion. The objective of the original audit was to provide assurance over the Force's controls in relation to absence management and payments made under the procedure. This audit sought to 'Follow Up' on the implementation of recommendations made as part of the original audit. Audit testing was performed in relation to the priority 2 recommendations and supporting evidence obtained where possible to demonstrate the implementation of these actions.

### Key Findings



In our original audit, we were unable to confirm / verify the existence of some key information / documentation required under the absence management procedure to appropriately manage sickness. An action was raised for HR Operations to investigate these cases and the exceptions were shared in May 2021. Some work has been done to investigate potential non-compliance with return-to-work processes. However, other areas such as compliance with Occupational Health Referrals and Local Attendance Support Meetings / Unsatisfactory Performance and Attendance Procedures are still to be investigated. These are planned to be completed by mid-March 2022.



The Force have refreshed their absence management processes and moved towards an attendance management model. This should be more proactive in nature in comparison and will focus on how the organisation can prevent individuals from going off sick rather than managing sickness when it occurs. The move has been supported by communication of the change through the publication of procedural guidance and training to senior management.

### Summary

One out of two recommendations raised as part of our original audit are complete. The recommendation still in progress is planned to be implemented by mid-March 2022. The originally agreed actions together with our follow up assessment have been detailed at Appendix 1 below.

In addition to a follow up of progress made towards the implementation of recommendations raised as part of our original audit, we also agreed to undertake some benchmarking of absence management processes against our other Police Partners to identify potential areas of good practice. This work is still ongoing, and the findings will be reported separately to management and Joint Audit Committee Members later in the calendar year.



## Appendix 1

## Agreed Actions & Follow Up Assessment

1.1a	Recommendation	Follow Up Assessment	Complete
	<p>The Head of HR Operations has agreed to communicate the importance of retaining and recording key information and documentation in relation to the Force's absence management procedures to line managers and to share these records with HR Advisory where appropriate.</p> <p><b>Agreed Action</b></p> <p>Whilst we are not accountable for line management of individuals we should be supporting managers in explaining and ensuring the policy is applied correctly and this will be communicated through DLMs and via the Good to Know publication.</p>	<p>Since the completion of our original audit, the Force have refreshed their absence management processes and moved towards an attendance management model. This should be more proactive in nature in comparison and will focus on how the organisation can prevent individuals from going off sick rather than managing sickness when it occurs. Procedural guidance for officers and staff has been written and published on Pocketbook as part of this change. HR Business Partners have also been raising awareness of the change at Senior Leadership and Directorate level.</p>	
<b>Priority</b>	2	<b>SWAP Ref.</b>	44928
<b>Responsible Officer</b>	Head of HR Operations		
<b>Timescale</b>	31/05/2021		

1.1b	Recommendation	Follow Up Assessment	In Progress
	<p>The Head of HR Operations has agreed to investigate all exceptions identified by our sample testing in order to ensure that absence management procedures have been adhered to in each of these cases.</p> <p><b>Agreed Action</b></p> <p>The HR Advisory Team will investigate the exceptions highlighted in the audit to ensure that absence management procedures have been followed.</p>	<p>The exceptions highlighted within our original reports were provided to HR Operations in May 2021. Some work has been done in relation to investigating potential cases of non-compliance with return-to-work processes highlighted within our report. However, work is still on-going to look at other areas of non-compliance with absence management procedures e.g., with the submission of fit notes, referral to Occupational Health and compliance with Local Attendance Support Meetings / Unsatisfactory Performance and Attendance Procedures. This is planned to be completed by mid-March 2022.</p>	
<b>Priority</b>	2	<b>SWAP Ref.</b>	44943
<b>Responsible Officer</b>	Head of HR Operations		
<b>Timescale</b>	31/05/2021		

<b>Responsible Officer</b>	Head of HR Operations		
<b>Revised Timescale</b>	15/03/2022		

# Avon and Somerset Police Audit Progress Report and Sector Update

**Year ending 31 March 2022**

3 March 2022



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Key Grant Thornton Team Members	03	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 planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the entity or all 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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# Key Grant Thornton team members



**Jackson Murray**

Engagement Lead

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Jackson will have ultimate responsibility for the delivery of your audit service. Specifics of the role include:

- leading our relationship with the Police and Crime Commissioner and Chief Constable, ensuring you have access to Grant Thornton's full service offering;
- being a key contact for the Chief Finance Officers and the Joint Audit Committee, meeting frequently with key members of management;
- taking overall responsibility for delivering high quality audits which meet professional standards;
- agreeing with you the annual joint audit plan, and a timetable for delivering the work;
- reviewing the audit file, giving particular focus to any key areas of risk or critical judgements exercised during the audits;
- reviewing and signing off all audit reports;
- attending Joint Audit Committee to discuss key issues arising from our work and any recommendations;
- acting as a 'sounding board' on key decisions relevant to our responsibilities as your auditors; and
- sharing good practice identified at other organisations.



**Gail Turner-Radcliffe**

Audit Manager

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Gail will ensure that all work allocated is carried out on a timely basis in accordance with the firm's professional standards and to the satisfaction of clients and engagement lead.

As the key contact Gail will be responsible for building and maintaining good working relationships with all colleagues and clients.

To support delivery of the testing strategy she will:

- assist the engagement lead in establishing audit objectives and overall scope;
- ensure key matters which arise during the audits which were not identified at the planning stage are properly assessed and dealt with;
- review the work of in-charge auditor and the wider fieldwork team;
- finalise our draft reports to management;
- manage, motivate and coach team members; and
- control the audits in relation to timescales, budgets and risk management procedures.



**George Amos**

Audit Incharge

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George will work as part of the team, leading the on site audit team, providing a service which meets or exceeds client expectations and supports the engagement lead / manager team. Specifics of the role include:

- taking an active part in the audit planning discussions to identify audit risks and appropriate audit strategy;
- communicating any issues relating to the audit with the engagement manager or engagement lead;
- overseeing all aspects of audit fieldwork and completion;
- addressing and discussing queries in respect of technical and audit issues identified during the course of the audit;
- maintaining good working relationships with client staff; and
- delegating work to other members of the audit team, ensuring they understand their responsibilities and have received appropriate on-the-job training / coaching.

# Introduction & headlines

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

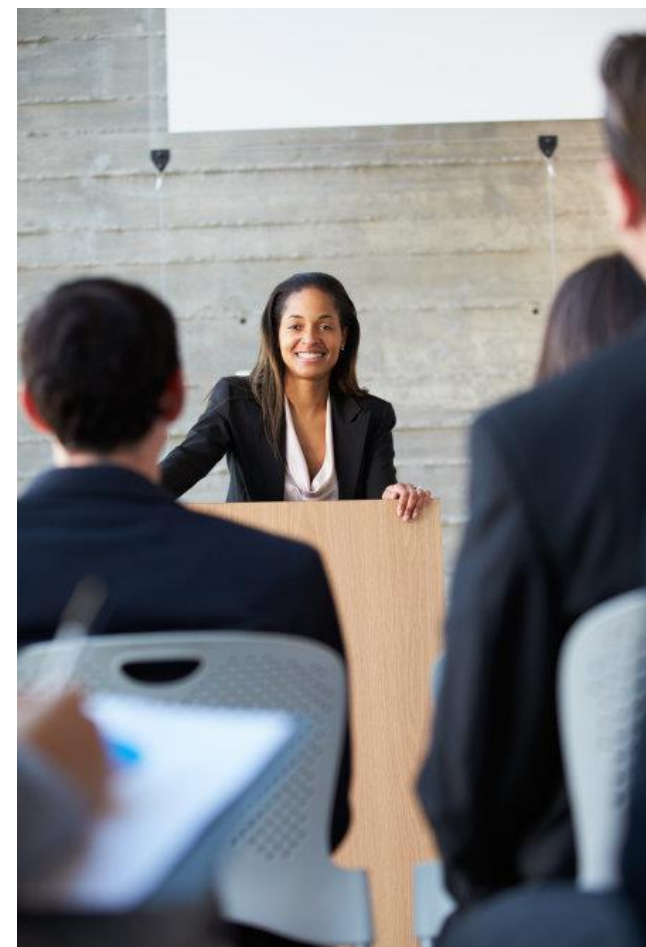
The paper also includes a summary of emerging national issues and developments that may be relevant to you.

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.

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.

We continue to bring specialists to our update conversations where appropriate to share any learning from our position as a leading audit supplier to the police sector.

You will also have access to our annual Chief Accountant Workshops and any other networking opportunities we create for the various stakeholders.



# The auditor's statutory responsibilities

## Opinion on the audited body's financial statements

Our work enables us to give an opinion as to whether the financial statements:

- give a true and fair view of the financial position of the audited body and its expenditure and income; and
- have been prepared properly in accordance with the relevant accounting and reporting framework as set out in legislation, applicable accounting standards and other directions.

Our planning documents our understanding of your key risks, your control environment and inform our testing strategy. This will continue until we begin our final accounts testing.

Since we last reported we have:

- continued to have regular discussions with management discussing issues identified in previous audits, and emerging themes which are expected to impact on the current audits;
- reviewed meeting papers and the latest financial and operational performance reports ensuring we understand your current challenges;
- discussed with IT audit colleagues the work programme for 2021/22; and
- considered any reports from regulators regarding your operational effectiveness.

We expect to issue our joint audit plan summarising our approach to key risks on the audit in April 2022. We will report any key findings from the planning and interim audit visit in our progress reports to Joint Audit Committee.

We plan to deliver our final accounts audits from August 2022. The Accounts and Audit (Amendment) Regulations 2021 push back the date by which principal authorities need to publish their draft financial statements to 31 July at the latest. The target date by which authorities are required to publish audited financial statements for the 2021/22 financial year has been confirmed as 30 November 2022 for the 2021/22 financial year. We continue to discuss the availability of draft financial statements and our proposed final audit work over the Summer with management. We note the ongoing CIPFA Code consultation which potentially impacts the scope of our work and the reporting requirements for the 2021/22 financial statements and will consider the output from this and its impact on the 2021/22 financial statements.

## Work on value-for-money arrangements

Under the 2020 Audit Code of Practice, we are required to undertake sufficient work to satisfy ourselves that the Police and Crime Commissioner and Chief Constable “has made proper arrangements for securing economy, efficiency and effectiveness in their use of resources.”

Our initial risk assessment will build on our understanding of your arrangements, taking into account any findings from previous work on value for money. We will report our risk assessment to you at your July Joint Audit Committee against the following reporting criteria:

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

We will keep our risk assessment under continuous review. Where appropriate, we will update our risk assessment to reflect emerging risks or findings and report this to you. Our final commentary in the Auditors' Annual Report will include:

- a summary of our findings on any risks identified during our work;
- our judgements on the adequacy of the Police and Crime Commissioner and Chief Constable's arrangements for each of the three reporting criteria, as set out above;
- any recommendations made to management as a result of our work; and
- a follow up of progress against any recommendations raised in previous audits.



# The auditor's statutory responsibilities

## Other responsibilities

We are required to give an opinion on whether:

- other information published together with the financial statements is consistent with the financial statements.

We are also required to:

- consider whether the Annual Governance Statement complies with relevant disclosure requirements and whether it is consistent with the information we are aware of from our audit; and
- examine and report on the consistency of 'Whole of Government Accounts' consolidation schedules with the financial statements.

We will complete this work as part of our financial statements visit.

## Other statutory duties

The Local Audit and Accountability Act 2014 ('the Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- to certify the closure of the audits.

Our work to date has not required us to report any such matters to you.

## Added value

Grant Thornton has a large Public Sector practice and is a key supplier to the market. As a valued audit client, you will receive:

- an annual invitation to our free Chief Accountant Workshop. Finance team members took part in the sessions that were undertaken throughout January and February 2022. They provide an opportunity to work through new accounting standards or reporting requirements prior to the year end pressure as well as networking with other Chief Accountants;
- the opportunity to access support from experienced technical colleagues. This means you will be at the forefront of accounting developments. Through this relationship we also ensure that communication works both ways and feed issues back from our clients;
- insight from our regular meetings within the sector where we discuss emerging developments. We will also raise any areas of concern that you have over policy, procedure, or regulation with your regulators; and
- technical and sector updates for the Joint Audit Committee.



# 2021/22 deliverables

## 2021/22 Deliverables

	Planned Date	Status
<b>Accounts Joint Audit Plan</b> We are required to issue a detailed accounts joint audit plan to the Joint Audit Committee setting out our proposed approach in order to give our opinions on the 2021-22 financial statements.	July 2022	Not due yet
<b>Joint Audit Findings (ISA260) Report</b> The Joint Audit Findings Report will be reported to the September Joint Audit Committee.	November 2022	Not due yet
<b>Auditors Reports</b> These are the opinions on your financial statements and annual governance statements.	November 2022	Not due yet
<b>Auditor's Annual Report</b> 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.	February 2023	Not due yet



# Financial Reporting Council annual report

On 29 October, the Financial Reporting Council (FRC) published its annual report setting out the findings of its review of the work of local auditors. The report summarises the results of the FRC's inspections of twenty audit files for the last financial year. A link to the report is here:

[FRC AQR Major Local Audits October 2021](#)

Grant Thornton are one of seven firms which currently delivers local audit work. Of our 330 local government and NHS audits, 87 are currently defined as 'major audits' which fall within the scope of the AQR. This year, the FRC looked at nine of our audits.

## Our file review results

The FRC reviewed nine of our audits this year. It graded six files (67%) as 'Good' and requiring no more than limited improvements. No files were graded as requiring significant improvement, representing an impressive year-on-year improvement. The FRC described the improvement in our audit quality as an 'encouraging response by the firm to the quality findings reported in the prior year.' Our Value for Money work continues to be delivered to a high standard, with all of the files reviewed requiring no more than limited improvement. We welcome the FRC findings and conclusions which demonstrate the impressive improvement we have made in audit quality over the past year.

The FRC also identified a number of good practices including effective challenge of management's valuer, use of an auditor's expert to assist with the audit of a highly specialised property valuation, and the extent and timing of involvement by the audit partner on the VFM conclusion.

Our "Opinion" results over the past three years are shown in the table below:

Grade	Number 2020/21	Number 2019/20	Number 2018/19
Good with limited improvements (Grade 1 or 2)	6	1	1
Improvements required (Grade 3)	3	5	2
Significant improvements required (Grade 4)	0	0	1
<b>Total</b>	<b>9</b>	<b>6</b>	<b>4</b>

Our "VFM" results over the past two years are shown in the table below. The FRC did not review VFM in 2018/19:

Grade	Number 2020/21	Number 2019/20
Good with limited improvements (Grade 1 or 2)	6	6
Improvements required (Grade 3)	0	0
Significant improvements required (Grade 4)	0	0
<b>Total</b>	<b>6</b>	<b>6</b>

# Financial Reporting Council annual report (cont.)

## Quality Assurance Department (QAD) Reviews

In addition to the reviews undertaken by the FRC on major local audits, the QAD team from the ICAEW undertake annual reviews of non-major local audits as well as reviews of Foundation Trusts on behalf of NHSE&I.

The QAD reviewed five of our audits this year and graded all of them (100%) as 'Satisfactory / generally acceptable' for both the financial statements and VFM elements of the audit, which is the highest grading.

Grade	Number 2020/21	Number 2019/20	Number 2018/19
Satisfactory / generally acceptable	5	6	2
Improvement required	0	1	0
Significant improvement required	0	0	0
<b>Total</b>	<b>5</b>	<b>7</b>	<b>2</b>

## Our continued commitment to Audit quality and continuous improvement

Our work over the past year has been undertaken during the backdrop of COVID-19, when the public sector has faced the huge challenge of providing essential services and helping safeguard the public during the pandemic. Local government, in particular, have been at the forefront of supporting local communities and businesses.

As auditors we have had to recognise the competing priorities and challenges facing the finance teams and the whole local government sector whilst staying focused on the principles of good governance and financial management, things which are more important than ever. We are very proud of the way we have worked effectively with audited bodies, demonstrating empathy in our work whilst still upholding the highest audit quality.

Over the coming year we will make further investments in audit quality including strengthening our quality and technical support functions, and increasing the level of training, support and guidance for our audit teams. We will address the specific improvement recommendations raised by the FRC, including:

- enhanced training for local auditors on key assumptions within property valuations, and how to demonstrate an increased level of challenge
- formalising our arrangements for the consideration of complex technical issues by Partner Panels.

As part of our enhanced Value for Money programme, we will focus on identifying the scope for better use of public money, as well as highlighting weaknesses in governance or financial stewardship where we see them.

## Conclusion

Local audit plays a critical role in the way public sector audits and society interact, and it depends on the trust and confidence of all those who rely on it. As a firm we're proud to be doing our part to promote good governance, effective stewardship and appropriate use of public funds.

# 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:

A teal rectangular button with the text "Public Sector" in white.

Public Sector

A purple rectangular button with the text "Police" in white.

Police

# HMICFRS



## HMICFRS's proposed 2021/22 policing inspection programme and framework

HMICFRS published the policing inspection programme and framework for 2021/22 in July 2021.

This can be found at the following link - [Policing inspection programme and framework 2021/22](#)

The document, which has been laid before parliament, sets out HMICFRS's programme of policing inspections for this financial year. It also details those inspections already taking place.

## Pandemic has intensified vulnerability and increased demand on police

In his annual assessment of policing in England and Wales, Sir Thomas Winsor described how crime patterns have changed over the last year, with more crime committed online. He said there is a case for greater sanctions in the Online Safety Bill to protect vulnerable people online.

The Chief Inspector said the pandemic had also increased vulnerability in other ways, such as the lockdown leading to more calls for help from those suffering from domestic abuse.

In his 2020 report, Sir Thomas Winsor said some public services, including mental health, keep on failing. Unless the health and social care system is fixed and people can get the support they need, more people will continue to be vulnerable and enter the criminal justice system unnecessarily, he said. The Chief Inspector recognised that the chronic backlog in court cases has increased as a result of the pandemic, but he questioned why waiting times have become inexcusably long when the number of cases going into the system is at the lowest level for decades.

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

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# Home Office

## Police and local authorities given extra £23.5 million for safer streets

Police forces and local authorities across England and Wales, are to receive a share of £23.5 million to make public spaces safer for all through projects to help women and girls feel safer on our streets as part of the government's Safer Streets Fund.

Created with the objective of tackling local acquisitive crimes like car theft and burglary, the latest round of the Safer Streets Fund has a particular emphasis on the safety of women and girls. The investment will go to police forces and local authorities across England and Wales as well as the British Transport Police to spend in the 2021 to 2022 financial year.

Crimes which take place in public places such as sexual harassment disproportionately affect women. Recipients of funding have submitted bids for innovative plans to increase the safety of public spaces, including projects which emphasise changing attitudes and behaviours in local communities.

Since its inception, the government has committed £70 million to the Safer Streets Fund to support local areas across England and Wales to introduce initiatives aimed at stopping offences happening in the first place.

Round two saw 50 projects across England and Wales awarded a total of £18.4 million to go towards measures proven to cut crime, including simple changes to the design of streets such as locked gates around alleyways, increased street lighting and the installation of CCTV.

The full article can be found [here](#).

# Home Office

## Over 11,000 police hired with more women than ever before

The Home Office have confirmed that more than half of the promised 20,000 additional police officers have now been recruited, with an increasing number of women signing up to join forces across England and Wales.

An extra 11,053 officers have been hired across England and Wales as part of the Police Uplift Programme to help bring crime down and keep neighbourhoods safer, meaning that the government is now 55% of the way to meeting its recruitment target of 20,000 additional officers by March 2023.

Forces saw more women joining the ranks to tackle criminals and protect the public from harm between July and September 2021 – with female officers accounting for 45% (1,451) of all new joiners during that time. And over the last year eight forces – Derbyshire, Lancashire, Greater Manchester, Staffordshire, Sussex, Thames Valley, Kent and Suffolk – have hired more women than men. This means more officers on the streets bringing down drugs gangs, bearing down on violent crime and tackling anti-social behaviour.

There are also more Black, Asian and minority ethnic officers employed across forces than at any other time in the country's history, now making up 7.9% (10,690) of all officers.

The full article can be found [here](#).



# Home Office

## Policing to receive up to £1.1 billion extra to cut crime

Policing will receive a funding boost of up to £1.1 billion next year to drive down crime and deliver safer streets for all the Home Secretary confirmed.

The 2022/23 funding package represents a 7% cash increase on last year and means policing will receive up to £16.9 billion in total in 2022/23.

The boost in resources will help support the delivery of the Beating Crime Plan, which set out the government's mission to deliver fewer victims, safer neighbourhoods, and a more secure country. In particular, the plan focuses on driving down homicide, serious violence and neighbourhood crime – to ensure that everyone can benefit from the security that a safe home, street and country provides.

- The additional funding will allow police forces to continue the work already being done to target criminals, which has seen:
- a 14% fall in overall crime (excluding fraud and computer misuse) between June 2019 and June 2021
- 11,053 additional officers hired across England and Wales – 55% of the target of 20,000 extra police officers by March 2023
- over 1,500 county lines closed, over 7,400 arrests, £4.3m in drugs seized and more than 4,000 vulnerable people safeguarded, thanks to our investment in shutting down county lines since 2019.
- almost 16,000 knives and other dangerous weapons removed from the streets last year thanks to police use of stop and search powers.
- 300,000 at risk young people reached through Violence Reduction Units, set up across the country thanks to £105.5m in funding. This forms part of the £242m we've invested since 2019 to zone in on serious violence and homicide hotspots.
- Within the total package, forces will also be given £550 million more from government grants, including funding for hiring the 20,000 extra officers promised by the government by the end of March 2023. The successful recruitment campaign has already seen more than 11,000 additional police officers join up and make a difference in communities across England and Wales.

The full article can be found [here](#).



# Association of Police and Crime Commissioners

## Association of Police and Crime Commissioners Response To Budget Announcements

APCC Chair, Marc Jones, and APCC Finance Lead, Roger Hirst have issued a response to the Autumn Budget.

The full response can be found [here](#).





# Other News

## **Roads policing and road safety: How improved partnership working can resolve the post-Covid funding squeeze**

With funding for policing and the wider public sector likely to be under significant pressure in the post-Covid economic landscape, resources for roads policing may be severely stretched.

There's speculation everywhere about what the legacy of the Covid era will be, with opinion divided about the extent to which we will return to the way we used to operate. But one thing is undeniable – the Government is going to have to take action to restore the public finances to health after spending £280bn on its response to the pandemic. All sectors will be affected by this, and policing is no exception.

Policing budgets had been recovering over the last couple of years following almost a decade of austerity. The 20,000 reduction in officer numbers that was experienced between 2010 and 2018 is in the process of being reversed and there was optimism about future growth both at force level and in national policing bodies. But all that is surely set to change when the time comes for a multi-year spending review.

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

**Policing**insight

# Annual Transparency Report – Grant Thornton

As auditors of several listed entities as well as nearly one hundred major local audits, we are required as a firm to publish an annual transparency report.

The report contains a variety of information which we believe is helpful to audit committees as well as wider stakeholders. The Financial Reporting Council (FRC) in their thematic review of transparency reporting noted that they are keen to see more Audit Committee Chairs actively engaging and challenging their auditors on audit quality based on the information produced in Transparency reports on a regular basis. We agree with the FRC and are keen to share our transparency report and discuss audit quality with you more widely.

The transparency report provides details of our:

- Leadership and governance structures
- Principle risks and Key Performance Indicators
- Quality, risk management and internal control structure
- Independence and ethics processes
- People and culture
- Compliance with the Audit Firm Governance code and EU Audit directive requirements

We have made significant developments in the year as part of our Local Audit Investment Plan to improve our audit quality. We welcome an opportunity to discuss these developments and our transparency report should you wish.



The full report is available here:

[Transparency report 2020 \[grantthornton.co.uk\]](https://www.grantthornton.co.uk/transparency-report-2020)

# Public Accounts Committee (PAC) – Local auditor reporting on local government in England & government response

The PAC inquiry examined the timeliness of auditor reporting on English local public bodies' financial statements covering 2019-20. The National Audit Office (NAO) report, on which this inquiry is based, found that “delays in the delivery of audit opinions beyond the deadlines for publishing local authority accounts, alongside concerns about audit quality and doubts over audit firms' willingness to continue to audit local public bodies, highlight that the situation needs urgent attention.”

The PAC report found “Without urgent action from government, the audit system for local authorities in England may soon reach breaking point. With approximately £100 billion of local government spending requiring audit each year, the Ministry of Housing, Communities & Local Government (the Department) has become increasingly complacent in its oversight of a local audit market now entirely reliant upon only eight firms, two of which are responsible for up to 70% of local authority audits. This has not been helped by the growing complexity of local authority accounts, with audit firms now asked to carry out more work in each audit, comply with new regulatory demands and adapt to the new multifaceted landscape in which local authorities operate, while also struggling to hire and retain experienced auditors.”

Key conclusions were:

- The marked decline in the timeliness of external audit undermines accountability and hampers effective decision-making.
- There is a pressing risk of market collapse due to an over reliance on a small number of audit firms and significant barriers to entry.
- The commercial attractiveness to audit firms of auditing local authorities has declined.

- The rapidly diminishing pool of suitably qualified and experienced staff increases the risks to the timely completion of quality audits.
- We are not convinced that the recently announced new local audit arrangements will meet the pressing need for effective system leadership now.
- Unless local authority accounts are useful, relevant and understandable they will not aid accountability.

The report made recommendations in each of these areas. The government response was published on 28 October.

The PAC report and response can be found here:

[Timeliness of local auditor reporting on local government in England - Committees - UK Parliament](#)



House of Commons  
Committee of Public Accounts

**Local auditor reporting  
on local government in  
England**

Eleventh Report of Session 2021–22

# 2020/21 audited accounts – Public Sector Audit Appointments

Public Sector Audit Appointments (PSAA) has reported that only 9% of local government audits for 2020/21 were completed by the end of September. This is a sharp contraction on the 45% filed on time for 2019-20, and is the third successive year where the number of accounts produced on schedule has reduced.

PSAA state “The challenges posed by COVID-19 have contributed to the current position. However, a range of further pressures documented in the Redmond Report are also continuing to impact performance. In particular there is a shortage of auditors with the knowledge and experience to deliver the required higher quality audits of statements of accounts, which increasingly reflect complex structures and transactions, within the timeframe expected. The growing backlog of audits is also a concern, with 70 of the 2019/20 audits still incomplete.”

Grant Thornton commented “Audit quality remains a priority for our firm and we continue to work hard with local audit stakeholders to ensure the delivery of high quality audits in as timely a fashion as is practicable. Unfortunately, much of this work will be delivered past the 30 September target date, owing to ongoing constraints posed by the COVID-19 pandemic and the backlog this has caused. We remain committed to public sector audit and are now focused on delivering the majority of our local audits by December 2021.”



The news article can be found here:

<https://www.psaa.co.uk/2021/10/news-release-2020-21-audited-accounts-psaa/>

# 2023-24 audit appointments – Public Sector Audit Appointments

Following a consultation exercise Public Sector Audit Appointments (PSAA) has invited all principal local government including police and fire bodies to become opted-in authorities. At the same time it published its procurement strategy and prospectus for the national scheme from April 2023. Both documents have evolved in response to the feedback provided by the market engagement exercise and consultation on the draft prospectus undertaken during June 2021.

PSAA state “Our primary aim is to secure the delivery of an audit service of the required quality for every opted-in body at a realistic market price and to support the drive towards a long term competitive and more sustainable market for local public audit services.

The objectives of the procurement are to maximise value for local public bodies by:

- securing the delivery of independent audit services of the required quality;
- awarding long term contracts to a sufficient number of firms to enable the deployment of an appropriately qualified auditing team to every participating body;
- encouraging existing suppliers to remain active participants in local audit and creating opportunities for new suppliers to enter the market;
- encouraging audit suppliers to submit prices which are realistic in the context of the current market;
- enabling auditor appointments which facilitate the efficient use of audit resources;
- supporting and contributing to the efforts of audited bodies and auditors to improve the timeliness of audit opinion delivery; and

- establishing arrangements that are able to evolve in response to changes to the local audit framework.

PSAA set out the proposed timeline, which anticipates contracts being awarded in August 2022.



The news article can be found here:

<https://www.psaa.co.uk/2021/09/psaa-publishes-its-prospectus-and-procurement-strategy-and-invites-eligible-bodies-to-opt-in-from-april-2023/>

The procurement strategy can be found here:

<https://www.psaa.co.uk/about-us/appointing-person-information/appointing-period-2023-24-2027-28/procurement-strategy/>

# Guide to support Value for Money (VfM) analysis for public managers – CIPFA

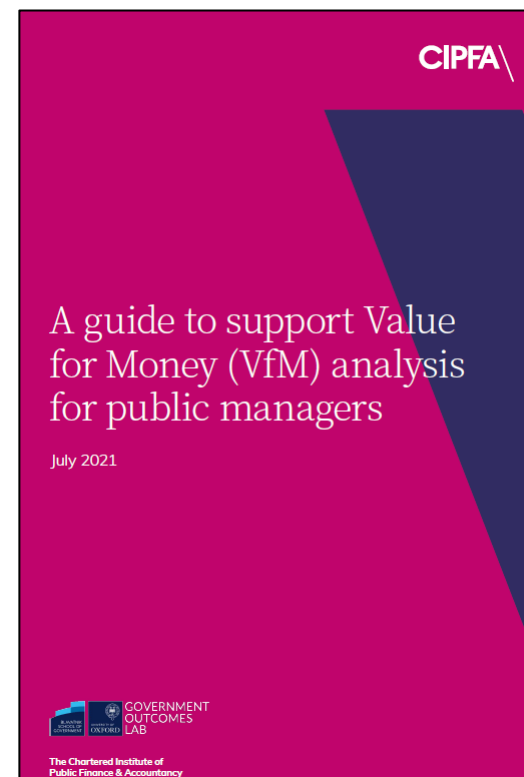
The Chartered Institute of Public Finance and Accountancy (CIPFA) has published this guide which complements a VfM toolkit which has been published separately. Both were developed under a collaborative project between Government Outcomes Lab (GO Lab) and CIPFA.

CIPFA state “The guide is aimed at public managers planning to assess Value for Money (VfM) of outcomes-based contract (OBC) programmes, or any other type of programme with an outcome-focus, using prospective information. This involves assessing economic validity of the programme with respect to ‘doing nothing’ as well as the closest comparator.”

CIPFA explain that the guide:

- Describes what VfM represents in public provision of social services with a special focus on outcome-based contracts (OBCs). In particular the guide emphasises the link between economy and effectiveness criteria.
- Promotes thinking about longer-term effects of interventions, such as outcomes and impact, at the design/ planning stage of programmes. This means that having a good appreciation for efficiency is helpful but not necessary, especially when outcomes are both identifiable and measurable.
- Explain how it could be used to appraise public programmes with respect to anticipated costs and value of them using prospective information.

The guide is available to CIPFA members through the website.



# Cyber and information security: Good practice guide – NAO

The National Audit Office (NAO) has published this guide to help Audit Committees scrutinise cyber security arrangements. To aid them, this guidance complements government advice by setting out high-level questions and issues for audit committees to consider.

The NAO state “Audit committees should gain the appropriate assurance for the critical management and control of cyber security and information risk.

Cyber security is the activity required to protect an organisation’s data, devices, networks and software from unintended or unauthorised access, change or destruction via the internet or other communications systems or technologies. Effective cyber security relies on people and management of processes as well as technical controls.

Our guide supports audit committees to work through this complexity, being able to understand and question the management of cyber security and information risk.

It takes into account several changes which affect the way in which we interact with and manage our information and can drive increased risk. These include changes to the way we work and live due to the COVID-19 pandemic and the ongoing demand to digitise and move to cloud-based services.

The strategic advice, guidance and support provided by government has also been updated to keep pace with these changes, detailing the impact and risks on the management of cyber security and information risk.

The guide provides a checklist of questions and issues covering:

- The overall approach to cyber security and risk management
- Capability needed to manage cyber security
- Specific aspects, such as information risk management, engagement and training, asset management, architecture and configuration, vulnerability management, identity and access management, data security, logging and monitoring and incident management.”

The report can be found here:

<https://www.nao.org.uk/report/cyber-security-and-information-risk-guidance/>

